

Summary of Consolidated Business Results for the Year Ended March 31, 2022 [IFRS]

May 16, 2022

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Date of the ordinary general meeting of shareholders : June 23, 2022 Date of the start of dividend payment : June 24, 2022 Date of the submission of Annual Securities Report : June 23, 2022 Annual results supplementary documents : Yes Annual 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 Year Ended March 31, 2022

(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 - March 2022	263,114	25.9	26,489	59.2	24,887	25.0	25,880	60.4	18,299	38.6
April 2020 - March 2021	209,002	1.2	16,642	16.0	19,914	93.6	16,139	40.4	13,198	46.9

	Basic earnings per share	Profit to equity attributable to owners of parent ratio	Profit before tax to total assets ratio	Business profit to revenue ratio
	Yen	%	%	%
April 2021 - March 2022	388.86	8.5	7.2	10.1
April 2020 - March 2021	280.46	7.0	5.1	8.0

(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	Total equity attributable to owners of parent	Ratio of equity attributable to owners of parent	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	370,836	232,136	229,784	62.0	4,883.23
As of March 31, 2021	345,763	202,141	200,205	57.9	4,254.48

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
April 2021 - March 2022	27,920	(10,468)	(19,308)	109,217
April 2020 - March 2021	27,405	(14,993)	21,768	103,175

2. Dividends

	Dividend per share					Total dividend paid	Dividend payout ratio (consolidated)	Dividend on equity attributable to owners of parent (consolidated)
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
April 2020 - March 2021	-	30.00	-	45.00	75.00	3,529	26.7	1.9
April 2021 - March 2022	-	50.00	-	60.00	110.00	5,176	28.3	2.4
April 2022 - March 2023 (Forecast)	-	60.00	-	60.00	120.00		26.9	

3. Consolidated Financial Forecasts for the Year Ending March 31, 2023

(% 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 2022 - March 2023	290,000	10.2	28,500	7.6	21,000	14.8	446.28

[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 March 31, 2022	49,590,478	As of March 31, 2021	49,590,478
b) Number of treasury shares	As of March 31, 2022	2,534,727	As of March 31, 2021	2,532,997
c) Average number of outstanding shares during the period (excluding treasury shares)	April 2021 - March 2022	47,056,677	April 2020 - March 2021	47,058,347

(Reference) Standalone Business Results for the Year Ended March 31, 2022

(All amounts presented in million yen are rounded down to the nearest million yen in this section.)

(1) Standalone financial results

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
April 2021 - March 2022	99,737	10.9	10,515	3.9	11,507	5.9	7,627	-
April 2020 - March 2021	89,968	1.0	10,117	128.9	10,864	113.4	(11,702)	-

	Net income per share (basic)
	Yen
April 2021 - March 2022	162.10
April 2020 - March 2021	(248.69)

(2) Standalone financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	214,566	117,693	54.9	2,501.15
As of March 31, 2021	222,862	115,829	52.0	2,461.44

(Reference) Equity March 31, 2022: 117,693 millions of yen, March 31, 2021: 115,829 millions of yen

(Note) Standalone financial figures were prepared in accordance with accounting standards generally accepted in Japan.

"Summary of Consolidated Business Results" is not subject to audit 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.

Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Millions of yen)

	March 31, 2021	March 31, 2022
Assets		
Current assets		
Cash and cash equivalents	103,175	109,217
Trade and other receivables	52,594	59,414
Other financial assets	49	47
Inventories	39,566	50,276
Other current assets	3,764	4,337
Total current assets	199,149	223,291
Non-current assets		
Property, plant and equipment	98,507	101,456
Right-of-use assets	6,641	6,963
Goodwill	1,197	1,260
Other intangible assets	2,652	2,488
Other financial assets	30,600	27,539
Retirement benefit asset	4,207	5,500
Deferred tax assets	2,622	2,211
Other non-current assets	190	128
Total non-current assets	146,615	147,546
Total assets	345,763	370,836

(Millions of yen)

