

# Financial Results of FY2024

**May 12, 2025**

**Sumitomo Bakelite Co., Ltd.**

**Representative Director, President Kazuhiko Fujiwara**



# Outline of Financial Results of FY2024

# Financial Results of FY2024 (Y/Y)

[Unit: Billion yen]

	FY2023 (1)	FY2024 (2)	Variance (Y/Y)	
			(2)-(1)	Ratio
Revenue	287.3	304.8	17.5	6.1%
Business Profit <sup>*1</sup>	27.5	30.8	3.4	12.3%
Operating Profit	27.2	24.8	-2.4 <sup>*2</sup>	-8.9%
Profit attributable to owners of parent	21.8	19.3	-2.6 <sup>*3</sup>	-11.7%
ROE	7.8%	6.5%	-	-

\*1 "Business profit" is calculated by deducting "Cost of sales" and "Selling, general and administrative expenses" from "Revenue".

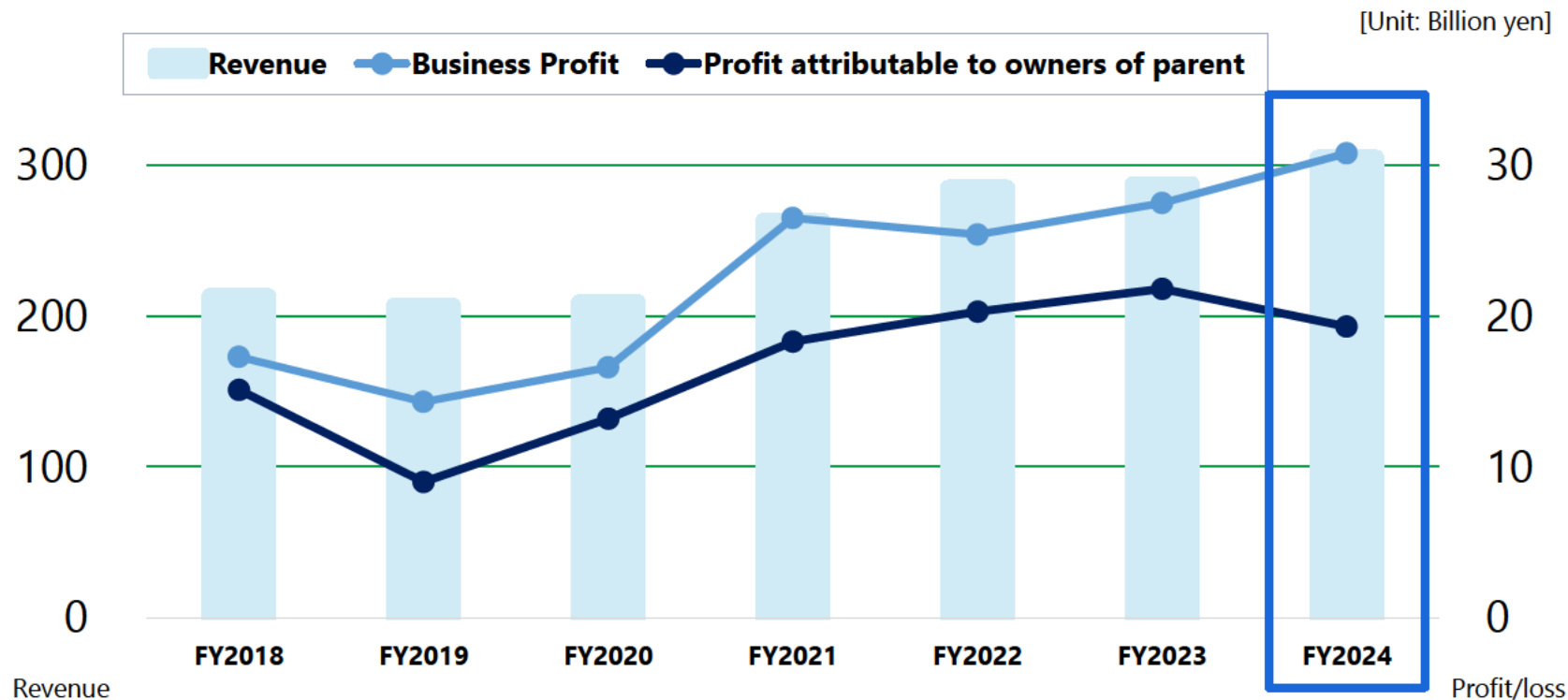
\*2 "Other expenses" includes 5.5 billion yen for the impairment loss of a North America-based subsidiary related to phenolic products and a loss on disposal of fixed assets ,etc. in association with the optimization of production bases in Japan and overseas and productivity improvement in High Performance Plastics segment.

FOREX	FY2023	FY2024
JPY / USD	144.40	152.48
JPY / EUR	156.80	163.62

\*3 Since a new policy on dividends from overseas affiliates applies from the current quarter onwards, corporate tax expense of 1.5 billion yen was posted in connection with the policy change, which in turn led to a rise in the corporate tax payment rate.

