

Summary of Consolidated Business Results for the Three Months Ended June 30, 2017 [Japanese GAAP]

August 7, 2017

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 : August 9, 2017	
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, 2017

(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 2017 - June 2017	52,509	6.8	4,954	33.5	5,165	32.8	3,724	36.5
April 2016 - June 2016	49,185	(7.2)	3,711	38.2	3,890	37.2	2,728	66.0

(Note) Comprehensive income April 2017 - June 2017: 6,113 millions of yen - % April 2016 - June 2016: (8,474) millions of yen - %

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
April 2017 - June 2017	15.83	-
April 2016 - June 2016	11.59	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	269,304	171,921	63.2
As of March 31, 2017	263,742	167,167	62.7

(Reference) Equity (net assets less non-controlling interests) June 30, 2017 : 170,223 millions of yen, March 31, 2017 : 165,353 millions of yen

2. Dividends

	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
	Yen	Yen	Yen	Yen	Yen
April 2016 - March 2017	-	5.00	-	5.00	10.00
April 2017 - March 2018	-	-	-	-	-
April 2017 - March 2018 (Forecasts)	-	6.00	-	6.00	12.00

(Note) Revisions of the latest dividend forecasts: None

3. Consolidated Financial Forecasts for the Year Ending March 31, 2018

(% 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 2017 - September 2017	103,000	5.8	8,100	11.3	8,300	10.7	5,500	4.8	23.37
April 2017 - March 2018	210,000	6.0	18,000	6.6	18,400	6.2	11,500	8.3	48.87

(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 : 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 June 30, 2017	247,952,394	As of March 31, 2017	247,952,394
b) Number of treasury stocks	As of June 30, 2017	12,618,510	As of March 31, 2017	12,615,524
c) Average number of outstanding stocks during the period (excluding treasury stocks)	April 2017 - June 2017	235,336,013	April 2016 - June 2016	235,351,420

(Information on implementation status of quarterly review)

This "Summary of Consolidated Business Results" is not subject to quarterly review procedures.

(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, 2017	June 30, 2017
Assets		
Current assets		
Cash and deposits	49,733	51,317
Notes and accounts receivable-trade	42,450	44,425
Merchandise and finished goods	11,996	11,972
Semi-finished goods	4,145	3,862
Work in process	1,296	1,668
Raw materials and supplies	11,737	11,621
Others	7,138	7,089
Allowance for doubtful accounts	(55)	(58)
Total current assets	128,442	131,900
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	31,113	31,126
Machinery, equipment and vehicles, net	37,596	37,614
Others, net	16,776	17,559
Total property, plant and equipment	85,486	86,300
Intangible assets		
Goodwill	23,089	22,721
Others	1,647	1,647
Total intangible assets	24,737	24,369
Investments and other assets	25,075	26,734
Total non-current assets	135,299	137,404
Total assets	263,742	269,304

(Millions of yen)

	March 31, 2017	June 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable-trade	28,258	28,038
Short-term loans payable	5,115	5,108
Current portion of long-term loans payable	3,480	3,480
Commercial paper	1,000	2,000
Income taxes payable	2,549	2,133
Provision for bonuses	2,747	1,210
Other provision	162	73
Others	10,705	11,968
Total current liabilities	54,019	54,013
Non-current liabilities		
Long-term loans payable	33,537	33,538
Net defined benefit liability	2,855	2,834
Other provision	194	194
Others	5,967	6,802
Total non-current liabilities	42,554	43,369
Total liabilities	96,574	97,382
Net assets		
Shareholders' equity		
Capital stock	37,143	37,143
Capital surplus	35,358	35,358
Retained earnings	88,801	91,349
Treasury stock	(6,741)	(6,744)
Total shareholders' equity	154,561	157,106
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,451	8,560
Foreign currency translation adjustments	3,879	5,106
Remeasurements of defined benefit plans	(538)	(550)
Total accumulated other comprehensive income	10,792	13,117
Non-controlling interests	1,813	1,697
Total net assets	167,167	171,921
Total liabilities and net assets	263,742	269,304

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

(Millions of yen)

	Three months ended June 30, 2016 (From April 1, 2016 to June 30, 2016)	Three months ended June 30, 2017 (From April 1, 2017 to June 30, 2017)
Net sales	49,185	52,509
Cost of sales	33,526	35,924
Gross profit	15,659	16,584
Selling, general and administrative expenses	11,948	11,630
Operating income	3,711	4,954
Non-operating income		
Interest income	46	79
Dividends income	204	231
Equity in earnings of affiliates	70	10
Foreign exchange gains	-	10
Others	63	53
Total non-operating income	385	384
Non-operating expenses		
Interest expenses	59	65
Foreign exchange losses	55	-
Others	91	107
Total non-operating expenses	206	173
Ordinary income	3,890	5,165
Extraordinary income		
Gain on sales of non-current assets	0	32
Gain on sales of investment securities	1	-
Total extraordinary income	2	32
Extraordinary loss		
Loss on sales and retirement of non-current assets	52	64
Loss on valuation of investment securities	10	-
Others	-	11
Total extraordinary loss	63	75
Profit before income taxes and non-controlling interests	3,829	5,121
Income taxes-current	702	658
Income taxes-deferred	316	668
Total income taxes	1,018	1,327
Profit	2,810	3,793
Profit attributable to non-controlling interests	82	69
Profit attributable to owners of parent	2,728	3,724

(Quarterly consolidated statements of comprehensive income)

	(Millions of yen)	
	Three months ended June 30, 2016 (From April 1, 2016 to June 30, 2016)	Three months ended June 30, 2017 (From April 1, 2017 to June 30, 2017)
Profit	2,810	3,793
Other comprehensive income		
Valuation difference on available-for-sale securities	(488)	1,108
Foreign currency translation adjustments	(10,847)	1,236
Remeasurements of defined benefit plans	64	0
Share of other comprehensive income of associates accounted for using equity method	(13)	(27)
Total other comprehensive income	(11,284)	2,319
Comprehensive income	(8,474)	6,113
(Comprehensive income attributable to)		
Owners of parent	(8,409)	6,049
Non-controlling interests	(65)	63

Segment Information

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

(Millions of yen)

	Reportable segments				Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products	Subtotal				
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

II Three months ended June 30, 2017 (From April 1, 2017 to June 30, 2017)

(Millions of yen)

	Reportable segments				Others	Total	Adjustment	Consolidated
	Semiconductor materials	High-performance plastics	Quality of life products	Subtotal				
Sales								
Outside customers	12,707	23,089	16,553	52,350	159	52,509	-	52,509
Inter-segment	-	40	0	40	-	40	(40)	-
Total sales	12,707	23,129	16,553	52,391	159	52,550	(40)	52,509
Segment income	2,302	1,943	1,371	5,617	51	5,668	(714)	4,954

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, 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