

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Summary of Consolidated Business Results for the Nine Months Ended December 31, 2025 [IFRS]

February 2, 2026

Company name : Sumitomo Bakelite Co., Ltd. Stock exchanges : Tokyo
Securities code : 4203 URL : <https://www.sumibe.co.jp/english/>
Representative : Shinichi Kajiya, President and Representative Director
Contact person : Tsuyoshi Ueda, Manager of Corporate Communications Dept., Corporate General Affairs Div.
 TEL +81-3-5462-4165
Date of the start of dividend payment : -
Preparation of supplementary material on financial results : Yes
Holding of financial 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 Nine Months Ended December 31, 2025

(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 2025 - December 2025	237,833	2.9	25,866	8.2	24,831	36.2	27,507	29.5	19,697	53.2
April 2024 -December 2024	231,091	7.3	23,912	15.8	18,234	(11.2)	21,240	(9.9)	12,855	(28.7)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
April 2025 - December 2025	224.71	-
April 2024 -December 2024	138.02	-

(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 December 31, 2025	470,866	331,576	328,245	69.7
As of March 31, 2025	417,778	293,568	290,672	69.6

2. Dividends

	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
	Yen	Yen	Yen	Yen	Yen
April 2024 - March 2025	-	45.00	-	50.00	95.00
April 2025 - March 2026	-	50.00	-		
April 2025 - March 2026 (Forecasts)				55.00	105.00

(Note) Revisions of the latest dividend forecasts: None

The breakdown of the year-end dividend for the fiscal year ending March 31, 2025 : Ordinary dividend 45.00 yen, Commemorative dividend 5.00 yen.

3. Consolidated Financial Forecasts for the Year Ending March 31, 2026

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

	Revenue		Business profit		Operating profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
April 2025 - March 2026	316,500	3.8	34,000	10.3	32,500	31.1	25,500	32.3	290.85

(Note) Revisions of the latest consolidated financial forecasts: Yes

[Notes]

- (1) Significant changes in the scope of consolidation during the period : None
- (2) Changes in accounting policies and changes in accounting estimates
- a) Changes in accounting policies required by IFRS : None
- 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 December 31, 2025	93,757,956	As of March 31, 2025	93,757,956
b) Number of treasury shares	As of December 31, 2025	6,022,119	As of March 31, 2025	6,122,450
c) Average number of outstanding shares during the period (excluding treasury shares)	April 2025 - December 2025	87,656,323	April 2024 - December 2024	93,138,233

Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm : Yes (voluntary)

(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.

[Index of the Attachment]

1. Summary of Operating Results for Third Quarter Fiscal Year 2025.....	2
(1) Operating Results.....	2
(2) Consolidated Financial Position.....	4
(3) Consolidated Forecasts and Other Forward-Looking Information.....	5
2. Consolidated Financial Statements and Major Notes.....	6
(1) Consolidated Statements of Financial Position.....	6
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income.....	8
(3) Consolidated Statements of Changes in Equity.....	10
(4) Consolidated Statements of Cash Flows.....	11
(5) Notes to Consolidated Financial Statements.....	12
Going Concern Assumption.....	12
Significant accounting policies.....	12
Segment Information.....	12
Material Subsequent Events.....	16

1. Summary of Operating Results for Third Quarter Fiscal Year 2025

(1) Operating Results

Our group's Revenue increased 2.9% year on year to ¥237,833 million, reflecting strong demand for semiconductor applications, despite sluggish overseas demand for automotive mechanical components. Business profit increased 8.2% year on year to ¥25,866 million as a result of an improvement in the profit structure, such as a decrease in depreciation due to completion of depreciation of major equipment, a focus on sales of high-value-added products for semiconductors, molding materials, and medical equipment, and price adjustments, despite a rise in personnel costs, mainly at overseas sites. Operating profit increased 36.2% year on year to ¥24,831 million as a result of the recording of impairment losses at North American sites in the High-performance plastics segment and costs for consolidating domestic production sites in the previous fiscal year. Profit attributable to owners of parent increased 53.2% year on year to ¥19,697 million.

