



# Financial Results for 2<sup>nd</sup> Quarter of FY2024

November 5, 2024

Sumitomo Bakelite Co., Ltd.

Kazuhiko Fujiwara, President and Representative Director

 SUMITOMO BAKELITE CO.,LTD.



# **Outline of Financial Results for 2<sup>nd</sup> Quarter of FY2024**

# Financial Results for 2<sup>nd</sup> Quarter of FY2024 (Y/Y)

SUMITOMO BAKELITE CO., LTD.

[Unit: Billion yen]

	2Q of FY2023	2Q of FY2024	Variance (Y/Y)	
	(1)	(2)	(2)-(1)	Ratio
Revenue	141.9	153.1	11.2	7.9%
Business Profit*	12.8	15.8	3.0	23.7%
Operating Profit	12.6	15.7	3.1	24.3%
Profit attributable to owners of parent	11.1	12.7	1.7	15.1%

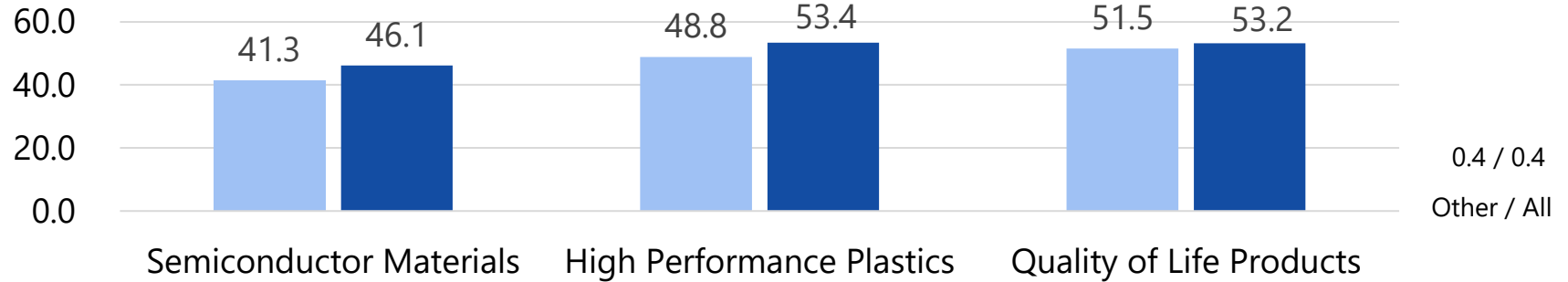
\* "Business profit" is calculated by deducting "Cost of sales" and "Selling, general and administrative expenses" from "Revenue".

FOREX	2Q - FY2023	2Q - FY2024
JPY / USD	141.31	152.30
JPY / EUR	153.51	165.46

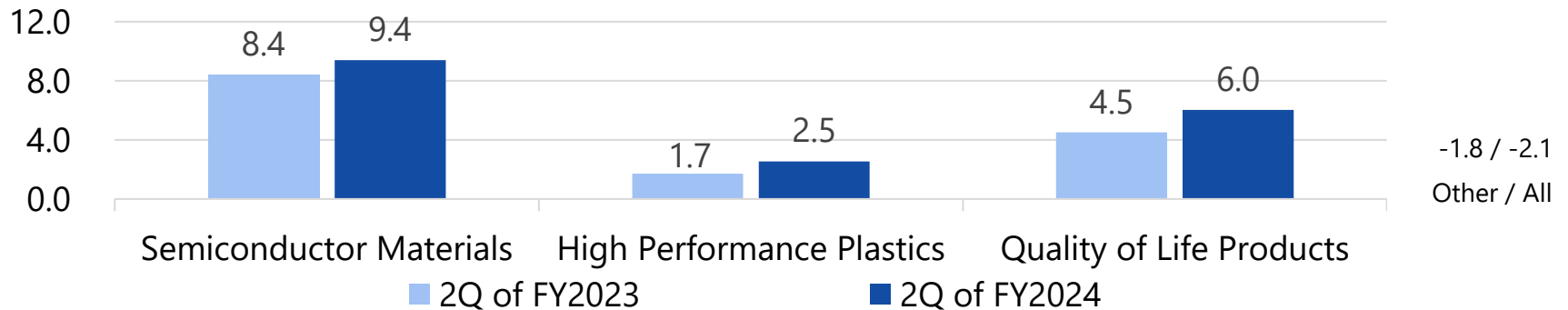
# Revenue and Business Profit by Business Segment (Y/Y)

