

Summary of Consolidated Business Results for the Six Months Ended September 30, 2015 [Japanese GAAP]

November 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		
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Date of the submission of Quarterly Securities Report	: November 13, 2015		
Date of the start of dividend payment	: December 1, 2015		
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, 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 - September 2015	105,608	5.8	4,813	1.2	5,025	1.3	2,114	(35.5)
April 2014 - September 2014	99,784	6.7	4,756	18.9	4,960	8.9	3,275	16.9

(Note) Comprehensive income April 2015 - September 2015: 154 millions of yen (97.8)%, April 2014 - September 2014: 7,149 millions of yen (47.5)%

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
April 2015 - September 2015	8.78		-	
April 2014 - September 2014	13.60		-	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2015	278,698		170,015		60.4	
As of March 31, 2015	285,927		170,949		59.2	

(Reference) Equity (net assets less non-controlling interests) September 30, 2015: 168,460 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)	17.44	

(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 : 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 September 30, 2015	262,952,394	As of March 31, 2015	262,952,394
As of September 30, 2015	22,093,688	As of March 31, 2015	22,085,400
April 2015 - September 2015	240,863,007	April 2014 - September 2014	240,883,894

(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	September 30, 2015
Assets		
Current assets		
Cash and deposits	49,966	48,316
Notes and accounts receivable-trade	44,766	44,866
Merchandise and finished goods	13,267	12,910
Semi-finished goods	3,870	3,943
Work in process	1,222	1,437
Raw materials and supplies	12,725	12,879
Others	6,475	6,659
Allowance for doubtful accounts	(62)	(53)
Total current assets	132,231	130,959
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	31,691	32,471
Machinery, equipment and vehicles, net	35,165	38,419
Others, net	25,840	20,156
Total property, plant and equipment	92,698	91,047
Intangible assets		
Goodwill	28,060	27,069
Others	2,429	2,340
Total intangible assets	30,489	29,410
Investments and other assets	30,508	27,280
Total non-current assets	153,696	147,738
Total assets	285,927	278,698

(Millions of yen)

	March 31, 2015	September 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	29,721	29,151
Short-term loans payable	7,979	7,432
Commercial paper	18,000	14,000
Income taxes payable	1,283	1,535
Provision for bonuses	2,895	2,867
Others	10,824	10,152
Total current liabilities	70,703	65,139
Non-current liabilities		
Long-term loans payable	35,086	35,095
Net defined benefit liability	3,643	3,753
Other provisions	82	82
Others	5,461	4,612
Total non-current liabilities	44,273	43,543
Total liabilities	114,977	108,682
Net assets		
Shareholders' equity		
Capital stock	37,143	37,143
Capital surplus	35,358	35,358
Retained earnings	86,829	88,037
Treasury stock	(11,949)	(11,953)
Total shareholders' equity	147,381	148,585
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,643	6,786
Foreign currency translation adjustments	14,270	14,167
Remeasurements of defined benefit plans	(1,080)	(1,078)
Total accumulated other comprehensive income	21,833	19,875
Non-controlling interests	1,734	1,554
Total net assets	170,949	170,015
Total liabilities and net assets	285,927	278,698

(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, 2014 (From April 1, 2014 to September 30, 2014)	Six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)
Net sales	99,784	105,608
Cost of sales	72,136	75,483
Gross profit	27,648	30,124
Selling, general and administrative expenses	22,892	25,310
Operating income	4,756	4,813
Non-operating income		
Interest income	93	151
Dividends income	251	218
Equity in earnings of affiliates	113	95
Foreign exchange gains	38	187
Others	80	86
Total non-operating income	578	739
Non-operating expenses		
Interest expenses	144	152
Taxes and dues	-	229
Others	229	146
Total non-operating expenses	374	528
Ordinary income	4,960	5,025
Extraordinary income		
Gain on sales of non-current assets	100	8
Gain on sales of investment securities	-	724
Insurance income	-	403
Others	3	-
Total extraordinary income	103	1,137
Extraordinary loss		
Loss on sales and retirement of non-current assets	390	105
Loss on valuation of investment securities	4	-
Cost of business restructuring	-	196
Loss on disaster	-	250
Impairment loss	21	1,302
Others	8	46
Total extraordinary loss	424	1,902
Income before income taxes and non-controlling interests	4,639	4,259
Income taxes-current	1,164	2,045
Income taxes-deferred	128	30
Total income taxes	1,292	2,075
Profit	3,347	2,183
Profit attributable to non-controlling interests	71	69
Profit attributable to owners of parent	3,275	2,114