The financial results by business segment for Q3 FY2025 are as follows:

1. Semiconductor materials

In Epoxy resin molding compounds for encapsulation of semiconductor devices, robust demand for semiconductors in China continued and demand for AI-related applications expanded.

In Photosensitive materials for semiconductor devices, the memory market has recovered, and the expansion of sales for power semiconductor applications has progressed.

In Bonding pastes for semiconductor devices, strong demand in the Chinese domestic market has been sustained, along with progress in new market expansion. Additionally, demand for high-density packaging applications has been increasing in Southeast Asia.

In "LoZ®" series of Semiconductor substrate materials, sales for mobile devices have grown, and the adoption of power devices for AI servers has also expanded.

As a result, Revenue increased by ¥9,099 million year on year to ¥78,612 million, and Business profit increased by ¥1,431 million to ¥15,448 million

2. High-performance plastics

In Resins for industrial use, sales for semiconductor applications in the domestic market have grown, and various measures aimed at structural reforms, such as withdrawing from unprofitable products, were implemented at the North American base.

In Molding compounds, demand in the North American automotive market has stagnated, and demand related to the electrical industry in China has also declined.

In Laminates, demand for automotive and air-conditioning applications remained sluggish.

In Aerospace components, demand showed signs of recovery due to the rebound in production volumes from customers.

As a result, Revenue decreased by ¥2,114 million year on year to ¥77,261 million, and Business profit

increased by ¥676 million to ¥4,220 million because of structural reforms, focus on sales of high-value-added products, and lower raw material prices.

3. Quality of life products

In Medical devices and pharmaceuticals, sales of blood container bags, microcatheter used in minimally invasive endovascular repair, and thoracic stent grafts grew both domestically and internationally. In North America, measures such as streamlining unprofitable products were implemented.

In In vitro diagnostics and Biotechnology-related products, demand for diagnostic reagents in the domestic market and regenerative medicine in North America has declined.

In Films and sheets, the market share for Electrical and Electronic Equipment packaging has expanded, while in Pharmaceutical packaging applications, the launch of new generic drugs and stockpiling of existing products contributed to growth. Furthermore, in Food packaging applications, sales for cut vegetables and portion packaging remained firm.

In Industrial functional materials, Sheet material for architectural and interior decoration for stores remained firm, and sales of Hollow polycarbonate, which was acquired through a business transfer, have begun for AI data center applications. Demand for Optical sheet and film products for automotive applications, grew significantly, while demand for eyewear applications declined.

In Waterproof business, demand for mass-produced housing declined due to a decrease in housing starts. However, sales of low-energy house (ZEH) materials expanded, and price adjustments were implemented to offset rising material costs and increased construction expenses.

As a result, Revenue decreased by ¥260 million year on year to ¥81,410 million. However, Business profit increased by ¥532 million to ¥9,998 million, due to the optimization of sales prices and the reduction of fixed costs through the reorganization of production bases.

(2) Consolidated Financial Position

(2.1) Assets, Liabilities and Equity

1. Assets

Total assets increased by ¥53,088 million from the end of the previous fiscal year to ¥470,866 million. The main increases were due to Cash and cash equivalents, Other financial assets, and Property, plant and equipment.

2. Liabilities

Total liabilities increased by ¥15,080 million from the end of the previous fiscal year to ¥139,290 million. The main increases were due to issuance of commercial paper and Deferred tax liabilities.

3. Equity

Total equity increased by ¥38,008 million from the end of the previous fiscal year to ¥331,576 million. The main changes were due to Profit and increases in other components of equity, offset by decrease due to Dividends from surplus.

(2.2) Cash Flows

Cash and cash equivalents (hereinafter referred to as Cash) at the end of the period under review increased ¥16,928 million from the end of the previous fiscal year to ¥120,461 million.

