

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 Year Ended March 31, 2026 [IFRS]

May 11, 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 ordinary general meeting of shareholders** : June 24, 2026  
**Date of the start of dividend payment** : June 25, 2026  
**Date of the submission of Annual Securities Report** : June 22, 2026  
**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, 2026

(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 - March 2026	319,867	5.0	34,490	11.8	35,478	43.1	38,842	35.7	28,014	45.3
April 2024 -March 2025	304,773	6.1	30,837	12.3	24,792	( 8.9)	28,614	( 9.1)	19,281	( 11.7)

	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 2025 - March 2026	319.52	8.8	8.6	10.8
April 2024 -March 2025	208.91	6.5	6.7	10.1

(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, 2026	484,167	350,646	347,186	71.7	3,957.19
As of March 31, 2025	417,778	293,568	290,672	69.6	3,316.83

### (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 2025 - March 2026	35,003	( 7,930)	( 13,581)	124,752
April 2024 -March 2025	43,711	( 15,601)	( 44,879)	103,533

### 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 2024 -March 2025	-	45.00	-	50.00	95.00	8,573	45.5	2.9
April 2025 - March 2026	-	50.00	-	60.00	110.00	9,647	34.4	3.0
April 2026 - March 2027 (Forecast)	-	60.00	-	60.00	120.00		-	

(Note) 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, 2027

(% 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 2026 - March 2027	337,000	5.4	38,000	10.2	37,500	5.7	28,500	1.7	324.84

[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 March 31, 2026	88,249,856	As of March 31, 2025	93,757,956
b) Number of treasury shares	As of March 31, 2026	514,319	As of March 31, 2025	6,122,450
c) Average number of outstanding shares during the period (excluding treasury shares)	April 2025 - March 2026	87,674,619	April 2024 - March 2025	92,292,093

(Reference) Standalone Business Results for the Year Ended March 31, 2026

(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 2025 - March 2026	109,576	2.6	12,541	37.7	17,673	(49.2)	21,077	(36.0)
April 2024 - March 2025	106,798	7.0	9,106	(31.6)	34,804	13.3	32,910	22.1

	Net income per share (basic)
	Yen
April 2025 - March 2026	240.40
April 2024 - March 2025	356.59

- (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, 2026	272,239	176,921	65.0	2,016.53
As of March 31, 2025	242,834	155,925	64.2	1,779.25

(Reference) Equity March 31, 2026: 176,921 millions of yen, March 31, 2025: 155,925 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.

## [Index of the Attachment]

1.	Summary of Operating Results for Fiscal Year 2025.....	2
(1)	Operating Results.....	2
(2)	Consolidated Financial Position.....	4
(3)	Consolidated Cash Flows.....	4
(4)	Outlook for Fiscal Year 2026.....	6
(5)	Profit and Dividend Distribution Policy and Dividends for Fiscal Year 2025 and 2026.....	6
2.	Basic Rationale for Selection of Accounting Standards.....	6
3.	Consolidated Financial Statements and Major Notes.....	7
(1)	Consolidated Statements of Financial Position.....	7
(2)	Consolidated Statements of Income and Consolidated Statements of Comprehensive Income.....	9
(3)	Consolidated Statements of Changes in Equity.....	11
(4)	Consolidated Statements of Cash Flows.....	12
(5)	Notes to Consolidated Financial Statements.....	13
	Going Concern Assumption.....	13
	Significant accounting policies.....	13
	Changes in presentation methods.....	13
	Segment Information.....	13
	Earnings per Share.....	17
	Significant Subsequent Events.....	17

# 1. Summary of Operating Results for Fiscal Year 2025

## (1) Operating Results

Our group's Revenue increased 5.0% year on year to ¥319,867 million, mainly due to a robust demand for semiconductor applications. Business profit increased 11.8% to ¥34,490 million as a result of an improvement in the profit structure, such as a focus on sales of high-value-added products and price adjustments in each segment, despite a rise in personnel costs, mainly at overseas sites. Operating profit increased 43.1% to ¥35,478 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 45.3% to ¥28,014 million.

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

### 1. Semiconductor materials

[Revenue ¥106,396 million (up 16.5% year over year), Business profit ¥20,714 million (up 15.2% year over year)]

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, sales increased year on year, as the memory market recovered and the sales for power semiconductor applications 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 continues to be strong in Southeast Asia.