[Unit: Billion yen]

Revenue



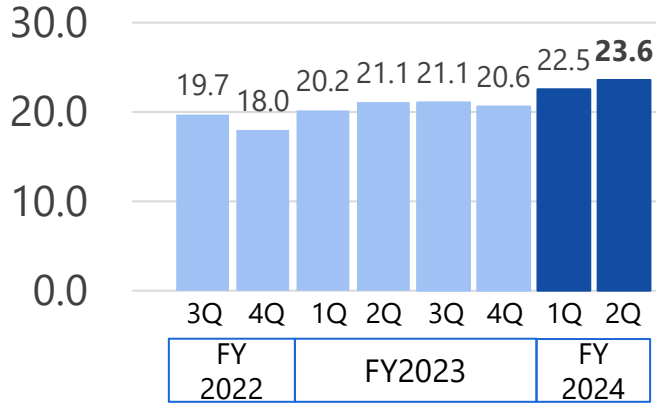
Business Profit



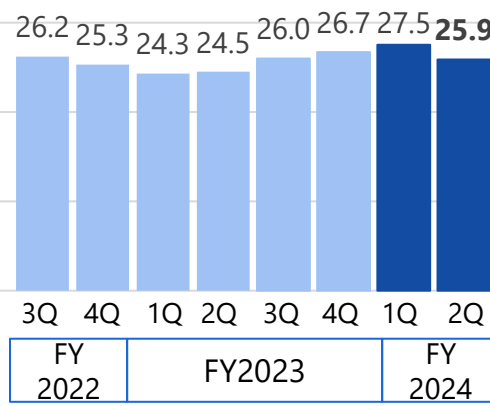
# Quarterly Revenue by Business Segment

[Unit: Billion yen]

