

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 2, 2012

NOTICE OF THE 57TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

We would like to express our deepest sympathy to all those affected by the Great East Japan Earthquake, which occurred on March 11, 2011, and sincerely hope for the earliest possible reconstruction of the stricken areas.

SUMIDA CORPORATION (the “Company”) hereby would like to inform you that the 57th 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 in person, 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., Tuesday, March 20, 2012 (JST)

(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 reports on the audited results of the Consolidated Financial Statements by the independent auditors and the Audit Committee for the 57th term (January 1 to December 31, 2011)
2. Non-consolidated Financial Statements for the 57th term (January 1 to December 31, 2011)

- *Item to be resolved*

Agenda: Appointment of nine (9) 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 will 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 will 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 the voting form to us by mail by 5:00 p.m. on Monday, March 19, 2012 (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 Monday, March 19, 2012 (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, Non-consolidated and Consolidated Financial Statements are subsequently revised, the revisions shall be posted on the Company's website (<http://www.sumida.com>).

<Concerning the Exercise of Voting Rights>

- * Shareholders attending the meeting in person are requested to submit the voting form enclosed with this notice 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.tosyodai54.net>.
 - (2) After reading the requests listed on the voting form, input the exercise 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 Voting Rights (<http://www.tosyodai54.net>) and follow the instructions given 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! Mobile
 - (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 via the Internet, the Company will treat the shareholder's final vote as the effective exercise of the voting right.

Please direct any inquiries 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, available only in Japan)

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

[To All Institutional Investors]

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

Business Report
for the 57th term
(January 1 to December 31, 2011)

Shigeyuki Yawata
Director, Representative Executive Officer and CEO
SUMIDA CORPORATION

Business Report

(January 1 to December 31, 2011)

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 world economy, which had demonstrated high growth thanks to the measures against the financial crisis taken by governments of many countries for the previous fiscal year, showed modest growth for the current fiscal year in both developed countries and emerging countries. This was due to the banking and financial problems in the EU and the inflationary pressure caused by a price increase of resources as well as the impact of the Great East Japan Earthquake and the floods in Thailand on the supply chain.

Despite the effect of the Great East Japan Earthquake, the electronic parts industry enjoyed steady demand for automotive devices and industrial equipment. On the other hand, in the consumer-related industry, in spite of growth in shipments for smartphones, a sense of stagnation was observed for personal computers and flat screen TVs in Europe and the U.S. The final demand lacked a dynamic performance and the sluggish seasonal trend continued. Although some facilities of the Sumida Group were damaged by the Great East Japan Earthquake, the degree of damage was minimal and its operating activities were not seriously affected. However, the floods in Thailand forced a plant to suspend operations.

During the current fiscal year, the Sumida Group, despite causes of ongoing concern such as the strong yen and soaring raw material prices, integrated business development efforts of the group companies located over the world and pursued the realization of synergy in every area including development, production and sales from a global point of view. In addition, the satellite plants, which were newly established in Hai Phong, Vietnam and Hunan and Jiangxi, China as part of the "Sumida Silk Road" strategy, have been in full-scale operation. The Group thereby strengthened its production systems, while pushing forward with efficient operations in the manufacturing bases, by means such as cutting labor costs and reducing manufacturing expenses.

Overall net sales for the current fiscal year decreased by 1.3% to 52,759 million yen from the previous fiscal year. Operating income decreased by 40.9% year on year to 2,110 million yen and ordinary income decreased by 42.3% to 1,294 million yen. Net income decreased by 77.5% to 496 million yen.

The following is the business performance in the current fiscal year by segment. The Sumida Group is composed of the Asia Pacific Business and EU Business.

I. Asia Pacific Business

Sales at the Asia Pacific Business for the current fiscal year decreased by 2.6% year on year to 33,845 million yen because, in spite of the steady demand for automotive devices and industrial equipment, a sense of stagnation was observed for personal computers and flat screen TVs in the consumer-related industry. Operating income decreased by 46.3% to 2,537 million yen.

II. EU Business

Sales at the EU Business for the current fiscal year increased by 1.2% year on year to 18,913 million yen thanks to the steady business for automotive devices, despite the sluggish performance of consumer-related devices and industrial equipment as well as the further weakening euro. Operating income increased by 22.7% to 1,678 million yen.

Business Segment	Net Sales (million yen)
Asia Pacific Business	33,845
EU Business	18,913
Total	52,759

Note:

To show the business performance by segment, the businesses of the Sumida Group were classified into the Asia Pacific Business, EU Business and Environment/Energy Business until the previous fiscal year. However, effective from the current fiscal year, the segments are reclassified into the Asia Pacific Business and EU Business due to the application of the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009) and the “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008).

(ii) Fund procurement

During the current fiscal year, the Group took out bank borrowings to procure funds. The balance was 31,752 million yen, up 1,503 million yen from the previous fiscal year end. Additionally, borrowing commitment agreements have been concluded with 12 financing banks of the Company to raise working capital effectively. The unutilized commitment pertaining to the borrowing commitment as of the end of the current fiscal year is shown as follows:

Total borrowing commitment:	6,900 million yen
Borrowings outstanding:	1,980 million yen
Unutilized commitment:	4,920 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 2,618 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 obligations 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
SUMIDA AG

After the Group fulfilled demand of purchasing shares by shareholders, the percentage of its shares held by the Sumida Group increased to 96.4% from 94.3%. Accordingly, the ratio of shareholding in subsidiaries of the company by the Sumida Group also increased.

