

**Summary of Consolidated Business Results
for the Six Months Ended September 30, 2017 [Japanese GAAP]**

November 13, 2017

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 Date of the start of dividend payment : December 1, 2017
 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 Six Months Ended September 30, 2017

(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 2017 - September 2017	104,786	7.6	9,403	29.2	9,666	29.0	6,702	27.7
April 2016 - September 2016	97,392	(7.8)	7,278	51.2	7,494	49.1	5,246	148.2

(Note) Comprehensive income April 2017 - September 2017: 11,828 millions of yen - %, April 2016 - September 2016: (7,338) millions of yen - %

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
April 2017 - September 2017	28.48	-
April 2016 - September 2016	22.29	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2017	277,167	177,633	63.5
As of March 31, 2017	263,742	167,167	62.7

(Reference) Equity (net assets less non-controlling interests) September 30, 2017 : 175,869 millions of yen, March 31, 2017 : 165,353 millions of yen

2. Dividends

	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
	Yen	Yen	Yen	Yen	Yen
April 2016 - March 2017	-	5.00	-	5.00	10.00
April 2017 - March 2018	-	6.00			
April 2017 - March 2018 (Forecasts)			-	6.00	12.00

(Note) Revisions of the latest dividend forecasts: None

3. Consolidated Financial Forecasts for the Year Ending March 31, 2018

(% 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 2017 - March 2018	210,000	6.0	18,000	6.6	18,400	6.2	11,500	8.3	48.87

(Note) Revisions of the latest consolidated 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 : None
 - 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 September 30, 2017	247,952,394	As of March 31, 2017	247,952,394
As of September 30, 2017	12,623,542	As of March 31, 2017	12,615,524
April 2017 - September 2017	235,333,861	April 2016 - September 2016	235,349,502

(Information on implementation status of quarterly review)

This "Summary of Consolidated Business Results" is not subject to quarterly review procedures.

(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, 2017	September 30, 2017
Assets		
Current assets		
Cash and deposits	49,733	53,754
Notes and accounts receivable-trade	42,450	46,745
Merchandise and finished goods	11,996	12,168
Semi-finished goods	4,145	3,787
Work in process	1,296	1,570
Raw materials and supplies	11,737	12,338
Others	7,138	7,335
Allowance for doubtful accounts	(55)	(60)
Total current assets	128,442	137,639
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	31,113	31,325
Machinery, equipment and vehicles, net	37,596	38,122
Others, net	16,776	17,977
Total property, plant and equipment	85,486	87,425
Intangible assets		
Goodwill	23,089	22,497
Others	1,647	1,600
Total intangible assets	24,737	24,097
Investments and other assets	25,075	28,004
Total non-current assets	135,299	139,527
Total assets	263,742	277,167

(Millions of yen)

	March 31, 2017	September 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable-trade	28,258	28,862
Short-term loans payable	5,115	5,119
Current portion of long-term loans payable	3,480	3,480
Commercial paper	1,000	2,000
Income taxes payable	2,549	2,347
Provision for bonuses	2,747	2,757
Other provision	162	86
Others	10,705	11,102
Total current liabilities	54,019	55,756
Non-current liabilities		
Long-term loans payable	33,537	33,299
Net defined benefit liability	2,855	2,880
Other provision	194	194
Others	5,967	7,403
Total non-current liabilities	42,554	43,777
Total liabilities	96,574	99,534
Net assets		
Shareholders' equity		
Capital stock	37,143	37,143
Capital surplus	35,358	35,358
Retained earnings	88,801	94,327
Treasury stock	(6,741)	(6,748)
Total shareholders' equity	154,561	160,080
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,451	9,323
Foreign currency translation adjustments	3,879	7,014
Remeasurements of defined benefit plans	(538)	(548)
Total accumulated other comprehensive income	10,792	15,788
Non-controlling interests	1,813	1,763
Total net assets	167,167	177,633
Total liabilities and net assets	263,742	277,167

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

(Millions of yen)

