Summary of Consolidated Business Results for the Three Months Ended June 30, 2016 [Japanese GAAP]

August 5, 2016

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 : August 9, 2016

Date of the start of dividend payment : 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 Three Months Ended June 30, 2016

(1) Consolidated financial results

(% represents year-over-year increase (decrease).)

Net sales		Net sales Operating income		ome	Ordinary income		Profit attributable to	
	rvet sales		Operating income				owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
April 2016 - June 2016	49,185	(7.2)	3,711	38.2	3,890	37.2	2,728	66.0
April 2015 - June 2015	52,993	7.4	2,684	11.8	2,834	4.2	1,643	(15.9)

(Note) Comprehensive income April 2016 - June 2016: (8,474) millions of yen -%, April 2015 - June 2015: 5,951 millions of yen 944.9%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
April 2016 - June 2016	11.59	-
April 2015 - June 2015	6.82	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2016	244,702	149,171	60.4
As of March 31, 2016	260,122	158,908	60.5

(Reference) Equity (net assets less non-controlling interests) June 30, 2016: 147,732 millions of yen, March 31, 2016: 157,319 millions of yen

2. Dividends

	Annual dividends per share							
	1st quarter	1st quarter 2nd quarter 3rd quarter 4th quarter Total						
	Yen	Yen	Yen	Yen	Yen			
April 2015 - March 2016	-	5.00	-	5.00	10.00			
April 2016 - March 2017	-							
April 2016 - March 2017		5.00	-	5.00	10.00			
(Forecasts)								

(Note) Revisions of the latest dividend forecasts: None

3. Consolidated Financial Forecasts for the Year Ending March 31, 2017

(% represents year-over-year increase (decrease).)

	Net sales		Operating income		Operating income		Ordinary ir	ncome	Profit attribution		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen		
April 2016 - September 2016	107,000	1.3	7,200	49.6	7,500	49.3	4,300	103.4	18.27		
April 2016 - March 2017	215,000	3.9	15,000	46.5	15,500	46.2	9,000	135.1	38.24		

(Note) Revisions of the latest consolidated financial forecasts: None

[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
 b) Changes in accounting policies other than a)
 c) Changes in accounting estimates
 d) Retrospective restatements
 None

(4) Number of outstanding stocks

a) Number of outstanding stocks (including treasury stocks)

As of June 30, 2016 247,952,394 As of March 31, 2

b) Number of treasury stocks

c) Average number of outstanding	stocks during the period
(excluding treasury stocks)	

As of June 30, 2016	247,952,394	As of March 31, 2016	262,952,394
As of June 30, 2016	12,602,033	As of March 31, 2016	27,600,108
April 2016 - June 2016	235,351,420	April 2015 - June 2015	240,865,079

(Shares)

(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.