# Revenue and Profit/loss (Fiscal Year Trends)

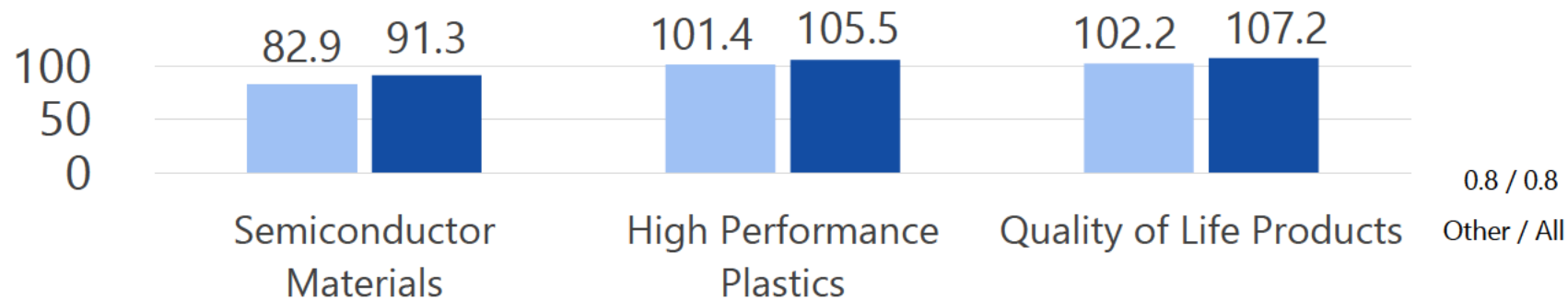
Sales revenue and business profit exceeded 300 billion yen and 30 billion yen for the first time, achieving a new record.



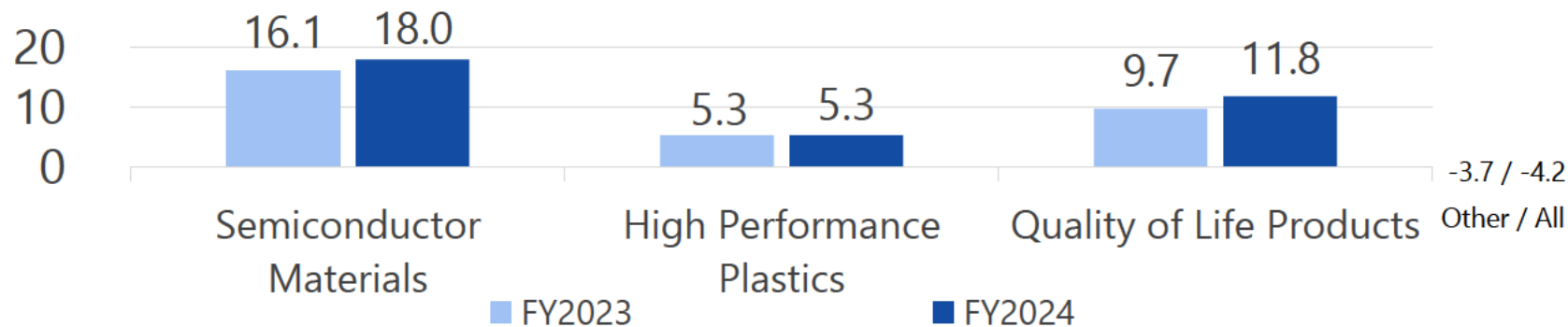
# Revenue and Business Profit by Business Segment (Y/Y)

[Unit: Billion yen]

