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Summary of Consolidated Business Results for the Three Months Ended June 30, 2025 [IFRS]

August 4, 2025

Company name : Sumitomo Bakelite Co., Ltd.

Stock exchanges : Tokyo

Securities code : 4203

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Date of the start of dividend payment

: -

Preparation of supplementary material on financial results

: Yes

Holding of financial results briefing

: Yes (For analysts and institutional investors)

(All amounts presented in million yen are rounded to the nearest million yen.)

1. Consolidated Business Results for the Three Months Ended June 30, 2025

(1) Consolidated Financial Results

(% represents year-over-year increase (decrease).)

	Revenue		Business profit		Operating profit		Profit before tax		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
April 2025 - June 2025	77,668	1.3	9,009	13.9	8,596	5.2	9,634	2.0	7,448	6.4
April 2024 - June 2024	76,653	9.1	7,910	20.6	8,173	25.7	9,445	24.9	7,000	22.5

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
April 2025 - June 2025	84.99	-
April 2024 - June 2024	75.16	-

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

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent
As of June 30, 2025	Millions of yen 424,964	Millions of yen 296,529	Millions of yen 293,402	% 69.0
As of March 31, 2025	417,778	293,568	290,672	69.6

2. Dividends

	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
	Yen	Yen	Yen	Yen	Yen
April 2024 - March 2025	-	45.00	-	50.00	95.00
April 2025 - March 2026	-				
April 2025 - March 2026 (Forecasts)		50.00	-	55.00	105.00

(Note) Revisions of the latest dividend forecasts: None

The breakdown of the year-end dividend for the fiscal year ending March 31, 2025 : Ordinary dividend 45.00 yen, Commemorative dividend 5.00 yen.

3. Consolidated Financial Forecasts for the Year Ending March 31, 2026

(% represents year-over-year increase (decrease).)

	Revenue		Business profit		Operating profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
April 2025 - March 2026	310,000	1.7	32,500	5.4	31,000	25.0	23,500	21.9	268.16

(Note) Revisions of the latest consolidated financial forecasts: None

[Notes]

(1) Significant changes in the scope of consolidation during the 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 June 30, 2025	93,757,956	As of March 31, 2025	93,757,956
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b) Number of treasury shares

As of June 30, 2025	6,122,642	As of March 31, 2025	6,122,450
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c) Average number of outstanding shares during the period
(excluding treasury shares)

April 2025 - June 2025	87,635,371	April 2024 - June 2024	93,129,152
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Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm : Yes (voluntary)

(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.

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1. Summary of Operating Results for First Quarter Fiscal Year 2025

(1) Operating Results

Our group's Revenue increased 1.3% year on year to ¥77,668 million due to robust demand for semiconductors, despite sluggish overseas demand for automotive machinery components. Business profit increased 13.9% year on year to ¥9,009 million as a result of improvement in the profit structure, such as improvement in the cost structure due to impairment implemented in the previous fiscal year, a shift to high-value-added products, and a sales price revision despite an increase in personnel expenses mainly in overseas subsidiaries. Operating profit increased 5.2% year on year to ¥8,596 million. Profit attributable to owners of parent increased 6.4% year on year to ¥7,448 million.

The financial results by business segment for Q1 FY2025 are as follows:

1. Semiconductor materials

[Revenue ¥24,428 million (up 8.4% year on year), Business profit ¥4,818 million (up 5.6% year on year)]

In Epoxy resin molding compounds for encapsulation of semiconductor devices, Revenue increased because demand for semiconductors in China continued to be robust and demand for AI-related applications expanded.

In Photosensitive materials for semiconductor devices, Revenue decreased due to adjustments in the memory market.

In Bonding pastes for semiconductor devices, Revenue increased due to strong demand and new sales expansion in China while sales for information and communications equipment and automotive semiconductors in Southeast Asia were sluggish.

In "LαZ®" series of Semiconductor substrate materials, Revenue increased due to growth in sales for mobile devices as well as expanded use in power devices for AI servers.

2. High-performance plastics

[Revenue ¥26,029 million (down 5.5% year on year), Business profit ¥1,738 million (up 1.5% year on year)]

In Resins for industrial use, Revenue decreased due to withdrawal from unprofitable products and downsizing at North American bases, despite growth in sales for semiconductor applications in Japan.

In Molding compounds, Revenue decreased due to continued sluggish demand in the North American automobile market due to the impact of tariff policies in the United States.

In Laminates, Revenue decreased due to continued sluggish demand for automotive and air-conditioning applications.

In Aerospace components, Revenue decreased despite a recovery in volume following a decline in demand caused by a strike at the United States customers in the middle of last year.

