

## CONSOLIDATED FINANCIAL STATEMENTS (IFRS) (Non-Audited) (for the second quarter of fiscal year 2019)

July 31, 2019

Company Name SUMIDA CORPORATION

Stock Exchange Listing: Tokyo Stock Exchange

Listing Code 6817 URL <https://www.sumida.com>

Representative : Shigeyuki Yawata, CEO

Contact: Yoshiyuki Honda, CFO

Phone +81-(0) 3-6758-2743

Date of Submission of Quarterly August 9, 2019

The date of payout of August 26, 2019

Marketable Securities Filings :

dividends :

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 financial results for six months ended June 30, 2019

#### (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	%
Six months ended June 30, 2019	46,371	(0.4)	1,124	(35.3)	445	(63.6)	54	(92.9)	118	(83.1)	(785)	—
Six months ended June 30, 2018	46,540	7.3	1,738	(48.0)	1,223	(59.3)	765	(65.1)	703	(66.6)	(139)	—

	Basic quarterly earnings per share	Diluted quarterly earnings per share
	Yen	Yen
Six months ended June 30, 2019	4.39	4.37
Six months ended June 30, 2018	26.32	25.87

#### (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 June 30, 2019	96,084	33,616	32,112	33.4	1,183.65
At December 31, 2018	94,277	35,438	33,829	35.9	1,250.01

### 2. Dividends (Year ended December 31, 2018 and year ended December 31, 2019)

	Cash dividends per share				
	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2018	6.00	6.00	6.00	9.00	27.00
2019	6.00	6.00	—	—	—
2019 (forecast)	—	—	6.00	6.00	24.00

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

### 3. Forecast of Consolidated Results for FY 2019 (January 1, 2019–December 31, 2019)

(% 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, 2019	92,000	(5.7%)	2,200	(59.1%)	900	(77.8%)	500	(79.3%)	18.43

Note: Whether the forecasts for consolidated figures under review have been revised: Yes

※ Note

(1) Changes in significant subsidiaries during the six months ended June 30, 2019 (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 June 30, 2019	27,444,317	As of ended December 31, 2018	27,444,317
② Number of treasury stocks at the end of the period	As of June 30, 2019	314,327	As of ended December 31, 2018	381,239
③ Average number of shares issued during the period (six months)	Six months ended June 30, 2019	27,107,656	Six months ended June 30, 2018	26,733,103

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, 2018	At June 30, 2019
<b>Assets</b>		
Current assets		
Cash and cash equivalents	4,098	5,175
Trade and other receivables	19,102	17,905
Inventories	18,983	17,660
Other current assets	4,109	4,539
Total current assets	46,292	45,281
Non-current assets		
Property, plant and equipment	33,754	33,141
Right-of-use asset	—	4,117
Goodwill	4,266	4,164
Intangible assets	6,183	5,980
Financial assets	1,075	1,088
Deferred tax assets	2,225	1,899
Other non-current assets	477	410
Total non-current assets	47,984	50,802
<b>Assets</b>	<b>94,277</b>	<b>96,084</b>

(Units : Millions of yen)

	At December 31, 2018	At June 30, 2019
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	10,392	9,574
Interest-bearing liabilities	9,350	10,582
Current portion of long-term debt	6,190	5,460
Provisions	37	83
Income taxes payable	343	322
Accrued expenses	2,669	2,262
Other current liabilities	1,171	1,720
Total current liabilities	30,155	30,006
Total non-current liabilities		
Long-term debt	24,666	28,433
Retirement benefit liability	1,417	1,373
Provisions	18	18
Deferred tax liabilities	1,369	1,376
Other non-current liabilities	1,210	1,259
Total non-current liabilities	28,682	32,461
Liabilities	58,838	62,467
Equity		
Share capital	10,150	10,150
Capital surplus	9,898	9,898
Other components of equity	5,000	5,000
Retained earnings	12,385	11,312
Share options	180	196
Treasury shares	(792)	(653)
Accumulated other comprehensive income	(2,992)	(3,792)
Equity attributable to owners of parent	33,829	32,112
Non-controlling interests	1,609	1,504
Equity	35,438	33,616
Liabilities and equity	94,277	96,084

**(2) Consolidated Statement of Profit or Loss**

(Units : Millions of yen)

