

Financial Results for FY2022

May 15, 2023

Sumitomo Bakelite Co., Ltd.

Outline of Financial Results for FY2022

Financial Results for FY2022 (Y/Y)

Revenue and profit attributable to owners of parent reached record highs

[Unit: Billion yen]

	FY2021	FY2022	Variance (Y/Y)	
	(1)	(2)	(2)-(1)	Ratio
Revenue	263.1	284.9	21.8	8.3%
Business Profit	26.5	25.4	-1.0	-3.9%
Operating Profit	24.9	24.8	-0.1	-0.3%
Profit attributable to owners of parent	18.3	20.3	2.0	10.9%
ROE	8.5%	8.4%	-	-

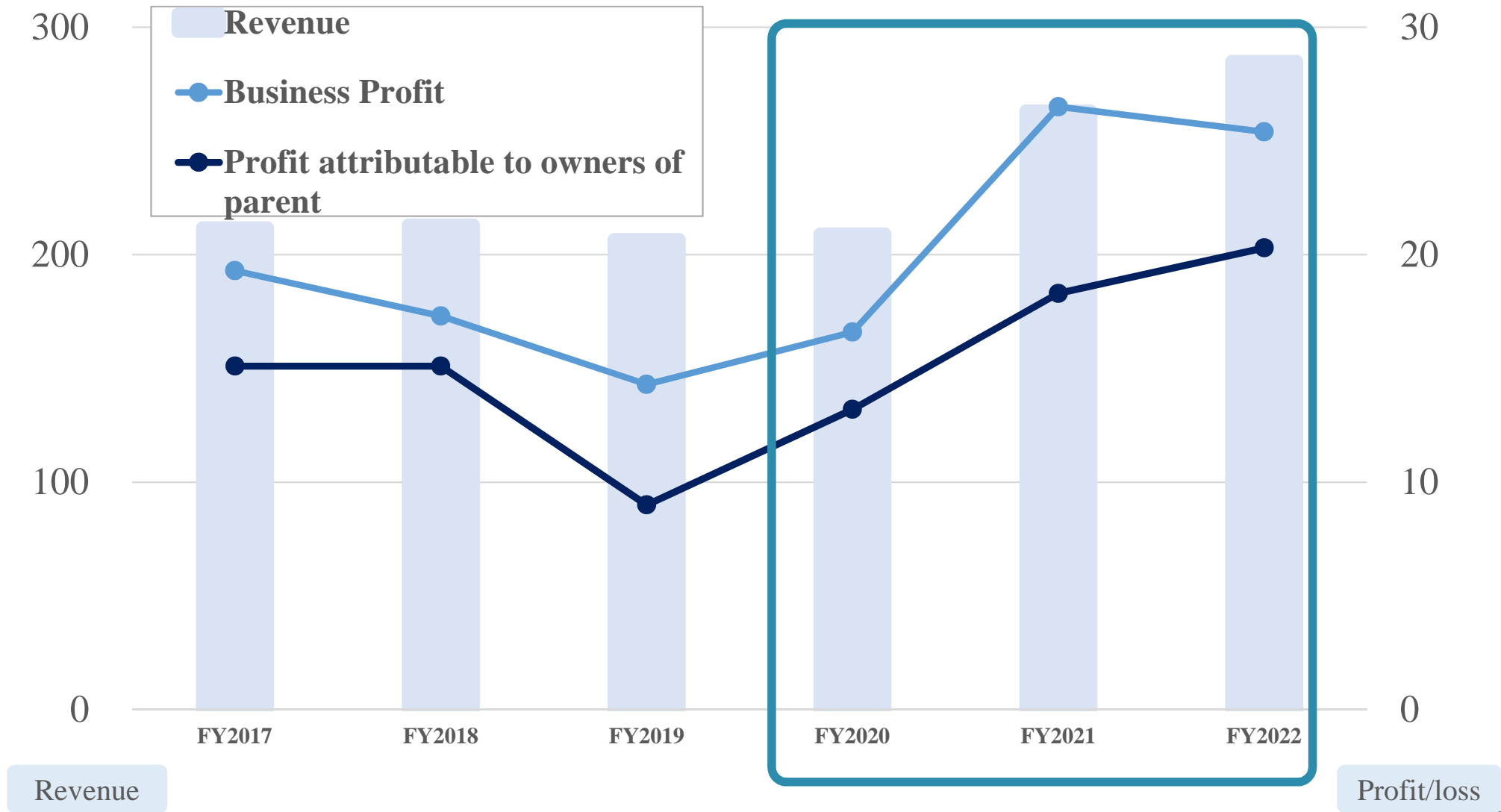
* "Business profit" is calculated by deducting "Cost of sales" and "Selling, general and administrative expenses" from "Revenue".

