



Regarding the Acquisition of the Chemical Business Centering on Semiconductor Related Materials from Kyocera Corporation

January 22, 2026

Sumitomo Bakelite Co.,Ltd.



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1. Overview of Business Acquisition

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1. Overview of Business Acquisition

We aim to expand our strategic **ICT domain** by acquiring **semiconductor encapsulation materials, bonding pastes**, and other products from Kyocera corporation.

Kyocera's high thermal conductivity technology for processors, memory, and power devices.



Our advanced technology and global customer support system comprehensively meet customers' needs.



Expand the lineup of products with outstanding thermal conductivity for AI data center semiconductors and other applications.

➔ **Ensuring Achievement of 55 Billion JPY Business Profit by FY2030**

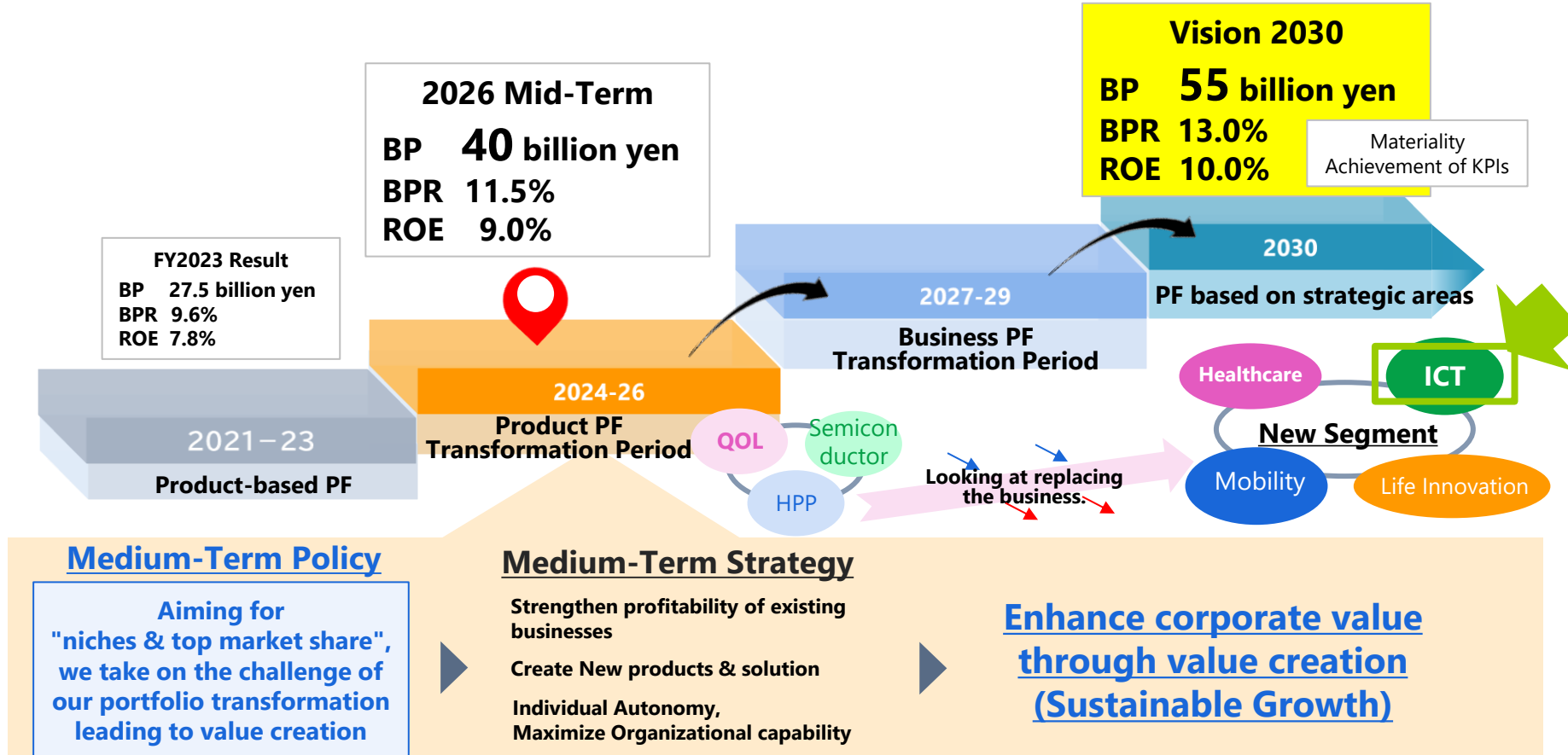
1. Overview of Business Acquisition

Acquired Business	Manufacturing and sales of epoxy resin molding compounds for encapsulation of semiconductor devices, bonding pastes for semiconductor devices, resins for industrial use, etc.
Facilities to be Transferred	Kawasaki(Kanagawa), Moka(Tochigi), Koriyama(Fukushima), Wuxi(China)
Scheme	Acquisition of shares of the company succeeding the business by absorption-type company split and subsequent subsidiary establishment
Closing Date (Scheduled)	October 2026(*Note1)
Acquisition Cost	JPY 30 billion (*Note2)

(Note1) Closing date may be changed due to the progress status of the procedure regarding competitive laws.

(Note2) The final acquisition cost will be determined after the price adjustment based on the share purchase agreement.

Positioning of Medium-Term Business Plan 2024-26



Medium-Term Policy and Strategies

Medium-Term Policy

Aiming for "niches & top market share", we take on the challenge of our portfolio transformation leading to value creation

Medium-Term Strategy (1)

Optimize the product mix to strengthen the profitability of existing businesses

- Shift to profitability-oriented management

- **Shift to high value-added products to transform the product portfolio**

- Improve capital efficiency utilizing SB-ROIC (internal indicator)

- **Concentrate resources on the three priority areas of semiconductors, mobility and healthcare**

Medium-Term Strategy (2)

Create new products and new solutions with environmental and social value based on the SDGs

