

SUMIDA CORPORATION

Annual Review 2005 For the year ended December 31, 2005

Profile

Established in 1956, SUMIDA CORPORATION's principal business is the manufacture and sale of coils—an integral part of electronic products. Having established a manufacturing subsidiary in Taiwan in 1971 and sought markets worldwide from the early stages of its development, Sumida has grown into a global corporation with 17,000 employees currently in 13 countries throughout the world. Looking ahead, the Sumida Group will apply the coil business it has built up over half a century to provide technology solutions that contribute to a more comfortable and convenient lifestyle. Sumida aims to be both No. 1 in the coil business field and a truly global corporation that epitomizes “diversity.”

Management Principles

To realize our vision, we set forth the following seven items as a basic principle of business management and activities.

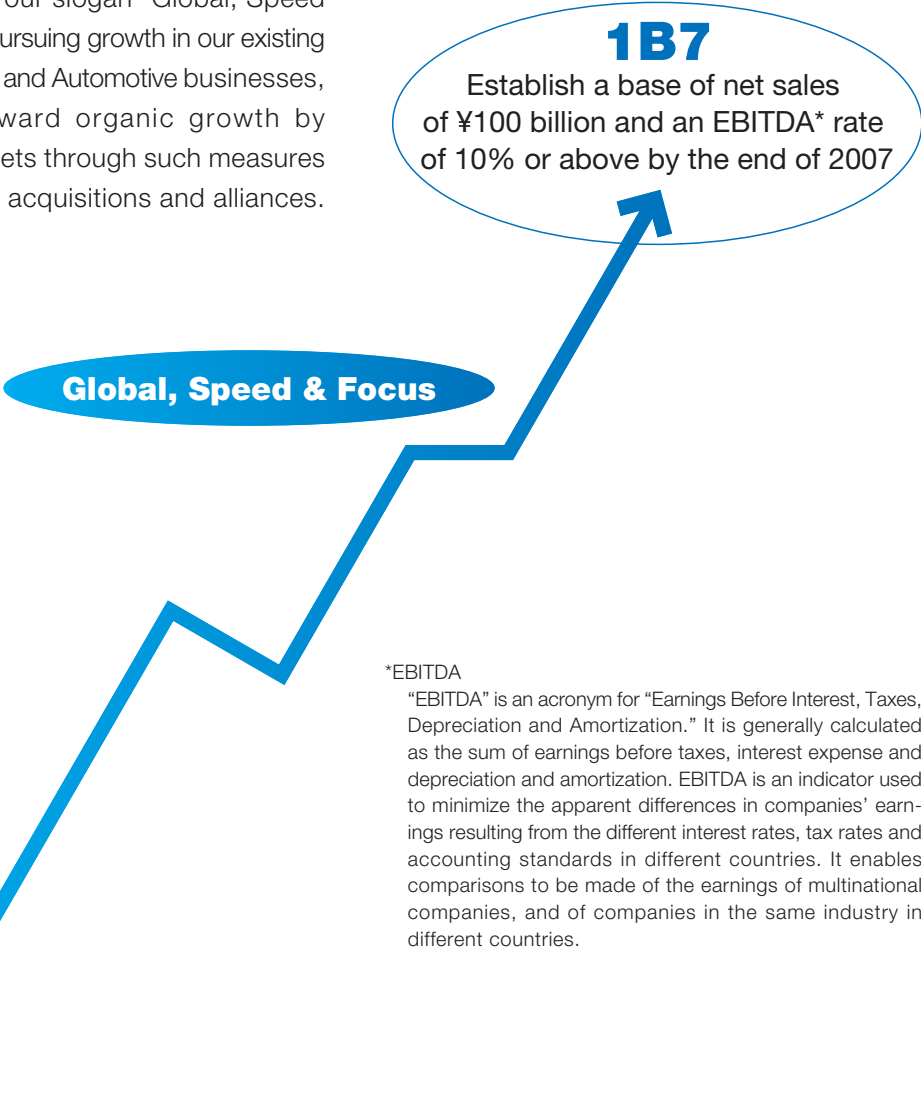
1. We produce and sell electronic parts used by people throughout the world while always maintaining quality, efficiency in delivery and cost competitiveness that are recognized worldwide.
2. Our directors and employees respect one another and prioritize the building of strong relationships and mutual trust with our stakeholders.
3. We operate our company at the most suitable locations with the most suitable employees.
4. We adopt the principle of ability first and do not discriminate based on ethnicity, race, gender, age, belief, religion and/or physical disability.
5. We respect the manners, customs and laws of local regions in all our business activities.
6. As global citizens, we positively conform to environmental conservation laws and regulations.
7. We strive through innovation to develop new products while our management always envisions future generations of technology. We continually challenge ourselves to grow and strive to become better.

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In order to be a timeless, “One and Only” company, we have been striving to continue to advance with vitality through imagination and embracement of a world view over the next decade. Our devotion is to allow people to enjoy the “Dream” created by the leading edge electronic technology.

Sumida is currently moving forward with 1B7, our medium-term management plan, which aims to establish a base of net sales of ¥100 billion and an EBITDA* of ¥10 billion by the end of 2007. In line with our slogan “Global, Speed & Focus,” we are pursuing growth in our existing Magnetics, Inverter and Automotive businesses, and working toward organic growth by achieving our targets through such measures as new corporate acquisitions and alliances.



*EBITDA
“EBITDA” is an acronym for “Earnings Before Interest, Taxes, Depreciation and Amortization.” It is generally calculated as the sum of earnings before taxes, interest expense and depreciation and amortization. EBITDA is an indicator used to minimize the apparent differences in companies’ earnings resulting from the different interest rates, tax rates and accounting standards in different countries. It enables comparisons to be made of the earnings of multinational companies, and of companies in the same industry in different countries.

To Our Shareholders

In February 2006, SUMIDA CORPORATION completed its acquisition of the German company VOGT electronic AG (“VOGT”). By adding VOGT to the Sumida Group, the road ahead to achieving 1B7 (Sumida’s medium-term business target) has become clearer. In fiscal 2006, we are reaping the rewards of fiscal 2005 efforts to strengthen our sales and development systems. This is the year we are strengthening the framework to achieve our target, thereby further accelerating our business development.



Chiu Ka Sheung

Representative Executive Officer
& Group President

Shigeyuki Yawata

Representative Executive Officer
& Chief Executive Officer

Saburo Matsuda

Representative Executive Officer
& Chief Financial Officer

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Foundation for high growth built in the year ended December 2005

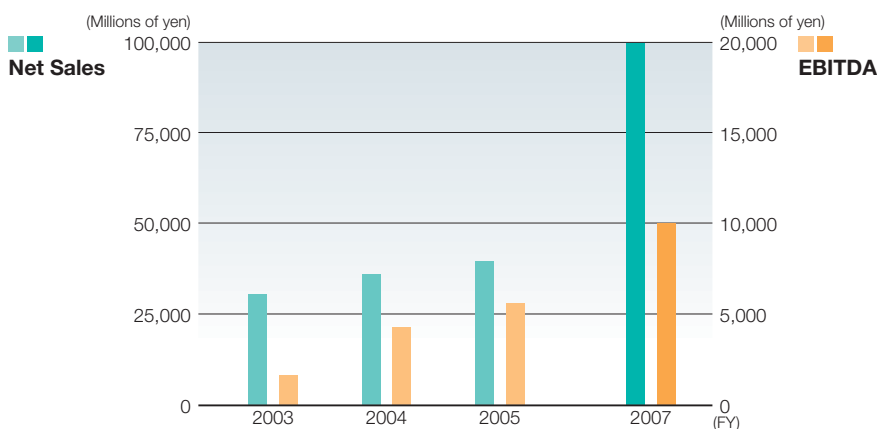
In the year ended December 31, 2005, Sumida's net sales rose to ¥39.7 billion, or a 9.4% increase, year on year—the second consecutive increase. The main reasons for this result were increased sales of inductors, a Sumida core product, accompanying increased demand for portable music players and favorable sales of ABS coils in the automotive product category where future growth is anticipated. Operating income declined 11.8% to ¥3.2 billion due to a marketing strategy which emphasized market share in response to dramatic growth in the electronic components market. Net income rose 34.7% to ¥2.4 billion, however, due mainly to an increase in foreign exchange gains. As a result of this favorable performance, Sumida decided to increase the full-year dividend by 33.3% to ¥40 per share, based on the company's dividend policy of maintaining a dividend payout ratio of 25–30%. Given the enactment of a new Corporation Law permitting Japanese companies to pay quarterly dividends, Sumida intends to announce a quarterly dividend after the Articles of Incorporation have been amended in preparation.

Sumida's products are sold in the electronic technologies industrial sector, which continues to face uncertain markets characterized by such factors as technological innovations and price reductions due to intense competition with Asian manufacturers. With 50 years of experience, however, Sumida anticipates increases in market demand for our high value-added products in markets that continue to comprise products of increasingly higher functionality and complexity. Looking ahead, we are confident that our cooperation with VOGT will take us to new heights.

Successful acquisition of VOGT

At the end of 2005, Sumida proceeded with a takeover bid for VOGT, a German manufacturer of electronic components. Sumida acquired a majority of the issued shares of VOGT, which became a consolidated subsidiary. A distinguished manufacturer established in 1934 in Berlin, VOGT offers a range of products markedly similar to Sumida's. Because sales of VOGT's automotive-related products comprise 57% of their entire sales, we anticipate significant synergies between VOGT and Sumida's Automotive Company. In particular, the mutually beneficial relationship between the two companies will enable Sumida to deepen business ties with automakers and Tier 1 manufacturers (manufacturers that deliver products directly to an automaker), thereby enhancing its framework to proactively develop and expand sales of Sumida's new products. Synergies with the Magnetics Company are also expected and Sumida believes the partnership has already extended the reach of Sumida as a whole in all fields, including business activities in regional communities, product development, human resources and funding.