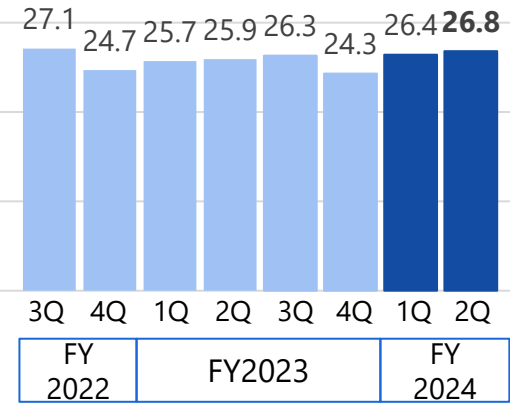
## Semiconductor Materials



## High Performance Plastics



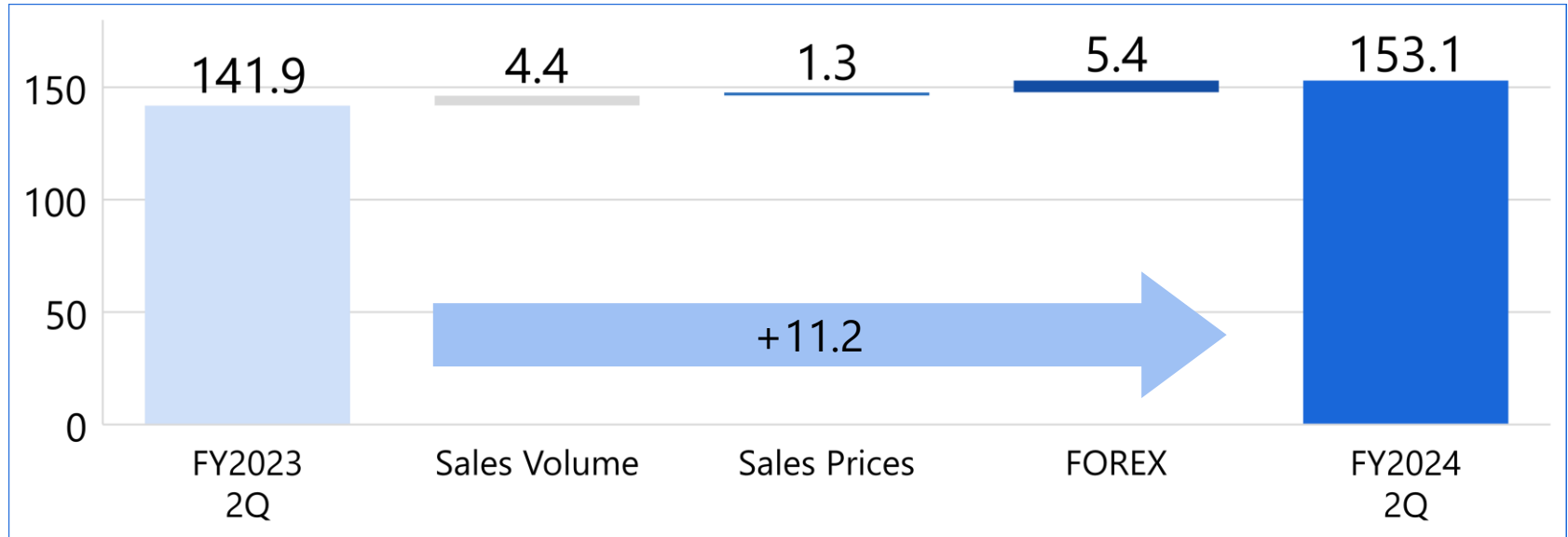
## Quality of Life Products



- Semiconductor Materials : Sales revenue in China remains strong.
- High Performance Plastics : Sales recovery in Asia is progressing. Sales in the Western countries were affected by the seasonal reduction in operating days.
- Quality of Life Products : The sales of medical devices and films & sheets are performing steadily.

# Analysis of Revenue (Y/Y)

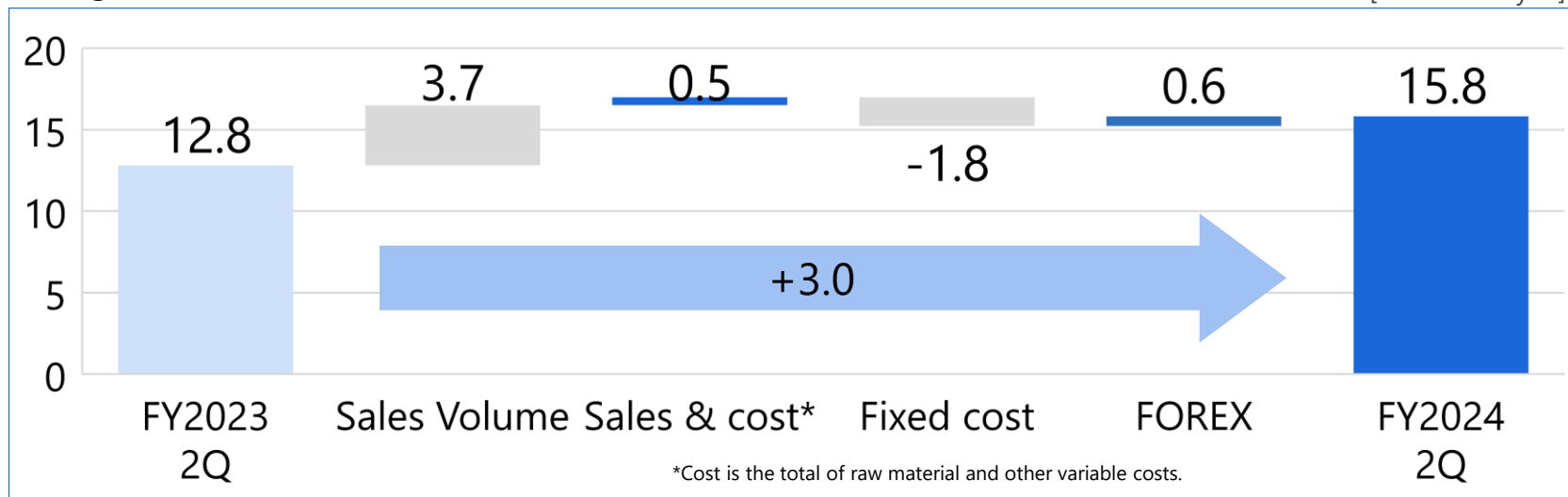
[Unit: Billion yen]



Segment	Sales Volume	Sales Prices	FOREX	Total
Semiconductor Materials	+2.4	+0.4	+2.1	+4.9
High Performance Plastics	+1.7	+0.2	+2.7	+4.6
Quality of Life Products	+0.4	+0.8	+0.5	+1.7