FOREX	FY2021	FY2022
JPY / USD	112.86	135.95
JPY / EUR	131.01	141.24

Revenue and Profit/loss (Fiscal Year Trends)

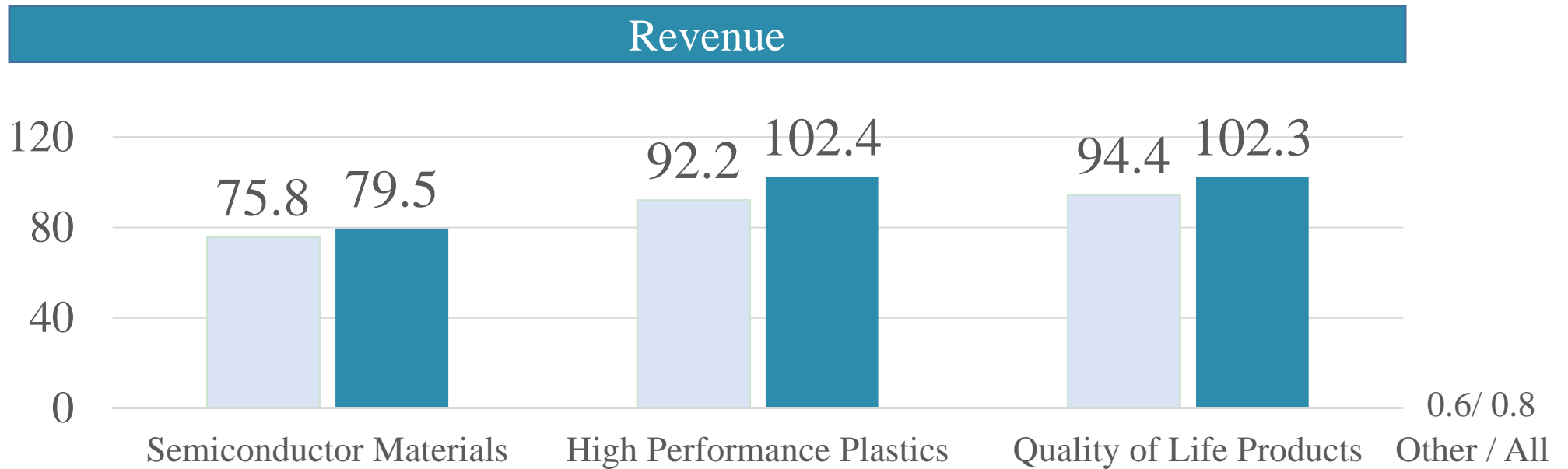
Profit attributable to owners of parent increased for the third consecutive fiscal year

[Unit: Billion yen]



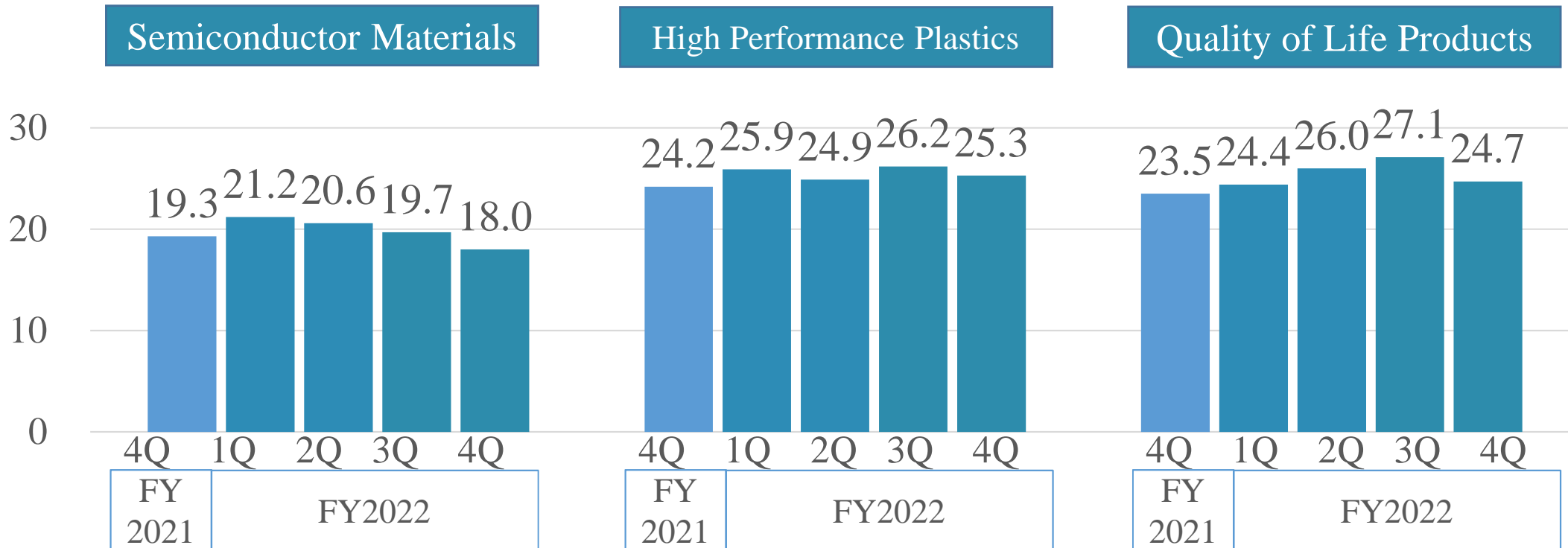
Revenue and Business Profit by Business Segment (Y/Y)

[Unit: Billion yen]



Quarterly Revenue by Business Segment

[Unit: Billion yen]



Semiconductor Materials

The impact of inventory adjustment in consumer applications prolonged.