1B7 Targets Net Sales/EBITDA*



* EBITDA= (Earnings Before Taxes + Interest Expense + Depreciation and Amortization)

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Thoughts concerning the medium-term business target 1B7

In line with our medium-term management plan, "1B7" is Sumida's business target of establishing itself as a company that has achieved net sales of ¥100 billion by the year ending December 31, 2007. In terms of profit ratio, the target is to maintain an EBITDA to net sales ratio of 10%. The successful acquisition of VOGT has increased the probability of Sumida achieving the targets of its management plan initiated in 2003 and with two more years left to run.

1B7 has been an ambitious business target ever since it was first announced. It is a significant challenge for a company with net sales of around ¥40 billion to achieve a target of ¥100 billion. From our perspective, we believe it is the role of the Chief Executive Officer and top management to set an ambitious target and to exhibit the leadership to focus and motivate the entire company to do their utmost to achieve it. In pursuit of 1B7, Sumida has been globally recruiting personnel, delegating work authority, conducting business development more speedily in a selective and focused manner and concentrating on high-growth business domains. Through these initiatives, Sumida has been giving priority to achieving steady organic growth, namely, the autonomous growth of existing businesses, and not merely by conducting M&A. In conjunction with achieving double-digit growth of our existing businesses, Sumida is vigorously moving ahead to reach 1B7.

Transformational change necessary for significant growth of a company

To achieve an ambitious business target, a company must generate a transformational change in themselves, so to speak. This is the belief behind Sumida's proactive promotion of M&A activities. The successful acquisition of VOGT was not done merely to generate significant business synergies, it also brings Sumida such advantages as securing personnel in Europe, having a production base with access to Eastern Europe, and the ability to dynamically procure funding in Europe.

Sumida's adoption of the "Company with Committees" system has been playing an important role in this evolutionary change of the company. In addition to establishing the various committees, Sumida has invited many outside directors to join the committees and objectively appraise Sumida's business activities. This means we obtain experienced advice on achieving sustainable growth and profitability. The Strategy Committee, in particular, is composed of six members of which half are outside directors and also invites various advisors from outside the company, thereby enabling management to be more aggressive in its decision-making.

With Japanese nationals comprising only a small percentage of its total workforce, Sumida can be said to be a company that is "1BF" (One Big Family) made up of members from many different cultural backgrounds. In today's changing world, a truly diversified and global company like Sumida is well placed to seize business opportunities and exhibit powerful and imaginative business capabilities. We appreciate your continued support as Sumida moves toward further growth.

June 2006



Shigeyuki Yawata
Representative Executive Officer
& Chief Executive Officer



Chiu Ka Sheung
Representative Executive Officer
& Group President



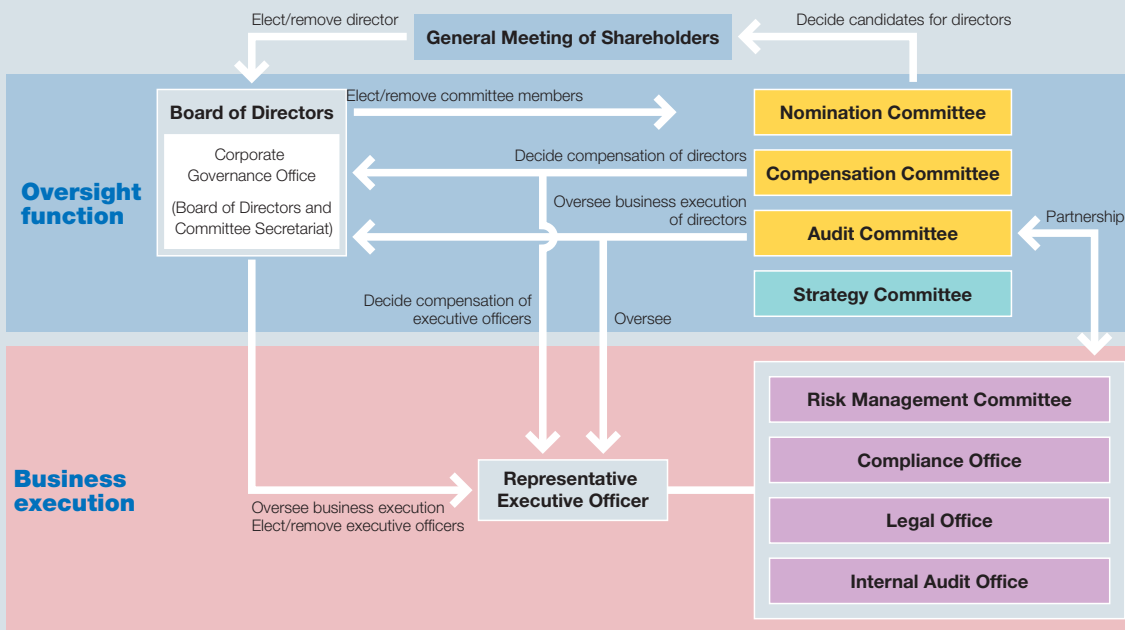
Saburo Matsuda
Representative Executive Officer
& Chief Financial Officer

Basic philosophy on corporate governance

Sumida is aware that one of the most important jobs of management is to secure the foundation of corporate governance, the objectives of which are to ensure the transparency and efficiency of management and to continuously increase corporate value by meeting the expectations of stakeholders.

To strengthen corporate governance, Sumida adopted the “Company with Committees” system in April 2003. The company established four committees to form a framework for enhancing management’s transparency. In addition to the Audit Committee with its majority of outside directors, and the Compensation and Nomination Committees, which are comprised solely of outside directors, Sumida has also established a fourth committee, the Strategy Committee. This Strategy Committee, in particular, plays the important role of overseeing Sumida’s strategic policies. It invites various specialists, as appropriate for each project, as advisors to the six directors—who include outside directors—on the committee. When the “Company with Committees” system was adopted, the company clearly separated business execution and oversight functions by creating executive officers with the full-time role of executing business, and having the Board of Directors specialize in overseeing the business execution. This organizational framework allows both directors and executive officers to function effectively. Moreover, the Board of Directors has transferred a significant amount of business decision-making authority to executive officers. In January 2004, an in-house company system was introduced to manage global business resources according to product category. This system enables dynamic and flexible group management that can conduct rapid decision making.

Corporate Governance Organization



Main initiatives in the year under review

Sumida proactively discloses accurate high-quality information in a timely manner.

In February 2005, Sumida reorganized the in-house system for the timely disclosure of corporate information. As part of this process, it clarified the handling of each stage of information disclosure, including the systems for collecting information and preparing it for disclosure, reporting information to directors, and the timing of the disclosure. It also drew up a flow chart of disclosure procedures. All relevant departments were made aware of these changes, and the Tokyo Stock Exchange was also informed.

In April 2005, we made a new version of our document, “Sumida Business Principles,” bringing together the Sumida Group’s vision, fundamental management principles, commitments, code of conduct, corporate governance principles and environment policy. To ensure that all group members are aware of the importance of abiding by Sumida’s basic business principles, we made the document available in Japanese, English and Chinese on the company intranet, and also distributed it in bilingual Japanese/English and English/Chinese pamphlet form. Furthermore, a department works full-time to educate personnel to make them more clearly aware of their responsibility to stakeholders in the course of their work.

We also strengthened the interrelationships among the Risk Management Committee, Compliance Office, Legal Office, Internal Audit Office and other units, aiming to further improve internal controls and the management of the entire group.

Magnetics Company Business

Magnetics Company

The principal products of the Magnetics Company are coils. The company celebrates its 50th anniversary this year and coils have been the traditional business of the company since its founding. The company is unifying its three product categories—inductors, power solutions, and signals and sensors—into one product category, and is developing products that focus on growth areas.

Financial condition of Magnetics Company

Sales of inductors, the company's core product, comprise 65% of the company's entire sales. Inductors are used in a variety of electronic products, and are maintaining continuously good sales, particularly due to the current growth in the IT sector. In the year ended December 31, 2005, net sales of inductors rose 21.0% compared with the previous year.

The company preserves high earnings by specializing in market areas with the greatest added value. Although the IT market is characterized by price decreases that are greater than increases in unit sales, Sumida could be described as the original power inductor manufacturer, and it still leads the industry. Sumida secures high earnings by specializing in the market sectors with the greatest added value. Sumida's power inductors are currently used by major manufacturers in their portable music players, and we will leverage this advantage to grow further.

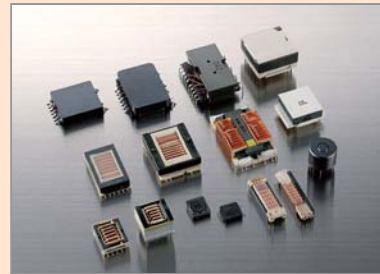
Although the Magnetics Company did not achieve significantly increased earnings with products other than inductors in the year ended December 31, 2005, the Magnetics Company has the advantage of wide-ranging product lineups of several hundred items in each category. In the signals and sensors category, Sumida's products are used in RFID tags for animals and other applications, and in the power solutions category, our focus on AC adaptor power transformers and transformers for digital camera flash units is bearing fruit. These and other efforts are bringing about increased earnings in the signals and sensors category.

