Financial Results for 2nd Quarter of FY2026

November 4, 2026

Sumitomo Bakelite Co., Ltd.

Shinichi Kajiya, President and Representative Director

SUMITOMO BAKELITE CO.,LTD.

Outline of Financial Results for 2nd Quarter of FY2026

Financial Results for 2nd Quarter of FY2026 (Y/Y)

[Unit: Billion yen]

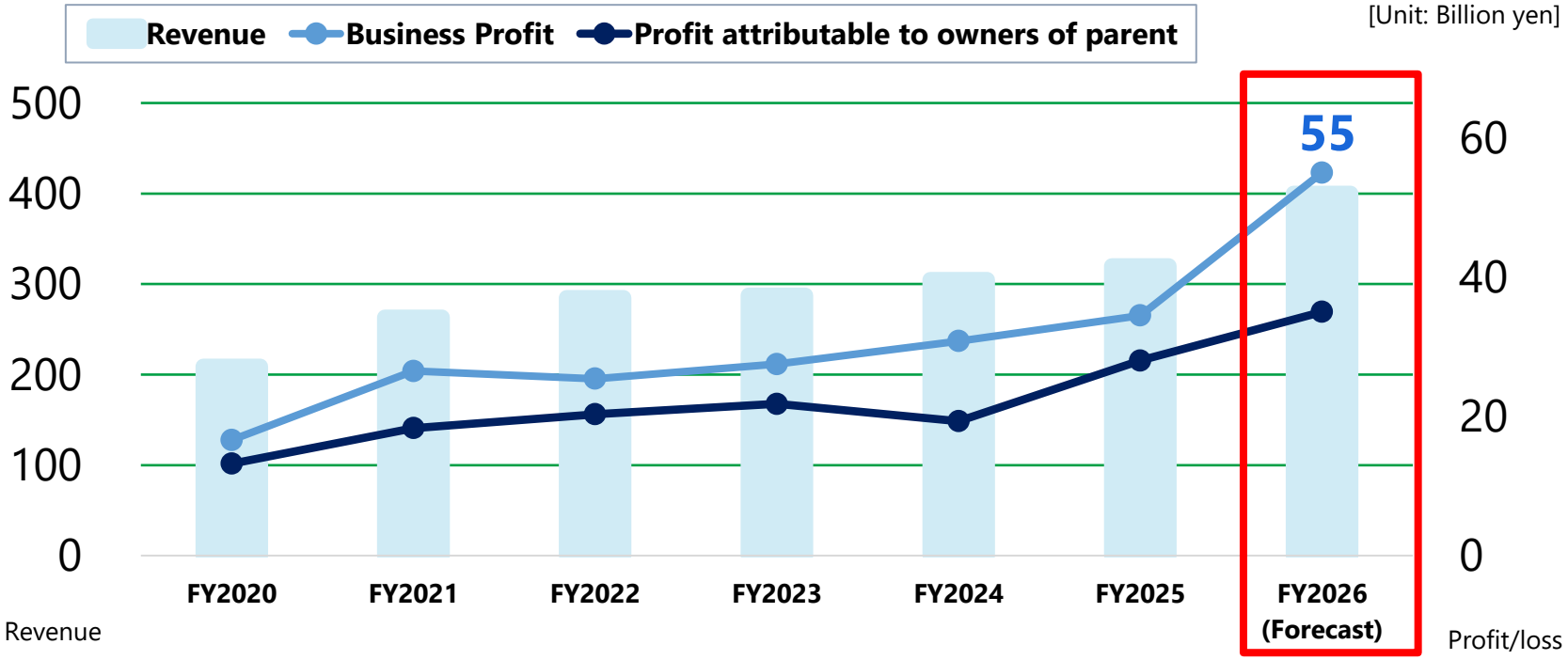
	2Q of FY2025 (1)	2Q of FY2026 (2)	Variance (Y/Y)	
			(2)-(1)	Ratio
Revenue	156.5	192.0	35.5	22.7%
Business Profit*	17.1	28.1	11.0	64.1%
Operating Profit	16.5	26.0	9.5	57.9%
Profit attributable to owners of parent	13.3	19.6	6.3	47.2%

