

SUMITOMO BAKELITE CO., LTD.  
5-8, Higashi-Shinagawa 2-chome,  
Shinagawa-ku, Tokyo, Japan

May 31, 2016

## NOTICE OF THE 125TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We hereby inform you of the 125th Ordinary General Meeting of Shareholders to be held at the time and location set forth below:

**If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the “Reference for the General Meeting of Shareholders” mentioned below, and exercise your voting rights by Tuesday, June 21, 2016 at 5:40 p.m.**

Very truly yours,

Shigeru Hayashi  
President and Representative Director

### Notice

- 1. Date and Time:** Wednesday, June 22, 2016 at 10:00 a.m.
- 2. Location:** Conference room of the Company on the 20th floor of Tennoz Parkside Building, 5-8, Higashi-Shinagawa 2-chome, Shinagawa-ku, Tokyo, Japan
- 3. Agenda of the Meeting:**
  - Matters to be reported:**
    1. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the 125th Fiscal Year (from April 1, 2015 through March 31, 2016)
    2. Results of audit on the 125th Consolidated Financial Statements by Accounting Auditor and the Board of Corporate Auditors
  - Matters to be resolved:**
    - Proposal No. 1:** Appropriation of Surplus
    - Proposal No. 2:** Election of ten (10) Directors
    - Proposal No. 3:** Election of one (1) Corporate Auditor and one (1) Substitute Corporate Auditor

**Attendants are kindly asked to return their completed Exercise of Voting Rights Forms to the reception desk on the day of the meeting.**

**Please be forewarned that, regarding the contents of the attached documents of this notice, if a situation to be corrected occurs up to the previous day before the meeting, we will post notice to that effect on our home page (<http://www.sumibe.co.jp>).**

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Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

## REFERENCE FOR THE GENERAL MEETING OF SHAREHOLDERS

### Proposals and references

#### Proposal No. 1 Appropriation of Surplus

As for the appropriation of surplus, we attempt to return to our shareholders a portion of surplus in the form of dividends in the most regular and stable manner as possible over the long term. In order to solidify our management bases for the future, we also have a policy to pay dividends according to profitability, while taking the enhancement of internal reserves into consideration. In consideration of the need to fund capital investment, M&A and other activities to ensure growth, the year-end dividend will be the same as the previous fiscal year at 5 yen per share. This makes our annual dividends 10 yen per share, including the interim dividend distributed last year.

- (1) Class of dividend property  
Monetary payment
- (2) Matters related to the disbursement of dividend property and the total amount  
Dividends: 5 yen per common share      Total amount: 1,176,761,430 yen
- (3) Effective date of the disbursement of dividends from surplus: June 23, 2016

**Proposal No. 2 Election of ten (10) Directors**

All of the nine (9) Directors will complete their terms of office at the conclusion of this meeting. Accordingly, we propose that you elect the following ten (10) Directors to increase one (1) Independent Outside Director for further enhancement of corporate governance.

The candidates for the positions are as follows:

Candidate No. 1	(Name) <b>Shigeru Hayashi</b>	<b>Reappointment</b>
Date of birth	August 15, 1947	
Number of Company shares held	95,000	
Brief personal history, position and responsibility at the Company		
April 1970	Entered the Company	
June 2000	Director of the Company	
June 2004	Managing Director of the Company	
June 2006	Director, Senior Managing Executive Officer of the Company	
June 2008	Director, Executive Vice President of the Company	
June 2010	President and Director of the Company (to the present)	
[Reasons for selecting as a candidate for Director]		
Since assuming the office of the President of the Company in June 2010, Mr. Shigeru Hayashi has provided leadership and taken the initiative in the Company's business. Accordingly, based on our judgment that he will contribute to improving the Company group's corporate value with his considerable experience and wide range of knowledge developed so far as a management executive, we have continuously selected Mr. Hayashi as a candidate for Director.		

