



Press Release

September 21, 2017  
Sumitomo Corporation

Sulfuric Acid Tank Terminal Business on US West Coast

Sumitomo Corporation (Head Office: Chuo-ku, Tokyo; Representative Director, President and Chief Executive Officer: Kuniharu Nakamura), has agreed on a land lease agreement with the Port of Stockton, California on the US West Coast via Sulphuric Acid Trading Company, Inc. (Location: Tampa, Florida, US; hereinafter: "SATCO"), a US business company of Sumitomo Corporation's wholly-owned subsidiary Interacid Trading S.A. (Head Office: Lausanne, Switzerland; hereinafter, "ITSA"), and decided to construct a new sulphuric acid tank terminal (hereinafter, "the Terminal") at that port.

The Terminal will be equipped with a 30,000-ton sulphuric acid tank, diluting facilities and freight car/truck shipping facilities with construction expenses expected to total about two billion yen. Construction is scheduled to begin by the end of 2017, and operation should start in early 2019. The Port of Stockton, the intended construction site, is a key import/export port on the West Coast located about 100km east of San Francisco Bay, annually handling four million tons of cargo, primarily fertilizer, grain, cement, steel materials, and coal. West Coast demand for sulphuric acid is expected to increase in future, particularly for agricultural, mining and industrial use, and the Port of Stockton offers good access to consumers.

The Terminal will be the only sulphuric acid receiving terminal on the West Coast, and Sumitomo Corporation will seek to sell more than 200,000 tons of sulphuric acid per year to West Coast customers through SATCO, which will be running the Terminal.

In California, the US' largest agricultural zone, sulphuric acid is widely used to improve farmland soil. Faced with chronic water shortages recently, the state has been steadily introducing drip irrigation methods that allow for highly efficient water distribution, and sulphuric acid is being used to adjust irrigation water quality to make it suitable for drip irrigation. By utilizing the Terminal to ensure a steady supply of sulphuric acid and help

farmers make efficient use of water, Sumitomo Corporation hopes to contribute to community and industrial development, as well as to expand sales of sulphuric acid for use in mining, water treatment, and fertilizer manufacturing.

ITSA was established in Switzerland in 1970 as a chemicals trading company that, since 1993 when Sumitomo Corporation acquired 100% of its shares, has for more than 20 years been broadly involved internationally with the sulphuric acid trade and sulphuric acid tank terminals in the US, Chile and Australia. The Group presently owns 12 tanks boasting a capacity of more than 220,000 tons, and is a major player in the sulphuric acid industry, handling nearly three million tons annually. Sumitomo Corporation will continue pursuing synergy between the sulphuric acid trading business and the tank terminal business for the sake of further business growth.

#### [Reference]

##### ■ Sulphuric acid

Sulphuric acid (chemical formula:  $H_2SO_4$ ) is a colorless, odorless acidic liquid primarily produced by sulfur burning and non-ferrous metal smelting processes. With an annual global production volume of about 240 million tons, it is the world's most widely produced and distributed basic chemical product. Its principal applications include the production of phosphate fertilizers, water treatment agents and titanium oxide as well as non-ferrous leaching.

##### ■ Company profiles

###### <ITSA>

|                          |  |
|--------------------------|--|
| Location:                | Lausanne, Switzerland  |
| President:               | Adrien Johr  |
| Description of business: | International trading in sulphuric acid                      |
| Sales:                   | USD67 million (consolidated basis for term ended March 2017) |
| Shareholder:             | Sumitomo Corporation Group (100%)                            |

###### <SATCO>

|                          |  |
|--------------------------|--|
| Location:                | Florida, US  |
| President:               | Brent Shonka   |
| Description of business: | Sulphuric acid sales and terminal operation                      |
| Sales:                   | USD15 million (non-consolidated basis for term ended March 2017) |
| Shareholder:             | Sumitomo Corporation Group (100%)                                |

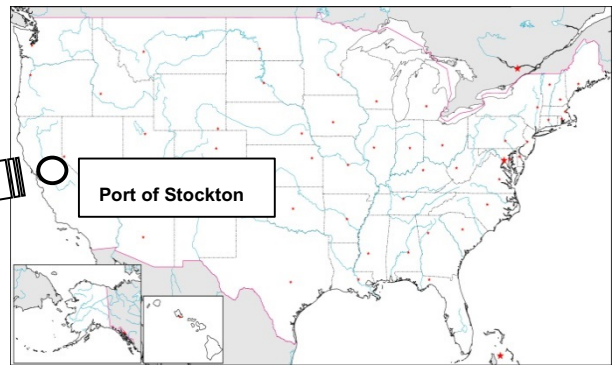


<Sulphuric acid vessel being received at terminal in Mejillones, Chile>




< SATCO Tank Terminal / Tampa, Florida, US>

■ Bird's-eye view of Stockton Port



■ Sumitomo Corporation's Material Issues

Sumitomo Corporation Group positions “Six Material Issues to Achieve Sustainable Growth with Society” as an important factor in developing business strategies and in the decision-making process for individual businesses. Going forward, we will pursue sustainable growth by resolving these issues through our business activities. This project especially contributes to “Contributing to the Development of Local Communities and Industries”.

| Six Material Issues   |  |
|---|--|
|  | <p><b>Achieving Harmony with the Global Environment</b></p> <p>To realize recycling-oriented society and mitigate climate change, we are working to establish frameworks for the efficient use of resources and stable supply of renewable energy. In doing so, we will achieve growth in harmony with the global environment.</p>   |
|  | <p><b>Contributing to the Development of Local Communities and Industries</b></p> <p>We steadily procure and provide goods and services to meet the needs of people in various countries and regions and contribute to developing industrial platforms. Through these means, we will create a virtuous cycle in which we can grow and develop together with local communities.</p> |
|  | <p><b>Establishing a Foundation for Comfortable and Enriching Lifestyles</b></p> <p>We strive to realize more convenient and comfortable lifestyles by providing goods and services for daily use while also responding to needs for high-quality lifestyles in order to support the physical and mental health of people around the world.</p>                                    |
|  | <p><b>Providing Diverse "Accessibility"</b></p> <p>We provide diverse accessibility to open up the possibility of creating new value. To this end, we will improve mobility for safe and efficient flow of people and goods, and expand the network connecting information and finance.</p>  |
|  | <p><b>Developing Human Resources and Promoting Diversity</b></p> <p>In order to create new value and innovation by allowing our diverse personnel to fully exercise their abilities in a variety of fields, we will promote the development and empowerment of human resources, which represent our most important management resources.</p>                                       |
|  | <p><b>Enhancing Governance</b></p> <p>We will enhance our ability to draft and implement strategies for achieving sustainable growth and to provide appropriate supervision of these strategies, all while maintaining transparency. In this manner, we will improve management efficiency and maintain sound management.</p>  |

[Inquiries on this matter]

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