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

FOREX	2Q - FY2025	2Q - FY2026
JPY / USD	146.57	160.02
JPY / EUR	167.74	184.39

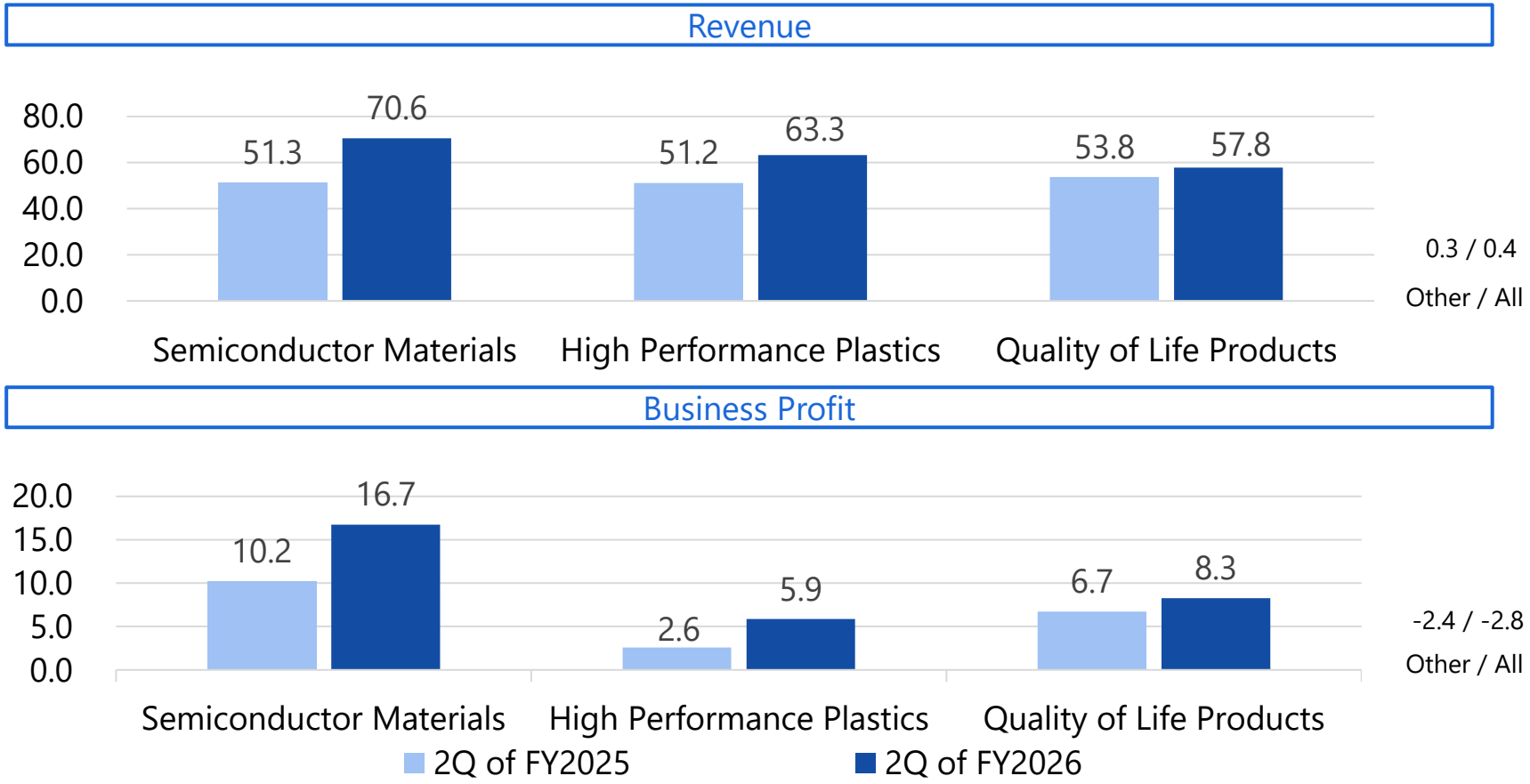
Revenue and Profit/loss (Fiscal Year Trends)

On track to achieve the ¥55 billion business profit target in Vision 2030, four years ahead of schedule