## Revenue

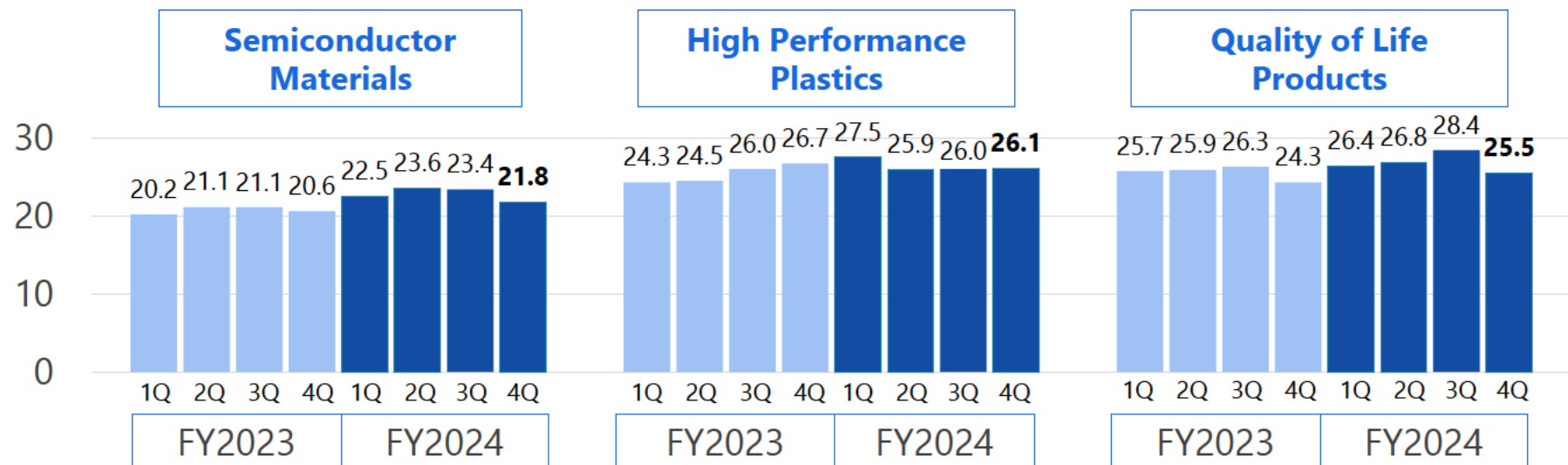


## Business Profit



# Quarterly Revenue by Business Segment

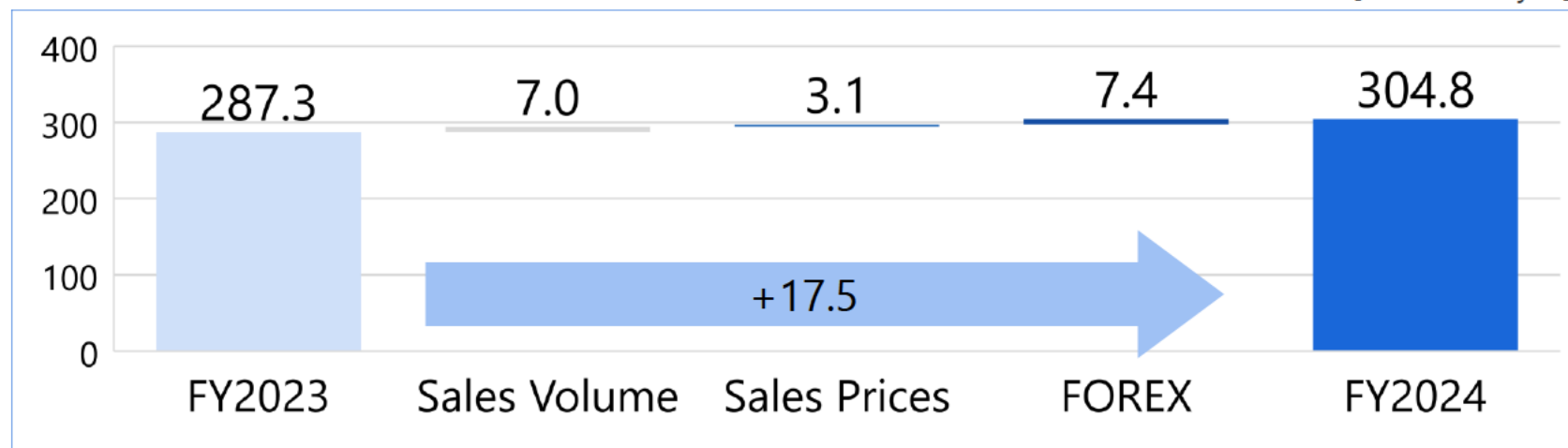
[Unit: Billion yen]



- **Semiconductor Materials** : There were impact of the reduced operating days due to Chinese new year, sales revenue in China market kept at high level.
- **High Performance Plastics** : Recovery from the impact of strikes in our customer's company in the aircraft interior business is progressing.
- **Quality of Life Products** : There are some seasonal factors, however, the fundamental trend remained the same.

# Analysis of Revenue (Y/Y)

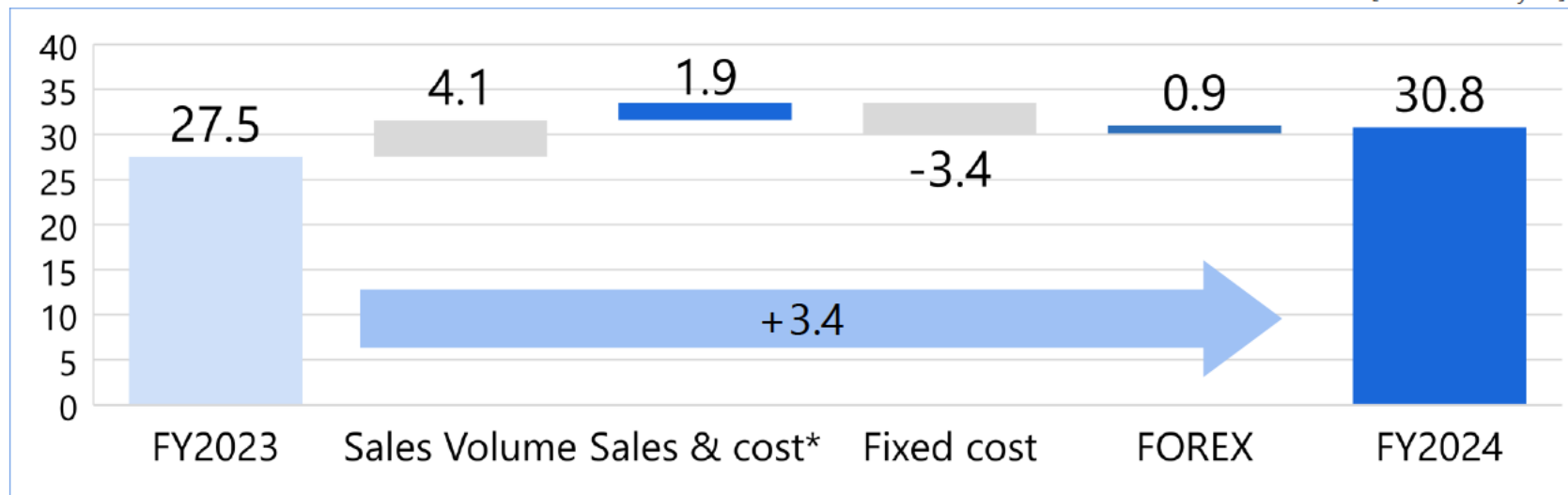
[Unit: Billion yen]



Segment	Sales Volume	Sales Prices	FOREX	Total
Semiconductor Materials	+4.6	+0.8	+3.0	+8.4
High Performance Plastics	-0.2	+0.7	+3.6	+4.1
Quality of Life Products	+2.6	+1.6	+0.8	+5.0

# Analysis of Business Profit (Y/Y)

[Unit: Billion yen]



\*Cost is the total of raw material and other variable costs.

