

[Notes]

(1) Changes in significant subsidiaries (changes in "Specified Subsidiaries" accompanying changes in scope of consolidation) during this period : None

(2) Changes in accounting policies and changes in accounting estimates

- a) Changes in accounting policies required by IFRS : None
- b) Changes in accounting policies other than a) : None
- c) Changes in accounting estimates : None

(3) Number of outstanding shares

(Shares)

a) Number of outstanding shares (including treasury shares)	As of December 31, 2023	46,878,978	As of March 31, 2023	49,590,478
b) Number of treasury shares	As of December 31, 2023	313,352	As of March 31, 2023	2,535,917
c) Average number of outstanding shares during the period (excluding treasury shares)	April 2023 - December 2023	46,760,849	April 2022 - December 2022	47,055,274

(Information on implementation status of quarterly review)

This "Summary of Consolidated Business Results" is not subject to quarterly review procedures by certified public accountants or audit firm.

(Information on appropriate use of forecasts)

The forecasts stated in this summary are based on information which is currently available to Sumitomo Bakelite Co., Ltd. and certain assumptions regarded to be reasonable. Since they do not guarantee future performance, there are possibilities that actual results may differ due to various factors.

Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Millions of yen)

	March 31, 2023	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	99,620	108,889
Trade and other receivables	60,954	65,310
Other financial assets	1,133	752
Inventories	57,708	56,166
Other current assets	3,801	3,877
Total current assets	223,216	234,994
Non-current assets		
Property, plant and equipment	107,479	117,571
Right-of-use assets	7,603	7,445
Goodwill	1,343	1,448
Other intangible assets	2,528	2,474
Other financial assets	27,132	34,388
Retirement benefit asset	6,777	6,756
Deferred tax assets	2,134	1,992
Other non-current assets	246	187
Total non-current assets	155,242	172,261
Total assets	378,457	407,255

(Millions of yen)

	March 31, 2023	December 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	21,824	32,831
Trade and other payables	52,826	51,395
Other financial liabilities	1,359	1,383
Income taxes payable	2,458	2,989
Provisions	194	202
Other current liabilities	1,107	832
Total current liabilities	79,767	89,632
Non-current liabilities		
Borrowings	21,407	15,011
Other financial liabilities	4,031	3,772
Retirement benefit liability	4,031	4,300
Provisions	1,229	1,264
Deferred tax liabilities	9,773	12,100
Other non-current liabilities	527	528
Total non-current liabilities	40,999	36,975
Total liabilities	120,766	126,607
Equity		
Share capital	37,143	37,143
Capital surplus	35,137	35,137
Treasury shares	(6,799)	(1,013)
Other components of equity	34,475	48,785
Retained earnings	155,403	158,151
Total equity attributable to owners of parent	255,358	278,203
Non-controlling interests	2,333	2,445
Total equity	257,692	280,648
Total liabilities and equity	378,457	407,255

(2) Condensed Quarterly Consolidated Statements of Income and Comprehensive Income
(Condensed quarterly consolidated statements of income)

(Millions of yen)

	Nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)
Revenue	216,649	215,454
Cost of sales	(154,120)	(151,453)
Gross profit	62,529	64,000
Selling, general and administrative expenses	(42,221)	(43,345)
Business profit	20,308	20,656
Other income	211	180
Other expenses	(506)	(295)
Operating profit	20,013	20,540
Finance income	1,524	3,287
Finance costs	(284)	(266)
Profit before tax	21,253	23,561
Income tax expenses	(4,821)	(5,466)
Profit	16,432	18,095
Profit attributable to:		
Owners of parent	16,155	18,029
Non-controlling interests	277	66
Profit	16,432	18,095
Earnings per share		
Basic earnings per share (Yen)	343.32	385.56
Diluted earnings per share (Yen)	-	-

(Condensed quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)
Profit	16,432	18,095
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(472)	4,741
Remeasurements of defined benefit plans	(1)	1
Total items that will not be reclassified to profit or loss	(473)	4,742
Items that may be reclassified to profit or loss		
Cash flow hedges	14	12
Exchange differences on translation of foreign operations	7,286	9,699
Total items that may be reclassified to profit or loss	7,300	9,711
Other comprehensive income, net of tax	6,827	14,453
Comprehensive income	23,260	32,548
Comprehensive income attributable to:		
Owners of parent	22,936	32,356
Non-controlling interests	324	192
Comprehensive income	23,260	32,548

(3) Condensed Quarterly Consolidated Statements of Changes in Equity
For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)

(Millions of yen)

	Total equity attributable to owners of parent								Non-controlling interests	Total equity	
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity						Total
					Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Cash flow hedges	Exchange differences on translation of foreign operations			
Balance at beginning of current period	37,143	35,137	(6,794)	139,383	9,852	-	(52)	15,114	24,915	2,352	232,136
Profit	-	-	-	16,155	-	-	-	-	-	277	16,432
Other comprehensive income	-	-	-	-	(472)	(0)	14	7,239	6,781	47	6,827
Comprehensive income	-	-	-	16,155	(472)	(0)	14	7,239	6,781	324	23,260
Dividends from surplus	-	-	-	(5,647)	-	-	-	-	-	(399)	(6,045)
Purchase of treasury shares	-	-	(4)	-	-	-	-	-	-	-	(4)
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	-	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	274	(275)	0	-	-	(274)	-	-
Total transactions with owners	-	-	(4)	(5,372)	(275)	0	-	-	(274)	(399)	(6,049)
Balance at end of current period	37,143	35,137	(6,798)	150,166	9,105	-	(37)	22,353	31,421	2,277	249,346