(2) Summary of assets, profit and losses

Item	54th Term (ended Dec. 2008)	55th Term (ended Dec. 2009)	56th Term (ended Dec. 2010)	57th (Current) Term (ended Dec. 2011)
Net sales (million yen)	55,733	43,652	53,445	52,759
Net income (loss) (million yen)	(5,742)	(2,009)	2,210	496
Net income (loss) per share (yen)	(298.91)	(104.57)	115.05	25.85
Total assets (million yen)	60,814	54,504	49,410	47,497
Net assets (million yen)	14,700	11,068	8,848	7,186
Net assets per share (yen)	718.04	545.55	433.22	348.92

Note:

Net income (loss) per share is calculated based on the average number of shares issued in each fiscal term and net assets per share is calculated based on the total number of shares issued at the end of each fiscal term. In calculating net income (loss) per share and net assets per share, treasury shares are excluded from the total number of shares issued during each fiscal term and from the total number of shares issued at the end of each fiscal term.

(3) Significant matters of the parent company and subsidiaries

(i) Relationship with the parent company

There were no relevant issues.

(ii) Significant subsidiaries (As of December 31, 2011)

Company name	Capital (in thousand)	Voting rights of the Company (%)	Key business
Sumida Electronic Components Co., Ltd.	50,000 yen	100	Control of the Asia Pacific Business
Sumida Electric Co., Ltd.	450,000 yen	100 (100)	Manufacture, sale and research & development of coils
Sumida Corporate Service Incorporated	25,000 yen	100	Control of Group management
Dongguan Sumida (Tai Ping) Electric Co., Ltd.	305,000 Hong Kong dollars	100 (100)	Manufacture of coils
SUMIDA ELECTRIC (GUANGXI) CO., LTD.	17,561 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)	Group 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 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 the EU Business
SUMIDA Components GmbH	105 euro	96.4 (96.4)	Manufacture and sale of coils
SUMIDA AG	5,848 euro	96.4 (96.4)	Intermediate holding company of the EU Business
SUMIDA Components & Modules GmbH	25 euro	96.4 (96.4)	Control of coil business and sale of coils
SUMIDA EMS GmbH	25 euro	96.4 (96.4)	Controlling company of EMS
SUMIDA Lehesten GmbH	1,100 euro	96.4 (96.4)	EMS
SUMIDA COMPONENTS DE MEXICO, S.A. DE C. V.	50 Mexico peso	71.3 (71.3)	Manufacture of coils
SUMIDA ROMANIA S.R.L.	2,791 euro	96.4 (96.4)	Manufacture of coils

Company name	Capital (in thousand)	Voting rights of the Company (%)	Key business
SUMIDA electronic Shanghai Co., Ltd.	37,904 yuan	96.4 (96.4)	Manufacture and sale of coils
SUMIDA Slovenija, d.o.o.	503 euro	71.3 (71.3)	Manufacture of coils
vogtronics GmbH	25 euro	71.3 (71.3)	Manufacture and sale of coils
SUMIDA flexible connections GmbH	25 euro	96.4 (96.4)	Manufacture and sale of flat cables
SUMIDA FLEXIBLE CONNECTIONS ROMANIA S.R.L.	156 euro	96.4 (96.4)	Manufacture and sale of flat cables
Sumida Electric (Thailand) Co., Ltd.	70,000 baht	100 (100)	Development and manufacture of power electronics related coils
EIWA (HK) COMPANY LIMITED	51 U.S. dollars	100 (100)	Development and manufacture of power electronics related coils
ISMART GLOBAL LIMITED	6,308 euro	100	Intermediate holding company
Sumida Finance B.V.	20 euro	100	Financial control company
SUMIDA ELECTRONIC VIETNAM CO., LTD.	2,000 U.S. dollars	100 (100)	Manufacture of power electronics related coils
Sumida Electric (Change) Co., Ltd.	8,796 yuan	100 (100)	Manufacture of coils
Sumida Electric (J'AN) Co., Ltd.	8,723 yuan	100 (100)	Manufacture of coils
Guangzhou Sumida Electric Co., Ltd.	19,064 yuan	100 (100)	Manufacture of coils

Notes:

1. Figures shown in parentheses in the column of voting rights are the percentages held indirectly.
2. The corporate name Eiwa (Thailand) Co., Ltd. was changed to Sumida Electric (Thailand) Co., Ltd. in January 2011.
3. Guangzhou Sumida Electric Co., Ltd. was established in November 2011.

(4) Issues to address

(i) Navigating the turbulent business environment

The world has become increasingly uncertain and volatile. Disasters in Tohoku as well as Thailand show the downside of operating in a global environment – events in all parts of the world can affect the Company by disrupting supply chains and its linkages with its suppliers and customers. Furthermore, the fragile economic situation in the US and particularly in the Eurozone has increased significantly the business risks of the Company.

The changes are so significant that the Company has and will continue to review and update its business and operational plans to make sure that the Company can find the best route forward. The macro-environment in which the Company operates is much more turbulent and the Company will have to adjust its planning approach so that the Company's actions are quickly responsive to changes and trends as they emerge.

(ii) Increasing adaptability and resilience

The Company is aware of the need to ensure that the entire organization achieves a high level of responsiveness to changes in the business environment. To achieve this, the Company strives to speed up decision-making throughout the Company by substantially assigning authority to the executive officers under the proper corporate governance system of a company with committees. The Company has allocated more resources to the monitoring and analysis of developments and trends in the external environment, so that management will have the most current business intelligence available for its plans and actions. The Company will pursue all avenues that lead to increased adaptability and resilience of the Company, because this will increase the chances of success for the Company in a difficult business environment.

(iii) Continuing focus on corporate governance

Developments in the Japanese business environment show that the Company's focus is correct. 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) Pursuing corporate social responsibility

Also of continuing importance to the Company is 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 principles 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 and active commitment to environmental and social issues. A good example was the support given to those affected areas due to natural disasters.

