

CONSOLIDATED FINANCIAL STATEMENTS (IFRS) (Non-Audited) (for the third quarter of fiscal year 2020)

October 30 2020

Company Name SUMIDA CORPORATION

Stock Exchange Listing: Tokyo Stock Exchange

Listing Code 6817 URL <https://www.sumida.com>

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Date of Submission of Quarterly November 10, 2020 The date of payout of —

Marketable Securities Filings : dividends :

Supplementary Materials Prepared for the Financial Statements: Yes

Presentation Held to Explain the Quarterly Financial Statements : None

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

1. Consolidated financial results for Nine months ended September 30, 2020

(1) Operating results

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

	Revenue		Operating profit		Quarterly profit before income taxes		Quarterly profit		Quarterly profit attributable to Owners of parent		Quarterly Comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2020	60,487	(14.1)	116	(94.9)	(831)	—	(845)	—	(803)	—	(1,297)	—
Nine months ended September 30, 2019	70,412	(2.5)	2,288	(40.2)	1,311	(53.9)	716	(61.4)	767	(56.4)	(594)	—

	Basic quarterly earnings per share	Diluted quarterly earnings per share
	Yen	Yen
Nine months ended September 30, 2020	(29.58)	(29.58)
Nine months ended September 30, 2019	28.30	28.22

(2) Financial position

	Assets	Equity	Equity attributable to owners of parent	Parent company owner's equity interest	Share attributable to parent company owner per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
At September 30, 2020	96,517	33,001	31,480	32.6	1,159.21
At December 31, 2019	96,561	34,593	33,013	34.2	1,216.08

2. Dividends (Year ended December 31, 2019 and year ended December 31, 2020)

	Cash dividends per share				
	1 st Quarter	2 nd Quarter	3 rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2019	6.00	6.00	6.00	6.00	24.00
2020	0.00	0.00	0.00	—	—
2020 (forecast)	—	—	—	—	—

Note: Whether the dividend forecast under review has been revised: None

3. Forecast of Consolidated Results for FY 2020 (January 1, 2020–December 31, 2020)

(% 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 profit		Profit (loss) before income taxes		Profit (loss) attributable to Owners of parent		Basic quarterly earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending December 31, 2020	83,300	(11.6)	1,300	(63.3)	0	—	0	—	0

Note: Whether the forecasts for consolidated figures under review have been revised: Yes

※ Note

(1) Changes in significant subsidiaries during the Nine months ended September 30, 2020 (Changes in specific subsidiaries that caused change in scope of consolidation): None

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

- ① Changes in accounting policies required by IFRS: None
- ② Changes in accounting policies other than those in (1) above: None
- ③ Changes in accounting estimates: None

(3) Number of common shares outstanding (Shares)

①	Number of shares issued at the end of the period (including treasury stock)	As of September 30, 2020	27,444,317	As of ended December 31, 2019	27,444,317
②	Number of treasury stocks at the end of the period	As of September 30, 2020	287,694	As of ended December 31, 2019	296,624
③	Average number of shares issued during the period (Three months)	As of September 30, 2020	27,151,711	Nine months ended September 30, 2019	27,117,179

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.

Condensed quarterly consolidated financial statements and main notes

(1) Consolidated Balance Sheets

(Units : Millions of yen)

	At December 31, 2019	At September 30, 2020
Assets		
Current assets		
Cash and cash equivalents	3,286	4,321
Trade and other receivables	18,826	18,197
Inventories	16,877	16,452
Other current assets	4,041	4,604
Total current assets	43,032	43,575
Non-current assets		
Property, plant and equipment	35,668	35,330
Right-of-use asset	3,938	4,368
Goodwill	4,176	4,137
Intangible assets	6,151	6,010
Financial assets	1,104	559
Deferred tax assets	2,140	2,087
Other non-current assets	348	447
Total non-current assets	53,528	52,941
Assets	96,561	96,517

(Units : Millions of yen)

