

CONSOLIDATED FINANCIAL STATEMENTS (IFRS) (Non-Audited) (For the third quarter of fiscal year 2023)

October 31, 2023

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 13, 2023

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, 2023

(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, 2023	110,933	9.9	7,415	38.6	5,469	29.3	4,345	42.8	4,362	43.8	9,827	(6.4)
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

	Basic quarterly earnings per share	Diluted quarterly earnings per share
	Yen	Yen
Nine months ended September 30, 2023	148.16	145.88
Nine months ended September 30, 2022	111.54	-

(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, 2023	149,591	63,718	61,426	41.1	1,882.61
At December 31, 2022	134,846	48,877	46,829	34.7	1,722.08

2. Dividends

	Cash dividends per share				
	1 st Quarter	2 nd Quarter	3 rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2022	-	14.00	-	33.00	47.00
2023	-	23.00	-	-	-
2023 (forecast)	-	-	-	24.00	47.00

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

3. Forecast of Consolidated Results for FY 2023 (January 1, 2023 - December 31, 2023)

(Percentages represent changes with 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, 2023	144,000	3.9	8,600	5.0	6,500	(0.5)	5,100	0.0	156.31

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

Note

(1) Changes in significant subsidiaries during the Nine months ended September 30, 2023 (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, 2023	32,879,317	As of December 31, 2022	27,444,317
2. Number of treasury stocks at the end of the period	As of September 30, 2023	250,828	As of December 31, 2022	250,742
3. Average number of shares issued during the period (Nine months)	As of September 30, 2023	29,440,968	As of September 30, 2022	27,193,788

Note:

The quarterly financial statements are not subject to quarterly reviews by external auditors.

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, 2022	At September 30, 2023
Assets		
Current assets		
Cash and cash equivalents	2,944	6,439
Trade and other receivables	30,069	30,547
Inventories	30,143	31,045
Other current assets	5,272	6,533
Total current assets	68,431	74,565
Non-current assets		
Property, plant and equipment	46,416	52,442
Right-of-use asset	4,885	5,829
Goodwill	4,916	5,510
Intangible assets	6,935	7,630
Financial assets	589	659
Deferred tax assets	2,345	2,489
Other non-current assets	325	464
Total non-current assets	66,415	75,026
Assets	134,846	149,591

(Units: Millions of yen)

	At December 31, 2022	At September 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	14,906	14,896
Interest-bearing liabilities	23,607	20,601
Current portion of long-term debt	12,697	9,472
Current portion of long-term lease	1,040	721
Provisions	415	923
Income taxes payable	1,246	776
Accrued expenses	3,822	4,079
Other current liabilities	2,591	2,920
Total current liabilities	60,327	54,391
Non-current liabilities		
Long-term debt	17,330	21,455
Lease obligation	3,872	4,917
Retirement benefit liability	1,287	1,445
Provisions	21	21
Deferred tax liabilities	1,441	1,472
Other non-current liabilities	1,688	2,169
Total non-current liabilities	25,641	31,481
Liabilities	85,969	85,873
Equity		
Share capital	10,150	13,519
Capital surplus	9,898	13,228
Other components of equity	4,850	4,850
Retained earnings	18,530	21,073
Share options	290	423
Treasury shares	(520)	(520)
Accumulated other comprehensive income	3,630	8,852
Equity attributable to owners of parent	46,829	61,426
Non-controlling interests	2,047	2,291
Equity	48,877	63,718
Liabilities and equity	134,846	149,591

(2) Consolidated Statement of Profit or Loss

(Units: Millions of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Revenue	100,957	110,933
Cost of sales	(87,309)	(93,977)
Gross profit	13,647	16,955
Selling, general and administrative expenses	(8,294)	(9,276)
Other operating income	25	463
Other operating expenses	(29)	(727)
Operating profit	5,348	7,415
Finance income	72	31
Finance costs	(1,190)	(1,976)
Quarterly profit before income taxes	4,231	5,469
Income taxes	(1,187)	(1,123)
Quarterly profit	3,043	4,345
Quarterly profit attributable to:		
Owners of parent	3,033	4,362
Non-controlling interests	10	(16)

(Units : Yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Quarterly earnings per share		
Basic quarterly earnings per share	111.54	148.16
Diluted quarterly earnings per share	-	145.88