(5) Major business lines (as of December 31, 2011)

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, ABS coils, injection coils, antenna coils, sensor coils, noise filers, solenoid coils for automotive air conditioner, 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
EU Business	Antenna coils, sensor coil modules, ignition coil modules, noise filters, xDSL splitter modules, DC/DC converter transformers, keyless entry antenna coils, Xenon igniter, power steering control units, GPS antennas, anti-theft control units, diesel engine control units, power supplies, 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, 2011)

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)

Overseas sales offices:

SUMIDA TRADING COMPANY LIMITED (Hong Kong), SUMIDA TRADING PTE. LTD. (Singapore), SUMIDA AMERICA COMPONENTS INC. (U.S.), SUMIDA Components GmbH (Germany), 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), Sumida Electric (Thailand) Co., Ltd. (Thailand), SUMIDA electronic Shanghai Co., Ltd. (China)

Domestic production bases:

Sumida Electric Co., Ltd. (Ueda-shi [Nagano], Mutsu-shi [Aomori])

Overseas production bases:

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), 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), SUMIDA electronic Shanghai Co., Ltd.

(China), SUMIDA flexible connections GmbH (Germany), SUMIDA ELECTRIC (GUANGXI) CO., LTD. (China), Sumida Electric (Thailand) Co., Ltd. (Thailand), SUMIDA FLEXIBLE CONNECTIONS ROMANIA S.R.L. (Romania), SUMIDA ELECTRONIC VIETNAM CO., LTD. (Vietnam), Sumida Electric (JI'AN) Co., Ltd. (China), Sumida Electric (Changde) Co., Ltd. (China), Guangzhou Sumida Electric Co., Ltd. (China)

Domestic R&D centers:

Sumida Electric Co., Ltd. (Chuo-ku [Tokyo], Natori-shi [Miyagi], Komoro-shi [Nagano])

Overseas R&D centers:

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

(7) Employees (as of December 31, 2011)

(i) Employees of the Sumida Group

Business segments	Number of employees	Changes from the end of the previous fiscal year
Asia Pacific Business	17,144	Decrease by 196
EU Business	2,375	Decrease by 147
Company-wide (common)	132	Decrease by 9
Total	19,651	Decrease by 352

Notes:

- The number of employees is the number of persons who engage in work in Sumida Group.
- “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, Sumida Finance B.V. and in the Service Department of Sumida Electric Co., Ltd.
- 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, 2011)

Lenders	Amount borrowed (million yen)
Sumitomo Mitsui Banking Corporation	7,570
Resona Bank, Limited.	5,736
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,956
Mizuho Corporate Bank, Ltd.	3,911

(9) Policy on determination of dividend from surplus

The Company considers the return of profits to its shareholders as a priority business issue. The mid- and long-term policy of the Company is to maintain stable dividend payments depending on its consolidated business results, while expanding the necessary internal reserves to boost its future business and keep up with the changing management environment.

The Company shall decide on the base amount of annual dividend at the beginning of the 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 base amount of 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, it is the Company's policy to add the excess amount to the annual dividend when paying dividends for the fourth quarter.

Regarding the annual dividend in the current fiscal year, the Company decided to set the base amount of annual dividend at 28 yen per share at the beginning of the fiscal year. Accordingly, the Company planned to pay 7 yen in each three-month term, and paid 7 yen in the first and second quarters. However, considering the business performance, it paid 6 yen in the third quarter and was regrettably not able to distribute any profit to its shareholders in the fourth quarter. Consequently, the annual dividend totaled 20 yen.

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, 2011	The 1 st quarter	134	7.00	March 31, 2011	May 27, 2011
July 29, 2011	The 2 nd quarter	134	7.00	June 30, 2011	August 23, 2011
October 28, 2011	The 3 rd quarter	115	6.00	September 30, 2011	November 29, 2011
February 17, 2012	The 4 th quarter	-	0.00	December 31, 2011	-

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 were no relevant issues.

2. Matters Concerning the Company (as of December 31, 2011)

(1) Shares of the Company

- (i) Number of shares issuable: 70,000,000 shares
- (ii) Total number of shares issued: 19,944,317 shares (including treasury stock)
- (iii) Number of shareholders as of December 31, 2011: 7,535
- (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.	1,764	9.18
JPMorgan Chase Bank, N.A.	641	3.34
Wahei Takeda	579	3.01
Shigeyuki Yawata	561	2.92
The Master Trust Bank of Japan, Ltd.	557	2.90
State Street Bank and Trust Company	307	1.60
Nippon Life Insurance Company	260	1.35
The Chase Manhattan Bank	256	1.34
CBLUX BANQUE DEGROOF LUXENBOURG SA A/C JAPAN-SICAV OMNIBUS	240	1.25

Note: The ratio of the number of stock held has been calculated excluding treasury shares (732,085 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
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, 2011)

Position at the Company	Name	Responsibility at the Company and important concurrent occupations or positions at other organizations
Director, Representative Executive Officer and CEO	Shigeyuki Yawata	Chairman of the Board of Directors, Strategy Committee, and Risk Management Committee Managing Director, SUMIDA Europe GmbH
Director, Representative Executive Officer and Deputy CEO	Chiu Ka Sheung	Member of the Risk Management Committee Representative Director, Sumida Electronic Components Co., Ltd. Managing Director, SUMIDA Europe GmbH
Director	Robert E. Patterson	Member of the Nomination Committee, Compensation Committee and Strategy Committee Managing Director, Peninsula Ventures Outside Director, mondoBIOTECH holding AG (Chairman of the Board of Directors)
Director	Ashok B. Melwani	Member of the Nomination Committee and Strategy Committee CEO, AB Melwani PTE, Ltd.
Director	Kazuhide Kondo	Member of the Audit Committee
Director	Masato Tsuru	Chairman of the Nomination Committee Representative Director, CEO and Chairman, NOK Corporation
Director	Kotaro Miyagi	Chairman of the Compensation Committee Member of the Audit Committee, Strategy Committee and Risk Management Committee Lead Independent Director
Director	Ulrich Ruetz	Member of the Compensation Committee and Strategy Committee Outside Director, Progress Werk Oberkirch AG Outside Director, Wüstenrot Holding AG Outside Director, Wüstenrot & Württembergische AG
Director	Masaru Hattori	Chairman of the Audit Committee, Member of the Risk Management Committee Outside Corporate Auditor, Ryohin Keikaku Co., Ltd.
Director	Charles F. Martin	Member of the Nomination Committee and Strategy Committee CEO, Martin & Company Inc.
Representative Executive Officer and CFO	Saburo Matsuda	Member of the Risk Management Committee Representative Director, Sumida Finance B.V.
Representative Executive Officer, President	Tomoharu Suseki	Member of the Risk Management Committee Representative Director and President, Sumida Electronic Components Co., Ltd.
Executive Officer	Ryoji Iwanaga	Representative Director and President, Sumida Corporate Service Incorporated
Executive Officer	Paul Hofbauer	Managing Director, SUMIDA Europe GmbH
Executive Officer	Yoshiyuki Honda	Executive Officer (Finance) Member of the Risk Management Committee