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

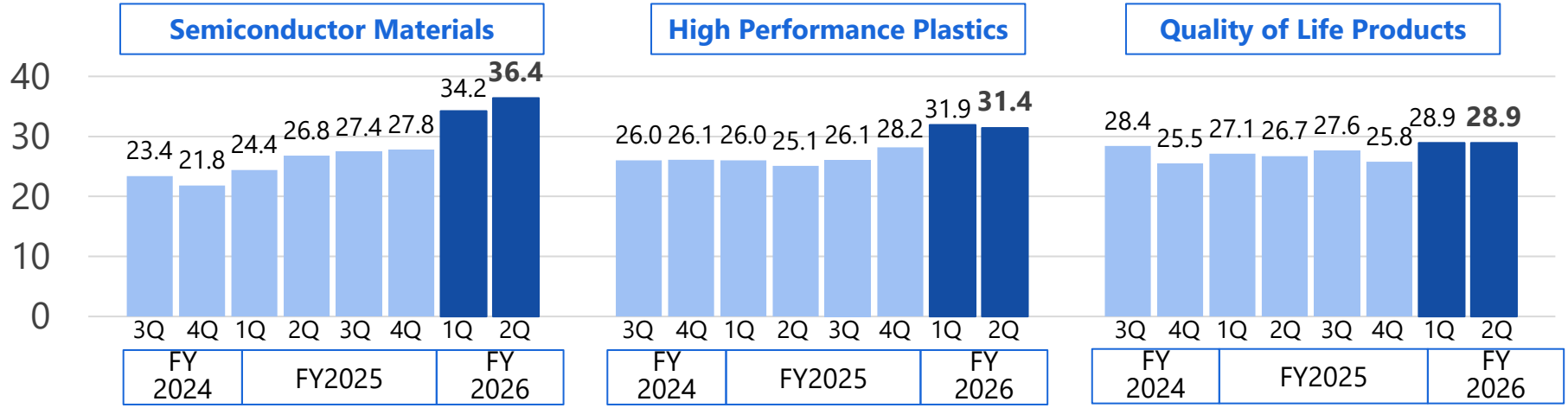
[Unit: Billion yen]



Quarterly Revenue by Business Segment

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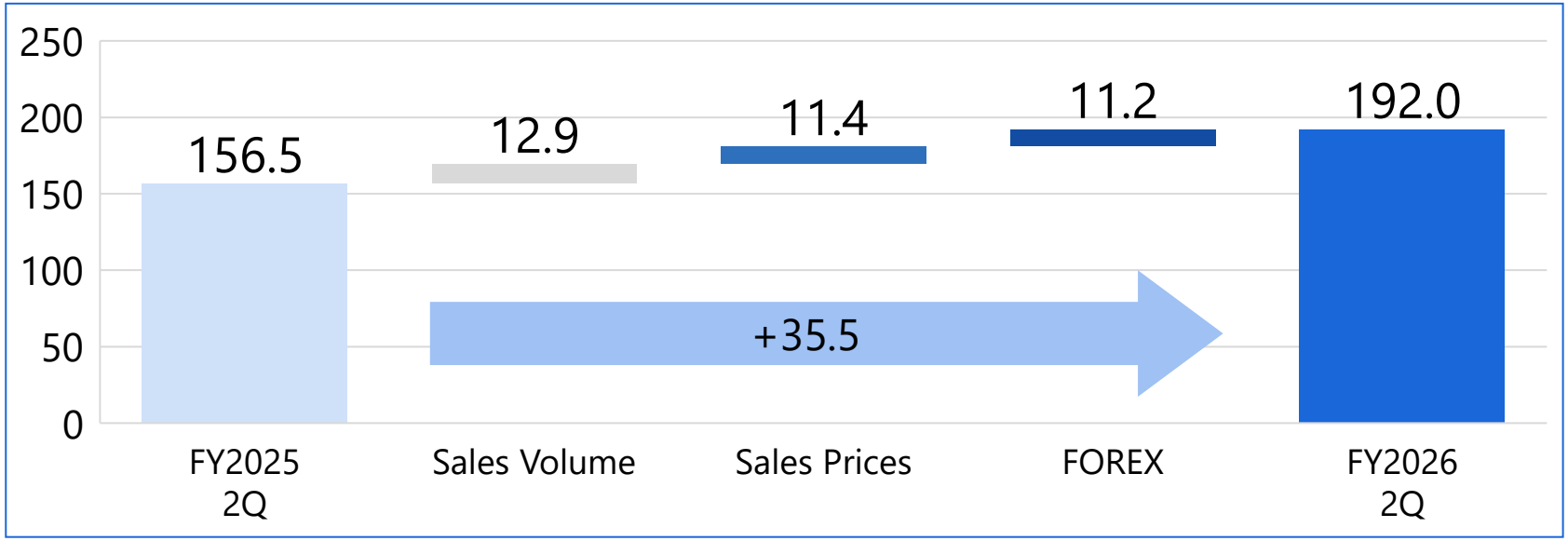
[Unit: Billion yen]



