

This is a translation of the original notice in Japanese. In the event of any discrepancy, the original notice in Japanese shall prevail.

(Stock Code: 6817)

March 4, 2010

NOTICE OF THE 55TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

SUMIDA CORPORATION hereby would like to inform you that the 55th Annual General Meeting of Shareholders will be held as outlined below. Please accept our cordial invitation to this meeting. If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet. Please examine the appended "Reference Materials for Annual General Meeting of Shareholders" and exercise your voting rights in accordance with the instructions given on page 3.

Yours faithfully,
Shigeyuki Yawata
Director, Representative Executive Officer and CEO
SUMIDA CORPORATION
Asahi Building
3-12-2, Nihonbashi, Chuo-ku, Tokyo

- 1. Date and Time:** 2:00 p.m., Saturday, March 20, 2010
(The reception desk will open at 1:30 p.m.)
- 2. Venue:** Apollon, Hotel Nikko Tokyo (1st Floor),
1-9-1 Daiba, Minato-ku, Tokyo

3. Meeting Agenda:

- Items to be reported

1. Business Report, Consolidated Financial Statements and a report on the audited results of the Consolidated Financial Statements by the independent auditors and the Audit Committee for the 55th term (January 1 to December 31, 2009)
2. Non-consolidated Financial Statements for the 55th term (January 1 to December 31, 2009)

- *Item to be resolved*

Agenda: Appointment of ten (10) directors

4. Decisions Made for the Notice of the Meeting

- (1) If a shareholder does not indicate acceptance or rejection of the agenda items when exercising a voting right in writing or via the Internet, the Company shall treat such cases as indications of acceptance.
- (2) In the event that a shareholder exercises a voting right via the Internet, even if the voting form is returned to us by mail, the Company shall treat the shareholder's Internet vote as the effective exercise of the voting right.
- (3) If a shareholder exercises a voting right in writing, the shareholder is requested to return a voting form to us by mail by 5:00 p.m. on Friday, March 19, 2010 (JST).
- (4) If a shareholder exercises a voting right via the Internet, the shareholder is requested to do so by 5:00 p.m. on Friday, March 19, 2010 (JST).
- (5) In the event that a shareholder exercises voting rights diversely, the shareholder is requested to submit his/her intention to do so and the reason for the diverse exercise of voting rights to the Company in writing by three days before the meeting.

If the Reference Materials for Annual General Meeting of Shareholders, Business Report, Consolidated and Non-consolidated Financial Statements are subsequently revised, the revisions shall be posted on our Website (<http://www.sumida.com>).

<Concerning the Exercise of Voting Rights>

- * Shareholders attending the meeting in person are requested to fill out the voting form enclosed with this notice and submit it at the reception desk on the day of the meeting.
- * A shareholder may exercise his/her voting rights by designating one proxy who is another shareholder of the Company with voting rights pursuant to Article 17 of the Articles of Incorporation. In such cases, please submit to the Company a document proving the proxy's power of representation (power of attorney).
- * If you are unable to attend the meeting in person, please exercise your voting rights using either of the below methods.

[How to submit your voting form by mail]

After indicating your acceptance or rejection of the agenda items on the voting form enclosed with this notice, return the form to us.

[How to exercise your voting rights via the Internet]

1. When using a computer
 - (1) Access the Website for Exercising Voting Rights at <http://www.tosyodai.54.net/>
 - (2) After reading the requests listed on the voting form, input the exercise of code and password for the exercise of voting rights.
 - (3) Follow the instructions given on the screen to exercise your voting rights.
2. When using a mobile phone
 - (1) The following services can be utilized. When using a mobile phone, access the Website for Exercising General Shareholder Meeting Voting Rights (<http://www.tosyodai.54.net/>) and follow the instructions displayed on the screen to exercise your voting rights in the same way as specified in "1. When using a computer" above.
 - i-mode
 - EZweb
 - Yahoo! Keitai(i-mode is a service mark / registered trademark of NTT DoCoMo, Inc., EZweb is a service mark / registered trademark of KDDI Corp., Yahoo! is a service mark / registered trademark of US Yahoo! Inc. and Yahoo! Keitai is a service mark / registered trademark of Softbank Mobile Corp.)
 - (2) Your mobile phone needs to be equipped with an SSL communications function for secure encrypted communications.
3. Please note that shareholders are to bear any and all telecommunications charges, including call charges, and connection charges to be paid to Internet service providers when accessing the Website for Exercising Voting Rights.
4. In the event that a shareholder exercises a voting right on multiple occasions, the Company shall treat the shareholder's final vote as the effective exercise of the voting right.

Please direct any enquiries you may have concerning the exercise of voting rights via the Internet to:

Shareholders' Register Manager: Tokyo Securities Transfer Agent Co., Ltd.

Tel: 0120-88-0768 (Toll free number)

Operating hours: 9:00 a.m. to 9:00 p.m. weekdays (excluding Saturdays, Sundays and holidays)

[To All Institutional Investors]

In the event that institutional investors apply for the use of the platform for electronic exercise of voting rights (the so-called TSE platform) operated by ICJ, they may use it as their electronic method for exercising voting rights at the Company's General Meetings of Shareholders, in addition to the above-mentioned electronic method via the Internet.

Business Report
for the 55th business term
(January 1 to December 31, 2009)

Shigeyuki Yawata
Director, Representative Executive Officer and CEO
SUMIDA CORPORATION

Business Report

(January 1 to December 31, 2009)

1. Matters Concerning the Current Status of the Sumida Group

(1) Business conditions for the fiscal year under review

(i) Progress and results of the business

The global economy, which experienced a drastic slowdown after the collapse of Lehman Brothers in September 2008, started showing some signs of gradual recovery as uncertainty about the economy's future is being swept away thanks to the economic stimulus measures and drastic monetary easing policies that governments and central banks of many countries had taken by the following year. Under such circumstances, the economies of emerging nations including China, Brazil, and India particularly regained robust growth and is becoming livelier.

With respect to the global market for electronic devices, the U.S. market, prior to other areas, started showing a drop in demand from the second quarter of 2008, and the European market also started to shrink in the third quarter of 2008. The Asian market, which had remained in good condition, also experienced a drastic deterioration in the fourth quarter of 2008. Even after 2009 began, a further economic slump was seen across the world in the first quarter. However, following some signs of recovery that started appearing in Asia in the second quarter, there was a modest recovery in the U.S., and thereafter in the European markets. Whereas final demand for key products, including personal computers, cellular phones, and digital cameras drastically decreased in the first quarter of 2009, it has been in an expansionary phase since the middle of 2009. In addition, although demand for automotive parts and peripherals sharply declined due to the impact of production adjustments by major automotive manufacturers in Japan, the U.S., and Europe, thanks to the economic stimulus measures by the governments of many countries, there has been a modest recovery since the middle of 2009, and in particular this has led customers to make active inquiries about electronic parts and peripherals that are capable of improving automobile safety and energy efficiency.

Given such circumstances, the Sumida Group strived to increase sales by reducing fixed costs in every area, including development, sales, and administration, while focusing on enhancing efficient operations in terms of manufacturing by reducing the cost of raw materials, cutting labor costs through improving productivity, and reducing manufacturing expenses.

Overall net sales for the fiscal year under review fell by 21.7% to 43,653 million yen from the previous fiscal year due to a reduction in the magnetics and automotive sectors in the Asia Pacific Business and a scale-down of the EU Business, reflecting production adjustments made in European industries, including the automotive, home electric appliances, and industrial equipment industries, although sales at the Environment/Energy Business, which were recorded only for the fourth quarter of the previous fiscal year, made a year-round contribution. However, looking at net sales in each six-month period, sales in the first half decreased by 11,669 million yen (38.5% YoY decrease) to 18,645 million yen affected by the collapse of Lehman Brothers particularly in the first quarter. On the other hand, net sales in the second half recovered by 412 million yen (1.6% YoY decrease) to 25,008 million yen due to a market recovery in emerging nations and developed countries.

In terms of profit, from the beginning of the fiscal year under review, while working to reduce the costs of raw materials and cut labor costs by improving productivity, we focused on reducing fixed

costs such as manufacturing overhead, SGA and R&D expenses. In the first half, we posted an operating loss of 1,722 million yen compared with an operating income of 2,093 million yen in the same period of the previous fiscal year due to a decline in revenue that offset the constricted break-even net sales. However, for the second half, the loss was overturned and we recorded an increase in revenue as the break-even net sales substantially decreased with fixed costs reductions well underway resulting in a drastic increase in operating income of 1,489 million yen, compared with 74 million yen in the same period of the previous fiscal year. Consequently, for the full-year period, we recorded an operating loss of 233 million yen compared with an operating income of 2,167 million yen in the previous fiscal year. The decrease in operating income could not be complemented by the reduction of foreign exchange losses and other improvements in non-operating income and expenses. As a result, the ordinary loss increased from 146 million yen in the previous fiscal year to 774 million yen. Although business structure improvement expenses were accrued as extraordinary losses, net loss reduced from 5,743 million yen in the previous fiscal year to 2,009 million yen.

The following is the business performance in the consolidated fiscal year by segment. The Sumida Group is composed of the Asia Pacific Business, EU Business, and Environment/Energy Business.

