

April 13, 2015

Sumitomo Corporation

Summit Pharmaceuticals International Corporation

Sumitomo Group to Advance into Cosmetic Ingredients Business in Europe  
—Acquiring Cosmetic Ingredients Business from Kyowa Hakko Europe GmbH—

Sumitomo Corporation (Head Office: Chuo-ku, Tokyo; President and CEO: Kuniharu Nakamura) and Summit Pharmaceuticals International Corporation (Head Office: Chuo-ku; President and CEO: Yoshiki Terawaki; the two companies hereafter collectively referred to as “Sumitomo Group”) will acquire from Kyowa Hakko Europe GmbH, a European subsidiary of Kyowa Hakko Bio Co., Ltd., its cosmetic ingredients business (hereafter “the Business”) in a move to fully advance into cosmetic ingredients business in Europe. The acquisition will be conducted through Summit Pharmaceuticals Europe Limited (Head Office: London, U.K.; President and CEO: Taizo Horimoto), a subsidiary of Sumitomo Corporation that markets pharmaceutical intermediates and raw materials in Europe.

The Business to be acquired is the cosmetic ingredients sales business conducted by Kyowa Hakko Europe GmbH mainly in Germany as well as other parts of Europe, Middle and Near East, and its neighboring regions. The Sumitomo Group will obtain the right to market cosmetic ingredients including vitamins and moisturizing agents for hair care and skin care products.

The Sumitomo Group first started its cosmetic ingredients business by exporting ingredients produced in Japan. Since 2010, the Group has steadily expanded the scope of business by investing in Presperse Corporation and Cosmotec International Especialidades Cosméticas Ltda (hereafter “Cosmotec”), leading cosmetic ingredients suppliers in the United States and Brazil, which are the largest cosmetic ingredients markets in the world.

By acquiring the Business, the Sumitomo Group will make full entry into the European market, which accounts for approximately 30% of the global cosmetics ingredients market, aiming for synergistic effects with Presperse and Cosmotec. By securing a business foundation in Europe, the Group hopes to obtain sales channels to reach European cosmetics manufacturers, and furthermore, offer strengthened services to European plants of U.S. cosmetics manufacturers to expand transactions with them. Products handled in the Business will be added to the lineup of highly functional ingredients offered by Presperse and Cosmotec, reinforcing the Sumitomo Group’s overall product portfolio. Moreover, the Group will strengthen cooperation among Group companies and collaborate with ingredients manufacturers to proactively develop and propose ingredients tailored to customer needs.

The cosmetics market, including skin care and hair care products, boasts a size of around 460 billion dollars (retail basis) worldwide, and is the second most promising market after pharmaceuticals market. The cosmetics market is expected to continue growing rapidly at the rate of four to five percent a year owing to giant markets including Europe, the United States and Japan achieving strong performance and newly emerging countries including Brazil and Southeast Asian countries serving as driving forces. By establishing a business foundation in Europe in addition to the United States, Brazil, Japan and China, the Sumitomo Group will be equipped to serve all the major

markets in the world. Having already accomplished its initial sales target of 100 million dollars, the Group will raise the bar and aim at generating annual sales of 200 million dollars in three years.

■ Outline of the Business

Location: Dusseldorf in Germany  
Type of Business: Distribution of cosmetic ingredients in the Europe and the Middle East  
Products: Cosmetic ingredients including vitamins and moisturizing agents  
for hair care and skin care products  
Suppliers: in China, India, and Japan etc.  
Clients: Major cosmetic manufacturers and distributors in the Europe.

**【Inquiries】**

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