Towards achieving medium-term business target 1B7

In February 2006, Sumida completed acquisition of the German company VOGT, enabling the Magnetics Company to envision net sales of ¥30 billion. However, in the context of achieving 1B7, the medium-term business target, the most important factor for the company is to achieve an annual double-digit rate of organic growth.

The most promising market for the Magnetics Company is the mobile phone market. Mobile phones are increasingly designed to higher specifications, and accompanying this there is a shift from the chip inductors used previously to the use of power inductors. As a result, the market for Sumida's high added-value products is expanding. To meet this demand, Sumida is reforming its marketing organization and strengthening its proposal-based sales by building a system to provide one-stop service from the country where the client company's head office is located to overseas plants.

Furthermore, to cope with the increased cost of resources due to higher priced raw materials, Sumida is currently conducting a wide-ranging review of its development and production systems, and is promoting a "Back to Basics 50" campaign to ensure thorough implementation of the basic procedures of development and production. Looking ahead, Sumida will build a more efficient operations framework to increase price competitiveness.



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Automotive Company

The Automotive Company is involved with in-car electronic components. In particular, the company is the No. 1 manufacturer of ABS coils, which currently comprise over 70% of its net sales, and it occupies about 30% of the world market. Two other core products are our Keyless Entry system and gasoline injector.

Financial condition of Automotive Company

The automotive components business is heavily dependent on automakers' schedules for launching new automobiles. Therefore, Sumida always schedules new products 3-5 years ahead. As a result, product sales tend not to fluctuate due to rapid changes in the environment. Moreover, a steady growth in the business is virtually assured due to boosts from worldwide growth in automobile production volumes and the annually increasing installation of electronic components in automobiles.

In the year ended December 31, 2005, the company achieved significantly increased earnings due to Tier 1* manufacturers who use our products dramatically increasing their sales in the U.S., against the backdrop of U.S. automakers' slumping sales. However, profits were depressed by exceptional price rises in copper, the principal raw material of our coils.

One strategic result has been that our gasoline injector, a large new product that Sumida has been working on for several years, has been approved for the U.S. market and shipments to Tier 1 manufacturers have started. As with the ABS coil, Sumida is actively promoting this product to major manufacturers in order to gain a large market share worldwide.

Towards achieving medium-term business target 1B7

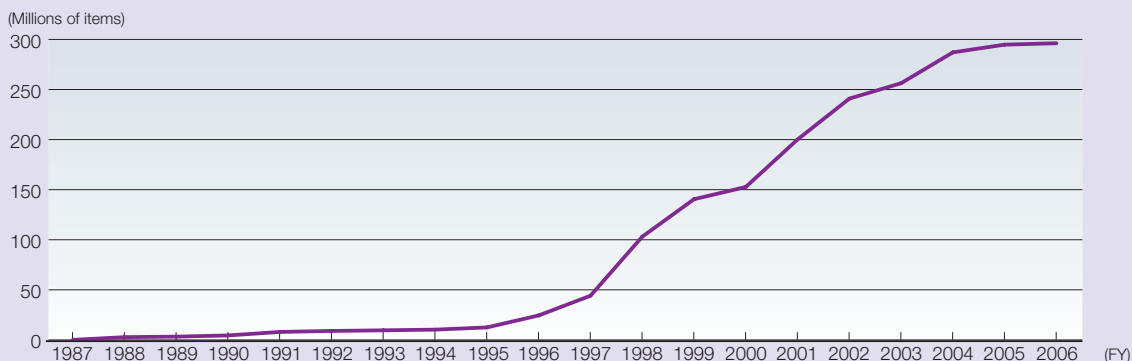
In the context of achieving 1B7, our medium-term business target, the most important factor has been Sumida's acquisition of the German company VOGT in February 2006. VOGT is a manufacturer of electronic components with an exceptionally strong presence in Europe in the car installation sector. Including this company's net sales of in-car components, the Automotive Company can now envision net sales of ¥30 billion. Furthermore, we anticipate very significant synergies between the two companies to steadily become apparent as we promote cross sales of each other's products to each other's customers, share the advantages of Asia and Eastern Europe as regards purchasing, and pursue lower prices and higher quality.

Looking ahead, Sumida will pursue organic growth by using more modular products to increase earnings from its core products. We anticipate a dramatic increase in the number of vehicle installations of our Keyless Entry system, one such core product. The Automotive Company aims to achieve further significant growth by developing new products that closely reflect steadily developing technological innovations and respond to the expanding market.

* manufacturers that deliver products directly to an automaker.



Global Development Trends in ABS Market



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Inverter Company

Inverters manufactured by Sumida are widely used in the power circuitry of liquid-crystal display (LCD) backlights, including LCD TVs, LCD monitors and notebook PCs. Sumida is building a strong position in a market reputed to be worth over ¥100 billion worldwide.

Financial condition of Inverter Company

The most important characteristic of the Inverter Company is that it supplies a rapidly expanding market. PC displays have been changing from CRTs to liquid crystal, and sales volumes are increasing an annual 20–30%. Notebook PC sales are also increasing steadily, while LCD TVs are currently selling explosively. Compared with those used in PCs, the number of backlight lamps used in LCD TVs is increasing as the TVs become larger. This means the number of lamps is increasing faster than the number of TVs, and their inverters are becoming larger. These inverters need to be of higher quality and longer lasting than those used in PCs, and these very characteristics are Sumida's strengths. Buoyed by this, the Inverter Company's sales continue to rise yearly.

This business is characterized by price drops caused by the technological innovations typical of IT business, and by severe competition from other companies in the same industry, including in emerging Asian countries. We must never neglect to preserve our edge over competitors, as regards the cost aspects as well as the technological aspects. Sumida has improved profitability by reviewing its supply chain for production bases in Taiwan and China (Suzhou) and working to cut costs by improving production efficiency.

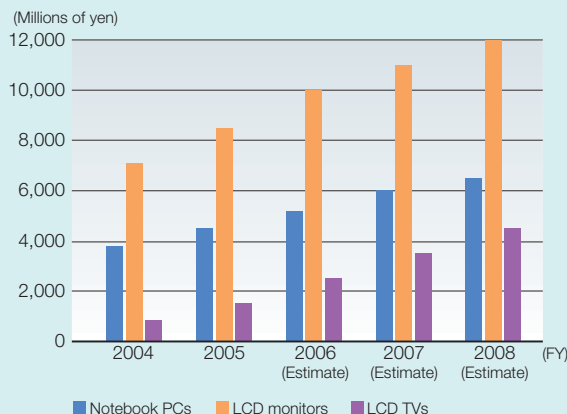
Towards achieving medium-term business target 1B7

To achieve 1B7, our medium-term business target, Sumida must not merely depend on market growth but further advance our technological capabilities—one of our strengths—and expand our market share. Sumida produces LCD products in four major countries: local engineers in Japan, Korea, Taiwan and China are working on product development. As a result, we can respond to market changes quicker than other companies, and differentiate our products in a given market by using the product advantages developed for another market.

Nevertheless, this alone is not enough to achieve the 1B7 target. We must develop new markets in fields other than existing business domains. We have also started considering M&As, and will select influential partners with which to form alliances to supply our superior products to new areas.



Sales Volumes in Markets for LCD-related Products



Environmental Activities

1. Sumida Group's environmental philosophy

Sumida Group pledges its commitment to cherishing the irreplaceable environment of the earth, implementing healthy and sustained activities, positively grappling with environment protection and the effective use of resources and fulfilling its social responsibilities as a global citizen to nurture a healthy natural environment for the next generations.

Sumida Group Chief Executive Officer
Shigeyuki Yawata

2. Environmental protection activities based on ISO 14001

All group plants and Sumida regions in Japan have obtained ISO 14001 certification. ISO 14001 has switched over to the 2004 standard, and Sumida is currently working to align systems with the 2004 standard. By the summer of 2006, we anticipate that all bases will be certified to the 2004 standard.

Furthermore, Sumida works to fully respond to environment-related laws and regulations and to determine how to respond even more closely to customer requests. We regularly monitor our progress towards achieving environmental targets, aiming to ensure our activities are producing results.

