

# CONSOLIDATED FINANCIAL STATEMENTS (IFRS) (Non-Audited)

(for the second quarter of fiscal year 2017)

July 28, 2017

Name of Company: **SUMIDA CORPORATION**  
 Stock Listing: Tokyo  
 Security Code No.: 6817  
 (URL <http://www.sumida.com>)

Representative: Shigeyuki Yawata, CEO  
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Date of Submission of Quarterly Marketable Securities Filings: August 9, 2017

Date on which Dividend Payments to Commence: August 25, 2017

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 Operating Results for the First Quarter of FY 2017 (January 1, 2017–March 31, 2017)

### (1) Consolidated Operating Results (cumulative)

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

	Revenue		Operating income		Income before taxes	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months of FY 2017	43,368	4.4	3,346	5.9	3,004	11.7
First six months of FY 2016	41,525	—	3,159	—	2,688	—

	Net income		Net income attributable to SUMIDA shareholders		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months of FY 2017	2,196	15.0	2,106	—	1,676	—
First six months of FY 2016	1,936	—	1,831	—	(2,284)	—

	Net income per share (Basic)		Net income per share (Diluted)	
	yen		yen	
First six months of FY 2017	86.54		86.54	
First six months of FY 2016	78.89		78.89	

### (2) Consolidated Financial Condition

	Total assets	Total equity	Equity attributable to SUMIDA shareholders	Ratio of equity attributable to SUMIDA shareholders	Equity attributable to SUMIDA shareholders per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of Jun. 30, 2017	74,532	27,222	25,745	34.5	963.89
As of Dec. 31, 2016	69,007	22,022	20,629	29.9	888.78

## 2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Annual
	Yen				
FY ended Dec.2016	6.00	6.00	6.00	16.00	34.00
FY ended Dec.2017	6.00	6.00	-	-	-
FY ended Dec.2017 (forecast)	-	-	6.00	6.00	24.00

Note: Whether the dividend forecast under review has been revised: No

### 3. Forecast of Consolidated Results for FY 2017 (January 1, 2017–December 31, 2017)

(% 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 income		Income before taxes		Net income attributable to SUMIDA shareholders		Net income per share (Basic)
	Millions of yen	%change	Millions of yen	%change	Millions of yen	%change	Millions of yen	%change	yen
Fully year of FY2017	86,700	7.0	5,900	(5.9)	5,100	(6.7)	3,300	(10.0)	123.55

Note: Whether the forecasts for consolidated figures under review have been revised: No

### 4. Others

(1) Changes in the state of material subsidiaries during the period (Changes in the state of specific subsidiaries with change in scope of consolidation): None

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

(a) Changes in accounting policies required by IFRS: None

(b) Changes in accounting policies other than those in (a) above: None

(c) Changes in accounting estimates: None

(3) Number of shares issued (common stock):

(a) Number of shares issued at the end of the period (including treasury stock)

As of Jun. 30, 2017	27,444,317	As of Dec. 31, 2016	23,944,317
As of Jun. 30, 2017	734,154	As of Dec. 31, 2016	733,599
First six months of FY 2017	24,336,327	First six months of FY 2016	23,210,988

(b) Number of treasury stock at the end of the period

(c) Average number of shares issued during the period (six months)

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.

## Consolidated Statement of Financial Position

(Unit: Millions of yen)

	Jan 1, 2016	Dec 31, 2016	Jun. 30, 2017
<b>Current assets</b>			
Cash and cash equivalents	3,538	3,546	5,554
Trade and other receivables	17,062	17,208	17,264
Inventories	14,262	13,617	15,084
Income tax receivables	98	191	181
Other assets	2,445	2,156	2,827
Total current assets	37,408	36,720	40,912
<b>Non-current assets</b>			
Property, plant and equipment	22,613	23,549	24,936
Goodwill	1,966	1,854	1,916
Intangibles	1,896	2,297	2,432
Financial assets	1,155	1,197	1,136
Deferred tax assets	3,817	3,235	3,069
Other assets	209	152	128
Total non-current assets	31,659	32,286	33,619
<b>Total assets</b>	<b>69,067</b>	<b>69,007</b>	<b>74,532</b>

(Unit: Millions of yen)

