



Financial Results for 3rd Quarter of FY2024

February 3, 2025

Sumitomo Bakelite Co., Ltd.



Outline of Financial Results for 3rd Quarter of FY2024

Financial Results for 3rd Quarter of FY2024 (Y/Y)

[Unit: Billion yen]

	3Q of FY2023	3Q of FY2024	Variance (Y/Y)	
	(1)	(2)	(2)-(1)	Ratio
Revenue	215.5	231.1	15.6	7.3%
Business Profit ^{*1}	20.7	23.9	3.3	15.8%
Operating Profit	20.5	18.2	-2.3 ^{*2}	-11.2%
Profit attributable to owners of parent	18.0	12.9	-5.2 ^{*3}	-28.7%

^{*1} "Business profit" is calculated by deducting "Cost of sales" and "Selling, general and administrative expenses" from "Revenue".

^{*2} "Other expenses" includes 5.5 billion yen for the impairment loss of a North America-based subsidiary related to phenolic products and a loss on disposal of fixed assets, etc. in association with the optimization of production bases in Japan and overseas and productivity improvement in High Performance Plastics segment.

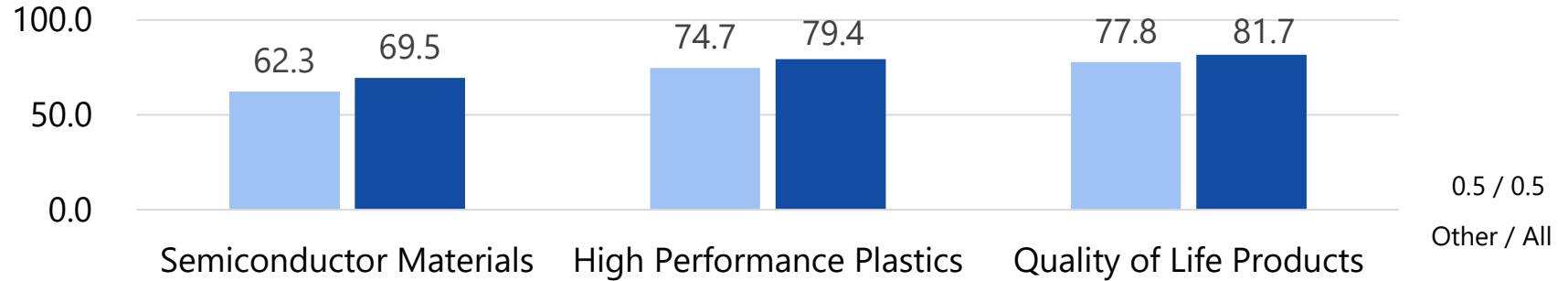
^{*3} Since a new policy on dividends from overseas affiliates applies from the current quarter onwards, corporate tax expense of 1.5 billion yen was posted in connection with the policy change, which in turn led to a rise in the corporate tax payment rate.

FOREX	3Q - FY2023	3Q - FY2024
JPY / USD	142.76	152.87
JPY / EUR	155.19	164.91

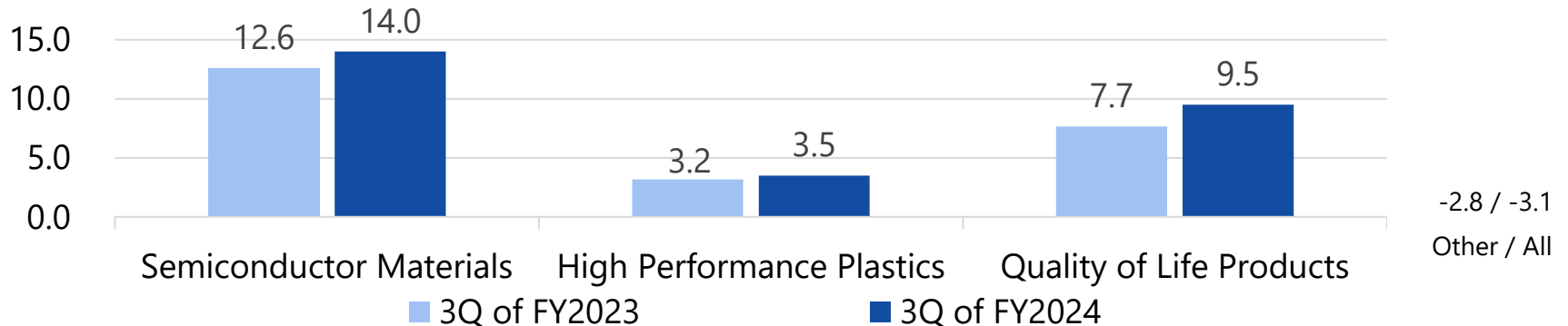
Revenue and Business Profit by Business Segment (Y/Y)