# Analysis of Business Profit (Y/Y)

[Unit: Billion yen]



Segment	Sales Volume	Sales & cost*	Fixed cost	FOREX	Total
Semiconductor Materials	+1.5	-0.0	-0.9	+0.4	+1.0
High Performance Plastics	+1.7	-0.2	-0.8	+0.2	+0.8
Quality of Life Products	+0.5	+0.7	+0.2	+0.1	+1.5
Others	+0.0	0.0	-0.3	0.0	-0.3



## **Financial Forecasts for FY2024**

**\*There is no change from Announcement  
on May 13, 2024**



# Financial Forecasts for FY2024 (Y/Y)

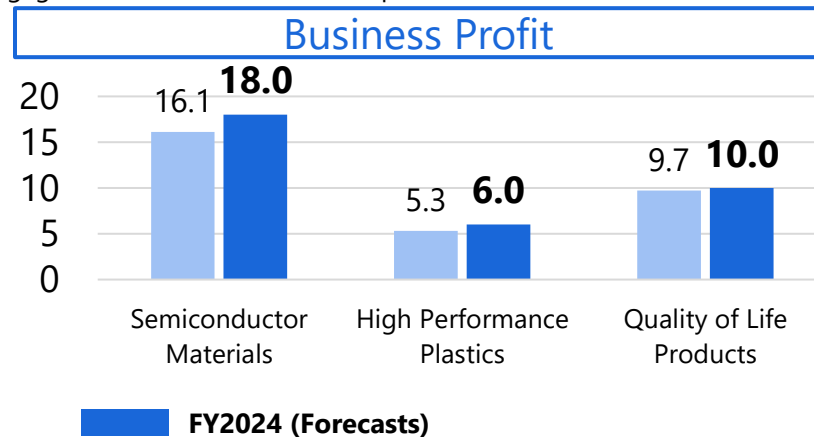
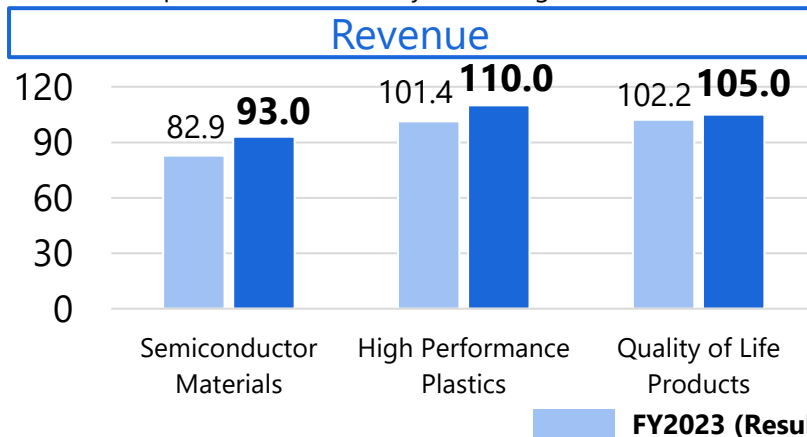
\*There is no change from Announcement on May 13<sup>th</sup>, 2024.

SUMITOMO BAKELITE CO.,LTD.

[Unit: Billion yen]

	FY2023	FY2024	Variance	
	Results (1)	Forecasts (2)	(2)-(1)	Ratio
Revenue	287.3	<b>309.0</b>	21.7	7.6%
Business Profit	27.5	<b>30.0</b>	2.5	9.3%
Profit attributable to owners of the parent	21.8	<b>24.0</b>	2.2	9.9%

