

CONSOLIDATED FINANCIAL STATEMENTS (IFRS) (Non-Audited)

(For the third quarter of fiscal year 2018)



October 30, 2018

Name of Company: **SUMIDA CORPORATION**

Stock Listing: Tokyo

Security Code No: 6817

(URL <http://www.sumida.com>)

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Date of submission of Quarterly Marketable Securities Filings : November 9, 2018

Date on which Dividend Payments to Commence: November 29, 2018

Supplementary Materials Prepared for the Financial Statements: Yes

Presentation Held to Explain the Quarterly Financial Statements: Yes (for institutional investors and analysts)

(Amount of less than one million yen are omitted)

1. Consolidated Operating Results for the first nine months of FY2018 (January 1, 2018-September 30, 2018)

(1) Consolidated Operating Results (cumulative)

(Percentage represents changes compared with the same period of the previous fiscal year)

	Revenue		Operating income		Income before taxes	
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%
First nine months of FY2018	72,223	8.6	3,823	(25.3)	2,846	(39.1)
First nine months of FY2017	66,532	8.4	5,120	2.2	4,678	6.8

	Net income		Net income attributable to Owners of the company		Total comprehensive income	
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%
First nine months of FY2018	1,858	(44.3)	1,758	(45.8)	1,385	(57.4)
First nine months of FY2017	3,338	13.6	3,242	16.5	3,250	-

	Net income per (Basic)	Net income per (Diluted)
	<i>yen</i>	<i>yen</i>
First nine months of FY2018	65.72	64.67
First nine months of FY2017	129.00	126.56

(2) Consolidated Financial Condition

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of Equity attributable to owners of the parent	Equity owners of the parent per share
	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>Millions of yen</i>	%	<i>Yen</i>
As of Sep.30, 2018	96,677	30,923	29,265	30.3	1,079.49
As of Dec.31, 2017	84,366	30,122	28,570	33.9	1,069.67

2. Dividends

	Dividend per share				
	End of 1st	End of 2nd	End of 3rd	End of fiscal year	Annual
	<i>Yen</i>	<i>Yen</i>	<i>Yen</i>	<i>Yen</i>	<i>Yen</i>
FY ended Dec 31, 2017	6.00	6.00	6.00	27.00	45.00
FY ended Dec 31, 2018	6.00	6.00	6.00		
FY ended Dec 31, 2018 (forecast)				18.00	36.00

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

3. Forecast of consolidated Results for FY2018 (January 1, 2018-December 31,2018)

(% change figures is presented in comparison with the same period of the previous fiscal year)

	Revenue		Operating income		Income before taxes		Net income attributable to Owners of the company		Net income per share (Basic)
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY ended Dec 2018	98,000	8.7	6,200	(0.3)	5,400	(5.4)	3,800	(15.6)	142.27

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) : No

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

(a) Changes in accounting policies requested by IFRS: Yes

(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)

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

(c) Average number of shares issued during the period

as of Sep. 30, 2018	27,444,317	as of Dec. 31, 2017	27,444,317
as of Sep. 30, 2018	593,216	as of Dec. 31, 2017	734,541
First nine months of 2018	26,759,715	First nine months of 2017	25,136,280

Note:

The consolidated financial statements on this report are not subject to audit.

Note:

Explanation of the appropriate use of performance forecasts or 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 Statements of Financial Position

(Unit: Millions of yen)

	as of Dec. 31,2017	as of Sep.30, 2018
Current assets		
Cash and cash equivalents	5,375	5,338
Trade and other receivables	19,469	19,807
Inventories	17,011	18,872
Income tax receivables	362	151
Other assets	2,766	3,950
Total current assets	44,986	48,120
Non-Current assets		
Property, plant and equipment	30,388	33,680
Goodwill	2,006	4,523
Intangibles	2,228	5,981
Financial assets	1,158	1,099
Deferred tax assets	3,309	2,870
Other assets	289	401
Total non-current assets	39,379	48,556
Total assets	84,366	96,677

