

To whom it may concern:

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President
(Code: 4203, TSE 1st Section and OSE 1st Section)

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Notice regarding Loss on Devaluation of Investment Securities and Affiliated Companies' Securities

Sumitomo Bakelite Co., Ltd announces that it expects to recognize a loss on devaluation of investment securities and a loss on devaluation of affiliated companies' securities at the end of fiscal third-quarter ended December 31, 2008 , because their fair market value has declined significantly.

1. Loss on devaluation of investments in securities and loss on devaluation of affiliated companies' securities for the 1st to 3rd Quarter of fiscal year ended March 31, 2009

(Consolidated)

Unit: Millions of yen

	Loss on devaluation of investment securities	Loss on devaluation of affiliated companies' securities
(A) Accumulated total amount of loss on devaluation for the 1st to 3rd Quarter of fiscal year ended March 31, 2009	2,379	1,705
Subaccumulation of Loss on devaluation for the 1st and 2nd Quarter of fiscal year ended March 31, 2009	1,044	—
Subtotal of Loss on devaluation for the 3rd Quarter of fiscal year ended March 31, 2009	1,335	1,705
(B) Net assets as of March 31, 2008 (A / B x 100)	166,364 (1.4 %)	166,364 (1.0 %)
(C) Recurring profit for Fiscal year ended March 31, 2008 (A / C x 100)	9,739 (24.4 %)	9,739 (17.5 %)
(D) Net income for fiscal year ended March 31, 2008 (A / D x 100)	2,191 (108.6 %)	2,191 (77.8 %)

(Non-Consolidated)

Unit: Millions of yen

	Loss on devaluation of investment securities	Loss on devaluation of affiliated companies' securities
(A) Accumulated total amount of loss on devaluation for the 1st to 3rd Quarter of fiscal year ended March 31, 2009	2,360	2,455
Subaccumulation of Loss on devaluation for the 1st and 2nd Quarter of fiscal year ended March 31, 2009	1,031	640
Subtotal of Loss on devaluation for the 3rd Quarter of fiscal year ended March 31, 2009	1,329	1,815
(B) Net assets as of March 31, 2008 (A / B x 100)	126,139 (1.9 %)	126,139 (1.9 %)
(C) Recurring profit for Fiscal year ended March 31, 2008 (A / C x 100)	5,037 (46.9 %)	5,037 (48.7 %)
(D) Net income for fiscal year ended March 31, 2008 (A / D x 100)	3,986 (59.2 %)	3,986 (61.6 %)

2. Future outlook

Sumitomo Bakelite Co., Ltd is currently reviewing the earnings estimates for fiscal year ended March 31,2009 and will announce them on February 4, 2009.

End