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



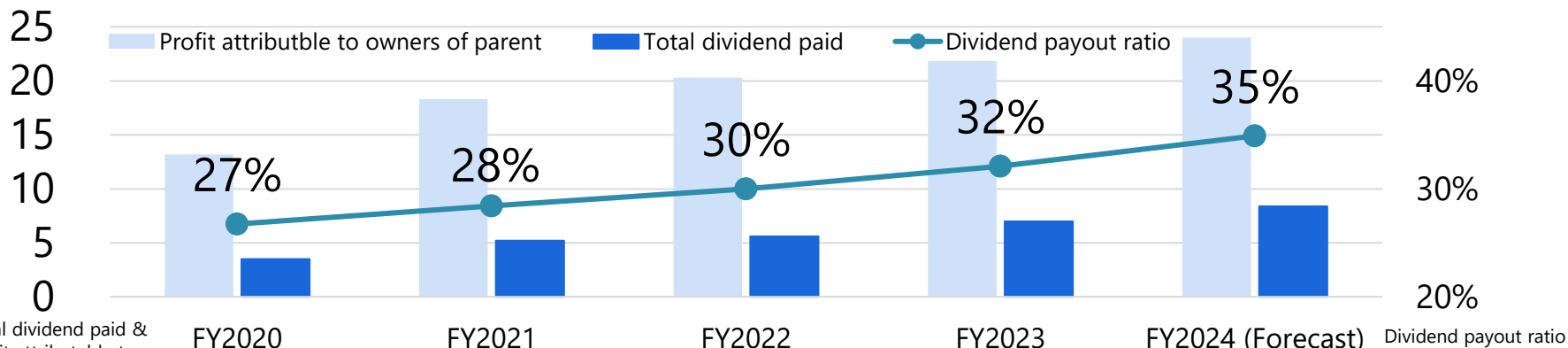
# Shareholder Returns

\*There is no change from Announcement on May 13<sup>th</sup>, 2024.

■ Dividends Forecast (FY2024) : 90.00 yen per share (Interim 45 yen / Year-end 45 yen)

**Dividends per share forecast is increased by 15 yen\* from FY2023 \*Split basis**

[Unit: Billion yen]



Total dividend paid & Profit attributable to owners of the parent

Dividends (yen) /share	FY2020	FY2021	FY2022	FY2023	FY2024 (Forecast)	
					Pre-split basis (Reference)	*Split basis
Interim	45.00	50.00	60.00	70.00	(90.00)	45.00
Year-end	30.00	60.00	70.00	80.00	(90.00)	45.00
Total	75.00	110.00	130.00	150.00	(180.00)	90.00

\*A two-for-one common stock split was issued on April 1, 2024. The amounts before FY2023 are on a pre-split basis.



# **Summary of 1<sup>st</sup> Half, Outlook and Initiatives for 2<sup>nd</sup> Half in Each Segment**

# Semiconductor Materials

## (1st Half Summary & 2nd Half Outlook and Initiatives)

Unit: Billion yen

	Business profit	Revenue
1st half result	9.4	46.1
Progress rate	52%	50%
Full-year forecast	18.0	93.0



Sumitomo Bakelite (Taiwan) Co., Ltd.  
new plant



Sumitomo Bakelite (Suzhou) Co., Ltd.  
new plant

### 1st half summary

- The Chinese market was more buoyant than expected.
- Demand for products for consumer applications in Taiwan and the automotive semiconductor market in Southeast Asia stagnated.
- While sales of EVs slowed down more significantly, sales of three products for mobility were solid amid an increase in demand for HVs.
- Among the AI-related products, demand for granular encapsulants and mold underfill (MUF) increased.
- In power semiconductor-related applications, comprehensive solutions were delivered to customers.  
High heat-resistant encapsulants, TIM\* (semi-sintering paste), and buffer coat materials

\*Abbreviation for Thermal Interface Material

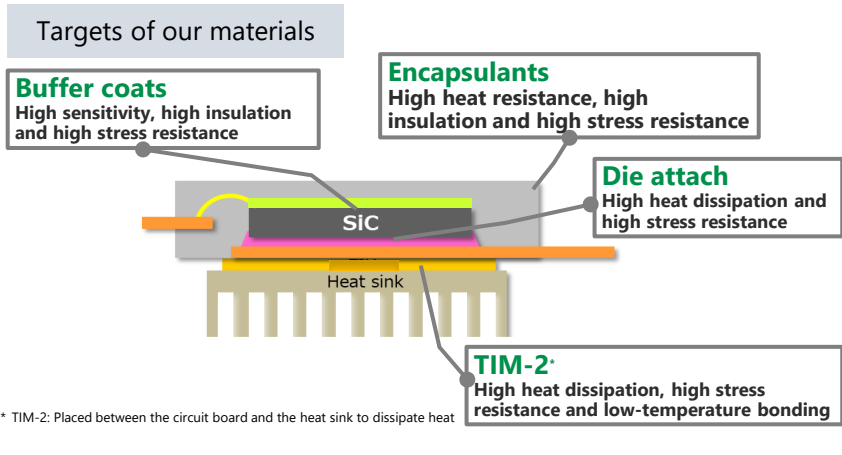
### 2nd half outlook and initiatives

- The Chinese market will continue to grow.
- The automotive semiconductor inventory adjustments will continue.
- Demand will surge for edge AI semiconductors and memory, expanding sales of granular encapsulants and MUF.
- Strengthen collaboration with external parties to develop materials for next-generation devices.
- Advance the process of certifying new plants in China and Taiwan from customers in preparation for full-scale mass production.

