



Financial Results for 1st Quarter of FY2021

August 12, 2021

Sumitomo Bakelite Co., Ltd.

Outline of Financial Results for 1st Quarter of FY2021

Financial Results for 1st Quarter of FY2021 (Y/Y)

[Unit: Billion yen]

	1Q of FY2020	1Q of FY2021	Variance (Y/Y)	
	(1)	(2)	(2)-(1)	Ratio
Revenue	43.7	62.7	19.0	43.5%
Business Profit	2.4	6.7	4.3	180.2%
Operating Profit	1.9	6.6	4.7	254.6%
Profit attributable to owners of parent	1.9	5.2	3.4	182.8%

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

Ref. Results of Kawasumi Laboratories for 1Q

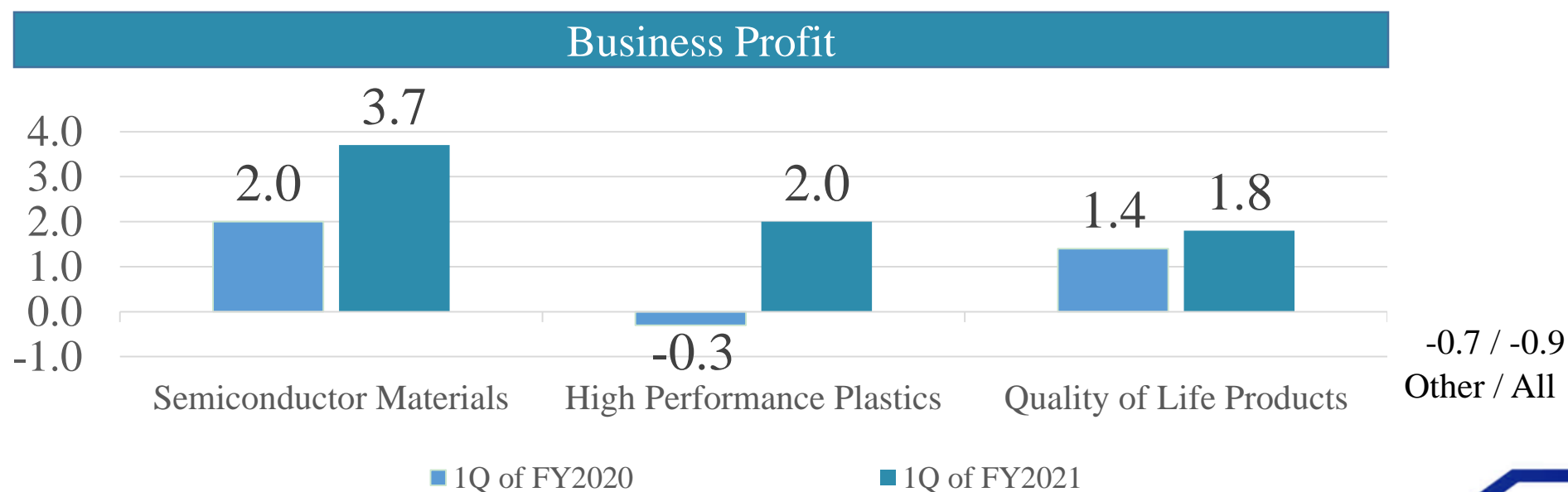
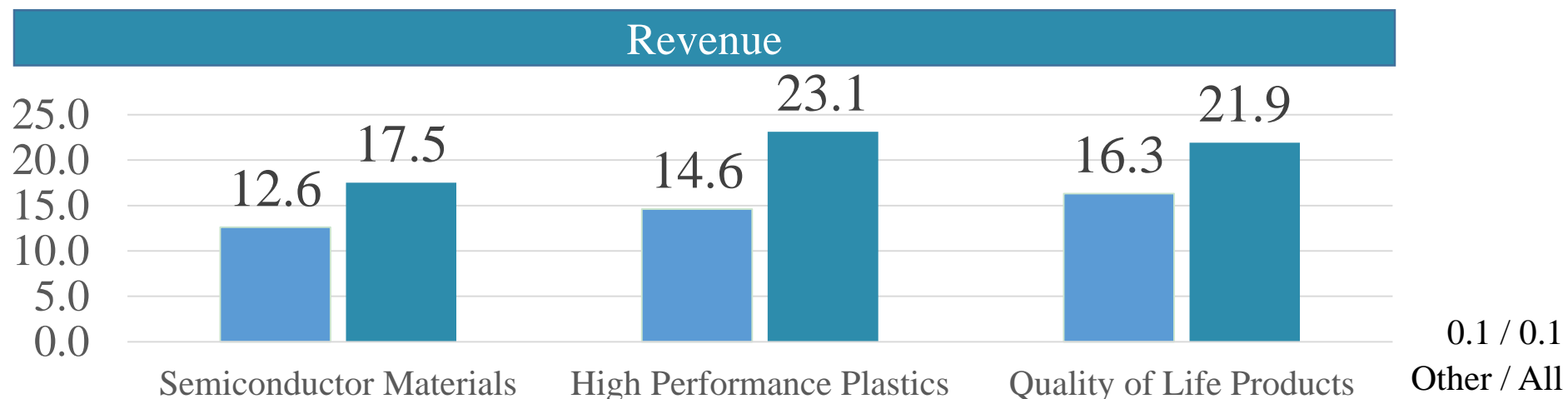
Revenue: 4.7 billion yen

