Summary of Consolidated Business Results for the Three Months Ended June 30, 2018 [IFRS]

					August 6, 2018
Company name	: Sumitomo Bakelite Co., Ltd.	Stock e	exchanges	: Tokyo	
Securities code	: 4203	URL	:	http://www.sumibe.co.jp/english	<u>1</u>
Representative	: Kazuhiko Fujiwara, President				
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Date of the submission	of Quarterly Securities Report	: August 8, 2018			
Date of the start of divi	dend payment	: -			
Quarterly results supple	ementary documents	: Yes			
Quarterly results briefin	g	: Yes (For analys	ts and institutio	nal investors)	

(All amounts presented in million yen are rounded to the nearest million yen.)

1. Consolidated Business Results for the Three Months Ended June 30, 2018 (1) Consolidated Financial Results

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

	Revenu	venue Business profit		Business profit		Operating profit		Profit before tax		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
April 2018 - June 2018	54,459	3.5	5,288	(0.5)	5,234	0.3	5,582	1.6	4,082	(0.6)	
April 2017 - June 2017	52,609	-	5,316	-	5,218	-	5,494	-	4,108	-	

(Note) "Business profit" is calculated by deducting "Cost of sales" and "Selling, general and administrative expenses" from "Revenue."

	Basic earnings	Diluted earnings
	per share	per share
	Yen	Yen
April 2018 - June 2018	17.35	-
April 2017 - June 2017	17.45	-

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to	Ratio of equity attributable
			owners of parent	to owners of parent
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2018	275,293	174,502	172,769	62.8
As of March 31, 2018	272,247	170,262	168,450	61.9

2. Dividends

	Annual dividends per share							
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total			
	Yen	Yen	Yen	Yen	Yen			
April 2017 - March 2018	-	6.00	-	6.00	12.00			
April 2018 - March 2019	-							
April 2018 - March 2019 (Forecasts)		7.50	-	7.50	15.00			

(Note) Revisions of the latest dividend forecasts: None

As announced on May 14, 2018, the Sumitomo Bakelite Group plans to exercise a share consolidation of each 5 shares of common shares into one share effective on October 1, 2018. However, annual cash dividends per share of common shares for the fiscal year ending March 31, 2019, do not account for the share consolidation. Assuming that the share consolidation is exercised at the beginning of the fiscal year ending March 31, 2019 (forecast), total annual cash dividends per share of common shares will be ¥75.

3. Consolidated Financial Forecasts for the Year Ending March 31, 2019

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

	Revenue		e Business profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
April 2018 - March 2019	220,000	3.9	22,000	14.3	16,000	6.1	67.99

(Note) As announced on May 14, 2018, the Sumitomo Bakelite Group plans to exercise a share consolidation of each 5 shares of common shares into one share effective on October 1, 2018. However, annual basic earnings per share of common shares for the fiscal year ending March 31, 2019, do not account for the share consolidation. Assuming that the share consolidation is exercised at the beginning of the fiscal year ending March 31, 2019 (forecast), total annual basic earnings per share will be ¥339.96.

[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	: Yes
b) Changes in accounting policies other than a)	: None
c) Changes in accounting estimates	: None
(2) Number of outstanding shares	

(3) Number of outstanding shares				(Shares)
a) Number of outstanding shares (including treasury shares)	As of June 30, 2018	247,952,394	As of March 31, 2018	247,952,394
b) Number of treasury shares	As of June 30, 2018	12,637,398	As of March 31, 2018	12,633,595
c) Average number of outstanding shares during the period	April 2018 - June 2018	235,316,677	April 2017 - June 2017	235,336,013
(excluding treasury shares)				

(Information on implementation status of quarterly review)

This "Summary of Consolidated Business Results" is not subject to quarterly review procedures by certificated public accountants or audit firm.

(Information on appropriate use of forecasts)

The forecasts stated in this summary are based on information which are 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 caused by various factors.

Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

	March 31, 2018	June 30, 2018
Assets		
Current assets		
Cash and cash equivalents	56,559	55,484
Trade and other receivables	48,643	50,653
Other financial assets	579	860
Inventories	30,943	31,501
Other current assets	2,630	2,675
Total current assets	139,355	141,172
Non-current assets		
Property, plant and equipment	94,760	94,881
Goodwill	4,809	4,882
Other intangible assets	1,580	1,524
Investments accounted for using equity method	412	369
Other financial assets	27,272	28,340
Retirement benefit asset	1,633	1,783
Deferred tax assets	860	803
Other non-current assets	1,566	1,540
Total non-current assets	132,893	134,121
Total assets	272,247	275,293

(Millions of yen)

		(Millions of yen)
	March 31, 2018	June 30, 2018
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	10,408	9,431
Trade and other payables	45,494	44,869
Other financial liabilities	33	73
Income taxes payable	2,478	2,241
Other current liabilities	613	595
Total current liabilities	59,027	57,209
Non-current liabilities		
Borrowings	33,286	33,758
Other financial liabilities	246	125
Retirement benefit liability	2,906	2,954
Provisions	568	576
Deferred tax liabilities	5,686	5,921
Other non-current liabilities	267	247
Total non-current liabilities	42,958	43,582
Total liabilities	101,985	100,791
Equity		
Share capital	37,143	37,143
Capital surplus	35,358	35,358
Treasury shares	(6,758)	(6,762)
Other components of equity	7,171	8,806
Retained earnings	95,536	98,223
Total equity attributable to owners of parent	168,450	172,769
Non-controlling interests	1,812	1,733
Total equity	170,262	174,502
Total liabilities and equity	272,247	275,293

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

(Condensed quarterly consolidated statements of income)		
		(Millions of yen)
	Three months ended	Three months ended
	June 30, 2017	June 30, 2018
	(From April 1, 2017	(From April 1, 2018
	to June 30, 2017)	to June 30, 2018)
Revenue	52,609	54,459
Cost of sales	(35,946)	(37,718)
Gross profit	16,663	16,741
Selling, general and administrative expenses	(11,347)	(11,453)
Business profit	5,316	5,288
Other income	85	135
Other expenses	(183)	(190)
Operating profit	5,218	5,234
Finance income	321	422
Finance costs	(55)	(68)
Share of profit (loss) of investments accounted for using equity	10	(5)
method	10	()
Profit before tax	5,494	5,582
Income tax expenses	(1,318)	(1,429)
Profit =	4,177	4,153
Des Create de La La con		
Profit attributable to:	4 109	4 002
Owners of parent	4,108	4,082
Non-controlling interests	69	71
Profit =	4,177	4,153
Earnings per share		
Basic earnings per share (Yen)	17.45	17.35
Diluted earnings per share (Yen)	-	-

		(Millions of yen)
	Three months ended	Three months ended
	June 30, 2017	June 30, 2018
	(From April 1, 2017	(From April 1, 2018
	to June 30, 2017)	to June 30, 2018)
Profit	4,177	4,153
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,196	220
Remeasurements of defined benefit plans	57	-
Share of other comprehensive income of investments accounted for using equity method	(12)	(2)
Total items that will not be reclassified to profit or loss	1,240	217
Items that may be reclassified to profit or loss		
Cash flow hedges	44	6
Exchange differences on translation of foreign operations	1,364	1,457
Share of other comprehensive income of investments accounted for using equity method	(15)	(29)
Total items that may be reclassified to profit or loss	1,393	1,434
Other comprehensive income, net of tax	2,633	1,652
Comprehensive income	6,810	5,805
Comprehensive income attributable to:		
Owners of parent	6,746	5,735
Non-controlling interests	64	70
Comprehensive income	6,810	5,805

(3) Condensed Quarterly Consolidated Statements of Changes in Equity For the three months ended June 30, 2017 (From April 1, 2017 to June 30, 2017)

