

July 27, 2020

To whom it may concern:

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 (Securities Code: 4203)
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Notice Regarding Financial Forecasts and Dividend Forecasts

Sumitomo Bakelite Co., Ltd. (hereinafter, referred to as "the Company") has determined its consolidated financial forecasts and dividend forecasts for the fiscal year ending March 31, 2021, which were undetermined in "Summary of Consolidated Business Results for the Year Ended March 31, 2020" released on May 18, 2020.

1. Financial Forecasts

(1) Consolidated Financial Forecasts 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 forecasts (A)	—	—	—	—
Revised forecasts (B)	183,000	10,000	7,400	157.25
Amount of change (B-A)	—	—	—	
Rate of change (%)	—	—	—	
(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 Financial Forecasts

As it was difficult to calculate the negative impact of expanding COVID-19 on business, the Company had undetermined its consolidated financial forecasts for the fiscal year ending March 31, 2021. However, following the end of state of emergency in Japan as well as the gradual resumption in overseas economic activity, the Company has decided its consolidated financial forecasts based on the available information and estimations at this stage.

While the prolonged influence of COVID-19 expansion has been concerned, Semiconductor materials sector expects positive outlook with active investment in infrastructure such as 5G base station in China.

On the other hand, the revenue in High-performance plastic sector is prospected to decrease mainly because of the expectation of significant decrease in demand on automotive-related goods. Quality of life products sector also prospects less revenue with customers' lower operation in industrial functional materials and waterproof sheets divisions.

The Company will keep making efforts to recover its business performance by more cost reduction in whole company against this severe business environment.

Above forecasts are based on information which is available on the date of its disclosure. There are possibilities that actual results may differ by the future expansion and settlement of COVID-19.

2. Dividend Forecasts

(1) Dividend Forecasts for the Fiscal Year ending March 31, 2021

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

(2) Reason for Dividend Forecasts

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. Based on the Company's dividend policy and above financial forecasts for the fiscal year ending March 31, 2021, the Company has determined that the forecasts for both 2nd-quarter and year-end dividends are to be 30.00 yen.

END