

## Summary of Consolidated Business Results for the Six Months Ended September 30, 2021 [IFRS]

November 8, 2021

<b>Company name</b>	: <b>Sumitomo Bakelite Co., Ltd.</b>	Stock exchanges	: Tokyo
Securities code	: 4203	URL	: <a href="http://www.sumibe.co.jp/english">http://www.sumibe.co.jp/english</a>
Representative	: Kazuhiko Fujiwara, President		
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Date of the submission of Quarterly Securities Report		:	November 10, 2021
Date of the start of dividend payment		:	December 1, 2021
Quarterly results supplementary documents		:	Yes
Quarterly 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, 2021

#### (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 2021 - September 2021	128,315	42.3	13,662	181.7	13,522	243.3	13,957	227.3	10,277	224.8
April 2020 - September 2020	90,201	( 14.1)	4,849	( 42.7)	3,938	( 52.6)	4,264	( 52.8)	3,164	( 56.6)
	Basic earnings per share		Diluted earnings per share							
		Yen		Yen						
April 2021 - September 2021		218.38		-						
April 2020 - September 2020		67.23		-						

(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, 2021	351,026	211,276	209,263	59.6
As of March 31, 2021	345,763	202,141	200,205	57.9

### 2. Dividends

	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
	Yen	Yen	Yen	Yen	Yen
April 2020 - March 2021	-	30.00	-	45.00	75.00
April 2021 - March 2022	-	50.00			
April 2021 - March 2022 (Forecasts)			-	50.00	100.00

(Note) Revisions of the latest dividend forecasts: None

### 3. Consolidated Financial Forecasts for the Year Ending March 31, 2022

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

	Revenue		Business profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
April 2021 - March 2022	250,000	19.6	25,000	50.2	17,600	33.4	374.02

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

[Notes]

(1) Changes in significant subsidiaries (changes in "Specified Subsidiaries" accompanying changes in scope of consolidation) during this period : None

(2) Changes in accounting policies and changes in accounting estimates

- a) Changes in accounting policies required by IFRS : Yes
- 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, 2021	49,590,478	As of March 31, 2021	49,590,478
b) Number of treasury shares	As of September 30, 2021	2,533,966	As of March 31, 2021	2,532,997
c) Average number of outstanding shares during the period (excluding treasury shares)	April 2021 - September 2021	47,057,171	April 2020 - September 2020	47,058,742

(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.

Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Millions of yen)

	March 31, 2021	September 30, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	103,175	103,589
Trade and other receivables	52,594	56,165
Other financial assets	49	36
Inventories	39,566	42,802
Other current assets	3,764	3,388
Total current assets	199,149	205,980
Non-current assets		
Property, plant and equipment	98,507	99,592
Right-of-use assets	6,641	6,468
Goodwill	1,197	1,197
Other intangible assets	2,652	2,638
Other financial assets	30,600	27,851
Retirement benefit asset	4,207	3,986
Deferred tax assets	2,622	3,126
Other non-current assets	190	187
Total non-current assets	146,615	145,046
Total assets	345,763	351,026

(Millions of yen)

	March 31, 2021	September 30, 2021
<b>Liabilities and equity</b>		
Liabilities		
Current liabilities		
Borrowings	46,358	40,522
Trade and other payables	47,621	52,046
Other financial liabilities	1,615	1,260
Income taxes payable	2,878	3,651
Provisions	404	293
Other current liabilities	564	531
Total current liabilities	99,440	98,303
Non-current liabilities		
Borrowings	25,507	23,054
Other financial liabilities	3,529	3,513
Retirement benefit liability	4,611	4,476
Provisions	1,330	1,332
Deferred tax liabilities	8,682	8,544
Other non-current liabilities	522	529
Total non-current liabilities	44,182	41,447
Total liabilities	143,622	139,750
Equity		
Share capital	37,143	37,143
Capital surplus	35,137	35,137
Treasury shares	( 6,785)	( 6,790)
Other components of equity	10,658	11,663
Retained earnings	124,052	132,109
Total equity attributable to owners of parent	200,205	209,263
Non-controlling interests	1,936	2,013
Total equity	202,141	211,276
<b>Total liabilities and equity</b>	<b>345,763</b>	<b>351,026</b>