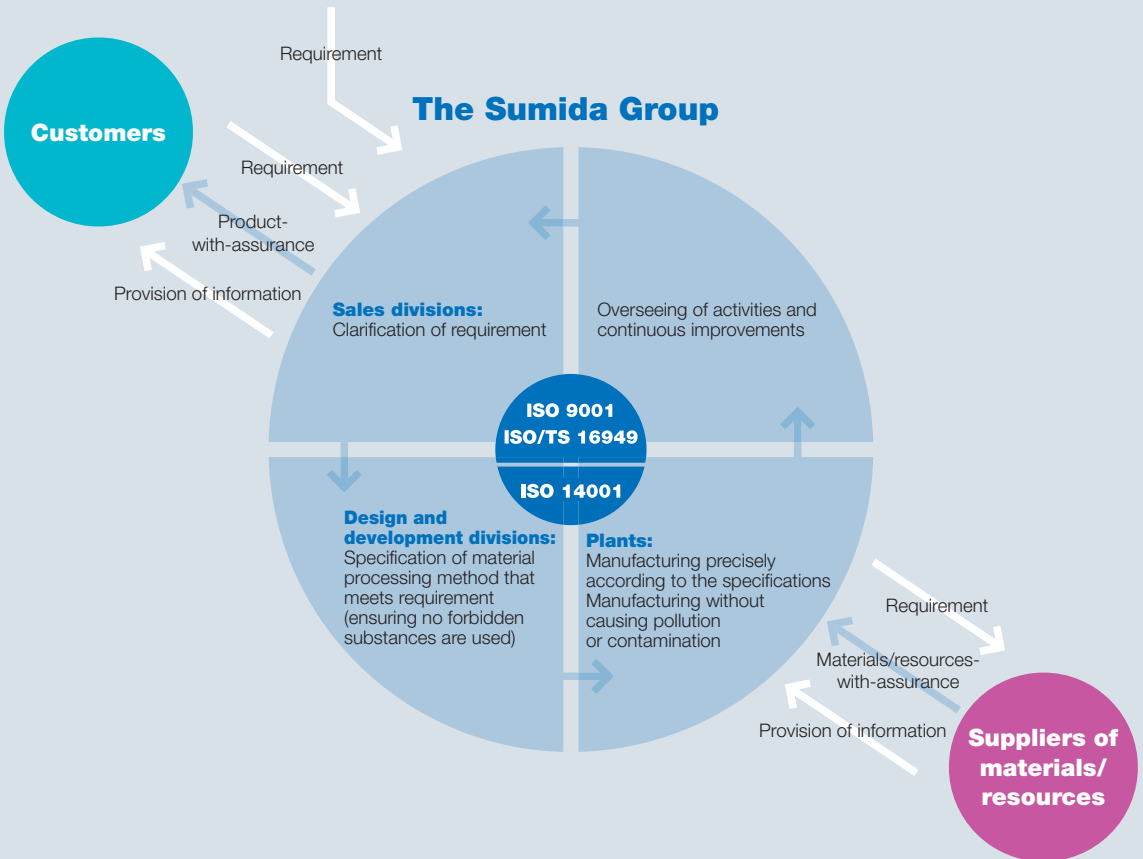
Sites That Have Obtained ISO 14001 Certification (as of June 2006)

SUMIDA CORPORATION
Sumida Electronic Components Co., Ltd.
Sumida Electric Co., Ltd.
Sumida Corporate Service Incorporated
Sumida Electric (H.K.) Co., Ltd. Panyu Factory
Sumida Electric (H.K.) Co., Ltd. Vietnam Factory
Dong Guan Sumida (Tai Ping) Electric Co., Ltd.
Taiwan Sumida Electronics Inc.
Sumida de Mexico, S.A. de C.V.
Suzhou Sumida Electric Company Limited

3. Reduction of environmentally damaging substances in product materials

To abide by the European RoHS Directive and other environmental laws and regulations, as well as to respond precisely to the needs of its customers, Sumida is pursuing activities to reduce any environmentally damaging substances found in materials used in our products. Fundamentally, we are working to ensure that all products comply with the RoHS Directive.

Product-related environmental laws and regulations



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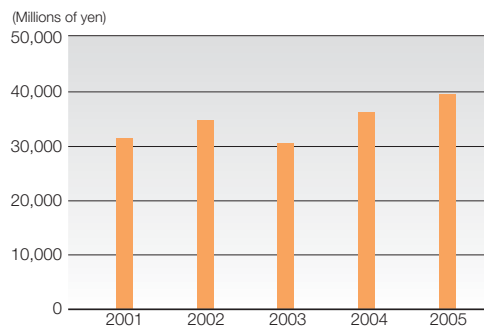


Consolidated Financial Highlights

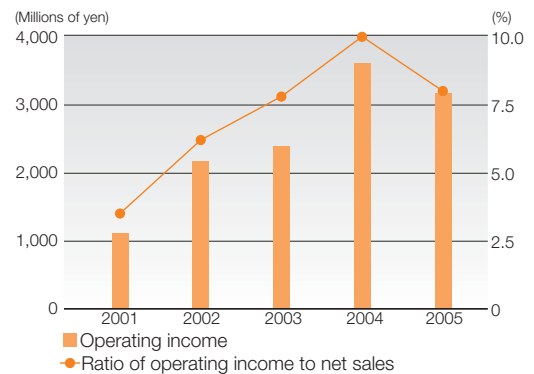
(Millions of yen)

| | 2001 | 2002 | 2003 | 2004 | 2005 |
|---------------------------------------------|---------|--------|--------|--------|--------|
| For the year: | | | | | |
| Net sales | 31,558 | 34,796 | 30,537 | 36,246 | 39,666 |
| Operating income | 1,112 | 2,171 | 2,394 | 3,611 | 3,183 |
| Ratio of operating income to net sales (%) | 3.5 | 6.2 | 7.8 | 10.0 | 8.0 |
| Ordinary income | 82 | 2,116 | 1,960 | 3,128 | 2,853 |
| Ratio of ordinary income to net sales (%) | 0.3 | 6.1 | 6.4 | 8.6 | 7.2 |
| Net income (loss) | (1,037) | 1,118 | 315 | 1,807 | 2,435 |
| Ratio of net income (loss) to net sales (%) | (3.3) | 3.2 | 1.0 | 5.0 | 6.1 |
| Per share information: | | | | | |
| EPS (yen) | (78.11) | 83.64 | 21.21 | 104.25 | 126.54 |
| Dividend (yen) | 20.00 | 20.00 | 20.00 | 30.00 | 40.00 |
| Year-end: | | | | | |
| Total assets | 32,340 | 30,666 | 29,941 | 34,170 | 51,701 |
| Shareholders' equity | 19,534 | 18,910 | 18,809 | 20,511 | 24,920 |
| ROE (%) | (5.44) | 5.82 | 1.67 | 9.19 | 10.72 |
| ROA (%) | (3.22) | 3.55 | 1.04 | 5.64 | 5.67 |

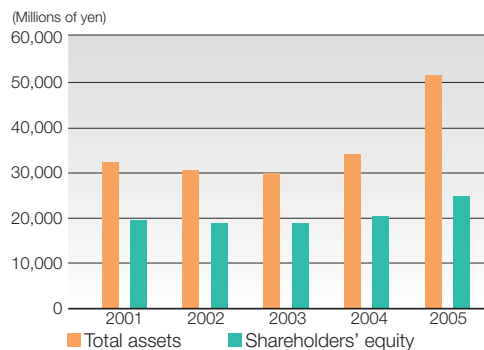
Net sales



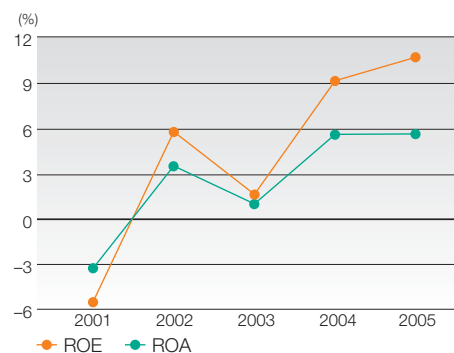
Operating income/Operating income ratio



Total assets/Shareholders' equity



ROE/ROA



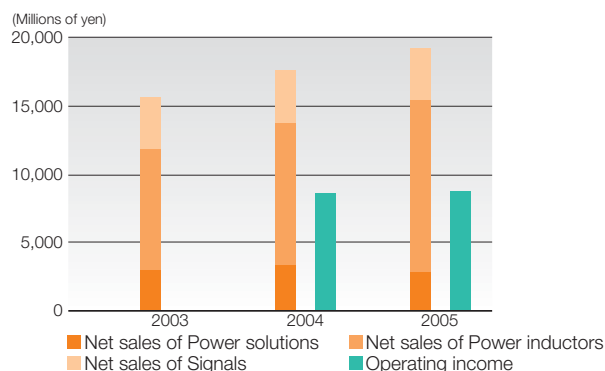
Sales by business segment

| | (Millions of yen) | | |
|---------------------------|-------------------|--------|--------|
| | 2003 | 2004 | 2005 |
| Magnetics | 15,677 | 17,634 | 19,315 |
| Power solutions | 2,950 | 3,329 | 2,794 |
| Power inductors | 8,930 | 10,479 | 12,679 |
| Signals | 3,797 | 3,826 | 3,842 |
| Inverter | 6,139 | 9,044 | 10,536 |
| Automotive | 4,724 | 6,091 | 7,592 |
| Other | 3,997 | 3,477 | 2,223 |
| Total | 30,537 | 36,246 | 39,666 |

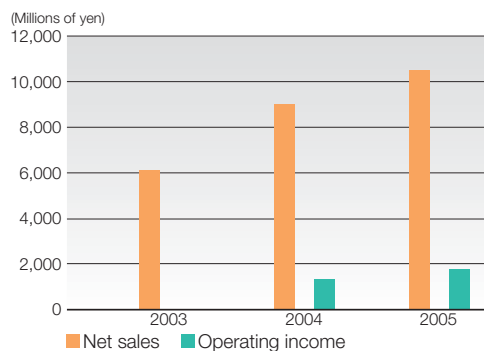
Operating income by business segment

| | (Millions of yen) | |
|------------------------|-------------------|---------|
| | 2004 | 2005 |
| Magnetics | 8,592 | 8,753 |
| Inverter | 1,344 | 1,765 |
| Automotive | 1,835 | 1,666 |
| Other | 451 | 438 |
| Subtotal | 12,222 | 12,622 |
| Eliminations | (8,611) | (9,439) |
| Total | 3,611 | 3,183 |

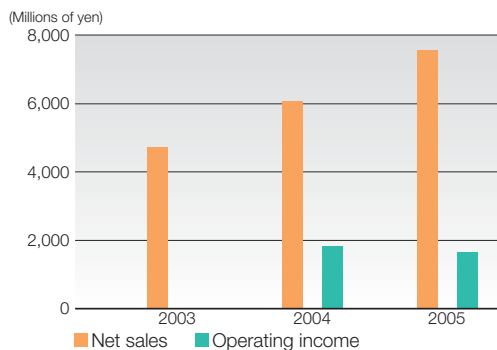
Magnetics



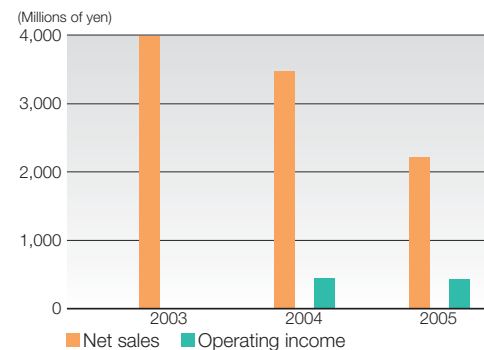
Inverter



Automotive



Other



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Results of Operations

The Sumida Group is concentrating business resources in areas where future growth is anticipated, principally the inverter business, which supplies products for flat panel applications including notebook PCs, LCD monitors, and LCD TVs, and the automotive business, which is mainly involved with in-car electronic components. The Group also continues to conduct its magnetics business—the coil technology which Sumida has built up since its foundation.