	Jan 1, 2016	Dec 31, 2016	Jun. 30, 2017
<b>Current liabilities</b>			
Trade and other payables	8,403	9,543	10,315
Short-term interest bearing debts	6,521	3,748	4,752
Long-term interest bearing debts due within one year	6,520	9,084	13,520
Provisions	102	159	219
Income tax payables	695	422	513
Accrued expenses	2,259	2,515	2,165
Other Liabilities	1,305	1,262	1,934
Total current liabilities	25,809	26,735	33,421
<b>Non-current liabilities</b>			
Long term interest bearing debts	20,833	17,780	11,296
Retirement benefit liabilities	1,413	1,406	1,430
Other provisions	11	47	53
Deferred tax liabilities	75	268	202
Other liabilities	688	746	905
Total non-current liabilities	23,021	20,249	13,888
<b>Total liabilities</b>	<b>48,831</b>	<b>46,984</b>	<b>47,309</b>
<b>Equity</b>			
Capital stock	8,143	8,143	10,150
Capital surplus	7,919	7,919	9,898
Retained earnings	4,710	7,703	9,298
Stock acquisition right	73	172	221
Treasury stock	(1,525)	(1,525)	(1,526)
Other components of equity	(345)	(1,783)	(2,297)
Total equity attributable to owners of the parent	18,976	20,629	25,745
Non-controlling interests	1,260	1,392	1,476
<b>Total equity</b>	<b>20,236</b>	<b>22,022</b>	<b>27,222</b>
<b>Total liabilities and equity</b>	<b>69,067</b>	<b>69,007</b>	<b>74,532</b>

## Consolidated Statement of Profit or Loss

(Unit: Millions of yen)

	First six months of FY 2016.12 (Jan. 1, 2016–Jun. 30, 2016)	First six months of FY 2017.12 (Jan. 1, 2017–Jun. 30, 2017)
Sales revenue	41,525	43,368
Cost of sales	(34,062)	(35,679)
Gross profit	7,462	7,688
Selling, general and administrative expenses	(4,264)	(4,315)
Other income	26	15
Other expenses	(63)	(42)
Operating profit	3,159	3,346
Finance income	7	7
Finance expenses	(478)	(348)
Income before taxes	2,688	3,004
Income taxes	(752)	(808)
Net profits for the year	1,936	2,196
Attributable to:		
Owners of the company	1,831	2,106
Non-controlling interests	104	90

(Unit: yen)

	First six months of FY 2016.12 (Jan. 1, 2016–Jun. 30, 2016)	First six months of FY 2017.12 (Jan. 1, 2017–Jun. 30, 2017)
Earnings per share(EPS)		
Basic	78.89	86.54
Diluted	78.89	86.54

**Consolidated Statement of Comprehensive Income**

(Unit: Millions of yen)

	First six months of FY 2016.12 (Jan. 1, 2016–Jun. 30, 2016)	First six months of FY 2017.12 (Jan. 1, 2017–Jun. 30, 2017)
Net profits for the year	1,936	2,196
Other comprehensive income		
Items that will not be classified to profit or loss		
Reassessment of defined benefit pension plans(net of tax)	47	(18)
Total items that will not be classified to profit or loss	47	(18)
Items that may be classified to profit or loss		
Available-for-sale investments	(23)	13
Net gain(loss) on derivatives designated as cash flow hedge(net of tax)	(2)	4
Exchange differences on translation of foreign operations(net of tax)	(4,242)	(518)
Total items that may be classified to profit or loss	(4,268)	(500)
Total other comprehensive income	(4,220)	(519)
Total comprehensive income for the year	(2,284)	1,676
Attributable to:		
Owners of the company	(2,203)	1,592
Non-controlling interests	(81)	83

Consolidated Statement of Change in Equity

(Unit: Millions of yen)

	Capital stock	Capital surplus	Retained earnings	Stock acquisition right	Treasury stock
Balance as at January 1, 2016	8,143	7,919	4,710	73	(1,525)
Net profits for the year			1,831		
Other comprehensive income					
Total comprehensive income for the year			1,831		
Purchase of shares of consolidated subsidiaries					
Dividends			(394)		
Acquisitions of treasury shares					(0)
Disposal of treasury shares			(0)		0
Share-based payments				49	
Total transactions with owners			(394)	49	0
Balance as at June 30, 2016	8,143	7,919	6,146	122	(1,525)

	Equity attributable to owners of parent					Total shareholders' equity	Non-controlling interest	Total equity
	Accumulated other comprehensive income				Accumulated other comprehensive income/(loss)			
	Re-measurement of defined benefit plans	gains or losses on an available-for-sale financial asset	Cash flow hedges	Translation differences of foreign operation				
Balance as at January 1, 2016	(361)	26	(10)	—	(345)	18,976	1,260	20,236
Net profits for the year					—	1,831	104	1,936
Other comprehensive income	47	(23)	(2)	(4,056)	(4,034)	(4,034)	(186)	(4,220)
Total comprehensive income for the year	47	(23)	(2)	(4,056)	(4,034)	(2,203)	(81)	(2,284)
Purchase of shares of consolidated subsidiaries					—	0	(0)	(0)
Dividends					—	(394)		(394)
Acquisitions of treasury shares					—	(0)		(0)
Disposal of treasury shares					—	0		0
Share-based payments					—	49		49
Total transactions with owners					—	(345)	(0)	(345)
Balance as at June 30, 2016	(313)	3	(13)	(4,056)	(4,379)	16,427	1,178	17,606

(Unit: Millions of yen)

