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2001

Financial Results for the 3rd quarter ended 30 September 2001

SUMIDA CORPORATION
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Results for the 3rd quarter ended 30 September 2001

Financial Highlights for the 3rd quarter ended 30 September 2001

Unit: million yen

Period / Category	3rd quarter 2001					Nine Months ended 30 September 2001				
	This 1/4	%	3rd 1/4 2000	%	% change	This 9 months	%	9months 2000	%	% Change
Sales	7,636	100.0	9,207	100.0	(17.1)	23,976	100.0	24,882	100.0	(3.6)
Operating Income	156	2.0	1,248	13.6	(87.5)	571	2.4	2,656	10.7	(78.5)
Income before taxes & abnormal items (Recurring Profit)	(44)	(0.6)	1,149	12.5	(103.8)	(274)	(1.1)	2,462	9.9	(111.1)
Income before taxes	(1,405)	(18.4)	1,105	12.0	(227.1)	(1,765)	(7.4)	2,395	9.6	(173.7)
Net Income	(1,651)	(21.6)	669	7.3	(346.8)	(1,876)	(7.8)	1,563	6.3	(220.0)

Unit: million yen

Period / Category	2nd1/4		1st 1/4		4th 1/4		3rd 1/4	
	2001	2000	2001	2000	2000	1999	2000	1999
Sales	8,114	8,231	8,226	7,445	8,693	7,290	9,207	6,851
Operating Income	81	695	333	713	662	619	1,248	1,047
Income before taxes & abnormal items	(277)	623	47	690	505	268	1,149	947
Income before taxes	(219)	611	(141)	679	237	(482)	1,105	873
Net Income	(131)	459	(94)	434	410	(356)	669	710

Unit: million yen

	2000	1999	1998	1997	1996
Sales	33,575	24,574	21,391	21,248	18,360
Operating Income	3,318	2,687	2,210	2,637	1,537
Income before taxes & abnormal items	2,967	2,439	2,336	2,305	1,334
Income before taxes	2,632	1,580	2,550	1,969	1,086
Net Income	1,973	1,003	1,942	1,385	677
Shrldrs Equity	18,581	15,083	9,232	8,587	7,181
Total Assets	32,000	26,220	20,840	20,381	19,168
Per share（yen）					
eps	163.43	101.56	205.07	146.25	71.48
Equity ratio	1,539.48	1,374.60	974.60	906.54	758.06

*Foreign exchange adjustments are included in Shareholder’s Equity

Message from the CEO- 3rd quarter 2001

The Sumida Group extends its deepest condolences to all those who lost loved ones in the tragic events of September 11

Reflecting on the 3^{rd} quarter, the operating environment of the Sumida group became increasingly severe. The US economy continued to stagnate and the slowing of the mobile telephone and personal computer market showed no sign of abating. The only bright area in an otherwise bleak market was the automotive segment in which the shipment of components continued to expand

Looking at sales for the 3^{rd} quarter, electronic components for automobiles grew by double digits whereas coils for consumer electronic products, information technology and communications coils, other coils, optoelectronics and magnetics all declined in volume to register an overall sales reduction of 17.1% on the corresponding period of the prior year to total of 7.6 billion yen. Resulting from decreased sales was excess capacity of the manufacturing facilities, which led to operating profit falling 87.5% to 1.56 billion yen. Profits before taxes and special items, recurring profit, fell into negative figures of a loss of 44 million yen. Further, a restructuring of North American operations was carried out with the view of further strengthening the revenue base of the group, and thereby reducing the impact of economic fluctuations on group results, through greater product diversification. Added to this was an extraordinary write-off of goodwill of 1.2 billion yen remaining from the REMtech acquisition of 1999 prompted by a change in US accounting standards. These factors led to a net loss for the period of 1.7 billion yen.

As stated in the report of the 2^{nd} quarter of this year, a regrouping strategy has been implemented, known as "**Revive Sumida**". In the short term this policy it entails restructuring the US operations, and achieving significant cost savings by strengthening internal processes, particularly in the areas of R&D and manufacturing. There is much potential for Sumida to expand regardless of difficult global economic conditions. By focusing on efficiency and effectiveness in key areas, Sumida can provide a solid platform for revenue and profit growth.

