

CONSOLIDATED FINANCIAL STATEMENTS (IFRS) (Non-Audited) (For the third quarter of fiscal year 2022)

October 31, 2022

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 Marketable Securities Filings: November 11, 2022

The date of payout of dividends: --

Supplementary Materials Prepared for the Financial Statements: Yes

Presentation Held to Explain the Quarterly Financial Statements: Yes

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

1. Consolidated financial results for Nine months ended September 30, 2022

(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, 2022	100,957	30.3	5,348	14.3	4,231	15.5	3,043	11.5	3,033	13.4	10,502	103.9
9Nine months ended September 30, 2021	77,469	28.1	4,678	—	3,663	—	2,730	—	2,674	—	5,150	—

	Basic quarterly earnings per share	Diluted quarterly earnings per share
	Yen	Yen
Nine months ended September 30, 2022	111.54	—
Nine months ended September 30, 2021	98.36	98.32

(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, 2022	142,221	49,763	47,660	33.5	1,752.62
At September 30, 2021	117,725	40,101	38,338	32.6	1,409.82

2. Dividends (Year ended December 31, 2021 and year ended December 31, 2022)

	Cash dividends per share				
	1 st Quarter	2 nd Quarter	3 rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2021	3.00	3.00	11.00	11.00	28.00
2022	—	14.00	—	—	—
2022 (forecast)	—	—	—	22.00	36.00

Note: Whether the dividend forecast under review has been revised: YES

3. Forecast of Consolidated Results for FY 2022 (January 1, 2022–December 31, 2022)

(% 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, 2022	136,000	29.6	7,200	35.2	5,500	41.1	3,900	48.3	143.42

※ Note

(1) Changes in significant subsidiaries during the Nine months ended September 30, 2022 (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 September 30, 2022	27,444,317	As of ended December 31, 2021	27,444,317
② Number of treasury stocks at the end of the period	As of September 30, 2022	250,644	As of ended December 31, 2021	250,395
③ Average number of shares issued during the period (Nine months)	As of September 30, 2022	27,193,788	As of ended September 30, 2021	27,191,618

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, 2021	At September 30, 2022
Assets		
Current assets		
Cash and cash equivalents	4,237	3,558
Trade and other receivables	22,557	32,655
Inventories	26,584	31,097
Other current assets	4,210	5,336
Subtotal	57,590	72,647
Assets held for sale	—	713
Total current assets	57,590	73,360
Non-current assets		
Property, plant and equipment	41,452	48,293
Right-of-use asset	4,664	4,704
Goodwill	4,425	5,205
Intangible assets	6,379	7,267
Financial assets	735	629
Deferred tax assets	2,114	2,414
Other non-current assets	363	344
Total non-current assets	60,135	68,860
Assets	117,725	142,221

(Units : Millions of yen)

	At December 31, 2021	At September 30, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	12,757	15,441
Interest-bearing liabilities	19,067	19,068
Current portion of long-term debt	6,516	21,938
Current portion of long-term lease	895	711
Provisions	160	334
Income taxes payable	573	1,054
Accrued expenses	3,158	3,875
Other current liabilities	1,489	2,756
Total current liabilities	44,618	65,181
Total current liabilities		
Long-term debt	24,695	18,418
Lease obligation	3,590	4,014
Retirement benefit liability	1,508	1,655
Provisions	47	54
Deferred tax liabilities	1,655	1,659
Other non-current liabilities	1,509	1,474
Total non-current liabilities	33,006	27,276
Liabilities	77,624	92,457
Equity		
Share capital	10,150	10,150
Capital surplus	9,898	9,898
Other components of equity	4,850	4,850
Retained earnings	14,440	16,520
Share options	105	219
Treasury shares	(519)	(520)
Accumulated other comprehensive income	(586)	6,541
Equity attributable to owners of parent	38,338	47,660
Non-controlling interests	1,762	2,103
Equity	40,101	49,763
Liabilities and equity	117,725	142,221

(2) Consolidated Statement of Profit or Loss

(Units : Millions of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Revenue	77,469	100,957
Cost of sales	(65,722)	(87,309)
Gross profit	11,746	13,647
Selling, general and administrative expenses	(7,202)	(8,294)
Other operating income	174	25
Other operating expenses	(39)	(29)
Operating profit	4,678	5,348
Finance income	13	72
Finance costs	(1,028)	(1,190)
Quarterly profit before income taxes	3,663	4,231
Income taxes	(932)	(1,187)
Quarterly profit	2,730	3,043
Quarterly profit attributable to::		
Owners of parent	2,674	3,033
Non-controlling interests	56	10

(Units : Yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Earnings per share		
Basic quarterly earnings per share	98.36	111.54
Diluted quarterly earnings per share	98.32	—