Business Profit: 0.1 billion yen

FOREX	1Q - FY2020	1Q - FY2021
JPY / USD	107.74	110.00
JPY / EUR	118.94	131.78

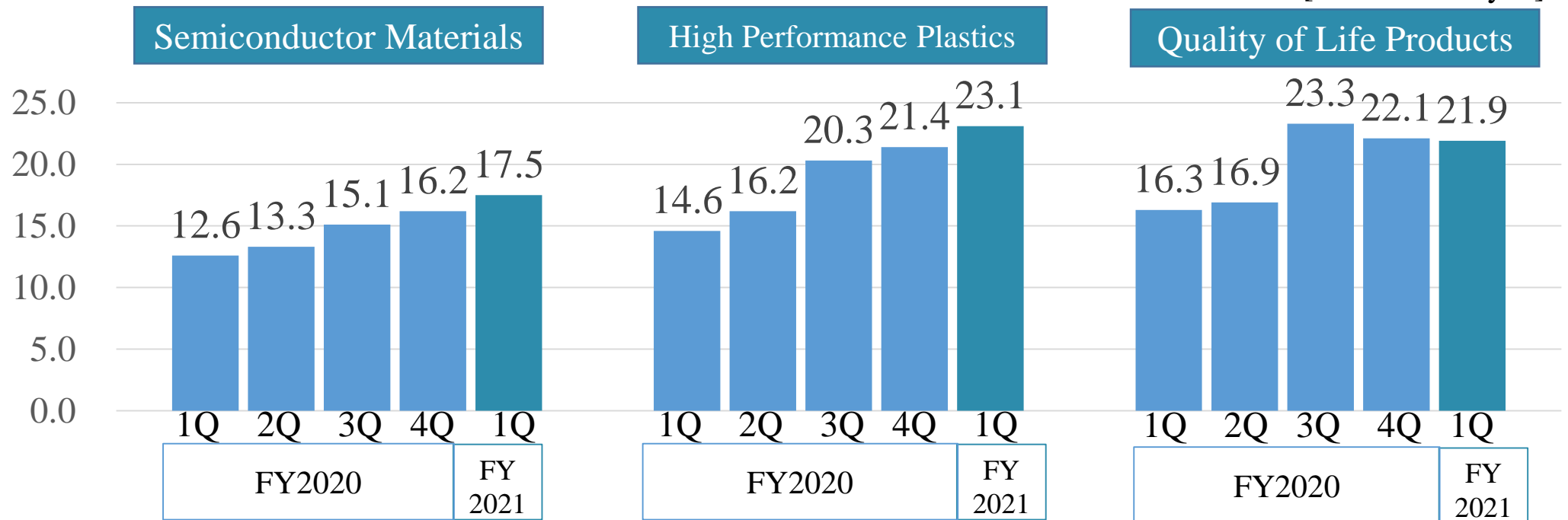
Revenue and Business Profit by Business Segment (Y/Y)

