

## Summary of Consolidated Business Results for the Year Ended March 31, 2015 [Japanese GAAP]

May 11, 2015

**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.  
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**Date of the ordinary general meeting of shareholders** : June 25, 2015  
**Date of the start of dividend payment** : June 26, 2015  
**Date of the submission of Annual Securities Report** : June 25, 2015  
**Annual results supplementary documents** : Yes  
**Annual 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 Year Ended March 31, 2015

(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 - March 2015	209,659	1.8	10,904	1.9	11,263	( 2.0)	7,113	9.5
April 2013 - March 2014	206,047	12.4	10,702	34.5	11,498	34.5	6,493	88.6

(Note) Comprehensive income April 2014 - March 2015 : 24,067 millions of yen 11.4%, April 2013 - March 2014: 21,613 millions of yen 45.6%

	Net income per share (basic)	Net income per share (diluted)	Return on equity	Return on assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
April 2014 - March 2015	29.53	-	4.5	4.3	5.2
April 2013 - March 2014	26.96	-	4.7	5.1	5.2

(Reference) Equity in earnings (losses) of affiliates April 2014 - March 2015: 232 millions of yen, April 2013 - March 2014: 122 millions of yen

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2015	285,927	170,949	59.2	702.53
As of March 31, 2014	236,825	150,344	62.9	618.28

(Reference) Equity (net assets less minority interests) March 31, 2015 : 169,215 millions of yen March 31, 2014 : 148,936 millions of yen

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
April 2014 - March 2015	15,672	( 36,353)	23,467	49,966
April 2013 - March 2014	17,852	( 15,220)	2,722	41,341

### 2. Dividends

	Dividend per share					Total dividend paid	Dividend payout ratio (consolidated)	Dividend per net assets (consolidated)
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
April 2013 - March 2014	-	5.00	-	5.00	10.00	2,408	37.1	1.7
April 2014 - March 2015	-	5.00	-	5.00	10.00	2,408	33.9	1.5
April 2015 - March 2016 (Forecast)	-	5.00	-	5.00	10.00		26.2	

### 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		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
April 2015 - September 2015	113,000	13.2	6,500	36.7	6,700	35.1	4,300	31.3	17.85
April 2015 - March 2016	230,000	9.7	14,000	28.4	14,300	27.0	9,200	29.3	38.20

[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, 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

(3) Number of outstanding stocks

(shares)

a) Number of outstanding stocks (including treasury stocks)	As of March 31, 2015	262,952,394	As of March 31, 2014	262,952,394
b) Number of treasury stocks	As of March 31, 2015	22,085,400	As of March 31, 2014	22,064,282
c) Average number of outstanding stocks during the period (excluding treasury stocks)	April 2014 - March 2015	240,877,879	April 2013 - March 2014	240,899,549

(Reference) Non-consolidated Business Results for the Year Ended March 31, 2015

(1) Non-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 - March 2015	92,184	1.1	1,250	( 34.5)	9,088	36.5	8,179	87.1
April 2013 - March 2014	91,199	( 1.3)	1,910	9.4	6,659	( 33.9)	4,372	( 39.2)

	Net income per share (basic)		Net income per share (diluted)	
	Yen		Yen	
April 2014 - March 2015	33.96		-	
April 2013 - March 2014	18.15		-	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2015	218,836	127,817	58.4	530.66
As of March 31, 2014	186,069	120,838	64.9	501.64

(Reference) Equity March 31, 2015: 127,817 millions of yen, March 31, 2014: 120,838 millions of yen

(Information on implementation status of audit)

This "Summary of Consolidated Business Results" is not subject to audit procedures based on "Financial Instruments and Exchange Act". The audit 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.

Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	March 31, 2014	March 31, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	41,341	49,966
Notes and accounts receivable-trade	41,932	44,766
Merchandise and finished goods	11,849	13,267
Semi-finished goods	3,449	3,870
Work in process	536	1,222
Raw materials and supplies	11,141	12,725
Deferred tax assets	2,191	2,570
Others	3,814	3,905
Allowance for doubtful accounts	( 55)	( 62)
Total current assets	116,202	132,231
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	30,475	31,691
Machinery, equipment and vehicles, net	30,170	35,165
Land	9,915	9,504
Construction in progress	14,603	13,407
Others, net	2,262	2,928
Total property, plant and equipment	87,426	92,698
Intangible assets		
Goodwill	4,404	28,060
Others	1,549	2,429
Total intangible assets	5,953	30,489
Investments and other assets		
Investment securities	21,516	25,011
Long-term loans receivable	4,629	5,166
Net defined benefit asset	1,279	851
Deferred tax assets	650	443
Others	2,664	2,674
Allowance for doubtful accounts	( 3,498)	( 3,639)
Total investments and other assets	27,242	30,508
Total non-current assets	120,622	153,696
Total assets	236,825	285,927

(Millions of yen)

