Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Summary of Consolidated Business Results for the Six Months Ended September 30, 2026 [IFRS]

November 4, 2026

Company name : **Sumitomo Bakelite Co., Ltd.** Stock exchanges : Tokyo
Securities code : 4203 URL : https://www.sumibe.co.jp/english/
Representative : Shinichi Kajiya, President and Representative Director
Contact person : Tsuyoshi Ueda, Manager of Corporate Communications Dept., Corporate General Affairs Div.
TEL +81-3-5462-4165

Date of the submission of semi-annual securities report : November 6, 2026
Date of the start of dividend payment : December 1, 2026
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 six Months Ended September 30, 2026

(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 2026 - September 2026	192,041	22.7	28,084	64.1	25,985	57.9	27,649	52.7	19,561	47.2
April 2025 - September 2025	156,528	2.2	17,118	8.2	16,462	5.1	18,109	4.6	13,291	4.3

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
April 2026 - September 2026	222.94	-
April 2025 - September 2025	151.65	-

(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
	Millions of yen	Millions of yen	Millions of yen	%
As of September 30, 2026	496,851	365,517	362,154	72.9
As of March 31, 2026	484,167	350,646	347,186	71.7

2. Dividends

	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
	Yen	Yen	Yen	Yen	Yen
April 2025 - March 2026	-	50.00	-	60.00	110.00
April 2026 - March 2027	-	70.00			
April 2026 - March 2027 (Forecasts)			-	70.00	140.00

(Note) Revisions of the latest dividend forecasts: None

3. Consolidated Financial Forecasts for the Year Ending March 31, 2027

(% 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 2026 - March 2027	400,000	25.1	55,000	59.5	50,000	40.9	35,000	24.9	398.89

(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 September 30, 2026	88,249,856	As of March 31, 2026	88,249,856
b) Number of treasury shares	As of September 30, 2026	503,212	As of March 31, 2026	514,319
c) Average number of outstanding shares during the period (excluding treasury shares)	April 2026 - September 2026	87,740,305	April 2025 - September 2025	87,644,770

(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.

[Index of the Attachment]

1. Summary of Operating Results for Second Quarter Fiscal Year 2026 2
(1) Operating Results..... 2
(2) Consolidated Financial Position..... 5
(3) Consolidated Forecasts and Other Forward-Looking Information..... 6
2. Condensed Consolidated Financial Statements and Major Notes..... 7
(1) Condensed Consolidated Statements of Financial Position..... 7
(2) Condensed Consolidated Statements of Income and Comprehensive Income..... 9
(3) Condensed Consolidated Statements of Changes in Equity..... 11
(4) Condensed Consolidated Statements of Cash Flows..... 12
(5) Notes to Condensed Consolidated Financial Statements..... 13
Going Concern Assumption..... 13
Significant accounting policies..... 13
Changes in presentation methods..... 13
Segment Information..... 13
Material Subsequent Events..... 17

1. Summary of Operating Results for Second Quarter Fiscal Year 2026

(1) Operating Results

Our group's Revenue increased by 22.7% year over year (all percentages below are calculated based on this figure) to ¥192,041 million, driven by factors such as an increase in sales volume on growing demand for semiconductors, the optimization of sales prices, and the depreciation of the yen. Business profit increased by 64.1% to ¥28,084 million, driven by improved profitability resulting from increased sales volume and price pass-through, despite a surge in raw material prices. Operating profit increased by 57.9% to ¥25,985 million. Profit attributable to owners of parent increased by 47.2% to ¥19,561 million.

The financial results by business segment for Q2 FY2026 are as follows:

1. Semiconductor materials

[Revenue ¥70,592 million (up 37.7% year over year), Business profit ¥16,732 million (up 64.1% year over year)]

In the Semiconductor materials segment, Revenue increased significantly on sales growth centering on power device applications against a backdrop of demand related to AI data centers. Business profit also increased substantially.