I. Asia Pacific Business

Sales at Asia Pacific Business decreased by 25.0% year on year to 24,114 million yen. Sales at the magnetics sector were down 31.7% year on year to 14,390 million yen due to a decrease in sales of PCs and their peripherals, AV equipment, communication equipment, recreational equipment, automotive power devices, power inductor devices, and signals. Sales at the inverter sector decreased by 47.3% year on year to 556 million yen; while there was an increase in sales of recreational equipment, there were lower sales of liquid crystal display TVs and transformers. Sales at the automotive sector decreased by 15.3% year on year to 8,475 million yen; while there was an increase in sales of automotive air conditioners, there were lower sales of ABS and keyless entry systems.

II. EU Business

Sales at the EU Business decreased by 32.7% year on year to 15,092 million yen due to a sharp decline in sales of automotive-related devices for the first half and the impact of production adjustments made by clients in the home electric appliance and industrial equipment industries.

III. Environment/Energy Business

Sales at the Environment/Energy Business, which were recorded only for the fourth quarter of the previous fiscal year, were 4,447 million yen compared with 1,160 million yen in the previous fiscal year owing to year-round contributions from EIWA and MOSTEC, and because we acquired Concord Electronics Industries Co., Ltd.

Business Segment	Net Sales (million yen)
Asia Pacific Business	24,114
EU Business	15,092
Environment/Energy Business	4,447
Total	43,653

Note: Above amounts do not include consumption tax.

(ii) Fund procurement

During the current fiscal year, the Group took out bank borrowings and issued bonds to procure funds. The balance decreased 2,101 million yen from the previous fiscal year end. Additionally, borrowing commitment agreements have been concluded with four Companies' financing banks to raise working capital effectively. The undisbursed commitment pertaining to the borrowing commitment as of the end of the current fiscal year is shown as follows:

Total borrowing commitment:	3,000 million yen
Borrowings outstanding:	-
Undisbursed commitment:	3,000 million yen

(iii) Plant and equipment investment

The Group continuously makes investments to expand facilities and enhance research and development for rationalization of production, quality improvement and increasing demand. For the current fiscal year, the total investment amounted to 1,199 million yen, including constant investments related to the development and manufacturing of new products.

(iv) Business transfers, absorption-type demerger, and incorporation-type demerger

There were no relevant issues.

(v) Business acceptance from other companies

There were no relevant issues.

(vi) Succession in rights and obligation related to the businesses of other companies through merger or spin-off by absorption

There were no relevant issues.

(vii) Acquisition or disposal of shares, other stakes or stock acquisition rights of other companies

1) Sumida Finance B.V.

In January 2009, the Company established Sumida Finance B.V. in Amsterdam, the Netherlands, a wholly-owned subsidiary that engages in managing funds and foreign exchange for the group companies, and recorded it as a consolidated subsidiary.

2) Concord Electronics Industries Co., Ltd.

In July 2009, the Company acquired all the shares of Concord Electronics Industries Co., Ltd. and recorded it as a consolidated subsidiary.

3) SUMIDA AG

After the Group fulfilled demand of purchasing shares by shareholders, the percentage of its shares held by the Sumida Group increased to 93.9% from 84.6%. Accordingly, the ratio of shareholding in subsidiaries of the company by the Sumida Group also increased.

(2) Summary of assets, profit and losses

Item	52nd Fiscal Term (ended Dec. 2006)	53rd Fiscal Term (ended Dec. 2007)	54th Fiscal Term (ended Dec. 2008)	55th (Current) Fiscal Term (ended Dec. 2009)
Net sales (million yen)	63,508	70,210	55,734	43,653
Net income (loss) (million yen)	2,182	2,855	(5,743)	(2,009)
Net income (loss) per share (yen)	111.88	149.96	(298.91)	(104.57)
Total assets (million yen)	70,161	71,510	60,814	54,505
Net assets (million yen)	27,150	29,919	14,700	11,068
Net assets per share (yen)	1,383.75	1,486.13	718.04	545.55

Note: Net sales do not include consumption tax.

(3) Significant matters of the parent company and subsidiaries

(i) Relationship with the parent company

There were no relevant issues.

(ii) Significant subsidiaries

Company name	Capital (in thousand)	Voting rights of the Company (%)	Key business
Sumida Electronic Components Co., Ltd.	50,000 yen	100	Control of the coil business
Sumida Power Electronics Co., Ltd.	50,000 yen	100	Control of the power electronics business
Sumida Electric Co., Ltd.	450,000 yen	100 (100)	Sale and research & development of coils
Sumida Corporate Service Incorporated	25,000 yen	100	Control of Group management
EIWA Co., Ltd.	261,200 yen	100 (100)	Development, manufacture, and sale of power electronics related coils
MOSTEC, Inc.	40,000 yen	100 (100)	Development of power electronics related coils
Concord Electronics Industries Co., Ltd.	54,000 yen	100 (100)	Development of power electronics related coils
Dongguan Sumida (Tai Ping) Electric Co., Ltd.	305,000 Hong Kong dollars	100 (100)	Manufacture of coils
SUMIDA ELECTRIC (GUANGXI) Co., LTD.	17,562 yuan	100 (100)	Manufacture of coils
Sumida Electric (H.K.) Company Limited	245,000 Hong Kong dollars	100 (100)	Manufacture and research & development of coils
SUMIDA SERVICE COMPANY LIMITED	13,000 Hong Kong dollars	100 (100)	Internal services
SUMIDA TRADING COMPANY LIMITED	80,000 Hong Kong dollars	100 (100)	Sale of coils
SUMIDA TRADING PTE LTD.	6,000 Singapore dollars	100 (100)	Sale of coils
SUMIDA AMERICA COMPONENTS INC.	6,350 U.S. dollars	100 (100)	Sale of coils
Sumida America Manufacturing, Inc.	4,000 U.S. dollars	100 (100)	Manufacture of coils
SMD MARKETING (M) SDN. BHD.	50 Malaysia dollars	100 (100)	Sale of coils
SUMIDA TRADING (SHANGHAI) COMPANY LIMITED	8,070 yuan	100 (100)	Sale of coils
TAIWAN SUMIDA TRADING COMPANY LIMITED	30,000 Taiwan dollars	100 (100)	Sale of coils
SUMIDA TRADING (KOREA) COMPANY LIMITED	250,000 Korea won	100 (100)	Sale of coils
Sumida Europe GmbH	25 euro	100	Control of European operations
SUMIDA Components GmbH	105 euro	100 (100)	Manufacture and sale of coils

Company name	Capital (in thousand)	Voting rights of the Company (%)	Key business
SUMIDA AG	5,849 euro	93.9 (93.9)	Holding company
SUMIDA Austria GmbH	1,500 euro	93.9 (93.9)	Manufacture of components
SUMIDA Components & Modules GmbH	25 euro	93.9 (93.9)	Control and sale of components
SUMIDA EMS GmbH	25 euro	93.9 (93.9)	Controlling company of EMS
SUMIDA Lehesten GmbH	1,100 euro	93.9 (93.9)	EMS
SUMIDA COMPONENTS DE MEXICO, S.A. DE C. V.	50 Mexico peso	69.5 (69.5)	Manufacture of components
SUMIDA ROMANIA S.R.L.	2,197 euro	93.9 (93.9)	Manufacture of components
VOGT electronic Shanghai Co., Ltd.	37,905 yuan	93.9 (93.9)	Manufacture and sale of components
SUMIDA SLOVENIJA, d.o.o.	503 euro	69.5 (69.5)	Manufacture of components
vogtronics GmbH	25 euro	69.5 (69.5)	Manufacture and sale of components
SUMIDA flexible connections GmbH	26 euro	100 (100)	Manufacture and sale of flat cables
SUMIDA FLEXIBLE CONNECTIONS ROMANIA S.R.L.	161 euro	100 (100)	Manufacture of flat cables
Eiwa (Thailand) Co., Ltd.	70,000 baht	100 (100)	Development and manufacture of power electronics related coils
EIWA (HK) COMPANY LIMITED	52 U.S. dollars	100 (100)	Development and manufacture of power electronics related coils
ISMART GLOBAL LIMITED	23,309 euro	100 (100)	Intermediate holding company
Sumida Finance B.V.	20 euro	100 (100)	Financial control company

Note: Figures shown in parentheses in the column of voting rights are the percentages held indirectly.

(4) Issues to address

(i) Sustainable growth and maintenance of profitability

The Sumida Group will steadily execute the strategic initiatives listed in the Mid-Term Business Plan “Triple Ex” with the aim of sustaining growth and maintaining and improving profitability by enhancing existing businesses, realizing synergy in the Group, and fostering growth through M&As and business tie-ups.

This fiscal year, the business environment has drastically changed along with the global recession that began in the autumn of 2008, forcing Sumida’s management to tackle various challenges. However, amid such circumstances, the Group actively tried to develop new business lines from a long-term standpoint.

As part of these efforts, the Group newly acquired Concord Electronics Industries Co., Ltd. which has technical expertise and a business foundation relating to medical and industrial equipment.

On the other hand, the Group has been reinforcing business operations that are integrated in the group as a whole by restructuring the organizational framework under the concept of “Global One Sumida” to enhance future growth and by maximizing synergy in the Group, while making good use of the advantages of the affiliated companies that joined the Group in the past few years. Sumida will embody its pursuit of synergy in every area including development, production, and sales from a global point of view by making further efforts in the following fiscal years.