[Unit: Billion yen]

Revenue

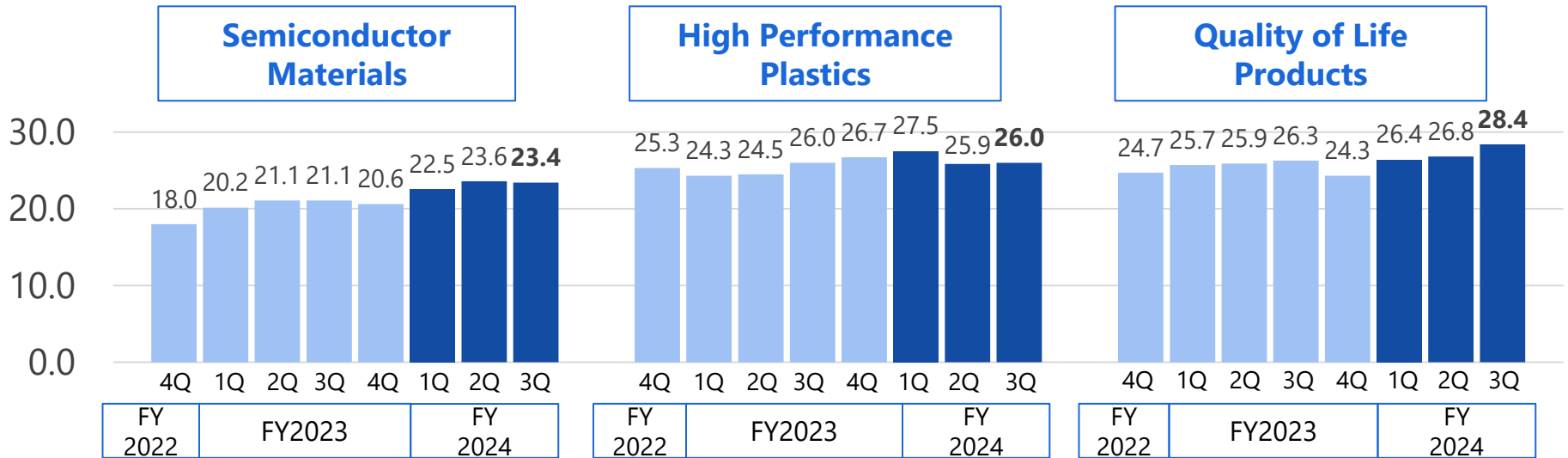


Business Profit



Quarterly Revenue by Business Segment

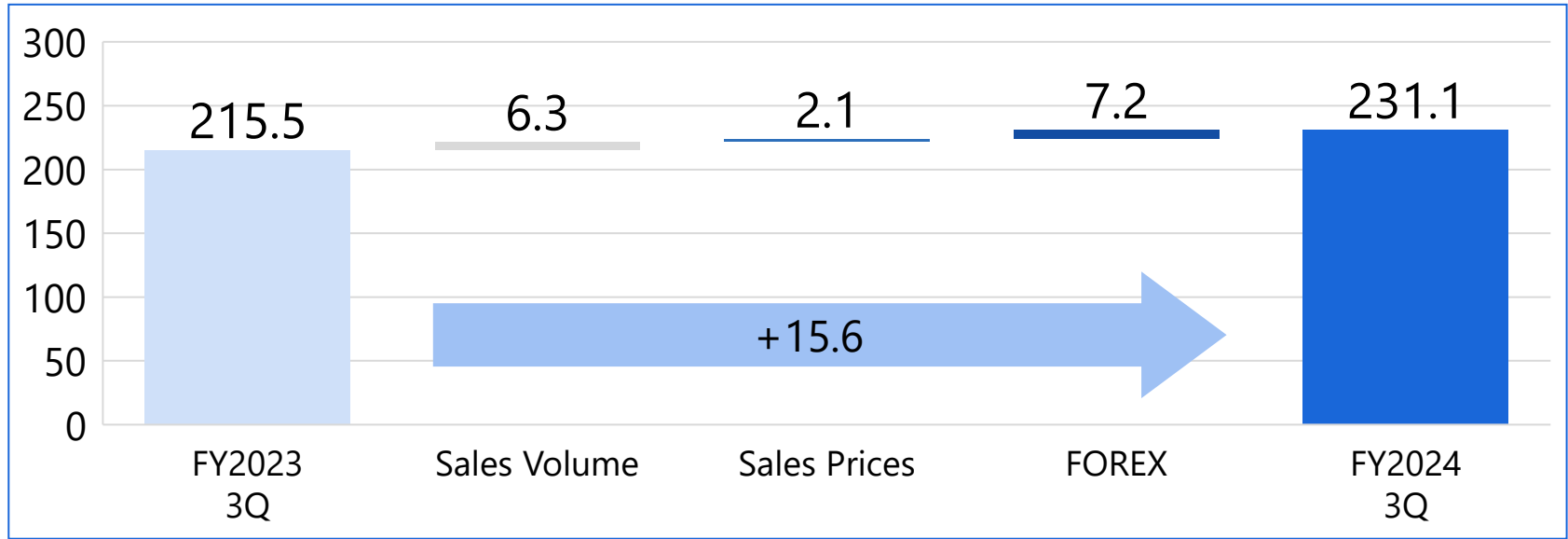
[Unit: Billion yen]



- **Semiconductor Materials** : Sales revenue for semiconductor applications is continuing to thrive in China. Demand for mobility applications remains steady.