- Create products that contribute to the SDGs

- **Develop new products and new solutions with carbon neutral in mind aiming for niches and leading market shares**

- Support challenges and implementation of proposal-oriented themes
- Strengthen collaboration with outside entities and develop the structure
- Set exploratory areas from medium- and long-term perspectives

Medium-Term Strategy (3)

Enhance individual autonomy and organizational unity to maximize companywide capabilities

- Plan and implement various initiatives with a view to improve individual capabilities and enhance employee engagement
- Implement educational programs to enhance individual autonomy and improve organizational capabilities
- Promote CS/One Sumibe activities (voluntary collaboration across organizations)

Investment Policy and Shareholder Return

We intend to allocate management resources based on the capital cost

Cash allocation		Cash allocation plan for 2024-26
Capital investment	50 billion JPY	Strengthen the profitability of existing businesses (Medium-Term Strategy 1). Make capital investment timely to contribute to stable supply to customers
Growth investment	20 billion JPY	Promote R&D, DX and GX implementation to create new products and new solutions (Medium-Term Strategy 2)
Strategic investment	50 billion JPY	Explore for knowledge to cultivate promising projects, promote open innovation, and engage in strategic M&A contributing to business portfolio transformation
Shareholder returns	30 billion JPY	“The stable and continuous return of profit” <u>Dividend payout ratio : Aiming for approximately 40%</u> (changed from the previous target of 30% or more)



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Business Trends: 2030 Megatrends

•DX: Digital Transformation •GX: Green Transformation

DX

GX

① Advanced information processing equipment



AI (Cloud, Edge)

High-speed
communications

Blockchain

Data center, server

② Car electronics



Infotainment

Autonomous driving

Inverter

Power Devices

③ Mobility equipment



Motor

ECU, TCU

Storage battery

Power supply

④ Mobile devices



AR/VR

Smartphones and
tablets

Wearables

PC

⑤ Robotics



Collaboration

Telemedicine

Drone

Surgical support

⑥ Renewable Energy



Photovoltaic power
generation

Hydrogen

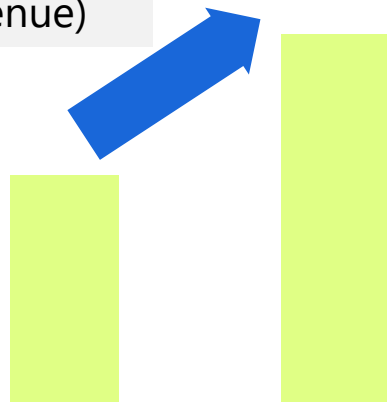
Wind power
generation

Carbon dioxide

Three areas of focus and enhancement: AI, Power Devices, and Mobility

Semiconductor Market Composition and Growth Outlook

CAGR 10%
(Revenue)