Our broad mid-term strategy, known within the Sumida group as "**Global, Speed & Focus 21**", remains very much at the strategic forefront. This strategy forms the foundation of our performance target by the end of fiscal year 2006 of US$1 billion in revenues with US$100 million in net profit. By focusing on our core competency while promoting adaptability to continually changing market conditions, we aim to speedily capture new market opportunities. We endeavor to capitalize on our strong foundation built up over 50 years to allow Sumida to penetrate new markets and ensure new successes. In order to assist in the understanding of Sumida's past, to share the values and visions of the founders, an education and training apparatus for all group members to access, known as "Sumida Academy" will commence in the 4^{th} quarter 2001. Sumida Academy will further enable our ability to build on our strengths and to focus on what we need to do in order to achieve our aims.

"Global, Speed & Focus 21"

Global•••	To source globally customers, human resources, production resources & capital
Speed••••	To be a true change company setting the pace in the business environment
Focus••••	To nurture employees ready to undertake challenges, to focus on a clear aims, and hit clearly specified targets

President & CEO
Sumida Corporation

Overview of Consolidated Business Results for the Third Quarter of 2001

In the electronics industry, due to the adjustment in production of mobile phones and personal computers that commenced from autumn last year, inventories greatly reduced in the third quarter of 2001. With little sign of a boost in demand, the severe situation is likely to continue. However, due to the introduction of electronic systems into automobiles, the performance of electronic components for automobiles has maintained its strength, and posted double-digit growth for the third quarter of 2001, even though sales of new cars have been slipping, especially in the United States.
In sharp contrast to the automotive segment, sales declined for coils in audio and visual equipment coils in communication and information processing equipment, “other” coils, the optoelectronics division, and the magnetics division. Overall sales amounted to 7,636 million yen, down by 17.1% from the previous year. Due to the deterioration of the capacity utilization ratio caused by a decrease in revenue, and a delay in the improvement of the magnetics division, operating profit sank 87.5% from the previous year, to 156 million yen. By assigning foreign exchange loss to non-operating expenses, an ordinary loss of 44 million yen was posted. In addition, due to the writing-off of 1,237 million yen in a lump-sum amortization of goodwill, the current net profit ended up at minus 1,651 million yen.

Outline of Consolidated Business Results for the nine months ended 30 September 2001

While the global economy appeared to be stagnant in the term from January to September in 2001, the world economy has become even more unpredictable following the September terrorist attacks in the United States.
In response to sluggish consumption globally, the performance of audio and visual equipment has generally been bearish. Although mobile telephone sales appeared to have bottomed out by summer, their performance has again taken on a bearish tone since the terrorist attacks. There has been a positive movement toward personal computers, and particularly towards models compatible with Windows XP; however, it still remains difficult to forecast whether the launch of Windows XP will drive a full-scale recovery of demand. On the other hand, despite the drop in new car sales, mainly in the United States, demand for electronic components for automobiles, such as ABS and HID (High Intensity Discharge) lamps, has continued to expand. In terms of the optoelectronics components, the generational changeover from optical pickups for CD-ROMs to optical pickups for DVD-ROMs and DVD-R/Ws has proceeded steadily.
The Sumida Group, in terms of standard coils for electronic equipment, the company has centered its business activities on gathering more information about users’ needs, and assessing the maximum needs of the market as well. The Company has been focusing on the development of new products in order to prepare for the next recovery of the market. Further, in terms of electronic components for automobiles, the company has strongly promoted the expansion of sales of existing products, centering on ABS coils.
In terms of sales for the term from January to September 2001, the performance of electronic components for automobiles has maintained its strength, both in Japan and in Hong Kong. Other coils, particularly coils for air conditioners, have also demonstrated a steady performance. However, as coil sales were stagnant for audio and visual

equipment, communication and information processing equipment, in the optoelectronics division, and in the magnetics division, overall sales reached only 23,976 million yen, representing a decrease of 3.6% from the previous year.

With respect to profit, the magnetics division, which has been undergoing restructuring, has shown improvement. However, sales of the components department, which had been going along satisfactorily, sank in this term, with profit levels falling appreciably. Furthermore, fixed costs increased due to the reinforcement of production capacity at Chinese factories in the last year. Consequently, gross profit amounted to only 5,492 million yen, representing a 25.5% decrease from that of the previous year (1,881 million yen).

In terms of sales and general administrative expenses, due to depreciation costs incurred at the Research and Development Center in Minami Sendai (M-Lab) and the increase in labor costs due to assignment of personnel in charge of R & D and the training of employees to prepare for a smooth generational change, a sum of 571 million yen was posted as operating profit, down by 78.5% from the year-ago level (2,085 million yen).