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

Business profit increased in line with the increase in Revenue of each product.

### 2. High-performance plastics

[Revenue ¥105,490 million (up 0.0% year over year), Business profit ¥6,224 million (up 18.4% year over year)]

In Resins for industrial use, Revenue decreased as a result of implementing various measures aimed at structural reforms, such as withdrawing from unprofitable products at the North American base, despite the growth in sales for semiconductor applications in the domestic market.

In Molding compounds, while sales also decreased, the stagnation of the North American automotive market has turned around and is recovering.

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

In Aerospace components, orders increased due to the rebound in production volumes from customers.

Business profit increased due to the effects of structural reforms, a focus on sales of high-value-added products, and a decline in the prices of raw materials.

### **3. Quality of life products**

[Revenue ¥107,189 million (down 0.0% year over year), Business profit ¥12,902 million (up 9.5% year over year)]

In Medical devices, sales of blood container bags, microcatheters 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 Biotechnology-related products, although sales of biotechnology-related devices such as those for domestic regenerative medicine grew, sales in the North American market declined due to the effects of national research budget cuts.

In Films and sheets, the increase in sales volume due to growing demand as a result of increased production of generic drugs in Pharmaceutical packaging applications contributed significantly to sales. The market share for Electrical and Electronic Equipment packaging also expanded. Furthermore, in Food packaging applications, sales remained firm due to strong sales for portion packaging, as well as new and expanded applications for P-Plus<sup>®f</sup> freshness preserving film.

In Industrial functional materials, demand for Sheet material for architectural and interior decoration for stores grew, thanks to new products and Hollow polycarbonate, which was acquired through a business transfer.

In Functionally differentiated products, sales of Optical sheet and film products and Insulation products mainly for automotive applications grew significantly. However, sales of Optical sheet and film products for eyewear applications decreased due to declining demand, reflecting the effects of the U.S. tariff policies.

In Waterproof business, the increase in sales associated with residential renovations offset the decline in demand associated with housing starts.

The optimization of sales prices and the reduction of fixed costs through the reorganization of production bases contributed to the increase in Business profit.

#### **(Reference) Standalone Financial Results**

As for standalone financial results, sales mainly of Semiconductor materials increased, and Net sales increased 2.6% year on year to ¥109,576 million. Due to measures such as the optimization of sales prices, Operating profit increased 37.7% year on year to ¥12,541 million. Ordinary income decreased 49.2% year on year to ¥17,673 million, due to the large dividends received from affiliated companies in the previous fiscal year, and Net income decreased 36.0% year on year to ¥21,077 million.

## **(2) Consolidated Financial Position**

### **1. Assets**

Total assets increased by ¥66,389 million from the end of the previous fiscal year to ¥484,167 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 ¥9,311 million from the end of the previous fiscal year to ¥133,521 million. The main changes were an increase due to Deferred tax liabilities, offset by a decrease due to the Repayments of borrowings.

### **3. Equity**

Total equity increased by ¥57,078 million from the end of the previous fiscal year to ¥350,646 million. The main changes were due to Profit and an increase in other components of equity, offset by a decrease due to Dividends from surplus.

## **(3) Consolidated Cash Flows**

Cash and cash equivalents (hereinafter referred to as Cash) at the end of the fiscal year under review increased by ¥21,218 million from the end of the previous fiscal year to ¥124,752 million.

### **1. Cash flows from operating activities**

Cash provided by operating activities was ¥35,003 million.

This was mainly a result of Profit before tax and Depreciation and amortization, offset by expenditures on Income taxes paid. Compared with the previous fiscal year, income decreased by ¥8,708 million.

### **2. Cash flows from investing activities**

Cash used in investing activities was ¥7,930 million.

This was mainly a result of Purchase of property, plant and equipment and Proceeds from sale of investment securities. Compared with the previous fiscal year, expenditure decreased by ¥7,671 million.

### **3. Cash flows from financing activities**

Cash used in financing activities was ¥13,581 million.

This was mainly a result of Dividends paid and the Repayments of long-term borrowings. Compared with the previous fiscal year, expenditure decreased by ¥31,298 million.

