

March 31, 2021

To whom it may concern:

Company Name: Sumitomo Bakelite Co., Ltd.
Representative: Kazuhiko Fujiwara
President and Representative Director
(Code: 4203 Tokyo Stock Exchange 1st Section)
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Notice concerning Company Split (simplified absorption-type split) of the Company's Medical Device Business to Wholly-owned Subsidiary

Sumitomo Bakelite Co., Ltd. hereby announces that, at the meeting of the Board of Directors held on March 31, 2021, the Company decided to succeed its medical device business to its wholly-owned subsidiary, Kawasumi Laboratories, Inc. ("Kawasumi Laboratories"), through a company split with a scheduled effective date of October 1, 2021 (the "Company Split").

As the Company Split is a simplified absorption-type split with a wholly-owned subsidiary, some disclosure items and/or details are omitted. Any matters not determined at this time will be announced as soon as they are determined.

1. Purpose of the Company Split

The Company defines a healthcare field as one of its creation areas. In the medical device business of the field, the Company has been aiming at expanding the business scale by launching advanced products into the market of and implementing active development in the growing area of the minimally invasive treatment such as endovascular treatment and endoscopic treatment.

On the other hand, the competitive environment surrounding the recent medical device industry becomes intense. To overcome such environment, based on the recognition that it was necessary for the Company to not only make self-help efforts but also form a business alliance with the partner with whom the Company can share its growth strategies, the Company executed a capital and business alliance agreement on March 2019 with Kawasumi Laboratories who defined the minimally invasive treatment as the growing area same as the Company. Furthermore, in order to promote the collaboration between both companies quickly and effectively, as of October 30, 2020, Kawasumi Laboratories has become a wholly-owned subsidiary of the Company after the tender offer for the shares in Kawasumi Laboratories and demand for a share cash-out to the

shareholders of Kawasumi Laboratories.

Thereafter, the Company and Kawasumi Laboratories considered optimization for the business expansion through a mutual exchange meeting and sectional committee. As the result, both companies has reached a consensus that integration of the medical device business between both companies leads to the early generation and maximization of group synergy.

Through the Company Split, both companies expand the medical device business further by strengthening and accelerating R&D of next-generation medical device products such as those in the field of the minimally invasive treatment on which both companies focus and improving business efficiency including production and sales structure, and aim at increasing presence in the medical device industry in the future.

2. Outline of the Company Split

(1) Schedule for the Company Split

Resolution date of the absorption-type split agreement at the meeting of the Board of Directors	To be determined.
Execution date of the absorption-type split agreement	To be determined.
Effective date of the Company Split	October 1, 2021 (planned)

(Note) The Company Split will be carried out without obtaining approval of the general meeting of shareholders of both companies because the Company Split is a simplified absorption-type of company split pursuant to Article 784, Paragraph 2 of the Companies Act for the Company, and a summary absorption-type of company split pursuant to Article 796, Paragraph 1 of the Companies Act for Kawasumi Laboratories.

(2) Method of the Company Split

The Company Split is an absorption-type of company split (simplified absorption-type split) with the Company as the splitting company and Kawasumi Laboratories as the succeeding company.

(3) Details of allocation related to the Company Split

Because the Company Split is carried out with the Company's wholly-owned subsidiary, no allocation of shares or delivery of other consideration will take place.

(4) Treatment of share options and bonds with share options associated with the Company Split

Not applicable.

(5) Increase or decrease in capital stock due to the Company Split

There will be no increase or decrease in capital stock due to the Company Split.

(6) Rights and obligations to be succeeded by the succeeding company

Kawasumi Laboratories will succeed the rights and obligations in relation to the Company's medical device business to the extent provided in the absorption-type split agreement executed with the Company.

(7) Prospects for fulfillment of liabilities

This matters will be announced as soon as details of rights and obligations to be succeeded to Kawasumi Laboratories are determined.

