

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

April 28, 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

May 12, 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 : Yes (for institutional investors and analysts)

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

1. Consolidated financial results for Three months ended March 31, 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	%
Three months ended March 31, 2020	20,573	(11.3)	(260)	—	(574)	—	(459)	—	481	—	(880)	—
Three months ended March 31, 2019	23,198	2.2	600	31.4	265	(39.8)	118	(62.2)	114	(60.2)	233	—

	Basic quarterly earnings per share	Diluted quarterly earnings per share
	Yen	Yen
Three months ended March 31, 2020	(17.75)	(17.72)
Three months ended March 31, 2019	4.22	4.21

(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 March 31, 2020	94,744	33,498	31,913	33.7	1,175.38
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	—	—	—	—
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	96,000	1.8	4,000	12.9	2,800	28.1	2,000	26.4	73.67

Note: Whether the forecasts for consolidated figures under review have been revised: None

※ Note

(1) Changes in significant subsidiaries during the Three months ended March 31, 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: Yes
- 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 March 31, 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 March 31, 2020	292,624	As of ended December 31, 2019	296,624
③	Average number of shares issued during the period (Three months)	Three months ended March 31, 2020	27,149,836	Three months ended March 31, 2019	27,090,384

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 March 31, 2020
Assets		
Current assets		
Cash and cash equivalents	3,286	4,402
Trade and other receivables	18,826	16,531
Inventories	16,877	16,176
Other current assets	4,041	4,055
Total current assets	43,032	41,165
Non-current assets		
Property, plant and equipment	35,668	35,141
Right-of-use asset	3,938	4,635
Goodwill	4,176	4,137
Intangible assets	6,151	6,066
Financial assets	1,104	1,105
Deferred tax assets	2,140	2,089
Other non-current assets	348	401
Total non-current assets	53,528	53,578
Assets	96,561	94,744

(Units : Millions of yen)

	At December 31, 2019	At March 31, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	10,184	8,271
Interest-bearing liabilities	9,303	10,110
Current portion of long-term debt	6,367	7,061
Leased assets	807	787
Provisions	128	118
Income taxes payable	393	363
Accrued expenses	2,257	2,420
Other current liabilities	1,188	1,765
Total current liabilities	30,630	30,899
Total non-current liabilities		
Long-term debt	23,707	22,128
Lease obligation	3,462	4,192
Retirement benefit liability	1,569	1,526
Provisions	18	18
Deferred tax liabilities	1,259	1,229
Other non-current liabilities	1,318	1,250
Total non-current liabilities	31,337	30,346
Liabilities	61,967	61,245
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	11,620
Share options	48	45
Treasury shares	(616)	(607)
Accumulated other comprehensive income	(3,789)	(4,192)
Equity attributable to owners of parent	33,013	31,913
Non-controlling interests	1,579	1,585
Equity	34,593	33,498
Liabilities and equity	96,561	94,744

(2) Consolidated Statement of Profit or Loss

(Units : Millions of yen)

	Three months ended March 31, 2019	Three months ended March 31, 2020
Revenue	23,198	20,573
Cost of sales	(20,109)	(18,266)
Gross profit	3,089	2,306
Selling, general and administrative expenses	(2,529)	(2,601)
Other operating income	49	52
Other operating expenses	(9)	(18)
Operating profit	600	(260)
Finance income	5	5
Finance costs	(339)	(319)
Quarterly profit before income taxes	265	(574)
Income taxes	(147)	114
Quarterly profit	118	(459)
Quarterly profit attributable to:		
Owners of parent	114	(481)
Non-controlling interests	4	22

(Units : Yen)

	Three months ended March 31, 2019	Three months ended March 31, 2020
Earnings per share		
Basic quarterly earnings per share	4.22	-17.75
Diluted quarterly earnings per share	4.21	-17.72

(3) Consolidated Statement of Comprehensive Income

(Units : Millions of yen)

	Three months ended March 31, 2019	Three months ended March 31, 2020
Quarterly profit	118	(459)
Other comprehensive income		
Items that will not be reclassified to profit or loss	(0)	(0)
Gains and losses from investments in equity instruments designated at fair value through other comprehensive income		
Remeasurements of defined benefit plans	6	14
Total of items that will not be reclassified to profit or loss	6	14
Items that may be reclassified subsequently to profit or loss		
Effective portion of cash flow hedges	(55)	(108)
Exchange differences on translation of foreign operations	163	(326)
Total of items that may be reclassified subsequently to profit or loss	108	(435)
Other comprehensive income	114	(420)
Quarterly Comprehensive income	233	(880)
Comprehensive income attributable to:		
Owners of parent	235	(885)
Non-controlling interests	(2)	5