**(Reference) Cash Flow Related Indicators**

	As of March 31, 2022	As of March 31, 2023	As of March 31, 2024	As of March 31, 2025	As of March 31, 2026
Ratio of equity attributable to owners of parent (%)	62.0	67.5	68.3	69.6	71.7
Ratio of equity attributable to owners of parent on a market value basis (%)	63.3	64.2	97.7	69.9	87.5
Cash flows to interest-bearing debt ratio (%)	226.6	205.5	133.5	81.1	97.2
Interest-coverage ratio (times)	93.0	71.1	124.1	131.6	88.7

**Note:**

Ratio of equity attributable to owners of parent:  $\text{Equity attributable to owners of parent} / \text{Total assets}$

Ratio of equity attributable to owners of parent on a market value basis:  $\text{Market capitalization} / \text{Total assets}$

Cash flows to interest-bearing debt ratio:  $\text{Interest-bearing debt} / \text{Cash flows}$

Interest coverage ratio:  $\text{Cash flows} / \text{Interest payment}$

- \* All indicators have been calculated using consolidated financial figures.
- \* Market capitalization is calculated as the share price at the end of the fiscal year multiplied by the number of shares outstanding (excluding treasury shares) at the end of the fiscal year.
- \* Cash flow figures reflect the cash flows from operating activities included in the consolidated statements of cash flows.
- \* Interest-bearing debt reflects debts subject to interest payments recorded on the consolidated statements of financial position. In addition, interest payments refer to interest payments recorded on the consolidated statements of cash flows.

#### **(4) Outlook for Fiscal Year 2026**

With regard to future economic trends, there is mounting uncertainty surrounding the global economy, as rising energy prices and supply chain disruptions caused by the situation in the Middle East pose downside risks to growth. The Group will implement the necessary measures to address the changes in the business environment that are likely to impact business performance.

In the Medium-Term Business Plan, which began in fiscal year 2024, the Group upholds the policy of “Aiming for “niches & top market share,” we take on the challenge of our portfolio transformation leading to value creation.” Backed by this policy, we have been advancing initiatives to enhance corporate value and strengthen our business foundations. In the final year of the plan, each business division will complete its product portfolio transformation, achieve synergy with the acquired businesses as quickly as possible, and bring the efforts made to date to fruition.

Based on the above, the Company forecasts consolidated financial results for the fiscal year ending March 2027 (April 1, 2026, to March 31, 2027) to be ¥337,000 million in Revenue, ¥38,000 million in Business profit, ¥37,500 million in Operating profit, and ¥28,500 million in Profit attributable to owners of parent.

#### **(5) Profit and Dividend Distribution Policy and Dividends for Fiscal Year 2025 and 2026**

Our company considers it important to return profits to shareholders while actively working to continuously improve corporate value. Going forward, we will continue to provide stable and continuous shareholder returns based on comprehensive judgment, taking into account the balance of demand for funds, the status of investment, and future plans.

On the basis of this policy and comprehensively considering performance outlook and financial position for the current fiscal year, the Company has revised the year-end dividend forecast for the fiscal year ended March 31, 2026, from 55 yen per share to 60 yen per share, up by 5 yen. As a result, the annual dividend is expected to be 110 yen per share. This matter will be resolved at the Ordinary General Meeting of Shareholders to be held on June 24, 2026.

For the fiscal year ending March 31, 2027, based on the aforementioned performance outlook, we plan to pay second-quarter-end dividends of 60 yen and year-end dividends of 60 yen for a total of 120 yen for the year.

## **2. Basic Rationale for Selection of Accounting Standards**

The Group has been applying International Financial Reporting Standards (IFRS) since FY2017 ended March 31, 2018, for the purpose of improving comparability of financial information in the global capital market and enhancing business management within the Group by standardizing the accounting treatment used.