High Performance Plastics

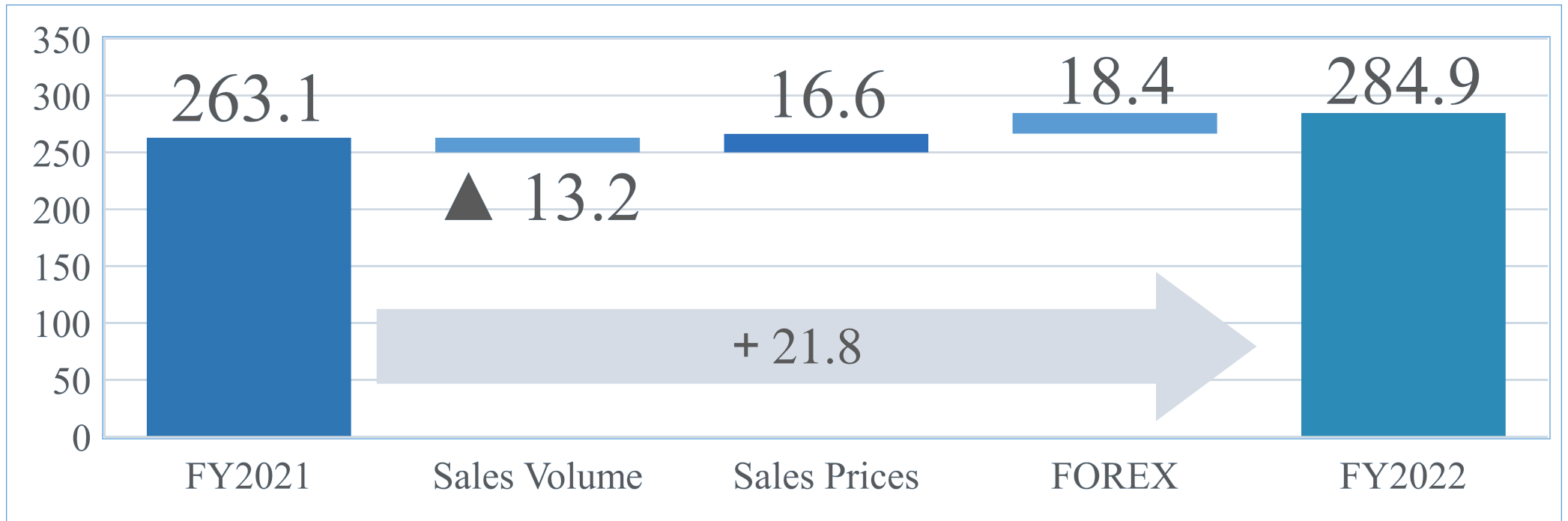
The impact of automobile production cutbacks and slumping demand for consumer applications continued.

Quality of Life Products

Sales revenue remained strong due to continued strong performance in healthcare-related products exported to North America and films & sheets for pharmaceutical packaging.

Analysis of Revenue (Y/Y)

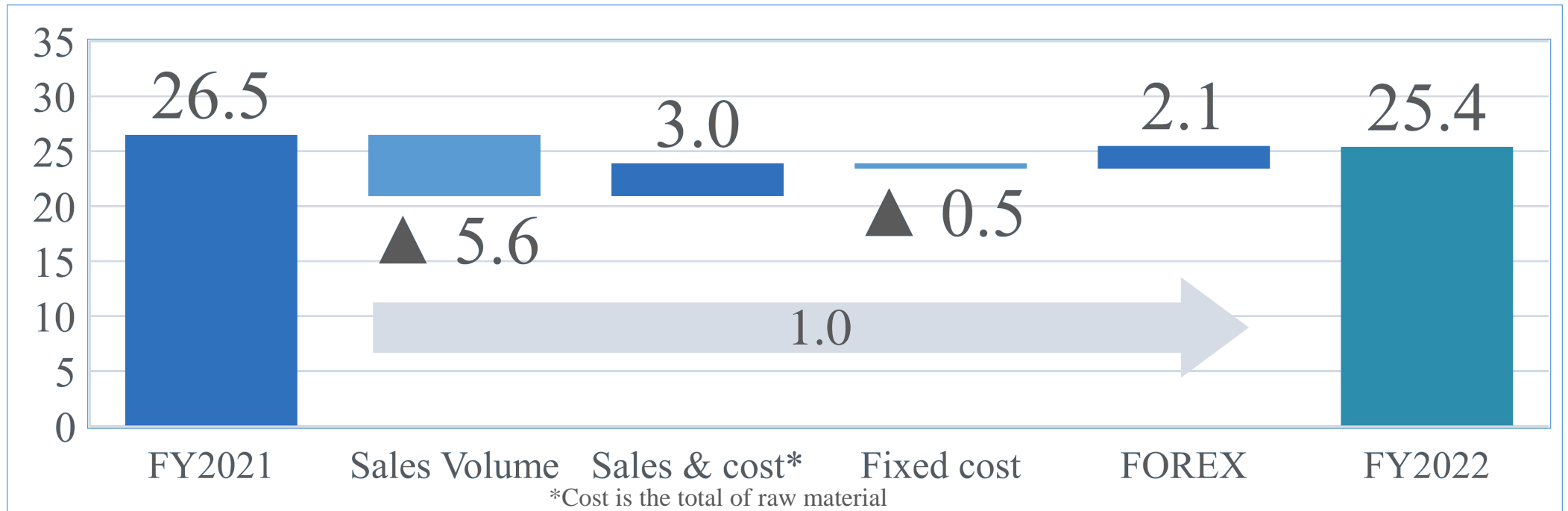
[Unit: Billion yen]



