

Briefing on Financial Results for the Fiscal Year Ending March 31, 2024  
Sumitomo Bakelite Co., Ltd.

## Q&A Summary

Date: May 13, 2024 (Monday) 3:00 p.m. - 4:30 p.m.

Presenter: Kazuhiko Fujiwara, President and Representative Director

### [Company-wide matters]

Q: What is the foreign exchange rate assumption in new medium-term business plan and this fiscal year forecast?

A: 149 yen for the US dollar.

Q: Please tell us about the background of raising dividend payout ratio target to 40%.

A: A decision was made after much discussion regarding the capital allocation necessary to invest in future growth and to maintain a solid financial position in an increasingly unstable business environment.

Q: What is the reason for setting ROE target of 9% for FY2026?

A: Considering the current ROE level and capital cost, we think this is a number to be cleared first.

### [Semiconductor Materials Segment]

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

A: The volume is expected to increase by approximately 10% from the previous fiscal year. As in the previous fiscal year, growth in the volume for mobility will be the driving force. In addition to the current recovery of memory demand, we expect a further recovery in consumer applications from the second half of the year.

Q: What drove the upward revision of the FY2025 plan for the three strategic products for mobility?

A: Each of the three products has increased and lead this growth.

Q: How do you plan to expand sales for AI-related products?

A: We have already commercialized some products and plan to further develop materials and expand our product lineup by leveraging our strengths, such as external collaborations in the

field of AI, in order to establish ourselves as the de facto standard in various products.

**[High Performance Plastics Segment]**

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

A: Inventory adjustments in the market have progressed considerably since 2H of the previous fiscal year, and both consumer and automotive applications have been recovering gradually. Aircraft interior materials are also expected to remain firm.

Q: What is the reason for the significant increase in the percentage of products in the enhanced area from FY2026 to FY2030?

A: We will focus on three enhanced areas: EVs, Semiconductors, and Aircraft. New development projects are increasing and are expected to be realized around FY2030.

**[Quality of Life Products Segment]**

Q: In the new medium-term business plan, both profit margins and amounts are planned to increase over the three-year period. What are new initiatives?

A: In the current fiscal year, there will be a temporary plateau due to the reassessment of some unprofitable products. However, from the following fiscal year onward, we anticipate sustained growth, especially with the accelerated launch of development projects for Films and Sheets, as well as Healthcare-related products.

End