	March 31, 2021	March 31, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	46,358	35,155
Trade and other payables	47,621	56,316
Other financial liabilities	1,615	1,422
Income taxes payable	2,878	3,241
Provisions	404	200
Other current liabilities	564	776
Total current liabilities	99,440	97,110
Non-current liabilities		
Borrowings	25,507	23,467
Other financial liabilities	3,529	3,578
Retirement benefit liability	4,611	4,148
Provisions	1,330	1,235
Deferred tax liabilities	8,682	8,592
Other non-current liabilities	522	571
Total non-current liabilities	44,182	41,591
Total liabilities	143,622	138,701
Equity		
Share capital	37,143	37,143
Capital surplus	35,137	35,137
Treasury shares	(6,785)	(6,794)
Other components of equity	10,658	24,915
Retained earnings	124,052	139,383
Total equity attributable to owners of parent	200,205	229,784
Non-controlling interests	1,936	2,352
Total equity	202,141	232,136
Total liabilities and equity	345,763	370,836

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated statements of income)

(Millions of yen)

	The Year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)	The Year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Revenue	209,002	263,114
Cost of sales	(145,639)	(182,708)
Gross profit	63,363	80,406
Selling, general and administrative expenses	(46,721)	(53,917)
Business profit	16,642	26,489
Other income	8,308	150
Other expenses	(5,036)	(1,753)
Operating profit	19,914	24,887
Finance income	1,393	1,291
Finance costs	(5,132)	(298)
Share of profit (loss) of investments accounted for using equity method	(37)	-
Profit before tax	16,139	25,880
Income tax expenses	(2,871)	(7,220)
Profit	13,268	18,660
Profit attributable to:		
Owners of parent	13,198	18,299
Non-controlling interests	70	361
Profit	13,268	18,660
Earnings per share		
Basic earnings per share (Yen)	280.46	388.86
Diluted earnings per share (Yen)	-	-

(Consolidated statements of comprehensive income)

	The Year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)	The Year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Profit	13,268	18,660
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	3,531	(750)
Remeasurements of defined benefit plans	2,374	1,683
Share of other comprehensive income of investments accounted for using equity method	17	-
Total items that will not be reclassified to profit or loss	5,922	932
Items that may be reclassified to profit or loss		
Cash flow hedges	91	60
Exchange differences on translation of foreign operations	6,951	14,980
Share of other comprehensive income of investments accounted for using equity method	77	-
Total items that may be reclassified to profit or loss	7,120	15,040
Other comprehensive income, net of tax	13,042	15,973
Comprehensive income	26,310	34,632
Comprehensive income attributable to:		
Owners of parent	26,119	34,058
Non-controlling interests	191	574
Comprehensive income	26,310	34,632

(3) Consolidated Statements of Changes in Equity
For the year ended March 31, 2021 (From April 1, 2020 to March 31, 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	35,359	(6,780)	110,967	7,222	-	(203)	(6,570)	449	2,016	179,154
Profit	-	-	-	13,198	-	-	-	-	-	70	13,268
Other comprehensive income	-	-	-	-	3,568	2,353	91	6,908	12,921	121	13,042
Comprehensive income	-	-	-	13,198	3,568	2,353	91	6,908	12,921	191	26,310
Dividends from surplus	-	-	-	(2,824)	-	-	-	-	-	(96)	(2,920)
Purchase of treasury shares	-	-	(5)	-	-	-	-	-	-	-	(5)
Disposal of treasury shares	-	0	0	-	-	-	-	-	-	-	0
Change due to new consolidation of subsidiaries	-	-	-	-	-	-	-	-	-	61	61
Acquisition of non-controlling interests	-	(222)	-	-	-	(1)	-	(0)	(2)	(235)	(458)
Transfer from other components of equity to retained earnings	-	-	-	2,710	(358)	(2,352)	-	-	(2,710)	-	-
Total transactions with owners	-	(222)	(5)	(113)	(358)	(2,353)	-	(0)	(2,712)	(271)	(3,323)
Balance at end of current period	37,143	35,137	(6,785)	124,052	10,431	-	(111)	338	10,658	1,936	202,141

For the year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(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	-	-	-	18,299	-	-	-	-	-	361	18,660
Other comprehensive income	-	-	-	-	(750)	1,674	60	14,776	15,759	213	15,973
Comprehensive income	-	-	-	18,299	(750)	1,674	60	14,776	15,759	574	34,632
Dividends from surplus	-	-	-	(4,470)	-	-	-	-	-	(159)	(4,629)
Purchase of treasury shares	-	-	(9)	-	-	-	-	-	-	-	(9)
Disposal of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Change due to new consolidation of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	1,503	171	(1,674)	-	-	(1,503)	-	-
Total transactions with owners	-	-	(9)	(2,968)	171	(1,674)	-	-	(1,503)	(159)	(4,638)
Balance at end of current period	37,143	35,137	(6,794)	139,383	9,852	-	(52)	15,114	24,915	2,352	232,136

