

[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 : None

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, 2020	49,590,478	As of March 31, 2020	49,590,478
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b) Number of treasury shares

As of September 30, 2020	2,532,149	As of March 31, 2020	2,531,481
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c) Average number of outstanding shares during the period
(excluding treasury shares)

April 2020 - September 2020	47,058,742	April 2019 - September 2019	47,060,027
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(Information on implementation status of quarterly review)

This "Summary of Consolidated Business Results" is not subject to quarterly review procedures by certified 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, 2020	September 30, 2020
Assets		
Current assets		
Cash and cash equivalents	65,771	89,360
Trade and other receivables	44,828	40,579
Other financial assets	38	37
Inventories	36,478	35,049
Other current assets	3,417	3,498
Total current assets	150,533	168,522
Non-current assets		
Property, plant and equipment	90,388	89,112
Right-of-use assets	3,944	3,701
Goodwill	2,205	2,217
Other intangible assets	2,534	2,453
Investments accounted for using equity method	9,203	8,598
Other financial assets	21,264	22,979
Retirement benefit asset	1,094	974
Deferred tax assets	1,553	1,582
Other non-current assets	604	1,007
Total non-current assets	132,790	132,623
Total assets	283,322	301,145

(Millions of yen)

March 31, 2020

September 30, 2020

Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	24,368	49,878
Trade and other payables	42,892	39,151
Other financial liabilities	1,013	979
Income taxes payable	1,710	2,010
Provisions	1,008	951
Other current liabilities	689	324
Total current liabilities	71,680	93,294
Non-current liabilities		
Borrowings	21,256	14,787
Other financial liabilities	2,026	2,016
Retirement benefit liability	2,719	2,779
Provisions	550	542
Deferred tax liabilities	5,726	6,211
Other non-current liabilities	212	212
Total non-current liabilities	32,489	26,548
Total liabilities	104,168	119,841
Equity		
Share capital	37,143	37,143
Capital surplus	35,359	35,362
Treasury shares	(6,780)	(6,782)
Other components of equity	449	1,041
Retained earnings	110,967	112,701
Total equity attributable to owners of parent	177,138	179,465
Non-controlling interests	2,016	1,839
Total equity	179,154	181,304
Total liabilities and equity	283,322	301,145

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

(Millions of yen)

	Six months ended September 30, 2019 (From April 1, 2019 to September 30, 2019)	Six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)
Revenue	104,982	90,201
Cost of sales	(73,235)	(64,175)
Gross profit	31,746	26,025
Selling, general and administrative expenses	(23,278)	(21,176)
Business profit	8,468	4,849
Other income	127	81
Other expenses	(285)	(992)
Operating profit	8,311	3,938
Finance income	772	670
Finance costs	(163)	(308)
Share of profit (loss) of investments accounted for using equity method	123	(37)
Profit before tax	9,043	4,264
Income tax expenses	(1,761)	(1,084)
Profit	7,281	3,180
Profit attributable to:		
Owners of parent	7,286	3,164
Non-controlling interests	(5)	16
Profit	7,281	3,180
Earnings per share		
Basic earnings per share (Yen)	154.82	67.23
Diluted earnings per share (Yen)	-	-

(Condensed quarterly consolidated statements of comprehensive income)

	Six months ended September 30, 2019 (From April 1, 2019 to September 30, 2019)	Six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)
Profit	7,281	3,180
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(551)	1,017
Remeasurements of defined benefit plans	(0)	(1)
Share of other comprehensive income of investments accounted for using equity method	175	26
Total items that will not be reclassified to profit or loss	(376)	1,041
Items that may be reclassified to profit or loss		
Cash flow hedges	23	58
Exchange differences on translation of foreign operations	(5,320)	(492)
Share of other comprehensive income of investments accounted for using equity method	(58)	(21)
Total items that may be reclassified to profit or loss	(5,355)	(454)
Other comprehensive income, net of tax	(5,731)	587
Comprehensive income	1,550	3,766
Comprehensive income attributable to:		
Owners of parent	1,615	3,740
Non-controlling interests	(65)	27
Comprehensive income	1,550	3,766