Segment results by business type are not given in this annual review because Sumida withdrew in the previous year from the manufacturing of electromagnetic products, and from OEM products for optical pickups, resulting in the coil business becoming the only segment by business type.

Overview of Results

Total net sales of the three in-house companies rose 9.4% year on year to ¥39,666 million.

The main reasons for the increased earnings were double-digit growth in net sales of both the inverter and automotive businesses. Inverter sales rose 16.5% to ¥10,536 million, and automotive sales climbed 24.6% to ¥7,592 million. Magnetics business sales also rose 9.5%, to ¥19,315 million, mainly due to the contribution of power inductors. However, the other business segment declined 36.1% to ¥2,223 million, due to the impact of Sumida's withdrawal from electromagnetic products and from OEM products for optical pickups.

Operating income declined 11.8% year on year to ¥3,183 million, due mainly to increased selling and R&D and administrative expenses generated by business expansion, despite the magnetics business maintaining increased profits from higher earnings and the inverter business achieving improved profit from increased earnings and reduced cost of sales.

Ordinary income fell 8.8% to ¥2,853 million despite a foreign currency exchange gain of ¥139 million, partially due to a ¥387 million loss on equity in loss of affiliated company and ¥29 million in bond-issuing expenses.

Net income climbed 34.7% to ¥2,435 million, partially due to an extraordinary income of ¥1,072 million in gains on sales of investment securities such as Saia Burgess Electronic Holdings AG.

The following presents the results by geographic segment:

Japan

In Japan, net sales declined 1.2% to ¥9,148 million due to reduced inverter sales combined with reduced sales of power solution and signal products caused by production adjustments for audio and imaging equipment. These factors outweighed a steady increase in power inductor sales and a dramatic rise in automotive sales. Meanwhile, operating income soared 178.1% to ¥587 million as a result of increased dividend income from overseas subsidiaries.

Hong Kong and China

In Hong Kong and China, net sales rose 8.9% to ¥14,409 million, due to a steady expansion in sales of power inductors, inverters and automotive products. These increased sales overcame production adjustments for audio and imaging equipment, a drop in power solutions products due to the withdrawal from OEM production of optical pickups, and a decline in the other business segments. Operating income fell 32.5% to ¥2,381 million, due not only to increased depreciation and amortization labor costs following expansion of production facilities and personnel numbers, but also to mounting light, fuel and transportation expenses generated by the rising price of crude oil.

Singapore and Malaysia

In Singapore and Malaysia, net sales increased 5.1% to ¥3,016 million, due to firm signal product sales and the achievement of double-digit growth in power inductor sales. These higher sales overcame declines in power solution products, inverters and automotive products. Operating income declined 80.0% to ¥5 million due to increased selling, general and administrative expenses.

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Taiwan

In Taiwan, net sales rose 23.7% to ¥8,616 million due to a dramatic expansion in sales of inverters for notebook PCs and other products, and a steady increase in power inductor sales, despite reduced sales of power solution and signal products. Operating income increased significantly from ¥56 million to ¥341 million, due to successful efforts to reduce the cost of raw materials and to curb manufacturing expenses.

North America

In North America, net sales declined 32.7% to ¥2,619 million due to the drop in other business segments caused by the withdrawal from manufacturing electromagnetic products, despite increased sales of signal and automotive products. The operating loss grew from ¥28 million in the previous year to ¥118 million, due mainly to rising prices of raw materials and increased manufacturing expenses accompanying launches of new products.

Other

In this segment, net sales increased from ¥33 million in the previous year to ¥1,858 million due to the new addition of the company STELCO which was acquired in the previous year. The operating loss fell from ¥180 million in the previous year to ¥22 million, due to the contribution of STELCO profits.

Financial Condition

As of the end of the fiscal year under review, total assets were ¥51,701 million, up ¥17,531 million from ¥34,170 million at the previous fiscal year-end. This was mainly the result of a ¥14,886 million increase in current assets due mainly to increased cash and cash equivalents resulting from higher net sales, and a ¥9,914 million increase in fixed liabilities due to a bond issue.

Total shareholders' equity was ¥24,920 million, an increase of ¥4,409 million from ¥20,511 million a year ago. This was mainly the result of an increase in retained earnings due to the booking of ¥2,435 million in net income and a decrease of ¥2,228 million in the loss on foreign currency translation adjustments due to the depreciation of the yen.

Cash Flows

Cash and cash equivalents at the end of the fiscal year were ¥18,225 million, ¥13,325 million more than at the previous fiscal year-end.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥3,052 million, an increase of ¥639 million from the previous year. A ¥1,304 million increase in income before income taxes and minority interests was offset by a decrease of ¥2,540 million in trade receivables and inventories, and an increase of ¥1,358 million in trade payables. In addition, ¥1,103 million in gain on sales of securities was booked as cash flows from operating activities.

Cash flows from investing activities

Net cash used by investing activities amounted to ¥2,188 million, a decrease of ¥919 million from the previous year. This was mainly attributable to ¥1,099 million generated as net earnings from sales of investment securities, an increase of ¥401 million in proceeds from sales of property, plant and equipment and a decrease of ¥846 million in payments for purchases of shares in subsidiaries and related companies. These factors were partially offset by an increase of ¥1,277 million in payments for purchases of property, plant and equipment.

Cash flows from financing activities

Net cash provided by financing activities was ¥12,006 million, an increase of ¥10,761 million from the previous year. This was mainly attributable to ¥3,250 million in loans to acquire subsidiary shares, and ¥9,171 million in proceeds from bond issuance, offset by payment of ¥1,200 million for the redemption of bonds, cash dividends paid of ¥161 million more than the previous year, and proceeds from issuance of common stocks and warrants of ¥536 million less than the previous year.

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Consolidated Balance Sheets

December 31, 2004 and 2005

| | December 31 | | |
|-------------------------------------------|-------------------|-----------------|------------------------------|
| | (Millions of yen) | | (Thousands of U.S. dollars*) |
| | 2004 | 2005 | 2005 |
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | ¥ 4,900 | ¥ 18,342 | \$ 155,441 |
| Trade receivables: | | | |
| Notes | 1,004 | 877 | 7,432 |
| Accounts | 8,081 | 9,023 | 76,466 |
| Allowance for doubtful accounts | (30) | (40) | (339) |
| | 9,055 | 9,860 | 83,559 |
| Inventories | 4,049 | 4,629 | 39,229 |
| Deferred income taxes | 1,432 | 1,011 | 8,568 |
| Prepaid expenses and other current assets | 847 | 1,327 | 11,245 |
| Total current assets | 20,283 | 35,169 | 298,042 |
| Property, plant and equipment: | | | |
| Land | 1,254 | 1,761 | 14,924 |
| Buildings | 6,222 | 6,322 | 53,576 |
| Machinery and equipment | 9,514 | 13,001 | 110,178 |
| Furniture and fixtures | 2,641 | 2,898 | 24,559 |
| Construction in progress | 322 | 1,294 | 10,966 |
| | 19,953 | 25,276 | 214,203 |
| Accumulated depreciation | (10,268) | (12,512) | (106,033) |
| Property, plant and equipment, net | 9,685 | 12,764 | 108,170 |
| Investments and other assets: | | | |
| Goodwill | 839 | 848 | 7,186 |
| Intangible assets | 649 | 612 | 5,187 |
| Investment in securities | 195 | 124 | 1,050 |
| Investment in affiliated company | 681 | 553 | 4,686 |
| Deferred income taxes | 1,537 | 1,352 | 11,458 |
| Other assets | 301 | 279 | 2,365 |
| Total investments and other assets | 4,202 | 3,768 | 31,932 |
| Total assets | ¥ 34,170 | ¥ 51,701 | \$ 438,144 |

* U.S. Dollar Amounts

Solely for the convenience of the reader and as a matter of arithmetic computation only, the amounts in the 2005 consolidated financial statements have been translated from Japanese yen into U.S. dollars, at the rate of ¥118=U.S.\$1, the approximate rate prevailing on December 31, 2005. The translation should not be construed as a representation that Japanese yen could be converted into U.S. dollars at this or any other rate.

