Japan's SumitomoÂ invests in DPH Biologicals to develop biological plant nutrition and crop protection products aiming to enter US market

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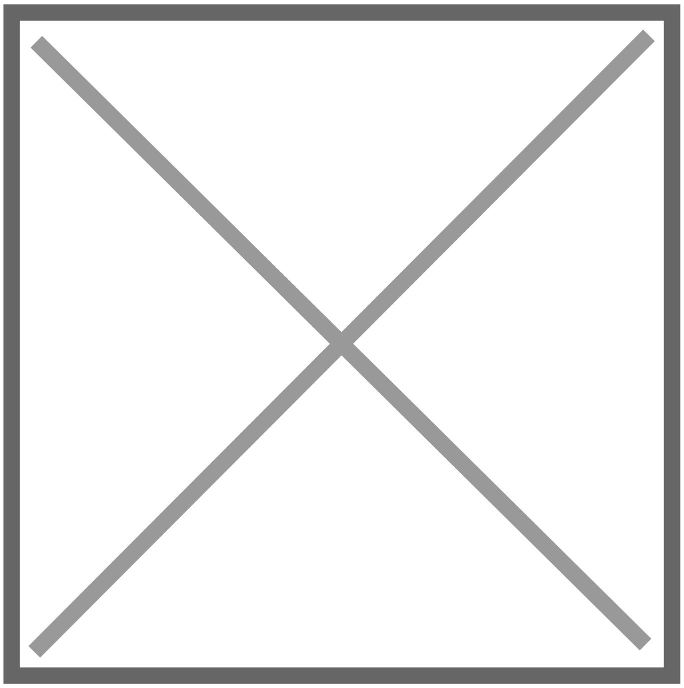
Sumitomo Corporation has invested in DPH Biologicals, a U.S.-based company, developing and commercializing biological plant nutrition and crop protection products. This investment follows previous equity investments in Futureco Bioscience S.A. (Spain, 2017) and Bio Insumos Nativa (Chile, 2024), and is part of Sumitomo Corporation's strategy to reinforce its business in the biological crop protection and fertilizer sector â?? one of the key focus areas within the company's agribusiness operations.

By incorporating DPH Bio's business platform and linking it with existing global networks and Group operations in R&D and manufacturing of biological agricultural inputs, Sumitomo Corporation aims to further strengthen its value chain and promote broader adoption of these inputs. In turn, this will contribute to the advancement of sustainable agricultural practices worldwide.



DPH Bio has strong capabilities in both product development and sales of biological plant nutrition and crop protection products. It offers high-quality products that help improve soil health and boost yields for major U.S. crops such as corn and soybeans, in addition to fruit and vegetable crops. DPH Bio collaborates with strategic external partners to develop and distribute products that meet market needs for different regions and crop characteristics.

Leveraging DPH Bioâ??s strengths, Sumitomo Corporation aims to strengthen its agribusiness foundation in the U.S. by offering high value-added products, including products from Sumitomo Corporation Group companies. The company also aims to expand global sales by combining these strengths with its extensive international network.

As the global population continues to grow, it is essential to increase agricultural productivity, which is driving sustained growth in the use of agrochemicals and fertilizers. In this context, demand is surging for biological crop protection and fertilizer products that use microorganisms or plant-based extracts and place less burden on the environment. The global market for biological crop protection products is projected to grow from $8 billion (approx. JPY 1.2 trillion) in 2023 to over $15 billion (approx. JPY 2 trillion) by 2029 â?? an approximately 1.9-fold increase â?? and is expected to account for approximately 20% of the total crop protection market ($75 billion, approx. JPY 11 trillion). In the United States, which has become the world's largest market for biological agricultural inputs, this growth is further accelerated by public calls for more environmentally conscious farming and a rise in consumer interest in health and food safety.

For over 50 years, the Sumitomo Corporation Group has been engaged in the agrochemical and fertilizer business. It currently operates agro-input distribution businesses in approximately 40 countries, contributing to agricultural production around the world in collaboration with local producers. In the biological input space, Sumitomo Corporation has steadily expanded business through equity participation and exclusive distribution agreements, especially in Europe and Latin America.