[Unit: Billion yen]



Quarterly Revenue by Business Segment

[Unit: Billion yen]



■ Semiconductor Materials

Significant increase in revenue due to growth in encapsulation materials thanks to continued expansion of semiconductor demand worldwide.

■ High Performance Plastics

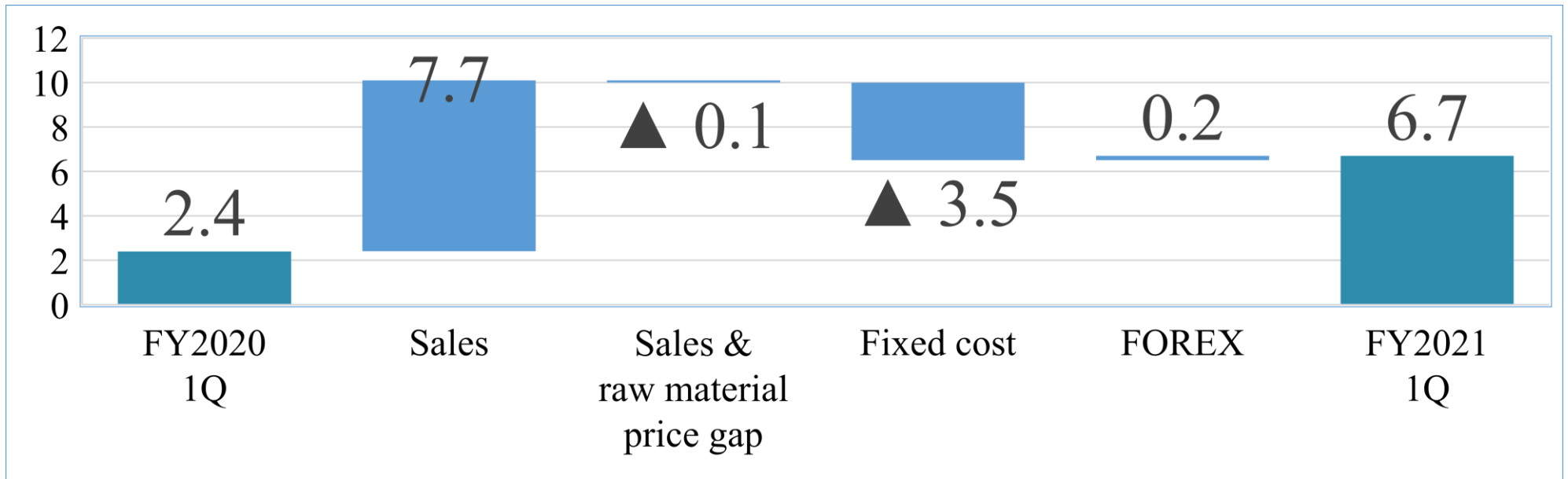
Significant increase in revenue compared to FY2020 due to recovery of automobile production and sales in Europe and the U.S. as well as strong performance in electronic and electrical applications in the Chinese market. Sluggish performance in aircraft products.

■ Quality of Life Products

Increase in revenue compared to FY2020 due to such as new consolidation of Kawasumi Laboratories. In films & sheets, strong performance in industrial applications but downturn in pharmaceutical applications.