3. Quality of life products

[Revenue ¥27,050 million (up 2.4% year on year), Business profit ¥3,689 million (up 39.3% year on year)]

In Medical devices and pharmaceuticals, Revenue increased due to strong sales of products related to enteral nutrition, stent grafts, micro catheter and blood container bags in Asia and the United States.

In In vitro diagnostics and Biotechnology-related products, Revenue decreased because sales of In vitro diagnostics in Japan decreased and in regenerative medicine in North America were delayed to the following quarter.

In Films and sheets, in Electrical and Electronic Equipment packaging, Revenue remained firm due to inventory adjustments for dicing films despite an expanding market share of cover tapes. However, in Pharmaceutical packaging applications, Revenue increased due to the launch of new generic drugs and an increase in inventory of existing products. In Food packaging applications, Revenue increased due to sales of cut vegetables and portion remained firm.

In Industrial functional materials, Revenue decreased due to sluggish demand for some products for the United States, mainly due to the impact of tariffs, while sales of Optical sheet and film products for automotive applications grew significantly, and sales of Sheet material for architectural and interior decoration for stores remained firm.

In Waterproof business, Revenue increased due to shifting a rise in material prices and construction costs to sales prices, as well as sales expansion of low-energy house (ZEH) materials, although demand for mass-produced housing declined due to a decrease in the number of housings start.

(2) Consolidated Financial Position

(2.1) Assets, Liabilities and Equity

1. Assets

Total assets increased ¥7,186 million from the end of the previous fiscal year to ¥424,964 million. The main changes were increases in Trade and other receivables and Other financial assets.

2. Liabilities

Total liabilities increased ¥4,225 million from the end of the previous fiscal year to ¥128,435 million. The main increase was due to issuance of commercial paper.

3. Equity

Total equity increased ¥2,961 million from the end of the previous fiscal year to ¥296,529 million. The main increase was due to Profit and decrease was due to Dividends paid.

(2.2) Cash Flows

Cash and cash equivalents (hereinafter referred to as Cash) at the end of period under review increased ¥1,333 million from the end of the previous fiscal year to ¥104,866 million.

1. Cash flows from operating activities

Cash provided by operating activities was ¥6,002 million.

This was mainly a result of income from Profit before tax and Depreciation and amortization and expenditure from Income taxes paid and Increases in trade and other receivables. Compared with Q1 FY2024, income decreased by ¥2,923 million.

2. Cash flows from investing activities

Cash used in investing activities was ¥3,545 million.

This was mainly a result of Purchase of property, plant and equipment. Compared with Q1 FY2024, expenditures decreased ¥999 million.

3. Cash flows from financing activities

Cash provided by financing activities was ¥254 million.

This was mainly a result of income from issuance of commercial paper and expenditure from Dividends paid.

(3) Consolidated Forecast and Other Forward-Looking Information

There is no change from the consolidated financial forecasts announced on May 12, 2025.

Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Millions of yen)

	March 31, 2025	June 30, 2025
Assets		
Current assets		
Cash and cash equivalents	103,533	104,866
Trade and other receivables	59,722	62,069
Other financial assets	2,050	1,939
Inventories	62,231	61,214
Other current assets	4,319	5,697
Total current assets	231,856	235,785
Non-current assets		
Property, plant and equipment	122,951	124,362
Right-of-use assets	7,056	6,796
Goodwill	1,494	1,564
Other intangible assets	2,162	2,111
Other financial assets	42,173	44,250
Retirement benefit asset	6,684	6,722
Deferred tax assets	2,437	2,139
Other non-current assets	966	1,236
Total non-current assets	185,922	189,179
Total assets	417,778	424,964

(Millions of yen)

	March 31, 2025	June 30, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	17,407	22,391
Trade and other payables	56,669	56,431
Other financial liabilities	1,427	1,463
Income taxes payable	4,875	3,350
Provisions	783	788
Other current liabilities	1,460	1,134
Total current liabilities	82,621	85,556
Non-current liabilities		
Borrowings	13,273	13,543
Other financial liabilities	3,397	3,460
Retirement benefit liability	4,073	4,275
Provisions	1,455	1,436
Deferred tax liabilities	18,846	19,606
Other non-current liabilities	545	558
Total non-current liabilities	41,589	42,878
Total liabilities	124,210	128,435
Equity		
Share capital	37,143	37,143
Capital surplus	35,178	35,178
Treasury shares	(21,002)	(21,002)
Other components of equity	59,948	59,643
Retained earnings	179,404	182,440
Total equity attributable to owners of parent	290,672	293,402
Non-controlling interests	2,896	3,127
Total equity	293,568	296,529
Total liabilities and equity	417,778	424,964

