

# CONSOLIDATED FINANCIAL STATEMENTS

(for the third quarter of fiscal year 2015)

October 29, 2015

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: November 10, 2015

Date on which Dividend Payments to Commence: November 30, 2015

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 third Quarter of FY 2015 (January 1, 2015–September 30, 2015)

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

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3rd Quarter of FY2015	65,698	13.4	3,712	34.1	3,025	28.0	1,834	37.2
3rd Quarter of FY2014	57,938	22.4	2,768	103.5	2,364	145.8	1,337	-

	Net income per share (Basic)	Net income per share (Fully diluted)
	Yen	Yen
3rd Quarter of FY2015	79.03	-
3rd Quarter of FY2014	57.62	-

Note: Comprehensive income for the year ended September 30, 2015 : 1,369million yen (-24.5%)

Comprehensive income for the year ended September 30, 2014 : 1,814million yen ( 22.7%)

### (2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Sep. 30, 2015	67,860	18,703	25.7	750.47
As of Dec. 31, 2014	70,110	17,724	23.6	711.88

Reference: Shareholders' equity at September 30, 2015: 17,419 millions of yen

Shareholders' equity at December 31, 2014: 16,523 millions of yen

## 2. Dividends

	Dividend per share				
	End of third quarter	End of third quarter	End of third quarter	End of fiscal year	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended Dec.2014	5.00	5.00	5.00	5.00	20.00
FY ended Dec.2015	5.00	5.00	5.00	-	-
FY ended Dec.2015 (forecast)	-	-	-	5.00	20.00

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

## 3. Forecast of Consolidated Results for FY 2015 (January 1, 2015–December 31, 2015)

(% change figures for revenues, operating income, recurring profit, and net income is presented in comparison with the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%change	Millions of yen	%change	Millions of yen	%change	Millions of yen	%change	yen
Fully year of FY2015	88,000	13.5	4,400	31.5	3,720	32.9	2,200	63.4	94.78

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 regarding specific subsidiaries attendant with change in scope of consolidation): No

Newly added: —

Excluded: —

(2) Application of simplified accounting methods and/or special accounting method for preparation of the quarterly consolidated financial statements: Yes

(3) Changes in accounting principles and changes in accounting estimates

(a) Changes in accounting principles: None

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

(c) Changes in accounting estimates : None

(d) Restatement : None

(4) Number of shares issued (common shares)

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

third quarter of FY 2015 23,944,317 shares

FY 2014 23,944,317 shares

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

third quarter of FY 2015 733,140 shares

FY 2014 733,020 shares

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

third quarter of FY 2015 23,211,248 shares

third quarter of FY 2014 23,211,518 shares

#### Note:

*Items related to the status of the implementation of quarterly reviews*

*At the time of disclosure of these quarterly consolidated financial statements, review procedures were in progress for the quarterly financial statements based on the Financial Instruments and Exchange Act.*

#### 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*

## (1) Consolidated balance sheets

(Unit: Millions of yen)

	As of December 31, 2014	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	3,753	3,481
Notes and accounts receivable - trade	17,013	17,096
Merchandise and finished goods	7,721	7,528
Work in process	1,505	1,575
Raw materials and supplies	4,892	5,109
Income taxes receivable	405	58
Other	3,233	2,988
Allowance for doubtful accounts	(192)	(175)
Total current assets	38,332	37,662
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,966	13,219
Machinery, equipment and vehicles	40,785	41,077
Tools, furniture and fixtures	4,886	4,986
Land	1,412	1,377
Leased assets	1,387	1,293
Construction in progress	2,032	2,112
Accumulated depreciation	(40,450)	(41,413)
Total property, plant and equipment	23,018	22,653
Intangible assets		
Goodwill	2,486	2,097
Other	1,040	974
Total intangible assets	3,527	3,072
Investments and other assets	5,182	4,447
Total non-current assets	31,728	30,172
Deferred assets	49	24
Total assets	70,110	67,860

(Units: Millions of yen)

	As of December 31, 2014	As of September 30, 2015
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	7,931	6,969
Short-term loans payable	4,565	6,839
Current portion of bonds	4,520	420
Current portion of long-term loans payable	7,216	7,170
Income taxes payable	673	445
Other	5,134	5,019
Total current liabilities	<u>30,042</u>	<u>26,865</u>
Non-current liabilities		
Bonds payable	900	480
Long-term loans payable	17,314	17,841
Net defined benefit liability	1,583	1,476
Other	2,545	2,493
Total non-current liabilities	<u>22,344</u>	<u>22,291</u>
Total liabilities	<u>52,386</u>	<u>49,156</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	8,143	8,143
Capital surplus	7,956	7,956
Retained earnings	5,719	7,205
Treasury shares	(1,524)	(1,525)
Total shareholders' equity	<u>20,294</u>	<u>21,780</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	68	65
Foreign currency translation adjustment	(3,687)	(4,359)
Remeasurements of defined benefit plans	(152)	(67)
Total accumulated other comprehensive income	<u>(3,770)</u>	<u>(4,361)</u>
Subscription rights to shares	-	49
Minority interests	1,200	1,234
Total net assets	<u>17,724</u>	<u>18,703</u>
Total liabilities and net assets	<u>70,110</u>	<u>67,860</u>

**(2) Consolidated quarterly statements of income**

(Units:Millions of yen)