(ii) Speedy and flexible management in response to changes in business environment

A more mobile and flexible management attitude is required to appropriately keep up with the drastically changing business environment. The Company strives to speed up the execution of operations throughout the Group by substantially assigning authority to the executive officers under the proper corporate governance system as a company with committees, always review the profitability of each business, and efficiently allocate resources by drastically scaling down the less profitable businesses and focusing on the more profitable ones. The Company will press ahead with selection and concentration of its businesses by considering whether to develop and commercialize new products on the horizon beyond new Mid-Term Business Plan and pursue speedy and flexible management that can accommodate environmental change.

(iii) Corporate governance

The basics of the Company’s corporate governance are to maintain transparency and efficiency of management, meet the expectations of stakeholders and continuously improve the corporate value, which it recognizes as being one of the most important issues for its management. In particular, the role of governance under a system in which “execution” and “supervision” are segregated through delegation of substantial authority for executing operations is extremely important. The Company always tries to develop a system in which both duties function effectively and efficiently to realize more suitable governance.

(iv) Corporate social responsibility

Under the existing circumstances, in which companies need to fulfill legal, economic and social responsibilities more than ever, and in which they need to actively contribute to society and make concrete actions, the Group fulfills its social responsibilities by performing business based on basic perspectives such as integrity, discipline and common sense, and at the same time makes broad efforts to further enhance the trust that society places in it through measures including reinforcement of the legal and compliance functions, active commitment to environmental issues and offering of scholarships.

(5) Major business lines (as of December 31, 2009)

Lines of business	Key products
Asia Pacific Business	DC/DC converter transformers, switching power supply transformers, stroboscopic oscillating transformers, noise filter coils, DC/DC converter units, power inductors, IFT/RF coils, keyless entry antenna coils, ADSL modem transformers, data line filters, antenna coils, video filters, signal inductors, RF-ID, four-way valve coils CCFL driving inverter transformers, CCFL driving inverter units ABS coils, injection coils, antenna coils, sensor coils, noise filters, solenoid coils for air conditioner
EU Business	Antenna coils, sensor coil modules, ignition coil modules, noise filters, xDSL splitter modules, DC/DC converter transformers Power steering control units, GPS antennas, anti-theft control units, diesel engine control units, power supplies
Environment/Energy Business	High-frequency transformers, high-frequency choke coils, edge-wise coils, stick coils, motor coils for HDD, low-frequency transformers, harmonic preventive reactors, reactors, common mode coils

(6) Major business offices of the Sumida Group (as of December 31, 2009)

Headquarters: Chuo-ku, Tokyo (the Company)

Business Supervising Companies:

Sumida Electronic Components Co., Ltd. (Chuo-ku [Tokyo]), Sumida Europe GmbH (Germany), SUMIDA AG (Germany), Sumida Corporate Service Incorporated (Chuo-ku [Tokyo]), Sumida Finance B.V. (Netherlands)

Domestic sales offices:

Sumida Electric Co., Ltd. (Chuo-ku [Tokyo], Osaka, Nagoya and other three offices), EIWA Co., Ltd. (Chuo-ku [Tokyo]), Concord Electronics Industries Co., Ltd. (Ueda-shi [Nagano])

Overseas sales offices:

SUMIDA TRADING COMPANY LIMITED (Hong Kong), SUMIDA TRADING PTE LTD. (Singapore), SUMIDA AMERICA COMPONENTS INC. (U.S.), SMD MARKETING (M) SDN. BHD. (Malaysia), SUMIDA Components GmbH (Germany), SUMIDA Austria GmbH (Austria), SUMIDA TRADING (SHANGHAI) COMPANY LIMITED (China), SUMIDA Components & Modules GmbH (Germany), vogtronics GmbH (Germany), SUMIDA Lehesten GmbH (Germany), SUMIDA flexible connections GmbH (Germany), SUMIDA TRADING (KOREA) COMPANY LIMITED (South Korea), TAIWAN SUMIDA TRADING COMPANY LIMITED (Taiwan)

Domestic production bases:

EIWA Co., Ltd. (Komoro-shi [Nagano], Mutsu-shi [Aomori]), Concord Electronics Industries Co., Ltd. (Ueda-shi [Nagano])

Overseas production bases:

Sumida Electric (H.K.) Company Limited (Hong Kong), Dongguan Sumida (Tai Ping) Electric Co., Ltd. (China), Sumida America Manufacturing, Inc. (U.S.), SUMIDA Components GmbH (Germany), SUMIDA Components & Modules GmbH (Germany), SUMIDA ROMANIA S.R.L. (Romania), SUMIDA COMPONENTS DE MEXICO, S.A. DE C.V. (Mexico), SUMIDA SLOVENIJA, d.o.o. (Slovenia), SUMIDA Lehesten GmbH

(Germany), VOGT electronic Shanghai Co., Ltd. (China), SUMIDA flexible connections GmbH (Germany), SUMIDA ELECTRIC (GUANGXI) Co., LTD. (China), Eiwa (Thailand) Co., Ltd. (Thailand), EIWA (HK) COMPANY LIMITED (Hong Kong), SUMIDA FLEXIBLE CONNECTIONS ROMANIA S.R.L. (Romania)

Domestic R&D centers:

Sumida Electric Co., Ltd. (Chuo-ku [Tokyo], Natori-shi [Miyagi]), EIWA Co., Ltd. (Komoro-shi [Nagano]), MOSTEC, Inc. (Kyotanabe-shi [Kyoto]), Concord Electronics Industries Co., Ltd. (Ueda-shi [Nagano])

Overseas R&D centers:

Sumida Electric (H.K.) Company Limited (Hong Kong), Dongguan Sumida (Tai Ping) Electric Co., Ltd. (China), SUMIDA Components GmbH (Germany), Sumida Components & Modules GmbH (Germany), vogtronics GmbH (Germany), VOGT electronic Shanghai Co., Ltd. (China), SUMIDA flexible connections GmbH (Germany)

(7) Employees (as of December 31, 2009)

(i) Employees of the Sumida Group

Business segments	Number of employees	Changes from the end of the previous fiscal year
Asia Pacific Business	14,603	---
EU Business	2,541	---
Environment/Energy Business	2,101	---
Company-wide (common)	138	---
Total	19,383	Increase by 1,277

Notes:

1. The number of employees is the number of persons who engage in full-time work.
2. As we have changed the business segmentation as of the current fiscal year, a comparison per business segment against the previous fiscal year is not mentioned.
3. "Company-wide (common)" indicates the number of employees posted in Sumida Corporate Service Incorporated which carries out a headquarter and support function, in SUMIDA SERVICE COMPANY LIMITED and in the Service Department of Sumida Electric Co., Ltd.
4. The number of employees increased by 1,277 from the end of the previous fiscal year. This was attributable to the 92 employees that the Group gained through the acquisition of Concord Electronics Industries Co., Ltd. and the increase in personnel to respond to stronger demand in the market.
5. The number of employees includes those in the consigned processing companies.

(ii) Employees of the Company

The Company is a pure holding company and it has no employees.

(8) Major lenders (as of December 31, 2009)

Lenders	Amount borrowed (million yen)
Sumitomo Mitsui Banking Corporation	10,230
Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,625
Resona Bank Limited	5,300
Mizuho Corporate Bank, Ltd.	5,225

(9) Policy on determination of dividend from surplus

(i) Policy for the current fiscal year

The Company considers the return of profits to its shareholders, depending on its consolidated business results, to be a priority business issue. The mid- and long-term policy of the Company is to maintain stable dividends.

Regarding the annual dividend in the fiscal year, the Company set the target annual dividend at 20 yen per share at the beginning of the fiscal year. Accordingly, although the Company recorded a consolidated net loss, it decided to pay quarterly dividends of 5 yen per share from surplus to make annual dividends of 20 yen per share for the fiscal year.

Date of Board of Directors resolution	Term	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Date of commencement of payment
April 27, 2009	The 1 st quarter	96	5.00	March 31, 2009	May 29, 2009
July 24, 2009	The 2 nd quarter	96	5.00	June 30, 2009	August 20, 2009
October 22, 2009	The 3 rd quarter	96	5.00	September 30, 2009	November 20, 2009
February 18, 2010	The 4 th quarter	96	5.00	December 31, 2009	March 5, 2010

(ii) Policy for the next fiscal year

Considering the return of profits to its shareholders to be one of the priority business issues, the Company has been striving to ensure stable dividends that reflect its consolidated business results as its mid- and long-term policy, while enriching the necessary internal reserves to expand its future business and keep up with the changing management environment. As for details of the way we will pay dividends from surplus, the Company shall decide on the base amount of annual dividend at the beginning of the next fiscal year in accordance with the annual business plan and basic dividend payout ratio (25–30%) and divide it into quarters to pay on a quarterly basis. However, in order to ensure stable dividends, the annual dividend shall be 20 yen or more per share. In addition, in order to have dividends reflect the consolidated business results, if the dividend amount calculated with consolidated net income and basic dividend payout ratio exceeds the base amount of annual dividend, the Company shall add the excess amount to the annual dividend when paying dividends for the fourth quarter.

Note: Pursuant to Article 459 of the Companies Act, the Company stipulates in the Articles of Incorporation that it shall be entitled to allocate dividends from surplus on predetermined record dates (March 31, June 30, September 30 and December 31) by a resolution of the Board of Directors.

(10) Other important matters concerning the Sumida Group

There are no relevant issues.

