

CONSOLIDATED FINANCIAL STATEMENTS (IFRS) (Non-Audited)

(for the first quarter of fiscal year 2019)

May 7, 2019

Name of Company: **SUMIDA CORPORATION**

Stock Listing: Tokyo

Security Code No.: 6817

(URL <https://www.sumida.com>)

Representative: Shigeyuki Yawata, CEO

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Date of Submission of Quarterly Marketable Securities Filings: May 14, 2019

Date on which Dividend Payments to Commence: May 31, 2019

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 2019 (January 1, 2019–March 31, 2019)

(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 2019	23,198	2.2	600	31.4	265	(39.8)
First three months of FY 2018	22,701	5.1	456	(70.8)	441	(68.4)

	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 2019	118	(62.2)	114	(60.2)	233	—
First three months of FY 2018	314	(68.0)	287	(69.4)	(828)	—

	Net income per share (Basic)		Net income per share (Diluted)	
	yen	yen	yen	yen
First three months of FY 2019	4.22	4.21	4.21	4.21
First three months of FY 2018	10.76	10.57	10.57	10.57

(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, 2019	98,298	34,848	33,211	33.8	1,224.69
As of Dec. 31, 2018	94,277	35,438	33,829	35.9	1,250.01

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.2018	6.00	6.00	6.00	9.00	27.00
FY ended Dec.2019	6.00	-	-	-	-
FY ended Dec.2019 (forecast)	-	6.00	6.00	15.00	33.00

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

3. Forecast of Consolidated Results for FY 2019 (January 1, 2019–December 31, 2019)

(% 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 FY2019	101,400	4.0	6,200	15.2	5,070	24.8	3,540	46.3	130.81

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: 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 Mar. 31, 2019	27,444,317	As of Dec. 31, 2018	27,444,317
As of Mar. 31, 2019	325,739	As of Dec. 31, 2018	381,239
First three months of FY 2019	27,090,384	First three months of FY 2018	26,711,938

(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)

	Dec 31, 2018	March 31,2019
Current assets		
Cash and cash equivalents	4,098	5,551
Trade and other receivables	19,102	18,501
Inventories	18,983	18,200
Other assets	4,109	4,242
<u>Total current assets</u>	46,292	46,496
Non-current assets		
Property, plant and equipment	33,754	33,427
Right-of-use asset	—	4,355
Goodwill	4,266	4,255
Intangibles	6,183	6,040
Financial assets	1,075	1,085
Deferred tax assets	2,225	2,193
Other assets	477	443
<u>Total non-current assets</u>	47,984	51,801
Total assets	94,277	98,298

(Unit: Millions of yen)

	Dec 31, 2018	March 31,2019
Current liabilities		
Trade and other payables	10,392	8,896
Short-term interest bearing debts	9,350	10,517
Long-term interest bearing debts due within one year	6,190	5,663
Provisions	37	70
Income tax payables	343	329
Accrued expenses	2,669	2,448
Other Liabilities	1,171	1,769
<u>Total current liabilities</u>	30,155	29,696
Non-current liabilities		
Long-term interest bearing debts	24,666	29,693
Retirement benefit liabilities	1,417	1,397
Other provisions	18	18
Deferred tax liabilities	1,369	1,390
Other liabilities	1,210	1,283
<u>Total non-current liabilities</u>	28,682	33,782
Total liabilities	58,838	63,479
Equity		
Capital stock	10,150	10,150
Capital surplus	9,898	9,898
Other equity instruments	5,000	5,000
Retained earnings	12,385	11,537
Stock acquisition right	180	174
Treasury stock	(792)	(677)
Other components of equity	(2,992)	(2,871)
<u>Total equity attributable to owners of the parent</u>	33,829	33,211
Non-controlling interests	1,609	1,607
Total equity	35,438	34,818
Total liabilities and equity	94,277	98,298

Consolidated Statement of Profit or Loss

(Unit: Millions of yen)

	First three months of FY 2018.12 (Jan. 1, 2018–Mar. 31, 2018)	First three months of FY 2019.12 (Jan. 1, 2019–Mar. 31, 2019)
Revenue	22,701	23,198
Cost of sales	(19,787)	(20,109)
Gross profit	2,913	3,089
Selling, general and administrative expenses	(2,434)	(2,529)
Other income	25	49
Other expenses	(44)	(9)
Operating profit	456	600
Finance income	171	5
Finance expenses	(186)	(339)
Net income before taxes	441	265
Income taxes	(127)	(147)
Net income for the year	314	118
Attributable to:		
Owners of the company	287	114
Non-controlling interests	26	4

(Unit: yen)

	First three months of FY 2018.12 (Jan. 1, 2018–Mar. 31, 2018)	First three months of FY 2019.12 (Jan. 1, 2019–Mar. 31, 2019)
Earnings per share(EPS)		
Basic	10.76	4.22
Diluted	10.57	4.21

Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	First three months of FY 2018.12 (Jan. 1, 2018–Mar. 31, 2018)	First three months of FY 2019.12 (Jan. 1, 2019–Mar. 31, 2019)
Net income for the year	314	118
Other comprehensive income		
Items that will not be classified to profit or loss		
Financial assets at fair value through other comprehensive income	(27)	(0)
Reassessment of defined benefit pension plans(net of tax)	13	6
Total items that will not be classified to profit or loss	(14)	6
Items that may not be classified to profit or loss		
Net gain(loss) on derivatives designated as cash flow hedge(net of tax)	18	(55)
Exchange differences on translation of foreign operations(net of tax)	(1,145)	163
Total items that may not be classified to profit or loss	(1,127)	108
Total other comprehensive income	(1,142)	114
Total comprehensive income for the year	(828)	233
Attributable to:		
Owners of the company	(790)	235
Non-controlling interests	(37)	(2)