	First six month of FY2014 (Jan.1, 2014 - Sep.30, 2014)	First six month of FY2015 (Jan.1, 2015 - Sep.30, 2015)
Net sales	57,938	65,698
Cost of sales	47,497	53,951
Gross profit	10,440	11,747
Selling, general and administrative expenses		
Freightage and packing expenses	685	835
Employees' salaries and allowances	2,885	2,930
Depreciation	227	246
Research and development expenses	940	864
Other	2,932	3,157
Total selling, general and administrative expenses	7,671	8,035
Operating income	2,768	3,712
Non-operating income		
Interest income	9	9
Dividend income	1	1
Gain on valuation of derivatives	-	7
Foreign exchange gains	42	-
Other	60	45
Total non-operating income	113	64
Non-operating expenses		
Interest expenses	329	413
Foreign exchange losses	-	165
Loss on valuation of derivatives	3	-
Other	185	173
Total non-operating expenses	518	752
Ordinary income	2,364	3,025
Extraordinary income		
Gain on sales of non-current assets	28	29
Insurance income	375	-
Reversal of impairment loss	137	-
Subsidy income	-	52
Total extraordinary income	540	82
Extraordinary losses		
Loss on sales and retirement of non-current assets	23	6
Business structure improvement expenses	13	-
Additional contributions of social insurance	228	-
Loss on disaster	257	122
Loss on sales of investment securities	-	125
Other	-	33
Total extraordinary losses	523	287
Income before income taxes and minority interests	2,381	2,820
Income taxes	931	860
Income before minority interests	1,450	1,960
Minority interests in income	113	125
Net income	1,337	1,834

**(3) Consolidated statements of comprehensive income**

	(Units: Millions of yen)	
	First six month of FY2014 (Jan.1, 2014 - Sep.30, 2014)	First six month of FY2015 (Jan.1, 2015 - Sep.30, 2015)
Income before minority interests	1,450	1,960
Other comprehensive income		
Valuation difference on available-for-sale securities	17	(3)
Foreign currency translation adjustment	346	(671)
Remeasurements of defined benefit plans, net of tax	-	85
Total other comprehensive income	363	(590)
Comprehensive income	1,814	1,369
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,701	1,243
Comprehensive income attributable to minority interests	113	126

**(4) Consolidated quarterly statements of cash flows**

	(Units:Millions of yen)	
	First nine month of FY2014	First nine month of FY2015
	(Jan.1, 2014 - Sep.30, 2014)	(Jan.1, 2015 - Sep.30, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	2,381	2,820
Depreciation	2,424	2,824
Amortization of goodwill	276	283
Interest and dividend income	(10)	(11)
Interest expenses	329	413
Loss (gain) on sales of investment securities	-	125
Reversal of impairment loss	(137)	-
Loss (gain) on valuation of derivatives	3	(7)
Decrease (increase) in notes and accounts receivable - trade	(4,442)	(573)
Decrease (increase) in inventories	(578)	(540)
Increase (decrease) in notes and accounts payable - trade	979	(771)
Other, net	(336)	1,287
Subtotal	888	5,849
Interest and dividend income received	10	11
Interest expenses paid	(297)	(433)
Income taxes paid	(461)	(584)
Net cash provided by (used in) operating activities	140	4,843
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,271)	(3,247)
Proceeds from sales of property, plant and equipment	87	79
Proceeds from sales of investment securities	91	100
Purchase of shares of subsidiaries and associates	(1)	(101)
Other, net	(271)	(120)
Net cash provided by (used in) investing activities	(4,365)	(3,289)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(3,643)	3,782
Proceeds from long-term loans payable	13,410	5,091
Repayments of long-term loans payable	(3,849)	(5,506)
Redemption of bonds	(770)	(4,520)
Cash dividends paid	(347)	(347)
Other, net	(37)	(73)
Net cash provided by (used in) financing activities	4,763	(1,574)
Effect of exchange rate change on cash and cash equivalents	11	(245)
Net increase (decrease) in cash and cash equivalents	549	(266)
Cash and cash equivalents at beginning of period	3,531	3,713
Cash and cash equivalents at end of period	4,081	3,447

## (5) Segment information

For the third quarter ended September 30, 2014 (Jan. 1, 2014 - Sep. 30, 2014)

	<b>Asia Pacific</b>	<b>EU</b>	<b>Total</b>
	<i>(Millions of yen)</i>	<i>(Millions of yen)</i>	<i>(Millions of yen)</i>
Sales			
(1) Sales to third parties	34,729	23,209	57,938
(2) Inter-segment sales or transfers	2,055	1,203	3,258
Total	36,784	24,412	61,197
Segment profit	2,690	1,642	4,333

<b>Operating income</b>	<b>Amount</b>
	<i>(Millions of yen)</i>
Segment profit	4,333
Eliminations	(1,564)
Operating income	2,768

For the third quarter ended September 30, 2015 (Jan. 1, 2015 - Sep. 30, 2015)

	<b>Asia Pacific</b>	<b>EU</b>	<b>Total</b>
	<i>(Millions of yen)</i>	<i>(Millions of yen)</i>	<i>(Millions of yen)</i>
Sales			
(1) Sales to third parties	40,350	25,348	65,698
(2) Inter-segment sales or transfers	2,898	1,270	4,169
Total	43,249	26,618	69,868
Segment profit	3,342	1,806	5,149

<b>Operating income</b>	<b>Amount</b>
	<i>(Millions of yen)</i>
Segment profit	5,149
Eliminations	(1,437)
Operating income	3,712