2. Matters Concerning the Company

(1) Shares of the Company

- (i) Number of shares issuable: 70,000,000 shares
- (ii) Total number of shares outstanding: 19,944,317 shares (including treasury stock)
- (iii) Number of shareholders as of December 31, 2009: 6,489
- (iv) Major shareholders (top 10 shareholders, excluding treasury stock)

Name of shareholders	Number of stock held (thousand shares)	Ratio of the number of stock held (%)
Yawata Building Co., Ltd.	5,210	27.12
Japan Trustee Services Bank, Ltd.	1,838	9.57
The Chase Manhattan Bank	1,015	5.28
The Master Trust Bank of Japan, Ltd.	911	4.74
Northern Trust Company AVFC	544	2.83
Shigeyuki Yawata	542	2.82
State Street Bank and Trust Company	453	2.36
JPMorgan Chase Bank	398	2.07
NikkoCiti Trust and Banking Corporation (Trust Account)	348	1.81
Nippon Life Insurance Company	260	1.35

Note: The ratio of the number of stock held has been calculated excluding treasury shares (731,669 shares).

(2) Matters concerning the Company's stock acquisition rights

- (i) Stock acquisition rights granted to and held by the Company's officers in compensation for exercise of their duties (as of December 31, 2009)
There were no relevant issues.
- (ii) Stock acquisition rights granted to employees in compensation for exercise of their duties during the current fiscal year
There were no relevant issues.
- (iii) Other important matters concerning stock acquisition rights
There were no relevant issues.

(3) Matters concerning corporate officers of the Company

(i) Directors and executive officers (as of December 31, 2009)

Name	Position and responsibility at the Company	Concurrent occupations or positions at other organizations
Shigeyuki Yawata	Director, Representative Executive Officer and CEO (Chairman of the Board of Directors)	Representative director, Sumida Europe GmbH
Chiu Ka Sheung	Director, Representative Executive Officer and Group President	Representative director, Sumida Electronic Components Co., Ltd. Representative director, Sumida Europe GmbH
Robert E. Patterson	Director (Member of the Nomination Committee and Compensation Committee)	Managing Director, Peninsula Equity Partners
Ashok B. Melwani	Director (Member of the Nomination Committee)	CEO, A. B. Melwani
Tadakazu Koizumi	Director (Chairman of the Audit Committee)	Outside corporate auditor, Data Applications Co., Ltd.
Kazuhide Kondo	Director (Member of the Audit Committee)	
Masato Tsuru	Director (Chairman of the Nomination Committee)	Representative Director, CEO and Chairman, NOK Corporation
Kotaro Miyagi	Director (Chairman of the Compensation Committee)	
Ulrich Ruetz	Director (Member of the Compensation Committee)	
Hideo Kamoshita	Director	
Masaru Hattori	Director (Member of the Audit Committee)	Outside Auditor, Ryohin Keikaku Co., Ltd.
Saburo Matsuda	Representative Executive Officer and CFO	
Tomoharu Suseki	Executive Officer and COO	
Hans-Joachim Dittloff	Executive Officer and COO	
Ryoji Iwanaga	Executive Officer	

Notes:

1. Messrs. Robert E. Patterson, Ashok B. Melwani, Kazuhide Kondo, Masato Tsuru, Kotaro Miyagi, Ulrich Ruetz and Masaru Hattori are outside directors set forth in Article 2, Item 15 of the Companies Act.
2. The Company has voluntarily set up a Board of Independent Directors consisting of all outside directors; Chairman: Mr. Kotaro Miyagi
3. Aside from statutory committees (Nomination, Audit and Compensation Committees), the Company has voluntarily set up a Strategy Committee and a Risk Management Committee.
Members of the Strategy Committee: Messrs. Shigeyuki Yawata, Kotaro Miyagi, Robert E. Patterson, Ashok B. Melwani, Ulrich Ruetz.
Members of the Risk Management Committee: Messrs. Shigeyuki Yawata, Chiu Ka Sheung, Saburo Matsuda, Tomoharu Suseki, Kotaro Miyagi and Masaru Hattori.
4. Mr. Kazuhide Kondo, member of the Audit Committee, is a certified public accountant, while Mr. Masaru Hattori, member of the Audit Committee, has years of experience in the accounting section of ORIX Corporation. Both members thus have good knowledge of finance and accounting.

(ii) Directors who retired during this fiscal year

There are no relevant issues.

(iii) Policy to determine the compensations of directors and executive officers by the Compensation Committee and the details of the policy

A. Scope of decision and extent of disclosure

“The amount of individual compensation for directors and executive officers” that the Compensation Committee defines and discloses shall be the total amount of compensation paid by the Sumida Group. It is separately disclosed to both directors and executive officers.

B. Directors’ compensation

The directors’ compensation shall be determined by reflecting the position, responsibility and working hours of each director, and in consideration of the economic trends and the business environment of the Company. Directors’ compensation is composed of the following six elements and this will not be paid to those who serve as executive officer concurrently.

1) Basic compensation

Compensation for the responsibilities as director (including the compensation for the responsibilities of the members of the Nomination and Compensation Committees)

2) Compensation of Audit Committee members

Compensation for the responsibilities as the member of the Audit Committee

3) Compensation of Strategy Committee members

Compensation for the knowledge and insight provided by the member of the Strategy Committee

4) Compensation of full-timers

Compensation for full-time directors

5) Compensation for Chairman of Board of Independent Directors

6) Overseas director compensation

Compensation for directors residing overseas

C. Executive officers’ compensation

For executive officers’ compensation, corporate performance-linked compensation shall be adopted in addition to the fixed compensation in order to maintain and raise the motivation for the execution of operations. Executive officers’ compensation is composed of the following four elements:

1) Basic compensation

Basic compensation shall be on a fixed basis in consideration of the position and responsibility as an executive officer within the Company, and any additional post as an officer at subsidiaries. The amount of compensation shall be determined by taking into account the previous operational performance and comparison with the actual compensation for the prior fiscal year.

2) Short-term incentives

These compensations are intended to maintain and raise the short-term motivation, and the base amount shall be determined depending on the position and responsibility of each executive officer. The amount to be paid will be changed in accordance with the target performance set at the beginning of the term and the actual performance and execution of duties of the Group as a whole or the function in charge. Additional

bonuses may be paid to any distinguished achievement, for which the Compensation Committee gives credit.

3) Long-term incentives

The Company shall grant this compensation to maintain and raise the medium- and long-term motivation of executive officers, and to prevent the loss of such officers.

4) Pension plans

The Company shall grant this compensation to help retired executive officers (aged 68 or older) have stable lives after retirement.

(iv) Total amount of compensation paid to directors and executive officers

(Period: January 1 to December 31, 2009)

Item	Amount determined by the resolution of the Compensation Committee		Contribution for pension plans		Total
	Payees	Amount paid (million yen)	Payees	Amount paid (million yen)	Amount paid (million yen)
Executive officers	6	408	3	49	457
Directors	2	20	–	–	20
Outside directors	7	69	–	–	69
Total	15	497	3	49	546

Notes:

1. Officers as of the end of the fiscal year include six executive officers, four directors, and seven outside directors. As two of the six executive officers serve as directors concurrently, the total number of officers is fifteen. Directors' compensation are not paid to those who concurrently serve as executive officer and director, and therefore, they are included in the figures shown in the column of executive officers and excluded from the figures indicated in the column of directors.
2. Incentive compensation
 - (1) The amounts of compensation paid to executive officers include incentive compensations for the current fiscal year (including reserves recorded in accordance with the Japanese Accounting Standard).
 - (2) As long-term incentives, pseudo stocks depending on the positions of the executive officers for the next term shall be granted, with underlying assets calculated by multiplying the total amount of dividend for this term by the rate designated by the Company.
3. The amounts of compensation paid to executive officers include non-cash compensation for executive officers (amount of property benefits for performance of duties) of 15 million yen as expenses for company-sponsored housing for corporate officers.

(v) Matters concerning outside directors

A. Important concurrent occupations or positions at other organizations

This is as described in the list of (i) Directors and executive officers above. There are no business relationships between the Company and other companies where they hold the additional posts.

B. Relationships with specially related companies including main clients

- 1) None of the outside directors have ever served as business executors of the Company or its specially related companies.
- 2) None of the outside directors are relatives within the third degree of relationship with directors and executive officers of the Company.

C. Main activities during the current fiscal year

1) Attendance of outside directors

Name	The Board of Directors meetings	Audit Committee meetings	Nomination Committee meetings	Compensation Committee meetings	Strategy Committee meetings	Risk Management Committee meetings
Robert E. Patterson	6/6		1/1	5/6	6/6	
Ashok B. Melwani	6/6		1/1		6/6	
Kazuhide Kondo	6/6	8/10				
Masato Tsuru	6/6		1/1			
Kotaro Miyagi	6/6	(10/10)		6/6	6/6	4/4
Ulrich Ruetz	5/6			6/6	5/6	
Masaru Hattori	6/6	10/10				4/4

Notes:

1. The Company established the Risk Management Committee. Members include the Chairman of the Board of Independent Directors and a member of the Audit Committee as well as an executive officer (s) and his/her staff members.
2. Mr. Kotaro Miyagi attended the Audit Committee as an observer in the position of chairman of the Board of Independent Directors.

2) Statements of each outside director

(a) Mr. Robert E. Patterson

At the meetings of the Board of Directors, he made necessary remarks in deliberations on a timely basis, mainly from the standpoint of a legal expert, in consideration of actual model of U.S. corporate governance.

At the Nomination Committee meetings, he made necessary remarks in deliberations on a timely basis, from the standpoint of discussing and actualizing the lineup and composition of the Board and executive officers appropriate for the business development of the Company, and the ideal directors and executive officers required.

