

# CONSOLIDATED FINANCIAL STATEMENTS (IFRS) (Non-Audited)

(for the first quarter of fiscal year 2017)

May 10, 2017

Name of Company: **SUMIDA CORPORATION**  
 Stock Listing: Tokyo  
 Security Code No.: 6817  
 (URL <http://www.sumida.com>)

Representative: Shigeyuki Yawata, CEO  
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Date of Submission of Quarterly Marketable Securities Filings: May 12, 2017

Date on which Dividend Payments to Commence: May 31, 2017

Supplementary Materials Prepared for the Financial Statements: Yes

Presentation Held to Explain the Quarterly Financial Statements : Yes (for institutional investors and analysts)

(Amounts of less than one million yen are omitted.)

## 1. Consolidated Operating Results for the First Quarter of FY 2017 (January 1, 2017–March 31, 2017)

### (1) Consolidated Operating Results (cumulative)

(Percentages represent changes compared with the same period of the previous fiscal year.)

	Revenue		Operating income		Income before taxes	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three months of FY 2017	21,599	4.8	1,566	28.0	1,398	42.1
First three months of FY 2016	20,603	—	1,223	—	983	—

	Net income		Net income attributable to SUMIDA shareholders		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three months of FY 2017	981	54.9	939	57.6	(125)	—
First three months of FY 2016	633	—	596	—	(960)	—

	Net income per share (Basic)		Net income per share (Diluted)	
	yen		yen	
First three months of FY 2017	40.48		40.48	
First three months of FY 2016	25.69		25.69	

### (2) Consolidated Financial Condition

	Total assets	Total equity	Equity attributable to SUMIDA shareholders	Ratio of equity attributable to SUMIDA shareholders	Equity attributable to SUMIDA shareholders per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2017	67,540	21,549	20,167	29.9	869.89
As of Dec. 31, 2016	69,007	22,022	20,629	29.9	888.78

## 2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended Dec.2016	6.00	6.00	6.00	16.00	34.00
FY ended Dec.2017	6.00	-	-	-	-
FY ended Dec.2017 (forecast)	-	6.00	6.00	6.00	24.00

Note: Whether the dividend forecast under review has been revised: No

### 3. Forecast of Consolidated Results for FY 2017 (January 1, 2017–December 31, 2017)

(% change figures for revenues, operating income, recurring profit, and net income is presented in comparison with the same period of the previous fiscal year.)

	Revenue		Operating income		Income before taxes		Net income attributable to SUMIDA shareholders		Net income per share (Basic)
	Millions of yen	%change	Millions of yen	%change	Millions of yen	%change	Millions of yen	%change	yen
Fully year of FY2017	86,700	7.0	5,900	(5.9)	5,100	(6.7)	3,300	(10.0)	123.55

Note: Whether the forecasts for consolidated figures under review have been revised: No

### 4. Others

(1) Changes in the state of material subsidiaries during the period (Changes in the state of specific subsidiaries with change in scope of consolidation): 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 those in (a) above: None

(c) Changes in accounting estimates: None

(3) Number of shares issued (common stock):

(a) Number of shares issued at the end of the period (including treasury stock)

As of Mar. 31, 2017	23,944,317	As of Dec. 31, 2016	23,944,317
As of Mar. 31, 2017	733,857	As of Dec. 31, 2016	733,599
First three months of FY 2017	23,210,536	First three months of FY 2016	23,211,063

(b) Number of treasury stock at the end of the period

(c) Average number of shares issued during the period (three months)

Note:

The quarterly financial statements are not subject to quarterly reviews.

Note:

Explanation of the appropriate use of performance forecasts and other related items

Portions of this report that refer to performance forecasts or any other future events are believed to be reasonable under information available at the time of the forecasts. Actual financial results may materially differ from these forecasts due to potential risks and uncertainties.

## Consolidated Statement of Financial Position

(Unit:Millions of yen)

	Jan 1, 2016	Dec 31, 2016	March 31,2017
<b>Current assets</b>			
Cash and cash equivalents	3,538	3,546	3,750
Trade and other receivables	17,062	17,208	16,094
Inventories	14,262	13,617	13,807
Income tax receivables	98	191	198
Other assets	2,445	2,156	2,208
<b>Total current assets</b>	<b>37,408</b>	<b>36,720</b>	<b>36,058</b>
<b>Non-current assets</b>			
Property, plant and equipment	22,613	23,549	22,977
Goodwill	1,966	1,854	1,809
Intangibles	1,896	2,297	2,270
Financial assets	1,155	1,197	1,223
Deferred tax assets	3,817	3,235	3,060
Other assets	209	152	140
<b>Total non-current assets</b>	<b>31,659</b>	<b>32,286</b>	<b>31,481</b>
<b>Total assets</b>	<b>69,067</b>	<b>69,007</b>	<b>67,540</b>