Notes:

- Messrs. Robert E. Patterson, Ashok B. Melwani, Kazuhide Kondo, Masato Tsuru, Kotaro Miyagi, Ulrich Ruetz, Masaru Hattori and Charles F. Martin are outside directors set forth in Article 2, Item 15 of the Companies Act.
- Messrs. Robert E. Patterson, Ashok B. Melwani, Kazuhide Kondo, Masato Tsuru, Kotaro Miyagi, Ulrich Ruetz, Masaru Hattori and Charles F. Martin have been designated as independent directors of the Company in accordance with the rules of the Tokyo Stock Exchange and their names have been notified to the said stock exchange.
- Aside from statutory committees (Nomination, Audit and Compensation Committees), the Company has voluntarily set up a Strategy Committee and a Risk Management Committee.

4. All outside directors hold voluntary Independent Directors meetings on regular basis.
5. 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) Executive officers who retired during this fiscal year

Name	Date of retirement	Reason for retirement	Position and responsibility at the Company and important concurrent occupations or positions at other organizations at the time of retirement
Hans-Joachim Dittloff	March 19, 2011	Expiration of his term of office	Managing Director , SUMIDA Europe GmbH

(iii) Policy to determine the amount of compensation for directors and executive officers by the Compensation Committee

1. 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 in order to enhance its transparency. It shall be disclosed separately for directors and executive officers.

2. Directors’ compensation
 The directors’ compensation shall be determined by reflecting the position and responsibility of each director, and in consideration of the economic trends and the business environment of the Company. Directors’ compensation is composed of the following five 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 Lead Independent Director
 Compensation for the responsibilities as Lead Independent Director
 - 5) Overseas director compensation
 Compensation for directors residing overseas

3. Executive officers’ compensation
 For executive officers’ compensation, incentive compensation (corporate performance-linked compensation) shall be adopted in addition to the basic compensation (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 previous 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 as additional benefit to public pension in consideration of their service period in order to help eligible retired executive officers have stable lives after retirement.

(iv) Total amount of compensation paid to directors and executive officers
(Period: January 1 to December 31, 2011)

Item	Number of payees	Basic compensation (million yen)	Short-term incentive (million yen)	Long-term incentive (million yen)	Pension plan (million yen)	Total (million yen)
Executive officers	8	274	119	53	71	519
Directors	0	–	–	–	–	–
Outside directors	8	101	–	–	–	101
Total	16	376	119	53	71	620

Notes:

- As of the end of the current fiscal year the Company has seven executive officers, two directors and eight outside directors. As two of the seven 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 row of executive officers and excluded from the figures indicated in the row of directors. The above row of executive officers indicates amounts paid during the period from January to March 2011 to one executive officer who retired at the conclusion of the 56th Annual General Meeting of Shareholders, which was held on March 19, 2011.
- The figures are consolidated compensation of the Group. Compensation relating to the Company consists of 274 million yen for eight executive officers, and 101 million yen for eight outside directors.
- Long-term incentive compensation
Phantom stocks depending on the positions of the executive officers for the next fiscal year shall be granted, with underlying assets calculated by multiplying the total amount of dividend for this fiscal year by the rate designated by the Company.

4. The cell of outside directors in the basic compensation row indicate the sum of basic compensation, compensation of Audit Committee members, compensation of Strategy Committee members, compensation of Lead Independent Director and compensation of overseas directors.
5. In addition to the above compensations, the Group paid fringe benefits totaling 21 million yen (including 8 million yen paid by the Company) to eligible executive officers and retirement benefits of 50 million yen (fully paid by a subsidiary) to an executive officer who retired at the conclusion of the 56th Annual General Meeting of Shareholders, which was held on March 19, 2011.

(v) Matters concerning outside directors

1. 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 organizations where they hold the additional posts.
2. 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.
3. 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	5/6		4/5	5/5	5/5	
Ashok B. Melwani	5/6		5/5		5/5	
Kazuhide Kondo	6/6	12/12				
Masato Tsuru	5/6		5/5			
Kotaro Miyagi	6/6	12/12		5/5	5/5	4/4
Ulrich Ruetz	5/6			5/5	5/5	
Masaru Hattori	6/6	12/12				4/4
Charles F. Martin	6/6		5/5		5/5	

Note:

The Company established the Risk Management Committee. Members include the Lead Independent Director and Chairman of the Audit Committee as well as executive officers and their staff members.

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, he 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 and electronics industry.

As chairman of the Compensation Committee, he led the deliberations from the perspective of determining fairly and properly 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 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 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.

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

As Lead Independent Director, he led deliberations fairly and equitably, and orchestrates the opinions of the Independent Directors.

(f) Mr. Ulrich Ruetz

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 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.

As chairman of the Audit Committee meetings, he led the deliberations from the perspective of promoting compliance management through audits and leading it to enhance the corporate value, and performed audits of the Business Report, the Non-consolidated Financial Statements, the Consolidated Financial Statements, etc.

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

(h) Mr. Charles F. Martin

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

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.

3) Independent Directors meeting

The Company holds Independent Directors meetings with 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.