At the Compensation Committee meetings, he made necessary and timely remarks in deliberations in order to fairly and properly determine the compensation bases for directors and executive officers.

At the Strategy Committee meetings, he made necessary and timely remarks for strategy formulation to enhance the corporate value of the Company and actualize the Mid-Term Business Plan.

(b) Mr. Ashok B. Melwani

At the meetings of the Board of Directors, he made necessary remarks in deliberations from time to time, mainly from the perspective of a business executive of an Asian company.

At the Nomination Committee meetings, he made necessary remarks in deliberations on a timely basis, from the standpoint of discussing and actualizing

the lineup and composition of the Board and executive officers appropriate for the business development of the Company, and the ideal directors and executive officers required.

At the Strategy Committee meetings, he made necessary and timely remarks for strategy formulation to enhance the corporate value of the Company and actualize the Mid-Term Business Plan.

(c) Mr. Kazuhide Kondo

At the meetings of the Board of Directors, Mr. Kondo made necessary remarks in deliberations as appropriate, mainly from the perspective of a financial and accounting expert.

At the Audit Committee meetings, he made necessary and timely remarks in deliberations, from the perspective of promoting compliance management through audits and leading it to enhance the corporate value.

(d) Mr. Masato Tsuru

At the meetings of the Board of Directors, he made necessary and timely remarks in deliberations, mainly from a point of view of a business executive and based on the knowledge on automobile industry.

As chairman of the Nomination Committee, he led hearings of bills in terms of discussing and actualizing the lineup and composition of the Board and executive officers appropriate for business development of the Company, and the ideal directors and executive officers required. He decided candidates for directors and recommended candidates for executive officers.

(e) Mr. Kotaro Miyagi

At the meetings of the Board of Directors, he made necessary remarks in deliberations from time to time, mainly from the viewpoint of a business executive and based on the knowledge on electric machinery industry.

As chairman of the Compensation Committee, he led the deliberations from the perspective of determining fairly and proper the compensation bases for directors and executive officers, and defines the policy on the details and amount of individual compensation received by directors and executive officers.

At the Strategy Committee meetings, he made necessary and timely remarks for strategy formulation to enhance the corporate value of the Company and actualize the Mid-Term Business Plan.

As chairman of the Board of Independent Directors meetings, he led deliberations fairly and equitably, and orchestrates the opinions of the Board of Independent Directors.

At the Risk Management Committee meetings, he makes necessary remarks in risk identification and planning of risk-averse measures on a timely basis.

(f) Mr. Ulrich Ruetz

At the meetings of the Board of Directors, Mr. Ulrich made necessary remarks in deliberations from time to time, mainly from the perspective of a business executive of a European company.

At the Compensation Committee meetings, he made necessary and timely remarks in deliberations in order to fairly and properly determine the compensation bases for directors and executive officers.

At the Strategy Committee meetings, he made necessary and timely remarks for strategy formulation to enhance the corporate value of the Company and actualize the Mid-Term Business Plan.

(g) Mr. Masaru Hattori

At the meetings of the Board of Directors, he made necessary remarks in deliberations from time to time, mainly from the perspective of a business executive.

At the Audit Committee meetings, he made necessary and timely remarks in deliberations, from the perspective of promoting compliance management through audits and leading it to enhance the corporate value.

At the Risk Management Committee meetings, he made necessary remarks in risk identification and planning of risk-averse measures on a timely basis.

3) Board of Independent Directors

The Company established the Board of Independent Directors that consists of all outside directors.

All outside directors attended two meetings held during this term to discuss and review better corporate governance and the role of the Board of Directors from the position of representing shareholders.

D. Outline of liability limitation contracts

In order to obtain excellent directors from outside, the Company has made provisions limiting liability for damages under Paragraph 1, Article 423 of the Companies Act in the Articles of Incorporation pursuant to the provisions under Paragraph 1, Article 427 of the said law. In accordance with the aforementioned provisions, the Company has entered into liability limitation contracts with seven outside directors. The limit of liability for damages under such contracts has been set at the minimum liability provided for under Paragraph 1, Article 425 of the Companies Act. However, liability limitation is applied only when the relevant outside directors have carried out their duties, for which they are supposed to assume liability, in good faith or without gross negligence.

E. Total amount of compensations received from the parent company or subsidiaries
There were no relevant issues.

(4) Independent auditors

(i) Name: KPMG AZSA & Co.

(ii) Amount of compensations:

	Amount to be paid (million yen)
Amount of compensations for the current fiscal year	72
Total amount of money and other property benefits to be paid by the Company and its subsidiaries to independent auditors	100

Note:

In the audit agreement concluded between the Company and the independent auditor, compensation for audits is not clearly classified into compensation based on the Companies Act and compensation in accordance with the Financial Instruments and Exchange Law, and since that compensation cannot substantially be divided either, the item "Amount of compensation for the current fiscal year" shows the sum of these amounts.

(iii) Auditing of consolidated subsidiaries

Important consolidated subsidiaries of the Company that are located abroad shall be audited (only those stipulated by the Companies Act or Financial Instruments and Exchange Law (including foreign laws and regulations that are the equivalent of these laws)) by either an auditing firm or a certified public accountant (including those who possess equivalent qualifications abroad) who is not an independent auditor at the Company.

(iv) Details of non-audit services

There were no relevant issues.

(v) Policy on determination of a regarding dismissal or non-reappointment of the independent auditor

When the Audit Committee deems that any of the following items in Paragraph 1, Article 340 of the Companies Act apply to the independent auditor, that independent auditor shall be dismissed with the consent of all the committee members. In addition, the Audit Committee will annually discuss whether to reappoint the independent auditor in consideration of the quality of the audit performed by the independent auditor and the effectiveness and efficiency of its audit performance.

(5) System to secure properness of operations

(i) System to ensure that Executive Officers and employees comply with the applicable laws, regulations and the Articles of Incorporation with regard to their business activities

SUMIDA has established "Sumida Business Principles (hereinafter, the 'Principles')" which embodies the group's vision, management principles, commitment, code of conduct, corporate governance principles, and environment policy. Representative executive officers shall build up a system to monitor for compliance which enables to ensure that the Executive Officers and employees perform their duties in accordance with the Principles. Details are as follows:

(a) All directors, officers and employees shall always be reminded to understand and embody the Principles. The Principles, which is written in four languages, Japanese, English, Chinese and German, is always put on the company's intranet and a booklet is distributed to all members of the group, so that it enables the employees to check and confirm their activities and behaviors as needed. The Corporate Governance Office* shall be responsible

for monitoring and verifying how the Principles have been observed.

- (b) While compliance is recognized as the base of corporate governance, SUMIDA regards it in a more proactive manner rather than simply limiting the issue to the observance of law, with activities, which are defined in a wider scope as Corporate Social Responsibilities (CSR), based on integrity, and discipline and common sense. The Corporate Governance Office shall be primarily responsible for the enhancement of the group's overall system and monitoring its activities.
- (c) The Corporate Governance Office shall report the situation of the aforementioned activities to the Representative Executive Officers and the Audit Committee, and a summary of which shall be reported to the Board of Directors.
- (d) Representative Executive Officers shall verify the effectiveness of internal control, including compliance, and shall send reports to the Board of Directors.

*The Corporate Governance Office is report to Representative Executive Officers and made up of the Risk Management Office, Compliance Office and Internal Government Team.

- (ii) System regarding the preservation and management of information of Executive Officers' business activities

Representative Executive Officers shall centrally manage important information related to execution of duties through clarification of the level of importance of information as well as the period and place of safekeeping, in accordance with the rules and regulations regarding information and document management. Documents are available to the Directors at all times.

- (iii) System and regulations with regard to risk management

Representative Executive Officer and CEO, as the Chief Risk Management Officer who takes the highest responsibility for risk management, shall establish the Risk Management Committee, which is responsible for overseeing risk management, and shall set up the Risk Management Office, which is responsible for executing the duties of said Committee, within the Corporate Governance Office. The Risk Management Office shall set out the internal risk management rules and thereby identify and analyze potential risks and formulate and manage preventive measures from a global business perspective through placement of a risk management monitoring system in major business bases of the Group including overseas sites. In the event that a risk materializes, the Risk Management Office shall discuss countermeasures to minimize losses. Executive officers and employees shall perform their duties in compliance with the rules. The Corporate Governance Office shall monitor and evaluate the implementation of the above, and shall report the situation to the Representative Executive Officers and the Audit Committee, and deliver a summary to the Board of Directors.

- (iv) System to ensure the effectiveness and efficiency of executive officers' business activities

Executive officers shall set up a system based on the Principles to ensure a proper decision-making process and surveillance of individual activities and thereby enhance the operating efficiency. Details are as follows:

- (a) Each Representative Executive Officer shall set up an Advisory Board as the need arises, with whom they shall consult and engage in sufficient discussion when making important decisions.

- (b) Representative Executive Officers shall set out regulations for the authority and decision-making process and conduct regular reviews of the situation.
- (c) Representative Executive Officers shall make regular reviews of the achievement and progress of business and ensure further propriety and efficiency of management by giving feedback of the results of the decision-making process.
- (d) Representative Executive Officers shall ensure a smooth decision-making process by collecting, analyzing and communicating on SUMIDA's business activities, as well as sharing and archiving the necessary information.