By product category, in Epoxy resin molding compounds for encapsulation of semiconductor devices, demand remained strong not only in power device applications but also in high-end smartphones, telecommunications, and automotive applications.

In the Chinese market, demand is expanding against the backdrop of policies promoting the domestic production of semiconductors. In the mobility sector, demand for magnet-fixing applications for HEV (hybrid electric vehicles) remained solid.

In Photosensitive materials for semiconductor devices, growing demand for memory applications driven by AI data center demand contributed to the results.

In Bonding pastes for semiconductor devices, demand was strong for power device applications, including power management ICs, and high-reliability pastes for automotive applications maintained strong performance.

In the "LαZ®" series of Semiconductor substrate materials, Revenue grew for embedded component substrates used in power devices.

2. High-performance plastics

[Revenue ¥63,327 million (up 23.8% year over year), Business profit ¥5,863 million (up 127.7% year over year)]

In the High-performance plastics segment, in addition to an increase in sales volume, we adjusted our sales prices in response to rising raw material prices caused by factors such as the deteriorating situation in the Middle East.

Furthermore, Revenue increased compared to the same period last year due to the yen's depreciation against the U.S. dollar and the euro. As a result, profitability improved, and Business profit also increased.

By product category, in Resins for industrial use, sales increased mainly in the domestic market for semiconductor devices, building materials, and abrasive applications, while tire applications grew against the backdrop of rising demand in the ASEAN region. New products for semiconductor devices also contributed to sales growth.

In Molding compounds, shipment volumes for electrical component applications increased in China and other parts of Asia. Demand from the North American automotive industry has also recovered from a temporary slump.

In Laminates, Revenue increased due to the optimization of sales prices in response to surging raw material prices and higher shipment volumes of heat-dissipating insulating sheets for automotive applications.

In Aerospace components, Revenue increased significantly, driven not only by increased demand from European and North American airplane manufacturers on increased production but also by the contribution of expanded sales in the repair parts market.

3. Quality of life products

[Revenue ¥57,751 million (up 7.4% year over year), Business profit ¥8,283 million (up 23.4% year over year)]

In the Quality of life products segment, Revenue increased, driven by Films and sheets, and Business profit also increased.

By product category, in Films and sheets, sales volume increased significantly across the Pharmaceutical packaging, P-Plus, Food packaging, and Industrial films sectors, as we captured demand resulting from increased production and inventory buildup by customers. Sales expansion efforts also contributed. In Japan, we increased our market share for generic drugs, and there was growing use of Skin packaging and top sealing film of P-Plus. Overseas, sales increased, driven by an expanding market share for Industrial films in China and the ASEAN region.

In Medical devices, sales grew for steering microcatheters for endovascular repair and gastrointestinal stents in Japan and overseas. On the other hand, Revenue declined in the Medical devices segment overall due to the impact of discontinuing the domestic hemodialysis blood circuit business, which was unprofitable.

In Biotechnology-related products, sales of biomaterials for regenerative medicine and custom-made biomaterials for corporate clients remained strong.

In Industrial functional materials, as customers' efforts to secure inventory have slowed, sales of Sheet material for architectural and interior decoration for stores have leveled off. At the same time, new materials to address extreme summer heat grew significantly. In addition, the Hollow polycarbonate business, which was acquired through a business transfer from the AGC Group in October 2025, also contributed to Revenue. Sales of Optical sheet & film products and Flame retardant film & sheet for electrical insulation remained strong in the automotive sector.

In Waterproof business, Revenue for rooftop waterproofing of buildings increased while prioritizing the stable supply of materials. Demand for residential renovations also remained strong.

(2) Consolidated Financial Position

(2.1) Assets, Liabilities and Equity

1. Assets

Total assets increased by ¥12,684 million from the end of the previous fiscal year to ¥496,851 million.
The main changes were increases in Cash and cash equivalents and Trade and other receivables, offset by a decrease in Other financial assets.