	March 31, 2014	March 31, 2015
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	30,587	29,721
Short-term loans payable	5,763	7,979
Commercial paper	18,000	18,000
Income taxes payable	1,084	1,283
Provision for bonuses	2,628	2,895
Others	10,073	10,824
Total current liabilities	68,138	70,703
Non-current liabilities		
Long-term loans payable	11,300	35,086
Deferred tax liabilities	2,949	4,702
Net defined benefit liability	3,133	3,643
Provision for environmental measures	124	82
Others	834	759
Total non-current liabilities	18,341	44,273
Total liabilities	86,480	114,977
<b>Net assets</b>		
Shareholders' equity		
Capital stock	37,143	37,143
Capital surplus	35,358	35,358
Retained earnings	83,169	86,829
Treasury stock	( 11,940)	( 11,949)
Total shareholders' equity	143,730	147,381
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,317	8,643
Foreign currency translation adjustments	( 501)	14,270
Remeasurements of defined benefit plans	( 611)	( 1,080)
Total accumulated other comprehensive income	5,205	21,833
Minority interests	1,408	1,734
Total net assets	150,344	170,949
Total liabilities and net assets	236,825	285,927

(2) Consolidated statements of income and consolidated statements of comprehensive income  
(Consolidated statements of income)

(Millions of yen)

	The year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)	The year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)
Net sales	206,047	209,659
Cost of sales	150,330	150,301
Gross profit	55,717	59,357
Selling, general and administrative expenses	45,014	48,452
Operating income	10,702	10,904
Non-operating income		
Interest income	185	205
Dividends income	378	446
Amortization of negative goodwill	52	-
Equity in earnings of affiliates	122	232
Foreign exchange gains	427	17
Others	214	205
Total non-operating income	1,380	1,108
Non-operating expenses		
Interest expenses	273	303
Others	311	445
Total non-operating expenses	585	749
Ordinary income	11,498	11,263
Extraordinary income		
Gain on sales of non-current assets	12	1,358
Insurance income	42	279
Others	7	0
Total extraordinary income	61	1,638
Extraordinary loss		
Loss on sales and retirement of non-current assets	415	493
Loss on valuation of investment securities	1	4
Cost of business restructuring	332	326
Loss on disaster	-	495
Impairment loss	184	21
Settlement	18	-
Others	67	215
Total extraordinary loss	1,019	1,557
Income before income taxes and minority interests	10,540	11,344
Income taxes-current	2,092	2,903
Income taxes-deferred	1,836	1,210
Total income taxes	3,928	4,113
Income before minority interests	6,612	7,231
Minority interests in income	118	118
Net income	6,493	7,113

## (Consolidated statements of comprehensive income)

	(Millions of yen)	
	The year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)	The year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)
Income before minority interests	6,612	7,231
Other comprehensive income		
Valuation difference on available-for-sale securities	2,091	2,325
Foreign currency translation adjustments	12,373	14,945
Remeasurements of defined benefit plans	548	( 471)
Share of other comprehensive income of associates accounted for using equity method	( 12)	35
Total other comprehensive income	15,000	16,835
Comprehensive income	21,613	24,067
(Comprehensive income attributable to)		
Owners of the parent	21,308	23,741
Minority interests	304	325

## (3) Consolidated statements of changes in net assets

The year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	37,143	35,358	79,085	( 11,932)	139,654
Cumulative effects of changes in accounting policies					-
Restated balance	37,143	35,358	79,085	( 11,932)	139,654
Changes of items during the period					
Dividends from surplus			( 2,409)		( 2,409)
Net income			6,493		6,493
Purchase of treasury stock				( 8)	( 8)
Disposal of treasury stock			( 0)	1	0
Change of scope of consolidation					-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	4,084	( 7)	4,076
Balance at end of current period	37,143	35,358	83,169	( 11,940)	143,730

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	4,226	( 12,672)	( 1,163)	( 9,609)	1,266	131,311
Cumulative effects of changes in accounting policies						-
Restated balance	4,226	( 12,672)	( 1,163)	( 9,609)	1,266	131,311
Changes of items during the period						
Dividends from surplus						( 2,409)
Net income						6,493
Purchase of treasury stock						( 8)
Disposal of treasury stock						0
Change of scope of consolidation						-
Net changes of items other than shareholders' equity	2,091	12,171	551	14,814	142	14,956
Total changes of items during the period	2,091	12,171	551	14,814	142	19,033
Balance at end of current period	6,317	( 501)	( 611)	5,205	1,408	150,344

The year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	37,143	35,358	83,169	( 11,940)	143,730
Cumulative effects of changes in accounting policies			( 1,076)		( 1,076)
Restated balance	37,143	35,358	82,093	( 11,940)	142,654
Changes of items during the period					
Dividends from surplus			( 2,408)		( 2,408)
Net income			7,113		7,113
Purchase of treasury stock				( 9)	( 9)
Disposal of treasury stock			( 0)	0	0
Change of scope of consolidation			32		32
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	4,736	( 9)	4,727
Balance at end of current period	37,143	35,358	86,829	( 11,949)	147,381