3. Profiles of the Parties involved in the Company Split

	Splitting Company	Succeeding Company
(i) Name	Sumitomo Bakelite Co., Ltd.	Kawasumi Laboratories, Inc.
(ii) Location	5-8, Higashi-Shinagawa 2-chome, Shinagawa-ku, Tokyo, Japan	Shinagawa Intercity Tower B, 9th Floor, 2-15-2, Konan, Minato-ku, Tokyo, Japan
(iii) Title and name of the representative	Kazuhiko Fujiwara, President and Representative Director	Takeshi Saino, President and Representative Director
(iv) Business description	Manufacturing and sales of various synthetic resins and synthetic resin products	Development, manufacturing and sales of medical devices and pharmaceuticals
(v) Capital	37,143 million yen	310 million yen
(vi) Date of establishment	January 25, 1932	June 26, 1957
(vii) Issued shares	49,590,478 shares	20,667,927 shares
(viii) Fiscal year-end	March 31	March 31
(ix) Major shareholders and shareholding ratios	Sumitomo Chemical Co., Ltd. 22.33% The Master Trust Bank of Japan, Ltd. (Trust Account) 10.20% Custody Bank of Japan, Ltd. (Trust Account) 6.22% Custody Bank of Japan, Ltd. (Trust	Sumitomo Bakelite Co., Ltd. 100% (As of October 30, 2020)

[Tentative Translation]

	Account 9) 5.36%		
	JAPAN POST INSURANCE Co., Ltd. 2.23%		
	(As of September 30, 2020)		
(x) Consolidated financial position and operating results for the latest fiscal year (fiscal year ended March 31, 2020)			
Total equity	179,154 million yen		
Total assets	283,322 million yen		
Equity attributable to owners of parent per share	3,764.17 yen		
Revenue	206,620 million yen		
Business profit	14,346 million yen		
Operation profit	10,285 million yen		
Profit attributable to owners of parent	8,986 million yen		
Basic earnings per share	190.96 yen		
Net assets			38,992 million yen
Total assets			44,130 million yen
Net assets per share		1,884.33 yen	
Net sales		22,323 million yen	
Operating income		648 million yen	
Ordinary income		795 million yen	
Net income attributable to owners of parent		1,395 million yen	
Net income per share		67.55 yen	

(Note) “Business profit” is calculated by deducting “Cost of sales” and “Selling, general and administrative expenses” from “Revenue”.

4. Outline of the Business to be Split

(1) Business to be split

The Company’s medical device business

(2) Operating results of the business to be split

Net sales: 7,922 million yen (fiscal year ended March 31, 2020)

(3) Items and amounts of assets and liabilities to be split

This matters will be announced as soon as details of rights and obligations to be succeeded to Kawasumi Laboratories are determined.

5. Status after the Company Split

As a result of the Company Split, there will be no changes in the Company's name, location, title and name of the representative, business description, capital or fiscal year-end.

With regard to Kawasumi Laboratories, the succeeding company, as of the same date as the effective date of the Company Split, it will change its name to "SB-Kawasumi Laboratories, Inc." and its location of head office and registered address to "25-4, Tonomachi 3-chome, Kawasaki-ku, Kawasaki City, Kanagawa, Japan". There will be no changes in its title and name of the representative, business description, capital or fiscal year-end.

6. Outlook

The impacts of the Company Split on the Company's consolidated financial results are to be minor since the Company Split is carried out between the Company and its wholly-owned subsidiary.

(Reference) Consolidated financial forecasts for the fiscal year ending March 31, 2021 (announced on February 1, 2021) and consolidated results for the previous fiscal year

	Revenue (million yen)	Business Profit (million yen)	Profit attributable to owners of parent (million yen)	Basic earnings per share (yen)
Forecasts for the current fiscal year	206,500	15,000	11,000	233.75
Actual results for the fiscal year ended March 31, 2020	206,620	14,346	8,986	190.96

END