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	The Year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)	The Year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Cash flows from operating activities		
Profit before tax	16,139	25,880
Depreciation and amortization	12,259	13,221
Impairment losses	3,100	1,295
Gain on bargain purchase	(8,101)	-
Interest and dividend income	(1,051)	(1,186)
Interest expenses	363	298
Loss (gain) on step acquisition	4,598	-
Decrease (increase) in trade and other receivables	(1,814)	(4,441)
Increase (decrease) in trade and other payables	695	7,207
Decrease (increase) in inventories	2,493	(8,089)
Others, net	573	(108)
Subtotal	29,254	34,076
Interest received	377	344
Dividends received	749	625
Interest paid	(362)	(300)
Income taxes paid	(2,613)	(6,825)
Net cash provided by (used in) operating activities	27,405	27,920
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,956)	(12,409)
Proceeds from sale of property, plant and equipment	308	43
Purchase of investment securities	(333)	(16)
Proceeds from sale of investment securities	348	2,619
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(5,708)	-
Others, net	(651)	(705)
Net cash provided by (used in) investing activities	(14,993)	(10,468)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	18	91
Increase (decrease) in commercial papers	4,500	9,000
Proceeds from long-term borrowings	27,026	-
Repayments of long-term borrowings	(5,489)	(22,689)
Repayments of lease liabilities	(904)	(1,072)
Dividends paid	(2,824)	(4,470)
Dividends paid to non-controlling interests	(96)	(159)
Others, net	(464)	(9)
Net cash provided by (used in) financing activities	21,768	(19,308)
Effect of exchange rate changes on cash and cash equivalents	3,224	7,897
Net increase (decrease) in cash and cash equivalents	37,404	6,042
Cash and cash equivalents at beginning of period	65,771	103,175
Cash and cash equivalents at end of period	103,175	109,217

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 year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segments			Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products				
Revenue							
External customers	57,266	72,559	78,583	594	209,002	-	209,002
Intersegment	-	155	0	-	156	(156)	-
Total revenue	57,266	72,714	78,583	594	209,158	(156)	209,002
Segment profit (loss) (Business profit)	9,439	3,491	6,613	10	19,552	(2,910)	16,642
Segment assets	96,525	108,520	119,481	1,999	326,525	19,238	345,763
Other items							
Depreciation and amortization	2,973	4,423	4,117	28	11,541	718	12,259
Impairment losses	-	1,138	1,962	-	3,100	-	3,100
Capital expenditures	1,836	3,786	3,745	18	9,385	1,753	11,138

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

For the year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments			Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products				
Revenue							
External customers	75,787	92,244	94,444	639	263,114	-	263,114
Intersegment	-	158	1	-	159	(159)	-
Total revenue	75,787	92,402	94,445	639	263,273	(159)	263,114
Segment profit (loss) (Business profit)	16,506	5,934	7,427	110	29,976	(3,487)	26,489
Segment assets	116,669	119,551	115,135	1,093	352,448	18,388	370,836
Other items							
Depreciation and amortization	3,103	4,602	4,816	30	12,552	670	13,221
Impairment losses	-	392	17	886	1,295	-	1,295
Capital expenditures	4,630	3,952	5,497	49	14,128	280	14,408

(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 year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)	For the year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Segment profit (loss)	16,642	26,489
Other income	8,308	150
Other expenses	(5,036)	(1,753)
Operating profit	19,914	24,887
Finance income	1,393	1,291
Finance costs	(5,132)	(298)
Share of profit (loss) of investments accounted for using equity method	(37)	-
Profit before tax	16,139	25,880

(Related information)

Information about geographical areas

(Revenue)

For the year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(Millions of yen)

Japan	Asia		North America	Europe and others	Total
	China	Others			
87,364	40,057	45,910	18,765	16,907	209,002

(Note) Revenues are classified into areas based on the location of customers.

For the year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Millions of yen)

Japan	Asia		North America	Europe and others	Total
	China	Others			
102,599	52,324	58,128	25,312	24,752	263,114

(Note) Revenues are classified into areas based on the location of customers.