

February 1, 2021

To whom it may concern:

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 Representative: Kazuhiko Fujiwara, President
 (Securities Code: 4203)
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Notice of Revision of Financial Forecast

Sumitomo Bakelite Co., Ltd. (hereinafter, referred to as "the Company") announces the revision of consolidated financial forecast for the fiscal year ending March 31, 2021, which was announced on July 27, 2020, along with the Company's recent business performance.

1. Revision of Financial Forecast

(1) Revised consolidated financial forecast for the fiscal year ending March 31, 2021
(April 1, 2020 to March 31, 2021)

	Revenue (Millions of yen)	Business profit (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Basic earnings per share (Yen)
Previous forecast (A)	183,000	10,000	7,400	157.25
Revised forecast (B)	206,500	15,000	11,000	233.75
Amount of change (B-A)	23,500	5,000	3,600	
Rate of change (%)	12.8	50.0	48.6	
(Reference) Actual results for the fiscal year ended March 31, 2020	206,620	14,346	8,986	190.96

[Notes] "Business profit" is calculated by deducting "Cost of sales" and "Selling, general and administrative expenses" from "Revenue."

(2) Reason for the revision

Sales of Semiconductor materials sector have increased further due to increasing demand for teleworking-related products, 5G communications and automotive applications. Sales of High performance plastic sector for automotive use are also expected to increase beyond expectations from the third quarter onwards due to the recovery in the European, U.S. and Japanese markets, following the early recovery in the Chinese market. In addition, as Kawasumi Laboratories Inc. has become a consolidated subsidiary, the financial results of the subsidiary that were not included in the previous forecast are now included. Furthermore, there is the steady progress in company-wide cost reduction activities, which also contributes to the revised forecast showing revenue and business profit to be significantly higher than the previous forecast.

With respect to profit attributable to owners of parent, the Company assumes that impairment losses will be incurred in overseas subsidiaries, given the uncertain outlook for the economy, including the re-expansion of the COVID-19 infection. On the other hand, as Kawasumi Laboratories Inc. has become a consolidated subsidiary and gain on bargain purchase is recorded, it is expected to greatly exceed the previous forecast as well as the business profit.

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