

Summary of Consolidated Business Results for the Nine Months Ended December 31, 2015 [Japanese GAAP]

February 5, 2016

Company name : Sumitomo Bakelite Co., Ltd.	Stock exchanges : Tokyo
Securities code : 4203	URL : http://www.sumibe.co.jp/english
Representative : Shigeru Hayashi, President	
Contact person : Susumu Yamaguchi, Manager of Accounting Dept., Corporate Finance & Planning Div. TEL +81-3-5462-4111	
Date of the submission of Quarterly Securities Report : February 9, 2016	
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 Nine Months Ended December 31, 2015

(1) Consolidated financial results (% represents year-over-year increase (decrease).)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
April 2015 - December 2015	156,947	2.5	8,473	10.0	8,887	11.0	3,285	(36.3)
April 2014 - December 2014	153,162	8.3	7,700	25.8	8,004	15.9	5,159	14.3

(Note) Comprehensive income April 2015 - December 2015 : 1,052 millions of yen (94.7)%, April 2014 - December 2014: 19,824 millions of yen (9.6)%

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
April 2015 - December 2015	13.67		-	
April 2014 - December 2014	21.42		-	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2015	275,542		167,421		60.2	
As of March 31, 2015	285,927		170,949		59.2	

(Reference) Equity (net assets less non-controlling interests) December 31, 2015 : 165,803 millions of yen, March 31, 2015 : 169,215 millions of yen

2. Dividends

	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
	Yen				
April 2014 - March 2015	-	5.00	-	5.00	10.00
April 2015 - March 2016	-	5.00	-	-	-
April 2015 - March 2016 (Forecasts)	-	-	-	5.00	10.00

(Note) Revisions of the latest dividend forecasts: None

3. Consolidated Financial Forecasts for the Year Ending March 31, 2016

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
April 2015 - March 2016	210,000	0.2	11,000	0.9	11,500	2.1	4,200	(41.0)	17.55	

(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) : None
 - c) Changes in accounting estimates : None
 - d) Retrospective restatements : None

(4) Number of outstanding stocks

(Shares)

- a) Number of outstanding stocks (including treasury stocks)
- b) Number of treasury stocks
- c) Average number of outstanding stocks during the period (excluding treasury stocks)

As of December 31, 2015	262,952,394	As of March 31, 2015	262,952,394
As of December 31, 2015	22,565,639	As of March 31, 2015	22,085,400
April 2015 - December 2015	240,275,889	April 2014 - December 2014	240,880,676

(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, 2015	December 31, 2015
Assets		
Current assets		
Cash and deposits	49,966	46,371
Notes and accounts receivable-trade	44,766	45,598
Merchandise and finished goods	13,267	13,323
Semi-finished goods	3,870	3,871
Work in process	1,222	1,666
Raw materials and supplies	12,725	12,419
Others	6,475	6,134
Allowance for doubtful accounts	(62)	(56)
Total current assets	132,231	129,328
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	31,691	32,567
Machinery, equipment and vehicles, net	35,165	38,723
Others, net	25,840	18,652
Total property, plant and equipment	92,698	89,942
Intangible assets		
Goodwill	28,060	26,716
Others	2,429	2,262
Total intangible assets	30,489	28,978
Investments and other assets	30,508	27,292
Total non-current assets	153,696	146,213
Total assets	285,927	275,542

(Millions of yen)

	March 31, 2015	December 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	29,721	27,992
Short-term loans payable	7,979	7,265
Commercial paper	18,000	14,000
Income taxes payable	1,283	1,271
Provision for bonuses	2,895	1,380
Others	10,824	12,545
Total current liabilities	70,703	64,455
Non-current liabilities		
Long-term loans payable	35,086	35,094
Net defined benefit liability	3,643	3,770
Other provisions	82	82
Others	5,461	4,718
Total non-current liabilities	44,273	43,665
Total liabilities	114,977	108,120
Net assets		
Shareholders' equity		
Capital stock	37,143	37,143
Capital surplus	35,358	35,358
Retained earnings	86,829	88,004
Treasury stock	(11,949)	(14,240)
Total shareholders' equity	147,381	146,265
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,643	7,340
Foreign currency translation adjustments	14,270	13,282
Remeasurements of defined benefit plans	(1,080)	(1,084)
Total accumulated other comprehensive income	21,833	19,537
Non-controlling interests	1,734	1,618
Total net assets	170,949	167,421
Total liabilities and net assets	285,927	275,542

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

(Millions of yen)

	Nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)	Nine months ended December 31, 2015 (From April 1, 2015 to December 31, 2015)
Net sales	153,162	156,947
Cost of sales	110,137	111,115
Gross profit	43,024	45,831
Selling, general and administrative expenses	35,323	37,357
Operating income	7,700	8,473
Non-operating income		
Interest income	148	196
Dividends income	399	388
Equity in earnings of affiliates	176	172
Foreign exchange gains	35	227
Others	108	144
Total non-operating income	868	1,129
Non-operating expenses		
Interest expenses	227	231
Taxes and dues	-	228
Others	337	255
Total non-operating expenses	564	715
Ordinary income	8,004	8,887
Extraordinary income		
Gain on sales of non-current assets	106	11
Gain on sales of investment securities	-	1,232
Insurance income	-	401
Others	3	-
Total extraordinary income	109	1,644
Extraordinary loss		
Loss on sales and retirement of non-current assets	425	167
Loss on valuation of investment securities	4	-
Cost of business restructuring	-	2,255
Loss on disaster	-	230
Impairment loss	21	1,302
Others	6	7
Total extraordinary loss	458	3,963
Income before income taxes and non-controlling interests	7,655	6,569
Income taxes-current	1,806	2,704
Income taxes-deferred	580	458
Total income taxes	2,387	3,163
Profit	5,268	3,405
Profit attributable to non-controlling interests	108	120
Profit attributable to owners of parent	5,159	3,285

(Quarterly consolidated statements of comprehensive income)

	(Millions of yen)	
	Nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)	Nine months ended December 31, 2015 (From April 1, 2015 to December 31, 2015)
Profit	5,268	3,405
Other comprehensive income		
Valuation difference on available-for-sale securities	760	(1,306)
Foreign currency translation adjustments	13,889	(988)
Remeasurements of defined benefit plans	(105)	(2)
Share of other comprehensive income of associates accounted for using equity method	12	(55)
Total other comprehensive income	14,556	(2,353)
Comprehensive income	19,824	1,052
(Comprehensive income attributable to)		
Owners of parent	19,521	985
Non-controlling interests	302	66

Segment Information

I Nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)

(Millions of yen)

	Reportable segments				Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products	Subtotal				
Sales								
Outside customers	35,975	67,446	49,210	152,632	529	153,162	-	153,162
Inter-segment	-	268	0	269	-	269	(269)	-
Total sales	35,975	67,715	49,211	152,902	529	153,431	(269)	153,162
Segment income	4,579	3,300	2,028	9,907	9	9,917	(2,216)	7,700

II Nine months ended December 31, 2015 (From April 1, 2015 to December 31, 2015)

(Millions of yen)

	Reportable segments				Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products	Subtotal				
Sales								
Outside customers	34,782	69,324	52,312	156,419	527	156,947	-	156,947
Inter-segment	-	203	0	204	-	204	(204)	-
Total sales	34,782	69,528	52,312	156,623	527	157,151	(204)	156,947
Segment income	4,536	3,436	2,789	10,761	120	10,882	(2,408)	8,473

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, 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