Segment	Sales Volume	Sales & cost*	Fixed cost	FOREX	Total
Semiconductor Materials	+2.6	+0.4	-1.7	+0.6	+1.8
High Performance Plastics	+1.2	+0.5	-1.9	+0.2	-0.0
Quality of Life Products	+0.5	+1.0	+0.4	+0.1	+2.1
Others	-0.2	0.0	-0.3	+0.0	-0.5



# Financial Forecast for FY2025

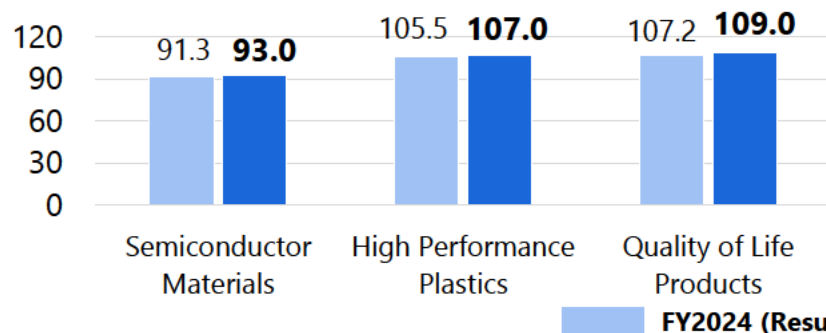
# Financial Forecasts for FY2025 (Y/Y)

[Unit: Billion yen]

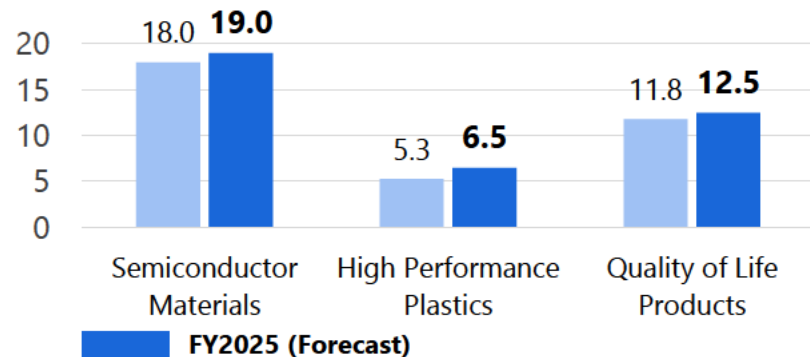
	FY2024 Result (1)	FY2025 Forecast (2)	Variance	
			(2)-(1)	Ratio
Forex ( JPY / USD )	152.48	143.00		
Revenue	304.8	<b>310.0</b>	5.2	1.7%
Business Profit	30.8	<b>32.5</b>	1.7	5.4%
Operating Profit	24.8	<b>31.0</b>	6.2	25.0%
Profit attributable to owners of the parent	19.3	<b>23.5</b>	4.2	21.9%

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

## Revenue



## Business Profit

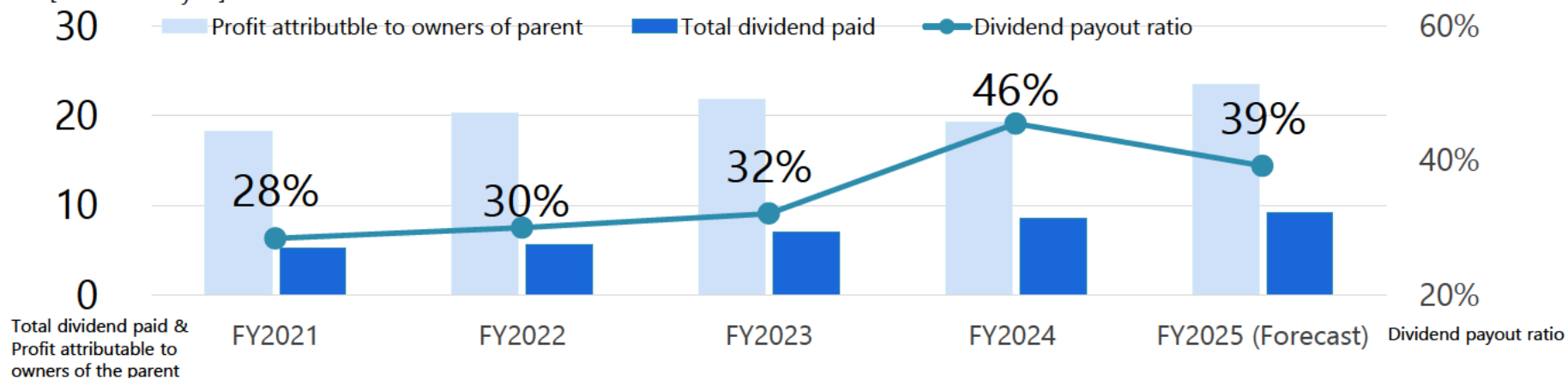


# Shareholder Returns

■ Dividends Forecast (FY2025) : 105.00 yen per share (Interim 50 yen / Year-end 55 yen)

**Dividends per share forecast is increased by 10 yen from FY2024**

[Unit: Billion yen]



## Stable and continuous distribution of profits to shareholders

Dividends (yen) /share	FY2021	FY2022	FY2023	FY2024**1	FY2025 (Forecast)
Interim	50.00	60.00	70.00	45.00	<b>50.00</b>
Year-end	60.00	70.00	80.00	<b>50.00</b> *2	<b>55.00</b>
<b>Total</b>	<b>110.00</b>	<b>130.00</b>	<b>150.00</b>	<b>95.00</b>	<b>105.00</b>

\*1: A two-for-one common stock split was issued on April 1, 2024. The amounts before FY2023 are on a pre-split basis.

