

**CONSOLIDATED FINANCIAL STATEMENTS (IFRS) (Non-Audited)**  
(For the year ended December 31, 2017)

February 13, 2018

Name of Company: **SUMIDA CORPORATION**  
 Stock Listing: Tokyo  
 Security Code No: 6817  
 (URL <http://www.sumida.com>)  
 Representative: Shigeyuki Yawata, CEO  
 Contact: Yoshiyuki Honda, CFO  
 Phone: +81-(0)3-6758-2743  
 Date of Annual General Meeting of Shareholders: March 25, 2018  
 Date of submission of Marketable Securities Filings :March 26, 2018  
 Date on which Dividend Payments to Commence: March 5, 2018  
 Supplementary Materials Prepared for the Financial Statements: Yes  
 Presentation Held to Explain the Quarterly Financial Statements: Yes (for institutional investors and analysts)

(Amount of less than one million yen are omitted)

**1. Consolidated Operating Results for the fiscal year of FY2017 (January 1,2017-December 31,2017)**

**(1) Consolidated Operating Results (cumulative)**

(Percentage represents 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	%
FY ended Dec. 31, 2017	90,153	11.2	6,217	(0.8)	5,697	4.2
FY ended Dec. 31, 2016	81,052	-	6,270	-	5,469	-

	Net income		Net income attributable to Sumida		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended Dec. 31, 2017	4,628	20.4	4,504	22.9	4,848	105.4
FY ended Dec. 31, 2016	3,844	-	3,666	-	2,360	-

	Net income per share (Basic)	Net income per share (Diluted)
	yen	yen
FY ended Dec. 31, 2017	176.41	173.13
FY ended Dec. 31, 2016	157.97	154.74

**(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
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of Dec 31, 2017	84,366	30,122	28,570	33.9	1,069.67
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 31, 2016	6.0	6.0	6.0	16.0	34.0
FY ended Dec 31, 2017	6.0	6.0	6.0	27.0	45.0
FY ended Dec 31, 2018 (forecast)	6.0	6.0	6.0	18.0	36.0

Note : Whether the dividend forecast under review has been revised : Yes

### 3. Forecast of consolidated Results for FY2018 (January 1, 2018-December 31,2018)

(% change figures 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	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
FY ended Dec 2018	98,000	8.7	6,200	(0.3)	5,400	(5.2)	3,800	(15.6)	142.27	

### 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) : Yes Sumida Electronic Components Company Limited was deconsolidated.

(2) Changes in accounting policies and changes in accounting estimates

(a) Changes in accounting policies requested 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 Dec. 31, 2017	27,444,317	as of Dec. 31, 2016	23,944,317
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(b) Number of treasury stock at the end of the period

as of Dec. 31, 2017	734,541	as of Dec. 31, 2016	733,599
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(c) Average number of shares issued during the period

FY ended Dec.31, 2017	25,532,925	FY ended Dec.31, 2016	23,210,897
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Note:

The consolidated financial statements on this report are not subject to audit.

Note:

Explanation of the appropriate use of performance forecasts or 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 Statements of Financial Position**

(Unit: Millions of yen)

	as of Jan 1,2016	as of Dec 31,2016	as of Dec 31,2017
<b>Current assets</b>			
Cash and cash equivalents	3,538	3,546	5,375
Trade and other receivables	17,062	17,208	19,469
Inventories	14,262	13,617	17,011
Income tax receivables	98	191	362
Other assets	2,445	2,156	2,766
<b>Total current assets</b>	<b>37,408</b>	<b>36,720</b>	<b>44,986</b>
<b>Non-Current assets</b>			
Property, plant and equipment	23,122	24,042	30,388
Goodwill	1,966	1,854	2,006
Intangibles	1,387	1,804	2,228
Financial assets	1,155	1,197	1,158
Deferred tax assets	3,817	3,235	3,309
Other assets	209	152	289
<b>Total non-current assets</b>	<b>31,659</b>	<b>32,286</b>	<b>39,379</b>
<b>Total assets</b>	<b>69,067</b>	<b>69,007</b>	<b>84,366</b>

(Unit: Millions of yen)

	as of Jan 1,2016	as of Dec 31,2016	as of Dec 31,2017
<b>Current liabilities</b>			
Trade and other payables	8,403	9,543	10,721
Short-term interest bearing debts	6,445	3,672	8,547
Long-term interest bearing debts due within one year	6,596	9,159	11,410
Provisions	102	159	105
Income tax payables	695	422	356
Accrued expenses	2,259	2,515	2,526
Other Liabilities	1,305	1,262	1,449
<b>Total current liabilities</b>	<b>25,809</b>	<b>26,735</b>	<b>35,117</b>
<b>Non-Current liabilities</b>			
Long term interest bearing debts	20,833	17,780	15,879
Retirement benefit liabilities	1,413	1,406	1,574
Other provisions	11	47	55
Deferred tax liabilities	75	268	491
Other liabilities	688	746	1,126
<b>Total non-current liabilities</b>	<b>23,021</b>	<b>20,249</b>	<b>19,126</b>
<b>Total Liabilities</b>	<b>48,831</b>	<b>46,984</b>	<b>54,243</b>
<b>Equity</b>			
Capital stock	8,143	8,143	10,150
Capital surplus	7,919	7,919	9,898
Retained earnings	4,710	7,703	11,376
Stock acquisition right	73	172	270
Treasury stock	(1,525)	(1,525)	(1,526)
Other components of equity	(345)	(1,783)	(1,598)
<b>Total equity attributable to owners of the parent</b>	<b>18,976</b>	<b>20,629</b>	<b>28,570</b>
Non-controlling interests	1,260	1,392	1,551
<b>Total equity</b>	<b>20,236</b>	<b>22,022</b>	<b>30,122</b>
<b>Total liabilities and equity</b>	<b>69,067</b>	<b>69,007</b>	<b>84,366</b>