Segment	Sales Volume	Sales Prices	FOREX	Total
Semiconductor Materials	5.6	+ 2.4	+ 7.0	+ 3.8
High Performance Plastics	9.2	+ 9.9	+ 9.4	+ 10.1
Quality of Life Products	+ 1.5	+ 4.3	+2.0	+ 7.8

Analysis of Business Profit (Y/Y)

[Unit: Billion yen]



*Cost is the total of raw material and other variable costs.

Segment	Sales Volume	Sales & cost	Fixed cost	FOREX	Total
Semiconductor Materials	1.9	+0.5	1.2	+1.5	1.2
High Performance Plastics	4.0	+2.1	+0.2	+0.4	1.3
Quality of Life Products	+0.1	+0.4	+1.1	+0.2	+1.8
Others	+0.2	0.0	0.5	0.0	0.3

Financial Forecasts for FY2023

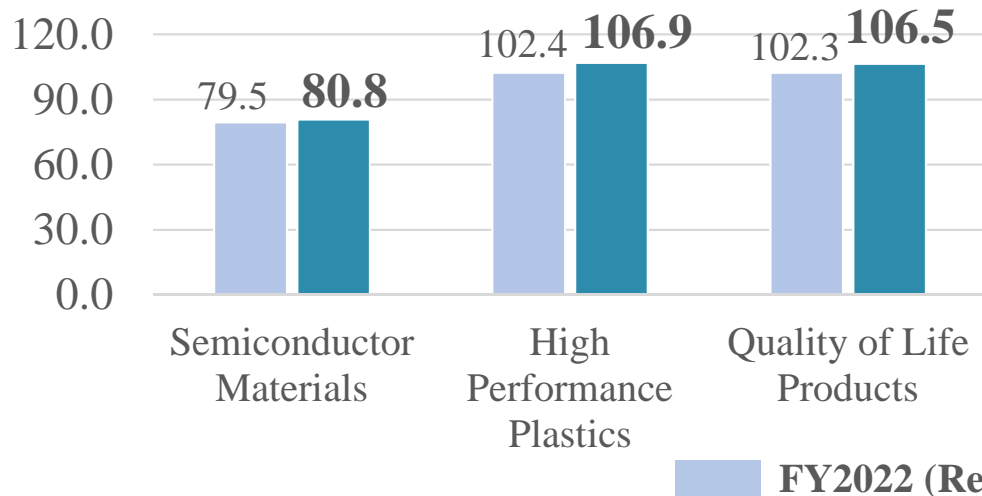
Financial Forecasts for FY2023 (Y/Y)

[Unit: Billion yen]

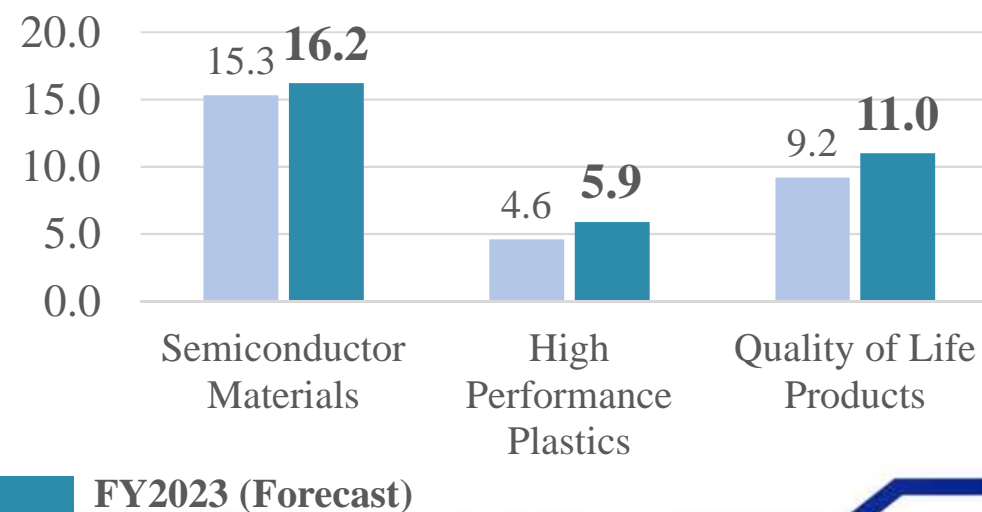
	FY2022 Result (1)	FY2023 Forecast (2)	Variance	
			(2)-(1)	Ratio
Revenue	284.9	295.0	10.1	3.5%
Business Profit	25.4	28.5	3.1	12.0%
Profit attributable to owners of the parent	20.3	21.5	1.2	6.0%

