

Summary of Consolidated Business Results for the Six Months Ended September 30, 2013 [Japanese GAAP]

November 6, 2013

Company name : Sumitomo Bakelite Co., Ltd.	Stock exchanges	: Tokyo
Securities code : 4203	URL	: http://www.sumibe.co.jp/english
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Date of the submission of Quarterly Securities Report	: November 8, 2013
Date of the start of dividend payment	: December 2, 2013
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, 2013

(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 2013 - September 2013	93,520	1.5	4,001	(12.1)	4,555	(7.0)	2,802	41.4
April 2012 - September 2012	92,144	(3.3)	4,552	6.7	4,896	(5.7)	1,981	(45.2)

(Note) Comprehensive income April 2013 - September 2013: 13,619 millions of yen 794.2%, April 2012 - September 2012: 1,523 millions of yen (53.9)%

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
April 2013 - September 2013	11.63	-
April 2012 - September 2012	8.22	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2013	230,187	143,720	61.8
As of March 31, 2013	213,826	131,311	60.8

(Reference) Equity (net assets less minority interests) September 30, 2013: 142,251 millions of yen, March 31, 2013: 130,044 millions of yen

2. Dividends

	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
	Yen	Yen	Yen	Yen	Yen
April 2012 - March 2013	-	5.00	-	5.00	10.00
April 2013 - March 2014	-	5.00			
April 2013 - March 2014 (Forecasts)			-	5.00	10.00

(Note) Revisions of the latest dividend forecasts: None

3. Consolidated Financial Forecasts for the Year Ending March 31, 2014

(% 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 2013 - March 2014	200,000	9.1	10,000	25.7	10,600	24.0	6,400	85.9	26.57

(Note) Revisions of the latest financial forecasts: Yes

[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)	As of September 30, 2013	262,952,394	As of March 31, 2013	262,952,394
b) Number of treasury stocks	As of September 30, 2013	22,053,557	As of March 31, 2013	22,042,713
c) Average number of outstanding stocks during the period (excluding treasury stocks)	April 2013 - September 2013	240,905,367	April 2012 - September 2012	240,916,706

(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, 2013	September 30, 2013
Assets		
Current assets		
Cash and deposits	32,056	36,548
Notes and accounts receivable-trade	40,673	42,141
Merchandise and finished goods	10,950	11,276
Semi-finished goods	3,107	3,304
Work in process	559	612
Raw materials and supplies	10,459	10,514
Others	7,140	6,734
Allowance for doubtful accounts	(70)	(54)
Total current assets	104,877	111,078
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,774	30,288
Machinery, equipment and vehicles, net	27,254	28,766
Others, net	23,257	27,247
Total property, plant and equipment	80,286	86,302
Intangible assets		
Goodwill	4,557	4,518
Others	1,523	1,550
Total intangible assets	6,080	6,068
Investments and other assets	22,582	26,737
Total non-current assets	108,949	119,109
Total assets	213,826	230,187

(Millions of yen)

	March 31, 2013	September 30, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	28,649	28,848
Short-term loans payable	9,853	10,266
Commercial paper	12,000	17,000
Income taxes payable	813	1,045
Provision for bonuses	2,558	2,527
Provision for cost of business restructuring	207	92
Others	12,953	10,403
Total current liabilities	67,035	70,183
Non-current liabilities		
Long-term loans payable	7,700	7,250
Provision for retirement benefits	5,399	5,238
Other provisions	177	124
Negative goodwill	52	26
Others	2,149	3,644
Total non-current liabilities	15,479	16,283
Total liabilities	82,515	86,467
Net assets		
Shareholders' equity		
Capital stock	37,143	37,143
Capital surplus	35,358	35,358
Retained earnings	79,085	80,683
Treasury stock	(11,932)	(11,936)
Total shareholders' equity	139,654	141,247
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,226	6,280
Foreign currency translation adjustments	(12,672)	(3,953)
Postretirement liability adjustments for foreign consolidated subsidiaries	(1,163)	(1,324)
Total accumulated other comprehensive income	(9,609)	1,003
Minority interests	1,266	1,469
Total net assets	131,311	143,720
Total liabilities and net assets	213,826	230,187