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Assets Current assets 44,876 40,668 Notes and accounts receivable-trade 41,783 40,637 Merchandise and finished goods 12,529 12,102 Semi-finished goods 3,754 3,692 Work in process 1,367 1,249 Raw materials and supplies 11,438 10,746 Others 7,819 6,818 Allowance for doubtful accounts (55) (51) Total current assets 123,514 115,863 Non-current assets 190 30,474 Buildings and structures, net 31,967 30,474 Machinery, equipment and vehicles, net 39,072 36,440 Others, net 16,285 15,758 Total property, plant and equipment 87,325 82,673 Intangible assets 24,318 22,043 Others 2,128 1,920 Total intangible assets 2,128 1,920 Investments and other assets 22,836 22,201 Total non-current assets 26,446 <th></th> <th>March 31, 2016</th> <th>June 30, 2016</th>		March 31, 2016	June 30, 2016
Cash and deposits 44,876 40,668 Notes and accounts receivable-trade 41,783 40,637 Merchandise and finished goods 12,529 12,102 Semi-finished goods 3,754 3,692 Work in process 1,367 1,249 Raw materials and supplies 11,438 10,746 Others 7,819 6,818 Allowance for doubtful accounts (55) (51) Total current assets 123,514 115,863 Non-current assets 31,967 30,474 Buildings and structures, net 31,967 30,474 Machinery, equipment and vehicles, net 39,072 36,440 Others, net 16,285 15,758 Total property, plant and equipment 87,325 82,673 Intangible assets 24,318 22,043 Others 2,128 1,920 Total intangible assets 26,446 23,963 Investments and other assets 22,836 22,201 Total non-current assets 136,607 128,838	Assets		
Notes and accounts receivable-trade 41,783 40,637 Merchandise and finished goods 12,529 12,102 Semi-finished goods 3,754 3,692 Work in process 1,367 1,249 Raw materials and supplies 11,438 10,746 Others 7,819 6,818 Allowance for doubtful accounts (55) (51) Total current assets 123,514 115,863 Non-current assets 2 30,474 Buildings and structures, net 31,967 30,474 Machinery, equipment and vehicles, net 39,072 36,440 Others, net 16,285 15,758 Total property, plant and equipment 87,325 82,673 Intangible assets 24,318 22,043 Others 21,28 1,920 Total intangible assets 26,446 23,963 Investments and other assets 22,836 22,201 Total non-current assets 136,607 128,838	Current assets		
Merchandise and finished goods 12,529 12,102 Semi-finished goods 3,754 3,692 Work in process 1,367 1,249 Raw materials and supplies 11,438 10,746 Others 7,819 6,818 Allowance for doubtful accounts (55) (51) Total current assets 123,514 115,863 Non-current assets Property, plant and equipment 8 30,474 Buildings and structures, net 31,967 30,474 Machinery, equipment and vehicles, net 39,072 36,440 Others, net 16,285 15,758 Total property, plant and equipment 87,325 82,673 Intangible assets 24,318 22,043 Others 21,28 1,920 Total intangible assets 26,446 23,963 Investments and other assets 22,836 22,201 Total non-current assets 136,607 128,838	Cash and deposits	44,876	40,668
Semi-finished goods 3,754 3,692 Work in process 1,367 1,249 Raw materials and supplies 11,438 10,746 Others 7,819 6,818 Allowance for doubtful accounts (55) (51) Total current assets 123,514 115,863 Non-current assets Property, plant and equipment 31,967 30,474 Buildings and structures, net 39,072 36,440 Others, net 16,285 15,758 Total property, plant and equipment 87,325 82,673 Intangible assets 24,318 22,043 Others 2,128 1,920 Total intangible assets 26,446 23,963 Investments and other assets 22,836 22,201 Total non-current assets 136,607 128,838	Notes and accounts receivable-trade	41,783	40,637
Work in process 1,367 1,249 Raw materials and supplies 11,438 10,746 Others 7,819 6,818 Allowance for doubtful accounts (55) (51) Total current assets 123,514 115,863 Non-current assets 8 123,514 115,863 Non-current assets 31,967 30,474 Buildings and structures, net 31,967 30,474 Machinery, equipment and vehicles, net 39,072 36,440 Others, net 16,285 15,758 Total property, plant and equipment 87,325 82,673 Intangible assets 24,318 22,043 Others 2,128 1,920 Total intangible assets 26,446 23,963 Investments and other assets 22,836 22,201 Total non-current assets 136,607 128,838	Merchandise and finished goods	12,529	12,102
Raw materials and supplies 11,438 10,746 Others 7,819 6,818 Allowance for doubtful accounts (55) (51) Total current assets 123,514 115,863 Non-current assets 8 11,438 11,438 Property description of the special specia	Semi-finished goods	3,754	3,692