- Semiconductor Materials : Continued expansion driven mainly by AI server applications (power and memory).
  Sales of granular encapsulants for PLP in Low Earth Orbit(LEO) applications also started to ramp up.
- High Performance Plastics : Continued to perform strongly, particularly in Asia.
  Sales of high-value-added new products such as COPLUS™ and heat dissipation sheets continued to expand.
- Quality of Life Products : Solid performance, driven mainly by films and sheets for industrial and pharmaceutical packaging, supported by strong semiconductor market conditions and increased production and inventory buildup by pharmaceutical customers.

Analysis of Revenue (Y/Y)

[Unit: Billion yen]

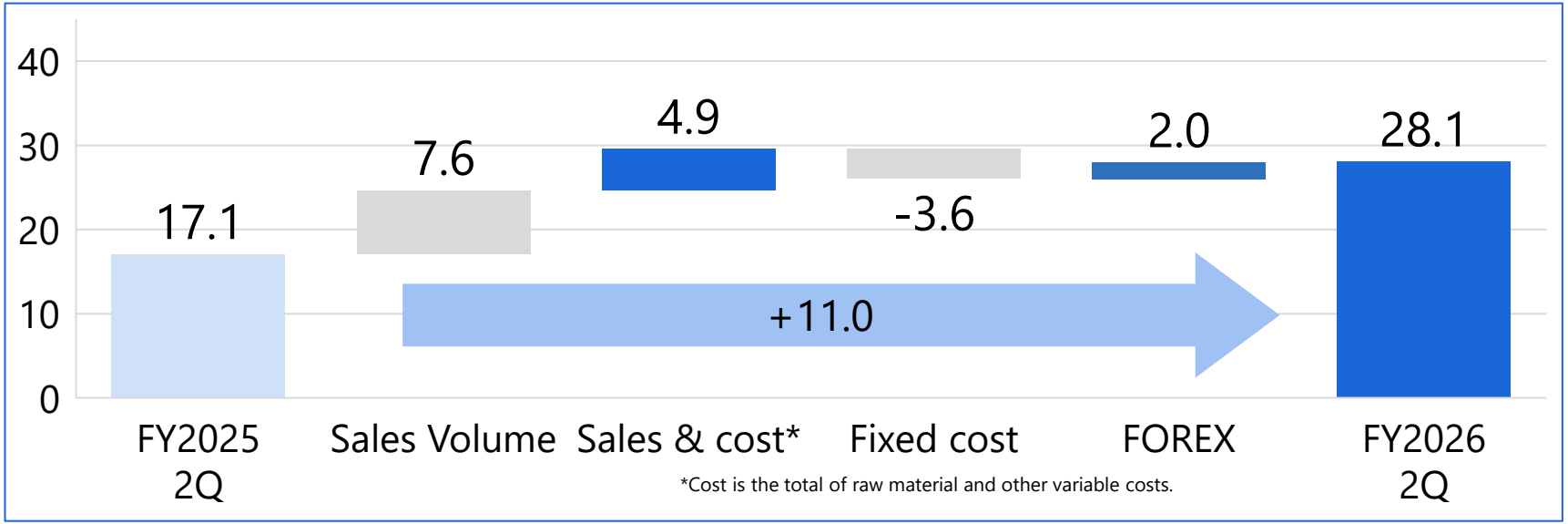


Segment	Sales Volume	Sales Prices	FOREX	Total
Semiconductor Materials	+9.0	+4.4	+6.0	+19.3
High Performance Plastics	+3.2	+4.5	+4.4	+12.2
Quality of Life Products	+0.6	+2.5	+0.8	+4.0

Analysis of Business Profit (Y/Y)

SUMITOMO BAKELITE CO., LTD.