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

Revenue



Business Profit



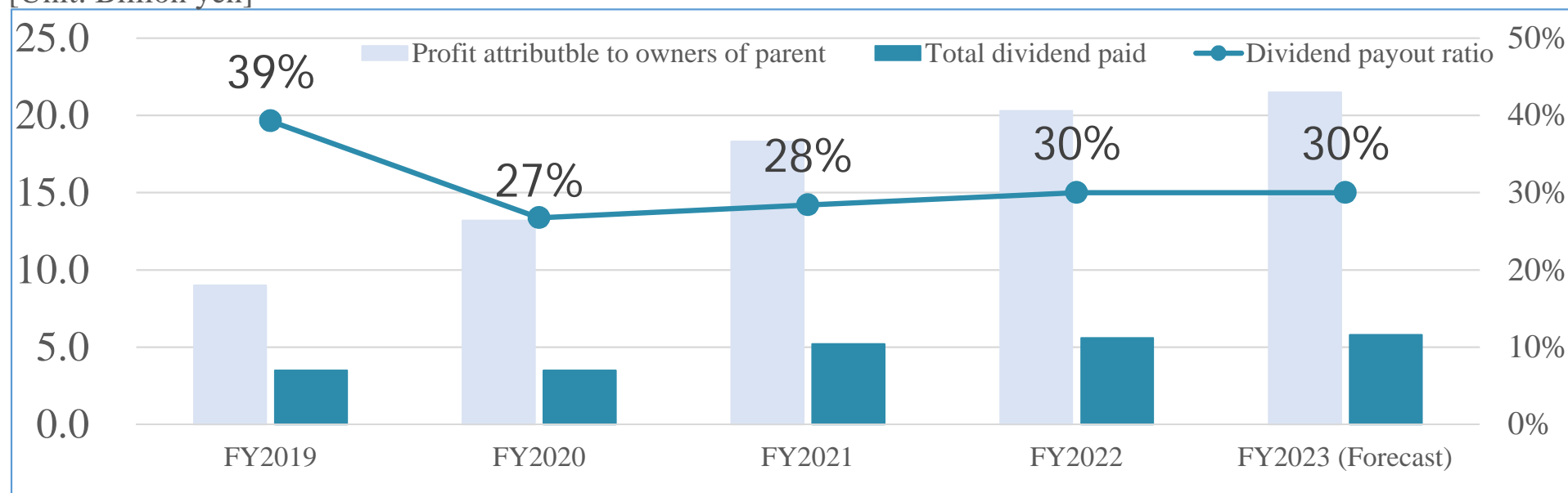
Dividends

Dividends Forecast (FY2023): 140.00 yen per share (interim 70 yen / Year-end 70 yen)

Dividends per share forecast is increased by 10 yen from FY2022

Repurchases of own shares: 3 billion yen (Period of repurchase : May 16,2023 ~ September 29,2023)

[Unit: Billion yen]



Dividends (yen) /share	FY2019	FY2020	FY2021	FY2022	FY2023 (Forecast)
Interim	37.50	45.00	50.00	60.00	70.00
Year-end	37.50	30.00	60.00	70.00*	70.00
Total	75.00	75.00	110.00	130.00*	140.00

*Announced on April 24th

Medium-term Business Plan (FY2021-FY2023)

Key Measures of the Medium-Term Business Plan

Vision "A company that makes your dreams for the future a reality"

Aiming at "Top shares in niche markets"
in the functional chemical sectors

Basic Medium-term Plan

**Challenge toward
a new business model**

Evolution of organizational culture

Cross-organizational
activities
through One Sumibe

Management
foundation



R&D
Marketing function
Manufacturing foundation



Cultivating a challenging culture
Revision of the personnel system
Work-style reform

DX

Key
policy

1. Proactive investment in growth areas
2. To be a pioneer in environmental areas
3. Improve sluggish businesses
4. BCP measures

Numerical
targets

Revenue: 300 billion yen, Business profit: 30 billion yen, ROE: 10%
(Revised on May 16,2022)

Contribution to SDGs (carbon neutrality)

Progress of the Medium-Term Business Plan

Taking on the challenge of a new business model

Evolution of organizational culture

New business creation

Launched projects and focused resources (including resin e-Axle, thermal conductive materials, optical waveguides, and electronic dimmer)

Establishment and evolution of One Sumibe activities

Strengthened cross-sectoral marketing and sales activities globally

Bolstered internal networks by creating opportunities for proactive communication

Initiatives for building a company where employees can play an active role

Partially revised the personnel system to ensure that it values taking on challenges

Established DE&I Promotion Department to create a workplace environment that enables diverse human resources to play an active role



Promoting DX

Improving human productivity through the development of DX human resources and a DX culture

R&D: Developed data infrastructure and stepped up the expansion of MI technologies and the development of data scientists

Manufacturing: Deployed autopilot control worldwide and increased the number of products to which it is applied. Introduced robotics.