Others 7,819 6,818 Allowance for doubtful accounts (55) (51) Total current assets 123,514 115,863 Non-current assets Property, plant and equipment Buildings and structures, net 31,967 30,474 Machinery, equipment and vehicles, net 39,072 36,440 Others, net 16,285 15,758 Total property, plant and equipment 87,325 82,673 Intangible assets 24,318 22,043 Others 2,128 1,920 Total intangible assets 26,446 23,963 Investments and other assets 22,836 22,201 Total non-current assets 136,607 128,838	Work in process	1,367	1,249
Allowance for doubtful accounts (55) (51) Total current assets 123,514 115,863 Non-current assets Property, plant and equipment 31,967 30,474 Buildings and structures, net 39,072 36,440 Machinery, equipment and vehicles, net 16,285 15,758 Total property, plant and equipment 87,325 82,673 Intangible assets 24,318 22,043 Others 2,128 1,920 Total intangible assets 26,446 23,963 Investments and other assets 22,836 22,201 Total non-current assets 136,607 128,838	Raw materials and supplies	11,438	10,746
Total current assets 123,514 115,863 Non-current assets Property, plant and equipment Buildings and structures, net 31,967 30,474 Machinery, equipment and vehicles, net 39,072 36,440 Others, net 16,285 15,758 Total property, plant and equipment 87,325 82,673 Intangible assets Goodwill 24,318 22,043 Others 2,128 1,920 Total intangible assets 26,446 23,963 Investments and other assets 22,836 22,201 Total non-current assets 136,607 128,838	Others	7,819	6,818
Non-current assets Property, plant and equipment Buildings and structures, net 31,967 30,474 Machinery, equipment and vehicles, net 39,072 36,440 Others, net 16,285 15,758 Total property, plant and equipment 87,325 82,673 Intangible assets 24,318 22,043 Others 2,128 1,920 Total intangible assets 26,446 23,963 Investments and other assets 22,836 22,201 Total non-current assets 136,607 128,838	Allowance for doubtful accounts	(55)	(51)
Property, plant and equipment Buildings and structures, net 31,967 30,474 Machinery, equipment and vehicles, net 39,072 36,440 Others, net 16,285 15,758 Total property, plant and equipment 87,325 82,673 Intangible assets 24,318 22,043 Others 2,128 1,920 Total intangible assets 26,446 23,963 Investments and other assets 22,836 22,201 Total non-current assets 136,607 128,838	Total current assets	123,514	115,863
Buildings and structures, net 31,967 30,474 Machinery, equipment and vehicles, net 39,072 36,440 Others, net 16,285 15,758 Total property, plant and equipment 87,325 82,673 Intangible assets 24,318 22,043 Others 2,128 1,920 Total intangible assets 26,446 23,963 Investments and other assets 22,836 22,201 Total non-current assets 136,607 128,838	Non-current assets		
Machinery, equipment and vehicles, net 39,072 36,440 Others, net 16,285 15,758 Total property, plant and equipment 87,325 82,673 Intangible assets 24,318 22,043 Others 2,128 1,920 Total intangible assets 26,446 23,963 Investments and other assets 22,836 22,201 Total non-current assets 136,607 128,838	Property, plant and equipment		
Others, net 16,285 15,758 Total property, plant and equipment 87,325 82,673 Intangible assets Goodwill 24,318 22,043 Others 2,128 1,920 Total intangible assets 26,446 23,963 Investments and other assets 22,836 22,201 Total non-current assets 136,607 128,838	Buildings and structures, net	31,967	30,474
Total property, plant and equipment 87,325 82,673 Intangible assets 24,318 22,043 Others 2,128 1,920 Total intangible assets 26,446 23,963 Investments and other assets 22,836 22,201 Total non-current assets 136,607 128,838	Machinery, equipment and vehicles, net	39,072	36,440
Intangible assets Goodwill 24,318 22,043 Others 2,128 1,920 Total intangible assets 26,446 23,963 Investments and other assets 22,836 22,201 Total non-current assets 136,607 128,838	Others, net	16,285	15,758
Goodwill 24,318 22,043 Others 2,128 1,920 Total intangible assets 26,446 23,963 Investments and other assets 22,836 22,201 Total non-current assets 136,607 128,838	Total property, plant and equipment	87,325	82,673
Others 2,128 1,920 Total intangible assets 26,446 23,963 Investments and other assets 22,836 22,201 Total non-current assets 136,607 128,838	Intangible assets		
Total intangible assets 26,446 23,963 Investments and other assets 22,836 22,201 Total non-current assets 136,607 128,838	Goodwill	24,318	22,043
Investments and other assets 22,836 22,201 Total non-current assets 136,607 128,838	Others	2,128	1,920
Total non-current assets 136,607 128,838	Total intangible assets	26,446	23,963
	Investments and other assets	22,836	22,201
Total assets 260,122 244,702	Total non-current assets	136,607	128,838
	Total assets	260,122	244,702

