

CONSOLIDATED FINANCIAL STATEMENTS (IFRS) (Non-Audited)
(for the third quarter of fiscal year 2017)

October 27, 2017

Name of Company: **SUMIDA CORPORATION**
 Stock Listing: Tokyo
 Security Code No.: 6817
 (URL <http://www.sumida.com>)
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 Date of Submission of Quarterly Marketable Securities Filings: November 9, 2017
 Date on which Dividend Payments to Commence: November 30, 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 nine months of FY 2017 (January 1, 2017–September 30, 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 nine months of FY 2017	66,532	8.4	5,120	2.2	4,678	6.8
First nine months of FY 2016	61,401	—	5,009	—	4,379	—

	Net income		Net income attributable to SUMIDA shareholders		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First nine months of FY 2017	3,338	13.6	3,242	16.5	3,250	—
First nine months of FY 2016	2,938	—	2,782	—	(1,683)	—

	Net income per share (Basic)		Net income per share (Diluted)	
	yen	yen	yen	yen
First nine months of FY 2017	129.00		126.56	
First nine months of FY 2016	119.90		117.45	

(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 Sep. 30, 2017	80,150	28,660	27,147	33.9	1,016.38
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	6.00	6.00	-	-
FY ended Dec.2017 (forecast)	-	-	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 Sep. 30, 2017	27,444,317	As of Dec. 31, 2016	23,944,317
As of Sep. 30, 2017	734,218	As of Dec. 31, 2016	733,521
First nine months of FY 2017	25,136,280	First nine months of FY 2016	23,210,945

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

(c) Average number of shares issued during the period (six 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	Sep. 30, 2017
Current assets			
Cash and cash equivalents	3,538	3,546	5,809
Trade and other receivables	17,062	17,208	18,345
Inventories	14,262	13,617	16,979
Income tax receivables	98	191	230
Other assets	2,445	2,156	2,823
Total current assets	37,408	36,720	44,188
Non-current assets			
Property, plant and equipment	22,613	23,549	27,014
Goodwill	1,966	1,854	1,979
Intangibles	1,896	2,297	2,578
Financial assets	1,155	1,197	1,064
Deferred tax assets	3,817	3,235	3,139
Other assets	209	152	185
Total non-current assets	31,659	32,286	35,962
Total assets	69,067	69,007	80,150

(Unit: Millions of yen)

	Jan 1, 2016	Dec 31, 2016	Sep. 30, 2017
Current liabilities			
Trade and other payables	8,403	9,543	10,653
Short-term interest bearing debts	6,521	3,748	9,159
Long-term interest bearing debts due within one year	6,520	9,084	12,595
Provisions	102	159	165
Income tax payables	695	422	712
Accrued expenses	2,259	2,515	2,488
Other Liabilities	1,305	1,262	1,610
Total current liabilities	25,809	26,735	37,386
Non-current liabilities			
Long term interest bearing debts	20,833	17,780	11,374
Retirement benefit liabilities	1,413	1,406	1,479
Other provisions	11	47	54
Deferred tax liabilities	75	268	217
Other liabilities	688	746	976
Total non-current liabilities	23,021	20,249	14,103
Total liabilities	48,831	46,984	51,489
Equity			
Capital stock	8,143	8,143	10,150
Capital surplus	7,919	7,919	9,898
Retained earnings	4,710	7,703	10,275
Stock acquisition right	73	172	245
Treasury stock	(1,525)	(1,525)	(1,526)
Other components of equity	(345)	(1,783)	(1,896)
Total equity attributable to owners of the parent	18,976	20,629	27,147
Non-controlling interests	1,260	1,392	1,512
Total equity	20,236	22,022	28,660
Total liabilities and equity	69,067	69,007	80,150

Consolidated Statement of Profit or Loss

(Unit: Millions of yen)

