

Briefing on Financial Results for the Fiscal Year Ending March 31, 2023
Sumitomo Bakelite Co., Ltd.

Q&A Summary

Date: May 15, 2023 (Monday) 3:00 p.m. - 4:30 p.m.

Presenter: Kazuhiko Fujiwara, Representative Director and President

[Company-wide matters]

Q: The Company has announced the repurchase of own shares this time, could you tell us about your policy on shareholder returns?

A: We consider stable and consistent dividend payments, with a target payout ratio of around 30%. Although the repurchase of own shares will remain an option in the future, the return of profits to shareholders through dividends is our priority.

[Semiconductor Materials segment]

Q: Please tell us about the outlook for the semiconductor encapsulation materials in this fiscal year.

A: In this fiscal year, sales will continue to grow mainly in automotive applications. Sales of consumer applications bottomed out in 4Q of last fiscal year and are expected to increase moderately, but we do not expect a major recovery until the second half of the year.

Q: Please tell us about the outlook for the three strategic mobility products.

A: Although we are a bit firm in our forecast for this fiscal year due to uncertainty in the supply chain, we believe that we can fully achieve our sales target of 12 billion yen for FY2025.

[High Performance Plastics Segment]

Q: Please tell us about the outlook for this fiscal year.

A: We had expected a recovery a little earlier, but it was slow. We expect recovery from 3Q onward.

Q: Please tell us about the current status of aircraft related products business.

A: As a result of rationalization and other efforts, this business returned to profitability in the second half of last year. For this fiscal year, we expect to achieve higher sales and profits as the demand for aircraft recovers.

[Quality of Life Products Segment]

Q: Please tell us about the reasons for the continued profit growth this fiscal year.

A: The majority of the profit increase will be in Film & Sheets, and a recovery in Industrial functional materials is also expected.

End