

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

July 31, 2020

Company Name SUMIDA CORPORATION

Stock Exchange Listing: Tokyo Stock Exchange

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

Representative : Shigeyuki Yawata, CEO

Contact: Yoshiyuki Honda, CFO

Phone +81-(0) 3-6758-2471

Date of Submission of Quarterly

August 11, 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 Six months ended Jun 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	%
Six months ended Jun 30, 2020	38,161	(17.7)	(1,124)	—	(1,802)	—	(1,419)	—	(1,383)	—	(1,950)	—
Six months ended Jun 30, 2019	46,371	(0.4)	1,124	(35.3)	445	(63.6)	54	(92.9)	118	(83.1)	(785)	—

	Basic quarterly earnings per share		Diluted quarterly earnings per share	
	Yen		Yen	
Six months ended Jun 30, 2020	(50.97)		(50.97)	
Six months ended Jun 30, 2019	4.39		4.37	

(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 Jun 30, 2020	94,915	32,376	30,846	32.5	1,136.03
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			
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	77,700	(17.6) ~	(220)	—	(1,400)	—	(980)	—	(36.09)
	~ 80,200	(14.9)	~ 560	~(84.2)	~(620)	~—	~(270)	~—	~(9.94)

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

※ Note

(1) Changes in significant subsidiaries during the Six months ended Jun 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 Jun 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 Jun 30, 2020	292,624	As of ended December 31, 2019	314,327
③	Average number of shares issued during the period (Three months)	Six months ended Jun 30, 2020	27,150,764	Three months ended March 31, 2019	27,107,656

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 Jun 30, 2020
Assets		
Current assets		
Cash and cash equivalents	3,286	5,038
Trade and other receivables	18,826	14,291
Inventories	16,877	18,014
Other current assets	4,041	4,743
Total current assets	43,032	42,087
Non-current assets		
Property, plant and equipment	35,668	35,051
Right-of-use asset	3,938	4,531
Goodwill	4,176	4,144
Intangible assets	6,151	6,056
Financial assets	1,104	549
Deferred tax assets	2,140	2,098
Other non-current assets	348	395
Total non-current assets	53,528	52,828
Assets	96,561	94,915

(Units : Millions of yen)

	At December 31, 2019	At Jun 30, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	10,184	8,522
Interest-bearing liabilities	9,303	10,776
Current portion of long-term debt	6,367	6,907
Leased assets	807	734
Provisions	128	135
Income taxes payable	393	203
Accrued expenses	2,257	2,288
Other current liabilities	1,188	1,734
Total current liabilities	30,630	31,301
Total non-current liabilities		
Long-term debt	23,707	22,976
Lease obligation	3,462	4,147
Retirement benefit liability	1,569	1,533
Provisions	18	18
Deferred tax liabilities	1,259	1,288
Other non-current liabilities	1,318	1,272
Total non-current liabilities	31,337	31,237
Liabilities	61,967	62,539
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	10,668
Share options	48	43
Treasury shares	(616)	(607)
Accumulated other comprehensive income	(3,789)	(4,306)
Equity attributable to owners of parent	33,013	30,846
Non-controlling interests	1,579	1,529
Equity	34,593	32,376
Liabilities and equity	96,561	94,915

(2) Consolidated Statement of Profit or Loss

(Units : Millions of yen)

	Six months ended Jun 30, 2019	Six months ended Jun 30, 2020
Revenue	46,371	38,161
Cost of sales	(40,442)	(34,783)
Gross profit	5,928	3,378
Selling, general and administrative expenses	(4,844)	(4,642)
Other operating income	61	79
Other operating expenses	(21)	(30)
Operating profit	1,124	(1,214)
Finance income	14	11
Finance costs	(692)	(599)
Quarterly profit before income taxes	445	(1,802)
Income taxes	(391)	383
Quarterly profit	54	(1,419)
Quarterly profit attributable to:		
Owners of parent	118	(1,383)
Non-controlling interests	(64)	(35)

(Units : Yen)

	Six months ended Jun 30, 2019	Six months ended Jun 30, 2020
Earnings per share		
Basic quarterly earnings per share	4.39	(50.97)
Diluted quarterly earnings per share	4.37	(50.97)

(3) Consolidated Statement of Comprehensive Income

(Units : Millions of yen)