Candidate No. 2	(Name) <b>Tsuneo Terasawa</b>	<b>Reappointment</b>
Date of birth	November 21, 1951	
Number of Company shares held	74,000	
Brief personal history, position and responsibility at the Company		
April 1974	Entered the Company	
June 2002	Director of the Company	
June 2004	Executive Officer of the Company	
June 2006	Managing Executive Officer of the Company	
June 2008	Director, Managing Executive Officer of the Company	
June 2010	Director, Senior Managing Executive Officer of the Company	
April 2014	Director, Executive Vice President of the Company (to the present)	
(Responsibility at the Company)		
Overseeing Personnel Div., Corporate Finance & Planning Div., Corporate Planning Dept. and Information Systems & Data Processing Dept.; In charge of Corporate General Affairs Div., Global Procurement Div., Osaka Office and Nagoya Office		
[Reasons for selecting as a candidate for Director]		
Mr. Tsuneo Terasawa has considerable operational experience in administration area including Personnel Division and Corporate General Affairs Division as well as procurement area. Also, he has played a key role in corporate management as a director of the Company for years. Accordingly, based on our judgment that he will contribute to improving the Company group's corporate value with his experience and achievement, we have continuously selected Mr. Terasawa as a candidate for Director.		

Candidate No. 3	(Name) <b>Shigeki Muto</b>	Reappointment
Date of birth	March 12, 1952	
Number of Company shares held	84,000	
Brief personal history, position and responsibility at the Company		
April 1975	Entered the Company	
June 2004	Executive Officer of the Company	
June 2008	Managing Executive Officer of the Company	
June 2010	Director, Managing Executive Officer of the Company	
April 2013	Director, Senior Managing Executive Officer of the Company	
April 2015	Director, Executive Vice President of the Company (to the present)	
(Responsibility at the Company) Overseeing Semiconductor Materials segment; In charge of Plates Research Laboratory, Plates Div., Decola Innovair Business Development Dept., Kanuma Plant and Waterproof Sheet-related Business		
[Major concurrent position] *Chairman of Sumitomo Bakelite (Taiwan) Co., Ltd.		
[Reasons for selecting as a candidate for Director] Mr. Shigeki Muto has considerable experience as a chief person in charge of major business segments of the Company group and he has played a key role in corporate management as a director of the Company for years. Accordingly, based on our judgment that he will contribute to improving the Company group's corporate value with his experience and achievement, we have continuously selected Mr. Muto as a candidate for Director.		

Candidate No. 4	(Name) <b>Noboru Yamawaki</b>	Reappointment
Date of birth	February 7, 1953	
Number of Company shares held	42,000	
Brief personal history, position and responsibility at the Company		
April 1978	Entered the Company	
June 2009	Executive Officer of the Company	
June 2012	Director, Managing Executive Officer of the Company	
April 2014	Director, Senior Managing Executive Officer of the Company (to the present)	
(Responsibility at the Company) Overseeing Films & Sheets Div.; In charge of Films & Sheets Research Laboratory, Medical Products Business Div., S-BIO Business Div., P-Plus Development Dept. and Amagasaki Plant		
[Reasons for selecting as a candidate for Director] Mr. Noboru Yamawaki has considerable experience as a chief person in charge of High Performance Plastics segment and currently acts as a chief person in charge of quality of life products segment area. Accordingly, based on our judgment that he will contribute to improving the Company group's corporate value with his experience and achievement, we have continuously selected Mr. Yamawaki as a candidate for Director.		

Candidate No. 5	(Name) <b>Kazuhiko Fujiwara</b>	Reappointment
Date of birth	March 2, 1958	
Number of Company shares held	44,000	
Brief personal history, position and responsibility at the Company		
April 1980	Entered the Company	
June 2009	Executive Officer of the Company	
April 2013	Managing Executive Officer of the Company	
June 2014	Director, Managing Executive Officer of the Company	
April 2016	Director, Senior Managing Executive Officer of the Company (to the present)	
(Responsibility at the Company) Overseeing High Performance Plastics segment		
[Major concurrent position] Chairman of Sumitomo Bakelite Macau Co., Ltd.		
[Reasons for selecting as a candidate for Director] Mr. Kazuhiko Fujiwara has considerable experience as a chief person in launching our biotechnology business and management of quality of life products segment. He currently acts as a chief person in charge of High Performance Plastics segment. Accordingly, based on our judgment that he will contribute to improving the Company group's corporate value with his experience and achievement, we have continuously selected Mr. Fujiwara as a candidate for Director.		

