

February 6, 2018

Company Name: Sumitomo Chemical Co., Ltd.  
Representative: Masakazu Tokura  
President and Representative  
Director  
Securities Code: 4005  
Stock Exchange Listings: First Section of the Tokyo Stock  
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## Sumitomo Chemical to Absorb its Wholly-owned Subsidiary via Simplified Merger

Sumitomo Chemical announced that its Board of Directors has resolved today to absorb its wholly-owned subsidiary CO2 M-Tech Co., Ltd. (“CO2 M-Tech”) via an absorption-type merger (“the Merger”), effective April 1, 2018.

Since 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

Sumitomo Chemical positions the “Environment and Energy” area as one of the core domains in which the Company seeks to develop its next-generation businesses. CO2 M-Tech, a wholly-owned subsidiary of Sumitomo Chemical, has been striving to develop CO2 separation membranes geared to a variety of applications that will contribute to solving environmental problems and enhancing energy usage efficiency. To accelerate the development of the next-generation businesses, Sumitomo Chemical has decided to merge with CO2 M-Tech.

### 2. Outline of the Merger

#### (1) Schedule of the Merger

Approval of the Merger Agreement by Board of Directors	February 6, 2018
Execution of the Merger Agreement	February 6, 2018
Effective date of the Merger	April 1, 2018 (scheduled)

\* Pursuant to the provisions of Item 2, Article 796 of the Companies Act of Japan (provisions on simplified absorption-type mergers) for Sumitomo Chemical and the provisions of Item 1, Article 784 of the same (provisions on short-form mergers) for CO2 M-Tech, the Merger will be executed without obtaining approval at their General Shareholders Meetings.

**(2) Method of the Merger**

The Merger is an absorption-type merger whereby Sumitomo Chemical will be the surviving company and CO2 M-Tech will be dissolved.

**(3) Allocation of Shares and Other Assets**

The merger will not result in any allocation of shares any delivery of money pertaining to the merger.

**(4) Treatment of Share Option and Corporate Bond with Share Option of the dissolving company**

Not applicable.

**3. Outline of Parties to the Merger**

	Surviving company	Absorbed company
Company Name	Sumitomo Chemical Co., Ltd.	CO2 M-Tech Co., Ltd.
Address	2-27-1 Shinkawa, Chuo-ku, Tokyo 104-8260, Japan	2-27-1 Shinkawa, Chuo-ku, Tokyo 104-8260, Japan
Representative	Masakazu Tokura President and Representative Director	Kazuhiko Miyata President and Representative Director
Scope of business	Petrochemical (manufacture and sales of synthetic plastics, etc.), Energy and Functional Materials (manufacture and sales of synthetic rubber, etc.), IT-related Chemicals (manufacture and sales of optical products), Health and Crop Sciences (manufacture and sales of agricultural chemicals), Pharmaceuticals (manufacture and sales of ethical drugs)	CO2 separation service by membrane filtration
Capital	JPY 89,699 million	JPY 490 million
Date Established	June 1, 1925	June 3, 2013
Number of shares issued	1,655,446,177	24,000
Fiscal year end	March 31	March 31
Major shareholders and ratio of shares held	The Master Trust Bank of Japan, Ltd (Trust Account): 6.61%	Sumitomo Chemical Co., Ltd: 100.00%

(as of September 30, 2017)	Japan Trustee Services Bank, Ltd (Trust Account): 6.01%	
	Sumitomo Life Insurance Company: 4.29%	
	Nippon Life Insurance Company: 2.48%	
	Japan Trustee Services Bank, Ltd (Trust Account 4): 1.96%	
Financial position and operating results		
Yen in millions, unless otherwise noted		
Fiscal Year End	March 31, 2017 (Consolidated)	March 31, 2017 (Non-Consolidated)
Total assets	2,862,052	752
Net assets	1,162,526	(937)
Net assets per share (yen)	501.98	(39,029.53)
Net sales	1,954, 283	-
Operating income or loss	134,336	(844)
Ordinary income or loss	166, 632	(841)
Net income or loss attributable to owners of parent	85,482	(842)
Net income or loss per share (yen)	52. 31	(35,068.79)

#### 4. Status After Merger Completion

There will be no change in Sumitomo Chemical's trading name, registered locations, name and title of company representatives, business lines, paid-in capital, or fiscal year end.

#### 5. Financial Outlook

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