\*2: 5.00 yen of Commemorative Dividend for 70th Anniversary of Founding on March 1, 2025 is included.

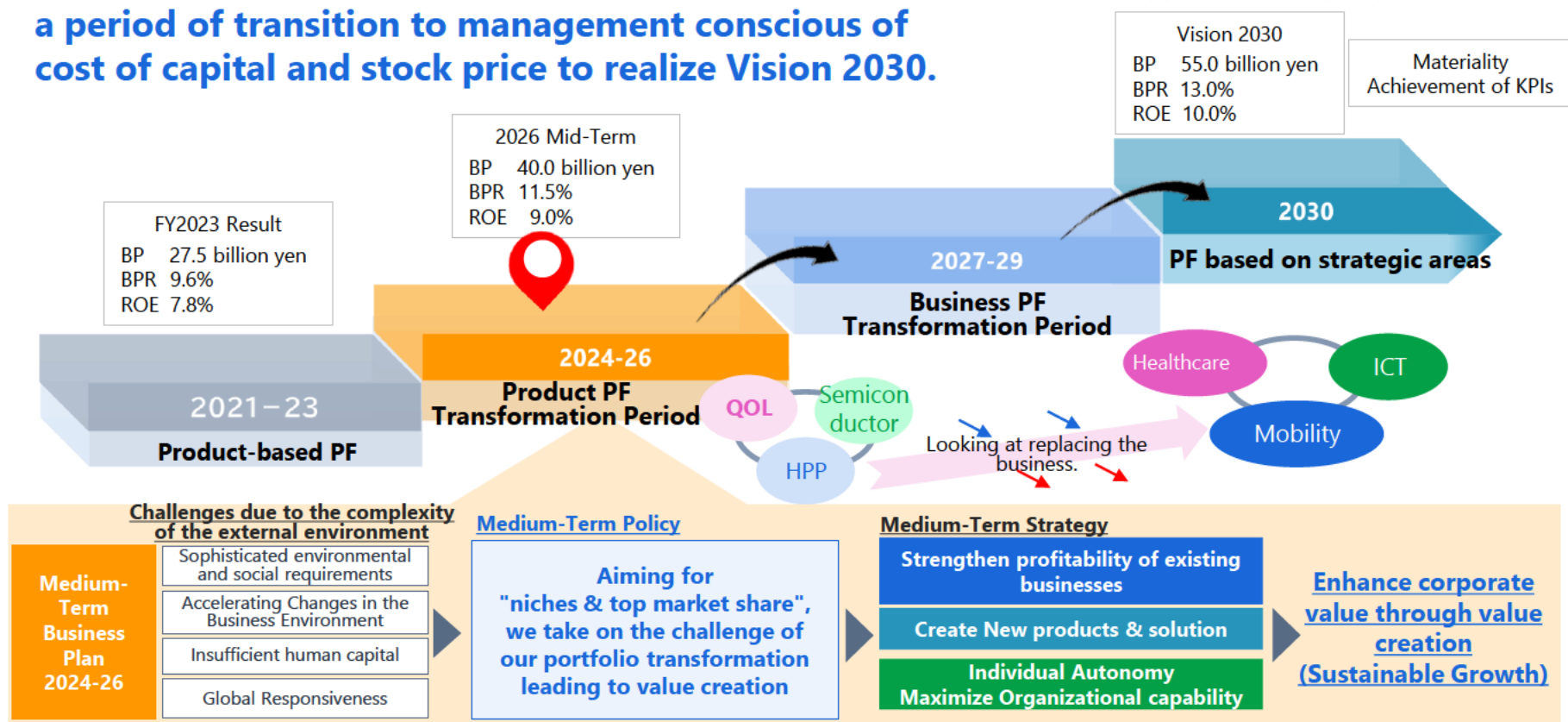


## **Progress of Medium-Term Business Plan**

# Positioning of Medium-Term Business Plan 2024-26

a period of transition to management conscious of cost of capital and stock price to realize Vision 2030.

BP(R)=Business Profit (Ratio), PF=Portfolio



# Materiality Issues

To achieve Vision 2030, we address 12 materiality issues

## Materiality Issues



Creation of environmental and social values

### Carbon Neutral Initiatives

- Technology and product development
- Reduction of GHG emissions

Promote technology and product development in the fields of Resources, Energy Creation / Energy Conservation, Longevity, 3R, and Environmental- Friendliness

2030 GHG Emissions Reduction Target:  
48% reduction from FY2021

**FY2024 (preliminary result) : 45%**

### Contribution to SDGs

Set on "6+1" priority areas and promote SDGs contribution  
Sales revenue ratio of SDG-contributing Products  
FY2030 Target : 70%