2. Liabilities

Total liabilities decreased by ¥2,187 million from the end of the previous fiscal year to ¥131,334 million.
The main changes were a decrease in Borrowings, offset by an increase in Trade and other payables.

3. Equity

Total equity increased by ¥14,871 million from the end of the previous fiscal year to ¥365,517 million.
The main changes were an increase due to Profit, offset by a decrease due to Dividends from surplus.

(2.2) Cash Flows

Cash and cash equivalents (hereinafter referred to as Cash) at the end of the first half of the current fiscal period increased by ¥14,974 million from the end of the previous fiscal year to ¥139,725 million.

1. Cash flows from operating activities

Cash provided by operating activities was ¥21,240 million.
This was mainly a result of Profit before tax and Depreciation and amortization, offset by Increase in trade and other receivables. Compared with Q2 FY2025, income increased by ¥3,012 million.

2. Cash flows from investing activities

Cash provided by investing activities was ¥11,315 million.
This was mainly a result of Proceeds from sale of investment securities.

3. Cash flows from financing activities

Cash used in financing activities was ¥16,587 million.
This was mainly a result of the redemption of commercial paper and Dividends paid. Compared with Q2 FY2025, expenditures increased by ¥12,441 million.

(3) Consolidated Forecasts and Other Forward-Looking Information

Based on recent performance trends, we have revised our consolidated financial forecasts for the full year ending March 31, 2027, previously announced on May 11, 2026, as detailed below. For further details, please refer to the "Notice of Revision of Consolidated Financial Forecasts" announced on October 30, 2026.

Revised consolidated financial forecasts for the fiscal year ending March 31, 2027
(April 1, 2026 to March 31, 2027)

(Millions of yen)

	Revenue	Business profit	Operating profit	Profit attributable to owners of parent	Basic earnings per share (Yen)
Previous forecasts (A)	337,000	38,000	37,500	28,500	324.84
Revised forecasts (B)	400,000	55,000	50,000	35,000	398.89
Amount of change (B-A)	63,000	17,000	12,500	6,500	
Rate of change (%)	18.7	44.7	33.3	22.8	
(Reference) Actual results for the fiscal year ended March 31, 2026	319,867	34,490	35,478	28,014	319.52

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

2. Condensed Consolidated Financial Statements and Major Notes

(1) Condensed Consolidated Statements of Financial Position

(Millions of yen)

	March 31, 2026	September 30, 2026
Assets		
Current assets		
Cash and cash equivalents	124,752	139,725
Trade and other receivables	64,225	72,672
Other financial assets	3,659	3,828
Inventories	68,552	74,020
Other current assets	5,772	6,436
Total current assets	266,961	296,681
Non-current assets		
Property, plant and equipment	132,579	130,268
Right-of-use assets	8,851	8,572
Goodwill	3,216	3,152
Other intangible assets	2,493	2,788
Other financial assets	53,407	37,227
Retirement benefit assets	11,235	11,277
Deferred tax assets	2,344	2,474
Other non-current assets	3,081	4,411
Total non-current assets	217,206	200,170
Total assets	484,167	496,851

(Millions of yen)

	March 31, 2026	September 30, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	20,066	10,042
Trade and other payables	60,012	67,505
Other financial liabilities	1,741	1,553
Income taxes payable	6,729	6,010
Provisions	754	600
Other current liabilities	1,727	937
Total current liabilities	91,029	86,645
Non-current liabilities		
Borrowings	7,292	6,862
Other financial liabilities	5,128	5,004
Retirement benefit liabilities	3,430	3,398
Provisions	1,509	2,695
Deferred tax liabilities	24,728	26,191
Other non-current liabilities	405	538
Total non-current liabilities	42,492	44,689
Total liabilities	133,521	131,334
Equity		
Share capital	37,143	37,143
Capital surplus	35,137	35,258
Treasury shares	(1,764)	(1,728)
Other components of equity	88,533	79,020
Retained earnings	188,138	212,461
Total equity attributable to owners of parent	347,186	362,154
Non-controlling interests	3,459	3,363
Total equity	350,646	365,517
Total liabilities and equity	484,167	496,851

