

April 28, 2020

To whom it may concern:

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 (Securities Code: 4203)  
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### Notice of Revision of Financial Forecast and Recognition of Impairment Loss

Sumitomo Bakelite Co., Ltd. (hereinafter, referred to as "the Company") announces the revision of consolidated financial forecast for the fiscal year ended March 31, 2020, which was announced on November 1, 2019, along with the Company's recent business performance and the recognition of impairment loss.

#### 1. Revision of Financial Forecast

##### (1) Revised consolidated financial forecast for the fiscal year ended March 31, 2020

(April 1, 2019 to March 31, 2020)

	Revenue (Millions of yen)	Business profit (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Basic earnings per share (Yen)
Previous forecast (A)	205,000	16,000	12,300	261.37
Revised forecast (B)	206,600	14,300	9,200	195.50
Amount of change (B-A)	1,600	(1,700)	(3,100)	
Rate of change (%)	0.8	(10.6)	(25.2)	
(Reference) Actual results for the fiscal year ended March 31, 2019	212,952	17,293	15,084	320.51

[Notes] "Business profit" is calculated by deducting "Cost of sales" and "Selling, general and administrative expenses" from "Revenue."

##### (2) Reason for the revision

Revenue in Semiconductor materials is prospected to be better than the previous forecast as sales have been increasing mainly for automotive motor and for communications and smartphone along with investment in infrastructure such as 5G base station in Chinese market from 3rd quarter onwards. Additionally, revenue in film and sheets products has been growing by increasing sales in pharmaceutical products packaging to generic drug manufacturers.

However, business profit is to be lower than the previous forecast due to a) worldwide slowdown in the automotive market, b) prolonged US-China trade conflict, c) the deterioration of business environment surrounding US shale gas and oil industry, and d) the drop in production standard in US aircraft manufacturer. Impairment loss mentioned in following "2. Recognition of Impairment Loss" has also negative impact on the downward revision of consolidated financial forecast for the fiscal year ended March 31, 2020.

#### 2. Recognition of Impairment Loss

Vaupell Holdings, Inc., the subsidiary, has recognised impairment loss as "Other expenses" for the fiscal year ended March 31, 2020 after the consideration of the recoverability based on the recent business plan. The amounts of impairment loss are approximately 1.8 billion yen on fixed assets belonging to Aerospace interior components sector and approximately 0.3 billion yen on goodwill belonging to Medical devices sector.

END