FY2024

FY2029

*Based on materials from Prismark, edited by our company

Semiconductor market CAGR is about 10%, driven mainly by expanding **AI data centers**.

High-functionality and market growth of **processors, memory, and power devices** are advancing.



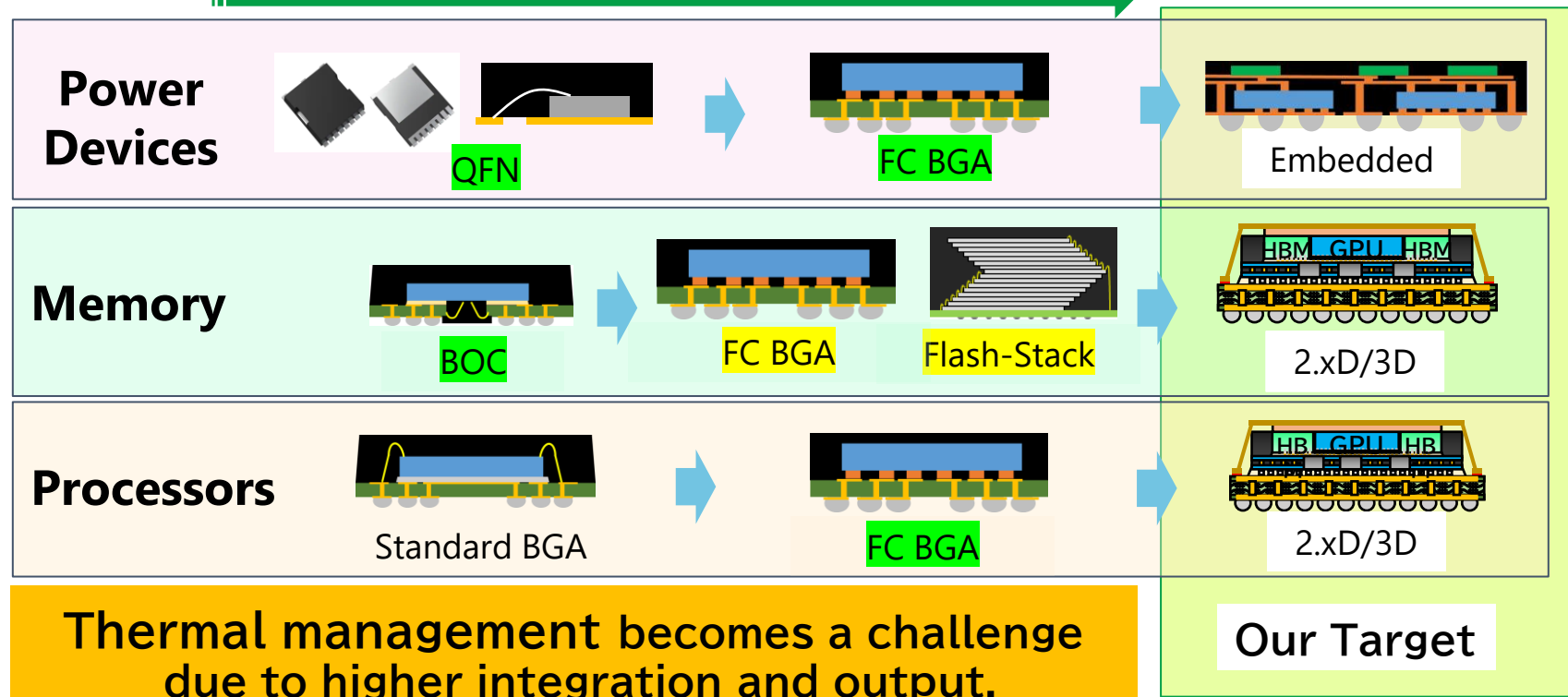
In AI data center applications, increasing heat density due to higher semiconductor integration and rising current consumption are making **thermal management** an increasingly critical challenge.