- **High Performance Plastics** : We are being affected by a strike in our customer's company in the aircraft interiors business, and by the slow recovery in automotive applications particularly in North America.
- **Quality of Life Products** : The segment as a whole, including healthcare-related products, continued to perform well. This quarter's sales revenue was the highest ever.

Analysis of Revenue (Y/Y)

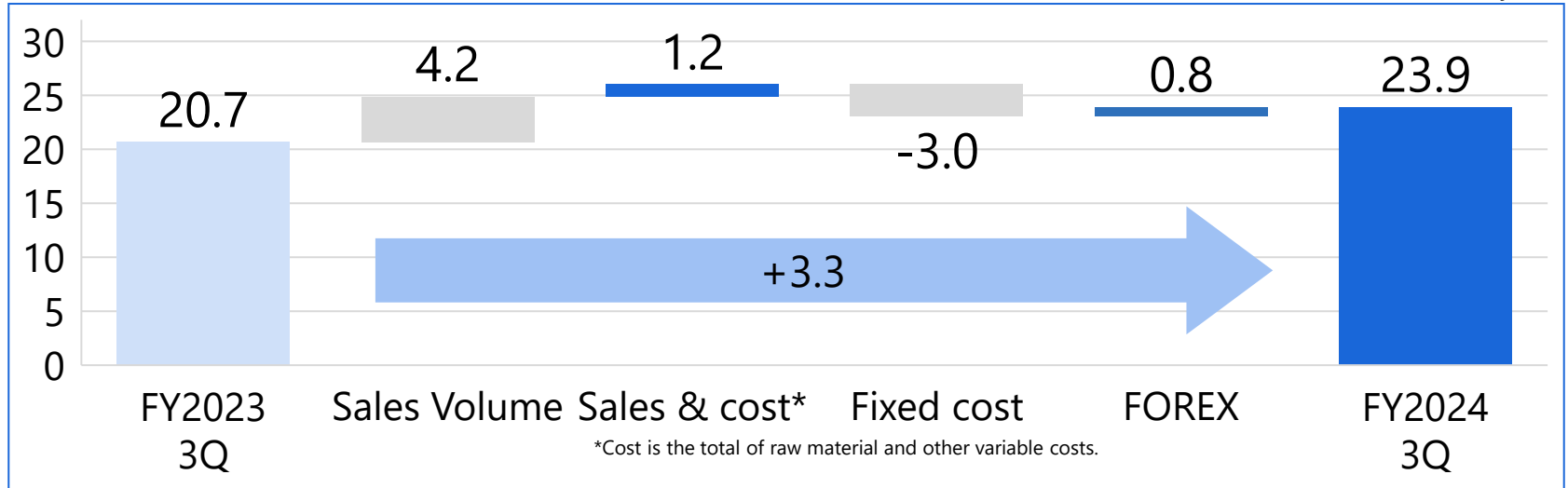
[Unit: Billion yen]



