

CONSOLIDATED FINANCIAL STATEMENTS (IFRS) (Non-Audited)

(For the first six months of fiscal year 2018)

July 31, 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 submission of Quarterly Marketable Securities Filings : August 9, 2018
 Date on which Dividend Payments to Commence: August 27, 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 first six months of FY2018 (January 1, 2018-June 30,2018)

(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	%
First six months of FY2018	46,540	7.3	1,738	(48.0)	1,223	(59.3)
First six months of FY2017	43,368	4.4	3,346	5.9	3,004	11.7

	Net income		Net income attributable to Sumida shareholders		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months of FY2018	765	(65.1)	703	(66.6)	(139.0)	-
First six months of FY2017	2,196	13.4	2,106	15.0	1,676.0	-

	Net income per share (Basic)	Net income per share (Diluted)
	yen	yen
First six months of FY2018	26.32	25.87
First six months of FY2017	86.54	86.54

(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 Jun.30, 2018	91,426	29,530	27,949	30.6	1,044.31
As of Dec.31, 2017	84,366	30,122	28,570	33.9	1,069.67

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, 2017	6.00	6.00	6.00	27.00	45.00
FY ended Dec 31, 2018	6.00	6.00			
FY ended Dec 31, 2018 (forecast)			6.00	18.00	36.00

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

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	(5.4)	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) : No

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

(a) Changes in accounting policies requested by IFRS: Yes

(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 Jun. 31, 2018	27,444,317	as of Dec. 31, 2017	27,444,317
---------------------	------------	---------------------	------------

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

as of Jun. 31, 2018	681,199	as of Dec. 31, 2017	734,541
---------------------	---------	---------------------	---------

(c) Average number of shares issued during the period

first six months of 2018	26,733,103	first six months of 2017	24,336,327
--------------------------	------------	--------------------------	------------

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 Dec 31,2017	as of Jun.30, ,2018
Current assets		
Cash and cash equivalents	5,375	4,511
Trade and other receivables	19,469	19,065
Inventories	17,011	17,545
Income tax receivables	362	170
Other assets	2,766	4,090
Total current assets	44,986	45,383
Non-Current assets		
Property, plant and equipment	30,388	32,090
Goodwill	2,006	6,855
Intangibles	2,228	2,555
Financial assets	1,158	1,152
Deferred tax assets	3,309	2,966
Other assets	289	422
Total non-current assets	39,379	46,042
Total assets	84,366	91,426

(Unit: Millions of yen)

	as of Dec 31,2017	as of Jun.30, ,2018
Current liabilities		
Trade and other payables	10,721	11,425
Short-term interest bearing debts	8,547	19,008
Long-term interest bearing debts due within one year	11,410	6,746
Provisions	105	66
Income tax payables	356	334
Accrued expenses	2,526	2,446
Other Liabilities	1,449	1,730
Total current liabilities	35,117	41,759
Non-Current liabilities		
Long term interest bearing debts	15,879	17,128
Retirement benefit liabilities	1,574	1,516
Other provisions	55	55
Deferred tax liabilities	491	458
Other liabilities	1,126	978
Total non-current liabilities	19,126	20,137
Total Liabilities	54,243	61,896
Equity		
Capital stock	10,150	10,150
Capital surplus	9,898	9,898
Retained earnings	11,376	11,467
Stock acquisition right	270	303
Treasury stock	(1,526)	(1,415)
Other components of equity	(1,598)	(2,455)
Total equity attributable to owners of the parent	28,570	27,949
Non-controlling interests	1,551	1,580
Total equity	30,122	29,530
Total liabilities and equity	84,366	91,426

Consolidated Statements of Profit and Loss

(Unit: Millions of yen)