[Unit: Billion yen]



Segment	Sales Volume	Sales & cost*	Fixed cost	FOREX	Total
Semiconductor Materials	+5.6	+1.5	-2.0	+1.4	+6.5
High Performance Plastics	+1.9	+1.9	-0.9	+0.5	+3.3
Quality of Life Products	+0.1	+1.6	-0.2	+0.1	+1.6
Others	+0.1	0.0	-0.5	+0.0	-0.4

Financial Forecasts for FY2026

***Same as announced on October 30, 2026**

Financial Forecasts for FY2026 (Revised)

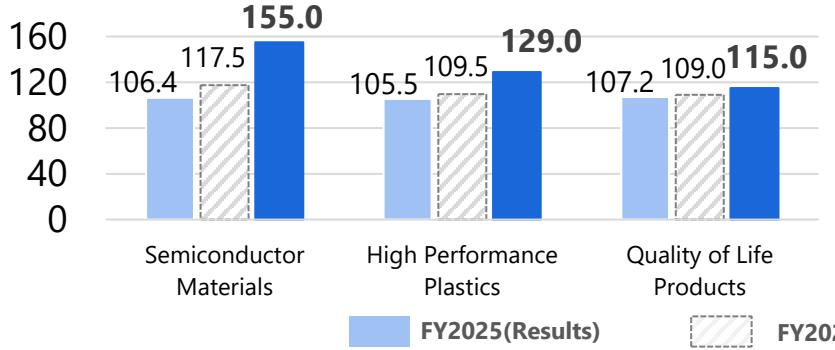
SUMITOMO BAKELITE CO., LTD.

[Unit: Billion yen]

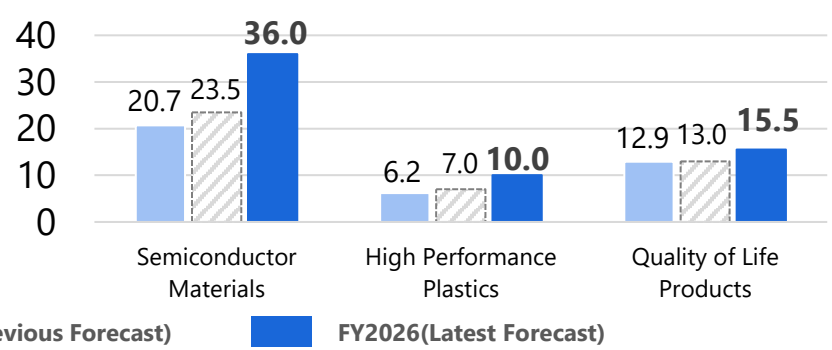
	FY2025 Results	FY2026 Previous Forecast (1) Announced on May 11th, 2026	FY2026 Latest Forecast (2) Announced on October 30, 2026	Variance (2)-(1)	Variance Ratio
Forex (JPY / USD)	150.97	155.00	160.00	—	—
Revenue	319.9	337.0	**400.0**	63.0	18.7%
Amount attributable to SBCS	-	-	**12.0**	12.0	
Business Profit	34.5	38.0	**55.0**	17.0	44.7%
Amount attributable to SBCS	-	-	**1.0**	1.0	
Operating Profit	35.5	37.5	**50.0**	12.5	33.3%
Profit attributable to owners of the parent	28.0	28.5	**35.0**	6.5	22.8%

* "SBCS" refers to Sumitomo Bakelite Chemical Solution Co., Ltd., a newly established company formed to succeed to part of Kyocera Corporation's chemical business.
* "Business profit" is calculated by deducting "Cost of sales" and "Selling, general and administrative expenses" from "Revenue".