	At December 31, 2019	At September 30, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	10,184	8,176
Interest-bearing liabilities	9,303	9,906
Current portion of long-term debt	6,367	6,995
Leased assets	807	666
Provisions	128	120
Income taxes payable	393	328
Accrued expenses	2,257	2,553
Other current liabilities	1,188	1,535
Total current liabilities	30,630	30,282
Total non-current liabilities		
Long-term debt	23,707	25,089
Lease obligation	3,462	4,040
Retirement benefit liability	1,569	1,507
Provisions	18	18
Deferred tax liabilities	1,259	1,334
Other non-current liabilities	1,318	1,243
Total non-current liabilities	31,337	33,233
Liabilities	61,967	63,516
Equity		
Share capital	10,150	10,150
Capital surplus	9,898	9,898
Other components of equity	5,000	5,000
Retained earnings	12,322	11,189
Share options	48	64
Treasury shares	(616)	(597)
Accumulated other comprehensive income	(3,789)	(4,224)
Equity attributable to owners of parent	33,013	31,480
Non-controlling interests	1,579	1,520
Equity	34,593	33,001
Liabilities and equity	96,561	96,517

(2) Consolidated Statement of Profit or Loss

(Units : Millions of yen)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020
Revenue	70,412	60,487
Cost of sales	(60,962)	(53,785)
Gross profit	9,449	6,701
Selling, general and administrative expenses	(7,184)	(6,637)
Other operating income	70	86
Other operating expenses	(47)	(34)
Operating profit	2,288	116
Finance income	19	15
Finance costs	(996)	(963)
Quarterly profit before income taxes	1,311	(831)
Income taxes	(595)	(13)
Quarterly profit	716	(845)
Quarterly profit attributable to:		
Owners of parent	767	(803)
Non-controlling interests	(51)	(42)

(Units : Yen)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020
Earnings per share		
Basic quarterly earnings per share	28.30	(29.58)
Diluted quarterly earnings per share	28.22	(29.58)

(3) Consolidated Statement of Comprehensive Income

(Units : Millions of yen)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020
Quarterly profit	716	(845)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Gains and losses from investments in equity instruments designated at fair value through other comprehensive income	(0)	0
Remeasurements of defined benefit plans	29	(8)
Total of items that will not be reclassified to profit or loss	29	(8)
Items that may be reclassified subsequently to profit or loss		
Effective portion of cash flow hedges	(127)	(113)
Exchange differences on translation of foreign operations	(1,213)	(330)
Total of items that may be reclassified subsequently to profit or loss	(1,340)	(444)
Other comprehensive income	(1,310)	(452)
Quarterly Comprehensive income	(594)	(1,297)
Comprehensive income attributable to:		
Owners of parent	(480)	(1,238)
Non-controlling interests	(114)	(59)

(4) Consolidated Statement of Change in Equity

(Units : Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Other components of equity	Retained earnings	Share options	Treasury shares
As of January 1, 2019	10,150	9,898	5,000	12,385	180	(792)
Cumulative effect of accounting change				(586)		
Restated balance	10,150	9,898	5,000	11,799	180	(792)
Quarterly profit				767		
Other comprehensive income						
Quarterly Comprehensive income	—	—	—	767	—	—
Dividends				(569)		
Distribution of other essential financial instruments to owners				(152)		
Purchase of treasury shares						(0)
Disposal of treasury shares		(111)			(46)	157
Transfer disposal of treasury shares of losses		111		(111)		
Change in ownership interest of parent due to transactions with non-controlling interests		(0)				
Share-based payments					89	
Total transactions with owners	—	0	—	(833)	43	157
As of September 30, 2019	10,150	9,898	5,000	11,733	223	(634)

(Units : Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Equity
	Accumulated other comprehensive income					Total shareholders' equity		
	Remeasurements of defined benefit plans	Share of other comprehensive income of investments accounted for using the equity method	Effective portion of cash flow hedges	Exchange differences on translation of foreign operations	Accumulated other comprehensive income/(loss)			
As of January 1, 2019	(475)	41	4	(2,564)	(2,992)	33,829	1,609	35,438
Cumulative effect of accounting change					—	(586)		(586)
Restated balance	(475)	41	4	(2,564)	(2,992)	33,242	1,609	34,851
Quarterly profit					—	767	(51)	716
Other comprehensive income	29	(0)	(127)	(1,150)	(1,247)	(1,247)	(63)	(1,310)
Quarterly Comprehensive income	29	(0)	(127)	(1,150)	(1,247)	(480)	(114)	(594)
Dividends					—	(569)		(569)
Distribution of other essential financial instruments to owners					—	(152)		(152)
Purchase of treasury shares					—	(0)		(0)
Disposal of treasury shares					—	0		0
Transfer disposal of treasury shares of losses					—	—		—
Change in ownership interest of parent due to transactions with non-controlling interests					—	(0)	(0)	(0)
Share-based payments					—	89		89
Total transactions with owners	—	—	—	—	—	(631)	(0)	(631)
As of September 30, 2019	(445)	41	(122)	(3,714)	(4,240)	32,130	1,494	33,625