	<b>Six months ended June 30, 2018</b>	<b>Six months ended June 30, 2019</b>
Revenue	46,540	46,371
Cost of sales	(39,687)	(40,442)
Gross profit	6,853	5,928
Selling, general and administrative expenses	(5,092)	(4,844)
Other operating income	47	61
Other operating expenses	(69)	(21)
Operating profit	1,738	1,124
Finance income	40	14
Finance costs	(555)	(692)
Quarterly profit before income taxes	1,223	445
Income taxes	(458)	(391)
Quarterly profit	765	54
Quarterly profit attributable to:		
Owners of parent	703	118
Non-controlling interests	62	(64)

(Units : Yen)

	<b>Six months ended June 30, 2018</b>	<b>Six months ended June 30, 2019</b>
Earning per share		
Basic quarterly earnings per share	26.32	4.39
Diluted quarterly earnings per share	25.87	4.37

(Units : Millions of yen)

	<b>2<sup>nd</sup> Quarter 2018</b> <b>(April.1, 2018-Jun.30, 2018)</b>	<b>2<sup>nd</sup> Quarter 2019</b> <b>(April.1, 2019-Jun.30, 2019)</b>
Revenue	23,838	23,172
Cost of sales	(19,899)	(20,333)
Gross profit	3,939	2,838
Selling, general and administrative expenses	(2,654)	(2,314)
Other operating income	21	12
Other operating expenses	(24)	(11)
Operating profit	1,281	524
Finance income	7	8
Finance costs	(507)	(353)
Quarterly profit before income taxes	782	179
Income taxes	(330)	(243)
Quarterly profit	451	(63)
Quarterly profit attributable to:		
Owners of parent	416	4
Non-controlling interests	35	(68)

(Units : Yen)

	<b>2<sup>nd</sup> Quarter 2018</b> <b>(April.1, 2018-Jun.30, 2018)</b>	<b>2<sup>nd</sup> Quarter 2019</b> <b>(April.1, 2019-Jun.30, 2019)</b>
Earning per share		
Basic quarterly earnings per share	15.55	0.17
Diluted quarterly earnings per share	15.30	0.17

**(3) Consolidated Statement of Comprehensive Income**

(Units : Millions of yen)

	<b>Six months ended June 30, 2018</b>	<b>Six months ended June 30, 2019</b>
Quarterly profit	765	54
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	(24)	(0)
Remeasurements of defined benefit plans	22	12
Total of items that will not be reclassified to profit or loss	(2)	12
Items that may be reclassified subsequently to profit or loss		
Effective portion of cash flow hedges	27	(97)
Exchange differences on translation of foreign operations	(930)	(755)
Total of items that may be reclassified subsequently to profit or loss	(903)	(852)
Other comprehensive income	(905)	(839)
Quarterly Comprehensive income	(139)	(785)
Comprehensive income attributable to:		
Owners of parent	(152)	(680)
Non-controlling interests	13	(104)

#### (4) Consolidated Statement of Change in Equity

(Units : Millions of yen)

	Equity attributable to owners of parent				
	Share capital	Capital surplus	Retained earnings	Share options	Treasury shares
As of January 1, 2018	10,150	9,898	11,376	270	(1,526)
Cumulative effect of accounting change			347		
Restated balance	10,150	9,898	11,723	270	(1,526)
Quarterly profit			703		
Other comprehensive income					
Quarterly Comprehensive income	—	—	703	—	—
Dividends			(881)		
Purchase of treasury shares					(0)
Disposal of treasury shares		(78)		(32)	111
Transfer disposal of treasury shares of losses		78	(78)		
Share-based payments				65	
Total transactions with owners	—	—	(960)	33	110
As of June 30, 2018	10,150	9,898	11,467	303	(1,415)

(Units : Millions of yen )

	Equity attributable to owners of parent						Total shareholders' equity	Non-controlling interests	Equity
	Accumulated other comprehensive income					Accumulated other comprehensive income/(loss)			
	Remeasurements of defined benefit plans	Share of other comprehensive income of investments accounted for using the equity method	Gains and losses from investments in equity instruments designated at fair value through other comprehensive income	Effective portion of cash flow hedges	Exchange differences on translation of foreign operations				
As of January 1, 2018	(497)	64	—	(21)	(1,143)	(1,598)	28,570	1,551	30,122
Cumulative effect of accounting change		(64)	64			—	347	15	363
Restated balance	(497)	—	64	(21)	(1,143)	(1,598)	28,917	1,567	30,485
Quarterly profit						—	703	62	765
Other comprehensive income	22	—	(24)	27	(881)	(856)	(856)	(48)	(905)
Quarterly Comprehensive income	22	—	(24)	27	(881)	(856)	(152)	13	139
Dividends						—	(881)		(881)
Purchase of treasury shares						—	(0)		(0)
Disposal of treasury shares						—	0		0
Transfer disposal of treasury shares of losses						—	—		—
Share-based payments						—	65		65
Total transactions with owners	—	—	—	—	—	—	(815)	—	(815)
As of June 30, 2018	(475)	—	39	6	(2,025)	(2,455)	27,949	1,580	29,530