Analysis of Business Profit (Y/Y)

[Unit: Billion yen]



Segment	Sales	Sales & raw material price gap	Fixed cost	FOREX	Total
Semiconductor Materials	+ 1.7	+ 0.4	▲0.4	+ 0.1	+ 1.7
High Performance Plastics	+ 2.7	▲0.4	▲0.0	+ 0.1	+ 2.4
Quality of Life Products	+ 3.3	▲0.1	▲2.8	0.0	+ 0.4
Others	0.0	0.0	▲0.2	▲0.0	▲0.2

Financial Forecasts for FY2021

Financial Forecasts for FY2021 (Y/Y)

There is no change from Announcement for FY2020.

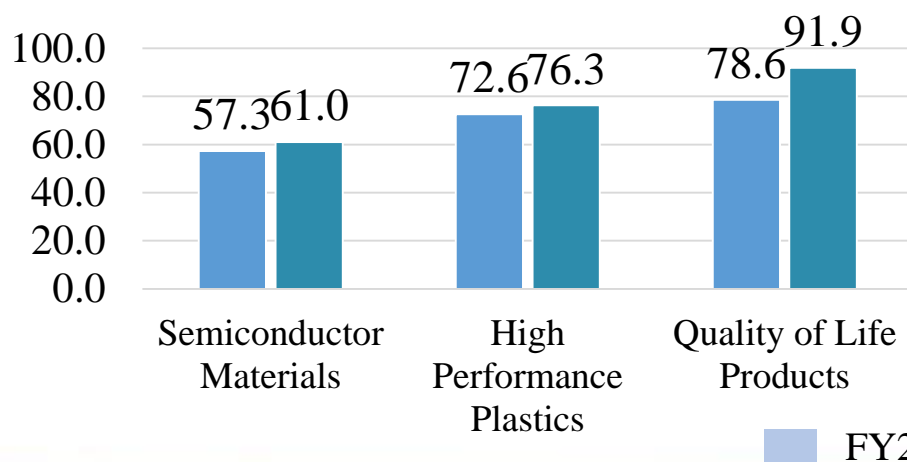
[Unit: Billion yen]

	FY2020	FY2021	Variance	
	(1)	(2)	(2)-(1)	Ratio
Revenue	209.0	230.0	21.0	10.0%
Business Profit	16.6	19.0	2.4	14.2%
Profit attributable to owners of parent	13.2	14.5	1.3	9.9%

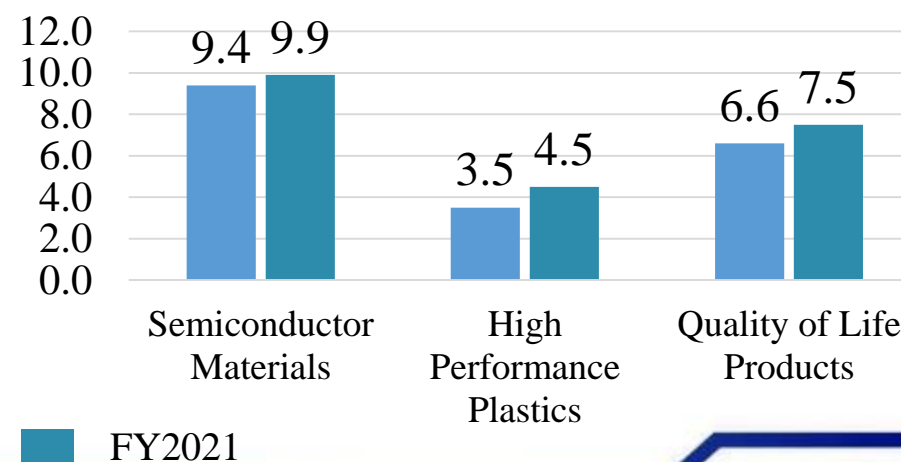
* "Business profit" is calculated by deducting "Cost of sales" and "Selling, general and administrative expenses" from "Revenue".

* Sales of Kawasumi Laboratories for FY2020 is consolidated for six months.

