

FOR IMMEDIATE RELEASE

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Sumitomo Machinery Corporation of America Chooses Hampton Roads for Bevel Gearbox Manufacturing and Centralized Distribution Center

Chesapeake, Virginia - Sumitomo Machinery Corporation of America (SMA), U.S. headquarters for Sumitomo Drive Technologies, has just purchased three Gleason gear machines to increase their bevel gear manufacturing capabilities at its Cavalier Industrial Park location in Chesapeake. This represents the first phase of a three year investment strategy that will ultimately total more than \$12.5 million dollars. All equipment will be delivered and operational by 2015. Sumitomo's 250,000 square foot Chesapeake facility will transform from an assembly/distribution center to an assembly/manufacturing facility.

Sumitomo is dedicated to increasing their manufacturing capabilities in a market that continues to expand throughout the Americas. The bevel gear market is estimated at \$300 million USD and is expected to continue incremental increases for the next several years. This initiative complements Sumitomo's midterm plan for expanding in the right-angle market through its competitive bevel gearbox designs, and will provide quality bevel components with world class efficiency. Sumitomo will be launching the Cyclo® Bevel Buddybox 4 and 5 series products in 2012, and the increased manufacturing capabilities will help support the production of these two new product lines.

"Given the variability of the global supply chain, many U. S. manufacturers are re-shoring," said James Travers, Vice President of Business Operations. "Sumitomo Machinery recognizes the market demands of our customers, requiring shorter lead times, high quality products and competitive costs. SMA is committed to expanding manufacturing capabilities to meet those demands and Chesapeake is the best location for our advanced manufacturing operations due to local expertise."

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“Sumitomo’s corporate vision to advance manufacturing in Chesapeake – puts our community on the international forefront as a desirable location where manufacturers can make quality products and distribute to global markets,” says Steven Wright, Director, City of Chesapeake, Economic Development Department. “For 24 years, Sumitomo has been committed to our area and provided quality jobs for our residents. We welcome this new investment and opportunity to showcase our skilled workforce that is second to none.”

The City of Chesapeake has approved an economic development grant to assist with Sumitomo’s expansion. Through its Virginia Jobs Investment Program, the Virginia Department of Business Assistance will provide funding and services to support the Company’s recruitment and training activities.

Sumitomo has selected Suffolk as the location for their Centralized Distribution Center. This distribution center will consolidate all purchasing and stock inventories, and streamline the North American order flow process. The total capital investment for the distribution center is just under \$1million USD. “We are delighted to welcome Sumitomo, a well-respected international company, to Suffolk. Their Centralized Distribution Center will bring new job opportunities to our community and demonstrates their confidence in our workforce, infrastructure and economy,” said Suffolk Mayor Linda T. Johnson. “This is also a great example of how economic development projects can be done collaboratively, which ultimately benefits all the parties involved. “

Sumitomo has launched a 2015 Manufacturing Vision that will include additional manufacturing capabilities, and expansion plans in locations throughout the Americas to help support continued growth of their products and services. The capital investment will total more than \$12.5 million USD.

The Commonwealth of Virginia recognizes Sumitomo as a valuable business within Hampton Roads, The Port of Virginia, Chesapeake and Suffolk cities have all given Sumitomo a reason to stay locally to continue to expand business operations.

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