

April 20, 2021

To whom it may concern:

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 (Securities Code: 4203)  
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**Notice of Revision of Consolidated Financial Forecasts and Dividend Forecast,  
 Standalone Financial Forecasts, and Recognition of Impairment Loss**

Sumitomo Bakelite Co., Ltd. (hereinafter, referred to as "the Company") announces the revision of consolidated financial forecasts for the fiscal year ended March 31, 2021, which was announced on February 1, 2021, and dividend forecast along with the Company's recent business performance.

This announcement also includes the disclosure of the standalone financial forecasts due to the expectation of the gap from the actual results of the previous fiscal year, and the recognition of the impairment losses at overseas subsidiaries.

**1. Revision of Consolidated Financial Forecasts**

(1) Revised consolidated financial forecasts for the fiscal year ended 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 forecasts (A)	206,500	15,000	11,000	233.75
Revised forecasts (B)	209,000	16,500	13,000	276.25
Amount of change (B-A)	2,500	1,500	2,000	
Rate of change (%)	1.2	10.0	18.2	
(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 have increased further due to rising demand for teleworking-related products, 5G communications and automotive applications. Sales of High performance plastics are expected to be higher than the previous forecasts, particularly in Asian market for automotive and electronics uses. Furthermore, there is the steady progress in company-wide cost reduction activities, which also has contributed to the revised forecasts showing revenue and business profit to be higher than the previous forecasts.

Profit attributable to owners of parent is expected to exceed the previous forecast due to the increase in business profit as shown above and the recognition of deferred tax assets on the impairment loss at overseas subsidiaries as described in "4. Recognition of Impairment Loss" below.

## 2. Revision of Dividend Forecast

### (1) Dividend forecast for the fiscal year ended March 31, 2021

	Annual dividends per share (yen)		
	2nd-quarter	Year-end	Total
Previous forecast	—	30.00	60.00
Revised forecast	—	45.00	75.00
Actual results for the fiscal year ended March 31, 2021	30.00	—	—
(Reference) Actual results for the fiscal year ended March 31, 2020	45.00	30.00	75.00

### (2) Reason for the revision

To return to the Company's shareholders a portion of surplus by actively enhancing corporate value is one of the most important management priorities of the Company. As for the appropriation of surplus, the Company has the policy to pay dividends continuously according to the consolidated financial performance, in consideration of the balance with necessary internal reserves for the future development, such as R&D expenditures, capital investment, and M&A.

The Company has revised the year-end dividend forecast from 30.00 yen to 45.00 yen up by 15.00 yen due to the upward revision of consolidated financial forecasts for the fiscal year ended March 31, 2021 shown as above "1. Revision of Consolidated Financial Forecasts."

## 3. Standalone Financial Forecasts

### (1) Standalone financial forecasts for the fiscal year ended March 31, 2021

(April 1, 2020 to March 31, 2021)

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Net income per share (Yen)
Actual results for the fiscal year ended March 31, 2020 (A)	89,054	4,419	5,090	3,327	70.70
Forecasts for the fiscal year ended March 31, 2021 (B)	89,968	10,117	10,864	(11,702)	(248.67)
Amount of change (B-A)	914	5,698	5,774	(15,029)	
Rate of change (%)	1.0	128.9	113.4	—	

### (2) Reason for the forecasts

Net sales, operating income and ordinary income are expected to exceed those of the previous fiscal year mainly due to the steady progress in cost reduction activities, in addition to increasing sales of Semiconductor materials. On the other hand, as announced on November 9, 2020, the Company has recognised 20,030 million yen of loss on valuation of securities of affiliates as extraordinary loss due to the decline in the value of the securities of one of the consolidated subsidiaries, Sumitomo Bakelite North America Holding, Inc. This has caused the gap in net income from the actual results of the previous fiscal year.

## 4. Recognition of Impairment Loss

The consolidated subsidiaries Vaupell Holdings, Inc. and Sumitomo Bakelite North America, Inc. have recognised the impairment losses of approximately 1.9 billion yen on fixed assets including goodwill in Medical devices sector and of approximately 0.8 billion yen on fixed assets in Phenolic molding compounds sector respectively as "Other expenses" after the consideration of the recoverability based on the recent business plan.

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