	First nine months of FY 2016.12 (Jan. 1, 2016–Sep. 30, 2016)	First nine months of FY 2017.12 (Jan. 1, 2017–Sep. 30, 2017)
Sales revenue	61,401	66,532
Cost of sales	(50,008)	(54,822)
Gross profit	11,393	11,710
Selling, general and administrative expenses	(6,335)	(6,553)
Other income	38	16
Other expenses	(86)	(52)
Operating profit	5,009	5,120
Finance income	12	72
Finance expenses	(642)	(514)
Income before taxes	4,379	4,678
Income taxes	(1,441)	1,339
Net profits for the year	2,938	3,338
Attributable to:		
Owners of the company	2,782	3,242
Non-controlling interests	155	96

(Unit: yen)

	First nine months of FY 2016.12 (Jan. 1, 2016–Sep. 30, 2016)	First nine months of FY 2017.12 (Jan. 1, 2017–Sep. 30, 2017)
Earnings per share(EPS)		
Basic	119.90	129.00
Diluted	117.45	126.56

Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	First nine months of FY 2016.12 (Jan. 1, 2016–Sep. 30, 2016)	First nine months of FY 2017.12 (Jan. 1, 2017–Sep. 30, 2017)
Net profits for the year	2,938	3,338
Other comprehensive income		
Items that will not be classified to profit or loss		
Reassessment of defined benefit pension plans(net of tax)	51	(34)
Total items that will not be classified to profit or loss	51	(34)
Items that may be classified to profit or loss		
Available-for-sale investments	(13)	(16)
Net gain(loss) on derivatives designated as cash flow hedge(net of tax)	2	2
Exchange differences on translation of foreign operations(net of tax)	(4,661)	(40)
Total items that may be classified to profit or loss	(4,673)	(53)
Total other comprehensive income	(4,621)	(88)
Total comprehensive income for the year	(1,683)	3,250
Attributable to:		
Owners of the company	(1,633)	3,130
Non-controlling interests	(50)	119

Consolidated Statement of Change in Equity

(Unit: Millions of yen)

	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			2,782		
Other comprehensive income					
Total comprehensive income for the year			2,782		
Purchase of shares of consolidated subsidiaries		0			
Dividends			(533)		
Acquisitions of treasury shares					(0)
Disposal of treasury shares			(0)		0
Share-based payments				73	
Total transactions with owners		0	(534)	73	(0)
Balance as at September 30, 2016	8,143	7,919	6,959	147	(1,525)

	Equity attributable to owners of parent					Total shareholders' equity	Non-controlling interest	Total equity
	Accumulated other comprehensive income				Accumulated other comprehensive income/(loss)			
	Re-measurement of defined benefit plans	gains or losses on an available-for-sale financial asset	Cash flow hedges	Translation differences of foreign operation				
Balance as at January 1, 2016	(361)	26	(10)	—	(345)	18,976	1,260	20,236
Net profits for the year					—	2,782	155	2,938
Other comprehensive income	51	(13)	2	(4,456)	(4,416)	(4,416)	(205)	(4,621)
Total comprehensive income for the year	51	(13)	2	(4,456)	(4,416)	(1,633)	(50)	(1,683)
Purchase of shares of consolidated subsidiaries						0	(0)	(0)
Dividends						(533)		(533)
Acquisitions of treasury shares						(0)		(0)
Disposal of treasury shares						0		0
Share-based payments						73		73
Total transactions with owners	—	—	—	—	—	(460)	(0)	(460)
Balance as at September 30, 2016	(1)	13	(8)	(4,453)	(4,761)	16,882	1,209	18,092

(Unit: Millions of yen)

	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			3,242		
Other comprehensive income					
Total comprehensive income for the year			3,242		
Purchase of shares of consolidated subsidiaries		(0)			
Dividends			(670)		
Acquisitions of treasury shares					(0)
Disposal of treasury shares					
Issue of shares	2,006	1,979			
Share-based payments				73	
Total transactions with owners	2,006	1,979	(670)	73	(0)
Balance as at September 30, 2017	10,150	9,898	10,275	245	(1,526)