Candidate No. 6	(Name) <b>Masayuki Inagaki</b>	Reappointment
Date of birth	July 27, 1959	
Number of Company shares held	38,000	
Brief personal history, position and responsibility at the Company		
April 1982	Entered the Company	
June 2009	Executive Officer of the Company	
April 2013	Managing Executive Officer of the Company	
June 2015	Director, Managing Executive Officer of the Company (to the present)	
(Responsibility at the Company) General Manager of Corporate Engineering Center; Plant Manager of Shizuoka Plant; Overseeing Corporate Production Management & Engineering Div.		
[Reasons for selecting as a candidate for Director] Mr. Masayuki Inagaki has acted as a chief person in charge of manufacturing and production engineering area over years and has considerable experience in this area. Accordingly, based on our judgment that he will contribute to improving the Company group's corporate value with his experience and achievement, we have continuously selected Mr. Inagaki as a candidate for Director.		

Candidate No. 7	(Name) <b>Sumitoshi Asakuma</b>	Reappointment	
Date of birth	January 3, 1961		
Number of Company shares held	21,000		
Brief personal history, position and responsibility at the Company			
April 1985	Entered the Company		
June 2010	Executive Officer of the Company		
April 2014	Managing Executive Officer of the Company		
June 2015	Director, Managing Executive Officer of the Company (to the present)		
(Responsibility at the Company) General Manager of IT Materials Div.; Overseeing Corporate Research & Development Div., Kobe Facility Office, Electronics Materials Business Segment Quality Managing Dept., Circuitry with Optical Interconnection Business Development Dept., LIB Anode Material Business Development Dept. and Utsunomiya Plant; In charge of Electronics Device Materials Research Laboratory and LaZ Business Div.			
[Reasons for selecting as a candidate for Director] Mr. Sumitoshi Asakuma has considerable experience as a chief person mainly in charge of research & development area and currently acts as a chief person in Semiconductor Materials segment area as well. Accordingly, based on our judgment that he will contribute to improving the Company group's corporate value with his experience and achievement, we have continuously selected Mr. Asakuma as a candidate for Director.			

Candidate No. 8	(Name) <b>Hiroyuki Abe</b>	Reappointment	Outside	Independent
Date of birth	October 9, 1936			
Number of Company shares held	0			
Attendance at Board of Directors' meetings	11 times out of 11 meetings (100%)			
Brief personal history, position and responsibility at the Company				
October 1977	Professor, School of Engineering, Tohoku University			
April 1993	Dean, Undergraduate School of Engineering/Graduate School of Engineering, Tohoku University			
November 1996	President of Tohoku University			
November 2002	Professor Emeritus of Tohoku University (to the present)			
June 2007	Outside Corporate Auditor of the Company			
June 2015	Outside Director of the Company (to the present)			
[Reasons for selecting as a candidate for Outside Director] As for Mr. Hiroyuki Abe, we have continuously selected him as a candidate for Outside Director, as we would like to utilize his expertise, considerable experience and wide range of insight as a university professor for the management of the Company. Though he has not involved in corporate management in a position other than outside officer in the past, we have judged that he can appropriately perform the duties as Outside Director for the reason mentioned above.				