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

(Millions of yen)

	Six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
Revenue	90,201	128,315
Cost of sales	( 64,175)	( 88,220)
Gross profit	26,025	40,096
Selling, general and administrative expenses	( 21,176)	( 26,433)
Business profit	4,849	13,662
Other income	81	64
Other expenses	( 992)	( 205)
Operating profit	3,938	13,522
Finance income	670	596
Finance costs	( 308)	( 160)
Share of profit (loss) of investments accounted for using equity method	( 37)	-
Profit before tax	4,264	13,957
Income tax expenses	( 1,084)	( 3,509)
Profit	3,180	10,448
Profit attributable to:		
Owners of parent	3,164	10,277
Non-controlling interests	16	171
Profit	3,180	10,448
Earnings per share		
Basic earnings per share (Yen)	67.23	218.38
Diluted earnings per share (Yen)	-	-

(Condensed quarterly consolidated statements of comprehensive income)

	(Millions of yen)	
	Six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
Profit	3,180	10,448
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,017	( 267)
Remeasurements of defined benefit plans	( 1)	26
Share of other comprehensive income of investments accounted for using equity method	26	-
Total items that will not be reclassified to profit or loss	1,041	(241)
Items that may be reclassified to profit or loss		
Cash flow hedges	58	51
Exchange differences on translation of foreign operations	( 492)	1,157
Share of other comprehensive income of investments accounted for using equity method	( 21)	-
Total items that may be reclassified to profit or loss	( 454)	1,208
Other comprehensive income, net of tax	587	967
Comprehensive income	3,766	11,415
Comprehensive income attributable to:		
Owners of parent	3,740	11,180
Non-controlling interests	27	235
Comprehensive income	3,766	11,415

(3) Condensed Quarterly Consolidated Statements of Changes in Equity  
For the six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)

(Millions of yen)

	Total equity attributable to owners of parent								Non-controlling interests	Total equity	
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity						Total
					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			
Balance at beginning of current period	37,143	35,359	(6,780)	110,967	7,222	-	(203)	(6,570)	449	2,016	179,154
Profit	-	-	-	3,164	-	-	-	-	-	16	3,180
Other comprehensive income	-	-	-	-	1,055	(14)	58	(524)	576	11	587
Comprehensive income	-	-	-	3,164	1,055	(14)	58	(524)	576	27	3,766
Dividends from surplus	-	-	-	(1,412)	-	-	-	-	-	(96)	(1,508)
Purchase of treasury shares	-	-	(2)	-	-	-	-	-	-	-	(2)
Acquisition of non-controlling interests	-	3	-	-	-	(1)	-	(0)	(2)	(108)	(106)
Transfer from other components of equity to retained earnings	-	-	-	(19)	3	15	-	-	19	-	-
Total transactions with owners	-	3	(2)	(1,430)	3	14	-	(0)	17	(204)	(1,617)
Balance at end of current period	37,143	35,362	(6,782)	112,701	8,280	-	(145)	(7,094)	1,041	1,839	181,304

For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)

(Millions of yen)

	Total equity attributable to owners of parent								Non-controlling interests	Total equity	
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity						Total
					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			
Balance at beginning of current period	37,143	35,137	(6,785)	124,052	10,431	-	(111)	338	10,658	1,936	202,141
Profit	-	-	-	10,277	-	-	-	-	-	171	10,448
Other comprehensive income	-	-	-	-	(267)	19	51	1,100	903	64	967
Comprehensive income	-	-	-	10,277	(267)	19	51	1,100	903	235	11,415
Dividends from surplus	-	-	-	(2,118)	-	-	-	-	-	(159)	(2,276)
Purchase of treasury shares	-	-	(5)	-	-	-	-	-	-	-	(5)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	(102)	121	(19)	-	-	102	-	-
Total transactions with owners	-	-	(5)	(2,219)	121	(19)	-	-	102	(159)	(2,281)
Balance at end of current period	37,143	35,137	(6,790)	132,109	10,285	-	(60)	1,439	11,663	2,013	211,276