1. Cash flows from operating activities

Cash provided by operating activities was ¥21,590 million.

This was mainly a result of income from Profit before tax and Depreciation and amortization, offset by expenditures on Income taxes paid and increases in trade and other receivables. Compared with Q3 FY2024, income decreased by ¥9,226 million.

2. Cash flows from investing activities

Cash used in investing activities was ¥7,403 million.

This was mainly a result of Purchase of property, plant and equipment. Compared with Q3 FY2024, expenditure decreased by ¥6,153 million.

3. Cash flows from financing activities

Cash used in financing activities was ¥3,031 million.

This was mainly a result of income from issuance of commercial paper, offset by expenditures on Dividends paid and Repayments of long-term borrowings. Compared with Q3 FY2024, expenditure decreased by ¥15,657 million.

(3) Consolidated Forecasts and Other Forward-Looking Information

Based on recent performance trends, we have revised our consolidated financial forecasts for the full year ending March 31, 2026, previously announced on May 12, 2025, as detailed below. For further details, please refer to the "Notice of Revision of Consolidated Financial Forecasts" announced today (February 2, 2026).

Revised consolidated financial forecasts for the fiscal year ending March 31, 2026

(April 1, 2025 to March 31, 2026)

(Millions of yen)

	Revenue	Business profit	Operating profit	Profit attributable to owners of parent	Basic earnings per share (Yen)
Previous forecasts (A)	310,000	32,500	31,000	23,500	268.16
Revised forecasts (B)	316,500	34,000	32,500	25,500	290.85
Amount of change (B-A)	6,500	1,500	1,500	2,000	
Rate of change (%)	2.1	4.6	4.8	8.5	
(Reference) Actual results for the fiscal year ended March 31, 2025	304,773	30,837	24,792	19,281	208.91

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

Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Millions of yen)

	March 31, 2025	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	103,533	120,461
Trade and other receivables	59,722	66,876
Other financial assets	2,050	3,163
Inventories	62,231	66,464
Other current assets	4,319	5,715
Total current assets	231,856	262,679
Non-current assets		
Property, plant and equipment	122,951	131,236
Right-of-use assets	7,056	8,499
Goodwill	1,494	4,127
Other intangible assets	2,162	2,177
Other financial assets	42,173	51,014
Retirement benefit asset	6,684	6,689
Deferred tax assets	2,437	2,383
Other non-current assets	966	2,062
Total non-current assets	185,922	208,187
Total assets	417,778	470,866

(Millions of yen)

	March 31, 2025	December 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	17,407	30,150
Trade and other payables	56,669	59,770
Other financial liabilities	1,427	1,657
Income taxes payable	4,875	3,179
Provisions	783	743
Other current liabilities	1,460	1,060
Total current liabilities	82,621	96,558
Non-current liabilities		
Borrowings	13,273	7,500
Other financial liabilities	3,397	4,854
Retirement benefit liability	4,073	3,924
Provisions	1,455	1,510
Deferred tax liabilities	18,846	24,341
Other non-current liabilities	545	602
Total non-current liabilities	41,589	42,732
Total liabilities	124,210	139,290
Equity		
Share capital	37,143	37,143
Capital surplus	35,178	35,188
Treasury shares	(21,002)	(20,659)
Other components of equity	59,948	82,394
Retained earnings	179,404	194,179
Total equity attributable to owners of parent	290,672	328,245
Non-controlling interests	2,896	3,331
Total equity	293,568	331,576
Total liabilities and equity	417,778	470,866

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

	(Millions of yen)	
	Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)	Nine months ended December 31, 2025 (From April 1, 2025 to December 31, 2025)
Revenue	231,091	237,833
Cost of sales	(160,197)	(163,264)
Gross profit	70,894	74,569
Selling, general and administrative expenses	(46,982)	(48,703)
Business profit	23,912	25,866
Other income	729	209
Other expenses	(6,406)	(1,243)
Operating profit	18,234	24,831
Finance income	3,282	2,948
Finance costs	(277)	(272)
Profit before tax	21,240	27,507
Income tax expenses	(8,215)	(7,572)
Profit	13,024	19,935
Profit attributable to:		
Owners of parent	12,855	19,697
Non-controlling interests	169	238
Profit	13,024	19,935
Earnings per share		
Basic earnings per share (Yen)	138.02	224.71
Diluted earnings per share (Yen)	-	-