	Six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)	Six months ended September 30, 2017 (From April 1, 2017 to September 30, 2017)
Net sales	97,392	104,786
Cost of sales	66,735	71,762
Gross profit	30,657	33,023
Selling, general and administrative expenses	23,378	23,619
Operating income	7,278	9,403
Non-operating income		
Interest income	92	172
Dividends income	208	237
Equity in earnings of affiliates	95	13
Foreign exchange gains	-	48
Others	129	104
Total non-operating income	526	577
Non-operating expenses		
Interest expenses	124	126
Foreign exchange losses	30	-
Others	156	187
Total non-operating expenses	311	314
Ordinary income	7,494	9,666
Extraordinary income		
Gain on sales of non-current assets	4	40
Gain on sales of investment securities	247	-
Total extraordinary income	252	40
Extraordinary loss		
Loss on sales and retirement of non-current assets	181	109
Loss on valuation of investment securities	10	88
Cost of business restructuring	-	66
Others	1	0
Total extraordinary loss	193	265
Profit before income taxes and non-controlling interests	7,553	9,441
Income taxes-current	1,685	1,847
Income taxes-deferred	477	768
Total income taxes	2,163	2,615
Profit	5,390	6,825
Profit attributable to non-controlling interests	143	123
Profit attributable to owners of parent	5,246	6,702

(Quarterly consolidated statements of comprehensive income)

	(Millions of yen)	
	Six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)	Six months ended September 30, 2017 (From April 1, 2017 to September 30, 2017)
Profit	5,390	6,825
Other comprehensive income		
Valuation difference on available-for-sale securities	(242)	1,871
Foreign currency translation adjustments	(12,531)	3,155
Remeasurements of defined benefit plans	85	2
Share of other comprehensive income of associates accounted for using equity method	(39)	(27)
Total other comprehensive income	(12,728)	5,002
Comprehensive income	(7,338)	11,828
(Comprehensive income attributable to)		
Owners of parent	(7,343)	11,698
Non-controlling interests	5	129

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)	Six months ended September 30, 2017 (From April 1, 2017 to September 30, 2017)
Cash flows from operating activities		
Income before income taxes and non-controlling interests	7,553	9,441
Depreciation and amortization	4,913	4,899
Amortization of goodwill	725	752
Increase (decrease) in net defined benefit asset and liability	(246)	(268)
(Gain) loss on sale or disposal of property, plant and equipment	176	69
Interest and dividend income	(301)	(410)
Interest expenses	124	126
(Gain) loss on sales of investment securities	(247)	-
(Gain) loss on devaluation of investment securities	10	88
(Increase) decrease in notes and accounts receivable	(529)	(3,758)
(Increase) decrease in inventories	196	(166)
(Increase) decrease in other current assets	728	(144)
Increase (decrease) in notes and accounts payable	680	352
Increase (decrease) in other current liabilities	(1,019)	12
Others, net	24	23
Subtotal	12,788	11,018
Interest and dividends income received	323	423
Interest paid	(121)	(128)
Income taxes paid	(1,659)	(1,818)
Net cash provided by (used in) operating activities	11,331	9,493
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,209)	(4,901)
Proceeds from sales of property, plant and equipment	14	60
Purchase of investment securities	(167)	(108)
Proceeds from sales of investment securities	360	3
Collection of long-term loans receivable	1,411	18
Others, net	(675)	(582)
Net cash provided by (used in) investing activities	(2,266)	(5,510)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	467	(14)
Increase (decrease) in commercial papers	(5,000)	1,000
Repayment of long-term loans payable	(240)	(240)
Cash dividends paid	(1,176)	(1,176)
Cash dividends paid to non-controlling interests	(85)	(179)
Others, net	(34)	(29)
Net cash provided by (used in) financing activities	(6,068)	(640)
Effect of exchange rate changes on cash and cash equivalents	(3,574)	906
Net increase (decrease) in cash and cash equivalents	(578)	4,249
Cash and cash equivalents at beginning of year	44,868	49,497
Cash and cash equivalents at end of period	44,290	53,746

Segment Information

I Six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)

(Millions of yen)

	Reportable segments				Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products	Subtotal				
Sales								
Outside customers	23,353	41,814	31,856	97,024	368	97,392	-	97,392
Inter-segment	-	65	0	65	-	65	(65)	-
Total sales	23,353	41,879	31,857	97,090	368	97,458	(65)	97,392
Segment income	3,774	3,098	1,730	8,604	101	8,705	(1,426)	7,278

II Six months ended September 30, 2017 (From April 1, 2017 to September 30, 2017)

(Millions of yen)

	Reportable segments				Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products	Subtotal				
Sales								
Outside customers	25,650	45,551	33,257	104,458	328	104,786	-	104,786
Inter-segment	-	68	0	69	-	69	(69)	-
Total sales	25,650	45,619	33,257	104,527	328	104,855	(69)	104,786
Segment income	4,608	3,429	2,742	10,779	112	10,892	(1,488)	9,403

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, 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 plates 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