

**COMPAGNIE GENERALE DES ETABLISSEMENTS MICHELIN**

**Michelin and Sumitomo Corporation  
to Create Second-Largest Wholesale Player  
in the U.S. and Mexico**

Michelin North America Inc. (MNAI) and Sumitomo Corporation of Americas (SCOA) today announced a definitive agreement to combine their respective North American replacement tire distribution and related service operations in a 50-50 joint venture, forming the second-largest player in the wholesale tire market in the United States.

The combined wholesale unit will operate under a new brand, NTW, and will be one of the operating companies of TBC Corporation. This new company will provide better availability of tire products at all price points across North America, achieving greater scale in wholesale delivery for customers. The JV also will enable the two companies to enhance service quality, capacity and speed for customers.

The partnership will bring together MNAI's TCi, the fourth largest wholesale tire and service network in the United States, with more than 85 locations across the U.S., with SCOA's TBC, one of the nation's largest vertically integrated marketers of tires for the automotive replacement market, with 59 wholesale distribution centers and more than 2,400 North American retail locations.

"This partnership with SCOA will better position us to serve our retail customers and ensure that consumers have access to our products when and where they need them," said Scott Clark, Chairman and President of MNAI. "With this partnership, we can offer an expanded geographic footprint, a broader breadth and depth of product choices and better availability and increased delivery frequency. It will also allow us to provide better and faster service to our direct customers through an enhanced delivery service program."

"This joint venture further supports our mobility strategy in this new, dynamic era in the automotive landscape," said Sam Kato, Senior Vice President and General Manager of the Auto and Aerospace Group at SCOA. "In addition to the competitive edge this joint venture provides in the distribution arena, we believe Michelin's successful experiences in mobility services will add value to TBC. SCOA will continue to pursue investments which support our goal of integrated mobility solutions, such as this."

Strategic benefits of the transaction are expected to include the following:

- The joint venture will be a more competitive player in the growing North American tire wholesale and auto services sector, enabling growth in critical North American markets. The joint venture includes TBC's Mexican wholesale business, TBC de Mexico, one of the largest wholesale distributors in a growing market.
- The deal will allow both companies to more effectively satisfy the needs of online consumers by combining distribution, reach and speed.

- The joint venture will also provide a foundation for coast-to-coast coverage of car and light truck service providers, addressing trends of growth in fleet maintenance and increasing complexity of service requirements and tire sizes.
- The transaction will increase the companies' market share and operational scale, positioning the joint venture for faster growth.

The joint venture will be managed under the direction of a six-member Board of Directors ("Board"). Upon closing of the transaction, MNAI and SCOA will each appoint three members of the Board.

Erik R. Olsen will lead the organization as CEO. Prior to the joint venture, Erik R. Olsen was President and Chief Executive Officer of TBC. TBC will continue to be headquartered in Palm Beach Gardens, Fla. Don Byrd will lead the newly formed NTW wholesale business as President & COO. Prior to his appointment, he was President & COO of TCi.

Through the joint venture, two profitable companies – TCi Wholesale and TBC – will be combined. Based upon the enterprise value of each business (\$160m for TCi Wholesale and \$1,520m for TBC), Michelin would contribute a cash payment of \$630 million to SCOA and TCi Wholesale to equalize ownership in the JV.

The transaction is subject to customary approvals.

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The present Press release and the presentation may be viewed at <http://www.michelin.com/eng>, along with practical information concerning the conference call. Pursuant to the Market Abuse Regulation (n° 596/2014), this Press release may contain Inside Information.

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