(Unit:Millions of yen)

	Jan 1, 2016	Dec 31, 2016	Dec 31, 2017
<b>Current liabilities</b>			
Trade and other payables	8,403	9,543	9,261
Short-term interest bearing debts	6,521	3,748	4,647
Long-term interest bearing debts due within one year	6,520	9,084	12,537
Provisions	102	159	203
Income tax payables	695	422	367
Accrued expenses	2,259	2,515	2,152
Other Liabilities	1,305	1,262	1,873
<b>Total current liabilities</b>	<b>25,809</b>	<b>26,735</b>	<b>31,044</b>
<b>Non-current liabilities</b>			
Interest bearing debts	20,833	17,780	12,490
Retirement benefit liabilities	1,413	1,406	1,347
Other provisions	11	47	40
Deferred tax liabilities	75	268	273
Other liabilities	688	746	795
<b>Total non-current liabilities</b>	<b>23,021</b>	<b>20,249</b>	<b>14,947</b>
<b>Total liabilities</b>	<b>48,831</b>	<b>46,984</b>	<b>45,991</b>
<b>Equity</b>			
Capital stock	8,143	8,143	8,143
Capital surplus	7,919	7,919	7,919
Retained earnings	4,710	7,703	8,271
Stock acquisition right	73	172	196
Treasury stock	(1,525)	(1,525)	(1,525)
Other components of equity	(345)	(1,783)	(2,838)
<b>Total equity attributable to owners of the parent</b>	<b>18,976</b>	<b>20,629</b>	<b>20,167</b>
Non-controlling interests	1,260	1,392	1,381
<b>Total equity</b>	<b>20,236</b>	<b>22,022</b>	<b>21,549</b>
<b>Total liabilities and equity</b>	<b>69,067</b>	<b>69,007</b>	<b>67,540</b>



## Consolidated Statement of Profit or Loss

	(Unit:Millions of yen)	
	First three months of FY 2016.12 (Jan. 1, 2016–Mar. 31, 2016)	First three months of FY 2017.12 (Jan. 1, 2017–Mar. 31, 2017)
Sales revenue	20,603	21,599
Cost of sales	(17,249)	(17,901)
Gross profit	3,354	3,698
Selling, general and administrative expenses	(2,093)	(2,119)
Other income	8	4
Other expenses	(45)	(17)
Operating profit	1,223	1,566
Finance income	4	3
Finance expenses	(243)	(171)
Income before taxes	983	1,398
Income taxes	(350)	(417)
Net profits for the year	633	981
Attributable to:		
Owners of the company	596	939
Non-controlling interests	36	41

	(Unit:yen)	
	First three months of FY 2016.12 (Jan. 1, 2016–Mar. 31, 2016)	First three months of FY 2017.12 (Jan. 1, 2017–Mar. 31, 2017)
Earnings per share(EPS)		
Basic	25.69	40.48
Diluted	25.69	40.48

**Consolidated Statement of Comprehensive Income**

	(Unit:Millions of yen)	
	First three months of FY 2016.12 (Jan. 1, 2016–Mar. 31, 2016)	First three months of FY 2017.12 (Jan. 1, 2017–Mar. 31, 2017)
Net profits for the year	633	981
Other comprehensive income		
Items that will not be classified to profit or loss		
Reassessment of defined benefit pension plans(net of tax)	11	7
Total items that will not be classified to profit or loss	11	7
Items that may not be classified to profit or loss		
Available-for-sale investments	(20)	6
Net gain(loss) on derivatives designated as cash flow hedge(net of tax)	(9)	2
Exchange differences on translation of foreign operations(net of tax)	(1,574)	(1,124)
Total items that may not be classified to profit or loss	(1,604)	(1,114)
Total other comprehensive income	(1,593)	(1,106)
Total comprehensive income for the year	(960)	(125)
Attributable to:		
Owners of the company	(932)	(114)
Non-controlling interests	(27)	(11)

**Consolidated Statement of Change in Equity**

(Unit:Millions of

	Capital stock	Capital surplus	Retained earnings	Stock acquisition right	Treasury stock
Balance as at January 1, 2016	8,143	7,919	4,710	73	(1,525)
Net profits for the year			596		
Other comprehensive income					
Total comprehensive income for the year	—	—	596	—	—
Dividends			(255)		
Acquisitions of treasury shares					(0)
Disposal of treasury shares			(0)		0
Share-based payments				24	
Total transactions with owners	-	-	(255)	24	(0)
Balance as at March 31, 2016	8,143	7,919	5,051	98	(1,525)