Revenue



Business Profit



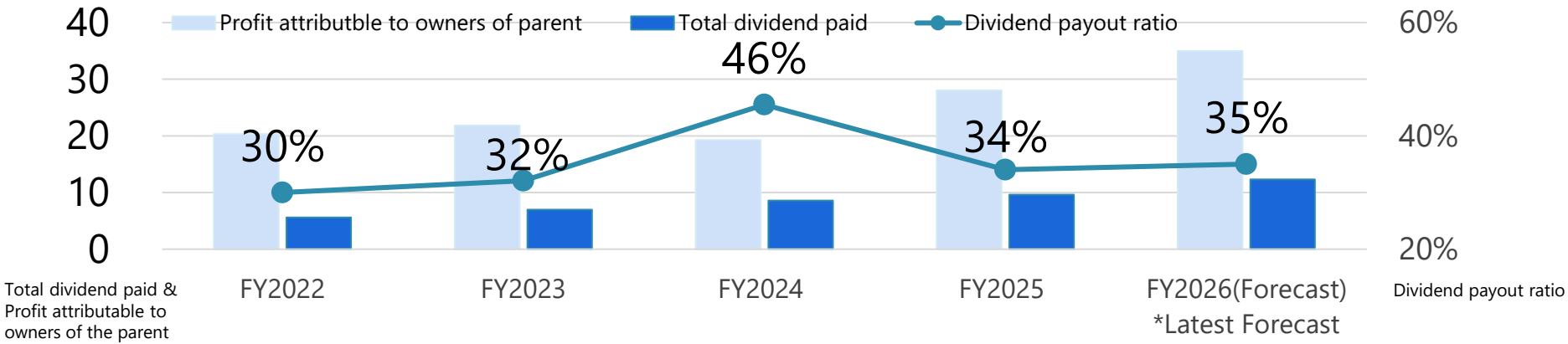
FY2025(Results) FY2026(Previous Forecast) FY2026(Latest Forecast)

Shareholder Returns

■ Dividends Forecast : 140.00 yen per share (Interim 70 yen / Year-end 70 yen)

The forecast dividend per share is up ¥20 from the initial forecast and ¥30 from the previous fiscal year

[Unit: Billion yen]



Stable and continuous distribution of profits to shareholders

Dividends*1 (yen) /share	FY2022	FY2023	FY2024	FY2025	FY2026 (Initial Forecast)	FY2026 (Latest Forecast)
Interim	30.00	35.00	45.00	50.00	**60.00**	**70.00**
Year-end	35.00	40.00	50.00*2	60.00	**60.00**	**70.00**
Total	**65.00**	**75.00**	**95.00**	**110.0**	**120.00**	**140.00**

*1: A two-for-one common stock split was issued on April 1, 2024. The above dividend (yen/share) is calculated assuming the stock split occurred at the beginning of FY2022.
*2: 5.00 yen of Commemorative Dividend for 70th Anniversary of Founding on March 1, 2025 is included.

Summary of 1st Half, Outlook and Initiatives for 2nd Half in Each Segment

Semiconductor Materials (1st Half Summary & 2nd Half Outlook and Initiatives)

Unit: Billion yen

	Business profit	Revenue
1st half result	16.7	70.6
Progress rate	46%	46%
Full-year forecast	36.0	155.0

1st half summary

- Demand for AI servers (power, memory, etc.) is rising rapidly.
- Addressing growing demand in China and Southeast Asia.
  - China: Decision made to add a new line to meet further demand growth. (Operations start :End of 2028)
  - Southeast Asia: Responding to automotive recovery and AI-related growth with a dual-hub strategy. (Singapore and Taiwan)
- AI semiconductors: Customer evaluation of liquid encapsulant started



Left：Granular encapsulant / Right: MUF

2nd half outlook and initiatives

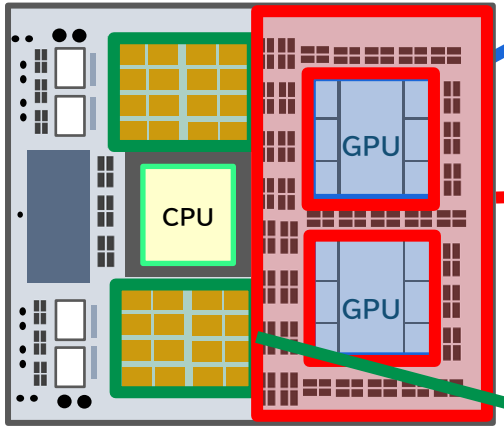
- Create synergies with the business acquired from Kyocera.
- Respond to expanding demand in AI and satellite applications by strengthening the global supply network for MUF and granular encapsulants.
  - Leverage Kyocera production lines and add new lines in Suzhou (from FY2030) and Singapore (from FY2028)
- Expanding sales of high thermal conductivity materials to meet thermal management needs.
- Develop global sales channels for encapsulants for humanoid robots.

Semiconductor Materials: Topics

SUMITOMO BAKELITE CO., LTD.