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, 2018	10,150	9,898	11,376	270	(1,526)
Change in accounting policy			347		
Restated balance	10,150	9,898	11,723	270	(1,526)
Net profits for the year			287		
Other comprehensive income					
Total comprehensive income for the year			287		
Dividends			(721)		
Acquisitions of treasury shares					(0)
Disposal of treasury shares		(58)		(24)	83
Transfer disposal of treasury shares of losses		58	(58)		
Share-based payments				24	
Total transactions with owners			(779)	0	82
Balance as at March 31, 2018	10,150	9,898	11,231	270	(1,443)

	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.	Net change fair value through profit or Loss	Cash flow hedges				
Balance as at January 1, 2018	(497)	64	—	(21)	(1,598)	28,570	1,551	30,122
Change in accounting policy		(64)	64		—	347	15	363
Restated balance	(497)	—	64	(21)	(1,598)	28,917	1,567	30,485
Net profits for the year					—	287	26	314
Other comprehensive income	13	—	(27)	18	(1,078)	(1,078)	(64)	(1,142)
Total comprehensive income for the year	13	—	(27)	18	(1,078)	(790)	(37)	(828)
Dividends					—	(721)		(721)
Acquisitions of treasury shares					—	(0)		(0)
Disposal of treasury shares					—	0		0
Transfer disposal of treasury shares of losses					—	—		—
Share-based payments					—	24		24
Total transactions with owners					—	(696)	—	(696)
Balance as at March 31, 2018	(484)	—	36	(3)	(2,676)	27,430	1,529	28,960

(Unit: Millions of yen)

	Capital stock	Capital surplus	Other equity instruments	Retained earnings	Stock Option	Treasury stock
Balance as at January 1, 2019	10,150	9,898	5,000	12,385	180	(792)
Change in accounting policy				(586)		
Restated balance	10,150	9,898	5,000	11,799	180	(792)
Net profits for the year				114		
Other comprehensive income						
Total comprehensive income for the year				114		
Dividends				(243)		
Distributions to owners of other capital instruments				(50)		
Acquisitions of treasury shares						
Disposal of treasury shares		(81)			(33)	115
Transfer of difference on disposal of treasury shares		81		(81)		
Share-based payments					28	
Total transactions with owners				(375)	(5)	115
Balance as at March 31, 2019	10,150	9,898	5,000	11,537	174	(677)

	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	Net change fairvalue	Cash flow hedges	Translation differences of foreign operation				
Balance as at January 1, 2019	(475)	41	4	(2,564)	(2,992)	33,829	1,609	35,438
Change in accounting policy						(586)		(586)
Restated balance	(475)	41	4	(2,564)	(2,992)	33,242	1,609	34,851
Net profits for the year					—	114	4	118
Other comprehensive income	6	(0)	(55)	170	120	120	(6)	114
Total comprehensive income for the year	6	(0)	(55)	170	120	235	(2)	233
Dividends					—	(243)		(243)
Distributions to owners of other capital instruments					—	0		(50)
Acquisitions of treasury shares					—	—		—
Disposal of treasury shares					—	0		0
Transfer of difference on disposal of treasury shares					—	—		—
Share-based payments					—	28		28
Total transactions with owners					—	(266)	—	(266)
Balance as at March 31, 2019	(468)	41	(50)	(2,394)	(2,871)	33,211	1,607	34,818

Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	First three months of FY 2018.12 (Jan. 1, 2018–Mar. 31, 2018)	First three months of FY 2019.12 (Jan. 1, 2019–Mar. 31, 2019)
Cash flow from operating activities		
Income before tax	441	265
Depreciation and amortization	913	1,283
interest income	(5)	(3)
interest expense	158	301
Losses(gains)on sales on non-current assets	(16)	(18)
Decrease(increase) in trade and other receivables	1,119	583
Decrease(increase) in inventories	109	762
Increase(decrease) in trade and other payables	(237)	(1,091)
Other	(801)	485
Sub-total	1,681	2,567
Interest and dividend received	5	3
Interest paid	(143)	(269)
Income tax paid	(62)	(84)
Net Cash flow from operating activities	1,480	2,217
Cash flow from investing activities		
Capital expenditure on property, plant and equipment	(2,056)	(1,657)
Cash from the disposal of property, plant and equipment	73	54
Cash expenditure on intangibles	(215)	(201)
Other	(0)	0
Net cash flow from investing activities	(2,198)	(1,804)
Cash flow before financing activities		
Net increase (decrease) in short-term borrowings	3,901	991
Proceeds from long-term loans payable	4,045	1,372
Repayments of long-term loans payable	(6,280)	(836)
Redemption of bonds	(60)	—
Cash dividends paid	(721)	(243)
Payment of distributions to owners of other capital instruments	—	(51)
Other	(24)	(183)
Net cash provided by (used in) financing activities	861	1,050
Effect of exchange rates on cash and cash equivalents	(190)	(9)
Change in cash and cash equivalents	(46)	1,453
Cash and cash equivalents as at January 1	5,375	4,098
Cash and cash equivalents as at March 31	5,329	5,551