Segment	Sales Volume	Sales Prices	FOREX	Total
Semiconductor Materials	+3.6	+0.6	+2.9	+7.2
High Performance Plastics	+0.5	+0.6	+3.6	+4.6
Quality of Life Products	+2.1	+1.0	+0.7	+3.8

Analysis of Business Profit (Y/Y)

[Unit: Billion yen]



Segment	Sales Volume	Sales & cost*	Fixed cost	FOREX	Total
Semiconductor Materials	+2.0	+0.2	-1.3	+0.5	+1.4
High Performance Plastics	+1.5	+0.2	-1.5	+0.2	+0.4
Quality of Life Products	+0.7	+0.7	+0.2	+0.1	+1.8
Others	+0.1	0.0	-0.4	0.0	-0.3



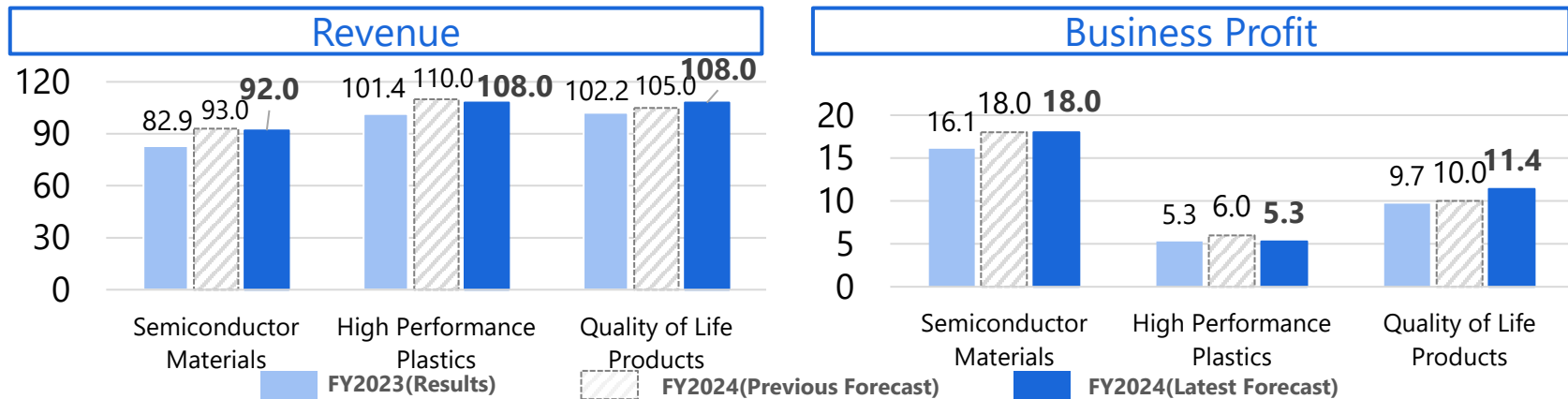
Financial Forecasts for FY2024

Financial Forecasts for FY2024 (Revised)

[Unit: Billion yen]

	FY2023 Results	FY2024 Previous Forecast (1) Announced on May 13th, 2024	FY2024 Latest Forecast (2) Announced on Feb 3rd, 2025	Variance	
				(2)-(1)	Ratio
Revenue	287.3	309.0	309.0	0.0	0.0%
Business Profit	27.5	30.0	30.5	0.5	1.7%
Profit attributable to owners of the parent	21.8	24.0	17.5	-6.5	-27.1%

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



(i) Structural Reform in High Performance Plastics Business

- (1) Amid intensifying competition over mainstay products, circumstances surrounding the phenol-related business in North America deteriorated markedly.
An impairment loss of production facilities and other fixed assets of a subsidiary in North America was posted at 4.2 billion yen.
From 4Q onwards, the depreciation burden will decrease at a pace of 0.6 billion yen per year.
- (2) The amount of 1.1 billion yen was posted as a loss on disposal of existing facilities and other costs associated with the optimization of production bases in Japan and overseas, as well as for the improvement of productivity.