# Semiconductor Materials: Topics

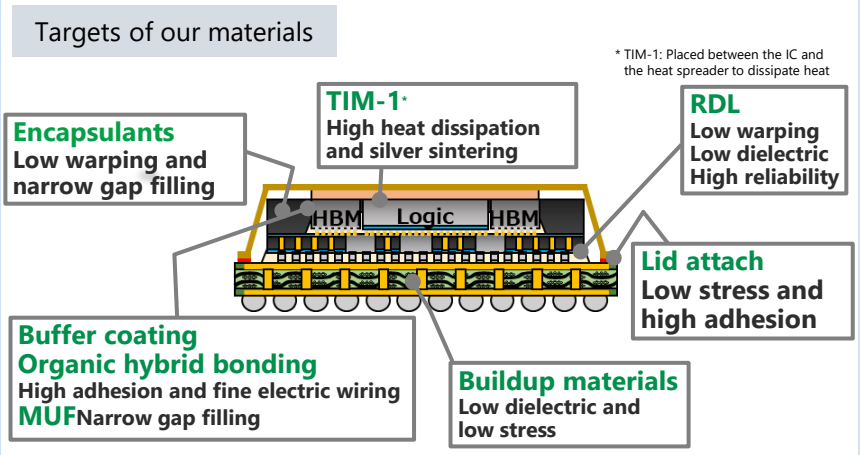
## Power semiconductors (module/discrete)

- Supporting characteristics required of next-generation power semiconductors.  
Expanding the adoption of buffer coat materials  
Beginning the shipment of samples of heat-resistant encapsulants and TIM (semi-sintering paste)
- Proposing comprehensive cross-departmental solutions through One Sumibe activities.



## AI semiconductors

- More orders were received for MUF and granular encapsulants for edge AI semiconductors. It is anticipated that the market will expand in the future.
- Development of encapsulants for HBMs by applying technologies for encapsulants for 3DS-TSV.
- Beginning to consider liquid encapsulants.
- Continuing efforts to develop granular encapsulants for the PLP method following the shift to larger-sized AI semiconductors.

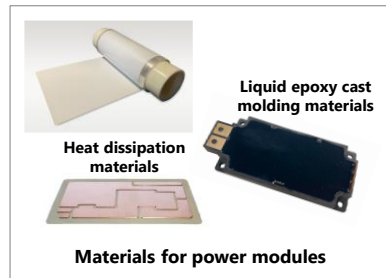


# High Performance Plastics

## (1st Half Summary & 2nd Half Outlook and Initiatives)

Unit: Billion yen

	Business profit	Revenue
1st half result	2.5	53.4
Progress rate	42%	49%
Full-year forecast	6.0	110.0



### 1st half summary

- Demand for products for consumer applications rallied in Asia.
- The automobile market was weaker than expected, and demand was sluggish, particularly in North America.
- Aircraft interior parts performed as forecast.
- Environmentally friendly materials and new products with ultra high heat resistance and other functions were developed.
- One Sumibe activities were conducted to increase the promotion of sales of materials for power modules.

### 2nd half outlook and initiatives

- The automobile market will be recovering while sales of products for consumer applications will be buoyant.
- Implement global measures to improve profitability.  
Increase productivity using robotics and IoT technologies, streamline production bases and discontinue unprofitable products.
- Transform the structure for aircraft interior parts production to be matched to customers' conditions. Sales to Europe will grow steadily.
- Increase sales in the strengthened areas and launch the marketing department.  
Fire resistant materials for EV batteries, COPLUS (cycloolefin polymer), heat dissipation materials, etc.

# High Performance Plastics: Topics

## Transformation of the portfolio toward high-value added products

- **Launch the marketing department to strengthen market development functions**
- **Develop and promote products in strengthened areas**

### Electric vehicles (batteries, e-Axles, and various electric parts)

Starting mass production of fireproof materials for EV batteries.  
 Developing high-voltage and high heat resistance materials in line with the advancement of electric vehicles and beginning to ship samples.