Candidate No. 9	(Name) <b>Kazuo Matsuda</b>	<b>New</b>	<b>Outside</b>	<b>Independent</b>
Date of birth	November 11, 1948			
Number of Company shares held	1,000			
Attendance at Board of Directors' meetings as Outside Corporate Auditor	11 times out of 11 meetings (100%)			
Brief personal history, position and responsibility at the Company				
April 1971	Entered The Fuji Bank Limited (currently Mizuho Bank, Ltd.)			
February 1988	First Vice President of Fuji International Finance, London (currently, Mizuho International plc)			
October 1994	Director of Fuji Securities Co., Ltd. (currently Mizuho Securities Co., Ltd.)			
June 1995	Managing Director of Fuji Securities Co., Ltd.			
June 1996	Senior Managing Director of Fuji Securities Co., Ltd.			
May 1997	General Manager of Kabutocho Branch of The Fuji Bank Limited (currently Mizuho Bank, Ltd.)			
April 2000	Senior Managing Executive Officer of Fuji Securities Co., Ltd. (currently Mizuho Securities Co., Ltd.)			
October 2000	Managing Executive Officer of Mizuho Securities Co., Ltd.			
December 2002	Senior General Manager of Mizuho Securities Co., Ltd.			
May 2003	Senior General Manager of NSK Ltd.			
June 2004	Vice President of NSK Ltd.			
June 2006	Senior Vice President of NSK Ltd.			
June 2008	Executive Vice President of NSK Ltd.			
June 2009	Director, Representative Executive Vice President of NSK Ltd.			
June 2011	Special Adviser of NSK Ltd. (to the present; scheduled to leave office on June 24, 2016)			
June 2015	Outside Corporate Auditor of the Company (to the present)			
[Major concurrent position]				
Outside Corporate Auditor of Daido Metal Co., Ltd.				
[Reasons for selecting as a candidate for Outside Director]				
As for Mr. Kazuo Matsuda, we propose to newly appoint him as Outside Director, as we would like to utilize for the management of the Company his considerable experience and wide range of insight that he cultivated at a financial institution as well as business companies as a management executive.				

Candidate No. 10	(Name) <b>Ikuzo Ogawa</b>	<b>Reappointment</b>	<b>Outside</b>
Date of birth	February 5, 1957		
Number of Company shares held	0		
Attendance at Board of Directors' meetings	10 times out of 11 meetings (90.9%)		
Brief personal history, position and responsibility at the Company			
April 1981	Entered Sumitomo Chemical Co., Ltd.		
April 2010	Executive Officer of Sumitomo Chemical Co., Ltd.		
April 2012	Managing Executive Officer of Sumitomo Chemical Co., Ltd.		
June 2015	Outside Director of the Company (to the present)		
April 2016	Senior Managing Executive Officer of Sumitomo Chemical Co., Ltd. (to the present)		
[Major concurrent position]			
Senior Managing Executive Officer of Sumitomo Chemical Co., Ltd.			
[Reasons for selecting as a candidate for Outside Director]			
As for Mr. Ikuzo Ogawa, he is currently engaged in research activities of Sumitomo Chemical Co., Ltd. as its Senior Managing Executive Officer, and has worked mainly in research at the company. We therefore have continuously selected him as a candidate for Outside Director of the Company, as we would like to utilize his knowledge and experience from corporate activities for the management of the Company.			