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

	(Millions of yen)	
	Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)
Revenue	76,653	77,668
Cost of sales	(53,067)	(53,150)
Gross profit	23,586	24,518
Selling, general and administrative expenses	(15,675)	(15,509)
Business profit	7,910	9,009
Other income	487	13
Other expenses	(224)	(426)
Operating profit	8,173	8,596
Finance income	1,344	1,202
Finance costs	(71)	(164)
Profit before tax	9,445	9,634
Income tax expenses	(2,424)	(2,117)
Profit	7,021	7,517
Profit attributable to:		
Owners of parent	7,000	7,448
Non-controlling interests	21	69
Profit	7,021	7,517
Earnings per share		
Basic earnings per share (Yen)	75.16	84.99
Diluted earnings per share (Yen)	-	-

(Condensed quarterly consolidated statements of comprehensive income)

	Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)
Profit	7,021	7,517
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,462	1,462
Remeasurements of defined benefit plans	-	-
Total items that will not be reclassified to profit or loss	1,462	1,462
Items that may be reclassified to profit or loss		
Cash flow hedges	1	-
Exchange differences on translation of foreign operations	12,473	(1,579)
Total items that may be reclassified to profit or loss	12,473	(1,579)
Other comprehensive income, net of tax	13,935	(117)
Comprehensive income	20,956	7,400
Comprehensive income attributable to:		
Owners of parent	20,813	7,113
Non-controlling interests	144	287
Comprehensive income	20,956	7,400

(3) Condensed Quarterly Consolidated Statements of Changes in Equity
For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)

(Millions of yen)

	Total equity attributable to owners of parent										(millions of yen)
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity					Non-controlling interests	Total equity
					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	Total		
Balance at beginning of current period	37,143	35,137	(1,020)	166,454	18,403	-	(27)	45,072	63,448	2,566	303,727
Profit	-	-	-	7,000	-	-	-	-	-	21	7,021
Other comprehensive income	-	-	-	-	1,462	-	1	12,350	13,813	122	13,935
Comprehensive income	-	-	-	7,000	1,462	-	1	12,350	13,813	144	20,956
Dividends from surplus	-	-	-	(3,725)	-	-	-	-	-	(28)	(3,753)
Purchase of treasury shares	-	-	(3)	-	-	-	-	-	-	-	(3)
Disposal of treasury shares	-	0	0	-	-	-	-	-	-	-	0
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	250	250
Transfer from other components of equity to retained earnings	-	-	-	265	(265)	-	-	-	(265)	-	-
Total transactions with owners	-	0	(3)	(3,460)	(265)	-	-	-	(265)	223	(3,505)
Balance at end of current period	37,143	35,137	(1,023)	169,994	19,600	-	(27)	57,422	76,995	2,932	321,178

For the three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

(Millions of yen)

	Total equity attributable to owners of parent										(millions of yen)
	Other components of equity									Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	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	Total		
Balance at beginning of current period	37,143	35,178	(21,002)	179,404	16,926	-	-	43,022	59,948	2,896	293,568
Profit	-	-	-	7,448	-	-	-	-	-	69	7,517
Other comprehensive income	-	-	-	-	1,462	-	-	(1,797)	(336)	218	(117)
Comprehensive income	-	-	-	7,448	1,462	-	-	(1,797)	(336)	287	7,400
Dividends from surplus	-	-	-	(4,382)	-	-	-	-	-	(57)	(4,438)
Purchase of treasury shares	-	-	(1)	-	-	-	-	-	-	-	(1)
Disposal of treasury shares	-	0	0	-	-	-	-	-	-	-	0
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	(31)	31	-	-	-	31	-	-
Total transactions with owners	-	0	(1)	(4,413)	31	-	-	-	31	(57)	(4,439)
Balance at end of current period	37,143	35,178	(21,002)	182,440	18,419	-	-	41,224	59,643	3,127	296,529