### 3. Consolidated Financial Statements and Major Notes

#### (1) Consolidated Statements of Financial Position

(Millions of yen)

	March 31, 2025	March 31, 2026
<b>Assets</b>		
Current assets		
Cash and cash equivalents	103,533	124,752
Trade and other receivables	59,722	64,225
Other financial assets	2,050	3,659
Inventories	62,231	68,552
Other current assets	4,319	5,772
Total current assets	231,856	266,961
Non-current assets		
Property, plant and equipment	122,951	132,579
Right-of-use assets	7,056	8,851
Goodwill	1,494	3,216
Other intangible assets	2,162	2,493
Other financial assets	42,173	53,407
Retirement benefit asset	6,684	11,235
Deferred tax assets	2,437	2,344
Other non-current assets	966	3,081
Total non-current assets	185,922	217,206
<b>Total assets</b>	<b>417,778</b>	<b>484,167</b>

(Millions of yen)

	March 31, 2025	March 31, 2026
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Borrowings	17,407	20,066
Trade and other payables	56,669	60,012
Other financial liabilities	1,427	1,741
Income taxes payable	4,875	6,729
Provisions	783	754
Other current liabilities	1,460	1,727
<b>Total current liabilities</b>	<b>82,621</b>	<b>91,029</b>
<b>Non-current liabilities</b>		
Borrowings	13,273	7,292
Other financial liabilities	3,397	5,128
Retirement benefit liability	4,073	3,430
Provisions	1,455	1,509
Deferred tax liabilities	18,846	24,728
Other non-current liabilities	545	405
<b>Total non-current liabilities</b>	<b>41,589</b>	<b>42,492</b>
<b>Total liabilities</b>	<b>124,210</b>	<b>133,521</b>
<b>Equity</b>		
Share capital	37,143	37,143
Capital surplus	35,178	35,137
Treasury shares	( 21,002)	( 1,764)
Other components of equity	59,948	88,533
Retained earnings	179,404	188,138
<b>Total equity attributable to owners of parent</b>	<b>290,672</b>	<b>347,186</b>
Non-controlling interests	2,896	3,459
<b>Total equity</b>	<b>293,568</b>	<b>350,646</b>
<b>Total liabilities and equity</b>	<b>417,778</b>	<b>484,167</b>

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**

(Consolidated statements of income)

	(Millions of yen)	
	The Year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	The Year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Revenue	304,773	319,867
Cost of sales	( 211,223)	( 219,759)
Gross profit	93,550	100,108
Selling, general and administrative expenses	( 62,713)	( 65,618)
Business profit	30,837	34,490
Other income	764	2,665
Other expenses	( 6,809)	( 1,678)
Operating profit	24,792	35,478
Finance income	4,154	3,759
Finance costs	( 333)	( 395)
Profit before tax	28,614	38,842
Income tax expenses	( 9,082)	( 10,476)
Profit	19,531	28,366
Profit attributable to:		
Owners of parent	19,281	28,014
Non-controlling interests	251	352
Profit	19,531	28,366
Earnings per share		
Basic earnings per share (Yen)	208.91	319.52
Diluted earnings per share (Yen)	-	-

(Consolidated statements of comprehensive income)

	The Year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	The Year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Profit	19,531	28,366
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	( 481)	13,770
Remeasurements of defined benefit plans	590	3,216
Total items that will not be reclassified to profit or loss	109	16,986
Items that may be reclassified to profit or loss		
Cash flow hedges	27	-
Exchange differences on translation of foreign operations	( 2,162)	20,208
Total items that may be reclassified to profit or loss	( 2,135)	20,208
Other comprehensive income, net of tax	( 2,026)	37,194
Comprehensive income	17,506	65,560
Comprehensive income attributable to:		
Owners of parent	17,367	64,928
Non-controlling interests	138	632
Comprehensive income	17,506	65,560

### (3) Consolidated Statements of Changes in Equity

For the year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(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	(1,020)	166,454	18,403	-	(27)	45,072	63,448	2,566	303,727
Profit	-	-	-	19,281	-	-	-	-	-	251	19,531
Other comprehensive income	-	-	-	-	(481)	591	27	(2,050)	(1,913)	(113)	(2,026)
Comprehensive income	-	-	-	19,281	(481)	591	27	(2,050)	(1,913)	138	17,506
Dividends from surplus	-	-	-	(7,917)	-	-	-	-	-	(58)	(7,974)
Purchase of treasury shares	-	(7)	(20,008)	-	-	-	-	-	-	-	(20,015)
Disposal of treasury shares	-	0	0	-	-	-	-	-	-	-	0
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Share-based payment transactions	-	48	26	-	-	-	-	-	-	-	74
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	250	250
Transfer from other components of equity to retained earnings	-	-	-	1,587	(996)	(591)	-	-	(1,587)	-	-
Total transactions with owners	-	42	(19,982)	(6,330)	(996)	(591)	-	-	(1,587)	192	(27,664)
Balance at end of current period	37,143	35,178	(21,002)	179,404	16,926	-	-	43,022	59,948	2,896	293,568