(2) Condensed Consolidated Statements of Income and Comprehensive Income

Condensed consolidated statements of income

Second Quarter (Interim Period) ended September 30, 2025 and 2026

(Millions of yen)

	Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)	Six months ended September 30, 2026 (From April 1, 2026 to September 30, 2026)
Revenue	156,528	192,041
Cost of sales	(107,632)	(127,485)
Gross profit	48,896	64,556
Selling, general and administrative expenses	(31,777)	(36,472)
Business profit	17,118	28,084
Other income	198	1,072
Other expenses	(854)	(3,171)
Operating profit	16,462	25,985
Finance income	1,893	1,973
Finance costs	(247)	(309)
Profit before tax	18,109	27,649
Income tax expenses	(4,674)	(7,765)
Profit	13,435	19,885
Profit attributable to:		
Owners of parent	13,291	19,561
Non-controlling interests	144	323
Profit	13,435	19,885
Earnings per share		
Basic earnings per share (Yen)	151.65	222.94
Diluted earnings per share (Yen)	-	-

Condensed consolidated statements of comprehensive income

Second Quarter (Interim Period) ended September 30, 2025 and 2026

(Millions of yen)

	Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)	Six months ended September 30, 2026 (From April 1, 2026 to September 30, 2026)
Profit	13,435	19,885
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	4,988	2,398
Remeasurements of defined benefit plans	5	(2)
Total items that will not be reclassified to profit or loss	4,993	2,395
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	4,041	(1,929)
Total items that may be reclassified to profit or loss	4,041	(1,929)
Other comprehensive income, net of tax	9,034	466
Comprehensive income	22,469	20,351
Comprehensive income attributable to:		
Owners of parent	22,135	20,074
Non-controlling interests	334	277
Comprehensive income	22,469	20,351

(3) Condensed Consolidated Statements of Changes in Equity

Second Quarter (Interim Period) ended September 30, 2025

(Millions of yen)

	Total equity attributable to owners of parent									
					Other components of equity					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Exchange differences on translation of foreign operations	Total	Non-controlling interests	Total equity
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	-	-	-	13,291	-	-	-	-	144	13,435
Other comprehensive income	-	-	-	-	4,988	4	3,852	8,844	190	9,034
Comprehensive income	-	-	-	13,291	4,988	4	3,852	8,844	334	22,469
Dividends from surplus	-	-	-	(4,382)	-	-	-	-	(65)	(4,447)
Purchase of treasury shares	-	-	(4)	-	-	-	-	-	-	(4)
Disposal of treasury shares	-	0	0	-	-	-	-	-	-	0
Share-based payment transactions	-	11	77	-	-	-	-	-	-	87
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	322	(319)	(4)	-	(322)	-	-
Total transactions with owners	-	11	73	(4,060)	(319)	(4)	-	(322)	(65)	(4,363)
Balance at end of current period	37,143	35,189	(20,928)	188,636	21,595	-	46,874	68,469	3,166	311,675

Second Quarter (Interim Period) ended September 30, 2026

(Millions of yen)