(Unit: Millions of yen)

	as of Dec. 31,2017	as of Sep.30, 2018
Current liabilities		
Trade and other payables	10,721	11,045
Short-term interest bearing debts	8,547	19,955
Long-term interest bearing debts due within one year	11,410	6,742
Provisions	105	69
Income tax payables	356	561
Accrued expenses	2,526	2,768
Other Liabilities	1,449	1,556
Total current liabilities	35,117	42,699
Non-Current liabilities		
Long term interest bearing debts	15,879	19,177
Retirement benefit liabilities	1,574	1,473
Other provisions	55	55
Deferred tax liabilities	491	1,247
Other liabilities	1,126	1,099
Total non-current liabilities	19,126	23,053
Total Liabilities	54,243	65,753
Equity		
Capital stock	10,150	10,150
Capital surplus	9,898	9,898
Retained earnings	11,376	12,232
Stock acquisition right	270	279
Treasury stock	(1,526)	(1,232)
Other components of equity	(1,598)	(2,062)
Total equity attributable to owners of the parent	28,570	29,265
Non-controlling interests	1,551	1,658
Total equity	30,122	30,923
Total liabilities and equity	84,366	96,677

Consolidated Statements of Profit and Loss

(Unit: Millions of yen)

	First nine months of FY2017 (Jan.1, 2017 -Sep. 30, 2017)	First nine months of FY2018 (Jan.1, 2018 - Sep. 30, 2018)
Sales revenue	66,532	72,223
Cost of sales	(54,822)	(61,004)
Gross profit	11,710	11,218
Selling, general and administrative expenses	(6,553)	(7,441)
Other income	16	129
Other expense	(52)	(82)
Operating income	5,120	3,823
Financial income	72	47
Financial expense	(514)	(1,024)
Income before taxes	4,678	2,846
Income taxes	(1,339)	(988)
Net income	3,338	1,858
Attributable to:		
Owners of the company	3,242	1,758
Non-controlling interests	96	99

	First nine months of FY2017 (Jan.1, 2017 -Sep. 30, 2017)	First nine months of FY2018 (Jan.1, 2018 - Sep. 30, 2018)
Earnings per share (EPS)		
Basic	129.00	65.72
Diluted	126.56	64.67

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	First nine months of FY2017 (Jan.1, 2017 -Sep. 30 2017)	First nine months of FY2018 (Jan.1, 2018 - Sep. 30, 2018)
Net incomes for the year		
Other Comprehensive income	3,338	1,858
Items that will not be classified to income or loss		
Financial assets measured at FV through OCI	—	(22)
Reassessment of defined benefit pension plans (net of tax)	(34)	10
Total items that will not be classified to income or loss	(34)	(12)
Items that may be classified to income or loss		
Available-for-sale investments	(16)	—
Net gain(loss) on derivatives designated as cash flow hedge (net of tax)	2	36
Exchange differences on translation of foreign operations (net of tax)	(40)	(496)
Total items that may be classified to income or loss	(53)	(460)
Total other comprehensive income	(88)	(472)
Total comprehensive income for the year	3,250	1,385
Attributable to:		
Owners of the company	3,130	1,294
Non-controlling interests	119	90

Consolidated Statement of Changes in Equity

(Unit: Millions of yen)

	Capital stock	Capital Surplus	Retained Earnings	Stock acquisition rights	Treasury stock
Balance as of Jan. 1, 2017	8,143	7,919	7,703	172	(1,525)
Net income			3,242		
Other comprehensive income					
Total comprehensive income	-	-	3,242	-	-
Purchase of shares of consolidated shareholders		(0)			
Dividends			(670)		
Acquisition of treasury shares					(0)
Issue of shares	2,006	1,979			
share-based payments				73	
Total transactions with owners	2,006	1,979	(670)	73	(0)
Balance as at Sep.30, 2017	10,150	9,898	10,275	245	(1,526)

	Equity attributable to owners of parent					Total Shareholders' equity	Non-controlling interest	Total equity
	Accumulated other comprehensive				Accumulated other comprehensive incomes /(loss)			
	Re-measurement of defined benefit plans	Gains or losses on available-for-sale financial assets	Cash flow hedges	translation differences of foreign operation				
Balance as of Jan. 1, 2017	(402)	19	(1)	(1,400)	(1,783)	20,629	1,392	22,022
Net income					-	3,242	96	3,338
Other comprehensive income	(34)	(16)	2	(64)	(112)	(112)	23	(88)
Total comprehensive income	(34)	(16)	2	(64)	(112)	3,130	119	3,250
Purchase of shares of consolidated shareholders					-	(0)	(0)	(0)
Dividends					-	(670)		(670)
Acquisition of treasury shares					-	(0)		(0)
Issue of shares					-	3,985		3,985
share-based payments					-	73		73
Total transactions with owners	-	-	-	-	-	3,387	(0)	3,387
Balance as at Sep.30, 2017	(436)	3	1	(1,464)	(1,896)	27,147	1,512	28,660