(Unit by M yen)	Accumulated other comprehensive income/(loss)	Total shareholders' equity	Non-controlling interest	Total equity
Balance as at January 1, 2016	(345)	18,976	1,260	20,236
Net profits for the year		596	36	633
Other comprehensive income	(1,529)	(1,529)	(64)	(1,593)
Total comprehensive income for the year	(1,529)	(932)	(27)	(960)
Dividends		(255)		(255)
Acquisitions of treasury shares		(0)		(0)
Disposal of treasury shares		0		0
Share-based payments		24		24
Total transactions with owners	-	(230)	-	(230)
Balance as at March 31, 2016	(1,874)	17,813	1,232	19,045

(Unit:Millions of

	Capital stock	Capital surplus	Retained earnings	Stock acquisition right	Treasury stock
Balance as at January 1, 2017	8,143	7,919	7,703	172	(1,525)
Net profits for the year					
Other comprehensive income					
Total comprehensive income for the year	—	—	939	—	—
Capital increase of consolidated subsidiaries		(0)			
Dividends			(371)		
Acquisitions of treasury shares					
Share-based payments				24	(0)
Total transactions with owners	-	-	(371)	24	(0)
Balance as at March 31, 2017	8,143	7,919	8,271	196	(1,525)

	Accumulated other comprehensive income/(loss)	Total shareholders' equity	Non-controlling interest	Total equity
Net profits for the year	(1,783)	20,629	1,392	22,022
Net profits for the year		939	41	981
Other comprehensive income	(1,054)	(1,054)	(52)	(1,106)
Total comprehensive income for the year	(1,054)	(114)	(11)	(125)
Capital increase of consolidated subsidiaries			(0)	(0)
Dividends		(371)		(371)
Acquisitions of treasury shares		(0)		(0)
Share-based payments				24
Total transactions with owners	-	(347)	-	(347)
Balance as at March 31, 2017	(2,838)	20,167	1,381	21,549



**Consolidated Statement of Cash Flows**

(Unit:Millions of yen)

	First three months of FY 2016.12 (Jan. 1, 2016–Mar. 31, 2016)	First three months of FY 2017.12 (Jan. 1, 2017–Mar. 31, 2017)
Cash flow from operating activities		
Income before tax	983	1,398
Depreciation and amortization	724	778
interest income	(3)	(3)
interest expense	125	113
Losses(gains)on sales on non-current assets	6	4
Decrease(increase) in trade and other receivables	3	597
Decrease(increase) in inventories	819	(623)
Increase(decrease) in trade and other payables	(249)	163
Other	32	287
Sub-total	2,442	2,716
Interest and dividend received	3	3
Interest paid	(122)	(119)
Income tax paid	(600)	(346)
Net Cash flow from operating activities	1,724	2,253
Cash flow from investing activities		
Capital expenditure on property, plant and equipment	(1,011)	(1,100)
Cash from the disposal of property, plant and equipment	19	1
Cash expenditure on intangibles	(179)	(123)
Other	(0)	(5)
Net cash flow from investing activities	(1,172)	(1,228)
Cash flow before financing activities		
Net increase (decrease) in short-term loans payable	2,353	989
Proceeds from long-term loans payable	500	1,681
Repayments of long-term loans payable	(1,619)	(2,755)
Redemption of bonds	(210)	(210)
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(255)	(371)
Other	(20)	(21)
Net cash provided by (used in) financing activities	748	(687)
Effect of exchange rates on cash and cash equivalents	(248)	(133)
Change in cash and cash equivalents	1,051	204
Cash and cash equivalents as at 1 Jan	3,538	3,546
Cash and cash equivalents as at March 31	4,590	3,750

## Business segment information

First three months of FY 2016.12 (Jan. 1, 2016–Mar. 31, 2016)

	Asia Pacific Business	EU Business	Total	Elimination or corporate	Consolidated
Revenue					
Revenue to third parties	11,853	8,750	20,603	—	20,603
Inter-segment sales or transfers	923	410	1,334	(1,334)	—
Total revenue	12,777	9,161	21,938	(1,334)	20,603
Segment income	696	738	1,434	(174)	1,260
Other income	—	—	—	—	8
Other expenses	—	—	—	—	(45)
Finance income	—	—	—	—	4
Finance costs	—	—	—	—	(243)
Earnings before taxes	—	—	—	—	983

First three months of FY 2017.12 (Jan. 1, 2017–Mar. 31, 2017)

	Asia Pacific Business	EU Business	Total	Elimination or corporate	Consolidated
Revenue					
Revenue to third parties	12,379	9,220	21,599	—	21,599
Inter-segment sales or transfers	1,169	514	1,683	(1,683)	—
Total revenue	13,549	9,734	23,283	(1,683)	21,599
Segment income	884	903	1,787	(208)	1,579
Other income	—	—	—	—	4
Other expenses	—	—	—	—	(17)
Finance income	—	—	—	—	3
Finance costs	—	—	—	—	(171)
Earnings before taxes	—	—	—	—	1,398