

[Notes]

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

(2) Changes in accounting policies and changes in accounting estimates

- a) Changes in accounting policies required by IFRS : Yes
- 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 September 30, 2019	49,590,478	As of March 31, 2019	49,590,478
b) Number of treasury shares	As of September 30, 2019	2,530,715	As of March 31, 2019	2,530,175
c) Average number of outstanding shares during the period (excluding treasury shares)	April 2019 - September 2019	47,060,027	April 2018 - September 2018	47,062,952

(Note) As the share consolidation of each 5 shares of common shares into 1 share was exercised effective on October 1, 2018, average number of outstanding shares during the period is calculated on the assumption that the share consolidation had been exercised on April 1, 2018.

(Information on implementation status of quarterly review)

This "Summary of Consolidated Business Results" is not subject to quarterly review procedures by certificated public accountants or audit firm.

(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, 2019	September 30, 2019
Assets		
Current assets		
Cash and cash equivalents	59,640	61,904
Trade and other receivables	47,858	47,205
Other financial assets	1,174	17
Inventories	34,825	35,225
Other current assets	3,274	2,788
Total current assets	146,771	147,140
Non-current assets		
Property, plant and equipment	95,488	93,168
Right-of-use assets	-	4,252
Goodwill	2,557	2,458
Other intangible assets	1,489	2,130
Investments accounted for using equity method	8,829	9,037
Other financial assets	26,059	24,430
Retirement benefit asset	1,175	1,220
Deferred tax assets	1,085	1,383
Other non-current assets	1,444	385
Total non-current assets	138,126	138,462
Total assets	284,898	285,602

(Millions of yen)

March 31, 2019

September 30, 2019

Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	18,499	18,431
Trade and other payables	45,492	43,433
Other financial liabilities	60	1,038
Income taxes payable	1,739	2,219
Provisions	1,114	1,079
Other current liabilities	351	425
Total current liabilities	67,256	66,625
Non-current liabilities		
Borrowings	26,902	26,428
Other financial liabilities	102	2,104
Retirement benefit liability	2,774	2,727
Provisions	566	559
Deferred tax liabilities	6,433	6,288
Other non-current liabilities	230	225
Total non-current liabilities	37,006	38,331
Total liabilities	104,263	104,956
Equity		
Share capital	37,143	37,143
Capital surplus	35,359	35,359
Treasury shares	(6,775)	(6,777)
Other components of equity	6,692	1,493
Retained earnings	106,399	111,448
Total equity attributable to owners of parent	178,818	178,667
Non-controlling interests	1,816	1,978
Total equity	180,635	180,645
Total liabilities and equity	284,898	285,602

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

(Millions of yen)

	Six months ended September 30, 2018 (From April 1, 2018 to September 30, 2018)	Six months ended September 30, 2019 (From April 1, 2019 to September 30, 2019)
Revenue	108,339	104,982
Cost of sales	(75,780)	(73,235)
Gross profit	32,559	31,746
Selling, general and administrative expenses	(23,058)	(23,278)
Business profit	9,501	8,468
Other income	201	127
Other expenses	(568)	(285)
Operating profit	9,134	8,311
Finance income	617	772
Finance costs	(99)	(163)
Share of profit (loss) of investments accounted for using equity method	(7)	123
Profit before tax	9,645	9,043
Income tax expenses	(2,547)	(1,761)
Profit	7,098	7,281
Profit attributable to:		
Owners of parent	6,984	7,286
Non-controlling interests	113	(5)
Profit	7,098	7,281
Earnings per share		
Basic earnings per share (Yen)	148.41	154.82
Diluted earnings per share (Yen)	-	-

(Condensed quarterly consolidated statements of comprehensive income)

	(Millions of yen)	
	Six months ended September 30, 2018 (From April 1, 2018 to September 30, 2018)	Six months ended September 30, 2019 (From April 1, 2019 to September 30, 2019)
Profit	7,098	7,281
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,141	(551)
Remeasurements of defined benefit plans	-	(0)
Share of other comprehensive income of investments accounted for using equity method	(2)	175
Total items that will not be reclassified to profit or loss	1,139	(376)
Items that may be reclassified to profit or loss		
Cash flow hedges	21	23
Exchange differences on translation of foreign operations	3,698	(5,320)
Share of other comprehensive income of investments accounted for using equity method	(34)	(58)
Total items that may be reclassified to profit or loss	3,685	(5,355)
Other comprehensive income, net of tax	4,824	(5,731)
Comprehensive income	11,922	1,550
Comprehensive income attributable to:		
Owners of parent	11,761	1,615
Non-controlling interests	161	(65)
Comprehensive income	11,922	1,550

(3) Condensed Quarterly Consolidated Statements of Changes in Equity
For the six months ended September 30, 2018 (From April 1, 2018 to September 30, 2018)