**FY2024 (preliminary result) : 63.5%**

## Value creation accelerators



Co-creation with customers



Innovation



Human capital



Digital transformation

## Foundation for business continuity



Health and Safety



Cybersecurity



Product liability



Respect for human rights



Compliance



Sustainable procurement



Corporate governance



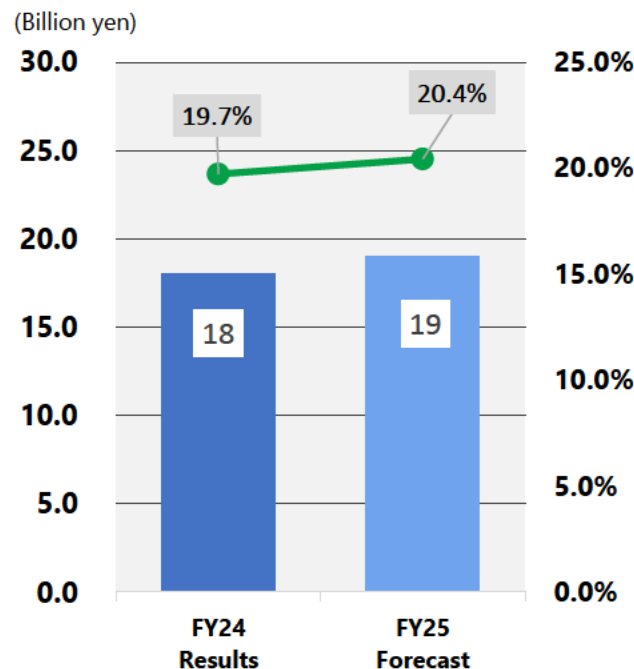
## **Review of FY2024 and Initiatives for FY2025 in Each Segment**

# Semiconductor Materials

## FY2025 Forecast

**Business profit: 19 billion yen**

**Business profit margin: 20.4%**  
(Sales revenue: 93 billion yen)



Business profit/Business profit margin

## Summary of Fiscal Year 2024

- The Chinese market performed well
- Demand for consumer applications in Taiwan and the automotive semiconductor market in Southeast Asia remained stagnant
- Mobility 3 products compensated for the slowdown in EVs with increased demand for hybrid vehicles (HVs)
- Accelerated development of materials for next-generation AI and power semiconductors
  - [Encapsulants \(MUF, granular, liquid\) / TIM \(Thermal Interface Materials\)](#)
  - [Photosensitive materials \(buffer coat, redistributed layer\) / Substrate materials](#)

## Outlook and Initiatives for Fiscal Year 2025

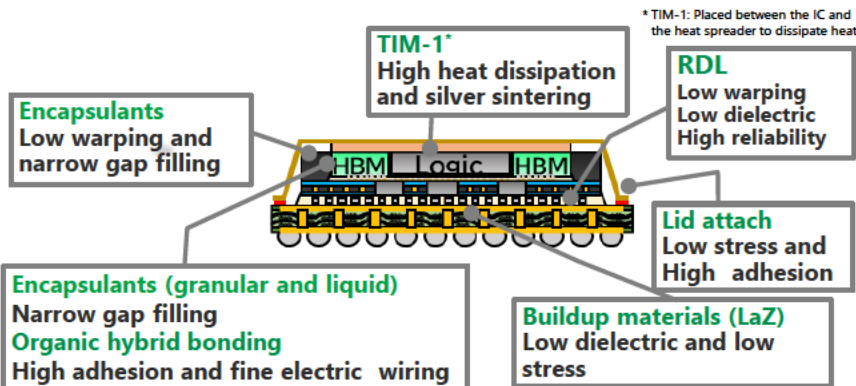
- The semiconductor market is expected to experience prolonged stagnation in Taiwan and Southeast Asia, while growth in China is anticipated to continue
- Responding to expanding demand through the full-scale operation of the new factory in China
- AI-related applications are newly expanding in the Mid-Tier segment (robots, drones, and automotive)
- Enhance the development and sales in focus areas (AI, power, and mobility)
  - [Strengthening external collaborations \(e.g., through a joint research institute with Tohoku University\) to accelerate development](#)
  - [Establishing a dedicated department for power-related materials development to meet customer needs and drive product development](#)



# Semiconductor Materials : Topics

## Materials for AI semiconductors

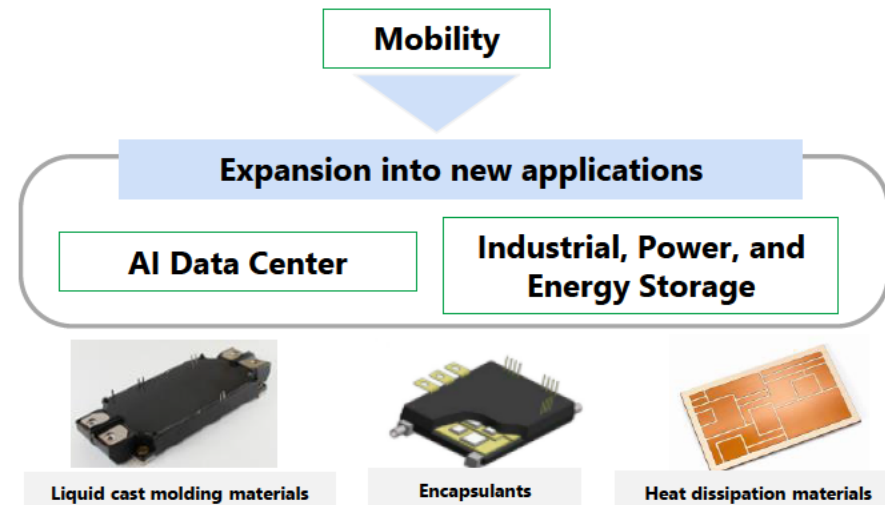
- For Edge AI: Expand sales of MUF, granular encapsulants, and RDL materials
- Strengthen development of materials for 2.5D/3D packaging
  - Encapsulants for HBM and over-mold applications (granular and liquid)
  - High thermal conductivity TIM / Low-stress build-up materials for glass substrates ( $L \propto Z$ )
  - Organic hybrid bonding for HBM
  - Granular encapsulants and RDL materials for large-scale semiconductors (PLP process: Panel Level Packaging)