(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				114		
Other comprehensive income						
Quarterly Comprehensive income	—	—	—	114	—	—
Dividends				(243)		
Distribution of other essential financial instruments to owners				(50)		
Disposal of treasury shares		(81)			(33)	115
Transfer disposal of treasury shares of losses		81		(81)		
Share-based payments					28	
Total transactions with owners	—	—	—	(375)	(5)	115
As of March 31, 2019	10,150	9,898	5,000	11,537	174	(677)

(Units : Millions of yen)

	Equity attributable to owners of parent					Total shareholders' equity	Non-controlling interests	Equity
	Accumulated other comprehensive income				Accumulated other comprehensive income/(loss)			
	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				
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					—	114	4	118
Other comprehensive income	6	(0)	(55)	170	120	120	(6)	114
Quarterly Comprehensive income	6	(0)	(55)	170	120	235	(2)	233
Dividends					—	(243)		(243)
Distribution of other essential financial instruments to owners					—	(50)		(50)
Disposal of treasury shares					—	0		0
Transfer disposal of treasury shares of losses					—	—		—
Share-based payments					—	28		28
Total transactions with owners	—	—	—	—	—	(266)	—	(266)
As of March 31, 2019	(468)	41	(50)	(2,394)	(2,871)	33,211	1,607	34,818

(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				(481)		
Other comprehensive income						
Quarterly Comprehensive income	—	—	—	(481)	—	—
Dividends				(162)		
Distribution of other essential financial instruments to owners				(51)		
Disposal of treasury shares		(5)			(2)	8
Transfer disposal of treasury shares of losses		5		(5)		
Share-based payments						
Total transactions with owners	—	—	—	(220)	(2)	8
As of March 31, 2020	10,150	9,898	5,000	11,620	45	(607)

(単位：百万円)

	Equity attributable to owners of parent					Total shareholders' equity	Non-controlling interests	Equity
	Accumulated other comprehensive income				Accumulated other comprehensive income/(loss)			
	Remeasurements of defined benefit plans	Gains and losses from investments in equity instruments designated at fair value through other comprehensive income	Effective portion of cash flow hedges	Exchange differences on translation of foreign operations				
As of January 1, 2020	(603)	41	(79)	(3,147)	(3,789)	33,013	1,579	34,593
Quarterly profit	—				—	(481)	22	(459)
Other comprehensive income	14	(0)	(108)	(309)	(403)	(403)	(16)	(420)
Quarterly Comprehensive income	14	(0)	(108)	(309)	(403)	(885)	5	(880)
Dividends					—	(162)		(162)
Distribution of other essential financial instruments to owners					—	(51)		(51)
Disposal of treasury shares					—	0		0
Transfer disposal of treasury shares of losses					—	—		—
Share-based payments					—	—		—
Total transactions with owners	—	—	—	—	—	(214)	—	(214)
As of March 31, 2020	(588)	41	(188)	(3,457)	(4,192)	31,913	1,585	33,498

(5) Consolidated Statement of Cash Flows

(Units : Millions of yen)

	Three months ended March 31, 2019	Three months ended March 31, 2020
Cash flows from operating activities		
Profit (loss) before income taxes	265	(574)
Depreciation and amortization	1,283	1,449
Interest income	(3)	(3)
Interest expenses	301	283
(Gains) losses on sales of property, plant and equipment	(18)	1
(Increase) decrease in trade and other receivables	583	2,133
(Increase) decrease in inventories	762	463
Increase (decrease) in trade and other payables	(1,091)	(1,648)
Other	485	674
Subtotal	2,567	2,779
Interest and dividends received	3	3
Interest paid	(269)	(265)
Income taxes paid	(84)	(116)
Net cash provided by (used in) operating activities	2,217	2,401
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,657)	(1,307)
Proceeds from sales of property, plant and equipment	54	72
Purchase of intangible assets	(201)	(149)
Other	(0)	(0)
Net cash provided by (used in) investing activities	(1,804)	(1,384)

(Units : Millions of yen)

	Three months ended March 31, 2019	Three months ended March 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	991	1,111
Proceeds from long-term borrowings	1,372	219
Repayments of long-term borrowings	(836)	(731)
Dividends paid	(243)	(162)
Payment of distributions to owners of other capital instruments	(51)	(51)
Repayments of lease obligations	(183)	(226)
Other	0	0
Net cash provided by (used in) financing activities	1,050	158
Effect of exchange rate changes on cash and cash equivalents	(9)	(60)
Net increase (decrease) in cash and cash equivalents	1,453	1,115
Cash and cash equivalents as at January 1	4,098	3,286
Cash and cash equivalents as at March 31	5,551	4,402

(6) Assumptions for Goring Concern
None