



Result of the Tender Offer for the Shares of Kawasumi Laboratories, Inc. by Sumitomo Bakelite Co., Ltd. (Summary)

October 1, 2020
Sumitomo Bakelite Co., Ltd.
Kawasumi Laboratories, Inc.

Result of Tender Offer

Outline

•The tender offer for Kawasumi Laboratories, Inc.(hereinafter referred to as “Kawasumi Laboratories”), which was commenced on August 3, 2020, has ended. The total number of tendered shares(15,142,598 shares) exceeded the minimum number of shares to be purchased, and therefore all of the tendered shares will be purchased.

Aggregate Tender Offer Price

•About 25.7 billion yen

Settlement Commencement date

•October 7, 2020 (Wed)

Ownership ration

•Number of shares before tender offer : 4,763 thousand shares (Ownership ratio : 23.04%)
•Number of tendered shares : 15,143 thousand shares (Ownership ratio : 73.27%)
•Total : 19,906 thousand shares (Ownership ratio : 96.31%)

Plan

•Sumitomo Bakelite Co., Ltd.(hereinafter referred to as “Sumitomo Bakelite”) plans to implement the Share Cash-Out Demand for the purpose of purchasing all of the Shares of Kawasumi Laboratories

※the Share Cash-Out Demand : If the Offeror owns 90% or more of the voting rights of the Target and becomes a special controlling shareholder, the Offeror can request the Target’s minority shareholders to sell all of the Target Shares they own.

Transfer of Subsidiary

•Kawasumi Laboratories plans to become a consolidated subsidiary of Sumitomo Bakelite on October 7, 2020 (Wed).

Medium-term management target and Basic Strategy of Sumitomo Bakelite

Basic Strategy

- Develop new products with competitive advantage, aiming at their prompt contribution
- Increase profitability of existing products and expand their field (Applications and geographical areas)
- **Proactive strategic investment in growth areas (M&A, etc.)**

Promote SDG activities focusing on our priority targets



Percentage of revenue in products contributing
FY 2021 30%

Contributing to SDGs(5+1)



Develop "One Sumibe" activities worldwide

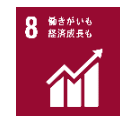


Priority area : Business strategies in the Healthcare field

- ✓ Proceeding towards development in growth areas and low-invasive treatments area
- ✓ Respond to the advancement and specialization of medical devices.
- ✓ Amplifying the business scale through external collaboration and cooperation



【Example】
Steerable micro catheter



Enabling surgeons to reach diseased blood vessels promptly and precisely by moving freely without use of a guide wire, and shorten operation time

Business area and Focus area

Focus area

Minimally invasive treatment

KAWASUMI

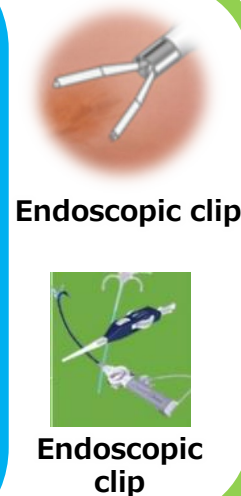
SUMITOMO BAKELITE CO., LTD.

Existing business area

Existing business area



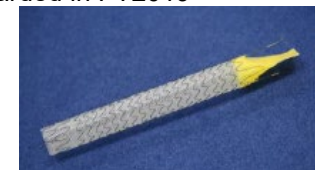
Bile duct stent



① Expanding application areas

② Enhancing improved and surrounding devices

③ Accelerating overseas expansion



GOOD DESIGN AWARD

Awarded in FY2019

Synergy expected (R&D)

➤ Further promoting joint R&D of next-generation medical device products

By sharing information and knowledge of both companies without limitation, and by fusing the technologies of design, molding, welding, metal processing, assembly, evaluation, simulation, etc. owned by both companies, research and development of next-generation medical devices will accelerate.

➤ Improving R&D efficiency

Improving R&D efficiency by sharing business which requires a long period of time from R&D to approval acquisition/commercialization (research, basic experiment, evaluation, animal testing, biological safety tests, clinical trials, regulatory affairs, external consulting costs, etc.).

Relocation of Kawasumi Laboratories' R&D department

In March 2020, Kawasumi Laboratories began construction of a new research and development facility in the Tonomachi International Strategic Zone in Kawasaki City (KING SKYFRONT) . Kawasumi Laboratories has been proceeding with a plan to relocate the R&D facilities from the Mie plant(Oita) to the new facility, which is easily accessible both domestically and from abroad.