(Condensed quarterly consolidated statements of comprehensive income)

	Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)	Nine months ended December 31, 2025 (From April 1, 2025 to December 31, 2025)
Profit	13,024	19,935
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,040	10,469
Remeasurements of defined benefit plans	(4)	5
Total items that will not be reclassified to profit or loss	1,036	10,474
Items that may be reclassified to profit or loss		
Cash flow hedges	27	-
Exchange differences on translation of foreign operations	8,545	16,079
Total items that may be reclassified to profit or loss	8,572	16,079
Other comprehensive income, net of tax	9,609	26,553
Comprehensive income	22,633	46,488
Comprehensive income attributable to:		
Owners of parent	22,417	45,985
Non-controlling interests	216	503
Comprehensive income	22,633	46,488

(3) Condensed Quarterly Consolidated Statements of Changes in Equity
For the nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

(Millions of yen)

	Total equity attributable to owners of parent										(millions of yen)
	Other components of equity									Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	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	Total		
Balance at beginning of current period	37,143	35,137	(1,020)	166,454	18,403	-	(27)	45,072	63,448	2,566	303,727
Profit	-	-	-	12,855	-	-	-	-	-	169	13,024
Other comprehensive income	-	-	-	-	1,040	(3)	27	8,498	9,562	47	9,609
Comprehensive income	-	-	-	12,855	1,040	(3)	27	8,498	9,562	216	22,633
Dividends from surplus	-	-	-	(7,917)	-	-	-	-	-	(58)	(7,974)
Purchase of treasury shares	-	-	(6)	-	-	-	-	-	-	-	(6)
Disposal of treasury shares	-	0	0	-	-	-	-	-	-	-	0
Share-based payment transactions	-	48	26	-	-	-	-	-	-	-	74
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	250	250
Transfer from other components of equity to retained earnings	-	-	-	617	(620)	3	-	-	(617)	-	-
Total transactions with owners	-	49	20	(7,300)	(620)	3	-	-	(617)	193	(7,656)
Balance at end of current period	37,143	35,185	(1,000)	172,009	18,823	-	-	53,570	72,393	2,974	318,704

For the nine months ended December 31, 2025 (From April 1, 2025 to December 31, 2025)

(Millions of yen)

	Total equity attributable to owners of parent										
					Other components of equity						
	Share capital	Capital surplus	Treasury shares	Retained earnings	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	Total	Non-controlling interests	Total equity
Balance at beginning of current period	37,143	35,178	(21,002)	179,404	16,926	-	-	43,022	59,948	2,896	293,568
Profit	-	-	-	19,697	-	-	-	-	-	238	19,935
Other comprehensive income	-	-	-	-	10,469	4	-	15,815	26,288	265	26,553
Comprehensive income	-	-	-	19,697	10,469	4	-	15,815	26,288	503	46,488
Dividends from surplus	-	-	-	(8,765)	-	-	-	-	-	(69)	(8,833)
Purchase of treasury shares	-	-	(5)	-	-	-	-	-	-	-	(5)
Disposal of treasury shares	-	(1)	271	-	-	-	-	-	-	-	270
Share-based payment transactions	-	11	77	-	-	-	-	-	-	-	87
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	3,842	(3,838)	(4)	-	-	(3,842)	-	-
Total transactions with owners	-	10	343	(4,923)	(3,838)	(4)	-	-	(3,842)	(69)	(8,481)
Balance at end of current period	37,143	35,188	(20,659)	194,179	23,557	-	-	58,837	82,394	3,331	331,576