	First six months of FY2017 (Jan.1, 2017 -Jun. 30 2017)	First six months of FY2018 (Jan.1, 2018 - Jun. 30, 2018)
Sales revenue	43,368	46,540
Cost of sales	(35,679)	(39,687)
Gross profit	7,688	6,853
Selling, general and administrative expenses	(4,315)	(5,092)
Other income	15	47
Other expense	(42)	(69)
Operating profit	3,346	1,738
Financial income	7	40
Financial expense	(348)	(555)
Income before taxes	3,004	1,223
Income taxes	(808)	(458)
Net income	2,196	765
Attributable to:		
Owners of the company	2,106	703
Non-controlling interests	90	62

	First six months of FY2017 (Jan.1, 2017 -Jun. 30 2017)	First six months of FY2018 (Jan.1, 2018 - Jun. 30, 2018)
Earnings per share (EPS)		
Basic	86.54	26.32
Diluted	86.54	25.87

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	First six months of FY2017 (Jan.1, 2017 - Jun. 30 2017)	First six months of FY2018 (Jan.1, 2018 - Jun. 30, 2018)
Net profits for the year	2,196	765
Other Comprehensive income		
Items that will not be classified to profit or loss		
Financial assets measured at FV through OCI	-	(24)
Reassessment of defined benefit pension plans (net of tax)	(18)	22
Total items that will not be classified to profit or loss	(18)	(2)
Items that may be classified to profit or loss		
Available-for-sale investments	13	-
Net gain(loss) on derivatives designated as cash flow hedge (net of tax)	4	27
Exchange differences on translation of foreign operations (net of tax)	(518)	(930)
Total items that may be classified to profit or loss	(500)	(903)
Total other comprehensive income	(519)	(905)
Total comprehensive incomes fore the year	1,676	(139)
Attributable to:		
Owners of the company	1,592	(152)
Non-controlling interests	83	13

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, 2017	8,143	7,919	7,703	172	(1,525)
Net income			2,106		
Other comprehensive income					
Total comprehensive income	-	-	2,106	-	-
Purchase of shares of consolidated shareholders		(0)			
Dividends			(510)		
Acquisition of treasury shares					(0)
Issue of shares	2,006	1,979			
share-based payments				49	
Total transactions with owners	2,006	1,979	(510)	49	(0)
Balance as at Jun.30, 2017	10,150	9,898	9,298	221	(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						2,106	90	2,196
Other comprehensive income	(18)	13	4	(512)	(513)	(513)	(6)	(519)
Total comprehensive income	(18)	13	4	(512)	(513)	1,592	83	1,676
Purchase of shares of consolidated shareholders						(0)	(0)	(0)
Dividends						(510)		(510)
Acquisition of treasury shares						(0)		(0)
Issue of shares						3,985		3,985
share-based payments						49		49
Total transactions with owners	-	-	-	-	-	3,523	(0)	3,523
Balance as at Jun.30, 2017	(421)	33	3	(1,912)	(2,297)	25,745	1,476	27,222

(Unit: Millions of yen)

	Capital stock	Capital Surplus	Retained Earnings	Stock acquisition right	Treasury stock
Balance as of January 1, 2018	10,150	9,898	11,376	270	(1,526)
Impact of change in accounting policy			347		
Restated balance at January 1, 2018	10,150	9,898	11,723	270	(1,526)
Net income			703		
Other comprehensive income					
Total comprehensive income	-	-	703	-	-
Dividends			(881)		
Acquisition of treasury shares					(0)
Disposal of treasury shares		(78)		(32)	111
Reclassification of loss on disposal of treasury shares		78	(78)		
share-based payments				65	
Total transactions with owners	-	-	(960)	33	110
Balance as at Jun.30, 2018	10,150	9,898	11,467	303	(1,415)

