

January 13, 2017

To whom it may concern:

Company Name: Sumitomo Bakelite Co., Ltd.
Representative: Shigeru Hayashi, President
(Securities Code: 4203)
Contact Person: Noriyoshi Honda,
General Manager of Corporate General Affairs Div.

Notice of Extraordinary Loss

We, Sumitomo Bakelite Co., Ltd., hereby announce the posting of the extraordinary losses in our consolidated financial statements from 1st to 3rd quarter (from April 1, 2016 to December 31, 2016) for the fiscal year ending March 31, 2017.

1. Posting of extraordinary losses

In the mid-term business plan for the fiscal year 2016-2018 formulated last year, we identified “strengthen business foundation through cost structure reform” as one of the basic policy. We are seeking to promote the reform of business structure for ensuring cost competitiveness, in order to resolve key issues of each business segment through our company and all of our consolidated subsidiaries.

As one of the measures for the reform of business structure, our company and some domestic consolidated subsidiaries offered early voluntary retirement to their employees. As the result of such offer, premium retirement payments and outplacement costs for 134 retired employees at the end of December 2016 arised. Also, in connection with concentrating production in our molded parts business in China, financial compensation payments for retired local employees arised. This resulted in the posting of a 1.6 billion yen extraordinary loss in our consolidated financial statements from 1st to 3rd quarter for the fiscal year ending March 31, 2017.

2. Outlook for the fiscal year 2016

There is no change to the consolidated financial forecasts for the full fiscal year ending March 31, 2017 (from April 1, 2016 to March 31, 2017) previously announced in “consolidated business results for the six months ending September 30, 2016” on November 14, 2016.

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