(4) Condensed Quarterly Consolidated Statements of Cash Flows

	(Millions of yen)	
	Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)	Nine months ended December 31, 2025 (From April 1, 2025 to December 31, 2025)
Cash flows from operating activities		
Profit before tax	21,240	27,507
Depreciation and amortization	10,439	10,573
Impairment losses	4,439	-
Interest and dividend income	(3,282)	(2,927)
Interest expenses	227	272
Decrease (increase) in trade and other receivables	48	(4,808)
Increase (decrease) in trade and other payables	756	(87)
Decrease (increase) in inventories	(924)	(1,129)
Others, net	2,068	(1,403)
Subtotal	35,011	27,997
Interest received	2,304	1,527
Dividends received	944	1,382
Interest paid	(223)	(271)
Income taxes paid	(7,221)	(9,046)
Net cash provided by (used in) operating activities	30,816	21,590
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,090)	(11,335)
Proceeds from sale of property, plant and equipment	304	255
Purchase of investment securities	(346)	(94)
Proceeds from sale of investment securities	804	6,538
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,802)	-
Payments for acquisition of businesses	-	(1,350)
Others, net	(427)	(1,416)
Net cash provided by (used in) investing activities	(13,556)	(7,403)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(54)	-
Increase (decrease) in commercial papers	(3,000)	9,000
Proceeds from long-term borrowings	464	125
Repayments of long-term borrowings	(7,225)	(2,471)
Repayments of lease liabilities	(893)	(847)
Purchase of treasury shares	(6)	(5)
Dividends paid	(7,917)	(8,765)
Dividends paid to non-controlling interests	(58)	(69)
Others, net	0	0
Net cash provided by (used in) financing activities	(18,688)	(3,031)
Effect of exchange rate changes on cash and cash equivalents	4,123	5,771
Net increase (decrease) in cash and cash equivalents	2,695	16,928
Cash and cash equivalents at beginning of period	121,635	103,533
Cash and cash equivalents at end of period	124,331	120,461

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Accounting Policies

The Group applies the same significant accounting policies that were applied to the Consolidated Financial Statements of the previous fiscal year.

Corporate income tax for this quarter of the current fiscal year is calculated based on the estimated annual effective tax rate.

Segment Information

1. Reportable Segments

The reportable segments of the Group refer to business units for which separate financial information is available and that are reviewed regularly at the Board of Directors meeting in order to determine the allocation of management resources and evaluate the business performance of each business unit.

The Group divides its operations into business sectors identified by products and services, which manage manufacturing, sales, and research in an integrated manner. Each business sector is responsible for developing comprehensive domestic and overseas strategies with respect to its products and services, and operates its business activities.

Accordingly, the Group has three reportable segments based on its products and services in accordance with its business sectors, including "Semiconductor materials", "High-performance plastics", and "Quality of life products".

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, Photosensitive materials for semiconductor devices, Bonding pastes for semiconductor devices, Semiconductor substrate materials
High-performance plastics	Resins for industrial use, Molding compounds, Molded parts and molding dies, Laminates, Aerospace components
Quality of life products	Medical devices and pharmaceuticals, In vitro diagnostics and Biotechnology-related products, Films and sheets, Industrial functional materials, Waterproof business

2. Reportable Segment Information

For the nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

(Millions of yen)

	Reportable segments			Others (Note 2)	Total	Adjustment (Note 3)	Consolidated
	Semiconductor materials	High- performance plastics	Quality of life products				
Revenue							
External customers	69,512	79,375	81,670	533	231,091	-	231,091
Intersegment	-	130	1	2	133	(133)	-
Total revenue	69,512	79,505	81,671	535	231,223	(133)	231,091
Segment profit (loss) (Business profit) (Note 1)	14,017	3,544	9,465	33	27,059	(3,147)	23,912

(Note)

1. "Segment profit (loss)" is "Business Profit" which is defined as "Revenue" less "Cost of sales" and "Selling, general and administrative expenses".
2. "Others" includes entrusted research and testing, land leasing, and other activities.
3. ¥(3,147) million for segment profit (loss) in "Adjustment" includes inter-segment elimination of ¥(28) million and corporate expenses of ¥(3,118) million unallocated to each reportable segment. Corporate expenses are mainly research and development expenses for basic research, which are not attributed to reportable segments.

