



September 10, 2024

To whom it may concern

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Notice Regarding Petition by Sub-subsidiary Presperse Corporation to Commence Corporate Rehabilitation Proceedings

Sumitomo Corporation (the “Company”) hereby announces that Presperse Corporation (“Presperse”), a distributor of cosmetic ingredients in the United States and a wholly-owned subsidiary of Sumitomo Corporation of Americas, a consolidated subsidiary of the Company, has filed a petition for the commencement of corporate rehabilitation proceedings under Section 524(g) of Chapter 11 of the United States Bankruptcy Code with the United States Bankruptcy Court for the District of New Jersey (the “Court”) on September 9, 2024, local time.

1. Outline of the Sub-subsidiary

(1) Name	Presperse Corporation		
(2) Location	New Jersey, U.S.		
(3) Title and name of representative	President & CEO Joy Atkinson		
(4) Business	Distribution of cosmetic ingredients		
(5) Capital	USD 21,217 thousand / JPY 2,970 million (converted at USD 1 = JPY 140)		
(6) Date of establishment	June 8, 1981		
(7) Shareholding ratio	Sumitomo Corporation of Americas: 100%		
(8) Relationship between the Company and the sub-subsidiary	Capital relationship	The Company owns 100% of the shares of the sub-subsidiary indirectly through Sumitomo Corporation of Americas.	
	Personnel relationship	The Company has sent officers to the sub-subsidiary.	
	Business relationship	Not applicable.	
(9) Business performance and financial condition of the sub-subsidiary for the past three years (converted at USD 1 = JPY 140)			
Fiscal year	FY ended March 31, 2022	FY ended March 31, 2023	FY ended March 31, 2024
Net assets	USD 23,293 thousand JPY 3,261 million	USD 26,606 thousand JPY 3,725 million	USD (13,976 thousand) JPY (1,957 million)
Total assets	USD 36,212 thousand JPY 5,070 million	USD 40,927 thousand JPY 5,730 million	USD 45,225 thousand JPY 6,332 million
Revenue	USD 45,954 thousand JPY 6,434 million	USD 70,158 thousand JPY 9,822 million	USD 49,337 thousand JPY 6,907 million
Operating profit	USD 2,674 thousand JPY 374 million	USD 4,557 thousand JPY 638 million	USD (6,276 thousand) JPY (879 million)
Pre-tax profit	USD 2,481 thousand JPY 347 million	USD 4,240 thousand JPY 594 million	USD (53,253 thousand) JPY (7,455 million)
Net income attributable to owners of the parent	USD 2,287 thousand JPY 320 million	USD 3,172 thousand JPY 444 million	USD (40,570 thousand) JPY (5,680 million)

2. Background of the Petition

Presperse has been diligently defending itself in talc-related litigation in the United States. However, the significant costs associated with the litigation have made it unlikely that it will be able to continue its business. This is despite the fact that in the cosmetics industry, in which Presperse operates, the value of Presperse's business is appreciated by many stakeholders. In light of these circumstances, Presperse considered rehabilitation under Section 524(g) of Chapter 11, of the United States Bankruptcy Code to continue its business and reached an agreement with the plaintiffs. Therefore, it has decided to file a petition with the Court for corporate rehabilitation proceedings under Section 524(g) of Chapter 11 of the United States Bankruptcy Code.

Note: Section 524(g) of Chapter 11 of the United States Bankruptcy Code is a type of corporate rehabilitation proceedings thereunder that was established to address asbestos injuries. It is used to identify and resolve asbestos liabilities while allowing the continuation of normal business operations. The applicants for the proceeding establish a relief fund of a certain amount to settle the asbestos liabilities, while the creditors of the asbestos liabilities receive repayments from the relief fund, thereby relieving the applicants of the asbestos liabilities.

3. Outline of the Petitioner

(1) Name	Presperse Corporation
(2) Location	New Jersey, U.S.
(3) Title and name of representative	President & CEO Joy Atkinson

4. Details of the Petition

Petition for the commencement of corporate rehabilitation proceedings under Section 524(g) of Chapter 11 of the United States Bankruptcy Code

5. Total Liabilities of the Sub-subsidiary

USD 59,201 thousand or JPY 8,288 million (as of March 31, 2024; converted at USD 1 = JPY 140)

6. Impact of Bankruptcy, etc. of the Sub-subsidiary

The impact on consolidated results for the fiscal year ending March 31, 2025 is minor, as litigation costs of approximately JPY 5 billion were recorded in the Company's consolidated results for the fourth quarter of the fiscal year ended March 31, 2024.

7. Valuation of Shares of the Sub-subsidiary

Sumitomo Corporation of Americas, the shareholder, has recorded a valuation loss on Presperse shares, resulting in the current valuation of Presperse shares being zero yen.

8. Future Outlook

We will continue to strive to expand the Group's cosmetic ingredients business on a global scale in collaboration with the existing operating companies located in Japan, South America and Europe, as well as the Company's overseas regional organizations together with Presperse which continues its business following the corporate rehabilitation proceedings under Section 524(g) of Chapter 11 of the United States Bankruptcy Code.

Reference: Full-year consolidated results forecasts for FY ending March 31, 2025 (announced on July 31, 2024) and actual consolidated results for FY ended March 31, 2024

Unit	Profit for the year attributable to owners of the parent millions of yen	Earnings per share attributable to owners of the parent yen
Forecasts for FY ending March 31, 2025	530,000	435.95
Results for FY ended March 31, 2024	386,352	315.87

Cautionary Note on Forward-looking Statements:

Forward-looking statements on the Company's management goals and other future projections are based on current assumptions and expectations about future events and on information currently available to the Company. As such, they are subject to change depending on the future conditions of the environment surrounding the Company and are not a guarantee of the achievement of these goals and projections or of future performance. You are advised not to place undue reliance on these statements and to be aware that the Company is under no obligation to update or alter these statements.