(3) Consolidated Statement of Comprehensive Income

(Units : Millions of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Quarterly profit	2,730	3,043
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	(13)	(54)
Total of items that will not be reclassified to profit or loss	(13)	(54)
Items that may be reclassified subsequently to profit or loss		
Effective portion of cash flow hedges	38	115
Exchange differences on translation of foreign operations	2,394	7,397
Total of items that may be reclassified subsequently to profit or loss	2,433	7,512
Other comprehensive income	2,419	7,458
Quarterly Comprehensive income	5,150	10,502
Comprehensive income attributable to:		
Owners of parent	5,001	10,161
Non-controlling interests	148	340

(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, 2021	10,150	9,898	4,850	12,767	8	(547)
Quarterly profit				2,674		
Other comprehensive income						
Comprehensive income	—	—	—	2,674	—	—
Dividends				(407)		
Distribution of other essential financial instruments to owners				(171)		
Purchase of treasury shares						(0)
Disposal of treasury shares		(19)			(8)	28
Transfer disposal of treasury shares of losses		19		(19)		
Share-based payments					67	
Total transactions with owners	—	—	—	(598)	58	27
As of September 30, 2021	10,150	9,898	4,850	14,842	67	(519)

(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, 2021	(655)	41	(157)	(3,364)	(4,135)	32,990	1,567	34,557
Quarterly profit					—	2,674	56	2,730
Other comprehensive income	(13)	0	38	2,301	2,327	2,327	92	2,419
Comprehensive income	(13)	0	38	2,301	2,327	5,001	148	5,150
Dividends					—	(407)		(407)
Distribution of other essential financial instruments to owners					—	(171)		(171)
Purchase of treasury shares					—	(0)		(0)
Disposal of treasury shares					—	0		0
Transfer disposal of treasury shares of losses					—	—		—
Share-based payments					—	67		67
Total transactions with owners	—	—	—	—	—	(512)	—	(512)
As of September 30, 2021	(668)	41	(118)	(1,062)	(1,808)	37,480	1,715	39,195

(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, 2022	10,150	9,898	4,850	14,440	105	(519)
Change in accounting policy				△102		
Restated balance	10,150	9,898	4,850	14,338	105	(519)
Quarterly profit				3,033		
Other comprehensive income						
Comprehensive income	—	—	—	3,033	—	—
Dividends				(679)		
Distribution of other essential financial instruments to owners				(170)		
Purchase of treasury shares						(0)
Disposal of treasury shares						
Transfer disposal of treasury shares of losses						
Share-based payments					113	
Total transactions with owners	—	—	—	(850)	113	(0)
As of September 30, 2022	10,150	9,898	4,850	16,520	219	(520)

(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, 2022	(590)	41	(79)	41	(586)	38,338	1,762	40,101
Change in accounting policy					—	(102)		(102)
Restated balance	(590)	41	(79)	41	(586)	38,235	1,762	39,998
Quarterly profit					—	3,033	10	3,043
Other comprehensive income	(53)	0	115	7,066	7,127	7,127	330	7,458
Comprehensive income	(53)	0	115	7,066	7,127	10,161	340	10,502
Dividends					—	(679)		(679)
Distribution of other essential financial instruments to owners					—	(170)		(170)
Purchase of treasury shares					—	(0)		(0)
Disposal of treasury shares					—	—		—
Transfer disposal of treasury shares of losses					—	—		—
Share-based payments					—	113		113
Total transactions with owners	—	—	—	—	—	(736)	—	(736)
As of September 30, 2022	(643)	41	36	7,108	6,541	47,660	2,103	49,763

(5) Consolidated Statement of Cash Flows

(Units : Millions of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Cash flows from operating activities		
Profit (loss) before income taxes	3,663	4,231
Depreciation and amortization	4,908	5,905
Impairment loss	20	15
Interest income	(11)	(27)
Interest expenses	771	1,099
(Gains) losses on sales of property, plant and equipment	0	(1)
(Increase) decrease in trade and other receivables	(1,329)	(6,136)
(Increase) decrease in inventories	(6,622)	(466)
Increase (decrease) in trade and other payables	1,677	397
Other	951	2,113
Subtotal	4,030	7,130
Interest and dividends received	11	27
Interest paid	(761)	(1,044)
Income taxes paid	(679)	(738)
Net cash provided by (used in) operating activities	2,600	5,374
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,865)	(5,590)
Proceeds from sales of property, plant and equipment	85	77
Purchase of intangible assets	(624)	(620)
Other	(19)	(8)
Net cash provided by (used in) investing activities	(4,424)	(6,141)

(Units : Millions of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,756	(2,792)
Proceeds from long-term borrowings	851	5,953
Repayments of long-term borrowings	(2,359)	(2,047)
Dividends paid	(406)	(679)
Payment of distributions to owners of other capital instruments	(172)	(170)
Repayments of lease obligations	(692)	(810)
Other	(0)	(0)
Net cash provided by (used in) financing activities	976	(548)
Effect of exchange rate changes on cash and cash equivalents	275	635
Net increase (decrease) in cash and cash equivalents	(571)	(679)
Cash and cash equivalents as at January 1	5,237	4,237
Cash and cash equivalents as at September 30	4,665	3,558

(6) Assumptions for Goring Concern
None