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| | December 31 | | |
|------------------------------------------------|-------------------|---------|--------------------------------|
| | (Millions of yen) | | (Thousands of U.S. dollars) |
| | 2004 | 2005 | 2005 |
| Liabilities and shareholders' equity | | | |
| Current liabilities: | | | |
| Short-term bank borrowings | ¥ 4,850 | ¥ 9,800 | \$ 83,051 |
| Current portion of long-term debt | 1,875 | 371 | 3,144 |
| Trade payables: | | | |
| Notes | - | 11 | 93 |
| Accounts | 3,572 | 3,695 | 31,314 |
| | 3,572 | 3,706 | 31,407 |
| Income taxes payable | 232 | 364 | 3,085 |
| Deferred income taxes | 142 | 266 | 2,254 |
| Accrued expenses and other current liabilities | 2,135 | 1,501 | 12,720 |
| Total current liabilities | 12,806 | 16,008 | 135,661 |
| Long-term liabilities: | | | |
| Long-term debt | 371 | 9,200 | 77,966 |
| Deferred income taxes | 212 | 294 | 2,492 |
| Accrued employees' pension and severance costs | - | 199 | 1,686 |
| Lease obligation | - | 1,012 | 8,576 |
| Other | 221 | 13 | 110 |
| Total long-term liabilities | 804 | 10,718 | 90,830 |
| Total liabilities | 13,610 | 26,726 | 226,491 |
| Minority interests | | | |
| Contingent liabilities | 49 | 55 | 466 |
| | - | - | - |
| Shareholders' equity : | | | |
| Common stock: | | | |
| Authorized – 35,000,000 shares in 2004 | | | |
| 70,000,000 shares in 2005 | | | |
| Issued – 17,462,143 shares–2004 | 6,604 | - | - |
| 19,413,611 shares–2005 | - | 6,771 | 57,381 |
| Additional paid-in capital | 6,416 | 6,585 | 55,805 |
| Retained earnings | 10,647 | 12,532 | 106,203 |
| Net unrealized holding gain on securities | 68 | 52 | 441 |
| Translation adjustments | (3,183) | (955) | (8,092) |
| | 20,552 | 24,985 | 211,738 |
| Treasury stock, at cost: | | | |
| 15,881 shares–2004 | (41) | - | - |
| 26,999 shares–2005 | - | (65) | (551) |
| Total shareholders' equity | 20,511 | 24,920 | 211,187 |
| Total liabilities and shareholders' equity | ¥34,170 | ¥51,701 | \$438,144 |

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Consolidated Statements of Income

Years ended December 31, 2004 and 2005

| | December 31 | | |
|---------------------------------------------------|-------------------|----------------|-----------------------------|
| | (Millions of yen) | | (Thousands of U.S. dollars) |
| | 2004 | 2005 | 2005 |
| Net sales | ¥36,246 | ¥39,666 | \$336,153 |
| Cost of sales | 26,073 | 29,282 | 248,153 |
| Gross profit | 10,173 | 10,384 | 88,000 |
| Selling, general and administrative expenses | 6,562 | 7,201 | 61,025 |
| Operating income | 3,611 | 3,183 | 26,975 |
| Other income (expense): | | | |
| Interest and dividend income | 33 | 61 | 517 |
| Interest expense | (58) | (59) | (500) |
| Foreign currency exchange gain (loss) | (32) | 139 | 1,178 |
| Equity in loss of affiliated company | (321) | (387) | (3,280) |
| Other, net | (608) | 992 | 8,407 |
| Income before income taxes and minority interests | 2,625 | 3,929 | 33,297 |
| Income taxes: | | | |
| Current | 524 | 660 | 5,593 |
| Deferred | 294 | 828 | 7,017 |
| | 818 | 1,488 | 12,610 |
| Income before minority interests | 1,807 | 2,441 | 20,687 |
| Minority interests | — | (6) | (51) |
| Net income | ¥ 1,807 | ¥ 2,435 | \$ 20,636 |



Consolidated Statements of Shareholders' Equity

Years ended December 31, 2004 and 2005

| | Number of shares | Common stock | Additional paid-in capital | Retained earnings | Net unrealized holding gain on securities | Translation adjustments | Treasury stock | Total |
|----------------------------------------------|---------------------|-----------------|----------------------------------|----------------------|-------------------------------------------------|----------------------------|-------------------|------------------|
| (Millions of yen) | | | | | | | | |
| Balance as of December 31, 2003 | 15,424,425 | ¥6,165 | ¥5,971 | ¥ 9,231 | ¥ 91 | ¥(2,626) | ¥(23) | ¥18,809 |
| Net income | | | | 1,807 | | | | 1,807 |
| Unrealized loss on securities | | | | | (23) | | | (23) |
| Currency translation adjustments | | | | | | (557) | | (557) |
| Stock split | 1,584,527 | | | | | | | - |
| Warrant and stock option issuance | 453,191 | 439 | 445 | | | | | 884 |
| Cash dividends paid | | | | (391) | | | | (391) |
| Purchase of treasury stock | | | | | | | (18) | (18) |
| Balance as of December 31, 2004 | 17,462,143 | ¥6,604 | ¥6,416 | ¥10,647 | ¥ 68 | ¥(3,183) | ¥(41) | ¥20,511 |
| Net income | | | | 2,435 | | | | 2,435 |
| Unrealized loss on securities | | | | | (16) | | | (16) |
| Currency translation adjustments | | | | | | 2,228 | | 2,228 |
| Stock split | 1,746,214 | | | | | | | - |
| Warrant and stock option issuance | 205,254 | 167 | 169 | | | | | 336 |
| Cash dividends paid | | | | (550) | | | | (550) |
| Purchase of treasury stock | | | | | | | (24) | (24) |
| Balance as of December 31, 2005 | 19,413,611 | ¥6,771 | ¥6,585 | ¥12,532 | ¥ 52 | ¥ (955) | ¥(65) | ¥24,920 |
| (Thousands of U.S. dollars) | | | | | | | | |
| Balance as of December 31, 2004 | | \$55,966 | \$54,373 | \$ 90,229 | \$ 576 | \$(26,974) | \$(347) | \$173,823 |
| Net income | | | | 20,636 | | | | 20,636 |
| Unrealized loss on securities | | | | | (135) | | | (135) |
| Currency translation adjustments | | | | | | 18,882 | | 18,882 |
| Stock split | | | | | | | | - |
| Warrant and stock option issuance | | 1,415 | 1,432 | | | | | 2,847 |
| Cash dividends paid | | | | (4,662) | | | | (4,662) |
| Purchase of treasury stock | | | | | | | (204) | (204) |
| Balance as of December 31, 2005 | | \$57,381 | \$55,805 | \$106,203 | \$ 441 | \$ (8,092) | \$(551) | \$211,187 |



Consolidated Statements of Cash Flows

Years ended December 31, 2004 and 2005

| | December 31 | | |
|-------------------------------------------------------------------------------------------------|-------------------|-----------------|-----------------------------|
| | (Millions of yen) | | (Thousands of U.S. dollars) |
| | 2004 | 2005 | 2005 |
| Cash flows from operating activities | | | |
| Income before income taxes and minority interests | ¥ 2,625 | ¥ 3,929 | \$ 33,297 |
| Depreciation and amortization | 1,564 | 1,606 | 13,610 |
| Interest and dividend income | (33) | (61) | (517) |
| Interest expense | 58 | 59 | 500 |
| Equity in loss of affiliated company | 321 | 387 | 3,280 |
| Gain on sales of securities | - | (1,103) | (9,348) |
| Other, net | 13 | (826) | (7,000) |
| Changes in operating assets and liabilities: | | | |
| Trade receivables | (2,131) | (65) | (551) |
| Inventories | (619) | (145) | (1,229) |
| Trade payables | 1,075 | (283) | (2,398) |
| Subtotal | 2,873 | 3,498 | 29,644 |
| Interest and investment dividend received | 33 | 61 | 517 |
| Interest paid | (59) | (46) | (390) |
| Income taxes paid | (434) | (461) | (3,907) |
| Net cash provided by operating activities | 2,413 | 3,052 | 25,864 |
| Cash flows from investing activities | | | |
| Payments into time deposits | - | (107) | (907) |
| Purchases of property, plant and equipment | (1,703) | (2,980) | (25,254) |
| Proceeds from sales of property, plant and equipment | 93 | 494 | 4,186 |
| Acquisition of STELCO, net of cash acquired | (825) | (292) | (2,475) |
| Proceeds from sales of investment securities | - | 17,789 | 150,754 |
| Payments for purchases of investment in securities | - | (16,690) | (141,441) |
| Payments for investment in an affiliated company | (622) | (309) | (2,619) |
| Other, net | (50) | (93) | (788) |
| Net cash used in investing activities | (3,107) | (2,188) | (18,544) |
| Cash flows from financing activities | | | |
| Increase in short-term bank borrowings | 1,700 | 4,950 | 41,949 |
| Repayment of long-term debt | (967) | (675) | (5,720) |
| Proceeds from issuance of common stock and warrants | 869 | 333 | 2,822 |
| Cash dividends paid | (389) | (550) | (4,661) |
| Proceeds from bond issuance | - | 9,171 | 77,720 |
| Repayment of bond | - | (1,200) | (10,169) |
| Other, net | 32 | (23) | (195) |
| Net cash provided by financing activities | 1,245 | 12,006 | 101,746 |
| Effect of exchange rate changes on cash and cash equivalents | (133) | 455 | 3,856 |
| Net increase in cash and cash equivalents | 418 | 13,325 | 112,922 |
| Cash and cash equivalents at beginning of year | 4,471 | 4,900 | 41,525 |
| Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation | 11 | - | - |
| Cash and cash equivalents at end of year | ¥ 4,900 | ¥ 18,225 | \$ 154,447 |

Investor Information

As of December 31, 2005

Authorized shares: 70,000,000

Issued shares: 19,413,611

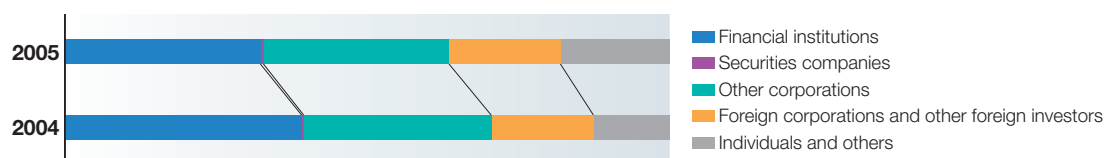
Number of shareholders: 5,587

Stock listing: Tokyo Stock Exchange, First Section

Stock code: 6817

Share transfer agent: Tokyo Securities Transfer Agent Co., Ltd.

