

# CONSOLIDATED FINANCIAL STATEMENTS

(for the first quarter of fiscal year 2015)

April 28, 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: May 13, 2015

Date on which Dividend Payments to Commence: May 28, 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 First Quarter of FY 2015 (January 1, 2015–March 31, 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	%
1st Quarter of FY2015	21,585	15.8	1,003	91.4	911	164.8	618	150.7
1st Quarter of FY2014	18,647	31.1	524	117.9	344	114.2	246	829.3

	Net income per share (Basic)	Net income per share (Fully diluted)
	Yen	Yen
1st Quarter of FY2015	26.65	-
1st Quarter of FY2014	10.63	-

Note: Comprehensive income for the year ended March 31, 2015 : 149 million yen ( - )

Comprehensive income for the year ended March 31, 2014 : -272 million yen ( - )

### (2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2015	68,860	17,617	23.9	707.76
As of Dec. 31, 2014	70,110	17,724	23.6	711.88

Reference: Shareholders' equity at March 31, 2015: 16,427 millions of yen

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

## 2. Dividends

	Dividend per share				
	End of first quarter	End of second 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	-	-	-	-
FY ended Dec.2015 (forecast)	-	5.00	5.00	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	83,630	7.8	2,700	(19.3)	2,000	(28.6)	1,000	(25.7)	43.08

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): None  
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)  
First 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  
First quarter of FY 2015 733,034 shares  
FY 2014 733,020 shares  
(c) Average number of shares issued during the period (three months)  
First quarter of FY 2015 23,211,294 shares  
First quarter of FY 2014 23,211,634 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 March 31, 2015	As of December 31, 2014
Assets		
Current assets		
Cash and deposits	3,527	3,753
Notes and accounts receivable - trade	18,331	17,013
Merchandise and finished goods	6,424	7,721
Work in process	1,626	1,505
Raw materials and supplies	5,044	4,892
Income taxes receivable	437	405
Other	3,263	3,233
Allowance for doubtful accounts	(174)	(192)
Total current assets	38,480	38,332
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,596	12,966
Machinery, equipment and vehicles	40,278	40,785
Tools, furniture and fixtures	4,779	4,886
Land	1,364	1,412
Leased assets	1,238	1,387
Construction in progress	2,279	2,032
Accumulated depreciation	(39,941)	(40,450)
Total property, plant and equipment	22,596	23,018
Intangible assets		
Goodwill	2,152	2,486
Other	1,015	1,040
Total intangible assets	3,167	3,527
Investments and other assets	4,576	5,182
Total non-current assets	30,340	31,728
Deferred assets	39	49
Total assets	68,860	70,110

(Units: Millions of yen)

	As of March 31, 2015	As of December 31, 2014
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	7,000	7,931
Short-term loans payable	6,036	4,565
Current portion of bonds	2,520	4,520
Current portion of long-term loans payable	5,759	7,216
Income taxes payable	572	673
Other	4,746	5,134
Total current liabilities	26,635	30,042
Non-current liabilities		
Bonds payable	690	900
Long-term loans payable	20,204	17,314
Net defined benefit liability	1,420	1,583
Other	2,292	2,545
Total non-current liabilities	24,607	22,344
Total liabilities	51,243	52,386
<b>Net assets</b>		
Shareholders' equity		
Capital stock	8,143	8,143
Capital surplus	7,956	7,956
Retained earnings	6,221	5,719
Treasury shares	(1,524)	(1,524)
Total shareholders' equity	20,797	20,294
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	66	68
Foreign currency translation adjustment	(4,329)	(3,687)
Remeasurements of defined benefit plans	(106)	(152)
Total accumulated other comprehensive income	(4,369)	(3,770)
Minority interests	1,189	1,200
Total net assets	17,617	17,724
Total liabilities and net assets	68,860	70,110