Our products lineup for 2.5/3D package

## Materials for Power Electronics

- Expansion from proven mobility applications to **new applications**
- Establishment of the **Power electronics Solution Development Department**, consolidating company-wide technologies and marketing functions
- **External collaboration and proposals to customers**
  - Accelerating development across all areas of power



Proposing optimal structures and materials tailored to specific applications

# Semiconductor Materials : Topics

## Mobility

### ■ Encapsulants for stators

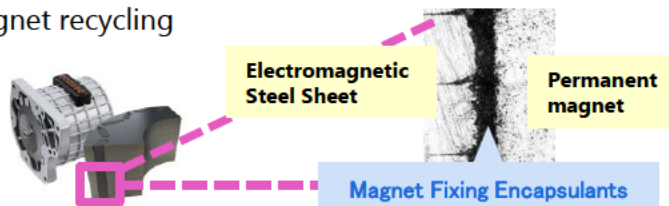
- Adoption and Sales Started in the Robotics Field
- Accelerating Development Speed through Utilization of Open Labs

### ■ ECU/TCU/Sensor direct molding compounds

- Global Expansion of TCU and Sensors
- Completed development of injection molding materials as a productivity improvement proposal

### ■ Motor magnet fixation

- Development of materials for high speed motor rotation and low heat resistant magnets
- Development of easily dismantled encapsulant suitable for permanent magnet recycling



## Expansion of the Chinese Market

Due to the trend of internal manufacturing of Semiconductor in China, the markets listed below are rapidly growing

- NEV Market
- Chinese Smartphones
- AI-related Fields
- Robotics etc.



**A New Factory in Suzhou, China**

Responding to growing demand with a new plant equipped with automation systems utilizing AI, IoT, and Robotics

# High Performance Plastics

## FY2025 Forecasts

Business profit: 6.5 billion yen

Business profit margin: 6.1%

(Revenue: 107.0 billion yen)

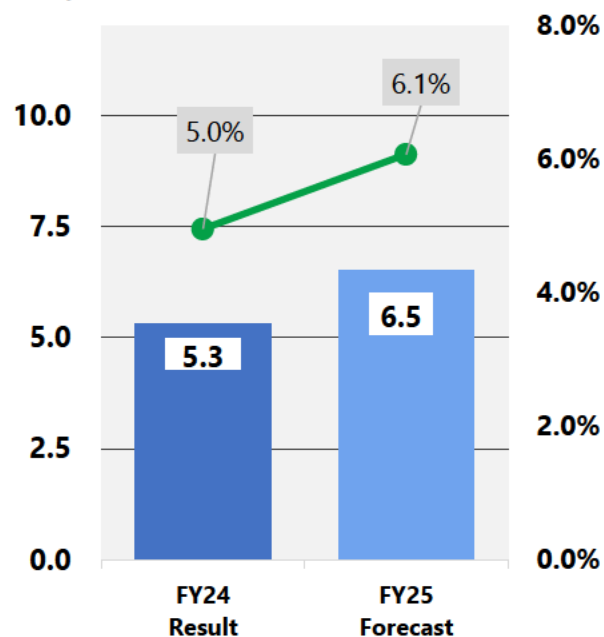
## Overview of FY2024

- New plant with cutting-edge automation equipment commenced operation in China
- Started structural reforms in each region:  
Elimination of unprofitable products and right-sizing in the North American phenol related business, and optimization of domestic facilities
- Aircraft interiors business recovered from 4Q despite the impact of customer strikes
- In China, sales of automotive molded products were strong alongside growth in PHEVs, while in Europe, sales of automotive-related products stagnated
- Built up track record in high value added products such as COPLUS and environmentally-friendly materials

## FY2025 Outlook and Initiatives

- Profitability is expected to improve in North America with the emergence of the effects of structural reforms
- Sales in China and Southeast Asia will likely be strong but sales in Europe will remain flat
- Expanding sales in strong areas (semiconductor applications, aircraft interior business, mobility, environmentally-friendly products)

(Billion yen)



Business profit/Business profit margin

# High Performance Plastics

## Transformation of the portfolio toward high-value added products

### - Expanding sales of and developing products in enhanced areas -

#### Electric vehicles (batteries, e-axes, and various electric parts)

- Developing high-voltage and high heat resistance materials in line with the advancement of electric vehicles and beginning to ship samples

#### Semiconductors

- **COPLUS™ (cyclo olefin polymer) is being used in AI semiconductor applications**
  - Business related to liquid epoxy cast molding materials for power modules is expanding
  - **Also building track record in automotive applications for heat dissipation materials.**
- The evaluation of next-generation models is underway

#### Aircraft

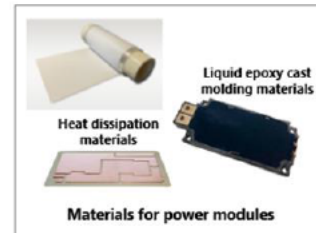
- It is anticipated that the mass production of cargo liners for Europe will begin this fiscal year. Biomass materials and other products are being actively proposed.