**Consolidated Statements of Profit and Loss**

(Unit: Millions of yen)

	FY ended Dec.31,2016 (Jan.1, 2016 - Dec. 31, 2016)	FY ended Dec.31, 2017 (Jan.1, 2017 - Dec. 31, 2017)
Sales revenue	81,052	90,153
Cost of sales	(66,191)	(75,019)
Gross profit	14,861	15,134
Selling, general and administrative expenses	(8,507)	(8,837)
Other income	45	8
Other expense	(129)	(87)
Operating profit	6,270	6,217
Financial income	16	116
Financial expense	(816)	(636)
Income before taxes	5,469	5,697
Income taxes	(1,625)	(1,069)
Net income	3,844	4,628
Attributable to:		
Owners of the company	3,666	4,504
Non-controlling interests	178	123

	FY ended Dec.31,2016 (Jan.1, 2016 - Dec. 31, 2016)	FY ended Dec.31, 2017 (Jan.1, 2017 - Dec. 31, 2017)
Earnings per share (EPS)		
Basic	157.97	176.41
Diluted	154.74	173.13

**Consolidated Statements of Comprehensive Income**

(Unit: Millions of yen)

	FY ended Dec.31,2016 (Jan.1, 2016 - Dec. 31, 2016)	FY ended Dec.31, 2017 (Jan.1, 2017 - Dec. 31, 2017)
Net profits for the year	3,844	4,628
Other Comprehensive income		
Items that will not be classified to profit or loss		
Reassessment of defined benefit pension plans (net of tax)	(38)	(98)
Total items that will not be classified to profit or loss	(38)	(98)
Items that may be classified to profit or loss		
Available-for-sale investments	(6)	44
Net gain(loss) on derivatives designated as cash flow hedge (net of tax)	9	(19)
Exchange differences on translation of foreign operations (net of tax)	(1,448)	294
Total items that may be classified to profit or loss	(1,445)	318
Total other comprehensive income	(1,483)	220
Total comprehensive incomes fore the year	2,360	4,848
Attributable to:		
Owners of the company	2,227	4,689
Non-controlling interests	132	158

Consolidated Statement of Changes in Equity

(Unit: Millions of yen)

	Capital stock	Capital Surplus	Retained Earnings	Stock acquisition rights	Treasury stock
Balance as of January 1, 2016	8,143	7,919	4,710	73	(1,525)
Net income for the year	-	-	3,666	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	3,666	-	-
Purchase of shares of consolidated shareholders	-	(0)	(673)	-	-
Dividends	-	-	(673)	-	-
Acquisition of treasury shares	-	-	-	-	(0)
Disposal of treasury shares	-	-	(0)	-	0
share-based payments	-	-	-	98	-
Total transactions with owners	-	(0)	(673)	98	(0)
Balance as at December 31, 2016	8,143	7,919	7,703	172	(1,525)

	Equity attributable to owners of parent					Total Shareholders' equity	Non-controlling interest	Total equity
	Re-measurement of defined benefit plans	Gains or losses on available-for-sale financial assets	Cash flow hedges	translation differences of foreign operation	Accumulated other comprehensive incomes /(loss)			
Balance as of January 1, 2016	(361)	26	(10)	-	(345)	18,976	1,260	20,236
Net income for the year	-	-	-	-	-	3,666	178	3,844
Other comprehensive income	(41)	(6)	9	(1,400)	(1,438)	(1,438)	(45)	(1,483)
Total comprehensive income for the year	(41)	(6)	9	(1,400)	(1,438)	2,227	132	2,360
Purchase of shares of consolidated shareholders	-	-	-	-	-	(0)	(0)	(0)
Dividends	-	-	-	-	-	(637)	-	(637)
Acquisition of treasury shares	-	-	-	-	-	(0)	-	(0)
Disposal of treasury shares	-	-	-	-	-	0	-	0
share-based payments	-	-	-	-	-	98	-	98
Total transactions with owners	-	-	-	-	-	(575)	(0)	(575)
Balance as at December 31, 2016	(402)	19	(1)	(1,400)	(1,783)	20,629	1,392	22,022

(Unit: Millions of yen)