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

	(Units:Millions of yen)	
	First three month of FY2014	First three month of FY2015
	(Jan.1, 2014 - Mar.31, 2014)	(Jan.1, 2015 - Mar.31, 2015)
Net sales	18,647	21,585
Cost of sales	15,590	17,981
Gross profit	3,057	3,603
Selling, general and administrative expenses		
Freightage and packing expenses	226	262
Employees' salaries and allowances	946	901
Depreciation	76	82
Research and development expenses	259	267
Other	1,023	1,086
Total selling, general and administrative expenses	2,533	2,600
Operating income	524	1,003
Non-operating income		
Interest income	2	3
Gain on valuation of derivatives	-	7
Foreign exchange gains	-	57
Other	3	25
Total non-operating income	6	93
Non-operating expenses		
Interest expenses	104	127
Foreign exchange losses	13	-
Loss on valuation of derivatives	28	-
Other	40	56
Total non-operating expenses	186	184
Ordinary income	344	911
Extraordinary income		
Gain on sales of non-current assets	7	4
Insurance income	171	-
Total extraordinary income	179	4
Extraordinary losses		
Loss on sales and retirement of non-current assets	0	2
Loss on disaster	116	59
Loss on sales of investment securities	-	125
Total extraordinary losses	117	187
Income before income taxes and minority interests	406	728
Income taxes	133	55
Income before minority interests	272	673
Minority interests in income	25	54
Net income	246	618

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

(Units: Millions of yen)

	First three month of FY2014 (Jan.1, 2014 - Mar.31, 2014)	First three month of FY2015 (Jan.1, 2015 - Mar.31, 2015)
Income before minority interests	272	673
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	(2)
Remeasurements of defined benefit plans, net of tax	-	45
Foreign currency translation adjustment	(544)	(566)
Total other comprehensive income	(545)	(523)
Comprehensive income	(272)	149
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(298)	20
Comprehensive income attributable to minority interests	25	129

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

(Units:Millions of yen)

	First three month of FY2014 (Jan.1, 2014 - Mar.31, 2014)	First three month of FY2015 (Jan.1, 2015 - Mar.31, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	406	728
Depreciation	768	960
Amortization of goodwill	93	95
Interest and dividend income	(2)	(3)
Interest expenses	104	127
Loss (gain) on sales of investment securities	-	125
Loss (gain) on valuation of derivatives	28	(7)
Decrease (increase) in notes and accounts receivable - trade	(1,456)	(2,037)
Decrease (increase) in inventories	509	396
Increase (decrease) in notes and accounts payable - trade	(211)	(619)
Other, net	(262)	90
Subtotal	(23)	(141)
Interest and dividend income received	2	3
Interest expenses paid	(125)	(177)
Income taxes paid	(67)	(257)
Net cash provided by (used in) operating activities	(212)	(573)
Cash flows from investing activities		
Payments into time deposits	(0)	(0)
Purchase of property, plant and equipment	(1,282)	(1,109)
Proceeds from sales of investment securities	-	100
Purchase of shares of subsidiaries and associates	(0)	(1)
Other, net	(13)	(10)
Net cash provided by (used in) investing activities	(1,296)	(1,021)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	972	1,593
Proceeds from long-term loans payable	2,043	5,091
Repayments of long-term loans payable	(1,429)	(2,777)
Redemption of bonds	(560)	(2,210)
Cash dividends paid	(116)	(116)
Other, net	(11)	(31)
Net cash provided by (used in) financing activities	899	1,550
Effect of exchange rate change on cash and cash equivalents	(59)	(177)
Net increase (decrease) in cash and cash equivalents	(669)	(221)
Cash and cash equivalents at beginning of period	3,531	3,713
Cash and cash equivalents at end of period	2,862	3,491

**(5) Segment information**

For the first quarter ended March 31, 2014 (Jan. 1, 2014 - Mar. 31, 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	10,944	7,703	18,647
(2) Inter-segment sales or transfers	590	437	1,027
Total	11,534	8,141	19,675
Segment profit	525	494	1,019

<b>Operating income</b>	<b>Amount</b>
	<i>(Millions of yen)</i>
Segment profit	1,019
Eliminations	(495)
Operating income	524

For the first quarter ended March 31, 2015 (Jan. 1, 2015 - Mar. 31, 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	13,379	8,205	21,585
(2) Inter-segment sales or transfers	940	450	1,391
Total	14,319	8,656	22,976
Segment profit	945	465	1,411

<b>Operating income</b>	<b>Amount</b>
	<i>(Millions of yen)</i>
Segment profit	1,411
Eliminations	(408)
Operating income	1,003