4. Outline of liability limitation contracts

In order to obtain excellent directors from outside, the Company has made provisions limiting liability for damages under Article 423, Paragraph 1 of the Companies Act in the Articles of Incorporation pursuant to the provisions under Article 427, Paragraph 1 of the said law. In accordance with the aforementioned provisions, the Company has entered into liability limitation contracts with eight outside directors. The limit of liability for damages under such contracts has been set at the minimum liability provided for under Article 425, Paragraph 1 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.

5. Total amount of compensations received from the subsidiaries

There were no relevant issues.

(4) Independent auditors

(i) Name: KPMG AZSA LLC

(ii) Amount of compensations:

	Amount to be paid (million yen)
Amount of compensations for the current fiscal year	93
Total amount of money and other property benefits to be paid by the Company and its subsidiaries to independent auditors	93

Note:

Since 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 compensations 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, such as Sumida Electric (H.K.) Company Limited, SUMIDA TRADING COMPANY LIMITED and SUMIDA AG, were 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 dismissal or non-reappointment of the independent auditor

When the Audit Committee finds that any of the items in Article 340, Paragraph 1 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

The Group 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, 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 decision-making business and ensure further propriety and efficiency of management by giving feedback of the results of the review.
- (d) Representative executive officers shall ensure a proper and quick decision-making process by smoothly collecting, analyzing, communicating, sharing and archiving the necessary information on SUMIDA's business activities.

- (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.

The Corporate Governance Office oversees compliance and risk management operations. It also performs internal audits and then submits the results to the representative executive officers and the Audit Committee as internal audit reports. 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 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 representative executive officers, 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) When there arises any material fact or possibility thereof involving misconduct or malpractice, breach of laws and regulations or Articles of Incorporation in relation to the execution of duties of the directors or executive officers, such fact
- (c) Monthly accounting statements on a consolidated basis
- (d) 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 if necessary.
- (b) Independent auditors shall explain to the Audit Committee its auditing plan at the outset of the fiscal year and report to the Audit Committee the progress of its interim audit and the end-term audit results, etc. Furthermore, the independent auditors may have consultations and discussions with the Audit Committee if needed.
- (c) In order to ensure the independence of independent auditors from the executive officers, as well as to guarantee the implementation of the audit activities, decisions on the independent auditors' compensation shall 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 down to the nearest units.

Consolidated and Non-consolidated Financial Statements

for the 57th term

(January 1 to December 31, 2011)

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, 2011

	Millions of yen
ASSETS	
Current assets:	
Cash and deposits	6,912
Notes and accounts receivable-trade	9,580
Merchandise and finished goods	4,255
Work in process	862
Raw materials and supplies	2,909
Deferred tax assets	671
Income taxes receivable	304
Other	1,028
Allowance for doubtful accounts	(43)
Total current assets	26,481
Noncurrent assets	
Property, plant and equipment	
Buildings and structures	9,495
Machinery, equipment and vehicles	22,790
Tools, furniture and fixtures	3,696
Land	1,275
Lease assets	851
Construction in progress	674
Accumulated depreciation	(25,878)
Total property, plant and equipment	12,905
Intangible assets:	
Goodwill	2,447
Leasehold right	467
Software	57
Other	362
Total intangible assets	3,335
Investments and other assets:	
Investment securities	415
Deferred tax assets	3,424
Other	871
Total investments and other assets	4,711
Total noncurrent assets	20,952
Deferred assets	
Business commencement expenses	31
Bond issuance cost	31
Total deferred assets	63
Total assets	47,497

Consolidated Balance Sheet
As of December 31, 2011

	Millions of yen
LIABILITIES	
Current liabilities:	
Notes and accounts payable-trade	3,397
Short-term loans payable	20,824
Current portion of bonds	1,065
Current portion of long-term loans payable	2,455
Accounts payable-other	669
Accrued expenses	1,289
Income taxes payable	180
Other	732
Total current liabilities	30,613
Noncurrent liabilities:	
Bonds payable	1,050
Long-term loans payable	6,357
Provision for retirement benefits	716
Deferred tax liabilities	153
Lease obligations	510
Other	908
Total noncurrent liabilities	9,697
Total liabilities	40,310
NET ASSETS	
Shareholders' equity:	
Capital stock	7,216
Capital surplus	7,029
Retained earnings	6,871
Treasury stock	(1,524)
Total shareholders' equity	19,593
Accumulated other comprehensive income:	
Valuation difference on available-for-sale securities	23
Foreign currency translation adjustment	(12,914)
Total accumulated other comprehensive income	(12,890)
Minority interests	483
Total net assets	7,186
Total liabilities and net assets	47,497

Consolidated Statement of Income
Year ended December 31, 2011

	Millions of yen
Net sales	52,759
Cost of sales	42,656
Gross profit	10,102
Selling, general and administrative expenses	7,992
Operating income	2,110
Non-operating income:	
Interest income	39
Dividends income	61
Gain on valuation of derivatives	29
Other	58
	189
Non-operating expenses:	
Interest expenses	532
Foreign exchange losses	235
Other	237
	1,005
Ordinary income	1,294
Extraordinary income:	
Gain on sales of noncurrent assets	42
Gain on reversal of impairment loss	74
Other	2
	119
Extraordinary loss:	
Loss on sales and retirement of noncurrent assets	19
Business structure improvement expenses	268
Loss on change in equity	53
Loss on disaster	136
Other	58
	537
Income before income taxes	876
Income taxes-current	280
Income taxes-deferred	52
Income before minority interests	543
Minority interests in income	46
Net income	496

Consolidated Statement of Changes in Shareholders' Equity
Year ended December 31, 2011

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of Dec. 31, 2010	7,216	7,029	6,951	(1,524)	19,673
Changes of items during the period					
Dividends from surplus			(576)		(576)
Net income			496		496
Purchase of treasury stock				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	(79)	(0)	(79)
Balance as of Dec. 31, 2011	7,216	7,029	6,871	(1,524)	19,593

(Millions of yen)