For the year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(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	35,178	(21,002)	179,404	16,926	-	-	43,022	59,948	2,896	293,568
Profit	-	-	-	28,014	-	-	-	-	-	352	28,366
Other comprehensive income	-	-	-	-	13,770	3,215	-	19,929	36,914	280	37,194
Comprehensive income	-	-	-	28,014	13,770	3,215	-	19,929	36,914	632	65,560
Dividends from surplus	-	-	-	(8,765)	-	-	-	-	-	(69)	(8,833)
Purchase of treasury shares	-	-	(7)	-	-	-	-	-	-	-	(7)
Disposal of treasury shares	-	(1)	271	-	-	-	-	-	-	-	270
Cancellation of treasury shares	-	(51)	18,896	(18,845)	-	-	-	-	-	-	-
Share-based payment transactions	-	11	77	-	-	-	-	-	-	-	87
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	8,329	(5,113)	(3,215)	-	-	(8,329)	-	-
Total transactions with owners	-	(42)	19,237	(19,281)	(5,113)	(3,215)	-	-	(8,329)	(69)	(8,482)
Balance at end of current period	37,143	35,137	(1,764)	188,138	25,582	-	-	62,951	88,533	3,459	350,646

**(4) Consolidated Statements of Cash Flows**

	(Millions of yen)	
	The Year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	The Year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
<b>Cash flows from operating activities</b>		
Profit before tax	28,614	38,842
Depreciation and amortization	13,968	14,257
Impairment losses	4,428	-
Interest and dividend income	( 4,024)	( 3,639)
Interest expenses	333	395
Decrease (increase) in trade and other receivables	3,460	( 1,671)
Increase (decrease) in trade and other payables	1,146	85
Decrease (increase) in inventories	( 1,963)	( 2,500)
Others, net	2,060	( 3,725)
Subtotal	48,021	42,043
Interest received	3,040	2,050
Dividends received	1,023	1,585
Interest paid	( 332)	( 395)
Income taxes paid	( 8,040)	( 10,280)
Net cash provided by (used in) operating activities	43,711	35,003
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	( 15,646)	( 15,446)
Proceeds from sale of property, plant and equipment	348	2,810
Purchase of investment securities	( 357)	( 204)
Proceeds from sale of investment securities	2,551	8,940
Purchase of long-term prepaid expenses	( 916)	( 2,219)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	( 1,802)	-
Payments for acquisition of businesses	-	( 1,350)
Others, net	221	( 460)
Net cash provided by (used in) investing activities	( 15,601)	( 7,930)
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term borrowings	( 64)	( 100)
Increase (decrease) in commercial papers	( 9,000)	( 1,000)
Proceeds from long-term borrowings	550	126
Repayments of long-term borrowings	( 7,227)	( 2,675)
Repayments of lease liabilities	( 1,146)	( 1,091)
Purchase of treasury shares	( 20,018)	( 7)
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	( 44,879)	( 13,581)
Effect of exchange rate changes on cash and cash equivalents	( 1,334)	7,725
Net increase (decrease) in cash and cash equivalents	( 18,102)	21,218
Cash and cash equivalents at beginning of period	121,635	103,533
Cash and cash equivalents at end of period	103,533	124,752

## (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.

### Changes in presentation methods

Consolidated Statement of Cash Flows

"Purchase of long-term prepaid expenses," which was included in "Others, net" under "Cash flows from investing activities" for the previous fiscal year, has been listed separately from the fiscal year ended March 31, 2026 due to the increased monetary significance of the item. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, "Others, net" of ¥(695) million that was presented under "Cash flows from investing activities" in the consolidated statement of cash flows for the previous fiscal year has been reclassified as "Purchase of long-term prepaid expenses" of ¥(916) million and "Others, net" of ¥221 million.