Composition of shareholders:



Major shareholders (top 10)

| | Thousands of shares | Percentage of total shares outstanding (%) |
|--------------------------------------|---------------------|--------------------------------------------|
| Yawata Building Co., Ltd. | 5,797 | 29.9 |
| The Master Trust Bank of Japan, Ltd. | 2,230 | 11.5 |
| Japan Trustee Services Bank, Ltd. | 1,671 | 8.6 |
| Trust & Custody Services Bank, Ltd. | 1,469 | 7.6 |
| Bank of New York Europe Ltd. | 804 | 4.1 |
| The Chase Manhattan Bank, NA London | 489 | 2.5 |
| JPMorgan Chase Bank | 378 | 2.0 |
| Goldman Sachs | 320 | 1.7 |
| Sadae Yawata | 261 | 1.3 |
| Shigeyuki Yawata | 251 | 1.3 |

| Company Name <Country, region> | Address | Telephone | Fax |
|------------------------------------------------------|--------------------------------------------------------------|------------------|------------------|
| Head office function | | | |
| SUMIDA CORPORATION <JAPAN> | 3-3-6, Nihonbashi-Ningyocho Chuo-ku, Tokyo, Japan, 103-8589 | 81-3-3667-3301 | 81-3-3667-3454 |
| Sumida Electronic Components Co., Ltd. <JAPAN> | 3-3-6, Nihonbashi-Ningyocho Chuo-ku, Tokyo, Japan, 103-8589 | 81-3-3667-3301 | 81-3-3667-3454 |
| Sumida Corporate Service Incorporated <JAPAN> | 3-3-6, Nihonbashi-Ningyocho Chuo-ku, Tokyo, Japan, 103-8589 | 81-3-3667-3301 | 81-3-3667-3454 |
| SUMIDA CORPORATE SERVICE COMPANY LIMITED <HONG KONG> | 14/F Eastern Centre, 1065 King's Road, Quarry Bay, Hong Kong | 852-2880-6688 | 852-2563-6416 |
| SUMIDA SERVICE COMPANY LIMITED <HONG KONG> | 14/F Eastern Centre, 1065 King's Road, Quarry Bay, Hong Kong | 852-2563-6688 | 852-2880-6416 |
| Sumida Holding Germany GmbH <GERMANY> | Kerschensteinerstraße 21, D-92318 Neumarkt/OPf., Germany | 49-9181-4509-110 | 49-9181-4509-310 |

| Company Name <Country, region> | Address | Telephone | Fax |
|---------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------|------------------------------|
| Sales | | | |
| SUMIDA AMERICA INC. (Chicago Office) <U.S.A.> | 1701 Golf Road, Tower 1, Suite 1108, Rolling Meadows, IL 60008, U.S.A. | 1-847 545-6700 | 1-847 545-6720 |
| SUMIDA AMERICA INC. (San Jose Office) <U.S.A.> | 1885 Lundy Ave, Suite 250, San Jose, CA 95131, U.S.A. | 1-408 321-9660 | 1-408 321-9308 |
| SUMIDA TRADING (SHANGHAI) COMPANY LIMITED <CHINA> | Unit F, 21/F, Pufa Tower, 588 South Pudong Road, Pudong, Shanghai, China P.R.C. 200120 | 86-21- 6887-7222 | 86-21- 6887-7221 |
| SUMIDA TRADING (SHANGHAI) COMPANY LIMITED (Shenzhen Office) <CHINA> | Room 3905, Block A, United Plaza, 5022 Binhe Road, Futian District, Shenzhen, Guang Dong Province, China P.R.C. 518026 | 86-755 8291-0228 | 86-755 8291-0338 |
| SUZHOU SUMIDA ELECTRIC CO., LTD. <CHINA> | No. 15, Dongxing Road, Loufeng, Sub-district, Suzhou Industrial Park, Suzhou, Jiangsu, China P.R.C 215021 | 86-512-6760-9280 | 86-512-6760-9512 |
| Jensen Devices AB <SWEDEN> | Rudbecks väg 143, 192 51 SOLLENTUNA, SWEDEN | 46-8-92 88 95 | 46-8-96 33 15 |
| STELCO GmbH Electronic Components <GERMANY> | Kerschensteinerstraße 21, D-92318 Neumarkt/OPf., Germany | 49-9181-4509-110 | 49-9181-4509-310 |
| SUMIDA TRADING COMPANY LIMITED (HONG KONG Office) <HONG KONG> | 14/F Eastern Centre, 1065 King's Road, Quarry Bay, Hong Kong | 852-2880-6688 | 852-2565-9600 |
| SUMIDA TRADING COMPANY LIMITED (Munich Office) <GERMANY> | Stefan-George-Ring 29, D-81929, Munich, Germany | 49-89-930-86161 | 49-89-930-86422 |
| SUMIDA Korea, Inc. <KOREA> | Room No. 403, Dong Young Venturestel 5th, 199-32, Anyang 7-dong, Manan-gu, Anyang-si, Gyeonggi-do, Korea #430-817 | 82-31-4680391 | 82-31-4680392 |
| Sumida Electric Co., Ltd. <JAPAN> | 3-3-6, Nihonbashi-Ningyocho Chuo-ku, Tokyo, Japan, 103-8589 | 81-3-3667-3302 | 81-3-3667-3408 |
| Sumida Electric Co., Ltd. (Keihin Office) <JAPAN> | Uchimura Bldg., 3F, 1-19-1, Tenno-cho, Hodogaya-ku, Yokohama City, Kanagawa, Japan, 240-0003 | 81-45-334-0057 | 81-45-334-0222 |
| Sumida Electric Co., Ltd. (Osaka Office) <JAPAN> | Shin-Osaka MT Bldg.II, 12th Floor, 3-5-36 Miyahara, Yodogawa-ku, Osaka City, Osaka, Japan, 532-003 | 81-6-6391-8855 | 81-6-6391-8877 |
| Sumida Electric Co., Ltd. (Tohoku Office) <JAPAN> | 31-1, Miyajima, Uematsu, Natori City, Miyagi, Japan, 981-1226 | 81-22-381-6606 | 81-22-381-6616 |
| Sumida Electric Co., Ltd. (Nagoya Office) <JAPAN> | 8/F., Renga Bridge Bldg., 4-8-7 Masaki Naka-ku, Nagoya City, Aichi, Japan, 460-0024 | 81-52-680-1277 | 81-52-680-1288 |
| Sumida Electric Co., Ltd. (Kumagaya Office) <JAPAN> | 3/F Furusawa No. 3 Bldg., 1-91 Sakuragicho, Kumagaya City, Saitama, Japan 360-0049 | 81-48-521-4017 | 81-48-525-2117 |
| Sumida Electric Co., Ltd. (Tachikawa Office) <JAPAN> | Kuran-Iwasaki-Bldg., 3/F., 1-21-18, Fujimicho, Tachikawa City, Tokyo, Japan, 190-0013 | 81-42-522-5081 | 81-42-522-4475 |
| Sumida Electric Co., Ltd. (Kanazawa Office) <JAPAN> | Hatao-Bldg., Room 102, 3-196, Takabatake, Kanazawa City, Ishikawa, Japan, 921-8001 | 81-76-292-2566 | 81-76-292-2544 |
| SMD MARKETING (M) SDN. BHD. (Penang Office) <MALAYSIA> | 1-3-B, NB Plaza, 3000 Jalan Baru, 13700 Prai, Penang Malaysia. | 60-4-398 3415 60-4-398 3416 | 60-4-398 3417 |
| SMD MARKETING (M) SDN. BHD. (Kuala Lumpur Office) <MALAYSIA> | Suite 704, 7th Floor Menara Apex, Off Jalan Semenyih, Bukit Mewah, 43000 Kajang, Selangor Darul Ehsan, Malaysia | 60-3-8733-0900 | 60-3-8737-7384 |
| SUMIDA TRADING PTE LTD (Singapore Office) <SINGAPORE> | 996 Bendemeer Road #04-05 to 06, Singapore 339944 | 65-6296-3388 | 65-6296-3390 65-6295-2055 |
| TAIWAN SUMIDA ELECTRONICS INCORPORATED (Taipei Office) <TAIWAN> | No. 171, Fude St., Xinyi District, Taipei City 110, Taiwan, R.O.C | 886-2-2726-2177 | 886-2-2728-2726 |
| TAIWAN SUMIDA ELECTRONICS INCORPORATED (Tainan Office) <TAIWAN> | Room B, 5/F, Shan-Hua Building No. 291 Ta-Cheng Road, Shan-Hua, Tainan County, Taiwan, R.O.C | 886-6-583-4836 | 886-6-583-4768 |
| TAIWAN SUMIDA ELECTRONICS INCORPORATED (Hsinchu Office) <TAIWAN> | Room 2, 10/F, No.537, Sec.2, Guangfu Rd., Hsinchu City 300, Taiwan, R.O.C. | 886-3561-0554 | 886-3561-0564 |