### Semiconductors

Business related to liquid epoxy cast molding materials for power modules is expanding.  
 Heat dissipation materials are expected to achieve positive sales in the current fiscal year in automotive applications. The evaluation of next-generation models is underway.  
 Receiving many inquiries regarding COPLUS™ (cycloolefin polymer) as a result of marketing activities.

### Aircraft

It is anticipated that the mass production of cargo liners for Europe will begin this fiscal year. Biomass materials and other products are being actively proposed.

- **Environmentally friendly material**

Starting mass production of ultra-low monomer-soluble phenolic resin for multiple applications including semiconductors and electronic materials.



High-voltage and high heat resistance molding materials



Ultra-low monomer-soluble phenolic resin



Ultra-low monomer-soluble phenolic resin

# Quality of Life Products

## (1st Half Summary & 2nd Half Outlook and Initiatives)

Unit: Billion yen

	Business profit	Revenue
1st half result	6.0	53.2
Progress rate	60%	51%
Full-year forecast	10.0	105.0

### 1st half summary

- Healthcare — Sales of intravascular treatment devices and blood bags for export to Asia were brisk.
- Films and Sheets — Demand for electric parts for industrial applications rallied in China and sales of cover tapes grew.
- Industrial Functional Materials — Sales of flat sheets and corrugated sheets for road and other construction materials applications were solid.
- Waterproofing — Sales of solar and other high value-added products were strengthened.
- Efforts to revise prices were strengthened in individual businesses to improve profitability.

### 2nd half outlook and initiatives

- Healthcare — Increase sales of gastrointestinal stents in Japan.
- Films and Sheets — Keep strong sales of press-through packages (PTP) for generic drugs. Expand sales of biomass materials.
- Industrial Functional Materials — Expand sales of automotive optical products (head-up displays).
- Waterproofing — Sales to leading housing manufacturers will increase. Streamline construction work to improve profitability.



Cover tape



Waterproof sheets with solar anchors



# Quality of Life Products: Topics

## Healthcare

- Widening the gastrointestinal stent lineup

### Biliary stent

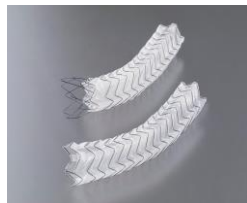
Sales increased by adding different sizes of products with different functions.

### Large intestinal stents and duodenum stents

Sales promotion activities were conducted using case reports.



Biliary stent



Pleated large intestinal stent

- Development of micro-physiological system (MPS) devices

Customers started evaluating MPS devices as a method that is an alternative to animal testing in drug discovery.

We aim to begin sales within FY2025.



MPS device

## Industrial functional materials

- Expansion of sales of three functional material products

### Optical materials for eyewear

The lineup of high contrast polarizing plate products was widened.

### Optical materials for head-up displays (HUDs)

The company's share of the European market jumped hugely as it captured processing processes.

### Flame retardant polycarbonate sheet for electrical insulation use

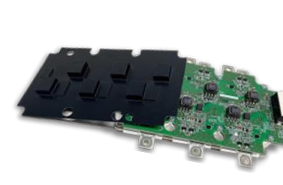
Adoption of this PFAS- and halogen-free sheet with high flame retardance for the electric parts of xEVs increased.



Optical materials for eyewear



Optical materials for HUDs



Flame retardant polycarbonate sheet for electrical insulation applications



# SUMITOMO BAKELITE CO., LTD.

<https://www.sumibe.co.jp/>

---

## ■ Disclaimer

The information presented in this document is provided in good faith, but no warranty is given or is to be implied regarding its accuracy or relevance to any particular application. Users must satisfy themselves regarding the suitability and safety of their use of the information and products in the application concerned. Nothing herein is to be construed as advising or authorizing the use of any invention covered by existing patents without license from the owners thereof.

## ■ Copyright

All copyrights in or related to this document belong to Sumitomo Bakelite Co., Ltd. or its group companies, unless otherwise indicated. This document and its contents may not be used (including reproduced, altered, distributed or transmitted) without prior consent of Sumitomo Bakelite Co., Ltd. or its group companies.

## ■ Company Names

On this document, the name of the companies may be represented in simplified forms by omitting "Company Limited", "Inc." and/or other legal entity identifications.