	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	Gain or losses on financial assets measured at fair value through	Cash flow hedges	translation differences of foreign operation				Accumulated other comprehensive incomes/(loss)
Balance as of January 1, 2018	(497)	64	-	(21)	(1,143)	(1,598)	28,570	1,551	30,122
Impact of change in accounting policy		(64)	64				347	15	363
Restated balance at January 1, 2018	(497)	-	64	(21)	(1,143)	(1,598)	28,917	1,567	30,485
Net income							703	62	765
Other comprehensive income	22	-	(24)	27	(881)	(856)	(856)	(48)	(905)
Total comprehensive income	22	-	(24)	27	(881)	(856)	(152)	13	139
Dividends							(881)		(881)
Acquisition of treasury shares							(0)		(0)
Disposal of treasury shares							0		0
Reclassification of loss on disposal of treasury shares							-		-
share-based payments							65		65
Total transactions with owners	-	-	-	-	-	-	(815)		(815)
Balance as at Jun.30, 2018	(475)	-	39	6	(2,025)	(2,455)	27,949	1,580	29,530

Consolidated Statements of Cash flows

(Unit: Millions of yen)

	First six months of FY2017 (Jan.1, 2017 -Jun. 30 2017)	First six months of FY2018 (Jan.1, 2018 - Jun. 30, 2018)
Cash flow from operating activities		
Income before tax	3,004	1,223
Depreciation and amortization	1,562	1,853
Interest income	(7)	(11)
Interest expense	230	336
Losses(gains) on sales on non-current assets	16	(25)
Decrease(increase) in trade and other receivables	(52)	582
Decrease(increase) in inventories	(1,490)	(1,159)
Decrease(increase) in trade and other payables	830	390
Others	(183)	(247)
Sub-total	3,910	2,941
Interest and dividend received	7	11
Interest paid	(218)	(337)
Income tax paid	(560)	(88)
Net cash flow from operating activities	3,138	2,527
Cash flow from investing activities		
Capital expenditure on property, plant and equipment	(3,207)	(3,880)
Cash from the disposal of property, plant and equipment	1	122
Cash expenditure on intangibles	(301)	(493)
Purchase of investments in subsidiaries	—	(5,991)
Others	95	(0)
Net cash flow from investing activities	(3,412)	(10,243)
Cash flow from financing activities		
Net increase (decrease) in short-term loans payable	563	10,630
Proceeds from long-term loans payable	1,681	4,194
Repayments of long-term loans payable	(3,130)	(6,784)
Redemption of bonds	(210)	(60)
Purchase of treasury stock	3,985	—
Cash dividends paid	(509)	(879)
Others	(45)	(45)
Net cash provided by (used in) financing activities	2,335	7,055
Effect of exchange rates on cash and cash equivalents	(53)	(204)
Change in cash and cash equivalents	2,008	(864)
Cash and cash equivalents as at Jan. 1	3,546	5,375
Cash and cash equivalents as at Jun.30	5,554	4,511

Business segment information

First six months of FY 2017

(Unit: Millions of yen)

	Asia Pacific Business	EU Business	Total	Elimination or corporate	Consolidated
Revenue					
Revenue to third parties	25,270	18,098	43,368	-	43,368
Inter-segment sales or transfers	2,328	1,006	3,334	(3,334)	-
Total revenue	27,598	19,104	46,702	(3,334)	43,368
Segment income	2,422	1,337	3,799	(427)	3,372
Other income	-	-	-	-	15
Other expense	-	-	-	-	(42)
Financial income	-	-	-	-	7
Financial cost	-	-	-	-	(348)
Earning before taxes	-	-	-	-	3,004

First six months of FY 2018

(Unit: Millions of yen)

	Asia Pacific Business	EU Business	Total	Elimination or corporate	Consolidated
Revenue					
Revenue to third parties	27,189	19,351	46,540	-	46,540
Inter-segment sales or transfers	2,242	1,082	3,324	(3,324)	-
Total revenue	29,431	20,433	49,864	(3,324)	46,540
Segment income	1,040	1,134	2,175	(414)	1,760
Other income					47
Other expense					(69)
Financial income					40
Financial cost					(555)
Earning before taxes					1,223