Semiconductors for AI Servers

Our Strengths

Kyocera's strengths

Evolution of Semiconductor packages



Fusion of both companies' technologies in processors, memory, and power devices.

Synergy Creation by Business Acquisition

Our strengths

Advanced technology and global customer support system comprehensively meet customers' needs.



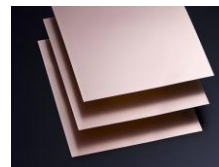
Epoxy resin molding compounds for encapsulation of semiconductor devices



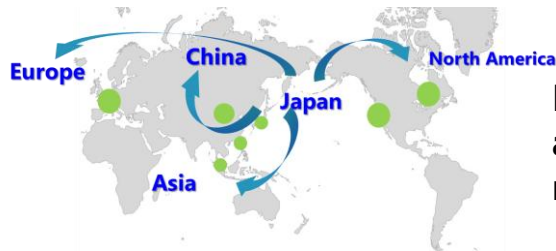
Bonding pastes for semiconductor devices



Photosensitive resins for semiconductor devices



Substrate materials for semiconductor packages LaZ®



Established local production and consumption system in major semiconductor markets.

Kyocera's strength

Own advanced thermal conductivity technology



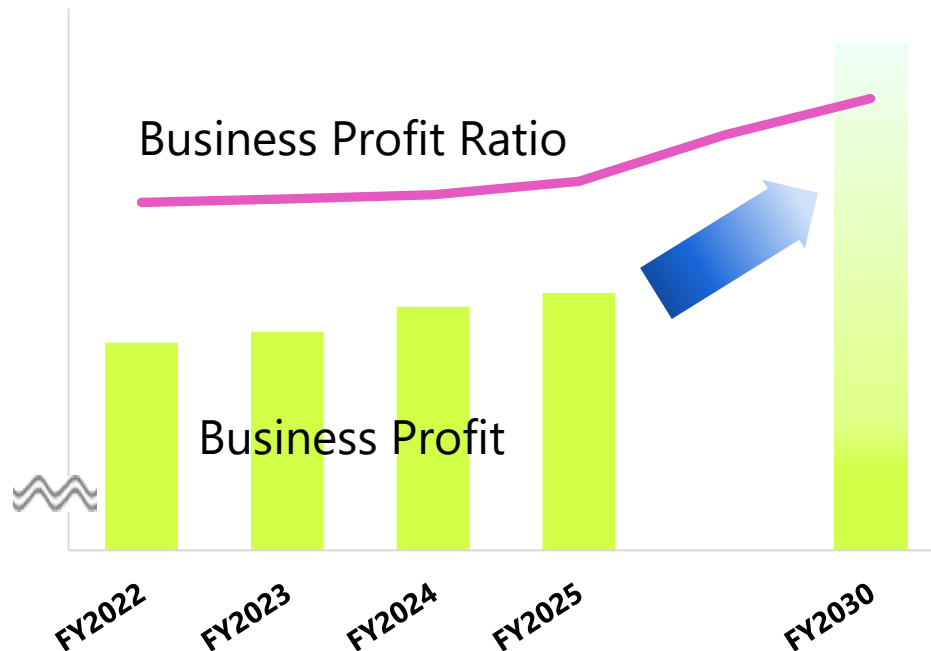
Epoxy resin molding compounds for encapsulation of semiconductor devices



Bonding pastes for semiconductor devices

Significantly enhancing our presence in AI data center semiconductors and other applications

Growth acceleration of the semiconductor materials segment



We supply customers with high-value-added products featuring outstanding thermal conductivity

for processors, memory and power devices, where thermal management is a critical challenge.

Accelerating growth of the semiconductor materials segment through market growth and synergy creation.



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