For the nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

(Millions of yen)

	Total equity attributable to owners of parent								Non-controlling interests	Total equity	
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity						Total
					Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Cash flow hedges	Exchange differences on translation of foreign operations			
Balance at beginning of current period	37,143	35,137	(6,799)	155,403	9,463	-	(41)	25,053	34,475	2,333	257,692
Profit	-	-	-	18,029	-	-	-	-	-	66	18,095
Other comprehensive income	-	-	-	-	4,741	1	12	9,573	14,327	126	14,453
Comprehensive income	-	-	-	18,029	4,741	1	12	9,573	14,327	192	32,548
Dividends from surplus	-	-	-	(6,553)	-	-	-	-	-	(80)	(6,633)
Purchase of treasury shares	-	(20)	(3,007)	-	-	-	-	-	-	-	(3,027)
Cancellation of treasury shares	-	(13)	8,757	(8,744)	-	-	-	-	-	-	-
Share-based payment transactions	-	32	36	-	-	-	-	-	-	-	68
Transfer from other components of equity to retained earnings	-	-	-	17	(16)	(1)	-	-	(17)	-	-
Total transactions with owners	-	(1)	5,787	(15,281)	(16)	(1)	-	-	(17)	(80)	(9,592)
Balance at end of current period	37,143	35,137	(1,013)	158,151	14,188	-	(29)	34,626	48,785	2,445	280,648

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)
Cash flows from operating activities		
Profit before tax	21,253	23,561
Depreciation and amortization	10,356	10,193
Interest and dividend income	(1,524)	(3,042)
Interest expenses	248	266
Decrease (increase) in trade and other receivables	(4,749)	(2,695)
Increase (decrease) in trade and other payables	(3,512)	(2,151)
Decrease (increase) in inventories	(6,009)	3,476
Others, net	(1,060)	(318)
Subtotal	15,004	29,289
Interest received	756	1,973
Dividends received	904	898
Interest paid	(237)	(264)
Income taxes paid	(4,577)	(4,951)
Net cash provided by (used in) operating activities	11,850	26,945
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,453)	(16,553)
Proceeds from sale of property, plant and equipment	30	60
Purchase of investment securities	(15)	(27)
Proceeds from sale of investment securities	442	31
Payments into time deposits	(1,835)	(0)
Proceeds from withdrawal of time deposits	431	1,086
Others, net	(315)	(245)
Net cash provided by (used in) investing activities	(12,715)	(15,648)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(52)	(222)
Increase (decrease) in commercial papers	(13,000)	5,000
Proceeds from long-term borrowings	-	1,964
Repayments of long-term borrowings	(2,506)	(2,506)
Repayments of lease liabilities	(677)	(758)
Purchase of treasury shares	(4)	(3,027)
Dividends paid	(5,647)	(6,553)
Dividends paid to non-controlling interests	(399)	(80)
Net cash provided by (used in) financing activities	(22,285)	(6,183)
Effect of exchange rate changes on cash and cash equivalents	4,531	4,155
Net increase (decrease) in cash and cash equivalents	(18,619)	9,270
Cash and cash equivalents at beginning of period	109,217	99,620
Cash and cash equivalents at end of period	90,598	108,889

Segment Information

Major products and services categorized in each reportable segment are as follows:

Reportable segments	Major products and services
Semiconductor materials	Epoxy resin molding compounds for encapsulation of semiconductor devices, Positive-type photosensitive coating resins for semiconductor wafers, Pastes for die bonding, Semiconductor substrate materials
High-performance plastics	Phenolic molding compounds, Phenolic resins for industrial use, Molded parts and molding dies, Synthetic resin adhesive, Phenolic resin copper-clad laminates, Epoxy resin copper-clad laminates, Aerospace interior components
Quality of life products	Medical devices and pharmaceuticals, Melamine resin decorative laminates and sheets, Polyvinyl chloride sheets and multilayered films, Freshness preserving films, Polycarbonate resin plates, Polyvinyl chloride plates, Design and construction of sheet waterproof system, Biotechnology-related products

For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)

(Millions of yen)

	Reportable segments			Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products				
Revenue							
External customers	61,534	77,040	77,548	527	216,649	-	216,649
Intersegment	-	136	0	-	137	(137)	-
Total revenue	61,534	77,176	77,548	527	216,785	(137)	216,649
Segment profit (loss)	12,688	2,889	7,455	134	23,167	(2,859)	20,308

(Note) "Segment profit (loss)" is "Business Profit" which is defined as "Revenue" less "Cost of sales" and "Selling, general and administrative expenses".

For the nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

(Millions of yen)

	Reportable segments			Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products				
Revenue							
External customers	62,343	74,745	77,847	519	215,454	-	215,454
Intersegment	-	129	1	-	131	(131)	-
Total revenue	62,343	74,874	77,848	519	215,584	(131)	215,454
Segment profit (loss)	12,612	3,170	7,659	103	23,543	(2,887)	20,656

(Note) "Segment profit (loss)" is "Business Profit" which is defined as "Revenue" less "Cost of sales" and "Selling, general and administrative expenses".

Reconciliation from "Segment profit (loss)" to "Profit before tax"

(Millions of yen)

	For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)	For the nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)
Segment profit (loss)	20,308	20,656
Other income	211	180
Other expenses	(506)	(295)
Operating profit	20,013	20,540
Finance income	1,524	3,287
Finance costs	(284)	(266)
Profit before tax	21,253	23,561