### 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 year ended March 31, 2025 (From April 1, 2024 to March 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	91,336	105,463	107,203	771	304,773	-	304,773
Intersegment	-	178	13	2	193	(193)	-
Total revenue	91,336	105,641	107,216	773	304,966	(193)	304,773
Segment profit (loss) (Business profit) (Note 1)	17,988	5,256	11,782	67	35,093	(4,256)	30,837
Segment assets	134,913	127,987	115,969	1,350	380,219	37,559	417,778
Other items							
Depreciation and amortization (Note 4)	3,558	5,208	4,701	60	13,527	441	13,968
Impairment losses	-	4,211	1	-	4,212	217	4,428
Capital expenditures (Note 4)	5,308	6,688	5,083	155	17,233	411	17,644

(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. Amounts in "Adjustment" are as follows:
  - (1) ¥(4,256) million for segment profit (loss) in "Adjustment" includes inter-segment elimination of ¥(14) million and corporate expenses of ¥(4,243) million unallocated to each reportable segment. Corporate expenses are mainly research and development expenses for basic research, which are not attributed to reportable segments.
  - (2) ¥37,559 million for Segment assets in "Adjustment" includes inter-segment elimination of ¥(144) million and corporate assets of ¥37,703 million unallocated to each reportable segment. Corporate assets are mainly consists of investment securities, and the assets related to basic research and management department.
  - (3) ¥217 million for Capital expenditures in "Adjustments" is mainly contributed by basic research and management department.
  - (4) ¥411 million for Capital expenditures in "Adjustments" is mainly contributed by basic research and management department.
4. Depreciation and amortization, and Capital expenditures include amounts related to right-of-use assets.

For the year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(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	106,396	105,490	107,189	792	319,867	-	319,867
Intersegment	1	219	1	-	222	(222)	-
Total revenue	106,397	105,710	107,191	792	320,089	(222)	319,867
Segment profit (loss) (Business profit) (Note 1)	20,714	6,224	12,902	79	39,919	(5,428)	34,490
Segment assets	168,549	142,495	123,806	1,370	436,221	47,946	484,167
Other items							
Depreciation and amortization (Note 4)	4,192	5,039	4,475	74	13,779	478	14,257
Impairment losses	-	-	-	-	-	-	-
Capital expenditures (Note 4)	5,164	6,963	6,343	47	18,518	758	19,276

(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. Amounts in "Adjustment" are as follows:
  - (1) ¥(5,428) million for segment profit (loss) in "Adjustment" includes inter-segment elimination of ¥24 million and corporate expenses of ¥(5,452) million unallocated to each reportable segment. Corporate expenses are mainly research and development expenses for basic research, which are not attributed to reportable segments.
  - (2) ¥47,946 million for Segment assets in "Adjustment" includes inter-segment elimination of ¥(144) million and corporate assets of ¥48,090 million unallocated to each reportable segment. Corporate assets are mainly consists of investment securities, and the assets related to basic research and management department.
  - (3) ¥758 million for Impairment Losses in "Adjustments" is mainly impairment loss within the management department of the Company.
4. Depreciation and amortization, and capital expenditures include amounts related to right-of-use assets.

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

(Millions of yen)

	For the year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	For the year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Segment profit (loss)	30,837	34,490
Other income	764	2,665
Other expenses	( 6,809)	( 1,678)
Operating profit	24,792	35,478
Finance income	4,154	3,759
Finance costs	( 333)	( 395)
Profit before tax	28,614	38,842

(Related information)

Information about geographical areas

(Revenue)

For the year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

Japan	Asia		North America	Europe and others	Total
	China	Others			
110,706	62,290	63,897	35,466	32,414	304,773

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

For the year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

Japan	Asia		North America	Europe and others	Total
	China	Others			
112,929	69,460	68,943	35,520	33,015	319,867

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

**Earnings per Share**

Basic earnings per share

	For the year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	For the year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Profit attributable to owners of parent (Millions of yen)	19,281	28,014
Average number of outstanding shares during the period (thousands of shares)	92,292	87,675
Basic earnings per share (Yen)	208.91	319.52

(Note) Diluted earnings per share are not stated since there were no potential dilutive securities.

**Significant Subsequent Events**

Not applicable.