All aspects of business: Leveraged IT to drive the transformation of sales and clerical tasks, improvement of people's productivity and workstyle reforms.

Progress of the Medium-Term Business Plan

Target sales ratio for products which help achieve the SDGs

Implementing activities to achieve a ratio of 70% or higher by FY2030

FY2020 (Result)

37%



FY2021 (Result)

48%



FY2022 (Quick estimate)

53%



FY2023

70% or higher

Environmental initiatives

Taking on challenges to achieve carbon neutrality

CO₂ reduction achieved in FY2022 (scope 1 and 2/quick estimate):

64.7% reduction from the FY2013 level achieved in Japan (39.3% reduction worldwide)

Drove the expanded use of power from renewable energy sources, the expansion of solar power plants and the consideration of new technologies to achieve the FY2030 global target of 46% or higher

Accelerating technology development using the company-wide environmental development roadmap

Drove the development of environmentally friendly products under the themes of resources, energy creation and conservation, long service life, the 3Rs, and environmental measures

Examples: - Biomass-derived products (phenol resin, food packaging films, and others)
- Use of resin for e-Axle, etc.

Applying Life Cycle Assessment (LCA) to all products within FY2024

Priority Measures in Each Segment

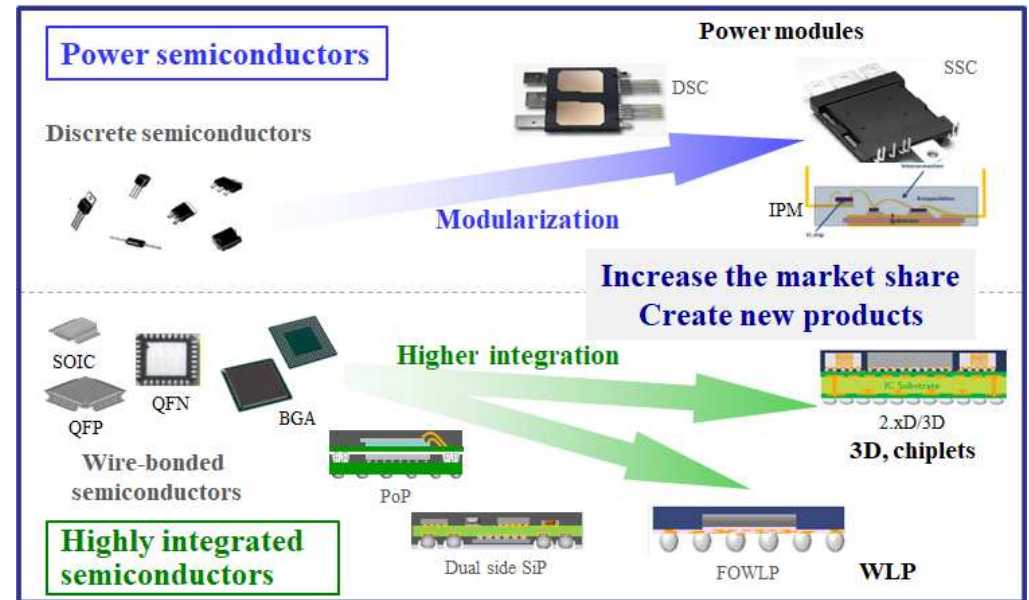
Increasing market share by responding to customer needs ahead of others and preparing for the recovery of semiconductor demand

FY2023 initiatives

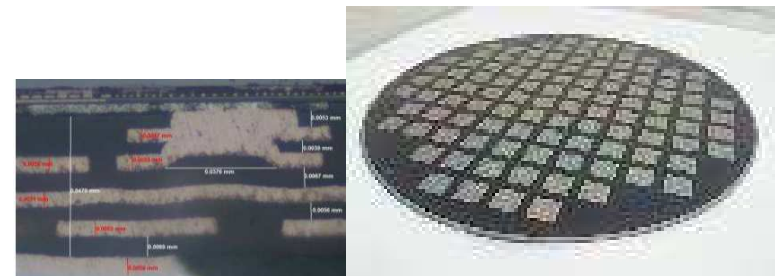
- Increasing market share in the continually growing area of power semiconductor materials
- High thermal conductivity and high-insulation encapsulating materials
- High thermal conductivity die-bonding paste
- Sales expansion of materials for highly integrated semiconductors (WLP, chiplets, etc.)
- Molded underfill, granular materials
- Photosensitive rewiring materials

Medium- to long-term initiatives

- Reinforcing production system for long-term growth
- Introducing new lines in Taiwan and China
- Promoting environmental initiatives
- Developing materials such as bio-based materials and low temperature-curing materials which can be stored at room temperature



Trends in semiconductor technologies



Photosensitive rewiring material (for WLP)

Expanding the market worldwide by capitalizing on the network of the Company Group

Encapsulating materials for fixing motor magnets

Expanding sales to large motors, next-generation motors and new customers

Molding compounds for power modules

Developing high thermal conductivity materials for EV batteries

ECU direct molding compound

Making direct molding a de facto standard through the handling of diverse projects