(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, 2012 (From April 1, 2012 to September 30, 2012)	Six months ended September 30, 2013 (From April 1, 2013 to September 30, 2013)
Net sales	92,144	93,520
Cost of sales	65,725	67,968
Gross profit	26,418	25,552
Selling, general and administrative expenses	21,866	21,550
Operating income	4,552	4,001
Non-operating income		
Interest income	57	61
Dividends income	210	230
Amortization of negative goodwill	95	26
Equity in earnings of affiliates	-	68
Foreign exchange gains	127	372
Others	212	114
Total non-operating income	704	872
Non-operating expenses		
Interest expenses	161	140
Equity in losses of affiliates	14	-
Others	183	178
Total non-operating expenses	359	319
Ordinary income	4,896	4,555
Extraordinary income		
Gain on sales of non-current assets	312	1
Gain on sales of investment securities	-	4
Insurance income	59	-
Others	-	1
Total extraordinary income	372	7
Extraordinary loss		
Loss on sales and retirement of non-current assets	633	176
Loss on valuation of investment securities	163	0
Cost of business restructuring	70	17
Impairment loss	593	30
Others	36	28
Total extraordinary loss	1,496	254
Income before income taxes and minority interests	3,771	4,308
Income taxes-current	1,215	904
Income taxes-deferred	461	545
Total income taxes	1,676	1,449
Income before minority interests	2,095	2,858
Minority interests in income	113	56
Net income	1,981	2,802

(Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2012 (From April 1, 2012 to September 30, 2012)	Six months ended September 30, 2013 (From April 1, 2013 to September 30, 2013)
Income before minority interests	2,095	2,858
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,324)	2,054
Foreign currency translation adjustments	366	8,849
Postretirement liability adjustments for foreign consolidated subsidiaries	389	(161)
Share of other comprehensive income of associates accounted for using equity method	(3)	18
Total other comprehensive income	(571)	10,760
Comprehensive income	1,523	13,619
(Comprehensive income attributable to)		
Owners of the parent	1,369	13,414
Minority interests	153	205

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2012 (From April 1, 2012 to September 30, 2012)	Six months ended September 30, 2013 (From April 1, 2013 to September 30, 2013)
Cash flows from operating activities		
Income before income taxes and minority interests	3,771	4,308
Depreciation and amortization	5,049	4,901
Impairment loss	593	30
Increase (decrease) in employee's retirement benefits	(583)	(580)
(Gain) loss on sale or disposal of property, plant and equipment	320	174
Interest and dividend income	(267)	(292)
Interest expense	161	140
(Gain) loss on devaluation of investment securities	163	0
(Increase) decrease in notes and accounts receivable	(1,240)	85
(Increase) decrease in inventories	61	923
(Increase) decrease in other current assets	(788)	(153)
Increase (decrease) in notes and accounts payable	1,477	(543)
Increase (decrease) in other current liabilities	(170)	(776)
Others, net	(30)	(252)
Subtotal	8,517	7,966
Interest and dividends income received	274	306
Interest paid	(163)	(144)
Income taxes paid	(894)	(765)
Net cash provided by (used in) operating activities	7,733	7,363
Cash flows from investing activities		
Purchases of property, plant and equipment	(7,335)	(8,995)
Proceeds from sale of property, plant and equipment	602	4
Purchases of investment securities	(17)	(8)
Proceeds from equity transfer of subsidiary resulting in a change in scope of consolidation	755	-
Purchases of investments in subsidiaries	-	(724)
Others, net	(261)	363
Net cash provided by (used in) investing activities	(6,255)	(9,359)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(240)	360
Increase (decrease) in commercial papers	1,000	5,000
Cash dividends paid	(1,204)	(1,204)
Others, net	(522)	(468)
Net cash provided by (used in) financing activities	(967)	3,687
Effect of exchange rate changes on cash and cash equivalents	(26)	2,917
Net increase (decrease) in cash and cash equivalents	483	4,609
Cash and cash equivalents at beginning of year	26,834	31,778
Cash and cash equivalents at end of year	27,317	36,387

Segment Information

I Six months ended September 30, 2012 (From April 1, 2012 to September 30, 2012)

(Millions of yen)

	Reportable segments				Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products	Subtotal				
Sales								
Outside customers	22,713	35,427	31,643	89,784	2,359	92,144	-	92,144
Inter-segment	-	68	28	96	-	96	(96)	-
Total sales	22,713	35,495	31,672	89,881	2,359	92,241	(96)	92,144
Segment income	2,138	2,336	2,091	6,567	31	6,598	(2,046)	4,552

II Six months ended September 30, 2013 (From April 1, 2013 to September 30, 2013)

(Millions of yen)

	Reportable segments				Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products	Subtotal				
Sales								
Outside customers	23,097	38,471	31,612	93,181	339	93,520	-	93,520
Inter-segment	-	191	0	191	-	191	(191)	-
Total sales	23,097	38,662	31,612	93,372	339	93,712	(191)	93,520
Segment income (loss)	2,479	1,785	1,625	5,891	(25)	5,866	(1,864)	4,001

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