(Quarterly consolidated statements of comprehensive income)

	(Millions of yen)	
	Six months ended September 30, 2014 (From April 1, 2014 to September 30, 2014)	Six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)
Profit	3,347	2,183
Other comprehensive income		
Valuation difference on available-for-sale securities	(26)	(1,860)
Foreign currency translation adjustments	3,871	(154)
Remeasurements of defined benefit plans	(38)	2
Share of other comprehensive income of associates accounted for using equity method	(3)	(17)
Total other comprehensive income	3,802	(2,029)
Comprehensive income	7,149	154
(Comprehensive income attributable to)		
Owners of parent	6,982	151
Non-controlling interests	166	2

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2014 (From April 1, 2014 to September 30, 2014)	Six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)
Cash flows from operating activities		
Income before income taxes and non-controlling interests	4,639	4,259
Depreciation and amortization	4,249	5,550
Impairment loss	21	1,302
Amortization of goodwill	205	835
Increase (decrease) in net defined benefit asset and liability	(469)	(177)
(Gain) loss on sale or disposal of property, plant and equipment	289	97
Interest and dividend income	(345)	(369)
Interest expenses	144	152
(Gain) loss on sales of investment securities	-	(724)
(Gain) loss on devaluation of investment securities	4	-
(Increase) decrease in notes and accounts receivable	(846)	41
(Increase) decrease in inventories	(153)	(82)
(Increase) decrease in other current assets	(4)	(362)
Increase (decrease) in notes and accounts payable	472	(601)
Increase (decrease) in other current liabilities	300	(1,031)
Others, net	(290)	165
Subtotal	8,218	9,056
Interest and dividends income received	348	390
Interest paid	(141)	(155)
Income taxes paid	(1,220)	(1,816)
Net cash provided by (used in) operating activities	7,204	7,474
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,799)	(4,759)
Proceeds from sales of property, plant and equipment	306	107
Purchase of investment securities	(8)	(18)
Proceeds from sales of investment securities	-	1,223
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(27,950)	-
Others, net	(279)	4
Net cash provided by (used in) investing activities	(33,731)	(3,442)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-	(117)
Increase (decrease) in commercial papers	-	(4,000)
Proceeds from long-term loans payable	26,584	7
Cash dividends paid	(1,204)	(1,204)
Cash dividends paid to non-controlling interests	-	(182)
Others, net	(473)	(471)
Net cash provided by (used in) financing activities	24,907	(5,967)
Effect of exchange rate changes on cash and cash equivalents	1,584	32
Net increase (decrease) in cash and cash equivalents	(36)	(1,902)
Cash and cash equivalents at beginning of period	41,341	49,966
Increase (decrease) in cash and cash equivalents resulting from a change of scope of consolidation	775	252
Cash and cash equivalents at end of period	42,080	48,316

Segment Information

I Six months ended September 30, 2014 (From April 1, 2014 to September 30, 2014)

(Millions of yen)

	Reportable segments				Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products	Subtotal				
Sales								
Outside customers	24,146	43,332	31,956	99,435	348	99,784	-	99,784
Inter-segment	-	187	0	188	-	188	(188)	-
Total sales	24,146	43,520	31,957	99,624	348	99,973	(188)	99,784
Segment income (loss)	3,138	2,012	1,108	6,259	(17)	6,241	(1,485)	4,756

II Six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)

(Millions of yen)

	Reportable segments				Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products	Subtotal				
Sales								
Outside customers	23,266	47,349	34,648	105,264	344	105,608	-	105,608
Inter-segment	-	133	0	134	-	134	(134)	-
Total sales	23,266	47,483	34,648	105,398	344	105,742	(134)	105,608
Segment income	2,728	2,056	1,626	6,412	65	6,477	(1,663)	4,813

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