



[Translation]
July 31, 2020

FOR IMMEDIATE RELEASE

Name of company: Kawasumi Laboratories, Incorporated
Representative: Takeshi Saino
President and Chief Executive Officer
(Code No.: 7703, TSE 2nd Sec.)
Contact: Tomomi Suwa, General Manager of
Corporate Planning
(Tel: 03-5769-2698)

Announcement of Dividend of Surplus (No Interim Dividend)

Kawasumi Laboratories, Incorporated (“**Kawasumi**”) hereby announces that it has resolved as stated below at its board of directors meeting held today not to declare an interim dividend for the record date of September 30, 2020 in respect of the Fiscal Year ending March 2021, in light of the scheduled commencement of the tender offer for Kawasumi’s common shares (the “**Kawasumi Shares**”) to be conducted by Sumitomo Bakelite Co., Ltd. (the “**Offeror**”, and this tender offer, the “**Tender Offer**”) as separately announced today in the “Announcement of Opinion Regarding the Tender Offer for Shares in Kawasumi Laboratories, Incorporated by Sumitomo Bakelite Co., Ltd.”

1. Description of Dividend (No Dividend)

	Determined amount	Latest dividend forecast	Dividend for the last fiscal period (interim dividend for the Fiscal Year ended March 2020)
Record Date	September 30, 2020	—	September 30, 2019
Dividend per Share	JPY 0	—	JPY 7.50
Total Amount of Dividends	—	—	JPY 155 million
Effective Date	—	—	December 2, 2019
Funds for Dividends	—	—	Retained earnings

2. Reason for Dividend (No Dividend)

Kawasumi resolved at its board of directors meeting held today to express its opinion in support of the Tender Offer and to recommend that Kawasumi’s shareholders tender their Kawasumi Shares in the Tender Offer.

The above resolution by the board of directors meeting was adopted under the premise that the Offeror intends to make Kawasumi its wholly-owned subsidiary through the Tender Offer and a series of subsequent procedures and that the Kawasumi Shares will be delisted. (For further details, see the “Announcement of Opinion Regarding the Tender Offer for Shares in Kawasumi Laboratories, Incorporated by Sumitomo Bakelite Co., Ltd.”, which was separately announced today.)

Kawasumi has had a consistent policy of determining the allocation of profits based on continuity of stable dividends and comprehensively taking into account the need to maintain sufficient internal reserves to secure Kawasumi’s management foundations for the future. However, Kawasumi resolved not to declare an interim dividend for the Fiscal Year ending March 2021 because the purchase price per Kawasumi Share in the Tender Offer is comprehensively determined and decided on the condition that an interim dividend will not be paid for the record date of September 30, 2020 in respect of the Fiscal Year ending March 2021.

Reference: Details of Annual Dividend

	Annual dividend per share		
	Second quarter end	Fiscal Year end	Total
Dividend forecast	(to be determined)	(to be determined)	(to be determined)
Dividend for the current period	JPY 0.00	(to be determined)	(to be determined)
Actual result for the last fiscal period (ended March 2020)	JPY 7.50	JPY 11.00 (Ordinary dividend: JPY 7.5) (Special dividend: JPY 3.50)	JPY 18.50

End