	Total equity attributable to owners of parent									
					Other components of equity					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Exchange differences on translation of foreign operations	Total	Non-controlling interests	Total equity
Balance at beginning of current period	37,143	35,137	(1,764)	188,138	25,582	-	62,951	88,533	3,459	350,646
Profit	-	-	-	19,561	-	-	-	-	323	19,885
Other comprehensive income	-	-	-	-	2,398	(2)	(1,883)	513	(46)	466
Comprehensive income	-	-	-	19,561	2,398	(2)	(1,883)	513	277	20,351
Dividends from surplus	-	-	-	(5,264)	-	-	-	-	(97)	(5,361)
Purchase of treasury shares	-	-	(3)	-	-	-	-	-	-	(3)
Disposal of treasury shares	-	0	0	-	-	-	-	-	-	1
Share-based payment transactions	-	45	39	-	-	-	-	-	-	84
Acquisition of non-controlling interests	-	76	-	-	-	-	-	-	(276)	(200)
Transfer from other components of equity to retained earnings	-	-	-	10,026	(10,027)	2	-	(10,026)	-	-
Total transactions with owners	-	121	37	4,762	(10,027)	2	-	(10,026)	(373)	(5,479)
Balance at end of current period	37,143	35,258	(1,728)	212,461	17,952	-	61,068	79,020	3,363	365,517

(4) Condensed Consolidated Statements of Cash Flows

Second Quarter (Interim Period) ended September 30, 2025 and 2026

(Millions of yen)

	Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)	Six months ended September 30, 2026 (From April 1, 2026 to September 30, 2026)
Cash flows from operating activities		
Profit before tax	18,109	27,649
Depreciation and amortization	6,923	7,696
Interest and dividend income	(1,893)	(1,973)
Interest expenses	175	287
Decrease (increase) in trade and other receivables	(1,588)	(8,792)
Increase (decrease) in trade and other payables	949	8,395
Decrease (increase) in inventories	92	(5,913)
Others, net	(647)	293
Subtotal	22,118	27,643
Interest received	1,024	1,093
Dividends received	860	872
Interest paid	(175)	(288)
Income taxes paid	(5,600)	(8,080)
Net cash provided by (used in) operating activities	18,228	21,240
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,684)	(7,305)
Proceeds from sale of property, plant and equipment	197	1,830
Purchase of investment securities	(94)	(1)
Proceeds from sale of investment securities	814	19,755
Purchase of long-term prepaid expenses	(663)	(1,387)
Payments for acquisition of businesses	-	(880)
Others, net	(110)	(697)
Net cash provided by (used in) investing activities	(6,539)	11,315
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	6	-
Increase (decrease) in commercial papers	3,000	(10,000)
Proceeds from long-term borrowings	123	-
Repayments of long-term borrowings	(2,264)	(419)
Repayments of lease liabilities	(561)	(605)
Purchase of treasury shares	(4)	(3)
Dividends paid	(4,382)	(5,264)
Dividends paid to non-controlling interests	(65)	(97)
Others, net	0	(200)
Net cash provided by (used in) financing activities	(4,146)	(16,587)
Effect of exchange rate changes on cash and cash equivalents	939	(994)
Net increase (decrease) in cash and cash equivalents	8,482	14,974
Cash and cash equivalents at beginning of period	103,533	124,752
Cash and cash equivalents at end of period	112,015	139,725

(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.

Changes in presentation methods

Condensed Interim Consolidated Statements of Cash Flows

"Purchase of long-term prepaid expenses", which was included in "Others, net" under "Cash flows from investing activities" for Q2 FY2025, has been listed separately due to the increased monetary significance of the item. To reflect this change in presentation, the consolidated financial statements for Q2 FY2025 have been reclassified.

As a result, "Others, net" of ¥(772) million that was presented under "Cash flows from investing activities" in the consolidated statements of cash flows for Q2 FY2025 has been reclassified as "Purchase of long-term prepaid expenses" of ¥(663) million and "Others, net" of ¥(110) million.

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

Second Quarter (Interim Period) ended September 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	51,256	51,169	53,787	317	156,528	-	156,528
Intersegment	-	108	1	-	109	(109)	-
Total revenue	51,256	51,276	53,788	317	156,637	(109)	156,528
Segment profit (loss) (Business profit) (Note 1)	10,196	2,575	6,715	5	19,491	(2,373)	17,118

(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. ¥(2,373) million for segment profit (loss) in "Adjustment" includes inter-segment elimination of ¥8 million and corporate expenses of ¥(2,381) million unallocated to each reportable segment. Corporate expenses are mainly research and development expenses for basic research, which are not attributed to reportable segments.