- (v) System to ensure the propriety of business of the group consisting of the Company and its subsidiaries

SUMIDA Corporation is a holding company with business activities conducted by its group companies. In light of this, Directors and Executive Officers shall always perform their duties with the view of group governance. In addition, the Company performs internal audits by assigning internal auditors in major subsidiaries and other appropriate affiliates and has an auditor of the business-controlling companies perform audits to see how those internal audits were done. The Corporate Governance Office oversees compliance and risk management operations and also prepares internal audit reports with reference to audit reports received from the auditor of the business-controlling companies. These reports are then submitted to the Representative Executive Officers and the Audit Committee. The Audit Committee shall carry out its audit in cooperation with Corporate Governance Office. The Corporate Governance Office shall take charge of internal control of not only the Company, but also the entire Group.

- (vi) System with regard to employees who assist the Audit Committee and matters concerning the independence of those employees from executive officers

The Corporate Governance Office shall be responsible for the secretariat of the Audit Committee. Any decisions with regard to changes or transfers of personnel, reorganization or any other considerations, which may have material effect on the duties of employees, shall require the prior approval of the Audit Committee.

- (vii) System whereby executive officers and employees report to the Audit Committee or its members

The Corporate Governance Office shall set out the rules for executive officers and employees to report the following matters, and thereby report them to the Audit Committee. A summary of the following matters shall be reported to the Board of Directors.

- (a) Incidents, which may cause material losses and/or gains to, or material damage and/or benefit to, the Company
- (b) Any actual incident or potential risk involving an actual or suspected misconduct, malpractice or breach of laws, regulations or Memorandum & Articles of Incorporation by the directors and executive officers
- (c) Monthly accounting statements on a consolidated basis
- (d) Monthly internal audit report
- (e) Monthly reports from the main operating divisions
- (f) Other important matters

- (viii) System to ensure the effectiveness of audits executed by the Audit Committee members
To ensure the effectiveness of audit executed by the Audit Committee members, the following matters shall be performed
- (a) The Corporate Governance Office shall have prior consultations with the Audit Committee when setting out the annual audit policies and plans. The Office shall also report the progress and results of internal audit to the Audit Committee. The Audit Committee may request the Corporate Governance Office for an additional audit as necessary.
 - (b) External auditors shall explain to the Audit Committee its auditing plan at the outset of the financial year and report to the Audit Committee the progress of its interim audit and the end-term audit results, etc. Furthermore, the external auditors may have consultations and discussions with the Audit Committee if needed.
 - (c) In order to ensure the independence of auditors from the executive officers, as well as to guarantee the implementation of the audit activities, decisions on the auditors' compensation require the Audit Committee's prior consent.

(6) Basic policy regarding control of a company

The Company has not specifically defined a basic policy for those who control the financial and business guidelines of a company.

Note: The amounts of money and the numbers of shares described in this business report are rounded to the nearest unit shown.

Consolidated and Non-consolidated Financial Statements

for the 55th business term

(January 1 to December 31, 2009)

Consolidated Balance Sheet

Consolidated Statement of Income

Consolidated Statement of Changes in Shareholders' Equity

Non-consolidated Balance Sheet

Non-consolidated Statement of Income

Non-consolidated Statement of Changes in Shareholders' Equity

Shigeyuki Yawata

Director, Representative Executive Officer and CEO

SUMIDA CORPORATION

Consolidated Balance Sheet
As of December 31, 2009

	Millions of yen
ASSETS	
Current assets:	
Cash and deposits	9,317
Notes and accounts receivable-trade	10,423
Merchandise and finished goods	3,084
Work in process	718
Raw materials and supplies	2,692
Deferred tax assets	377
Income taxes receivable	510
Other	1,538
Allowance for doubtful accounts	(40)
Total current assets	28,619
Noncurrent assets	
Property, plant and equipment	
Buildings and structures	12,063
Machinery, equipment and vehicles	26,300
Tools, furniture and fixtures	4,303
Land	1,633
Construction in progress	313
Accumulated depreciation	(29,324)
Total property, plant and equipment	15,288
Intangible assets:	
Goodwill	3,838
Leasehold right	565
Software	127
Other	470
Total intangible assets	5,000
Investments and other assets:	
Investment securities	481
Deferred tax assets	3,614
Other	1,411
Allowance for doubtful accounts	(3)
Total investments and other assets	5,503
Total noncurrent assets	25,791
Deferred assets	95
Total assets	54,505

Consolidated Balance Sheet
As of December 31, 2009

	Millions of yen
LIABILITIES	
Current liabilities:	
Notes and accounts payable-trade	3,832
Short-term loans payable	18,484
Current portion of bonds	1,090
Current portion of long-term loans payable	2,886
Accounts payable-other	1,279
Accrued expenses	1,580
Income taxes payable	366
Other	632
Total current liabilities	30,149
Noncurrent liabilities:	
Bonds payable	4,075
Long-term loans payable	5,551
Provision for retirement benefits	1,050
Provision for directors' retirement benefits	29
Deferred tax liabilities	443
Lease obligations	670
Other	1,470
Total noncurrent liabilities	13,288
Total liabilities	43,437
NET ASSETS	
Shareholders' equity:	
Capital stock	7,217
Capital surplus	7,030
Retained earnings	5,125
Treasury stock	(1,524)
Total shareholders' equity	17,848
Valuation and translation adjustments:	
Valuation difference on available-for-sale securities	28
Foreign currency translation adjustment	(7,394)
Total valuation and translation adjustments	(7,366)
Minority interests	586
Total net assets	11,068
Total liabilities and net assets	54,505

Consolidated Statement of Income
Year ended December 31, 2009

	Millions of yen
Net sales	43,653
Cost of sales	35,075
Gross profit	8,578
Selling, general and administrative expenses	8,811
Operating loss	233
Non-operating income:	
Interest and dividends income	42
Gain on valuation of derivatives	190
Other	134
	366
Non-operating expenses:	
Interest expenses	650
Foreign exchange losses	146
Other	111
	907
Ordinary loss	774
Extraordinary income:	
Gain on sales of noncurrent assets	14
Gain on sales of investment securities	190
Other	79
	283
Extraordinary losses:	
Loss on sales and retirement of noncurrent assets	112
Business structure improvement expenses	1,185
Revised loss on sale of affiliated companies	428
Other	149
	1,874
Loss before income taxes and minority interests	2,365
Income taxes-current	309
Income taxes-deferred	(723)
Minority interests in income	58
Net loss	2,009

Consolidated Statement of Changes in Shareholders' Equity
Year ended December 31, 2009

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of Dec. 31, 2008	7,217	7,030	9,423	(1,524)	22,146
Changes of items during the period					
Dividends from surplus			(481)		(481)
Net loss			(2,009)		(2,009)
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock			(0)	0	0
Effect of changes in accounting policies applied to foreign subsidiaries			(1,808)		(1,808)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	(4,298)	(0)	(4,298)
Balance as of Dec. 31, 2009	7,217	7,030	5,125	(1,524)	17,848

(Millions of yen)

	Valuation and translation adjustments				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total valuation and translation adjustments		
Balance as of Dec. 31, 2008	21	(198)	(8,174)	(8,351)	905	14,700
Changes of items during the period						
Dividends from surplus						(481)
Net loss						(2,009)
Purchase of treasury stock						(0)
Disposal of treasury stock						0
Effect of changes in accounting policies applied to foreign subsidiaries						(1,808)
Net changes of items other than shareholders' equity	7	198	780	985	(319)	666
Total changes of items during the period	7	198	780	985	(319)	(3,632)
Balance as of Dec. 31, 2009	28	-	(7,394)	(7,366)	586	11,068

Non-consolidated Balance Sheet
As of December 31, 2009

	Millions of yen
ASSETS	
Current assets:	
Cash and deposits	1,559
Notes receivable-trade	382
Prepaid expenses	51
Deferred tax assets	10
Short-term loans receivable	4,011
Income taxes receivable	200
Accounts receivable-other	1,524
Other	630
Total current assets	8,367
Noncurrent assets	
Property, plant and equipment	
Buildings	916
Structures	26
Machinery and equipment	5
Land	505
Total property, plant and equipment	1,452
Intangible assets:	
Telephone subscription right	4
Software	13
Total intangible assets	17
Investments and other assets:	
Investment securities	327
Stocks of subsidiaries and affiliates	34,796
Long-term prepaid expenses	27
Deferred tax assets	773
Insurance funds	933
Other	127
Total investments and other assets	36,983
Total noncurrent assets	38,452
Deferred assets	75
Total assets	46,894

Non-consolidated Balance Sheet

As of December 31, 2009

	Millions of yen
LIABILITIES	
Current liabilities:	
Short-term loans payable	16,580
Current portion of bonds	700
Current portion of long-term loans payable	2,548
Accounts payable-other	16
Accrued expenses	59
Income taxes payable	4
Deposits received	1,401
Total current liabilities	21,308
Noncurrent liabilities:	
Bonds payable	3,650
Long-term loans payable	5,136
Total noncurrent liabilities	8,786
Total liabilities	30,094
NET ASSETS	
Shareholders' equity:	
Capital stock	7,217
Capital surplus	7,030
Legal capital surplus	7,030
Retained earnings	4,075
Legal retained earnings	264
Other retained earnings	3,811
General reserve	3,100
Retained earnings brought forward	711
Treasury stock	(1,524)
Total shareholders' equity	16,798
Valuation and translation adjustments	2
Valuation difference on available-for-sale securities	2
Total net assets	16,800
Total liabilities and net assets	46,894