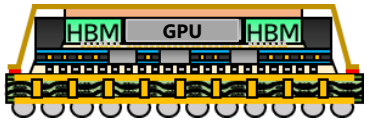
Acquisition of Kyocera's Chemical Business:

- Transaction completed at the end of October
- New company, Sumitomo Bakelite Chemical Solution Co.,Ltd. launched
- Consolidated from November, contributing to earnings



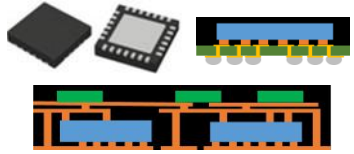
State-of-the-Art Packages

SYNERGY



High thermal conductive Granular/MUF/Paste

Power Devices



High thermal conductive Granular/MUF/Paste

Memory



High thermal conductive Granular/MUF

Accelerating AI server materials development through the integration of Kyocera's high thermal conductivity technologies

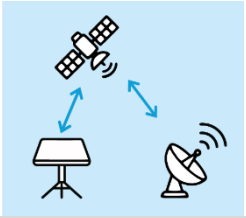
Semiconductor Materials: Topics

SUMITOMO BAKELITE CO., LTD.

The Dawn of the Space × AI Era: 300 trillion yen market in 2035

Explosive Increase in LEO (Low Earth Orbit Communications Satellites)
30,000–40,000 satellites by 2030
Infrastructure demand for ground antennas and other related equipment

State-of-the-art communications and AI chips
1 satellite with more than 20,000 chips
→ Thousands of tons/year of leading-edge encapsulants



Communication satellites and receiving antennas

The LEO internet market is expanding rapidly: Receiving antenna volumes are projected to grow 4x from 2025 to 2030

Customer Needs for RF Devices*
- Efficient communication with high-speed satellites
- Efficient processing of high-frequency signals
- Low-cost, high-volume manufacturing

*RF device: A device that transmits and processes high-frequency signals for wireless communications

Solution
Mass production of Fan-In/Fan-Out packaging using large-panel PLP technology

*Fan-In/Out packaging enables shorter transmission distances and lower dielectric loss

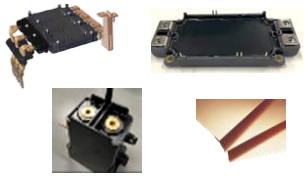
- Our proven granular encapsulant has been adopted as the de facto standard, with full-scale sales commencing in 2H
- Our customer signed a long-term agreement with a leading U.S. aerospace company

Establishing global standards in a huge new market

High Performance Plastics
(1st Half Summary & 2nd Half Outlook and Initiatives)

Unit: Billion yen

	Business profit	Revenue
1st half result	5.9	63.3
Progress rate	59%	49%
Full-year forecast	10.0	129.0



Examples of high heat- and tracking-resistant materials for the high-voltage trend



Fire resistant materials for EV batteries

1st half summary

- Promoted global restructuring, primarily focused on North America.
- Solid demand continued in Asia, despite some pull-forward demand driven by Middle East geopolitical concerns.
- COPLUS™continued to grow steadily in advanced semiconductor and display applications.
- Demand recovery for aircraft components continued to progress, accompanied by expanded sales in the maintenance products market.

2nd half outlook and initiatives

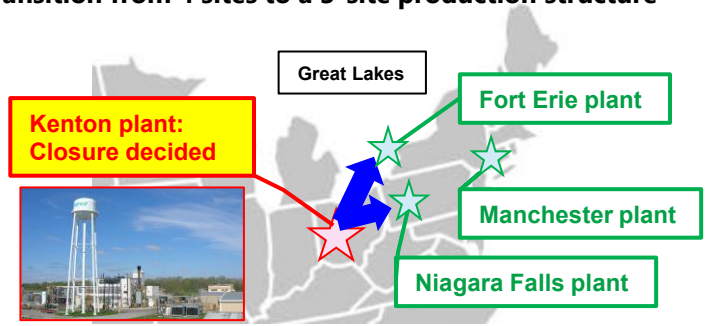
- Continue to promote further profitability improvements on a global basis.
  - Consolidation of North American sites: decision made to close the Kenton plant.
- Inventory adjustments are expected due to the rebound from front-loaded demand in the first half.
- Drive broader adoption of high-value-added new products and sales expansion.
  - Thermal conductive insulation sheets, AQNOA™, high heat- & tracking-resistant materials, fire-resistant materials, etc.