## (4) Condensed Quarterly Consolidated Statements of Cash Flows

	(Millions of yen)	
	Six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
<b>Cash flows from operating activities</b>		
Profit before tax	4,264	13,957
Depreciation and amortization	5,629	6,637
Interest and dividend income	( 494)	( 486)
Interest expenses	131	160
Decrease (increase) in trade and other receivables	4,200	( 3,326)
Increase (decrease) in trade and other payables	( 3,805)	3,228
Decrease (increase) in inventories	1,329	( 3,061)
Others, net	785	( 138)
Subtotal	12,039	16,972
Interest received	224	168
Dividends received	353	309
Interest paid	( 132)	( 163)
Income taxes paid	( 1,054)	( 2,874)
Net cash provided by (used in) operating activities	11,429	14,412
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	( 3,938)	( 5,515)
Proceeds from sale of property, plant and equipment	175	9
Purchase of investment securities	( 327)	( 8)
Proceeds from sale of investment securities	-	2,194
Others, net	( 503)	( 423)
Net cash provided by (used in) investing activities	( 4,593)	( 3,743)
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term borrowings	4,029	57
Increase (decrease) in commercial papers	15,500	14,000
Repayments of long-term borrowings	( 244)	( 22,185)
Repayments of lease liabilities	( 378)	( 459)
Dividends paid	( 1,412)	( 2,118)
Dividends paid to non-controlling interests	( 96)	( 159)
Others, net	( 108)	( 5)
Net cash provided by (used in) financing activities	17,290	( 10,869)
Effect of exchange rate changes on cash and cash equivalents	( 538)	613
Net increase (decrease) in cash and cash equivalents	23,589	414
Cash and cash equivalents at beginning of period	65,771	103,175
Cash and cash equivalents at end of period	89,360	103,589



## Segment Information

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, Positive-type photosensitive coating resins for semiconductor wafers, Pastes for die bonding, Semiconductor substrate materials
High-performance plastics	Phenolic molding compounds, Phenolic resins for industrial use, Molded parts and molding dies, Synthetic resin adhesive, Phenolic resin copper-clad laminates, Epoxy resin copper-clad laminates, Aerospace interior components
Quality of life products	Medical devices and pharmaceuticals, Melamine resin decorative laminates and sheets, Polyvinyl chloride, sheets and multilayered films, Freshness preserving films, Polycarbonate resin plates, Polyvinyl chloride plates, Design and construction of sheet waterproof system, Biotechnology related products

For the six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)

(Millions of yen)

	Reportable segments			Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products				
Revenue							
External customers	25,966	30,793	33,174	268	90,201	-	90,201
Intersegment	-	68	0	-	68	( 68)	-
Total revenue	25,966	30,861	33,174	268	90,269	( 68)	90,201
Segment profit (loss)	3,935	( 413)	2,768	( 22)	6,268	( 1,419)	4,849

(Note) "Segment profit (loss)" is "Business Profit" which is defined as "Revenue" less "Cost of sales" and "Selling, general and administrative expenses".

For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)

(Millions of yen)

	Reportable segments			Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products				
Revenue							
External customers	36,530	45,304	46,181	300	128,315	-	128,315
Intersegment	-	68	0	-	68	( 68)	-
Total revenue	36,530	45,372	46,181	300	128,384	( 68)	128,315
Segment profit (loss)	8,129	3,323	3,918	15	15,385	( 1,722)	13,662

(Note) "Segment profit (loss)" is "Business Profit" which is defined as "Revenue" less "Cost of sales" and "Selling, general and administrative expenses".

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

	For the six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
Segment profit (loss)	4,849	13,662
Other income	81	64
Other expenses	( 992)	( 205)
Operating profit	3,938	13,522
Finance income	670	596
Finance costs	( 308)	( 160)
Share of profit (loss) of investments accounted for using equity method	( 37)	-
Profit before tax	4,264	13,957