	Equity attributable to owners of parent					Total shareholders' equity	Non-controlling interest	Total equity
	Accumulated other comprehensive income				Accumulated other comprehensive income/(loss)			
	Re-measurement of defined benefit plans	gains or losses on an available-for-sale financial asset	Cash flow hedges	Translation differences of foreign operation				
Balance as at January 1, 2017	(402)	19	(1)	(1,400)	(1,783)	20,629	1,392	22,022
Net profits for the year						3,242	96	3,338
Other comprehensive income	(34)	(16)	2	(64)	(112)	(112)	23	(88)
Total comprehensive income for the year	(34)	(16)	2	(64)	(112)	3,130	119	3,250
Purchase of shares of consolidated subsidiaries						(0)	(0)	(0)
Dividends						(670)		(670)
Acquisitions of treasury shares						(0)		(0)
Issue of shares						3,985		3,985
Share-based payments						73		73
Total transactions with owners	—	—	—	—	—	3,387	(0)	3,387
Balance as at September 30, 2017	(436)	3	1	(1,464)	(1,896)	27,147	1,512	28,660

Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	First nine months of FY 2016.12 (Jan. 1, 2016–Sep. 30, 2016)	First nine months of FY 2017.12 (Jan. 1, 2017–Sep. 30, 2017)
Cash flow from operating activities		
Income before tax	4,379	4,678
Depreciation and amortization	2,132	2,390
interest income	(12)	(11)
interest expense	350	353
Losses(gains)on sales on non-current assets	(9)	15
Decrease(increase) in trade and other receivables	(1,286)	(758)
Decrease(increase) in inventories	1,186	(3,063)
Increase(decrease) in trade and other payables	355	1,093
Other	427	(418)
Sub-total	7,524	4,278
Interest and dividend received	12	11
Interest paid	(342)	(332)
Income tax paid	(1,302)	(915)
Net Cash flow from operating activities	5,891	3,042
Cash flow from investing activities		
Capital expenditure on property, plant and equipment	(2,883)	(5,704)
Cash from the disposal of property, plant and equipment	74	52
Cash expenditure on intangibles	(516)	(489)
Other	(0)	200
Net cash flow from investing activities	(3,326)	(5,941)
Cash flow from financing activities		
Net increase (decrease) in short-term loans payable	(2,050)	5,283
Proceeds from long-term loans payable	4,042	3,257
Repayments of long-term loans payable	(3,344)	(6,250)
Redemption of bonds	(420)	(420)
Proceeds from issuance of common stock	—	3,985
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(533)	(670)
Other	(61)	(60)
Net cash provided by (used in) financing activities	(2,366)	5,124
Effect of exchange rates on cash and cash equivalents	(669)	37
Change in cash and cash equivalents	(470)	2,263
Cash and cash equivalents as at 1 Jan	3,538	3,546
Cash and cash equivalents as at June 30	3,068	5,809

Business segment information

First nine months of FY 2016.12 (Jan. 1, 2016–Sep. 30, 2016)

(Unit: Millions of yen)

	Asia Pacific Business	EU Business	Total	Elimination or corporate	Consolidated
Revenue					
Revenue to third parties	35,746	25,655	61,401	—	61,401
Inter-segment sales or transfers	3,048	1,174	4,223	(4,223)	—
Total revenue	39,794	26,830	65,624	(4,223)	61,401
Segment income	3,390	2,367	5,757	(700)	5,057
Other income	—	—	—	—	38
Other expenses	—	—	—	—	(86)
Finance income	—	—	—	—	12
Finance costs	—	—	—	—	(642)
Earnings before taxes	—	—	—	—	4,379

First nine months of FY 2017.12 (Jan. 1, 2017–Sep. 30, 2017)

(Unit: Millions of yen)

	Asia Pacific Business	EU Business	Total	Elimination or corporate	Consolidated
Revenue					
Revenue to third parties	39,185	27,346	66,532	—	66,532
Inter-segment sales or transfers	3,605	1,598	5,204	(5,204)	—
Total revenue	42,790	28,945	71,736	(5,204)	66,532
Segment income	3,875	1,955	5,831	(674)	5,156
Other income	—	—	—	—	16
Other expenses	—	—	—	—	(52)
Finance income	—	—	—	—	72
Finance costs	—	—	—	—	(514)
Earnings before taxes	—	—	—	—	4,678