	Capital stock	Capital surplus	Retained earnings	Stock acquisition right	Treasury stock
Balance as at January 1, 2017	8,143	7,919	7,703	172	(1,525)
Net profits for the year			2,106		
Other comprehensive income					
Total comprehensive income for the year			2,106		
Purchase of shares of consolidated subsidiaries					
Dividends			(510)		
Acquisitions of treasury shares					(0)
Disposal of treasury shares					
Issue of shares	2,006	1,979			
Share-based payments				49	
Total transactions with owners	2,006	1,979	(510)	49	(0)
Balance as at June 30, 2017	10,150	9,898	9,298	221	(1,526)

	Equity attributable to owners of parent					Total shareholders' equity	Non-controlling interest	Total equity
	Accumulated other comprehensive income				Accumulated other comprehensive income/(loss)			
	Re-measurement of defined benefit plans	gains or losses on an available-for-sale financial asset	Cash flow hedges	Translation differences of foreign operation				
Balance as at January 1, 2017	(402)	19	(1)	(1,400)	(1,783)	20,629	1,392	22,022
Net profits for the year					—	2,106	90	2,196
Other comprehensive income	(18)	13	4	(512)	(513)	(513)	(6)	(519)
Total comprehensive income for the year	(18)	13	4	(512)	(513)	1,592	83	1,676
Purchase of shares of consolidated subsidiaries					—	(0)		(0)
Dividends					—	(510)		(510)
Acquisitions of treasury shares					—	(0)		(0)
Issue of shares					—	3,985		3,985
Share-based payments					—	49		49
Total transactions with owners					—	3,523		3,523
Balance as at June 30, 2017	(421)	33	3	(1,912)	(2,297)	25,745	1,476	27,222

**Consolidated Statement of Cash Flows**

(Unit: Millions of yen)

	First six months of FY 2016.12 (Jan. 1, 2016–Jun. 30, 2016)	First six months of FY 2017.12 (Jan. 1, 2017–Jun. 30, 2017)
Cash flow from operating activities		
Income before tax	2,688	3,004
Depreciation and amortization	1,451	1,562
interest income	(7)	(7)
interest expense	239	230
Losses(gains)on sales on non-current assets	(4)	16
Decrease(increase) in trade and other receivables	(710)	(52)
Decrease(increase) in inventories	979	(1,490)
Increase(decrease) in trade and other payables	173	830
Other	(39)	(183)
Sub-total	4,771	3,910
Interest and dividend received	7	7
Interest paid	(231)	(218)
Income tax paid	(892)	(560)
Net Cash flow from operating activities	3,654	3,138
Cash flow from investing activities		
Capital expenditure on property, plant and equipment	(1,747)	(3,207)
Cash from the disposal of property, plant and equipment	57	1
Cash expenditure on intangibles	(345)	(301)
Other	1	95
Net cash flow from investing activities	(2,034)	(3,412)
Cash flow from financing activities		
Net increase (decrease) in short-term loans payable	317	563
Proceeds from long-term loans payable	1,500	1,681
Repayments of long-term loans payable	(2,140)	(3,130)
Redemption of bonds	(210)	(210)
Proceeds from issuance of common stock	—	3,985
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(393)	(509)
Other	(41)	(44)
Net cash provided by (used in) financing activities	(968)	2,335
Effect of exchange rates on cash and cash equivalents	(643)	(53)
Change in cash and cash equivalents	7	2,008
Cash and cash equivalents as at 1 Jan	3,538	3,546
Cash and cash equivalents as at June 30	3,546	5,554

## Business segment information

First six months of FY 2016.12 (Jan. 1, 2016–Jun. 30, 2016)

(Unit: Millions of yen)

	Asia Pacific Business	EU Business	Total	Elimination or corporate	Consolidated
Revenue					
Revenue to third parties	23,985	17,540	41,525	—	41,525
Inter-segment sales or transfers	1,934	797	2,732	(2,732)	—
Total revenue	25,920	18,337	44,257	(2,732)	41,525
Segment income	2,087	1,501	3,589	(391)	3,197
Other income	—	—	—	—	26
Other expenses	—	—	—	—	(63)
Finance income	—	—	—	—	7
Finance costs	—	—	—	—	(478)
Earnings before taxes	—	—	—	—	2,688

First six months of FY 2017.12 (Jan. 1, 2017–Jun. 30, 2017)

(Unit: Millions of yen)

	Asia Pacific Business	EU Business	Total	Elimination or corporate	Consolidated
Revenue					
Revenue to third parties	25,270	18,098	43,368	—	43,368
Inter-segment sales or transfers	2,328	1,006	3,334	(3,334)	—
Total revenue	27,598	19,104	46,702	(3,334)	43,368
Segment income	2,422	1,377	3,799	(427)	3,372
Other income	—	—	—	—	15
Other expenses	—	—	—	—	(42)
Finance income	—	—	—	—	7
Finance costs	—	—	—	—	(348)
Earnings before taxes	—	—	—	—	3,004