Driving the development of applications for next-generation mobility

Building a track record of mass-producing encapsulating materials for stators and increasing the number of these projects



Encapsulating materials for securing motor magnets



ECU direct molding compound

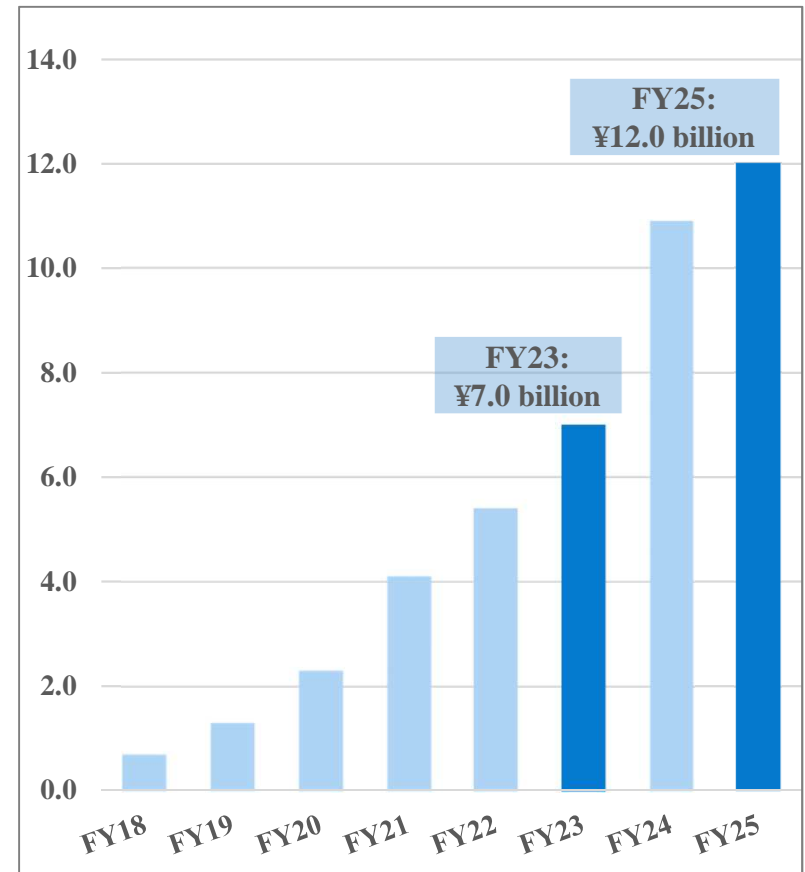


Molding compounds for power modules



Encapsulating materials for stators

[Unit: Billion yen/year]



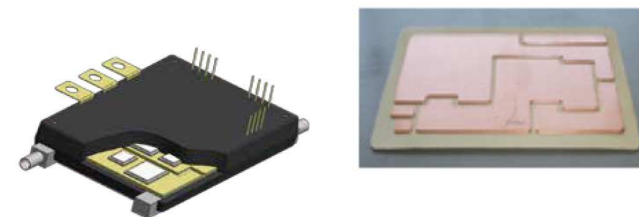
Sales plan for three strategic products for mobility

Transforming business portfolio and concentrating development resources on three growth fields

FY2023 initiatives

Developing and commercializing sheet materials with a thermal conductivity of 12 W/m.K or higher to expand the SiC/GaN power module market

Expanding aircraft interior components to new applications and increasing their sales in Europe



High thermal conductivity sheet materials

Medium- to long-term initiatives

Concentrating development resources on three growth fields

Transforming the business portfolio by concentrating development resources on three growth fields: (1) mobility and transportation, (2) telecommunications and control, and (3) energy and the environment

