

Summary of Consolidated Business Results for the Three Months Ended June 30, 2024 [IFRS]

August 5, 2024

Company name : Sumitomo Bakelite Co., Ltd. Stock exchanges : Tokyo
Securities code : 4203 URL : <https://www.sumibe.co.jp/english>
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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 Three Months Ended June 30, 2024

(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 2024 - June 2024	76,653	9.1	7,910	20.6	8,173	25.7	9,445	24.9	7,000	22.5
April 2023 - June 2023	70,254	(2.1)	6,562	(4.3)	6,499	(3.5)	7,564	19.1	5,712	21.3

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
April 2024 - June 2024	75.16	-
April 2023 - June 2023	60.78	-

(Note) Business profit is calculated by deducting Cost of sales and Selling, general and administrative expenses from Revenue.

A two-for-one common stock split was issued on April 1, 2024. Basic earnings per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(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 June 30, 2024	449,375	321,178	318,246	70.8
As of March 31, 2024	441,162	303,727	301,161	68.3

2. Dividends

	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
	Yen	Yen	Yen	Yen	Yen
April 2023 - March 2024	-	70.00	-	80.00	150.00
April 2024 - March 2025	-				
April 2024 - March 2025 (Forecasts)		45.00	-	45.00	90.00

(Note) Revisions of the latest dividend forecasts: None

A two-for-one common stock split was issued on April 1, 2024. For the fiscal year ended March 31, 2024, the actual dividend amount before the stock split is shown. The dividend amount for the fiscal year ending March 31, 2025, and the projected dividend amount for the fiscal year ending March 31, 2025, are shown as the figures after the stock split.

3. Consolidated Financial Forecasts for the Year Ending March 31, 2025

(% 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 2024 - March 2025	309,000	7.6	30,000	9.3	24,000	9.9	257.71

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

A two-for-one common stock split was issued on April 1, 2024. Basic earnings per share in the consolidated financial forecasts for the fiscal year ending March 31, 2025 takes into account the effect of this stock split.

[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 June 30, 2024	93,757,956	As of March 31, 2024	93,757,956
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b) Number of treasury shares

As of June 30, 2024	629,089	As of March 31, 2024	628,456
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c) Average number of outstanding shares during the period
(excluding treasury shares)

April 2024 - June 2024	93,129,152	April 2023 - June 2023	93,972,085
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(Note) A two-for-one common stock split was issued on April 1, 2024. Number of outstanding shares, number of treasury shares, and average number of outstanding shares during the period are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

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.

Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Millions of yen)

	March 31, 2024	June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	121,635	116,553
Trade and other receivables	64,981	65,318
Other financial assets	1,445	2,152
Inventories	58,848	62,857
Other current assets	3,829	4,812
Total current assets	250,739	251,694
Non-current assets		
Property, plant and equipment	122,684	128,199
Right-of-use assets	7,628	8,033
Goodwill	1,504	1,588
Other intangible assets	2,577	2,534
Other financial assets	40,866	42,135
Retirement benefit asset	12,831	12,883
Deferred tax assets	2,151	2,058
Other non-current assets	182	251
Total non-current assets	190,423	197,681
Total assets	441,162	449,375

(Millions of yen)

	March 31, 2024	June 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	33,050	22,457
Trade and other payables	54,893	53,403
Other financial liabilities	1,510	1,675
Income taxes payable	3,590	3,790
Provisions	181	183
Other current liabilities	1,033	852
Total current liabilities	94,256	82,358
Non-current liabilities		
Borrowings	15,476	15,852
Other financial liabilities	3,767	4,016
Retirement benefit liability	3,839	4,271
Provisions	1,337	1,470
Deferred tax liabilities	18,232	19,685
Other non-current liabilities	528	545
Total non-current liabilities	43,178	45,838
Total liabilities	137,435	128,197
Equity		
Share capital	37,143	37,143
Capital surplus	35,137	35,137
Treasury shares	(1,020)	(1,023)
Other components of equity	63,448	76,995
Retained earnings	166,454	169,994
Total equity attributable to owners of parent	301,161	318,246
Non-controlling interests	2,566	2,932
Total equity	303,727	321,178
Total liabilities and equity	441,162	449,375

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

(Millions of yen)

	Three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)
Revenue	70,254	76,653
Cost of sales	(49,666)	(53,067)
Gross profit	20,588	23,586
Selling, general and administrative expenses	(14,026)	(15,675)
Business profit	6,562	7,910
Other income	19	487
Other expenses	(81)	(224)
Operating profit	6,499	8,173
Finance income	1,178	1,344
Finance costs	(114)	(71)
Profit before tax	7,564	9,445
Income tax expenses	(1,814)	(2,424)
Profit	5,750	7,021
Profit attributable to:		
Owners of parent	5,712	7,000
Non-controlling interests	38	21
Profit	5,750	7,021
Earnings per share		
Basic earnings per share (Yen)	60.78	75.16
Diluted earnings per share (Yen)	-	-

(Condensed quarterly consolidated statements of comprehensive income)