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance as of Dec. 31, 2010	33	(11,384)	(11,350)	525	8,848
Changes of items during the period					
Dividends from surplus					(576)
Net income					496
Purchase of treasury stock					(0)
Net changes of items other than shareholders' equity	(9)	(1,530)	(1,539)	(42)	(1,582)
Total changes of items during the period	(9)	(1,530)	(1,539)	(42)	(1,662)
Balance as of Dec. 31, 2011	23	(12,914)	(12,890)	483	7,186

Non-consolidated Balance Sheet
As of December 31, 2011

	Millions of yen
ASSETS	
Current assets:	
Cash and deposits	503
Notes receivable-trade	799
Prepaid expenses	37
Deferred tax assets	228
Short-term loans receivable	9,191
Income taxes receivable	113
Accounts receivable-other	113
Deposits paid	690
Total current assets	11,678
Noncurrent assets:	
Property, plant and equipment	
Buildings	844
Structures	19
Machinery and equipment	3
Land	503
Lease assets	20
Total property, plant and equipment	1,390
Intangible assets:	
Telephone subscription right	3
Software	6
Total intangible assets	10
Investments and other assets:	
Investment securities	325
Stocks of subsidiaries and affiliates	28,775
Long-term prepaid expenses	14
Deferred tax assets	788
Insurance funds	543
Other	37
Total investments and other assets	30,484
Total noncurrent assets	31,885
Deferred assets	
Bond issuance cost	31
Total deferred assets	31
Total assets	43,594

Non-consolidated Balance Sheet
As of December 31, 2011

	Millions of yen
LIABILITIES	
Current liabilities:	
Short-term loans payable	14,297
Current portion of bonds	700
Current portion of long-term loans payable	2,340
Accounts payable-other	6
Accrued expenses	82
Income taxes payable	5
Deposits received	3,006
Other	53
Total current liabilities	20,490
Noncurrent liabilities:	
Bonds payable	1,050
Long-term loans payable	5,440
Other	15
Total noncurrent liabilities	6,505
Total liabilities	26,996
NET ASSETS	
Shareholders' equity:	
Capital stock	7,216
Capital surplus	7,029
Legal capital surplus	7,029
Retained earnings	3,875
Legal retained earnings	264
Other retained earnings	3,610
General reserve	3,100
Retained earnings brought forward	510
Treasury stock	(1,524)
Total shareholders' equity	16,597
Valuation and translation adjustments	1
Valuation difference on available-for-sale securities	1
Total net assets	16,598
Total liabilities and net assets	43,594

Non-consolidated Statement of Income
Year ended December 31, 2011

	Millions of yen
Operating revenue	1,337
Operating expenses	476
Operating income	860
Non-operating income:	
Interest income	33
Dividends income	60
Other	1
	96
Non-operating expenses:	
Interest expenses	270
Foreign exchange losses	3
Commission fee	62
Other	25
	362
Ordinary income	594
Extraordinary loss:	
Loss on disaster	38
	38
Income before income taxes	556
Income taxes-current	(100)
Income taxes-deferred	141
Net income	515

Non-consolidated Statement of Changes in Shareholders' Equity
Year ended December 31, 2011

(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, 2010	7,216	7,029	7,029	264	3,100	571	3,935	(1,524)	16,658
Changes of items during the period									
Dividends from surplus						(576)	(576)		(576)
Net income						515	515		515
Purchase of treasury stock								(0)	(0)
Net changes of items other than shareholders' equity									
Total changes of items during the period	-	-	-	-	-	(60)	(60)	(0)	(60)
Balance as of Dec. 31, 2011	7,216	7,029	7,029	264	3,100	510	3,875	(1,524)	16,597

(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, 2010	6	6	16,664
Changes of items during the period			
Dividends from surplus			(576)
Net income			515
Purchase of treasury stock			(0)
Net changes of items other than shareholders' equity	(5)	(5)	(5)
Total changes of items during the period	(5)	(5)	(66)
Balance as of Dec. 31, 2011	1	1	16,598

(Translation)

Audit Report

The Audit Committee has audited the performance of duties by directors and executive officers for the 57th term from January 1, 2011 to December 31, 2011. We report the methods and the results of the audit as follows.

1. Methods used in audits and content of audits

With respect to the resolutions of the Board of Directors regarding the organization of the system stipulated in Article 416, Paragraph 1, Item 1, (b) and (e) of the Companies Act and the status of the system based on said resolutions (internal control systems), the Audit Committee received reports from directors, executive officers, employees and others, requested explanations on those reports, when necessary, and expressed an opinion concerning the establishment and operation of the system. We also inspected in cooperation with the internal control division the process and content of the decision making at significant meetings, the content of the major authorization documents and other important documents related to business operations, the business performance of the executive officers, and the Company's operation and condition of property in accordance with the auditing policies established by the Audit Committee, the segregation of duties and others. With respect to subsidiaries, the Audit Committee took steps to facilitate communication with the directors and others of subsidiaries and, when necessary, received reports from subsidiaries on the status of their businesses.

In addition, the Audit Committee also monitored 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 implemented 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 the notification.

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.

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 and 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 and 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; furthermore, nothing was pointed out regarding the contents of the Business Reports and the execution of duties by directors and executive officers with respect to executing internal control systems.

(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 LLC 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 LLC and the results of its audit were appropriate.