(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, 2019	10,150	9,898	5,000	12,385	180	(792)
Cumulative effect of accounting change				(586)		
Restated balance	10,150	9,898	5,000	11,799	180	(792)
Quarterly profit				118		
Other comprehensive income						
Quarterly Comprehensive income	—	—	—	118	—	—
Dividends				(406)		
Transfer from other components of equity to retained earnings				(100)		
Purchase of treasury shares						(0)
Disposal of treasury shares		(98)			(40)	139
Transfer disposal of treasury shares of losses		98		(98)		
Share-based payments					57	
Total transactions with owners	—	—	—	(605)	16	139
As of June 30, 2019	10,150	9,898	5,000	11,312	196	(653)

(単位：百万円)

	Equity attributable to owners of parent					Total shareholders' equity	Non-controlling interests	Equity
	Accumulated other comprehensive income				Accumulated other comprehensive income/(loss)			
	Remeasurements of defined benefit plans	Gains and losses from investments in equity instruments designated at fair value through other comprehensive income	Effective portion of cash flow hedges	Exchange differences on translation of foreign operations				
As of January 1, 2019	(475)	41	4	(2,564)	(2,992)	33,829	1,609	35,438
Cumulative effect of accounting change					—	(586)		△586
Restated balance	(475)	41	4	(2,564)	(2,992)	33,242	1,609	34,851
Quarterly profit					—	118	(64)	54
Other comprehensive income	12	(0)	(97)	(714)	(799)	(799)	(40)	(839)
Quarterly Comprehensive income	12	(0)	(97)	(714)	(799)	(680)	(104)	(785)
Dividends					—	(406)		(406)
Transfer from other components of equity to retained earnings					—	(100)		(100)
Purchase of treasury shares					—	(0)		(0)
Disposal of treasury shares					—	0		0
Transfer disposal of treasury shares of losses					—	—		—
Share-based payments					—	57		57
Total transactions with owners	—	—	—	—	—	(449)	—	(449)
As of June 30, 2019	(462)	41	(92)	(3,279)	(3,792)	32,112	1,504	33,616

**(5) Consolidated Statement of Cash Flows**

(Units : Millions of yen)

	<b>Six months ended June 30, 2018</b>	<b>Six months ended June 30, 2019</b>
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	1,223	445
Depreciation and amortization	1,853	2,599
Interest income	(11)	(10)
Interest expenses	336	602
(Gains) losses on sales of property, plant and equipment	(25)	(20)
(Increase) decrease in trade and other receivables	582	791
(Increase) decrease in inventories	(1,159)	917
Increase (decrease) in trade and other payables	390	(409)
Other	(247)	461
<b>Subtotal</b>	<b>2,941</b>	<b>5,378</b>
Interest and dividends received	11	10
Interest paid	(337)	(579)
Income taxes paid	(88)	(326)
<b>Net cash provided by (used in) operating activities</b>	<b>2,527</b>	<b>4,483</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,880)	(3,248)
Proceeds from sales of property, plant and equipment	122	109
Purchase of intangible assets	(493)	(428)
Purchase of investments in associates	(5,991)	—
Other	(0)	(4)
<b>Net cash provided by (used in) investing activities</b>	<b>(10,243)</b>	<b>(3,571)</b>

(Units : Millions of yen)

	<b>Six months ended June 30, 2018</b>	<b>Six months ended June 30, 2019</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	10,630	1,409
Proceeds from long-term borrowings	4,194	1,372
Repayments of long-term borrowings	(6,784)	(1,505)
Redemption of bonds	(60)	—
Dividends paid	(879)	(405)
Payment of distributions to owners of other capital instruments	—	(98)
Repayments of lease obligations	(48)	(473)
Other	(2)	(0)
<b>Net cash provided by (used in) financing activities</b>	<b>7,055</b>	<b>297</b>
Effect of exchange rate changes on cash and cash equivalents	(204)	(131)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(864)</b>	<b>1,077</b>
Cash and cash equivalents as at January 1	5,375	4,098
Cash and cash equivalents as at June 30	4,511	5,175

(6) Assumptions for Goring Concern  
None