Second Quarter (Interim Period) ended September 30, 2026

(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	70,592	63,327	57,751	371	192,041	-	192,041
Intersegment	0	125	1	2	129	(129)	-
Total revenue	70,593	63,453	57,752	374	192,171	(129)	192,041
Segment profit (loss) (Business profit) (Note 1)	16,732	5,863	8,283	(39)	30,839	(2,755)	28,084

(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. ¥(2,755) million for segment profit (loss) in "Adjustment" includes inter-segment elimination of ¥31 million and corporate expenses of ¥(2,786) 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"

(Millions of yen)

	For the six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)	For the six months ended September 30, 2026 (From April 1, 2026 to September 30, 2026)
Segment profit (loss)	17,118	28,084
Other income	198	1,072
Other expenses	(854)	(3,171)
Operating profit	16,462	25,985
Finance income	1,893	1,973
Finance costs	(247)	(309)
Profit before tax	18,109	27,649

Material Subsequent Events

(Acquisition of Kyocera Corporation's Chemical Business)

On January 22, 2026, Sumitomo Bakelite Co., Ltd. (the "Company") entered into a share transfer agreement with Kyocera Corporation ("Kyocera") to acquire all shares of a new company (the "New Company"), which was newly established by Kyocera and succeeded to part of Chemical Business from Kyocera by an absorption-type company split, for the purpose of acquiring said business from Kyocera. On October 30, 2026, the Company acquired all shares of the New Company.

1. Overview of Business Combination

Name of the Acquired Company: Sumitomo Bakelite Chemical Solution Co., Ltd.

Description of Business: Manufacturing and sales of Epoxy resin molding compounds for encapsulation of semiconductor devices, Bonding pastes for semiconductor devices, Resins for industrial use, and other related products.

2. Acquisition Date

October 30, 2026

3. Percentage of Voting Capital Interests to Be Acquired

100%

4. The Primary Reason for the Business Combination

Under the Medium-Term Business Plan 2024-26, the Company is strategically promoting the transformation of the business portfolio and the expansion of the business. By acquiring shares of the New Company that will succeed part of Kyocera's Chemical Business, specifically regarding epoxy resin molding compounds for encapsulation of semiconductor devices, bonding pastes for semiconductor devices, and resins for industrial use, the Company intends to further enhance the presence in the ICT domain and accelerate the strengthening of technological capabilities to create high value-added products.

By integrating the New Company's proprietary technologies with the Company's high technological capabilities that meet customer needs in areas such as epoxy resin molding compounds for encapsulation of semiconductor devices and bonding pastes for semiconductor devices, the Company will increase the standing in the expanding market for AI data center applications, etc.

Through this acquisition, the Company will solidify the realization of "Vision 2030" and contribute to society as "a company providing dreams for the future".

5. Acquisition cost and its breakdown

(Millions of yen)

	Acquisition Date (October 30, 2026)
Cash	30,000
Contingent Consideration	(1,500)
Total Acquisition cost	28,500

(Note) The final acquisition cost will be determined after the price adjustment based on the share purchase agreement.

<Contingent Consideration>

As a result of certain investigations relating to the land acquired in the business combination, a portion of the purchase consideration may be refunded, subject to agreement with the seller, Kyocera Corporation. The fair value of the contingent consideration, amounting to ¥1,500 million, was calculated taking into account the likelihood of the relevant condition being met.

6. Acquisition-related costs

Advisory fees and other costs: ¥400 million (estimated)

As the fair value measurements of identifiable assets and assumed liabilities as of the acquisition date had not been completed by the date of approval of Condensed Interim Consolidated Financial Statements detailed information regarding the fair value of assets and liabilities as of the acquisition date and goodwill has not been disclosed.