(Unit: Millions of yen)

	Capital stock	Capital Surplus	Retained Earnings	stock acquisition right	Treasury stock
Balance as of Jan. 1, 2018	10,150	9,898	11,376	270	(1,526)
Impact of change in accounting policy			347		
Restated balance at Jan. 1, 2018	10,150	9,898	11,723	270	(1,526)
Net income			1,758		
Other comprehensive income					
Total comprehensive income	-	-	1,758	-	-
Dividends			(1,042)		
Acquisition of treasury shares					(0)
Disposal of treasury shares		(207)		(86)	294
Reclassification of loss on disposal of treasury shares		207	(207)		
share-based payments				95	
Total transactions with owners	-	-	(1,250)	9	293
Balance as at Sep.30, 2018	10,150	9,898	12,232	279	(1,232)

	Equity attributable to owners of parent					Total Shareholders' equity	Non-controlling interest	Total equity	
	Accumulated other comprehensive				Accumulated other comprehensive incomes /(loss)				
	Re-measurement of defined benefit plans	Gains or losses on available-for-sale financial assets	Gain or losses on financial assets measured at fair value through	Cash flow hedges					translation differences of foreign operation
Balance as of Jan. 1, 2018	(497)	64	-	(21)	(1,143)	(1,598)	28,570	1,551	30,122
Impact of change in accounting policy		(64)	64				347	15	363
Restated balance at Jan. 1, 2018	(497)	-	64	(21)	(1,143)	(1,598)	28,917	1,567	30,485
Net income						-	1,758	99	1,858
Other comprehensive income	10	-	(22)	36	(488)	(464)	(464)	(8)	(472)
Total comprehensive income	10	-	(22)	36	(488)	(464)	1,294	90	1,385
Dividends						-	(1,042)		(1,042)
Acquisition of treasury shares						-	(0)		(0)
Disposal of treasury shares						-	0		0
Reclassification of loss on disposal of treasury shares						-	-		-
share-based payments						-	95		95
Total transactions with owners	-	-	-	-	-	-	(947)	-	(947)
Balance as at Sep.30, 2018	(487)	-	41	15	(1,632)	(2,062)	29,265	1,658	30,923

Consolidated Statements of Cash flows

(Unit: Millions of yen)

	First nine months of FY2017 (Jan. 1, 2017 - Sep. 30, 2017)	First nine months of FY2018 (Jan. 1, 2018 - Sep. 30, 2018)
Cash flow from operating activities		
Income before tax	4,678	2,846
Depreciation and amortization	2,390	2,924
Interest income	(11)	(17)
Interest expense	353	573
Losses(gains) on sales on non-current assets	15	(26)
Decrease(increase) in trade and other receivables	(758)	248
Decrease(increase) in inventories	(3,063)	(2,149)
Decrease(increase) in trade and other payables	1,093	48
Others	(418)	295
Sub-total	4,278	4,743
Interest and dividend received	11	17
Interest paid	(332)	(507)
Income tax paid	(915)	(246)
Net cash flow from operating activities	3,042	4,006
Cash flow from investing activities		
Capital expenditure on property, plant and equipment	(5,704)	(6,392)
Cash from the disposal of property, plant and equipment	52	186
Cash expenditure on intangibles	(489)	(703)
Purchase of investments in subsidiaries	—	(5,991)
Others	200	(1)
Net cash flow from investing activities	(5,941)	(12,902)
Cash flow from financing activities		
Net increase (decrease) in short-term loans payable	5,283	11,216
Proceeds from long-term loans payable	3,257	7,718
Repayments of long-term loans payable	(6,250)	(8,738)
Redemption of bonds	(420)	(60)
Proceeds from issuance of new shares	3,985	—
Cash dividends paid	(670)	(1,040)
Others	(60)	(69)
Net cash provided by (used in) financing activities	5,124	9,026
Effect of exchange rates on cash and cash equivalents	37	(168)
Change in cash and cash equivalents	2,263	(37)
Cash and cash equivalents as at Jan. 1	3,546	5,375
Cash and cash equivalents as at Sep. 30	5,809	5,338