For the nine months ended December 31, 2025 (From April 1, 2025 to December 31, 2025)

(Millions of yen)

	Reportable segments			Others (Note 2)	Total	Adjustment (Note 3)	Consolidated
	Semiconductor materials	High- performance plastics	Quality of life products				
Revenue							
External customers	78,612	77,261	81,410	550	237,833	-	237,833
Intersegment	1	155	1	-	157	(157)	-
Total revenue	78,613	77,416	81,411	550	237,990	(157)	237,833
Segment profit (loss) (Business profit) (Note 1)	15,448	4,220	9,998	35	29,700	(3,835)	25,866

(Note)

1. "Segment profit (loss)" is "Business Profit" which is defined as "Revenue" less "Cost of sales" and "Selling, general and administrative expenses".
2. "Others" includes entrusted research and testing, land leasing, and other activities.
3. ¥(3,835) million for segment profit (loss) in "Adjustment" includes inter-segment elimination of ¥3 million and corporate expenses of ¥(3,838) million unallocated to each reportable segment. Corporate expenses are mainly research and development expenses for basic research, which are not attributed to reportable segments.

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

(Millions of yen)

	For the nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)	For the nine months ended December 31, 2025 (From April 1, 2025 to December 31, 2025)
Segment profit (loss)	23,912	25,866
Other income	729	209
Other expenses	(6,406)	(1,243)
Operating profit	18,234	24,831
Finance income	3,282	2,948
Finance costs	(277)	(272)
Profit before tax	21,240	27,507

Material Subsequent Events

(Business Combination by Acquisition)

Sumitomo Bakelite Co., Ltd. (the "Company") resolved to acquire all shares of a new company (the "New Company"), which will be newly established by Kyocera Corporation ("Kyocera") and thereafter will succeed part of Chemical Business from Kyocera by an absorption-type company split, for the purpose of acquiring said business from Kyocera, and make the New Company the Company's subsidiary, at the meeting of the Board of Directors held on January 22, 2026. On the same date, we entered into a share purchase agreement with Kyocera.

1. Overview of Business Combination

Name of the Acquired Company: To Be Determined

Description of Business: Manufacturing and sales of Epoxy resin molding compounds for encapsulation of semiconductor devices, Bonding pastes for semiconductor devices, Resins for industrial use, and other related products.

2. Acquisition Date

October 2026 (Planned)

3. Percentage of Voting Capital Interests to Be Acquired

100%

4. The Primary Reason for the Business Combination

Under the Medium-Term Business Plan 2024-26, the Company is strategically promoting the transformation of the business portfolio and the expansion of the business. By acquiring shares of the New Company that will succeed part of Kyocera's Chemical Business, specifically regarding epoxy resin molding compounds for encapsulation of semiconductor devices, bonding pastes for semiconductor devices, and resins for industrial use, the Company intends to further enhance the presence in the ICT domain and accelerate the strengthening of technological capabilities to create high value-added products.

By integrating the New Company's proprietary technologies with the Company's high technological capabilities that meet customer needs in areas such as epoxy resin molding compounds for encapsulation of semiconductor devices and bonding pastes for semiconductor devices, the Company will increase the standing in the expanding market for AI data center applications, etc.

Through this acquisition, the Company will solidify the realization of "Vision 2030" and contribute to society as "a company providing dreams for the future".

5. Acquisition cost and its breakdown

Acquisition cost: ¥30,000 million

Cash: ¥30,000 million

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

The amounts of assets and liabilities to be recognized on the business combination date, as well as acquisition-related expenses, have not been finalized at this time.