- Notes: 1. A candidate with an asterisk (\*) by his company name in the “Major concurrent position” doubles as a representative director of the company concerned. The said company also engages in business transactions within similar category of the Company, and handles business transactions with the Company.
2. No conflict of interests exists between the Company and the candidates other than the candidate stated in 1. above.
3. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Hiroyuki Abe and Mr. Ikuzo Ogawa to limit liability as provided for in Article 423, Paragraph 1 of the Companies Act and the maximum amount of liability shall be the amount stipulated in applicable laws and regulations. Further, if the appointment of Mr. Kazuo Matsuda is approved, the Company will enter into a liability limitation agreement, same as those with Mr. Abe and Mr. Ogawa.
4. Mr. Hiroyuki Abe, Mr. Kazuo Matsuda and Mr. Ikuzo Ogawa are candidates for Outside Director.
5. The term in office as Outside Director of Mr. Hiroyuki Abe will be one (1) year upon the conclusion of this ordinary general meeting of shareholders. Also, he had served as Outside Corporate Auditor of the Company for the period of eight (8) years before taking office as Outside Director of the Company.
- Mr. Kazuo Matsuda is currently an Outside Corporate Auditor of the Company and his term in office will be one (1) year upon the conclusion of this ordinary general meeting of shareholders.
- The term in office as Outside Director of Mr. Ikuzo Ogawa will be one (1) year upon the conclusion of this ordinary general meeting of shareholders.
6. NSK Ltd., where Mr. Kazuo Matsuda served as Director from June 2009 to June 2011, was subject to on-site investigation by the Japan Fair Trade Commission in July 2011 for a suspected violation of the Antimonopoly Act of Japan regarding sales of bearing products. Subsequently, the Tokyo District Court fined NSK Ltd. in February 2013, and the Japan Fair Trade Commission issued a cease-and-desist order and administrative surcharge payment order to the company in March 2013. In addition, NSK Ltd. and its subsidiaries were subject to investigation by the authorities of various countries in relation to fair competition laws. The companies entered into a plea agreement with the U.S. Department of Justice in September 2013, which included the payment of fines, and was ordered to make penalty and other payments by the authorities or the courts of Canada in January, Europe in March, Australia and Singapore in May, and China in August of 2014. Furthermore, the Korea Fair Trade Commission determined in November 2014 that there was conduct constituting a violation of the Korean antimonopoly laws, and the Japan Fair Trade Commission determined in September 2014 that there was conduct on the part of Amatsuji Steel Ball Mfg. Co., Ltd., a subsidiary of NSK Ltd., constituting a violation of the Antimonopoly Act. However, the companies concerned were exempted from surcharges or any other remedial order as a result of fully cooperating with investigations by the authorities. The business activities of NSK Ltd. during Mr. Matsuda’s term in offices were included in the activities subject to administrative measures, sentencing and other actions taken by the relevant authorities or the courts of Japan, the United States, Canada, Europe, Australia, Singapore, Korea and China. There also is the possibility that business activities during Mr. Matsuda’s term in office are subject to ongoing investigations by relevant authorities.
7. The Company has determined Mr. Hiroyuki Abe and Mr. Kazuo Matsuda to be independent based on the “Criteria for Independence of Directors and Corporate Auditors” stipulated by the Company. Further, Mr. Abe and Mr. Matsuda are submitted to Tokyo Stock Exchange, Inc. as independent officers.



**Proposal No. 3 Election of one (1) Corporate Auditor and one (1) Substitute Corporate Auditor**

Corporate Auditor Mr. Kazuo Matsuda will resign upon the conclusion of this ordinary general meeting of shareholders. Accordingly, we propose that you elect the following one (1) Substitute Corporate Auditor.

In addition, we propose that, preparing for deficiency in the legal number of corporate auditors, you elect one (1) Substitute Corporate Auditor in advance. Also, we propose that, limiting to the period prior to the assumption of office, the appointment of Substitute Corporate Auditor may be effectively withdrawn by the resolution of the Board of Directors after obtaining an approval of the Board of Corporate Auditors.

The Board of Corporate Auditors has given prior consent to the submission of this proposal.

The candidates for Corporate Auditor and Substitute Corporate Auditor are as follows:

<Candidate for Corporate Auditor>

Candidate No. 1	(Name) <b>Yoshiko Koizumi</b>	<b>New</b>	Outside	Independent
Date of birth	September 25, 1943			
Number of Company shares held	0			
Brief personal history and position at the Company				
April 1972	Lawyer registration			
January 1980	Partner of Masuda Ejiri Law Firm (currently, Nishimura & Asahi)			
January 2008	Counsel of Nishimura & Asahi			
April 2009	Partner of City-Yuwa Partners (to the present)			
[Major concurrent position]				
Outside Director of Dowa Holdings Co., Ltd.				
Outside Director of Taiheiyo Cement Corporation				
[Reasons for selecting as a candidate for Outside Corporate Auditor]				
As for Ms. Yoshiko Koizumi, we propose to newly appoint her as Outside Corporate Auditor, as we would like to utilize for our audit her specialist viewpoint as a lawyer and wide range of insight relating to management. Though she has not involved in corporate management in a position other than outside officer in the past, we have judged that she can appropriately perform the duties as Outside Corporate Auditor for the reason mentioned above.				

