

August 1, 2022

For Immediate Release

Company Name: Sumitomo Chemical Co., Ltd.
Representative: Keiichi Iwata
President and Representative Director
Securities Code: 4005
Stock Exchange Listings: Prime Section of the Tokyo Stock Exchange
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Sumitomo Chemical to Absorb a Wholly-Owned Subsidiary through Simplified Merger

Sumitomo Chemical Co., Ltd. (“Sumitomo Chemical” or “the Company”) announced that the Company’s Board of Directors resolved at its meeting held today to absorb a wholly-owned subsidiary SCIOCS COMPANY LIMITED (“SCIOCS”) through an absorption-type merger, effective October 1, 2022 (“the Merger”).

As the Merger is an absorption-type merger of a wholly-owned subsidiary, the disclosure herein omits certain items and details.

1. Purpose of the Merger

In its Corporate Business Plan for the period from fiscal 2022 to fiscal 2024, Sumitomo Chemical has set "accelerating the development of next-generation businesses" as one of its basic policies, committed to speeding up business development in the four key areas of environment, food, healthcare, and ICT. In the environment and ICT fields, the Company will expand its compound semiconductor materials business, including scaling of the production of large-diameter gallium nitride (GaN) substrates, a venture that has been undertaken by SCIOCS, as the market for next-generation power semiconductors that contribute to energy conservation is expected to take off. To advance more focused, more flexible investment of management resources and further accelerate efforts to carry out production, development, and other operations on a global basis as the Sumitomo Chemical Group, the Company has decided to implement the Merger.

2. Outline of the Merger

(1) Schedule of the Merger

Approval of the Merger Agreement by a resolution of the Board of Directors	August 1, 2022
Execution of the Merger Agreement	August 1, 2022
Effective date of the Merger	October 1, 2022 (scheduled)

* As the Merger is a simplified absorption-type merger set forth in the provisions of paragraph 2, Article 796 of the Companies Act of Japan to Sumitomo Chemical and a short-form merger set forth in the provisions of paragraph 1, Article 784 of the Act to SCIOCS, neither Sumitomo Chemical nor SCIOCS will hold a General Meeting of Shareholders for approval of the Merger Agreement.

(2) Method of the Merger

The Merger is an absorption-type merger whereby Sumitomo Chemical will be the surviving company and SCIOCS will be dissolved.

(3) Allocation of Shares and Other Assets

As the Merger is a merger with a wholly-owned subsidiary, it will not involve any allocation of shares or any delivery of money.

(4) Treatment of Share Options and Corporate Bonds with Share Options of the Absorbed Company

Not applicable.

3. Outline of Parties to the Merger

(1) Surviving company

Company name	Sumitomo Chemical Co., Ltd.
Address	2-7-1, Nihonbashi, Chuo-ku, Tokyo 103-6020, Japan
Representative	Keiichi Iwata, President and Representative Director
Scope of business	Essential Chemicals & Plastics (manufacture and sales of synthetic resins, etc.), Energy & Functional Materials (manufacture and sales of battery materials, etc.), IT-related Chemicals (manufacture and sales of optical products, etc.), Health & Crop Sciences (manufacture and sales of agricultural chemicals, etc.), and Pharmaceuticals (manufacture and sales of ethical drugs, etc.)
Capital	89,810 million yen
Date established	June 1, 1925
Number of shares issued	1,655,860,207
Fiscal year end	March 31
Major shareholders and ratio of shares held (as of March 31, 2022)	The Master Trust Bank of Japan, Ltd. (Trust Account): 15.72%
	Custody Bank of Japan, Ltd. (Trust Account): 5.92%
	Sumitomo Life Insurance Company: 4.34%
	Nippon Life Insurance Company: 2.50%
	Custody Bank of Japan, Ltd. (Trust Account 4): 1.77%
Financial position and operating results for the latest fiscal year	
Fiscal year ended	March 31, 2022 (Consolidated; IFRS)
Equity attributable to owners of the parent	1,218,101 million yen
Total assets	4,308,151 million yen
Equity per share attributable to owners of the parent	745.03 yen
Sales revenue	2,765,321 million yen
Operating income	215,003 million yen
Income before taxes	251,136 million yen
Net income attributable to owners of the parent	162,130 million yen
Basic earnings per share	99.16 yen

(2) Absorbed company

Company name	SCIOCS COMPANY LIMITED
Address	880, Isagozawa-cho, Hitachi-shi, Ibaraki-ken 319-1418, Japan
Representative	Toshiya Saito, President and Representative Director
Scope of business	Manufacturing and sales of compound semiconductor materials, etc.
Capital	310 million yen
Date established	February 19, 2015
Number of shares issued	31,000
Fiscal year end	March 31
Major shareholders and ratio of shares held	Sumitomo Chemical Co., Ltd.: 100.00%
Financial position and operating results for the latest fiscal year	
Fiscal year ended	March 31, 2022 (Non-consolidated; JGAAP)
Total assets	6,713 million yen
Net assets	4,460 million yen
Net assets per share	143,879.32 yen
Net sales	8,563 million yen
Operating income	1,102 million yen
Ordinary income	1,082 million yen
Net income attributable to owners of parent	1,259 million yen
Net income per share	40,598.33 yen

4. Status after the Merger

After the Merger, there will be no change in Sumitomo Chemical's trade name, address, representative, scope of business, capital, or fiscal year end.

5. Impact on Financial Results

As the Merger is a merger with a wholly-owned subsidiary, its impact on Sumitomo Chemical's consolidated financial results will be immaterial.