Revenue



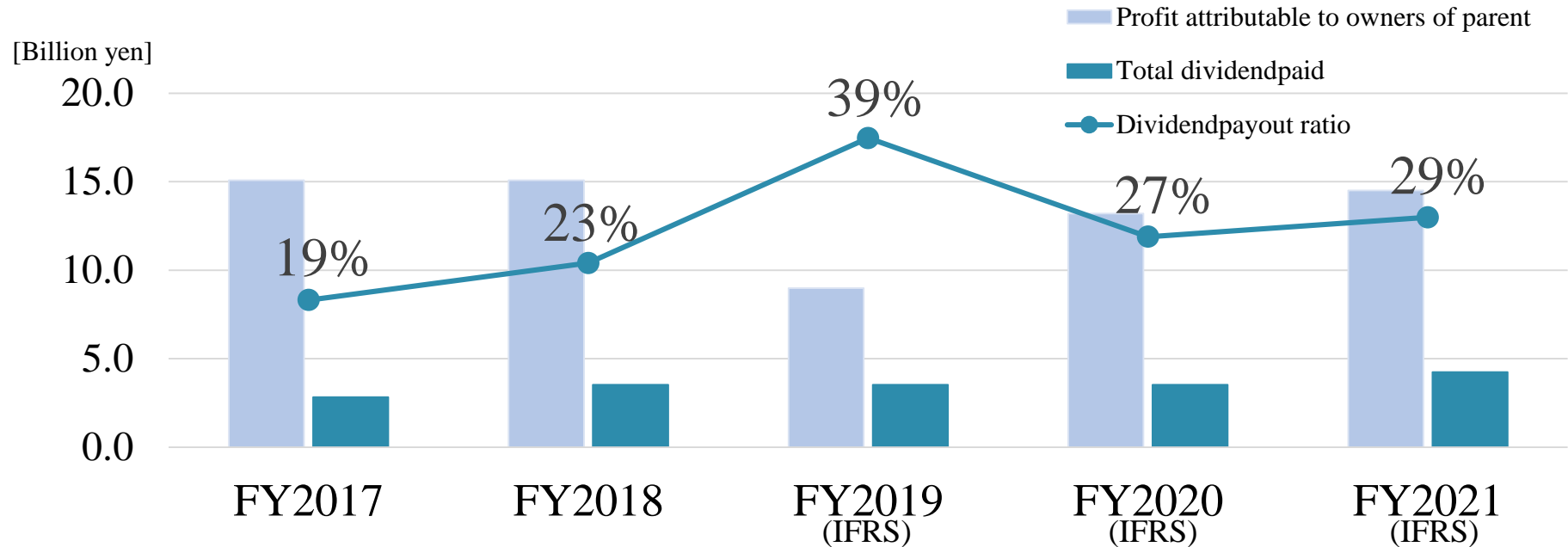
Business Profit



Dividends

There is no change from Announcement for FY2020.

Dividend Forecasts (FY2021): 90.00 yen per share (Interim 45.00 yen, Year-end 45.00 yen)



(yen per share)	FY2017	FY2018	FY2019	FY2020	FY2021 (Forecast)
Interim	6.00	37.50	45.00	30.00	45.00
Year-end	6.00	37.50	30.00	45.00	45.00
Total	12.00	75.00	75.00	75.00	90.00

* Although we carried out a share consolidation at a ratio of one share for every five shares on 1 October 2018, figures in FY2018 is shown after such share consolidation.

Topics

Production Increase in Semiconductor Encapsulation Materials in China

Enhancement of production capacity in Sumitomo Bakelite (Suzhou) Co., Ltd. (Suzhou, Jiangsu), a Chinese subsidiary engaging in production and sale of semiconductor encapsulation materials, by introducing new equipment.

- Completion: Early 2022
- Investment: Approximately 2.5 billion yen
- Details: 1.5 times increase in production capacity by introducing a new production line for production of semiconductor encapsulation materials (to be installed in the current plant building)
- Backgrounds: We have been taking steps to increase production capacity of our existing production lines in response to recent expansion of the Chinese market and increase in our market share. However, we have decided to introduce a new production line because there has also been further expansion of demand in materials particularly for general-purpose IC. While this enhancement will enable us to meet demand for the time being, we will also respond quickly to further increase in demand in the future.