- Notes:
1. No conflict of interests exists between the Company and the candidate.
  2. If the appointment of Ms. Yoshiko Koizumi is approved, the Company will enter into an agreement with the said candidate pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act to limit liability, as provided for in Article 423, Paragraph 1 of the Companies Act, to the amount stipulated in applicable laws and regulations.
  3. Ms. Yoshiko Koizumi is a candidate for Outside Corporate Auditor.
  4. The Company has determined Ms. Yoshiko Koizumi to be independent based on the “Criteria for Independence of Directors and Corporate Auditors” stipulated by the Company. Further, Ms. Koizumi is submitted to Tokyo Stock Exchange, Inc. as an independent officer.

<Candidate for Substitute Corporate Auditor>

Candidate No. 2	(Name) <b>Kazuhiko Yamagishi</b>	Outside	Independent
Date of birth	April 19, 1956		
Number of Company shares held	0		
Brief personal history and position at the Company			
April 1984	Lawyer registration		
September 1995	New York State Attorney registration		
March 1998	Partner of Asahi Law Offices (to the present)		
April 2008	Director of Yamato Servicer Co., Ltd.		
[Major concurrent position]			
Outside Corporate Auditor of New Cosmos Electric Co., Ltd.			
[Reasons for selecting as a candidate for Substitute Outside Corporate Auditor]			
As for Mr. Kazuhiko Yamagishi, we propose to appoint him as Substitute Outside Corporate Auditor, as he has specialist viewpoint as a lawyer and wide range of insight relating to management.			

Notes: 1. No conflict of interests exists between the Company and the candidate.

2. If the Substitute Corporate Auditor assumes the office of Outside Corporate Auditor upon approval of this proposal, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company intends to enter into an agreement with Mr. Kazuhiko Yamagishi to limit liability as provided for in Article 423, Paragraph 1 of the Companies Act and the maximum amount of liability shall be the amount stipulated in applicable laws and regulations.
3. Mr. Kazuhiko Yamagishi is a candidate for Outside Corporate Auditor.
4. The Company has determined Mr. Kazuhiko Yamagishi to be independent based on the “Criteria for Independence of Directors and Corporate Auditors” stipulated by the Company. Further, Mr. Yamagishi satisfies the requirements of independent officers stipulated by Tokyo Stock Exchange, Inc.

(Reference)

The Company has stipulated the criteria on the independence of Directors and Corporate Auditors as follows for the determination of their independence.

#### Criteria for Independence of Directors and Corporate Auditors

The criteria determining the independence of Directors and Corporate Auditors shall be as follows:

1. A Director or a Corporate Auditor shall satisfy the requirements for an outside officer as stipulated by the Companies Act and shall not fall under any of the following in order to be deemed independent.
  - (1) A major business partner of the Company (within the past five (5) years)
    - An individual whose business accounts for 2% or more of the Company's annual consolidated net sales for the most recent fiscal year (in the case of a corporation or a group, an executive officer thereof (including an adviser or any other corporate officer)).
    - In the case of an individual who has left the position as an executive officer of a major business partner, an individual with less than five (5) years since his/her departure from office.
    - In the case of an individual whose major business partner is the Company, determination shall be made based on the actual business status.
  - (2) Attorneys, certified public accountants, tax accountants, and other consultants and professionals
    - An individual who is receiving an annual amount of 10 million yen or more from the Company in money or any other property benefit other than Director's or Corporate Auditor's compensations (including any individual belonging to a group such as a law firm, an audit corporation, a tax accounting firm, a consulting firm, or any other corporation or association).
    - An individual receiving an annual amount of 10 million yen or more from the Company in donation or subsidy (including a board member or any other executive officer of a corporation, association or any other group).
  - (3) Major Shareholders
    - An individual whose shares account for 10% or more of the voting rights (in the case of a corporation or a group, an executive officer thereof (including an adviser or any other corporate officer)).
    - An individual who was an executive officer of an aforementioned corporation or any other group during the past five (5) years.
  - (4) Relatives
    - A spouse, or a second-degree or a closer relative of an executive officer of the Company group.
    - The independence of the spouse, or the second-degree or the closer relative of an individual falling under any of (1) through (3) shall be determined based on the actual situation.
2. When there are doubts concerning independence due to attributes other than those listed in 1. above, the Board of Directors shall determine independence on a case-by-case basis.