February 16, 2012

Audit Committee

SUMIDA CORPORATION

Masaru Hattori (Seal)

Member of the Audit Committee

Kazuhide Kondo (Seal)

Member of the Audit Committee

Kotaro Miyagi (Seal)

Member of the Audit Committee

Messrs. Masaru Hattori, Kazuhide Kondo and Kotaro Miyagi 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 nine (9) directors

The terms of office of ten (10) directors will expire at the conclusion of this Annual General Meeting of Shareholders. The Company requests the appointment of nine (9) 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, Kotaro Miyagi, Ulrich Ruetz, Masaru Hattori, Charles F. Martin, Nobuyuki Oneda and Shinji Yoko 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 and position and duties at the Company (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) Nov. 1977 Joined the Company Mar. 1988 Director Mar. 1990 Representative Director and Senior Managing Director Apr. 1991 Representative Director and Vice President Mar. 1992 Representative Director and President Apr. 2003 Director, Representative Executive Officer and CEO (To date)</p> <p>(Position and duties at the Company) Director (Chairman of the Board of Directors), Representative Executive Officer and CEO, Chairman, Strategy Committee and Risk Management Committee</p> <p>(Important concurrent occupations or positions at other organizations) Managing Director, SUMIDA Europe GmbH</p>	561,331

No.	Name (Date of birth)	Brief personal profile and position and duties at the Company (Important concurrent occupations or positions at other organizations)	Number of shares held in the Company
2	Robert E. Patterson (September 14, 1942)	<p>(Brief personal profile)</p> <p>Dec. 1972 Registered as Attorney, California, U.S.A. Joined Graham James LLP (Currently Squire, Sanders and Dempsey LLP)</p> <p>Jan. 1978 Representative Partner, Graham James LLP (Currently Squire, Sanders and Dempsey LLP)</p> <p>Nov. 1999 Advisory Board of the Company</p> <p>Jan. 2001 Managing Director, Peninsula Equity Partners (Currently Peninsula Ventures)</p> <p>Apr. 2003 Director of the Company</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, Compensation Committee and Strategy Committee</p> <p>(Important concurrent occupations or positions at other organizations)</p> <p>Managing Director, Peninsula Ventures</p> <p>Outside Director, mondoBIOTECH holding AG (Chairman of the Board of Directors)</p>	1,700
3	Ashok B. Melwani (November 26, 1958)	<p>(Brief personal profile)</p> <p>Apr. 1989 CEO, M. B. Melwani Pte Ltd.</p> <p>Sep. 1998 Resigned M. B. Melwani Pte Ltd. CEO</p> <p>Apr. 1999 CEO, AB Melwani PTE, Ltd.</p> <p>Nov. 1999 Advisory Board of the Company</p> <p>Apr. 2003 Director (To date)</p> <p>(Position and duties at the Company)</p> <p>Director, Member, Nomination Committee and Strategy Committee</p> <p>(Important concurrent occupations or positions at other organizations)</p> <p>CEO, AB Melwani PTE, Ltd.</p>	11,097

No.	Name (Date of birth)	Brief personal profile and position and duties at the Company (Important concurrent occupations or positions at other organizations)	Number of shares held in the Company
4	Kotaro Miyagi (June 17, 1940)	<p>(Brief personal profile) Mar. 1995 Director, Canon Inc. Mar. 2001 Full-time Corporate Auditor, Canon Inc. Mar. 2004 Resigned Canon Inc. Full-time Corporate Auditor Mar. 2006 Director of the Company (To date)</p> <p>(Position and duties at the Company) Director, Chairman, Compensation Committee, Member, Audit Committee, Strategy Committee and Risk Management Committee, Lead Independent Director</p>	2,900
5	Ulrich Ruetz (March 15, 1940)	<p>(Brief personal profile) Feb. 1983 Director, BERU GmbH (Currently BERU AG) Jan. 1994 President, BERU GmbH (Currently BERU AG) Oct. 1997 CEO, BERU GmbH (Currently BERU AG) Apr. 2003 Resigned BERU GmbH (Currently BERU AG) CEO Mar. 2007 Director of the Company (To date)</p> <p>(Position and duties at the Company) Director, Member, Compensation Committee and Strategy Committee</p> <p>(Important concurrent occupations or positions at other organizations) Outside Director, Progress Werk Oberkirch AG Outside Director, Wüstenrot Holding AG Outside Director, Wüstenrot & Württembergische AG</p>	3,000
6	Masaru Hattori (February 12, 1945)	<p>(Brief personal profile) Jul. 1974 Joined Orient Leasing Co., Ltd. (Currently ORIX Corporation) Jun. 2002 Corporate Auditor, Fuji Fire and Marine Insurance Co., Ltd. Jun. 2005 Director, Fuji Fire and Marine Insurance Co., Ltd. Jan. 2006 Executive Vice President, ORIX Corporation Jan. 2008 Resigned ORIX Corporation Executive Vice President Mar. 2008 Director of the Company May 2008 Outside Auditor, Ryohin Keikaku Co., Ltd. Jun. 2009 Resigned Fuji Fire and Marine Insurance Co., Ltd. Director (To date)</p> <p>(Position and duties at the Company) Director, Chairman, Audit Committee, Member, Risk Management Committee</p> <p>(Important concurrent occupations or positions at other organizations) Outside Auditor, Ryohin Keikaku Co., Ltd.</p>	0

No.	Name (Date of birth)	Brief personal profile and position and duties at the Company (Important concurrent occupations or positions at other organizations)	Number of shares held in the Company
7	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, Bankers Trust Company</p> <p>Jul. 1999 Joined Deutsche Bank Group</p> <p>Apr. 2001 Managing Director, Mergers and Acquisitions, Tokyo, Japan, Deutsche Securities Inc.</p> <p>Apr. 2008 Retired from Deutsche Securities Inc.</p> <p>Dec. 2009 President and CEO, Martin & Company Inc.</p> <p>Mar. 2010 Director of the Company (To date)</p> <p>(Position and duties at the Company)</p> <p>Director, Member, Nomination Committee and Strategy Committee</p> <p>(Important concurrent occupations or positions at other organizations)</p> <p>President and CEO, Martin & Company Inc.</p>	0
8	Nobuyuki Oneda (May 6, 1945)	<p>(Brief personal profile)</p> <p>Apr. 1969 Joined Sony Corporation</p> <p>May 2000 Deputy President and CFO, Sony Electronics Inc.</p> <p>Jun. 2004 Corporate Executive Officer, Senior Vice President, Sony Corporation</p> <p>Jun. 2005 Corporate Executive Officer, Executive Vice President and CFO, Sony Corporation</p> <p>Apr. 2009 Representative Corporate Executive Officer, Executive Vice President and CFO, Sony Corporation</p> <p>Jun. 2009 Director, Representative Corporate Executive Officer, Executive Deputy President and CFO, Sony Corporation</p> <p>Jun. 2010 Retired from Sony Corporation</p> <p>Mar. 2011 Outside Corporate Auditor, Kirin Holdings Company, Limited</p> <p>Jun. 2011 Outside Director, KOKUYO Co., Ltd.</p> <p>Jun. 2011 Outside Director, UKC Holdings Corporation (To date)</p> <p>(Important concurrent occupations or positions at other organizations)</p> <p>Outside Corporate Auditor, Kirin Holdings Company, Limited</p> <p>Outside Director, KOKUYO Co., Ltd.</p> <p>Outside Director, UKC Holdings Corporation</p>	0