Non-consolidated Statement of Income
Year ended December 31, 2009

	Millions of yen
Operating revenue	387
Operating expenses	521
Operating loss	134
Non-operating income:	
Interest income	42
Dividends income	341
Foreign exchange gains	55
Other	11
	449
Non-operating expenses:	
Interest expenses	334
Other	72
	406
Ordinary loss	91
Extraordinary income:	
Gain on sales of investment securities	188
	188
Extraordinary losses:	
Loss on retirement of noncurrent assets	28
Head office transfer cost	22
Other	32
	82
Income before income taxes	15
Income taxes-current	(86)
Income taxes-deferred	218
Net loss	117

Non-consolidated Statement of Changes in Shareholders' Equity
Year ended December 31, 2009

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus		Retained earnings			Treasury stock	Total shareholders' equity	
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings
					General reserve	Retained earnings brought forward			
Balance as of Dec. 31, 2008	7,217	7,030	7,030	264	3,100	1,309	4,673	(1,524)	17,396
Changes of items during the period									
Dividends from surplus						(481)	(481)		(481)
Net income						(117)	(117)		(117)
Purchase of treasury stock								(0)	(0)
Disposal of treasury stock						(0)	(0)	0	0
Net changes of items other than shareholders' equity									
Total changes of items during the period	-	-	-	-	-	(598)	(598)	(0)	(598)
Balance as of Dec. 31, 2009	7,217	7,030	7,030	264	3,100	711	4,075	(1,524)	16,798

(Millions of yen)

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance as of Dec. 31, 2008	0	0	17,396
Changes of items during the period			
Dividends from surplus			(481)
Net income loss			(117)
Purchase of treasury stock			(0)
Disposal of treasury stock			0
Net changes of items other than shareholders' equity	2	2	2
Total changes of items during the period	2	2	(596)
Balance as of Dec. 31, 2009	2	2	16,800

(Translation)

Audit Report

The Audit Committee has audited the performance of duties by Directors and Executive Officers for the 55th Fiscal Year from January 1, 2009 to December 31, 2009. We report the methods and the results of the audit as follows.

1. Methods used in audits and content of audits

The Audit Committee observed and examined the resolutions of the Board of Directors regarding the organization of the system stipulated in (b) and (e), Item 1, Paragraph 1 of Article 416 of the Companies Act and the status of the system based on said resolutions (internal control systems). We also inspected in cooperation with the internal control division the process and the content of the decision making on the significant meeting, the content of the major authorized documents and other important documents related to significant business operation, business performance of the Executive Officers, and the Company's operation and condition of property in accordance with the auditing policies the Audit Committee established, the segregation of duties and others. With respect to subsidiaries, the Audit Committee took steps to facilitate communication with the directors, executive officers and company auditors of subsidiaries and, when necessary, received reports from subsidiaries on the status of their businesses.

In addition, the Audit Committee also observed and verified whether the independent auditor was maintaining its independence and was carrying out its audits in an appropriate manner. The Audit Committee received reports from the independent auditor on the execution of its duties and, when necessary, requested explanations regarding those reports. The Audit Committee also received notification from the independent auditor that it was taking steps to improve the "system for ensuring the proper execution of its duties" (as enumerated in items of Article 131 of the Corporate Accounting Rules) in compliance with the "Quality Control Standards Relating to Auditing" (adopted by the Business Accounting Deliberation Council on October 28, 2005). When necessary, Audit Committee requested explanations on these reports and notifications and confirmed that the system under which the independent auditor operated was functioning appropriately.

Based on the foregoing methods, the Audit Committee also examined the Business Report, the Non-consolidated Financial Statements (Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Shareholders' Equity, and notes to Non-consolidated Financial Statements) and supporting schedules, and the Consolidated Financial Statements (Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Shareholders' Equity, and notes to Consolidated Financial Statements) related to the fiscal year under review.

2. Results of the Audit

(1) Results of audit of Business Report

- (i) In our opinion, the Business Report and supporting schedules fairly present the situation of the Company, in compliance with the provisions of applicable laws, regulations and the Articles of Incorporation.
- (ii) Neither improper actions in the execution of duties by Directors and Executive Officers, nor material facts in violation of the provisions of applicable laws, regulations or the Articles of Incorporation, were found.
- (iii) In our opinion, the content of the resolution by the Board of Directors regarding internal control systems was appropriate, and, furthermore, all actions of Directors and Executive Officers with respect to executing internal control systems were carried out appropriately.

(2) Results of the audit of Non-consolidated Financial Statements and supporting schedules

In our opinion, the auditing methods used by the independent auditor, KPMG AZSA & Co. and the results of its audit were appropriate.

(3) Results of the audit of Consolidated Financial Statements

In our opinion, the auditing methods used by the independent auditor, KPMG AZSA & Co. and the results of its audit were appropriate.

February 16, 2010

Audit Committee

SUMIDA CORPORATION

Tadakazu Koizumi (Seal)

Member of the Audit Committee

Kazuhide Kondo (Seal)

Member of the Audit Committee

Masaru Hattori (Seal)

Member of the Audit Committee

Messrs. Kazuhide Kondo and Masaru Hattori are outside directors as stipulated in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

Reference Materials for Annual General Meeting of Shareholders

Agenda: Appointment of ten (10) directors

The tenure of office of eleven (11) directors will expire at the end of this Annual General Meeting of Shareholders. The Company requests the appointment of ten (10) directors based on the decision of the Nomination Committee.

The candidates for the directors' positions are as follows. Eight (8) of the candidates for director, Robert E. Patterson, Ashok B. Melwani, Kazuhide Kondo, Masato Tsuru, Kotaro Miyagi, Ulrich Ruetz, Masaru Hattori and Charles F. Martin seek positions as outside directors as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.

No.	Name (Date of birth)	Brief personal profile, position and duties at the Company, and important concurrent occupations or positions at other organizations	Number of shares held in the Company
1	Shigeyuki Yawata (October 28, 1951)	<p>(Brief personal profile)</p> <p>Nov. 1977 Joined the Company</p> <p>Mar. 1988 Director</p> <p>Mar. 1990 Representative Director and Senior Managing Director</p> <p>Apr. 1991 Representative Director and Vice President</p> <p>Mar. 1992 Representative Director and President</p> <p>Apr. 2003 Director, Representative Executive Officer and CEO (To date)</p> <p>(Position and duties at the Company)</p> <p>Director (Chairman of the Board of Directors), Representative Executive Officer and CEO</p> <p>(Important concurrent occupations or positions at other organizations)</p> <p>Representative director, Sumida Europe GmbH</p>	542,474

No.	Name (Date of birth)	Brief personal profile, position and duties at the Company, and important concurrent occupations or positions at other organizations	Number of shares held in the Company
2	Chiu Ka Sheung (October 23, 1957)	<p>(Brief personal profile)</p> <p>Apr. 1983 Joined Sumida Electric (H.K.) Company Limited</p> <p>Dec. 1987 Branch Head of the Company, Hong Kong</p> <p>Mar. 1996 Director</p> <p>Jun. 2000 Managing Director</p> <p>Mar. 2001 Representative Director</p> <p>Jul. 2001 Representative Director and COO</p> <p>Apr. 2003 Director, Representative Executive Officer and COO</p> <p>Jan. 2004 Director, Representative Executive Officer and Group President (To date)</p> <p>(Position and duties at the Company)</p> <p>Director, Representative Executive Officer and Group President</p> <p>(Important concurrent occupations or positions at other organizations)</p> <p>Representative director, Sumida Electronic Components Co., Ltd.</p> <p>Representative director, Sumida Europe GmbH</p>	60,500
3	Robert E. Patterson (September 14, 1942)	<p>(Brief personal profile)</p> <p>Dec. 1972 Registered Attorney, California, U.S.A. Joined Graham James LLP (Squire, Sanders and Dempsey LLP)</p> <p>Jan. 1978 Representative Partner</p> <p>Nov. 1999 SUMIDA Advisory Board</p> <p>Jan. 2001 Managing Director, Peninsula Equity Partners</p> <p>Apr. 2003 SUMIDA Director</p> <p>Dec. 2007 Resigned Squire, Sanders and Dempsey LLP Representative Partner (To date)</p> <p>(Position and duties at the Company)</p> <p>Director, Member, Nomination Committee and Compensation Committee</p> <p>(Important concurrent occupations or positions at other organizations)</p> <p>Managing Director, Peninsula Equity Partners</p>	1,700
4	Ashok B. Melwani (November 26, 1958)	<p>(Brief personal profile)</p> <p>Apr. 1989 CEO, M. B. Melwani</p> <p>Sep. 1998 Resigned M. B. Melwani CEO</p> <p>Apr. 1999 CEO, A. B. Melwani</p> <p>Nov. 1999 SUMIDA Advisory Board</p> <p>Apr. 2003 SUMIDA Director (To date)</p> <p>(Position and duties at the Company)</p> <p>Director, Member, Nomination Committee</p> <p>(Important concurrent occupations or positions at other organizations)</p> <p>CEO, A. B. Melwani</p>	11,097