(3) Condensed Quarterly Consolidated Statements of Changes in Equity
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
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
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

For the six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)

(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	(6,780)	110,967	7,222	-	(203)	(6,570)	449	2,016	179,154
Profit	-	-	-	3,164	-	-	-	-	-	16	3,180
Other comprehensive income	-	-	-	-	1,055	(14)	58	(524)	576	11	587
Comprehensive income	-	-	-	3,164	1,055	(14)	58	(524)	576	27	3,766
Dividends from surplus	-	-	-	(1,412)	-	-	-	-	-	(96)	(1,508)
Purchase of treasury shares	-	-	(2)	-	-	-	-	-	-	-	(2)
Change due to new consolidation of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	3	-	-	-	(1)	-	(0)	(2)	(108)	(106)
Transfer from other components of equity to retained earnings	-	-	-	(19)	3	15	-	-	19	-	-
Total transactions with owners	-	3	(2)	(1,430)	3	14	-	(0)	17	(204)	(1,617)
Balance at end of current period	37,143	35,362	(6,782)	112,701	8,280	-	(145)	(7,094)	1,041	1,839	181,304

(4) Condensed Quarterly Consolidated Statements of Cash Flows

	(Millions of yen)	
	Six months ended September 30, 2019 (From April 1, 2019 to September 30, 2019)	Six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)
Cash flows from operating activities		
Profit before tax	9,043	4,264
Depreciation and amortization	5,519	5,629
Interest and dividend income	(734)	(494)
Interest expenses	163	131
Decrease (increase) in trade and other receivables	237	4,200
Increase (decrease) in trade and other payables	(2,336)	(3,805)
Decrease (increase) in inventories	(151)	1,329
Others, net	646	785
Subtotal	12,388	12,039
Interest received	418	224
Dividends received	351	353
Interest paid	(162)	(132)
Income taxes paid	(1,479)	(1,054)
Net cash provided by (used in) operating activities	11,515	11,429
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,976)	(3,938)
Proceeds from sale of property, plant and equipment	39	175
Purchase of investment securities	(114)	(327)
Proceeds from sale of investment securities	111	-
Others, net	53	(503)
Net cash provided by (used in) investing activities	(4,885)	(4,593)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(109)	4,029
Increase (decrease) in commercial papers	6,500	15,500
Repayments of long-term borrowings	(6,425)	(244)
Repayments of lease liabilities	(373)	(378)
Dividends paid	(1,765)	(1,412)
Dividends paid to non-controlling interests	(125)	(96)
Others, net	(2)	(108)
Net cash provided by (used in) financing activities	(2,298)	17,290
Effect of exchange rate changes on cash and cash equivalents	(2,067)	(538)
Net increase (decrease) in cash and cash equivalents	2,263	23,589
Cash and cash equivalents at beginning of period	59,640	65,771
Cash and cash equivalents at end of period	61,904	89,360

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, 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 (loss)	4,130	2,679	3,191	64	10,063	(1,595)	8,468

(Note) "Segment profit (loss)" is "Business Profit" which is defined as "Revenue" less "Cost of sales" and "Selling, general and administrative expenses".

For the six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)

(Millions of yen)

	Reportable segments			Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products				
Revenue							
External customers	25,966	30,793	33,174	268	90,201	-	90,201
Intersegment	-	68	0	-	68	(68)	-
Total revenue	25,966	30,861	33,174	268	90,269	(68)	90,201
Segment profit (loss)	3,935	(413)	2,768	(22)	6,268	(1,419)	4,849

(Note) "Segment profit (loss)" is "Business Profit" which is defined as "Revenue" less "Cost of sales" and "Selling, general and administrative expenses".

Reconciliation from "Segment profit (loss)" to "Profit before tax"

	For the six months ended September 30, 2019 (From April 1, 2019 to September 30, 2019)	For the six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)
Segment profit (loss)	8,468	4,849
Other income	127	81
Other expenses	(285)	(992)
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