- ① Location : 3-25 Tonomachi, Kawasaki-ku, Kawasaki-city, Kanagawa
- ② Area : Land 3,971m²/Total floor 6,392 m²
(Four-storied steel construction)
- ③ Construction cost : about 3 billion yen
- ④ Schedule : Commencement of Construction: March 2020
Completion: April 2021
Commencement of Operation: October 2021



Image (provided by TAKENAKA CORPORATION)

Synergy expected (Production/Sales bases)

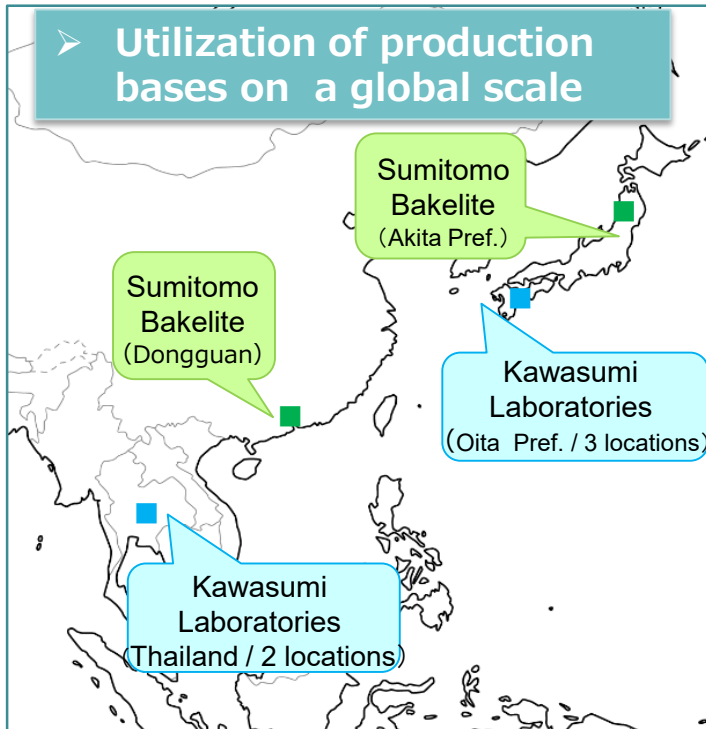
➤ Improve industry presence by increasing business scale

As a main player in the medical device industry, enhancing our brand power and increasing our business scale will enable us to increase our presence further

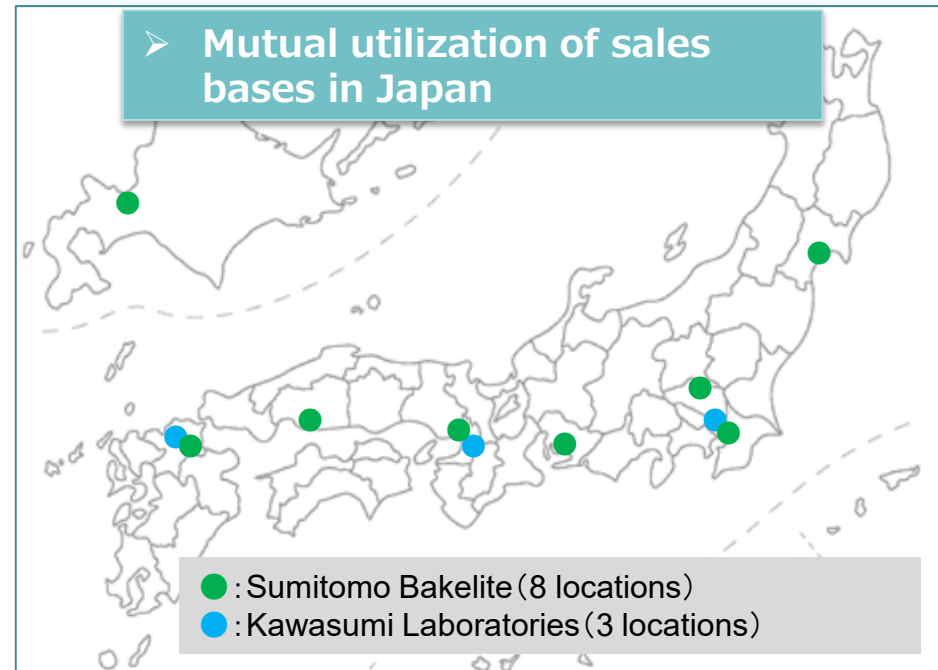
➤ Improving business efficiency through mutual utilization and rationalization of domestic and overseas bases and facilities

Unifying or mutually complementing the sales and distribution networks of medical device products and building an efficient production system

➤ Utilization of production bases on a global scale



➤ Mutual utilization of sales bases in Japan



Synergy expected (Operations/Human resources)

➤ **Improvement of management efficiency through indirect business integration**

Improving management efficiency by integrating indirect departments and investing in systems as a group

Ex.) Investor support operations, financing related operations, and operation of shareholder meetings

➤ **Improving business efficiency through mutual utilization of human resources**

Improving the efficiency of the business by mutually utilizing human resources in both companies' sales, production, research, and pharmaceutical departments.

Realizing synergy and developing a Master plan for the integration project after making Kawasumi Laboratories a consolidated subsidiary of Sumitomo Bakelite