No.	Name (Date of birth)	Brief personal profile, position and duties at the Company, and important concurrent occupations or positions at other organizations	Number of shares held in the Company
5	Kazuhide Kondo (April 1, 1941)	<p>(Brief personal profile)</p> <p>Mar. 1967 Registered Chartered Accountant</p> <p>May 1996 Representative Partner, Ota Showa & Co. (Currently Ernst & Young ShinNihon LLC)</p> <p>Jun. 2003 Resigned Ota Showa & Co., Representative Partner</p> <p>Mar. 2004 Representative Partner</p> <p>Jun. 2004 SUMIDA Director</p> <p>Jun. 2008 Corporate Auditor, Ajinomoto Co., Inc. Resigned Ajinomoto Corporate Auditor (To date)</p> <p>(Position and duties at the Company) Director, Member, Audit Committee</p>	0
6	Masato Tsuru (January 11, 1948)	<p>(Brief personal profile)</p> <p>Jun. 1985 Representative Director, Chief Executive Officer, NOK Corporation</p> <p>Jun. 1989 Representative Director and Chairman, Mar. 2005 NOK Corporation SUMIDA Director (To date)</p> <p>(Position and duties at the Company) Director, Chairman, Nomination Committee</p> <p>(Important concurrent occupations or positions at other organizations) Representative Director, CEO and Chairman, NOK Corporation</p>	0
7	Kotaro Miyagi (June 17, 1940)	<p>(Brief personal profile)</p> <p>Mar. 1995 Director, Canon</p> <p>Mar. 2001 Full-Time Corporate Auditor, Canon</p> <p>Mar. 2004 Resigned Canon Full-Time Corporate Auditor</p> <p>Mar. 2006 SUMIDA Director (To date)</p> <p>(Position and duties at the Company) Director, Chairman, Compensation Committee</p>	2,900
8	Ulrich Ruetz (March 15, 1940)	<p>(Brief personal profile)</p> <p>Feb. 1983 Director, BERU GmbH (Currently BERU AG)</p> <p>Jan. 1994 President</p> <p>Oct. 1997 CEO</p> <p>Apr. 2003 Resigned BERU GmbH CEO</p> <p>Mar. 2007 SUMIDA Director (To date)</p> <p>(Position and duties at the Company) Director, Member, Compensation Committee</p>	3,000

No.	Name (Date of birth)	Brief personal profile, position and duties at the Company, and important concurrent occupations or positions at other organizations	Number of shares held in the Company
9	Masaru Hattori (February 12, 1945)	<p>(Brief personal profile)</p> <p>Jul. 1974 Joined Orient Leasing (Currently ORIX)</p> <p>Jun. 2002 Corporate Auditor, Fuji Fire and Marine Insurance</p> <p>Jun. 2005 Director, Fuji Fire and Marine Insurance</p> <p>Jan. 2006 Executive Vice President, ORIX Corporation</p> <p>Jan. 2008 Resigned ORIX Corporation Executive Vice President</p> <p>Mar. 2008 SUMIDA Director</p> <p>May 2008 Outside Auditor, Ryohin Keikaku Co., Ltd.</p> <p>Jun. 2009 Resigned Fuji Fire and Marine Insurance Director (To date)</p> <p>(Position and duties at the Company) Director, Member, Audit Committee</p> <p>(Important concurrent occupations or positions at other organizations) Outside Auditor, Ryohin Keikaku Co., Ltd.</p>	0
10	Charles F. Martin (April 21, 1955)	<p>(Brief personal profile)</p> <p>May 1988 Joined Bankers Trust Company</p> <p>Apr. 1997 Principal, Mergers and Acquisitions, Tokyo, Japan</p> <p>Jul. 1999 Joined Deutsche Bank Group</p> <p>Apr. 2001 Managing Director, Mergers and Acquisitions, Tokyo, Japan, Deutsche Securities Ltd.</p> <p>Apr. 2008 Retired from Deutsche Securities Inc.</p> <p>Dec. 2009 President and CEO, Martin & Company Inc. (To date)</p> <p>(Important concurrent occupations or positions at other organizations) President and CEO, Martin & Company, Inc.</p>	0

Notes:

1. Sumida Electronic Components Co., Ltd. and Sumida Europe GmbH are subsidiaries of the Company. The Company loans capital etc. to these subsidiaries.
2. There are no special interest relationships between the candidates and the Company.
3. Two (2) of the candidates for director, Messrs. Robert E. Patterson and Ashok B. Melwani, were made outside directors, starting from the 51st fiscal year, after the Company had considered legal interpretation and the actual state of their business activities.

Reasons of appointment:

Nine (9) of the candidates for director, Messrs. Shigeyuki Yawata, Chiu Ka Sheung, Robert E. Patterson, Ashok B. Melwani, Kazuhide Kondo, Masato Tsuru, Kotaro Miyagi, Ulrich Ruetz and Masaru Hattori have sufficiently served as directors who make important management decisions as well as supervise operations. The Company therefore requests them to be in the same position.

Please refer to the following paragraph for the reason to appoint Mr. Charles F. Martin.

Reasons for the selection of candidates for outside director, independence as outside directors and liability limitation contracts with outside directors are as follows.

(1) Reasons for the selection of candidates for outside director

The Company is a company employing a committee-based corporate governance structure, called a company-with-committees. At a company-with-committees, the board of directors specializes in supervising management, while a committee made up of a majority of outside directors is established to improve the transparency of management and executive officers are installed as an organ to work full-time for the execution of operations. Thus, a company with committees clearly separates “supervision of management” from “execution of duties” to make them function effectively. Such a company generally needs to select multiple outside directors. To further enhance the functions of the board of directors, the Company aims to make outside directors account for a majority of directors, and hereby requests the appointment of eight (8) outside directors.

- (i) Robert E. Patterson is a U.S. attorney (currently on inactive status), and has served as an outside director of a U.S. corporation for many years. The Company made him a candidate for outside director because it expects him to oversee and check management based on his knowledge and experience as a legal expert, which have been accumulated through his career, and his insight into corporate governance at U.S. corporations and into the U.S. market. He currently serves as an outside director of the Company. The length of his service as an outside director will be four years at the end of this Annual General Meeting of Shareholders.
- (ii) Ashok B. Melwani has managed a corporation in Singapore for a long time. The Company made him a candidate for outside director because it expects him to oversee and check management based on the knowledge and experience as a corporate executive that he has accumulated throughout his career, and for his insight into the Asian market. He currently serves as an outside director of the Company. The length of his service as an outside director will be four years at the end of this Annual General Meeting of Shareholders.
- (iii) Kazuhide Kondo is a certified public accountant and served as an outside corporate auditor of other Business. The Company made him a candidate for outside director because it expects him to oversee and check management based on the expertise and experience in financial affairs and accounting that he has accumulated throughout his career. He currently serves as an outside director of the Company. The length of his service as an outside director will be six years at the end of this Annual General Meeting of Shareholders.
- (iv) Masato Tsuru has long engaged in the management of NOK. The Company made him a candidate for outside director because it expects him to oversee and check management based on the knowledge and experience as a corporate executive that he has accumulated throughout his career, and his insight into the automobile industry. He currently serves as an outside director of the Company. The length of his service as an outside director will be five years at the end of this Annual General Meeting of Shareholders.
- (v) Kotaro Miyagi served as President of an overseas unit of Canon, and Director and full-time Corporate Auditor of Canon. The Company made him a candidate for outside director because it expects him to oversee and check management based on the knowledge and experience as a corporate executive that he has accumulated throughout his career, and for his insight into the electrical machinery industry. He currently serves as an outside director of the Company. The length of his service as an outside director will be four years at the end of this Annual General Meeting of Shareholders.
- (vi) Ulrich Ruetz has engaged in the management of BERU AG of Germany for a long time. He currently serves as an outside director of a European corporation. The Company made him a

candidate for outside director because it expects him to oversee and check management based on the knowledge and experience as a corporate executive that he has accumulated throughout his career, and for his insight into the automobile and electrical machinery industries and the European market. He currently serves as an outside director of the Company. The length of his service as an outside director will be three years at the end of this Annual General Meeting of Shareholders.

- (vii) Masaru Hattori served as an executive managing director of ORIX and an outside director of Fuji fire and marine insurance. He serves as an outside auditor of Ryohin Keikaku Co., Ltd. The Company made him a candidate for outside director because it expects him to oversee and check management based on the knowledge and experience as a corporate executive that he has accumulated throughout his career, especially in the corporate planning and accounting fields, and for his insight into the audit. The length of his service as an outside director will be two year at the end of this Annual General Meeting of Shareholders.
- (viii) Charles F. Martin has advised over many years on financial strategy and M&As in the field of investment banking, among others. The Company made him a candidate for outside director because it expects him to oversee and check management based on his knowledge on financial strategy and corporate value enhancement measures fostered throughout his career.

(2) Independence of candidates for outside director

- (i) None of the candidates for outside director have been managing members of the Company or business operators that have specific relations with the Company in the past.
- (ii) None of the candidates for outside director have received or plan to receive a large amount of money or other property from the Company or business operators that have specific relations with the Company.
- (iii) None of the candidates for outside director have relatives in the third degree or closer with directors or executive officers of the Company.

(3) Liability limitation contracts with outside directors

The Company has entered into liability limitation contracts with candidates with Robert E. Patterson, Ashok B. Melwani, Kazuhide Kondo, Masato Tsuru, Kotaro Miyagi Ulrich Ruetz and Masaru Hattori, who are currently outside directors of the Company. (Outline of the contracts are stated on page 21 of the Business Report.) If their reappointment is approved, the Company will continue the above liability limitation contracts with them. If Charles F. Martin is appointed as director, the Company will also enter into a liability limitation contract with him.