1,439

149,171

244,702

	March 31, 2016	June 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable-trade	26,115	26,557
Short-term loans payable	4,879	4,799
Commercial paper	9,000	6,000
Income taxes payable	2,870	2,297
Provision for bonuses	2,730	1,263
Provision for cost of business restructuring	1,088	148
Others	9,384	10,240
Total current liabilities	56,068	51,307
Non-current liabilities		
Long-term loans payable	37,018	37,016
Net defined benefit liability	4,333	3,894
Other provisions	82	82
Others	3,710	3,229
Total non-current liabilities	45,145	44,222
Total liabilities	101,213	95,530
Net assets		
Shareholders' equity		
Capital stock	37,143	37,143
Capital surplus	35,358	35,358
Retained earnings	88,548	82,083
Treasury stock	(14,748)	(6,733)
Total shareholders' equity	146,300	147,851
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,206	4,717
Foreign currency translation adjustments	6,551	(4,161)
Remeasurements of defined benefit plans	(739)	(675)
Total accumulated other comprehensive income	11,018	(118)

Non-controlling interests

Total liabilities and net assets

Total net assets

1,589

158,908

260,122

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income (Quarterly consolidated statements of income)

		(Millions of yen)
	Three months ended	Three months ended
	June 30, 2015	June 30, 2016
	(From April 1, 2015	(From April 1, 2016
	to June 30, 2015)	to June 30, 2016)
Net sales	52,993	49,185
Cost of sales	37,583	33,526
Gross profit	15,409	15,659
Selling, general and administrative expenses	12,724	11,948
Operating income	2,684	3,711
Non-operating income		
Interest income	102	46
Dividends income	214	204
Equity in earnings of affiliates	35	70
Foreign exchange gains	148	-
Others	51	63
Total non-operating income	551	385
Non-operating expenses		
Interest expenses	68	59
Foreign exchange losses	-	55
Taxes and dues	228	-
Others	105	91
Total non-operating expenses	402	206
Ordinary income	2,834	3,890
Extraordinary income		
Gain on sales of non-current assets	7	0
Gain on sales of investment securities	-	1
Insurance income	267	-
Total extraordinary income	274	2
Extraordinary loss		
Loss on sales and retirement of non-current assets	19	52
Loss on valuation of investment securities	-	10
Loss on disaster	215	-
Others	4	-
Total extraordinary loss	238	63
Profit before income taxes and non-controlling interests	2,871	3,829
Income taxes-current	686	702
Income taxes-deferred	495	316
Total income taxes	1,182	1,018
Profit	1,688	2,810
Profit attributable to non-controlling interests	45	82
Profit attributable to owners of parent	1,643	2,728

(Quarterly consolidated statements of comprehensive income)

		(Millions of yen)
	Three months ended	Three months ended
	June 30, 2015	June 30, 2016
	(From April 1, 2015	(From April 1, 2016
	to June 30, 2015)	to June 30, 2016)
Profit	1,688	2,810
Other comprehensive income		
Valuation difference on available-for-sale securities	1,412	(488)
Foreign currency translation adjustments	2,887	(10,847)
Remeasurements of defined benefit plans	(19)	64
Share of other comprehensive income of	(17)	(13)
associates accounted for using equity method	(17)	(13)
Total other comprehensive income	4,262	(11,284)
Comprehensive income	5,951	(8,474)
(Comprehensive income attributable to)		
Owners of parent	5,849	(8,409)
Non-controlling interests	101	(65)

Segment Information

I Three months ended June 30, 2015 (From April 1, 2015 to June 30, 2015)

(Millions of yen)

	Reportable segments							
	Semiconductor materials	High- performance plastics	Quality of life products	Subtotal	Others	Total	Adjustment	Consolidated
Sales								
Outside customers	11,702	24,192	16,943	52,838	154	52,993	-	52,993
Inter-segment	-	69	0	69	-	69	(69)	-
Total sales	11,702	24,261	16,943	52,908	154	53,063	(69)	52,993
Segment income	1,344	1,395	737	3,476	28	3,505	(820)	2,684

II Three months ended June 30, 2016 (From April 1, 2016 to June 30, 2016)

(Millions of yen)

	Reportable segments							
	Semiconductor materials	High- performance plastics	Quality of life products	Subtotal	Others	Total	Adjustment	Consolidated
Sales								
Outside customers	11,554	21,777	15,674	49,006	179	49,185	-	49,185
Inter-segment	-	33	0	33	-	33	(33)	-
Total sales	11,554	21,810	15,674	49,039	179	49,219	(33)	49,185
Segment income	1,846	1,776	756	4,380	50	4,431	(719)	3,711

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 plates 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					