

To whom it may concern:

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Company name: SUMITOMO BAKELITE CO., LTD.
Representative: Tomitaro Ogawa,
President
(Code: 4203, TSE 1st Section and OSE 1st Section)

Inquiries: Tamotsu Yahata,
Director and Senior Managing Executive Officer,
General Manager, Corporate Finance & Planning Division
(TEL: +81-3-5462-3434)

Notice of Revised Earnings Forecast and Extraordinary Loss

Sumitomo Bakelite Co., Ltd announces that the following revisions to its consolidated and non-consolidated earnings forecast as well as an extraordinary loss for the fiscal year ending March 31, 2009. These replace the previous forecast announced on February 4, 2009.

1. Revised earnings forecast for fiscal year ending March 31, 2009 (April 1,2008 through March 31,2009)

<Consolidated>

	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)
Previous forecast (A)	214,300	2,100	4,200	(1,280)	(5.14)
Revised forecast (B)	212,000	(1,600)	500	(7,900)	(31.75)
Amount of change (B-A)	(2,300)	(3,700)	(3,700)	(6,620)	—
Rate of change (%)	(1.1)	—	(88.1)	—	—
(Reference) Actual results for the fiscal year ending March 31, 2008	225,252	9,026	9,739	2,191	8.40

<Non-Consolidated>

	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)
Previous forecast (A)	104,900	(3,800)	2,300	(500)	(2.01)
Revised forecast (B)	104,000	(7,700)	1,500	(2,300)	(9.24)
Amount of change (B-A)	(900)	(3,900)	(800)	(1,800)	—
Rate of change (%)	(0.9)	—	(34.8)	—	—
(Reference) Actual results for the fiscal year ending March 31, 2008	119,379	1,462	5,037	3,986	15.27

2. Reasons for the revisions

Sumitomo Bakelite Co.,Ltd (hereinafter "the Company") recorded a loss under operating expenses of approximately ¥3.7 billion as an actuarial difference in the accounting of retirement benefits because the stock price of the Company, plunged as of March 31, 2009, due to the difficult market situation, triggered by the U.S. financial crisis, which caused a reduction in the fair value of the Company's retirement trust fund and significantly deteriorated the Company's management performance of qualified retirement pension funds.

Consolidated operating income and ordinary income are expected to be less than previously forecast by the same amounts, resulting in an operating loss of ¥1.6 billion and ordinary income of only ¥0.5 billion. In addition, it was determined that the statements of income of the Company for the fourth quarter of the fiscal year ending March 31, 2009, would include extraordinary losses for restructuring cost, business liquidation, sale of fixed assets and an impairment loss on fixed assets. These losses were recorded for restructuring to reinforce the Company's revenue foundation and improve the adequacy of the valuation of the Company's assets. Recording these extraordinary losses is expected to further lower the projected results for the fiscal year ending March 31, 2009, from the previous forecasts.

On a non-consolidated basis, due to the same reasons as above, operating income, ordinary income and net income for the fiscal year ending March 31, 2009, are projected to be less than the previous forecasts. Operating income is expected to be ¥3.9 billion less and ordinary income and net income both will likely be less than previously forecast due to extraordinary losses such as restructuring costs and liquidation loss, which were not offset by ¥5.6 billion of dividend income from overseas consolidated subsidiaries for the fourth quarter (¥8.4 billion annually).

* The above forecasts are based on the definite assumptions that Sumitomo Bakelite Co.,Ltd deemed reasonable at the time of preparing this notice. Actual results may differ from these forecasts due to various factors such as business environment.

3. Recording of an extraordinary loss

During the fourth quarter of the fiscal year ending March 31, 2009, the Company recorded extraordinary losses including a loss on sale of fixed assets of ¥0.4 billion (¥0.8 billion annually), restructuring costs of ¥2.1 billion (¥3.1 billion annually) and a liquidation loss of ¥1 billion (the whole amount of this ¥1 billion was incurred during the fourth quarter).

These major losses resulted from 1) the disposal of fixed assets and severance payments to employees before their retirement age due to the redeployment of manufacturing bases in the Circuit Products Business and the Molded Products Business in Japan, as well as the Phenolic Resin and Molding Compound Business in North America, and 2) liquidation at the Japanese and non-Japanese consolidated subsidiaries that engage in the Quality of Life business. For an appropriate evaluation of fixed assets, it was determined to account for an impairment loss of ¥1.4 billion (¥1.5 billion annually) as an extraordinary loss at the Company and its consolidated subsidiaries in Asia for the fourth quarter.

On a non-consolidated basis, during the fiscal year ending March 31, 2009, restructuring costs are projected to be ¥1.3 billion and a liquidation loss be ¥1.1 billion as extraordinary losses.

*Significant extraordinary losses

<Consolidated>

Items	Amount for fiscal year ending March 31, 2009 (Millions of yen)	Accumulated total amount for the 1st to 3rd Quarter (Millions of yen)
Loss on sale of fixed assets	765	402
Restructuring costs	3,117	965
Liquidation loss	962	—
Impairment loss	1,513	81
Loss on devaluation of investment securities	2,469	2,377
Loss on devaluation of affiliated companies' securities	1,705	1,705

<Non-Consolidated>

Items	Amount for fiscal year ending March 31, 2009 (Millions of yen)	Accumulated total amount for the 1st to 3rd Quarter (Millions of yen)
Restructuring costs	1,290	42
Liquidation loss	1,053	—
Loss on devaluation of investment securities	2,450	2,360
Loss on devaluation of affiliated companies' securities	2,526	2,455

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