(Millions of yen)

				Total aquity of	tributable to ou	upors of parant				(IVIIII)	ons of yen)	
				Total equity a	tributable to owners of parent Other components of equity							
	Share capital	Capital surplus	Treasury shares	Retained earnings	Financial assets measured at fair value through other comprehensive income	Remeasuremen ts of defined benefit plans	Cash flow hedges	Exchange differences on translation of foreign operations	Total	Non- controlling interests	Total equity	
Balance at beginning of current period	37,143	35,358	(6,742)	82,352	9,164		(368)	(2,685)	6,110	1,815	156,037	
Profit	-	-	-	4,108	-	-	-	-	-	69	4,177	
Other comprehensive income	-	-	-	-	1,196	44	44	1,355	2,639	(6)	2,633	
Comprehensive income	-	-	-	4,108	1,196	44	44	1,355	2,639	64	6,810	
Dividends from surplus				(1,177)	-	-		-	-	(180)	(1,357)	
Purchase of treasury shares	-	-	(2)	-	-	-	-	-	-	-	(2)	
Transfer from other components of equity to retained earnings	-	-	-	44	-	(44)	-	-	(44)	-	-	
Total transactions with owners		-	(2)	(1,133)	-	(44)	-	-	(44)	(180)	(1,359)	
Balance at end of current period	37,143	35,358	(6,744)	85,327	10,359	-	(324)	(1,330)	8,705	1,699	161,488	

For the three months ended June 30, 2018 (From April 1, 2018 to June 30, 2018)

(Millions of yen)