Appendix (1)

1) Summary of Result and Forecast

(Unit: Billion Yen)

	March 2021 [FY2020]					March 2022 [FY2021]	
	Results					Results	Forecasts
	1Q (Apr-Jun)	2Q (Jul-Sep)	3Q (Oct-Dec)	4Q (Jan-Mar)	Full Year (Apr-Mar)	1Q (Apr-Jun)	Full Year (Apr-Mar)
Revenue	43.7	46.5	58.8	60.0	209.0	62.7	230.0
Business Profit (*1)	2.4	2.5	6.7	5.1	16.6	6.7	19.0
Profit Before Tax	2.4	1.8	10.3	1.6	16.1	6.9	-
Profit Attributable To Owners of Parent	1.9	1.3	8.6	1.4	13.2	5.2	14.5

2) Revenue and Business Profit by Business Segment

	March 2021 [FY2020]					March 2022 [FY2021]	
	Results					Results	Forecasts
	1Q (Apr-Jun)	2Q (Jul-Sep)	3Q (Oct-Dec)	4Q (Jan-Mar)	Full Year (Apr-Mar)	1Q (Apr-Jun)	Full Year (Apr-Mar)
[Semiconductor Materials]							
Revenue	12.6	13.3	15.1	16.2	57.3	17.5	61.0
Business Profit (*1)	2.0	1.9	2.7	2.8	9.4	3.7	9.9
[High Performance Plastics]							
Revenue	14.6	16.2	20.3	21.4	72.6	23.1	76.3
Business Profit (*1)	-0.3	-0.1	2.3	1.6	3.5	2.0	4.5
[Quality of Life Products]							
Revenue	16.3	16.9	23.3	22.1	78.6	21.9	91.9
Business Profit (*1)	1.4	1.3	2.4	1.4	6.6	1.8	7.5
[Others]							
Revenue	0.1	0.1	0.1	0.2	0.6	0.1	0.7
Business Profit (*1)	-0.7	-0.7	-0.7	-0.7	-2.9	-0.9	-2.9
[Total]							
Revenue	43.7	46.5	58.8	60.0	209.0	62.7	230.0
Business Profit (*1)	2.4	2.5	6.7	5.1	16.6	6.7	19.0

(*1) "Business profit" is calculated by deducting "Cost of sales" and "Selling, general and administrative expenses" from "Revenue"

Appendix (2)

3) Management Index

		March 2021 [FY2020]		March 2022 [FY2021]	
		1Q (Apr-Jun) Results	Full year (Apr-Mar) Results	1Q (Apr-Jun) Results	Full year (Apr-Mar) Forecast
Earnings per share	(Yen)	39.40	157.25	111.43	308.13
ROA	(%)	3.4	3.2	8.0	5.6
ROE	(%)	4.2	4.1	10.4	7.1
Ratio of equity attributable to owners of parent	(%)	62.5	57.7	58.5	62.0
Capital expenditure	(Billion Yen)	2.0	9.9	4.2	12.4
Depreciation	(Billion Yen)	2.8	11.2	3.3	12.4
R&D expense	(Billion Yen)	2.4	10.0	2.6	10.9
Financial Liability balance at year end	(Billion Yen)	52.9	79.5	74.9	60.0
Net financial income and expenses (*1)	(Billion Yen)	0.3	0.7	0.3	0.7
No. of employees		5,865	5,800	7,941	8,010

(*1) Excluding such as "Loss (gain) on step acquisition" associated with additional acquisition of Kawasumi Laboratories' shares

This presentation material contains forward-looking statements that are based on management's estimates, assumptions and projections as of May 17, 2021.

Some factors, which include, but are not limited to, the risks and uncertainty associated with the worldwide economy, competitive activity and currency fluctuation, could cause actual results to differ materially from expectations.

** Our FY2021 runs from April 1, 2021 through March 31, 2022.*