

May 17, 2011

To whom it may concern

Unicharm Corporation  
Takahisa Takahara, President & CEO  
(Code: 8113, First section of the Tokyo Stock Exchange)  
Sumitomo Corporation  
Susumu Kato, President & CEO  
(Code: 8053, First section of the Tokyo Stock Exchange)

**Notice of entering into an LOI between Unicharm Corporation and Sumitomo Corporation  
on strategic business alliance and capital tie-up for the pet-care business in the U.S.  
-Unicharm Corporation taking a stake in The Hartz Mountain Corporation, a wholly owned  
subsidiary of Sumitomo Corporation-**

We are pleased to announce that today, a Letter of Intent was signed by Sumitomo Corporation (Susumu Kato, President and CEO), Sumitomo Corporation of America (Takashi Kano, President and CEO) (hereinafter collectively referred to as "Sumitomo Corporation") and Unicharm Corporation (Takahisa Takahara, President & CEO; hereinafter, "Unicharm") agreeing on starting talks on strategic tie-up for the joint pet-care business in the U.S. including the acquisition by Unicharm of a 51% stake in the common share of The Hartz Mountain Corporation (hereinafter, Hartz), a wholly owned subsidiary of Sumitomo Corporation.

1. Reasons for the business and capital tie-up

Currently, the U.S. is the largest market for pet-care products which amounts to about 2.6trillion yen. (US\$30billion) Even under the global economic downturn after the Lehman shock, it has continued the growth at the rate of 4-5% p.a. and further growth is expected.

Under such business environment, Sumitomo Corporation has been expanding its pet-care business in the U.S. by utilizing tangible and intangible management resources of Hartz such as i) ownership of the No.1 brand of flea and tick products, treats, training pads and dog toys, etc.; ii) distribution capability to 110 thousand stores in the U.S.; and iii) a trusting relationship with mass retail chains. On the other hand, Unicharm entered into the pet-care business in 1986, and has grown into the No.1 manufacture in the Japanese pet-care market, with its differentiated product lines and strong marketing capabilities. In particular, it has become an overwhelming No.1 company in the field of pet toilet products such as toilet sheets, taking advantage of its nonwoven fabric and absorbency technology. Unicharm positions pet-care products as a core business following personal care

products including disposal diapers, sanitary pads, etc. Aiming at creating group synergy and further enhancing the operation base, Unicharm merged Unicharm PetCare Corporation in September 2010, a company listed in the first section of the Tokyo Stock Exchange. After launching the first global business in Shanghai in September 2010, it has looked for new business opportunities.

Unicharm and Sumitomo Corporation reached a strategic agreement on the launch of joint pet-care business in the U.S., by integrating the advantage of Unicharm such as pet-care related technical capabilities, product development and manufacturing capabilities, etc. and operating base of Hartz such as marketing knowhow and marketing capabilities in the U.S., etc. Sumitomo Corporation and Unicharm started talks on business and capital tie-up based on transfer of 51% share of the total outstanding stock of Hartz (51% share of voting rights) from Sumitomo Corporation to Unicharm.

## 2. Contents of business tie-up, etc.

### (1) Aim

Hartz was founded in 1926 and is currently headquartered in the State of New Jersey, U.S.A. With its history of 84 years, Hartz brand has achieved the recognition rate of 90% among pet owners. It owns No.1 brand in the eight product categories including flea and tick products, natural treats, training pads and dog toys, etc. Hartz occupies a position to advise nationwide mass retailer chains., on which pet care products they have to carry and how to display them on the shelf, therefore has a great influence on product and sales strategy of retailers.

Due to the increasing popularity of small dogs and indoor pets, pet-care market trend of the U.S. has become similar to that of Japan, such as penetration of premium pet food, more demands for indoor toilet products, etc. In Japan, Unicharm has long pursued new market development and business expansion, focusing on the four main trends of pet-care market-the increase of small dogs, overweight dogs, old dogs and indoor dogs. Unicharm and Sumitomo Corporation are aiming to dramatically grow the pet-care business in the U.S., by taking advantage of the brand power of Hartz and offering pet toiletry products utilizing Unicharm group's absorbent material technology that has very high reputation from Japanese consumers. The first priority of this alliance is to dramatically grow the Hartz business, maximizing the potential of the US Pet Care Market which is the largest on the globe. But it also has in sight to discuss to potentially grow the business beyond US, for further growing the Pet Care Business.

### (2) Outline of capital tie-up (Stock transfer deal)

Unicharm acquires 9,693,400 shares of Hartz (51% of the total outstanding stock held by Sumitomo Corporation)

(note) The price of the stock transfer stated above is not yet determined. It will be determined in the final contract after discussing due diligence on Hartz and the result of stock value assessment by the third party rating agency.

### 3. Company profile at the time of merger

#### (1) Merged company profile (plan)

(1)	Name	The Hartz Mountain Corporation
(2)	Address	400 Plaza Drive, Secaucus, New Jersey, U.S.A.
(3)	Position and Name of the representative	Robert Shipley, CEO and President
(4)	Business description	Manufacturing and Distribution of Pet Care Products
(5)	Capital	US\$ 270,000,000 (as of the end of March, 2011)
(6)	Foundation date	Acquired by Sumitomo Corporation on June 21, 2004
(7)	Fiscal term	April - March
(8)	Net asset	US\$ 206,040,000 (as of the end of March, 2011)
(9)	Gross asset	US\$ 355,050,000 (as of the end of March, 2011)
(10)	Capital ratio	Sumitomo Corporation of America: 59.4%, Sumitomo Corporation (Tokyo) 40.6%

#### 4. Schedule (plan)

(1)	Conclusion of stock transfer contract	September 30, 2011
(2)	Operation start date	October 1, 2011

URL of each companies are as follows,

Unicharm Corporation	<a href="http://www.unicharm.co.jp/company/index.html">http://www.unicharm.co.jp/company/index.html</a>
Sumitomo Corporation	<a href="http://www.sumitomocorp.co.jp/">http://www.sumitomocorp.co.jp/</a>
The Hartz Mountain Corporation	<a href="http://www.hartz.com/home.aspx">http://www.hartz.com/home.aspx</a>

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