

Summary of Consolidated Business Results for the Three Months Ended June 30, 2014 [Japanese GAAP]

August 5, 2014

Company name	: Sumitomo Bakelite Co., Ltd.	Stock exchanges	: Tokyo
Securities code	: 4203	URL	: http://www.sumibe.co.jp/english
Representative	: Shigeru Hayashi, President		
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Date of the submission of Quarterly Securities Report	: August 7, 2014		
Date of the start of dividend payment	: -		
Quarterly results supplementary documents	: Yes		
Quarterly results briefing	: Yes (For analysts and institutional investors)		

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

1. Consolidated Business Results for the Three Months Ended June 30, 2014

(1) Consolidated 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 2014 - June 2014	49,320	9.3	2,401	25.5	2,719	10.2	1,954	25.4
April 2013 - June 2013	45,112	(0.7)	1,912	(4.7)	2,468	11.5	1,558	85.2

(Note) Comprehensive income April 2014 - June 2014 : 569 millions of yen (92.6)%, April 2013 - June 2013: 7,684 millions of yen 152.2%

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
April 2014 - June 2014	8.11	-
April 2013 - June 2013	6.47	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2014	260,974	148,664	56.4
As of March 31, 2014	236,825	150,344	62.9

(Reference) Equity (net assets less minority interests) June 30, 2014: 147,219 millions of yen, March 31, 2014: 148,936 millions of yen

2. Dividends

	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
	Yen	Yen	Yen	Yen	Yen
April 2013 - March 2014	-	5.00	-	5.00	10.00
April 2014 - March 2015	-				
April 2014 - March 2015 (Forecasts)		5.00	-	5.00	10.00

(Note) Revisions of the latest dividend forecasts: None

3. Consolidated Financial Forecasts for the Year Ending March 31, 2015

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
April 2014 - September 2014	100,000	6.9	5,000	24.9	5,200	14.2	2,900	3.5	12.04
April 2014 - March 2015	210,000	1.9	11,000	2.8	11,200	(2.6)	6,300	(3.0)	26.15

(Note) Revisions of the latest financial forecasts: None

[Notes]

(1) Changes in significant subsidiaries (changes in "Specified Subsidiaries" accompanying changes in scope of consolidation) during this period : None

(2) Adoption of special accounting methods for quarterly financial statements : None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatements

- a) Changes in accounting policies by revision of accounting standards : Yes
- b) Changes in accounting policies other than a) : Yes
- c) Changes in accounting estimates : Yes
- d) Retrospective restatements : None

(4) Number of outstanding stocks

(Shares)

a) Number of outstanding stocks (including treasury stocks)

As of June 30, 2014	262,952,394	As of March 31, 2014	262,952,394
As of June 30, 2014	22,066,285	As of March 31, 2014	22,064,282
April 2014 - June 2014	240,887,218	April 2013 - June 2013	240,908,587

b) Number of treasury stocks

c) Average number of outstanding stocks during the period
(excluding treasury stocks)

(Information on implementation status of quarterly review)

This "Summary of Consolidated Business Results" is not subject to quarterly review procedures based on "Financial Instruments and Exchange Act". The review procedures for the financial statements have not been completed when this summary is disclosed.

(Information on appropriate use of forecasts)

The forecasts in this summary are based on information which is available to Sumitomo Bakelite Co., Ltd. at the time of preparation and definite assumptions deemed to be reasonable. The Company's intention is not to assure realization of the forecasts. Moreover, actual results may differ due to various factors.

(Information on this "Summary of Consolidated Business Results")

This "Summary of Consolidated Business Results" is extracted and translated, solely for readers' convenience, from a Japanese version which is prepared in accordance with accounting policies and practices generally accepted in Japan ("Japanese GAAP"). Japanese GAAP are different from International Financial Reporting Standards and standards in other countries in certain respects.

Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Millions of yen)

	March 31, 2014	June 30, 2014
Assets		
Current assets		
Cash and deposits	41,341	36,896
Notes and accounts receivable-trade	41,932	45,334
Merchandise and finished goods	11,849	11,805
Semi-finished goods	3,449	3,398
Work in process	536	1,151
Raw materials and supplies	11,141	12,233
Others	6,005	6,237
Allowance for doubtful accounts	(55)	(56)
Total current assets	116,202	117,002
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	30,475	30,822
Machinery, equipment and vehicles, net	30,170	30,221
Others, net	26,781	27,812
Total property, plant and equipment	87,426	88,856
Intangible assets		
Goodwill	4,404	25,822
Others	1,549	2,416
Total intangible assets	5,953	28,238
Investments and other assets	27,242	26,876
Total non-current assets	120,622	143,971
Total assets	236,825	260,974

(Millions of yen)

	March 31, 2014	June 30, 2014
Liabilities		
Current liabilities		
Notes and accounts payable-trade	30,587	30,896
Short-term loans payable	5,763	23,243
Commercial paper	18,000	25,500
Income taxes payable	1,084	1,016
Provision for bonuses	2,628	1,254
Others	10,073	12,452
Total current liabilities	68,138	94,364
Non-current liabilities		
Long-term loans payable	11,300	11,300
Net defined benefit liability	3,133	3,364
Other provisions	124	107
Others	3,783	3,172
Total non-current liabilities	18,341	17,945
Total liabilities	86,480	112,309
Net assets		
Shareholders' equity		
Capital stock	37,143	37,143
Capital surplus	35,358	35,358
Retained earnings	83,169	82,875
Treasury stock	(11,940)	(11,941)
Total shareholders' equity	143,730	143,435
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,317	6,483
Foreign currency translation adjustments	(501)	(2,098)
Remeasurements of defined benefit plans	(611)	(601)
Total accumulated other comprehensive income	5,205	3,783
Minority interests	1,408	1,445
Total net assets	150,344	148,664
Total liabilities and net assets	236,825	260,974

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income
(Quarterly consolidated statements of income)

(Millions of yen)

	Three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013)	Three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014)
Net sales	45,112	49,320
Cost of sales	32,683	35,634
Gross profit	12,429	13,685
Selling, general and administrative expenses	10,516	11,284
Operating income	1,912	2,401
Non-operating income		
Interest income	28	48
Dividends income	220	205
Amortization of negative goodwill	13	-
Equity in earnings of affiliates	33	47
Foreign exchange gains	359	110
Others	62	67
Total non-operating income	717	478
Non-operating expenses		
Interest expenses	70	63
Others	90	96
Total non-operating expenses	161	160
Ordinary income	2,468	2,719
Extraordinary income		
Gain on sales of non-current assets	0	85
Gain on sales of investment securities	0	-
Total extraordinary income	1	85
Extraordinary loss		
Loss on sales and retirement of non-current assets	77	30
Loss on valuation of investment securities	-	4
Cost of business restructuring	13	-
Impairment loss	30	21
Others	22	0
Total extraordinary loss	144	57
Income before income taxes and minority interests	2,326	2,748
Income taxes-current	368	521
Income taxes-deferred	366	239
Total income taxes	734	760
Income before minority interests	1,591	1,987
Minority interests in income	32	32
Net income	1,558	1,954

(Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013)	Three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014)
Income before minority interests	1,591	1,987
Other comprehensive income		
Valuation difference on available-for-sale securities	676	165
Foreign currency translation adjustments	5,502	(1,606)
Remeasurements of defined benefit plans	(100)	9
Share of other comprehensive income of associates accounted for using equity method	15	13
Total other comprehensive income	6,093	(1,418)
Comprehensive income	7,684	569
(Comprehensive income attributable to)		
Owners of the parent	7,564	532
Minority interests	120	36

Segment Information

I Three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013) (Millions of yen)

	Reportable segments				Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products	Subtotal				
Sales								
Outside customers	11,102	18,565	15,278	44,946	165	45,112	-	45,112
Inter-segment	-	96	-	96	-	96	(96)	-
Total sales	11,102	18,662	15,278	45,043	165	45,209	(96)	45,112
Segment income (loss)	1,169	869	785	2,823	(26)	2,797	(884)	1,912

II Three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014) (Millions of yen)

	Reportable segments				Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products	Subtotal				
Sales								
Outside customers	11,907	21,507	15,738	49,153	166	49,320	-	49,320
Inter-segment	-	88	0	89	-	89	(89)	-
Total sales	11,907	21,596	15,739	49,242	166	49,409	(89)	49,320
Segment income (loss)	1,597	1,145	423	3,166	(15)	3,150	(749)	2,401

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
Quality of life products	Medical devices, Melamine resin decorative and fireproof laminates, 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