(Units : Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Other components of equity	Retained earnings	Share options	Treasury shares
As of January 1, 2020	10,150	9,898	5,000	12,322	48	(616)
Quarterly profit				(803)		
Other comprehensive income						
Quarterly Comprehensive income	—	—	—	(803)	—	—
Dividends				(162)		
Distribution of other essential financial instruments to owners				(153)		
Purchase of treasury shares						(0)
Disposal of treasury shares		(13)			(5)	18
Transfer disposal of treasury shares of losses		13		(13)		
Share-based payments					21	
Total transactions with owners	—	—	—	(329)	16	18
As of September 30, 2020	10,150	9,898	5,000	11,189	64	(597)

(Units : Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Equity
	Accumulated other comprehensive income					Total shareholders' equity		
	Remeasurements of defined benefit plans	Share of other comprehensive income of investments accounted for using the equity method	Effective portion of cash flow hedges	Exchange differences on translation of foreign operations	Accumulated other comprehensive income/(loss)			
As of January 1, 2020	(603)	41	(79)	(3,147)	(3,789)	33,013	1,579	34,593
Quarterly profit					—	(803)	(42)	(845)
Other comprehensive income	(7)	0	(113)	(313)	(435)	(435)	(17)	(452)
Quarterly Comprehensive income	(7)	0	(113)	(313)	(435)	(1,238)	(59)	(1,297)
Dividends					—	(162)		(162)
Distribution of other essential financial instruments to owners					—	(153)		(153)
Purchase of treasury shares					—	(0)		(0)
Disposal of treasury shares					—	0		0
Transfer disposal of treasury shares of losses					—	—		0
Share-based payments					—	21		21
Total transactions with owners	—	—	—	—	—	(294)	—	(294)
As of September 30, 2020	(610)	41	(193)	(3,461)	(4,224)	31,480	1,520	33,001

(5) Consolidated Statement of Cash Flows

(Units : Millions of yen)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020
Cash flows from operating activities		
Profit (loss) before income taxes	1,311	(831)
Depreciation and amortization	3,910	4,387
Impairment loss	19	911
Interest income	(14)	(11)
Interest expenses	904	792
(Gains) losses on sales of property, plant and equipment	(19)	10
(Increase) decrease in trade and other receivables	(109)	521
(Increase) decrease in inventories	1,296	403
Increase (decrease) in trade and other payables	(130)	(1,707)
Other	466	613
Subtotal	7,636	5,090
Interest and dividends received	14	11
Interest paid	(849)	(780)
Income taxes paid	(480)	(294)
Net cash provided by (used in) operating activities	6,321	4,026
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,048)	(4,308)
Proceeds from sales of property, plant and equipment	134	105
Purchase of intangible assets	(625)	(523)
Other	(5)	(1)
Net cash provided by (used in) investing activities	(5,544)	(4,728)

(Units : Millions of yen)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	263	1,138
Proceeds from long-term borrowings	3,487	3,610
Repayments of long-term borrowings	(2,446)	(1,947)
Dividends paid	(568)	(163)
Payment of distributions to owners of other capital instruments	(152)	(152)
Repayments of lease obligations	(660)	(703)
Other	(0)	(0)
Net cash provided by (used in) financing activities	(76)	1,782
Effect of exchange rate changes on cash and cash equivalents	(260)	(46)
Net increase (decrease) in cash and cash equivalents	439	1,035
Cash and cash equivalents as at January 1	4,098	3,286
Cash and cash equivalents as at September 30	4,538	4,321

(6) Assumptions for Goring Concern
None