No.	Name (Date of birth)	Brief personal profile and position and duties at the Company (Important concurrent occupations or positions at other organizations)	Number of shares held in the Company
9	Shinji Yoko (January 2, 1948)	<p>(Brief personal profile)</p> <p>Apr. 1970 Joined TDK Corporation</p> <p>Apr. 1984 Executive Vice President, TDK Corporation of America</p> <p>Sep. 1989 President, TDK Electronics Europe GmbH</p> <p>Jun. 1998 Director, TDK Corporation</p> <p>Jun. 2002 Senior Vice President, General Manager, Sales & Marketing, TDK Corporation</p> <p>Jun. 2005 General Manager, Osaka Regional Headquarters, TDK Corporation (Concurrent)</p> <p>Jun. 2009 Retired from TDK Corporation</p> <p>Apr. 2010 External Director, LITE-ON JAPAN LTD. (To date)</p> <p>(Important concurrent occupations or positions at other organizations)</p> <p>External Director, LITE-ON JAPAN LTD.</p>	0

Notes:

1. SUMIDA Europe GmbH is a subsidiary of the Company. Among other things, the Company loans funds to the subsidiary.
2. There are no special interest relationships between the candidates and the Company.
3. Eight (8) candidates for outside director, Robert E. Patterson, Ashok B. Melwani, Kotaro Miyagi, Ulrich Ruetz, Masaru Hattori, Charles F. Martin, Nobuyuki Oneda and Shinji Yoko, will be designated as independent directors of the Company in accordance with the rules of the Tokyo Stock Exchange and their names will be notified to the said stock exchange.
4. Two (2) of the candidates for director, Robert E. Patterson and Ashok B. Melwani, were made outside directors, starting from the 51st term, after the Company had considered interpretation of laws and the actual state of their business activities.

Reasons for appointment:

Seven (7) of the candidates for director, Shigeyuki Yawata, Robert E. Patterson, Ashok B. Melwani, Kotaro Miyagi, Ulrich Ruetz, Masaru Hattori and Charles F. Martin, have sufficiently served as directors who make important management decisions and supervise operations. The Company therefore requests for them to be reappointed as directors.

Regarding the reasons for our selection of the new candidates Nobuyuki Oneda and Shinji Yoko, please refer to items (vii) and (viii), on pages 42-43.

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 operations” 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 is 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, 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 that he has accumulated throughout 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 six (6) years at the conclusion of this Annual General Meeting of Shareholders.
- (ii) Ashok B. Melwani has managed a corporation in Singapore 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 corporate executive that he has accumulated throughout his career, and 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 six (6) years at the conclusion of this Annual General Meeting of Shareholders.
- (iii) Kotaro Miyagi served as president of overseas subsidiaries of Canon Inc., 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 his knowledge and experience as a corporate executive that he has accumulated throughout his career, and his insight into the electric and electronics industry. He currently serves as an outside director of the Company. The length of his service as an outside director will be six (6) years at the conclusion of this Annual General Meeting of Shareholders.
- (iv) Ulrich Ruetz has engaged in the management of BERU AG of Germany for many years. He currently serves as outside director of many European corporations. 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 corporate executive that he has accumulated throughout his career, and his insight into the automobile and electric and electronics 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 five (5) years at the conclusion of this Annual General Meeting of Shareholders.
- (v) Masaru Hattori served as an executive vice president of ORIX Corporation and an outside corporate auditor and outside director of Fuji Fire and Marine Insurance Co., Ltd. He also 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 his knowledge and experience as a corporate executive that he has accumulated throughout his career, especially in the corporate planning and accounting fields, and his insight into the audit. He currently serves as an outside director of the Company. The length of his service as an outside director will be four (4) years at the conclusion of this Annual General Meeting of Shareholders.
- (vi) 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 insight on financial strategy and corporate value enhancement measures fostered throughout his career. He currently serves as an outside director of the Company. The length of his service as an outside director will be two (2) years at the conclusion of this Annual General Meeting of Shareholders.
- (vii) Nobuyuki Oneda worked for Sony Corporation for many years. During that period, he worked as an executive member of an overseas subsidiary, director of headquarters, and representative corporate executive officer, executive deputy president and CFO of Sony Corporation. Moreover, he currently

serves as outside corporate auditor of Kirin Holdings Company, Limited, and outside director of KOKUYO Co., Ltd. and UKC Holdings Corporation. 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 corporate executive that he has accumulated throughout his career, and his insight into the electric and electronics industry.

(viii) Shinji Yoko worked for TDK Corporation for many years. During that period, he worked as president of an overseas subsidiary and director of headquarters. Moreover, he currently serves as external director of LITE-ON JAPAN LTD. 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 corporate executive that he has accumulated throughout his career, and his insight into the electronic components industry.

(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 Robert E. Patterson, Ashok B. Melwani, Kotaro Miyagi, Ulrich Ruetz, Masaru Hattori and Charles F. Martin, who are currently outside directors of the Company. (Outline of the contracts is stated on page 21 of the Business Report.) If their reappointments are approved, the Company will continue the above liability limitation contracts with them. If Nobuyuki Oneda and Shinji Yoko are appointed as directors, the Company will also enter into the above liability limitation contract with each of them.