Due to foreign exchange losses caused by transactions between group companies, and the amortization of goodwill, an ordinary loss of 274 million yen was recorded. On top of this result, the company also decided to implement a drastic reconstruction of the North American division. By classifying the reconstruction costs (107 million yen) and the lump-sump amortization of goodwill (1,237 million yen) as an extraordinary loss on the basis of a change in U.S. accounting standards, the current net loss was recorded as 1,876 million yen.

Segment Information

Sales by Product Category

(Unit：million yen、%)

Category \ Period		3rd 1/4 2001 This 1/4	% of total	Same 1/4 2000	% of total	% change	9 months ended 30 Sept. 2000 2001	% of total	2000	% of total	% change
Coil Business	AV Coils	492	6.4	595	6.5	(17.3)	1,332	5.5	1,658	6.7	(19.7)
	IT Communications Coils	3,060	40.1	3,887	42.2	(21.3)	9,542	39.8	10,094	40.6	(5.5)
	Other Coils	475	6.2	517	5.6	(8.1)	1,816	7.6	1,657	6.7	9.6
	Automotive	1,358	17.8	1,234	13.4	10.0	4,066	17.0	3,317	13.3	22.6
	TOTAL	5,385	70.5	6,233	67.7	(13.6)	16,756	69.9	16,726	67.3	0.2
Optoelectronics		859	11.3	1,410	15.3	(39.1)	2,782	11.6	3,337	13.4	(16.6)
Magnetics		1,392	18.2	1,460	15.9	(4.7)	4,438	18.5	4,507	18.1	(1.5)
Other Business		-	0.0	104	1.1	(100.0)	-	0.0	312	1.2	(100.0)
TOTAL		7,636	100.0	9,207	100.0	(17.1)	23,976	100.0	24,882	100.0	(3.6)

Product Segment Information

(Unit：million yen、%)

Segment \ Period/Category	9 months ended 30 Sept. 2001 Sales	Operating Profit*	Ratio	9 months ended 30 Sept. 2000 Sales	Operating Income	Ratio
Coil Business	16,756	1,355	8.1	16,726	2,800	16.7
Optoelectronics	2,782	106	3.8	3,337	137	4.1
Magnetics	4,438	(890)	(20.1)	4,507	(330)	(7.3)
Other Business	-	-	-	312	49	15.7
TOTAL	23,976	571	2.4	24,882	2,656	10.7

Continued over

Segment Information (cont.)

Sales by Product Region

(Unit：million yen、%)

Region \ Period	3rd 1/4 2001					9 months ended 30 Sept. 2001				
	This 1/4	% of Total	2nd 1/4 2000	% of Total	Change %	This year	% of Total	2000	% of Total	Change %
Japan	1,889	24.7	2,315	25.1	(18.4)	6,069	25.3	6,599	26.5	(8.0)
HK/China	1,172	15.4	1,765	19.2	(33.6)	4,170	17.4	4,581	18.4	(9.0)
ASEAN	638	8.4	908	9.9	(29.7)	1,881	7.8	2,093	8.4	(10.1)
Taiwan/Korea	1,269	16.6	1,143	12.4	11.0	3,449	14.4	3,004	12.1	14.8
NAFTA	1,315	17.2	1,621	17.6	(18.9)	3,995	16.7	4,648	18.7	(14.0)
EU	1,353	17.7	1,455	15.8	(7.0)	4,412	18.4	3,957	15.9	11.5
TOTAL	7,636	100.0	9,207	100.0	(17.1)	23,976	100.0	24,882	100.0	(3.6)

Business Segment Information

The Sumida Group business encompasses the coil division, the optoelectronics division, and the magnetics division. (In its explanation of the performance of each division for the term from January to September in 2001, in addition to showing the results in the yen, the Company also shows the results from the previous year in the local currency. Where a single local currency was used, the figures were converted into the local currency, but where several currencies were used, the figures were converted into U.S. dollars.)

1. Coil Business

Sales in the coil division reached 16,756 million yen, up by 0.2% from the previous year (but an 11.1% decrease from the previous year in the local currency), thanks to the favorable performance of electronic components for automobiles and other coils, and in spite of a decrease in sales of coils for audio and visual equipment and coils for communication and information processing equipment.

On the other hand, operating profit dropped 51.6% from the previous year to 1,355 million yen, due to a decrease in profit accrued by coils for communications and information processing equipment, which are relatively profitable; an increase in fixed costs at Chinese factories due to the reinforcement of production capacity in the last year; depreciation costs incurred for M-Lab, which is an R&D center founded in the last year; and an increase in labor costs for R & D.

a) Audiovisual equipment coils

Sales of coils for audio and visual equipment in the term from January to September in 2001 amounted to 1,332 million yen, down by 19.7% from the previous year, and down by 28.7% from the previous year in the local currency.

