

June 24, 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)
Contact: Katsuhisa Shiramoto
Manager of Corporate Communication Dept.,
Corporate General Affairs Div.

Notice concerning Absorption-type Merger (simplified merger and short-form merger)
of Wholly-owned Subsidiary

Sumitomo Bakelite Co., Ltd. hereby announces that, at the meeting of the Board of Directors held on June 24, 2021, the Company decided to implement an absorption-type merger of its wholly-owned subsidiary, SB Bioscience Co., Ltd. (“SB Bioscience”), with an effective date of April 1, 2022 (the “Merger”).

As the Merger is a simplified absorption-type merger with a wholly-owned subsidiary, some disclosure items and/or details are omitted.

1. Purpose of the Merger

The Company defines a healthcare field as one of its creation areas, and in its Mid-term Business Plan for FY2021 to FY2023 has set a goal of expanding its healthcare business to become a comprehensive healthcare manufacturer that provides solutions from diagnosis to treatment. In the medical device business of the field, the Company has already intended to implement maximization of group synergy through integration of the medical device business with Kawasumi Laboratories, Inc., which became a wholly-owned subsidiary of the Company in October 2020. In the bio-related business of the field, the Company has also aimed at expanding its business based on “One Bio” structure which is an integrated operations through R&D, production and sales in the area of laboratory diagnosis, regenerative medicine support and/or drug discovery support.

The Company's bio-related business has ever focused on plastic cell culture labwares, glycan analysis kits and microfluidics devices in the area of regenerative medicine support and drug discovery support. In October 2018, the Company established SB Bioscience as a joint venture

with Sumitomo Dainippon Pharma Co., Ltd. to enter the in-vitro diagnostic business and has strengthened its technologies and knowledge in the area of laboratory diagnosis. In March 2021, the Company acquired the shares of SB Bioscience from Sumitomo Dainippon Pharma Co., Ltd. and made SB Bioscience a wholly-owned subsidiary of the Company. Also, the Company has newly established S-Bio Business Div. and Bio & Science Research Laboratory which roles are integrated R&D of bio-related, in-vitro diagnostics and functional materials. As a result, since the Company has established the structure which the Company can totally implement the business of laboratory diagnosis, the significance of continuing SB Bioscience as a corporation has diminished. The Company, therefore, has decided to implement the Merger.

2. Outline of the Merger

(1) Schedule for the Merger

Resolution date of the merger agreement at the meeting of the Board of Directors	June 24, 2021
Execution date of the merger agreement	June 25, 2021
Effective date of the Merger	April 1, 2022 (planned)

(Note) The Merger will be carried out without obtaining approval of the general meeting of shareholders of both companies because the Merger is a simplified merger pursuant to Article 796, Paragraph 2 of the Companies Act for the Company, and a short-form merger pursuant to Article 784, Paragraph 1 of the Companies Act for SB Bioscience.

(2) Method of the Merger

The Merger is an absorption-type merger in which the Company is the surviving company and SB Bioscience is the disappearing company.

(3) Details of allocation related to the Merger

Because the Merger is carried out with the Company's wholly-owned subsidiary, no issuance of new shares and delivery of other consideration will take place.

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

Not applicable.

3. Profiles of the Parties involved in the Merger

	Surviving Company	Disappearing Company
(i) Name	Sumitomo Bakelite Co., Ltd.	SB Bioscience Co., Ltd.
(ii) Location	5-8, Higashi-Shinagawa 2-chome,	5-8, Higashi-Shinagawa 2-chome,

[Tentative Translation]

	Shinagawa-ku, Tokyo, Japan	Shinagawa-ku, Tokyo, Japan
(iii) Title and name of the representative	Kazuhiko Fujiwara, President and Representative Director	Takashi Kobayashi, President and Representative Director
(iv) Business description	Manufacturing and sales of various synthetic resins and synthetic resin products	Research, development, manufacturing and sales of in-vitro diagnostics
(v) Capital	37,143 million yen	100 million yen
(vi) Date of establishment	January 25, 1932	October 9, 2018
(vii) Issued shares	49,590,478 shares	1,000 shares
(viii) Fiscal year-end	March 31	March 31
(ix) Major shareholders and shareholding ratios (As of March 31, 2021)	Sumitomo Chemical Co., Ltd. 22.33% The Master Trust Bank of Japan, Ltd. (Trust Account) 9.36% Custody Bank of Japan, Ltd. (Trust Account) 5.83% Custody Bank of Japan, Ltd. (Trust Account 9) 5.47% JAPAN POST INSURANCE Co., Ltd. 2.51%	Sumitomo Bakelite Co., Ltd. 100%
(x) Financial position and operating results for the latest fiscal year		
Fiscal year	Year ended March 31, 2021 (Consolidated/IFRS)	Year ended March 31, 2021 (Non-consolidated/JGAAP)
Total equity	202,141 million yen	/
Total assets	345,763 million yen	
Equity attributable to owners of parent per share	4,254.48 yen	
Revenue	209,002 million yen	
Business profit	16,642 million yen	
Operation profit	19,914 million yen	
Profit attributable to owners of parent	13,198 million yen	
Basic earnings per share	280.46 yen	

[Tentative Translation]

Net assets		318 million yen
Total assets		1,152 million yen
Net assets per share		318,674 yen
Net sales		1,246 million yen
Operating income		△231 million yen
Ordinary income		△233 million yen
Net income attributable to owners of parent		△243 million yen
Net income per share		△243,669 yen

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

4. Status after the Merger

After of the Merger, there will be no changes in the Company’s name, location, title and name of the representative, business description, capital or fiscal year-end.

5. Outlook

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

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