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	6,317	( 501)	( 611)	5,205	1,408	150,344
Cumulative effects of changes in accounting policies						( 1,076)
Restated balance	6,317	( 501)	( 611)	5,205	1,408	149,268
Changes of items during the period						
Dividends from surplus						( 2,408)
Net income						7,113
Purchase of treasury stock						( 9)
Disposal of treasury stock						0
Change of scope of consolidation						32
Net changes of items other than shareholders' equity	2,325	14,772	( 469)	16,628	325	16,953
Total changes of items during the period	2,325	14,772	( 469)	16,628	325	21,681
Balance at end of current period	8,643	14,270	( 1,080)	21,833	1,734	170,949



## (4) Consolidated statements of cash flows

(Millions of yen)

	The year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)	The year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	10,540	11,344
Depreciation and amortization	10,969	9,256
Impairment loss	184	21
Increase (decrease) in net defined benefit asset and liability	( 2,698)	( 1,404)
(Gain) loss on sale or disposal of property, plant and equipment	403	( 864)
Interest and dividend income	( 564)	( 652)
Interest expense	273	303
(Gain) loss on devaluation of investment securities	1	4
Cost of business restructuring	( 94)	-
(Increase) decrease in notes and accounts receivable	904	1,352
(Increase) decrease in inventories	337	( 8)
(Increase) decrease in other current assets	( 476)	( 680)
Increase (decrease) in notes and accounts payable	875	( 2,346)
Increase (decrease) in other current liabilities	( 1,059)	637
Others, net	( 10)	808
Subtotal	19,586	17,774
Interest and dividends income received	569	671
Interest paid	( 283)	( 303)
Income taxes paid	( 2,019)	( 2,470)
Net cash provided by (used in) operating activities	17,852	15,672
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	( 14,722)	( 9,810)
Proceeds from sale of property, plant and equipment	87	1,869
Purchases of investment securities	( 15)	( 16)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	( 27,991)
Purchases of investments in subsidiaries	( 725)	-
Others, net	155	( 405)
Net cash provided by (used in) investing activities	( 15,220)	( 36,353)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	244	232
Increase (decrease) in commercial papers	6,000	-
Proceeds from long-term loans payable	5,000	27,087
Repayment of long-term loans payable	( 5,900)	( 1,400)
Cash dividends paid	( 2,409)	( 2,408)
Cash dividends paid to minority shareholders	( 162)	-
Others, net	( 50)	( 44)
Net cash provided by (used in) financing activities	2,722	23,467
Effect of exchange rate changes on cash and cash equivalents	4,208	5,063
Net increase (decrease) in cash and cash equivalents	9,563	7,849
Cash and cash equivalents at beginning of year	31,778	41,341
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-	775
Cash and cash equivalents at end of year	41,341	49,966

## 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 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

I For the year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)

(Millions of yen)

	Reportable segments				Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products	Subtotal				
<b>Sales</b>								
Outside customers	53,223	87,511	64,559	205,294	753	206,047	-	206,047
Inter-segment	-	401	0	401	-	401	(401)	-
Total sales	53,223	87,913	64,560	205,696	753	206,449	(401)	206,047
Segment income (loss)	6,213	4,456	3,537	14,207	(0)	14,206	(3,504)	10,702
Segment assets	67,795	97,014	53,528	218,338	766	219,104	17,720	236,825
<b>Other items</b>								
Depreciation and amortization	3,196	4,226	2,893	10,316	93	10,409	508	10,918
Amortization of goodwill	-	415	-	415	-	415	-	415
Increase in property, plant and equipment and intangible assets	4,741	4,437	3,411	12,590	14	12,604	658	13,263

II For the year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable segments				Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products	Subtotal				
Sales								
Outside customers	47,221	94,525	67,113	208,860	798	209,659	-	209,659
Inter-segment	-	347	0	348	-	348	(348)	-
Total sales	47,221	94,873	67,114	209,208	798	210,007	(348)	209,659
Segment income	6,088	4,722	2,968	13,779	72	13,851	(2,947)	10,904
Segment assets	70,969	129,199	65,149	265,318	702	266,020	19,906	285,927
Other items								
Depreciation and amortization	2,197	4,242	2,313	8,752	45	8,798	424	9,222
Amortization of goodwill	-	1,097	193	1,291	-	1,291	-	1,291
Increase in property, plant and equipment and intangible assets	2,338	4,271	4,600	11,211	7	11,218	593	11,812

(Related information)

Information about geographical areas

(Sales)

For the year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)

(Millions of yen)

Japan	Asia		North America	Europe and others	Total
	China	Others			
88,462	32,014	49,391	17,387	18,792	206,047

For the year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

(Millions of yen)

Japan	Asia		North America	Europe and others	Total
	China	Others			
87,662	31,949	43,490	27,000	19,556	209,659