			Total equity at	ttributable to ov	vners of parent					
				Other components of equity						
Share capital	Capital surplus	Treasury shares	Retained earnings	Financial assets measured at fair value through other comprehensive income	Remeasuremen ts of defined benefit plans	Cash flow hedges	Exchange differences on translation of foreign operations	Total	Non- controlling interests	Total equity
37,143	35,358	(6,758)	95,536	10,734	-	(242)	(3,321)	7,171	1,812	170,262
-	-	-	4,082	-	-	-	-	-	71	4,153
-	-	-	-	220	(2)	6	1,429	1,653	(1)	1,652
-	-	-	4,082	220	(2)	6	1,429	1,653	70	5,805
-		_	(1,412)	-	-	-	-	-	(149)	(1,561)
-	-	(4)	-	-	-	-	-	-	-	(4)
-	-	-	17	(19)	2	-	-	(17)	-	-
-	-	(4)	(1,395)	(19)	2	-	-	(17)	(149)	(1,565)
37,143	35,358	(6,762)	98,223	10,934	-	(236)	(1,892)	8,806	1,733	174,502
	capital 37,143 - - - - - - -	capital surplus 37,143 35,358 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -	Share capital Capital surplus Treasury shares 37,143 35,358 (6,758) - - -	Share capital Capital surplus Treasury shares Retained earnings 37,143 35,358 (6,758) 95,536 - - 4,082 - - - - <td>Share capital Capital surplus Treasury shares Retained earnings Financial assets measured at fair value through other comprehensive income 37,143 35,358 (6,758) 95,536 10,734 - - - 4,082 - - - - 220 - - - 220 - - - 220 - - - 220 - - - 1,412) - - - 1,112) - - - 17 - - - 119) - - - (1,395) (19)</td> <td>Share capital Capital surplus Treasury shares Retained earnings Financial assets measured at fair value comprehensive income Remeasurem ts of defined benefit plans 37,143 35,358 (6,758) 95,536 10,734 - - - 4,082 - - - - 4,082 220 (2) - - 4,082 220 (2) - - 4,082 220 (2) - - - - - - - 11/142 - - - - 117 (19) 2 - - (4) (1,395) (19) 2</td> <td>Share capital Capital surplus Treasury shares Retained earnings Financial assets measured at fair value comprehensive income Remeasuremen to of defined benefit plans Cash flow hedges 37,143 35,358 (6,758) 95,536 10,734 - (242) - - 4,082 - - - - - - 4,082 - - - - - - - 4,082 220 (2) 6 - - - 4,082 220 (2) 6 - - - 11,112 - - - - - (1,112) - - - - - - 117 (19) 2 - - - - (4) (1,395) (19) 2 -</td> <td>Share capital surplusCapital sharesTreasury sharesRetained earningsFinancial assets measured at fair value through other comprehensive incomeRemeasuremen to defined benefit plansCash flow hedgesExchange differences on translation of foreign operations37,14335,358(6,758)95,53610,734-(242)(3,321)4,082220(2)61,4294,082220(2)61,429117(19)2(1,395)(19)2</td> <td>Share capital capitalCapital surplusTreasury sharesRetained earningsFinancial assets measured at far value through other comprehensive incomeRemeasuremen to of defined benefit plansCash flow hedgesExchange differences on translation of foreign operationsTotal foreign operations37,14335,358(6,758)95,53610,734-$(242)$$(3,321)$$7,171$4,082220(2)61,4291,6534,082220(2)61,4291,653220(2)61,4291,65317(19)2(17)(1,395)(19)2(17)</td> <td>Share capital capitalCapital surplusTreasury sharesRetained earnings$\overline{financial assets}fair valuetrough othercomprehensiveincomeRemeasuremenbenefit plansCash flowhedgesExchangedifferences ontranslation offoreignoperationsNon-controllinginterests37,14335,358(6,758)95,53610,734-(242)(3,321)7,1711,8124,082(242)(3,321)7,1711,812220(2)61,4291,653(1)4,082220(2)61,4291,653(1)4,082220(2)61,4291,653(1)(14)(14)1711,9121711919217117119192117149117119192117$</td>	Share capital Capital surplus Treasury shares Retained earnings Financial assets measured at fair value through other comprehensive income 37,143 35,358 (6,758) 95,536 10,734 - - - 4,082 - - - - 220 - - - 220 - - - 220 - - - 220 - - - 1,412) - - - 1,112) - - - 17 - - - 119) - - - (1,395) (19)	Share capital Capital surplus Treasury shares Retained earnings Financial assets measured at fair value comprehensive income Remeasurem ts of defined benefit plans 37,143 35,358 (6,758) 95,536 10,734 - - - 4,082 - - - - 4,082 220 (2) - - 4,082 220 (2) - - 4,082 220 (2) - - - - - - - 11/142 - - - - 117 (19) 2 - - (4) (1,395) (19) 2	Share capital Capital surplus Treasury shares Retained earnings Financial assets measured at fair value comprehensive income Remeasuremen to of defined benefit plans Cash flow hedges 37,143 35,358 (6,758) 95,536 10,734 - (242) - - 4,082 - - - - - - 4,082 - - - - - - - 4,082 220 (2) 6 - - - 4,082 220 (2) 6 - - - 11,112 - - - - - (1,112) - - - - - - 117 (19) 2 - - - - (4) (1,395) (19) 2 -	Share capital surplusCapital sharesTreasury sharesRetained earningsFinancial assets measured at fair value through other comprehensive incomeRemeasuremen to defined benefit plansCash flow hedgesExchange differences on translation of foreign operations37,14335,358(6,758)95,53610,734-(242)(3,321)4,082220(2)61,4294,082220(2)61,429117(19)2(1,395)(19)2	Share capital capitalCapital surplusTreasury sharesRetained earningsFinancial assets measured at far value through other comprehensive incomeRemeasuremen to of defined benefit plansCash flow hedgesExchange differences on translation of foreign operationsTotal foreign operations37,14335,358(6,758)95,53610,734- (242) $(3,321)$ $7,171$ 4,082220(2)61,4291,6534,082220(2)61,4291,653220(2)61,4291,65317(19)2(17)(1,395)(19)2(17)	Share capital capitalCapital surplusTreasury sharesRetained earnings $\overline{financial assets}fair valuetrough othercomprehensiveincomeRemeasuremenbenefit plansCash flowhedgesExchangedifferences ontranslation offoreignoperationsNon-controllinginterests37,14335,358(6,758)95,53610,734-(242)(3,321)7,1711,8124,082(242)(3,321)7,1711,812220(2)61,4291,653(1)4,082220(2)61,4291,653(1)4,082220(2)61,4291,653(1)(14)(14)1711,9121711919217117119192117149117119192117$