* The amounts mentioned in (1) and (2) are both included in "other expenses."

(i) Reform the phenol-related business in North America for profit-focused management

- Optimize prices to eliminate unprofitable products
- Comprehensively reduce costs to a level matched with the downsizing
- Introduce differentiation products to change the product portfolio

(ii) Promotion of portfolio transformation to high-value-added products

- Steady achievements are being made towards the FY2024 target of a 15% sales share in strengthened product areas
Attain high initial sales of thermally conductive sheets and cast molding materials for power modules and fireproof materials for EV batteries.
New inquiries about COPLUS (Cyclo-Olefin Polymers) are increasing for applications such as cutting-edge semiconductors.

(iii) Optimization of production bases, productivity improvement

- Integrate affiliates in Japan into the Shizuoka Plant
- The new plant in Nantong, China was smoothly launched and is now in full operation ➔ Expand automation to plants globally

(ii) Acquisition of own shares

From the 50 billion yen worth of funds for strategic investments determined under the current Medium-term Business Plan, we will allocate **20 billion yen to the acquisition of own shares** in order to rectify the balance sheet and to increase shareholder return.

Details of Acquisition

- (1) Total number of shares to be acquired: Up to 5,508,100 shares
(5.91% of the total number of shares issued (excluding treasury shares))
- (2) Total amount of acquisition cost: Up to 19,999,911,100 yen
- (3) Acquisition method: TSE off-auction own share repurchase trading system (ToSTNeT-3)
- (4) Acquisition date & time: 8:45 a.m. on February 4, 2025

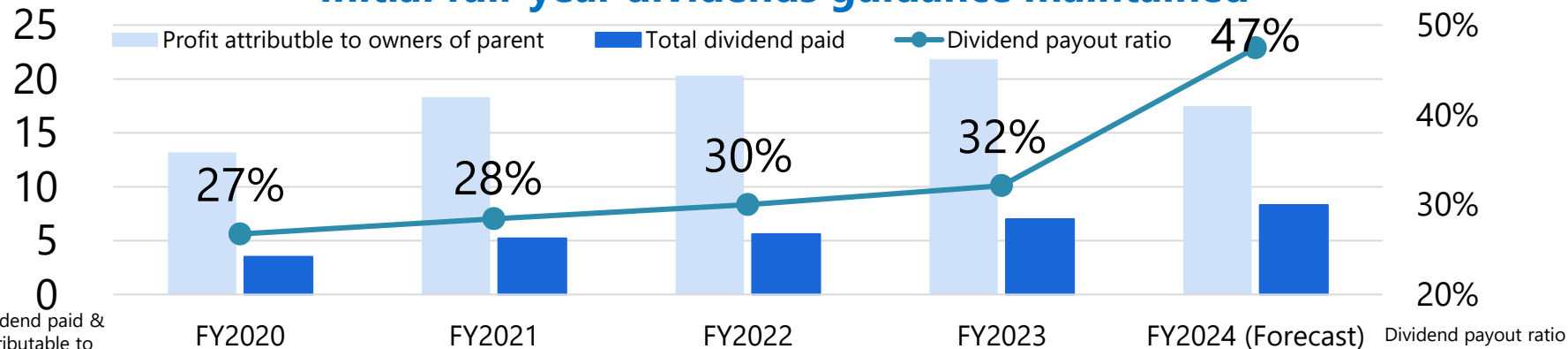
* Regarding the Acquisition, the Company is notified from Sumitomo Chemical Co., Ltd., which is the Company's largest shareholder as a major shareholder, that it intends to sell a portion of the Company's common stocks it holds. The position of Sumitomo Chemical Co., Ltd. as the Company's largest shareholder as a major shareholder will not change even after the Acquisition.

Shareholder Returns

Dividends Forecast [No Revisions] : **90.00 yen** per share
 (Interim 45 yen / **Year-end 45 yen**)

[Unit: Billion yen]

Initial full-year dividends guidance maintained



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.



SUMITOMO BAKELITE CO., LTD.

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