#### Environmentally-friendly materials

- **Ultra low monomer water-soluble phenol resin is being used in semiconductor related applications**
- **Started to propose to customers new environmentally friendly products for brakes compliant with Euro 7 regulations**



**Expanding the Applications of COPLUS®**



#### New Value

**Low Odor  
Regulation-Free  
Non Explosion Proof**

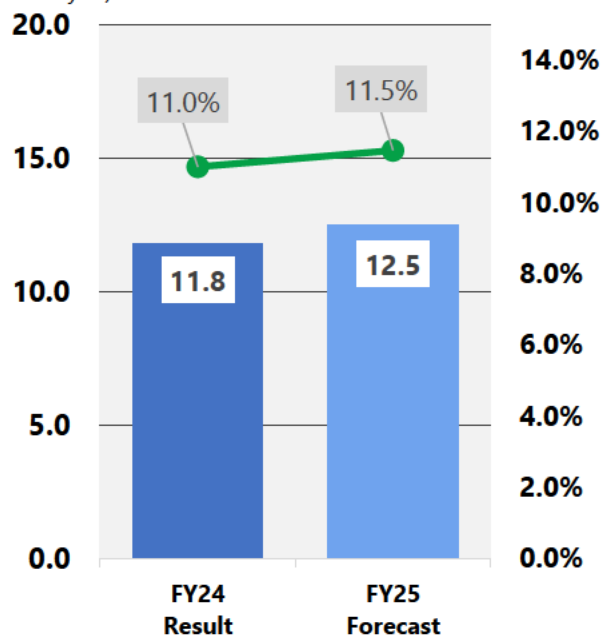
# Quality of Life Products

## FY2025 Forecasts

**Business profit: 12.5 billion yen**

**Business profit margin: 11.5%**  
(Revenue: 109.0 billion yen)

(Billion yen)



Business profit/Business profit margin

## Overview of FY2024

- [Healthcare-related] Sales of minimally invasive medical devices in North America and blood bags in Asia expanded
- [Films & sheets] Sales of cover tape grew through recovery and sales expansion in China and Asia
- [Industrial functional materials] Sales of building materials have increased due to adverse weather conditions
- [Waterproof business] Sales reached record high due to sales expansion for housing applications. Profitability improved due to increased construction efficiency

## FY2025 Outlook and Initiatives

- [Healthcare-related] Stepping up sales expansion of minimally invasive medical devices. Carrying out structural reforms
- [Films & sheets] Expanding sales through new industrial film products
- [Industrial functional materials] Improving profitability through increased sales of functional materials
- [Waterproof business] Expanding sales for new-builds and housing renovation and increasing construction efficiency

# Quality of Life Products: Topics

## [Healthcare-related] Gastrointestinal stents

Expanding lineup of bile duct, esophagus, duodenum and large intestine products



Duodenum stents



Large intestinal stents

## Vascular microcatheter

Started expanding sales for brain region



Vascular microcatheter

## In vitro diagnostic agent Trypsin

Commercialization of the first in-house developed diagnostic agent for pancreatitis



In vitro diagnostic agent Trypsin

## [Films & sheets] Pharmaceutical packaging

Starting to evaluate mono material film in European market



Monomaterials



## Food packaging (Skin packs)

Expanding uptake for beef and pork applications



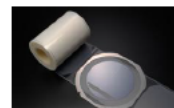
Skin pack

## Industrial films & sheets

Developing new cover tape and dicing tape products



Cover tape



Dicing tape

## [Industrial functional materials and waterproof business] Optical products for automotive applications

Expanding sales globally. Proposing differentiated products with thinness, thermal stability and color reproducibility



Automotive HUD with optical sheet

## Insulating sheets for automotive applications

Securing competitiveness through the industry's thinnest products



Substrate protective insulating sheet for automotive applications

## Waterproofing

Expanding sales of high value products such as highly durable waterproof sheets and solar anchors



Solar system installed on highly durable waterproof sheet



# Forward-looking New Projects

## BMI\* Business Development Project Team

\* BMI: Brain Machine Interface (generic term for technology that senses brain activity, allowing direct communication between the brain and external devices)

**Developing device for facilitating the use of brainwaves that has various potential applications in areas such as health care, IT and robotics**

- Launched project from FY2024
- A clinical study in epilepsy patients is currently being conducted in collaboration with co-developer
- Developing carefully designed-easy-to-use at-home EEG
- Aiming to introduce to the Japanese market in FY2027



Soft-dry electrodes made of resin (hydrogel type)



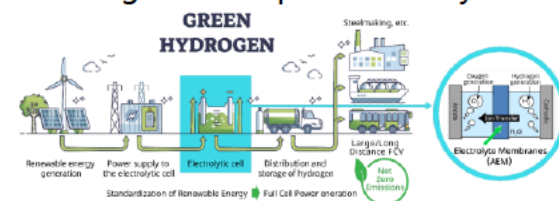
Carefully designed, easy-to-use at-home EEG



## Hydrogen Membrane Mass Production Project Team

**Developing PFAS-free ion exchange membrane enabling low cost production of green hydrogen that will contribute to a decarbonized society**

- Launched project from FY2025
- Uses PNB\* with a high degree of design freedom  
\* Polynorbornene (proprietary material)
- Successfully prototyped and is being evaluated by water electrolysis equipment manufacturers
- Aiming for mass production by FY2030



Green Hydrogen Production Process (Our material is used in electrolytic cell)



Anion Exchange Membrane (AEM) for Hydrogen Production Equipment

**Aiming to achieve early commercialization of the projects, and launch additional new projects**



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