

[Tentative Translation]

April 26, 2018

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 Revision of Financial Forecast

Sumitomo Bakelite Co., Ltd. has revised its consolidated financial forecast for the fiscal year ending March 31, 2018.

Revised consolidated financial forecast for the fiscal year ending March 31, 2018 **(April 1, 2017 to March 31, 2018)**

	Revenue (Millions of yen)	Business profit (Millions of yen)	Operating profit (Millions of yen)	Profit before tax (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Basic earnings per share (Yen)
Previous forecast (A)	210,000	—	—	—	11,500	48.87
Revised forecast (B)	211,800	19,200	18,500	19,400	15,000	63.74
Amount of change (B-A)	1,800	—	—	—	3,500	
Rate of change (%)	0.9	—	—	—	30.4	
(Reference) Actual results for the fiscal year ended March 31, 2017	198,100	16,658	12,061	12,715	9,521	40.45

[Notes]

- (1) Consolidated financial forecast is based on the International Financial Reporting Standards (IFRS).
- (2) "Business profit" is calculated by deducting "Cost of sales" and "Selling, general and administrative expenses" from "Revenue".
- (3) There is no figure in "Operating profit" in previous forecast (A) based on the Japanese Generally Accepted Accounting Principles (Japanese GAAP) due to the difference of components from "Operating profit" in revised forecast (B) based on IFRS.
- (4) Actual results for the fiscal year ended March 31, 2017 are based on IFRS (unaudited).

Reasons for the revision

Consolidated financial forecast for the fiscal year ending March 31, 2018, when the voluntary application of IFRS has started, has been revised upward with the prospect of increase in profit attributable to owners of parent by 3.5 billion yen from previous forecast, mainly due to market conditions surrounding our business such as high demands for automotive and industrial sectors in the semiconductor-related market and increasing sales in China and Europe, especially in South Europe, in auto-related market. Additionally, the reversal of deferred tax liabilities due to corporate tax rate reduction in the United States and Belgium is also contributed to the revision.

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