(4) Condensed Quarterly Consolidated Statements of Cash Flows

		(Millions of yen)
	Three months ended	Three months ended
	June 30, 2017	June 30, 2018
	(From April 1, 2017	(From April 1, 2018
	to June 30, 2017)	to June 30, 2018)
Cash flows from operating activities		
Profit before tax	5,494	5,582
Depreciation and amortization	2,431	2,492
Interest and dividend income	(311)	(422)
Interest expenses	55	50
Decrease (increase) in trade and other receivables	(2,124)	(1,729)
Increase (decrease) in trade and other payables	(1,422)	(1,484)
Decrease (increase) in inventories	349	(283)
Others, net	(170)	(286)
Subtotal	4,302	3,921
Interest received	75	154
Dividends received	255	276
Interest paid	(30)	(29)
Income taxes paid	(559)	(1,066)
Net cash provided by (used in) operating activities	4,043	3,257
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,098)	(2,374)
Proceeds from sale of property, plant and equipment	31	169
Purchase of investment securities	(3)	(4)
Proceed from sale of investment securities	-	34
Others, net	(179)	(383)
Net cash provided by (used in) investing activities	(2,250)	(2,558)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(16)	(8)
Increase (decrease) in commercial papers	1,000	(1,000)
Dividends paid	(1,177)	(1,412)
Dividends paid to non-controlling interests	(180)	(149)
Others, net	(16)	(12)
Net cash provided by (used in) financing activities	(388)	(2,581)
Effect of exchange rate changes on cash and cash equivalents	293	807
Net increase (decrease) in cash and cash equivalents	1,698	(1,076)
Cash and cash equivalents at beginning of period	49,498	56,559
Cash and cash equivalents at end of period	51,196	55,484

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

				. ,		(M	illions of yen)
	Rep	ortable segm	ents			Adjustment	Consolidated
	Semiconductor materials	High- performance plastics	Quality of life products	Others	Total		
Revenue							
External customers	12,701	23,225	16,524	159	52,609	-	52,609
Intersegment	-	40	0	-	40	(40)	-
Total revenue	12,701	23,266	16,524	159	52,650	(40)	52,609
Segment profit (Business profit)	2,317	2,316	1,354	52	6,039	(723)	5,316

For the three months ended June 30, 2018 (From April 1, 2018 to June 30, 2018)

						(141)	mons or yen)
	Rep	ortable segm					
	Semiconductor materials	High- performance plastics	Quality of life products	Others	Total	Adjustment	Consolidated
Revenue							
External customers	13,078	24,231	16,994	156	54,459	-	54,459
Intersegment	-	38	0	-	38	(38)	-
Total revenue	13,078	24,268	16,994	156	54,497	(38)	54,459
Segment profit (business profit)	2,498	2,223	1,281	36	6,038	(750)	5,288

(Millions of yen)

Reconciliation from "Segment profit" to "Profit before tax"

	For the three months ended June 30, 2017 (From April 1, 2017 to June 30, 2017)	For the three months ended June 30, 2018 (From April 1, 2018 to June 30, 2018)
Segment profit	5,316	5,288
Other income	85	135
Other expenses	(183)	(190)
Operating profit	5,218	5,234
Finance income	321	422
Finance costs	(55)	(68)
Share of profit (loss) of investments accounted for using equity method	10	(5)
Profit before tax	5,494	5,582