	Three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)
Profit	5,750	7,021
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	2,216	1,462
Remeasurements of defined benefit plans	(7)	-
Total items that will not be reclassified to profit or loss	2,209	1,462
Items that may be reclassified to profit or loss		
Cash flow hedges	1	1
Exchange differences on translation of foreign operations	11,793	12,473
Total items that may be reclassified to profit or loss	11,795	12,473
Other comprehensive income, net of tax	14,003	13,935
Comprehensive income	19,753	20,956
Comprehensive income attributable to:		
Owners of parent	19,560	20,813
Non-controlling interests	193	144
Comprehensive income	19,753	20,956

(3) Condensed Quarterly Consolidated Statements of Changes in Equity
For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)

(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						
					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	(6,799)	155,403	9,463	-	(41)	25,053	34,475	2,333	257,692
Profit	-	-	-	5,712	-	-	-	-	-	38	5,750
Other comprehensive income	-	-	-	-	2,216	(7)	1	11,638	13,848	155	14,003
Comprehensive income	-	-	-	5,712	2,216	(7)	1	11,638	13,848	193	19,753
Dividends from surplus	-	-	-	(3,294)	-	-	-	-	-	(80)	(3,374)
Purchase of treasury shares	-	-	(1,109)	-	-	-	-	-	-	-	(1,109)
Disposal of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	8	(16)	7	-	-	(8)	-	-
Total transactions with owners	-	-	(1,109)	(3,286)	(16)	7	-	-	(8)	(80)	(4,483)
Balance at end of current period	37,143	35,137	(7,909)	157,829	11,663	-	(40)	36,691	48,315	2,446	272,962

For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)

(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	-	-	-	7,000	-	-	-	-	-	21	7,021
Other comprehensive income	-	-	-	-	1,462	-	1	12,350	13,813	122	13,935
Comprehensive income	-	-	-	7,000	1,462	-	1	12,350	13,813	144	20,956
Dividends from surplus	-	-	-	(3,725)	-	-	-	-	-	(28)	(3,753)
Purchase of treasury shares	-	-	(3)	-	-	-	-	-	-	-	(3)
Disposal of treasury shares	-	0	0	-	-	-	-	-	-	-	0
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	250	250
Transfer from other components of equity to retained earnings	-	-	-	265	(265)	-	-	-	(265)	-	-
Total transactions with owners	-	0	(3)	(3,460)	(265)	-	-	-	(265)	223	(3,505)
Balance at end of current period	37,143	35,137	(1,023)	169,994	19,600	-	(27)	57,422	76,995	2,932	321,178

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)
Cash flows from operating activities		
Profit before tax	7,564	9,445
Depreciation and amortization	3,307	3,519
Interest and dividend income	(935)	(1,294)
Interest expenses	114	71
Decrease (increase) in trade and other receivables	(732)	(153)
Increase (decrease) in trade and other payables	(1,875)	(2,390)
Decrease (increase) in inventories	1,269	20
Others, net	(688)	530
Subtotal	8,024	9,748
Interest received	574	790
Dividends received	312	498
Interest paid	(104)	(68)
Income taxes paid	(1,657)	(2,043)
Net cash provided by (used in) operating activities	7,148	8,925
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,391)	(3,319)
Proceeds from sale of property, plant and equipment	16	22
Purchase of investment securities	(4)	(79)
Proceeds from sale of investment securities	31	769
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(1,809)
Proceeds from withdrawal of time deposits	1,052	-
Others, net	(116)	(128)
Net cash provided by (used in) investing activities	(3,412)	(4,544)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(350)	(9)
Increase (decrease) in commercial papers	5,000	(11,000)
Proceeds from long-term borrowings	1,033	259
Repayments of long-term borrowings	(2)	(3)
Repayments of lease liabilities	(250)	(280)
Purchase of treasury shares	(1,109)	(3)
Dividends paid	(3,294)	(3,725)
Dividends paid to non-controlling interests	(80)	(28)
Others, net	-	0
Net cash provided by (used in) financing activities	948	(14,788)
Effect of exchange rate changes on cash and cash equivalents	5,388	5,325
Net increase (decrease) in cash and cash equivalents	10,073	(5,082)
Cash and cash equivalents at beginning of period	99,620	121,635
Cash and cash equivalents at end of period	109,692	116,553

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 three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)

(Millions of yen)

	Reportable segments			Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products				
Revenue							
External customers	20,159	24,252	25,669	174	70,254	-	70,254
Intersegment	-	50	0	-	51	(51)	-
Total revenue	20,159	24,302	25,669	174	70,304	(51)	70,254
Segment profit (loss)	4,181	1,052	2,256	37	7,527	(965)	6,562

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

For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)

(Millions of yen)

	Reportable segments			Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products				
Revenue							
External customers	22,529	27,542	26,423	159	76,653	-	76,653
Intersegment	0	31	0	-	32	(32)	-
Total revenue	22,530	27,574	26,423	159	76,684	(32)	76,653
Segment profit (loss)	4,562	1,712	2,647	8	8,929	(1,019)	7,910

(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 three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)
Segment profit (loss)	6,562	7,910
Other income	19	487
Other expenses	(81)	(224)
Operating profit	6,499	8,173
Finance income	1,178	1,344
Finance costs	(114)	(71)
Profit before tax	7,564	9,445