| Company Name <Country, region> | Address | Telephone | Fax |
|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| R&D | | | |
| Sumida Electric (H.K.) Company Limited <CHINA> | 3/F Yindu Building, 225 GuangMing North Road, Shiqiao Town, Pan Yu District, Guang Zhou, Guang Dong, China P.R.C. 511400 | 86-20-34807890 | 86-20-34807896 |
| Sumida Electric (H.K.) Company Limited <CHINA> | Kou Shui Hang Village, Shi Ji Town, Pan Yu District, Guang Zhou City, Guang Dong, China P.R.C. 511450 | 86-20-84616928 | 86-20-84618257 |
| DONGGUAN SUMIDA (TAI PING) ELECTRIC CO., LTD. <CHINA> | Jin Zhou Guan Li Qu, Humen Zhen, Dong Guan City, Guang Dong Province, China P.R.C. 523906 | 86-7695-111118 | 86-7695-110233 |
| SUZHOU SUMIDA ELECTRIC CO., LTD. <CHINA> | No.15, Dongxing Road, Loufeng, Sub-district, Suzhou Industrial Park, Suzhou, Jiangsu, China P.R.C. 215021 | 86-512-67609280 | 86-512-67602162 |
| TAIWAN SUMIDA ELECTRONICS INCORPORATED <TAIWAN> | 50, Wou Shin Street, Keelung, Taiwan R.O.C. | 886-2-2431-2146 | 886-2-2431-8170 |
| TAIWAN SUMIDA ELECTRONICS INCORPORATED <TAIWAN> | Room B, 5F, Shan-Hua Building, No. 291 Ta-Cheng Road, Shan-Hua, Tainan County, Taiwan R.O.C. | 886-6-583-4836 | 886-6-583-4768 |
| Sumida Electric Co., Ltd. <JAPAN> | 3-3-6, Nihonbashi-Ningyocho Chuo-ku, Tokyo, Japan, 103-8589 | 81-3-3667-3302 | 81-3-3667-3408 |
| Sumida Electric Co., Ltd. <JAPAN> | 31-1, Miyajima, Uematsu, Natori City, Miyagi, Japan, 981-1226 | 81-22-381-6600 | 81-22-381-6611 |
| SUMIDA Korea, Inc. <KOREA> | Room No. 403, Dong Young Venturestel 5th, 199-32, Anyang 7-dong, Manan-gu, Anyang-si, Gyeonggi-do, Korea #430-817 | 82-31-4680391 | 82-31-4680392 |
| Jensen Devices AB <SWEDEN> | Rudbecks väg 143, SE-192 51 SOLLENTUNA, SWEDEN | 46-8-92 88 95 | 46-8-96 33 15 |
| STELCO GmbH Electronic Components <Germany> | Kerschensteinerstraße 21, D-92318 Neumarkt/OPf., Germany | 49-9181-4509-110 | 49-9181-4509-310 |

| Company Name <Country, region> | Address | Telephone | Fax |
|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Manufacture | | | |
| Sumida Electric (H.K.) Company Limited (Pan Yu Sumida Kou Shui Hang Electric Factory) <CHINA> | Kou Shui Hang Village, Shi Ji Town, Pan Yu District, Guang Zhou City, Guang Dong, China P.R.C. 511450 | 86-20-8-4616928 | 86-20-8-4618257 |
| DONGGUAN SUMIDA (TAI PING) ELECTRIC CO., LTD. <CHINA> | Jin Zhou Village, Tai Xin Road, Humen Town, Dong Guan City, Guang Dong Province, China PRC 523906 | 86-7695-111118 | 86-769-85122851 |
| SUZHOU SUMIDA ELECTRIC CO., LTD. <CHINA> | No. 15, Dongxing Road, Loufeng, Sub-district, Suzhou Industrial Park, Suzhou, Jiangsu, China P.R.C. 215021 | 86-512-6760-9280 | 86-512-6760-2162 |
| TAIWAN SUMIDA ELECTRONICS INCORPORATED <TAIWAN> | 50, Wou Shin Street, Keelung, Taiwan R.O.C. | 886-22431-2146 | 886-22431-8170 |
| SUMIDA DE MEXICO, S.A. DE C.V. <MEXICO> | Parque Industrial Tecnológico, Camino al Itesco, No 8900, Edificio 5, Tlaquepaque, Jalisco, C.P. 45080 Mexico | 52-33-3133-4005 | 52-33-3632-7123 |
| Sumida Electric (H.K.) Company Limited (Saigon Electronic Co. (SAGEL)) <VIETNAM> | 780A Nguyen Kiem St, Go Vap Dist., Ho Chi Minh City, Vietnam | 84-8985-5135 | 84-8985-5026 |

| Company Name <Country, region> | Address | Telephone | Fax |
|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Group companies | | | |
| VOGT electronic AG <GERMANY> | VOGT electronic Platz 1/94130 Oberzell -Germany | 49 (0) 8591 / 937-0 | 49 (0) 8591/937-103 |
| Jensen Devices AB <SWEDEN> | Rudbecks väg 143, 192 51 Sollentuna, Sweden | 46-8-92 88 95 | 46-8-96 33 15 |
| STELCO GmbH Electronic Components <GERMANY> | Kerschensteinerstraße 21, D-92318 Neumarkt/OPf., Germany | 49-9181 4509 110 | 49-9181 4509 310 |
| SUMIDA Korea, Inc. <KOREA> | Room No. 403, Dong Young Venturestel 5th, 199-32, Anyang 7-dong, Manan-gu, Anyang-si, Gyeonggi-do, Korea #430-817 | 82-31-4680391 | 82-31-4680392 |

Corporate Data

As of December 31, 2005

Company name: SUMIDA CORPORATION

Address: 3-6, 3-chome, Ningyo-cho, Nihonbashi,
Chuo-ku, Tokyo 103-8589

Tel: +81-3-3667-3301

Established: January 16, 1956

Paid-in capital: ¥6,771 million

Number of employees: 17,753 (consolidated)

Corporate auditor: Ernst & Young Shin Nihon

Description of business:

Research, development, design, manufacturing, and sales of high-frequency coils, inductors and inverters, delivering products to automobile electronics and consumer electronics industries



SUMIDA CORPORATION

Directors and executive officers: (As of March 18, 2006)

Director and Representative Executive Officer
(Chief Executive Officer)

Shigeyuki Yawata

Director and Representative Executive Officer
(Group President)

Chiu Ka Sheung

Outside Directors

Robert E. Patterson

Ashok B. Melwani

Director

Tadakazu Koizumi

Outside Directors

Hiroshi Matsuhashi

Yutaka Aso

Kazuhide Kondo

Masato Tsuru

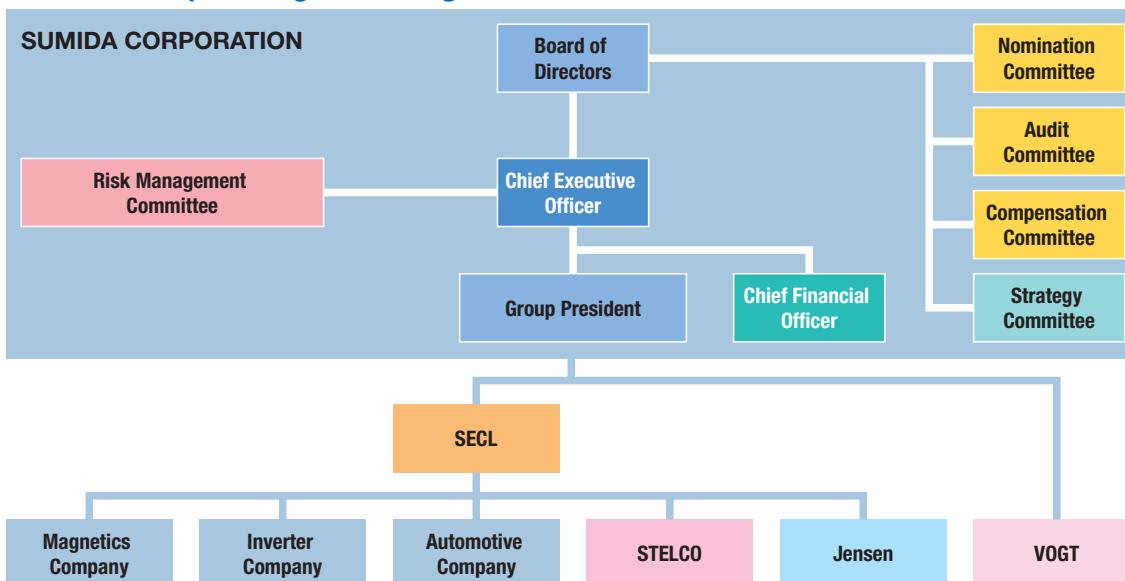
Kotaro Miyagi

Representative Executive Officer

(Chief Financial Officer)

Saburo Matsuda

Sumida Group Management Organization Chart





SUMIDA CORPORATION

3-6, 3-chome, Ningyo-cho, Nihonbashi, Chuo-ku, Tokyo, 103-8589

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