(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	35,358	(6,758)	95,536	10,734	-	(242)	(3,321)	7,171	1,812	170,262
Profit	-	-	-	6,984	-	-	-	-	-	113	7,098
Other comprehensive income	-	-	-	-	1,141	(2)	21	3,616	4,776	48	4,824
Comprehensive income	-	-	-	6,984	1,141	(2)	21	3,616	4,776	161	11,922
Dividends from surplus	-	-	-	(1,412)	-	-	-	-	-	(154)	(1,566)
Purchase of treasury shares	-	-	(8)	-	-	-	-	-	-	-	(8)
Change due to new consolidation of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	17	(19)	2	-	-	(17)	-	-
Total transactions with owners	-	-	(8)	(1,395)	(19)	2	-	-	(17)	(154)	(1,574)
Balance at end of current period	37,143	35,358	(6,766)	101,125	11,856	-	(221)	295	11,930	1,819	180,610

For the six months ended September 30, 2019 (From April 1, 2019 to September 30, 2019)

(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	35,359	(6,775)	106,399	9,362	-	(239)	(2,431)	6,692	1,816	180,635
Profit	-	-	-	7,286	-	-	-	-	-	(5)	7,281
Other comprehensive income	-	-	-	-	(390)	15	23	(5,318)	(5,671)	(61)	(5,731)
Comprehensive income	-	-	-	7,286	(390)	15	23	(5,318)	(5,671)	(65)	1,550
Dividends from surplus	-	-	-	(1,765)	-	-	-	-	-	(125)	(1,889)
Purchase of treasury shares	-	-	(2)	-	-	-	-	-	-	-	(2)
Change due to new consolidation of subsidiaries	-	-	-	-	-	-	-	-	-	352	352
Transfer from other components of equity to retained earnings	-	-	-	(471)	486	(15)	-	-	471	-	-
Total transactions with owners	-	-	(2)	(2,236)	486	(15)	-	-	471	227	(1,539)
Balance at end of current period	37,143	35,359	(6,777)	111,448	9,458	-	(216)	(7,748)	1,493	1,978	180,645

(4) Condensed Quarterly Consolidated Statements of Cash Flows

	(Millions of yen)	
	Six months ended September 30, 2018 (From April 1, 2018 to September 30, 2018)	Six months ended September 30, 2019 (From April 1, 2019 to September 30, 2019)
Cash flows from operating activities		
Profit before tax	9,645	9,043
Depreciation and amortization	5,009	5,519
Interest and dividend income	(612)	(734)
Interest expenses	99	163
Decrease (increase) in trade and other receivables	(463)	237
Increase (decrease) in trade and other payables	(698)	(2,336)
Decrease (increase) in inventories	(967)	(151)
Others, net	(147)	646
Subtotal	11,865	12,388
Interest received	322	418
Dividends received	296	351
Interest paid	(99)	(162)
Income taxes paid	(2,044)	(1,479)
Net cash provided by (used in) operating activities	10,340	11,515
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,156)	(4,976)
Proceeds from sale of property, plant and equipment	184	39
Purchase of investment securities	(348)	(114)
Proceeds from sale of investment securities	34	111
Others, net	(568)	53
Net cash provided by (used in) investing activities	(5,854)	(4,885)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	80	(109)
Increase (decrease) in commercial papers	(2,000)	6,500
Repayments of long-term borrowings	(241)	(6,425)
Repayments of lease liabilities	-	(373)
Dividends paid	(1,412)	(1,765)
Dividends paid to non-controlling interests	(154)	(125)
Others, net	(26)	(2)
Net cash provided by (used in) financing activities	(3,753)	(2,298)
Effect of exchange rate changes on cash and cash equivalents	1,668	(2,067)
Net increase (decrease) in cash and cash equivalents	2,401	2,263
Cash and cash equivalents at beginning of period	56,559	59,640
Cash and cash equivalents at end of period	58,961	61,904

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, 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 six months ended September 30, 2018 (From April 1, 2018 to September 30, 2018)

(Millions of yen)

	Reportable segments			Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products				
Revenue							
External customers	26,127	47,712	34,142	358	108,339	-	108,339
Intersegment	-	82	0	-	83	(83)	-
Total revenue	26,127	47,794	34,142	358	108,422	(83)	108,339
Segment profit (Business profit)	4,846	3,591	2,463	98	10,997	(1,496)	9,501

For the six months ended September 30, 2019 (From April 1, 2019 to September 30, 2019)

(Millions of yen)

	Reportable segments			Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products				
Revenue							
External customers	24,821	43,438	36,384	339	104,982	-	104,982
Intersegment	-	65	0	-	65	(65)	-
Total revenue	24,821	43,503	36,384	339	105,047	(65)	104,982
Segment profit (Business profit)	4,130	2,679	3,191	64	10,063	(1,595)	8,468

Reconciliation from "Segment profit" to "Profit before tax"

	For the six months ended September 30, 2018 (From April 1, 2018 to September 30, 2018)	For the six months ended September 30, 2019 (From April 1, 2019 to September 30, 2019)
Segment profit	9,501	8,468
Other income	201	127
Other expenses	(568)	(285)
Operating profit	9,134	8,311
Finance income	617	772
Finance costs	(99)	(163)
Share of profit (loss) of investments accounted for using equity method	(7)	123
Profit before tax	9,645	9,043