

August 31, 2016

**Sumitomo Chemical to Acquire Majority Stake in
Manufacturer of Cathode Materials for Secondary Batteries**

Sumitomo Chemical has agreed with Tanaka Chemical Corp., a Japanese manufacturer and seller of cathode materials for secondary batteries, to acquire an additional stake in the company via third-party allotment, thereby strengthening the two companies' capital and business alliance further. The transaction will raise Sumitomo Chemical's stake in Tanaka Chemical to 50.1 percent.

Tanaka Chemical is engaged in the business of cathode materials for small, high-performance rechargeable batteries for smartphones, laptop PCs, etc., such as lithium-ion secondary batteries and nickel-metal hydride secondary batteries, as well as those for medium and large-sized secondary batteries that are key components of environmentally friendly vehicles, including hybrid cars and electric cars.

Sumitomo Chemical's capital tie-up with Tanaka Chemical began in 2013, commencing their joint development in cathode materials for high-capacity batteries for car mounting use. In 2015, the Company's stake in Tanaka Chemical was raised to 14.81 percent, developing and deepening the two companies' business relationship.

Given that their joint development has been advancing successfully and in light of the lithium-ion secondary battery market likely to grow substantially from the medium to long perspectives in tune with the ever growing market of environmentally friendly vehicles, the two companies have agreed to further enhance the bonds of their capital and business relationships for mutual growth in the years and decades ahead.

Sumitomo Chemical will work vigorously to create synergies of the collaboration more than ever, by leveraging global commercial distribution and other resources of Sumitomo Chemical Group as well as through accelerating the joint development with Tanaka Chemical.

(Company Profile)

Company Name : Tanaka Chemical Corporation

Established : December 1957

Location : Fukui City, Fukui Prefecture, Japan

Business : Manufacture and sale of cathode materials for secondary batteries

Manufacture and sale of catalyst materials

Manufacture and sale of inorganic chemical products

Number of employees : 175 (as of end March 2016)

President : Tamotsu Tanaka