	Six months ended Jun 30, 2019	Six months ended Jun 30, 2020
Quarterly profit	54	(1,419)
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	12	5
Total of items that will not be reclassified to profit or loss	12	5
Items that may be reclassified subsequently to profit or loss		
Effective portion of cash flow hedges	(97)	(119)
Exchange differences on translation of foreign operations	(755)	(417)
Total of items that may be reclassified subsequently to profit or loss	(852)	(536)
Other comprehensive income	(839)	(531)
Quarterly Comprehensive income	(785)	(1,950)
Comprehensive income attributable to:		
Owners of parent	(680)	(1,900)
Non-controlling interests	(104)	(50)

(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				118		
Other comprehensive income						
Quarterly Comprehensive income	—	—	—	118	—	—
Dividends				(406)		
Distribution of other essential financial instruments to owners				(100)		
Purchase of treasury shares						(0)
Disposal of treasury shares		(98)			(40)	139
Transfer disposal of treasury shares of losses		98		(98)		
Share-based payments					57	
Total transactions with owners	—	—	—	(605)	16	139
As of Jun 30, 2019	10,150	9,898	5,000	11,312	196	(653)

(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						118	(64)	54
Other comprehensive income	12	(0)	(97)	(714)	(799)	(799)	(40)	(839)
Quarterly Comprehensive income	12	(0)	(97)	(714)	(799)	(680)	(104)	(785)
Dividends					—	(406)		(406)
Distribution of other essential financial instruments to owners					—	(100)		(100)
Purchase of treasury shares					—	(0)		(0)
Disposal of treasury shares					—	0		0
Transfer disposal of treasury shares of losses					—	—		—
Share-based payments					—	57		57
Total transactions with owners	—	—	—	—	—	(449)	—	(449)
As of Jun 30, 2019	(462)	41	(92)	(3,279)	(3,792)	32,112	1,504	33,616

(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				(1,383)		
Other comprehensive income						
Quarterly Comprehensive income	—	—	—	(1,383)	—	—
Dividends				(162)		
Distribution of other essential financial instruments to owners				(101)		
Disposal of treasury shares		(5)			(2)	8
Transfer disposal of treasury shares of losses		5		(5)		
Share-based payments					(2)	
Total transactions with owners	—	—	—	(270)	(4)	8
As of Jun 30, 2020	10,150	9,898	5,000	10,668	43	(607)

(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					—	(1,383)	(35)	(1,419)
Other comprehensive income	5	(0)	(119)	(402)	(517)	(517)	(14)	(531)
Quarterly Comprehensive income	5	(0)	(119)	(402)	(517)	(1,900)	(50)	(1,950)
Dividends					—	(162)		(162)
Distribution of other essential financial instruments to owners					—	(101)		(101)
Disposal of treasury shares					—	0		0
Transfer disposal of treasury shares of losses					—	—		—
Share-based payments					—	(2)		(2)
Total transactions with owners	—	—	—	—	—	(266)	—	(266)
As of Jun 30, 2020	(597)	41	(199)	(3,550)	(4,306)	30,846	1,529	32,376

(5) Consolidated Statement of Cash Flows

(Units : Millions of yen)

	Six months ended Jun 30, 2019	Six months ended Jun 30, 2020
Cash flows from operating activities		
Profit (loss) before income taxes	445	(1,802)
Depreciation and amortization	2,599	2,893
Impairment loss	3	911
Interest income	(10)	(8)
Interest expenses	602	536
(Gains) losses on sales of property, plant and equipment	(20)	9
(Increase) decrease in trade and other receivables	791	4,370
(Increase) decrease in inventories	917	(1,296)
Increase (decrease) in trade and other payables	(409)	(1,927)
Other	458	726
Subtotal	5,378	4,412
Interest and dividends received	10	8
Interest paid	(579)	(535)
Income taxes paid	(326)	(265)
Net cash provided by (used in) operating activities	4,483	3,619
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,248)	(2,555)
Proceeds from sales of property, plant and equipment	109	106
Purchase of intangible assets	(428)	(337)
Other	(4)	(0)
Net cash provided by (used in) investing activities	(3,571)	(2,787)

(Units : Millions of yen)

	Six months ended Jun 30, 2019	Six months ended Jun 30, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,409	1,637
Proceeds from long-term borrowings	1,372	1,421
Repayments of long-term borrowings	(1,505)	(1,366)
Dividends paid	(405)	(162)
Payment of distributions to owners of other capital instruments	(98)	(101)
Repayments of lease obligations	(473)	(462)
Other	(0)	0
Net cash provided by (used in) financing activities	297	965
Effect of exchange rate changes on cash and cash equivalents	(131)	(47)
Net increase (decrease) in cash and cash equivalents	1,077	1,751
Cash and cash equivalents as at January 1	4,098	3,286
Cash and cash equivalents as at Jun 30	5,175	5,038

(6) Assumptions for Goring Concern
None