High Performance Plastics: Topics

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Structural reform of the North American phenol-related business

Consolidation of North American sites:
Transition from 4 sites to a 3-site production structure



From FY2024:
Improve productivity, reduce fixed costs, and implement portfolio reforms, including price increases and withdrawal from unprofitable products

FY2026:
- **Clear path to full-year profitability for the North American phenol-related business**
- **Kenton plant closure decision**
  Production will be gradually transferred to other sites in North America

FY2029:
Plant closure scheduled to be completed

Establish long-term competitiveness and a sustainable business foundation in the North American market

Two Innovative Polymers That Break Through Existing Barriers

For Semiconductors:
COPLUS™

Targeting 5 billion Yen in Sales Revenue in FY2030

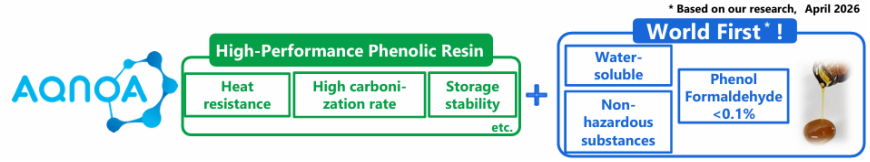
COPLUS

A high-heat-resistant and transparent resin leveraging proprietary monomer technology, offering high flexibility in molecular design and enabling the addition of various functionalities (PLUS).

- **Steady sales growth driven by advanced semiconductor applications**
- **Stable supply structure established through capacity expansion**

Environmentally Friendly Material :
AQNOA™

Targeting 1.5 billion Yen in Sales Revenue in FY2030



- **Expansion across Europe, the U.S., and Asia**
- **Broader applications through lineup enhancement (including construction materials, water-based paints and adhesives, and semiconductor-related applications)**

Quality of Life Products (1st Half Summary & 2nd Half Outlook and Initiatives)

Unit: Billion yen

	Business profit	Revenue
1st half result	8.3	57.8
Progress rate	53%	50%
Full-year forecast	15.5	115.0



Steering Microcatheter



Cover Tape



Flame-Retardant Polycarbonate Insulating Sheet



Solar Anchor Integrated Waterproofing Sheet

1st half summary

■ Healthcare

Accelerate sales expansion of minimally invasive medical devices and enhance production capacity.
- Gastrointestinal stents, steering microcatheters.

■ Films and Sheets

Sales in industrial applications expanded, while pharmaceutical packaging benefited from increased production by generic drug manufacturers and a partial pull-forward of demand.

■ Industrial Functional Materials

Strong performance continued in automotive optical and insulation applications.

■ Waterproofing

Renovation demand for major house builders continued to grow.

2nd half outlook and initiatives

■ Healthcare

Further strengthen sales expansion of gastrointestinal stents for the colon and duodenum through collaboration with Olympus.

■ Films and Sheets

Despite an expected rebound decline, performance is expected to remain firm across each application.

■ Industrial Functional Materials

Accelerating sales growth in high-performance fields through AGC synergies.

■ Waterproofing

Expand sales of environmentally friendly products for general building applications.
(Including high-durability products and solar anchors)

Quality of Life Products : Topics

SUMITOMO BAKELITE CO., LTD.

Healthcare

Preparing to launch the world's first* Y-shaped biliary stent (already listed for reimbursement)

* Based on our research, as of September 2026

Contributes to shorter surgery times and higher surgical success rates.



Y-shaped biliary stent

Industrial Functional Materials

The transfer of AGC's optical sheet production line has been completed, generating synergies through AGC's process technology

Accelerate sales expansion of optical sheets for HUD applications and become the world's No. 1 supplier

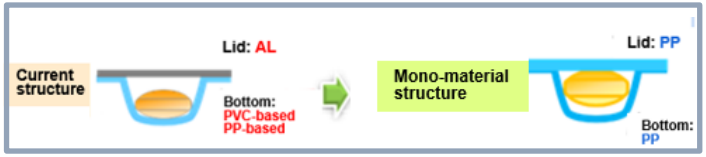


Optical Sheets for Automotive HUDs

Films and Sheets

Accelerate sample deployment to customers in the European market to expand adoption of mono-material PTP

Expand globally with environmentally friendly products





Mono-material PTP

Waterproofing

Established sales and production structures to respond to growing renovation demand



High-durability waterproofing system

Contributing to longer service life and CO2 reduction through the standardization of highly durable waterproofing systems

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