	Capital stock	Capital Surplus	Retained Earnings	Stock acquisition rights	Treasury stock
Balance as of January 1, 2017	8,143	7,919	7,703	172	(1,525)
Net income for the year	-	-	4,504	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	4,504	-	-
Purchase of shares of consolidated shareholders	-	(0)	-	-	-
Issuance of new shares	2,006	1,979	(831)	-	-
Dividends	-	-	(831)	-	-
Acquisition of treasury shares	-	-	-	-	(1)
Disposal of treasury shares	-	-	-	-	-
share-based payments	-	-	-	98	-
Total transactions with owners	2,006	1,979	(831)	98	(1)
Balance as at December 31, 2017	10,150	9,898	11,376	270	(1,526)

	Equity attributable to owners of parent					Total Shareholders' equity	Non-controlling interest	Total equity
	Re-measurement of defined benefit plans	Gains or losses on available-for-sale financial assets	Cash flow hedges	translation differences of foreign operation	Accumulated other comprehensive incomes /(loss)			
Balance as of January 1, 2017	(402)	19	(1)	(1,400)	(1,783)	20,629	1,392	22,022
Net income for the year	-	-	-	-	-	4,504	123	4,628
Other comprehensive income	(95)	44	(19)	256	185	185	35	220
Total comprehensive income for the year	(95)	44	(19)	256	185	4,689	158	4,848
Purchase of shares of consolidated shareholders	-	-	-	-	-	(0)	(0)	(0)
Issuance of new shares	-	-	-	-	-	3,985	-	3,985
Dividends	-	-	-	-	-	(831)	-	(831)
Acquisition of treasury shares	-	-	-	-	-	(1)	-	(1)
Disposal of treasury shares	-	-	-	-	-	-	-	-
share-based payments	-	-	-	-	-	98	-	98
Total transactions with owners	-	-	-	-	-	3,251	(0)	3,251
Balance as at December 31, 2017	(497)	64	(21)	(1,143)	(1,598)	28,570	1,551	30,122

**Consolidated Statements of Cash flows**

(Unit: Millions of yen)

	FY ended Dec.31,2016 (Jan.1, 2016 - Dec. 31, 2016)	FY ended Dec.31, 2017 (Jan.1, 2017 - Dec. 31, 2017)
Cash flow from operating activities		
Income before tax	5,469	5,697
Depreciation and amortization	2,897	3,277
Interest income	(16)	(15)
Interest expense	470	507
Losses(gains) on sales on non-current assets	0	28
Decrease(increase) in trade and other receivables	(826)	(1,706)
Decrease(increase) in inventories	17	(2,930)
Decrease(increase) in trade and other payables	1,222	924
Others	883	(478)
Sub-total	10,117	5,304
Interest and dividend received	16	15
Interest paid	(447)	(457)
Income tax paid	(1,394)	(1,205)
Net cash flow from operating activities	8,291	3,658
Cash flow from investing activities		
Capital expenditure on property, plant and equipment	(4,350)	(8,831)
Cash from the disposal of property, plant and equipment	96	63
Cash expenditure on intangibles	(674)	(680)
Others	(32)	194
Net cash flow from investing activities	(4,961)	(9,254)
Cash flow from financing activities		
Net increase (decrease) in short-term loans payable	(2,766)	4,652
Proceeds from long-term loans payable	6,879	9,879
Repayments of long-term loans payable	(5,955)	(9,793)
Redemption of bonds	(420)	(420)
Proceeds from issuance of common stocks	-	3,985
Purchase of treasury stock	(0)	(1)
Cash dividends paid	(672)	(830)
Others	(80)	(82)
Net cash provided by (used in) financing activities	(3,016)	7,389
Effect of exchange rates on cash and cash equivalents	(306)	35
Change in cash and cash equivalents	7	1,828
Cash and cash equivalents as at Jan. 1	3,538	3,546
Cash and cash equivalents as at Dec 31	3,546	5,375

**Business segment information**

Fiscal Year ended December 31, 2016

(Unit: Millions of yen)

	Asia Pacific Business	EU Business	Total	Elimination or corporate	Consolidated
Revenue					
Revenue to thrid parties	47,827	33,225	81,052	-	81,052
Inter-segment sales or transfers	4,305	1,537	5,842	(5,842)	-
Total revenue	52,132	34,763	86,895	(5,842)	81,052
Segment income	4,285	2,966	7,251	(897)	6,354
Other income					45
Other expense					(129)
Financial income					16
Financial cost					(816)
Earning before taxes					5,469

Fiscal Year ended December 31, 2017

(Unit: Millions of yen)

	Asia Pacific Business	EU Business	Total	Elimination or corporate	Consolidated
Revenue					
Revenue to thrid parties	53,716	36,437	90,153	-	90,153
Inter-segment sales or transfers	4,735	2,078	6,813	(6,813)	-
Total revenue	58,451	38,515	96,967	(6,813)	90,153
Segment income	4,886	2,329	7,216	(919)	6,296
Other income					8
Other expense					(87)
Financial income					116
Financial cost					(636)
Earning before taxes					5,697