(3) Consolidated Statement of Comprehensive Income

(Units: Millions of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Quarterly profit	3,043	4,345
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	(54)	(60)
Total of items that will not be reclassified to profit or loss	(54)	(60)
Items that may be reclassified subsequently to profit or loss		
Effective portion of cash flow hedges	115	1
Exchange differences on translation of foreign operations	7,397	5,540
Total of items that may be reclassified subsequently to profit or loss	7,512	5,542
Other comprehensive income (after income taxes)	7,458	5,481
Quarterly comprehensive income	10,502	9,827
Quarterly comprehensive income attributable to:		
Owners of parent	10,161	9,584
Non-controlling interests	340	243

(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, 2022	10,150	9,898	4,850	14,440	105	(519)
Cumulative effects of changes in accounting policies				(102)		
Restated balance	10,150	9,898	4,850	14,338	105	(519)
Quarterly profit				3,033		
Other comprehensive income						
Quarterly comprehensive income	-	-	-	3,033	-	-
Dividends				(679)		
Distribution of other capital instruments to owners				(170)		
Purchase of treasury shares						(0)
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
Cumulative effects of changes in accounting policies					-	(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
Quarterly comprehensive income	(53)	0	115	7,066	7,127	10,161	340	10,502
Dividends					-	(679)		(679)
Distribution of other capital instruments to owners					-	(170)		(170)
Purchase of treasury shares					-	(0)		(0)
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

(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, 2023	10,150	9,898	4,850	18,530	290	(520)
Quarterly profit				4,362		
Other comprehensive income						
Quarterly comprehensive income	-	-	-	4,362	-	-
Issuance of new shares	3,368	3,330				
Dividends				(1,647)		
Distribution of other capital instruments to owners				(170)		
Purchase of treasury shares						(0)
Share-based payments					133	
Total transactions with owners	3,368	3,330	-	(1,818)	133	(0)
As of September 30, 2023	13,519	13,228	4,850	21,073	423	(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, 2023	(397)	41	34	3,952	3,630	46,829	2,047	48,877
Quarterly profit					-	4,362	(16)	4,345
Other comprehensive income	(47)	0	1	5,268	5,222	5,222	259	5,481
Quarterly comprehensive income	(47)	0	1	5,268	5,222	9,584	243	9,827
Issuance of new shares					-	6,698		6,698
Dividends					-	(1,647)		(1,647)
Distribution of other capital instruments to owners					-	(170)		(170)
Purchase of treasury shares					-	(0)		(0)
Share-based payments					-	133		133
Total transactions with owners	-	-	-	-	-	5,012	-	5,012
As of September 30, 2023	(445)	41	36	9,220	8,852	61,426	2,291	63,718

(5) Consolidated Statement of Cash Flows

(Units: Millions of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Cash flows from operating activities		
Quarterly Profit (loss) before income taxes	4,231	5,469
Depreciation and amortization	5,905	6,792
Impairment loss	15	36
Interest and dividend income	(27)	(30)
Interest expenses	1,099	1,803
(Gains) losses on sales of property, plant and equipment	(1)	(45)
(Gains) losses on liquidation of subsidiaries	-	(384)
(Increase) decrease in trade and other receivables	(6,136)	2,505
(Increase) decrease in inventories	(466)	2,179
Increase (decrease) in trade and other payables	397	(1,419)
Other	2,113	159
Subtotal	7,130	17,065
Interest and dividends received	27	30
Interest paid	(1,044)	(1,775)
Income taxes paid	(738)	(1,670)
Net cash provided by (used in) operating activities	5,374	13,650
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,590)	(6,599)
Proceeds from sales of property, plant and equipment	77	147
Purchase of intangible assets	(620)	(801)
Other	(8)	3
Net cash provided by (used in) investing activities	(6,141)	(7,250)

(Units: Millions of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,792)	(4,906)
Proceeds from long-term borrowings	5,953	9,410
Repayments of long-term borrowings	(2,047)	(11,395)
Proceeds from issuance of common shares	-	6,698
Dividends paid	(679)	(1,646)
Payment of distributions to owners of other capital instruments	(170)	(170)
Repayments of lease obligations	(810)	(1,277)
Other	(0)	(0)
Net cash provided by (used in) financing activities	(548)	(3,286)
Effect of exchange rate change on cash and cash equivalents	635	380
Net increase (decrease) in cash and cash equivalents	(679)	3,494
Cash and cash equivalents as at January 1	4,237	2,944
Cash and cash equivalents as at September 30	3,558	6,439

(6) Assumptions for Goring Concern
None