



15 April, 2019

Sumitomo Chemical Co., Ltd.
The Sumitomo Warehouse Co., Ltd.
Shikoku Kaihatsu Ferry Co., Ltd.

**Feed Additive Methionine Logistics Operations Certified by Government
as "Comprehensive Efficiency Plan"**

Sumitomo Chemical Co., Ltd. ("Sumitomo Chemical"), The Sumitomo Warehouse Co., Ltd. ("Sumitomo Warehouse"), and Shikoku Kaihatsu Ferry Co., Ltd. ("Shikoku Kaihatsu Ferry") jointly announced today that they have received a "Comprehensive Efficiency Plan" certification from Japan's Ministry of Land, Infrastructure, Transport and Tourism with respect to the companies' certain business plan involving domestic transportation by ship in Japan of feed additive methionine produced at the Sumitomo Chemical's Ehime Works ("Ehime Works"). This certification is issued in accordance with "Act on Advancement of Integration and Streamlining of Distribution Business"

The Act stipulates, among others, certifying selected business projects or initiatives as "Comprehensive Efficiency Plan", along with the provision of related supportive measures, where rationalized transportation of materials will make their distribution operations more efficient while at the same time lessening environmental impact or reducing required manpower during the course of materials distribution. If the certification is granted, business operators are entitled to receive various benefits, including special tax treatment.

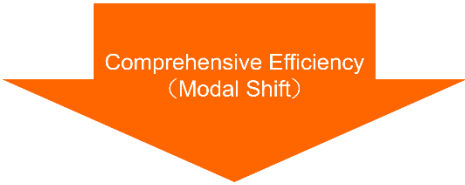
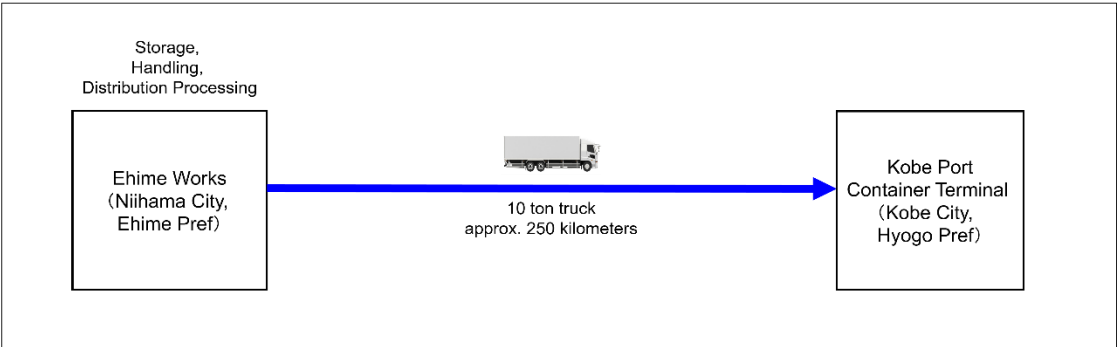
Methionine, which is an essential amino acid that cannot be synthesized within an animal's body, is used mainly as a feed additive for chicken. The methionine market is expected to show an unabated growth globally at a high annual rate of about 6%, given the continued growth of world population and the further spreading of the meat-eating culture among emerging countries as their economies continue to develop in the decades to come. In light of such a prospect, Sumitomo Chemical expanded the production capacity of methionine at the Ehime Works in October 2018 from approximately 150,000 metric tons per annum to approximately 250,000 metric tons per annum. In parallel, Sumitomo Chemical is working to boost the export of methionine by increasing the quantity of methionine transported from the Ehime Works to Kobe Port, a major export port for the product.

The tripartite business plan certified by the Ministry encompasses operations for transporting by ship nearly all the distance of methionine from the Ehime Works to Kobe Port with respect to the expanded production of methionine as above. In granting the certification, the Ministry fully recognized the distinctive advantage resulting from the business plan that CO₂ emissions will lower by approximately 55%, truck transportation will decrease by approximately 94%, and truck drivers' working hours will drop by approximately 91%, all compared with equivalent instances of the methionine transported to Kobe Port entirely by land.

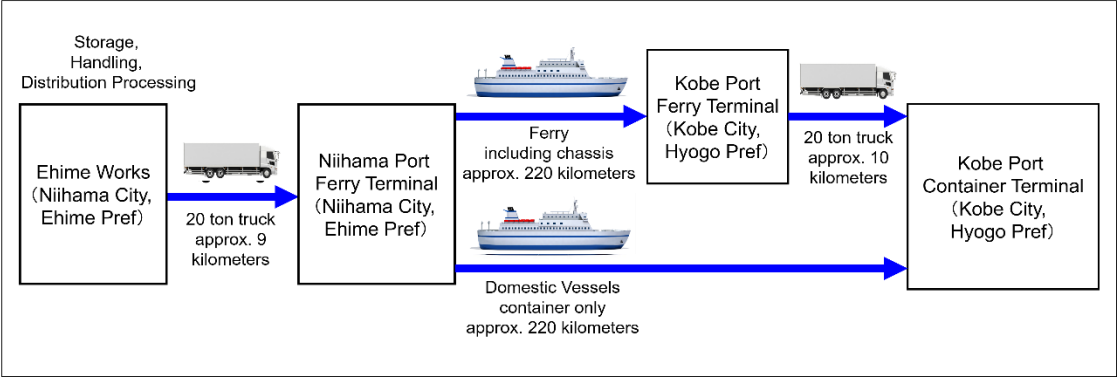
Going forward, Sumitomo Chemical, Sumitomo Warehouse, and Shikoku Kaihatsu Ferry will continue to make steady efforts toward further improving efficiency in logistics and other operations while minimizing any possible impact of their activities on the environment.

<Transport flow>

Case of land transportation



Certified Logistics flow



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