(4) Condensed Quarterly Consolidated Statements of Cash Flows

	(Millions of yen)	
	Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)
Cash flows from operating activities		
Profit before tax	9,445	9,634
Depreciation and amortization	3,519	3,446
Interest and dividend income	(1,294)	(1,202)
Interest expenses	71	88
Decrease (increase) in trade and other receivables	(153)	(2,390)
Increase (decrease) in trade and other payables	(2,390)	(861)
Decrease (increase) in inventories	20	936
Others, net	530	(1,422)
Subtotal	9,748	8,229
Interest received	790	506
Dividends received	498	703
Interest paid	(68)	(84)
Income taxes paid	(2,043)	(3,353)
Net cash provided by (used in) operating activities	8,925	6,002
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,319)	(3,313)
Proceeds from sale of property, plant and equipment	22	20
Purchase of investment securities	(79)	(3)
Proceeds from sale of investment securities	769	19
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,809)	-
Others, net	(128)	(267)
Net cash provided by (used in) investing activities	(4,544)	(3,545)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(9)	2
Increase (decrease) in commercial papers	(11,000)	5,000
Proceeds from long-term borrowings	259	32
Repayments of long-term borrowings	(3)	(68)
Repayments of lease liabilities	(280)	(274)
Purchase of treasury shares	(3)	(1)
Dividends paid	(3,725)	(4,382)
Dividends paid to non-controlling interests	(28)	(57)
Others, net	0	0
Net cash provided by (used in) financing activities	(14,788)	254
Effect of exchange rate changes on cash and cash equivalents	5,325	(1,378)
Net increase (decrease) in cash and cash equivalents	(5,082)	1,333
Cash and cash equivalents at beginning of period	121,635	103,533
Cash and cash equivalents at end of period	116,553	104,866

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Accounting Policies

The Group applies the same significant accounting policies that were applied to the Consolidated Financial Statements of the previous fiscal year.

Corporate income tax for this quarter of the current fiscal year is calculated based on the estimated annual effective tax rate.

Segment Information

1. Reportable Segments

The reportable segments of the Group refer to business units for which separate financial information is available and that are reviewed regularly at the Board of Directors meeting in order to determine the allocation of management resources and evaluate the business performance of each business unit.

The Group divides its operations into business sectors identified by products and services, which manage manufacturing, sales, and research in an integrated manner. Each business sector is responsible for developing comprehensive domestic and overseas strategies with respect to its products and services, and operates its business activities.

Accordingly, the Group has three reportable segments based on its products and services in accordance with its business sectors, including "Semiconductor materials", "High-performance plastics", and "Quality of life products".

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, Photosensitive materials for semiconductor devices, Bonding pastes for semiconductor devices, Semiconductor substrate materials
High-performance plastics	Resins for industrial use, Molding compounds, Molded parts and molding dies, Laminates, Aerospace components
Quality of life products	Medical devices and pharmaceuticals, In vitro diagnostics and Biotechnology-related products, Films and sheets, Industrial functional materials, Waterproof business

2. Reportable Segment Information

For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)

(Millions of yen)

	Reportable segments			Others (Note 2)	Total	Adjustment (Note 3)	Consolidated
	Semiconductor materials	High- performance plastics	Quality of life products				
Revenue							
External customers	22,529	27,542	26,423	159	76,653	-	76,653
Intersegment	0	31	0	-	32	(32)	-
Total revenue	22,530	27,574	26,423	159	76,684	(32)	76,653
Segment profit (loss) (Business profit) (Note 1)	4,562	1,712	2,647	8	8,929	(1,019)	7,910

(Note)

1. "Segment profit (loss)" is "Business Profit" which is defined as "Revenue" less "Cost of sales" and "Selling, general and administrative expenses".
2. "Others" includes entrusted research and testing, land leasing, and other activities.
3. ¥(1,019) million for segment profit (loss) in "Adjustment" includes inter-segment elimination of ¥(6) million and corporate expenses of ¥(1,013) million unallocated to each reportable segment. Corporate expenses are mainly research and development expenses for basic research, which are not attributed to reportable segments.

For the three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

(Millions of yen)

	Reportable segments			Others (Note 2)	Total	Adjustment (Note 3)	Consolidated
	Semiconductor materials	High- performance plastics	Quality of life products				
Revenue							
External customers	24,428	26,029	27,050	160	77,668	-	77,668
Intersegment	-	48	1	-	49	(49)	-
Total revenue	24,428	26,078	27,051	160	77,717	(49)	77,668
Segment profit (loss) (Business profit) (Note 1)	4,818	1,738	3,689	(14)	10,230	(1,221)	9,009

(Note)

1. "Segment profit (loss)" is "Business Profit" which is defined as "Revenue" less "Cost of sales" and "Selling, general and administrative expenses".
2. "Others" includes entrusted research and testing, land leasing, and other activities.
3. ¥(1,221) million for segment profit (loss) in "Adjustment" includes inter-segment elimination of ¥5 million and corporate expenses of ¥(1,226) million unallocated to each reportable segment. Corporate expenses are mainly research and development expenses for basic research, which are not attributed to reportable segments.

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

	For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)	For the three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)
Segment profit (loss)	7,910	9,009
Other income	487	13
Other expenses	(224)	(426)
Operating profit	8,173	8,596
Finance income	1,344	1,202
Finance costs	(71)	(164)
Profit before tax	9,445	9,634