Building a global development system for environmentally friendly products

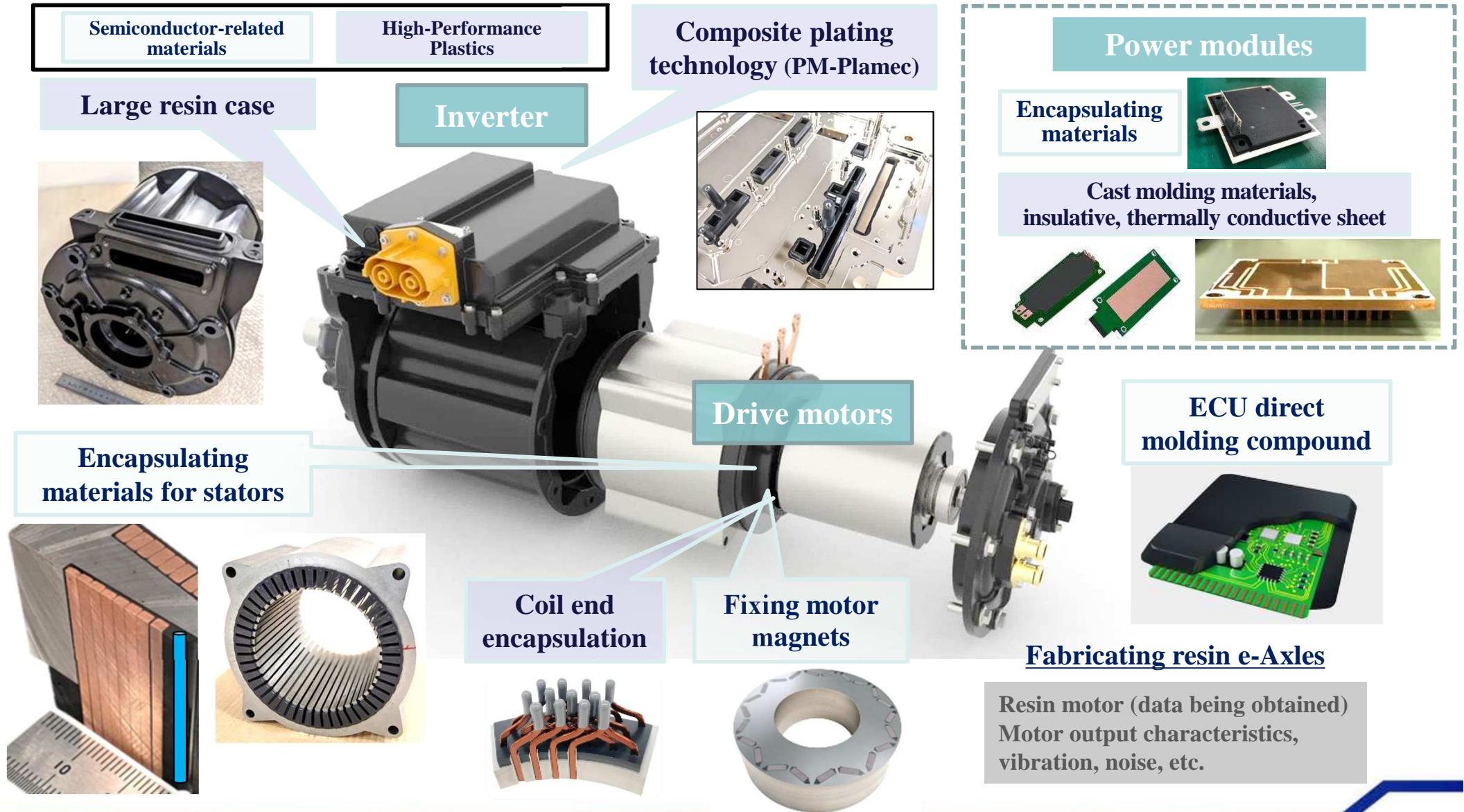
Reinforcing production system for long-term growth

Introducing new lines in China and improving productivity through DX at all sites



Concentrating development resources on three growth fields

Proposing solutions for thermal management, miniaturization and weight reduction, and vibration and noise reduction enabled by resin technologies



Enhancing initiatives in the field of minimally invasive treatment and the development of diagnostic drugs

FY2023 initiatives

Medical devices

Progress in PMI (acceleration of R&D synergy, system integration)
Improving human productivity through sales process transformation
Increasing market share in the field of minimally invasive treatment (intravascular, digestive organs)

S-Bio

Regenerative medicine: Expanding exports of differentiation products (PrimeSurface, SuperQuality)
Diagnostic drugs: Expanding sales of internally produced diagnostic drugs (for pancreatitis)



Biliary stent



Active catheter



SuperQuality

Medium- to long-term initiatives

Medical devices

Expanding sales by enhancing the lineup of products in the intravascular treatment device and gastrointestinal stent markets

S-Bio

Driving the globalization of the drug discovery support business (such as enhancing glycosylation solutions)

Accelerating the shift to growth fields by improving the value provided to customers

FY2023 initiatives

Films & Sheets

Pharmaceutical: Starting mass production of biomass products, entering the European mono-material product market

Food packaging: Expanding sales of environmentally friendly products (skin packaging, etc.)

Industrial: Expanding sales of cover tape and dicing tape to OSAT and IDM in China

Industrial functional materials

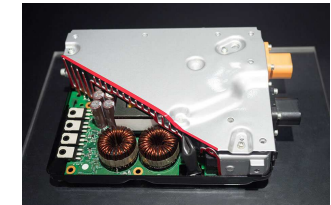
Developing and expanding sales of eyeware, automotive HUDs and insulation materials

Sheet waterproofing

Strengthening sales activities and waterproofing work for houses, getting on a growth path with integrated solar and waterproofing systems



Skin packaging films



Insulation between components



Materials for insulation between high-voltage EV components

Medium- to long-term initiatives

Films & Sheets: Enhancing the lineup of environmentally friendly products, promoting the conversion to smart factories

Industrial functional materials: Driving the commercialization of electronic dimmer technologies to provide new added value

Sheet waterproofing: Comprehensive streamlining of processes from production to waterproofing through connections with customers using IT

This presentation material contains forward-looking statements that are based on management's estimates, assumptions and projections as of May 15, 2023.

Some factors, which include, but are not limited to, the risks and uncertainty associated with the worldwide economy, competitive activity and currency fluctuation, could cause actual results to differ materially from expectations.

** Our FY2022 runs from April 1, 2022 through March 31, 2023.*