Looking at sales for each of the world markets, while demand for coils for liquid crystal TV has been brisk in Japan, demand for coils for DVC, audio, and VTR has been bearish. Sales amounted to 619 million yen, representing a 12.6% decrease from the previous year. Hong Kong posted overall sales of 327 million yen, down by 20.8% from the previous year, due to the contraction of the business for radio and stereo sets, and sales in ASEAN declined to 369 million yen, down by 29.2% from the previous year, owing to the sluggish performance of coils for TV and audio equipment.

b) Information processing and telecommunications equipment coils

Sales of coils for communication and information processing equipment in the term from January to September in 2001 amounted to 9,542 million yen, representing a 5.5% decrease from the previous year, (and a decrease by 16.1% from the previous year in the local currency).

In terms of the breakdown of sales by the product, while sales of coils and transformers for personal computers, PDA and computer-related peripherals decreased to 4,108 million yen, down by 23.4% from the previous year, sales of inverter units for notebook-type personal computers grew to 2,137 million yen, representing 73.2% growth from the previous year. Sales of coils for digital cameras also increased to 430 million yen, up by 11.1% from the year-ago level.

In Japan, due to personal computer makers' adjustments in production, sales of 3,063 million yen were posted, down by 4.3% from the previous year. In NAFTA, along with progress in the restructuring of PC makers and PDA makers, sales amounted to 765 million yen, representing a 41.5% decrease from the previous year. In Hong Kong, owing to stagnant sales of coils for notebook-type personal computers and mobile phones, 1,655 million yen was posted as sales, a 13.1% decline from that of the previous year. In ASEAN, due to sluggish sales of coils for EMS, sales amounted to 1,137 million yen, down by 9.3%. And, in Taiwan, thanks to the activation of demand for inverter units caused by the expansion of local production of liquid crystal monitors for personal computers, sales continued to recover to 2,865 million yen, up by 20.7% from the year-ago level.

c) Other coils

Sales of "other" coils in the term from January to September in 2001 reached 1,816 million yen, representing an increase by 9.6% from the previous year (a 2.8% decrease from the previous year in the local currency).

Although sales of coils for FA equipment decreased due to cutbacks in capital investment by companies, demand for 4V coils for exchangers for coolers and heaters grew rapidly, and sales of coils for hot water systems also showed satisfactory movement.

d) Automotive Components

Sales of electronic components for automobiles in the term from January to September 2001 expanded to 4,066 million yen, up by 22.6% from the previous year (an increase of 8.8% from the previous year in the local currency). Sales of ABS coils, which are the Company's mainstay products, have continued to grow to 2,395 million yen, up by 29.8% from the previous year. The production quantity increased from 18,399,000 units in 1998, to 39,398,000 units in 1999, to 47,471,000 units in 2000, and, in the term from January to September in 2001, the quantity reached 41,112,000 units, up by 17.4% from the previous year. Sales of transformers for HID (High Intensity Discharge) lamps have also been continuously positive, representing 322 million yen, up by 25.3% from the previous year.

2. Optoelectronic businesses

Sales of optoelectronics related components in the term from January to September 2001 totaled 2,782 million yen, representing a 16.6% decrease from the previous year (a 26.0%decrease from the previous year in the local currency). Sales of optical pickups for DVD-ROMs recovered to 230 million yen, which is four times that of the previous year, however, sales of optical pickups for CD-ROMs, the mainstay product, reached 1,956 million yen, down by 19.0% from the previous year. Sales of lens holders for optical pickups declined to 596 million yen, down by 31.3% from the previous year. Despite efforts to reduce expenses at the factories, such as labor costs, operating profit amounted to only 106 million yen, a 22.6% decrease from the previous year.

3. Magnetics businesses

Sales of the magnetics division in the term from January to September in 2001 were recorded as 4,438 million yen, representing a 1.5% decline from the previous year (and a 12.6% decrease from the previous year in the local currency). Although sales of magnetics and surge arresters have been steady on a yen basis, sales of high-performance reed relays other than magnetics, registered a decline.

Due to the expansion of transportation routes and subsequent costs to service new customers with full-scale shipments, and due to an increase in depreciation and labor costs used to strengthen the facilities and personnel in the magnetics department as advance investment, operating loss was recorded at 890 million yen.

The future management environment and business development policy

Caution Concerning Forward-Looking Statements: This document includes certain forward-looking statements. These statements are based on management's expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from these expectations due to changes in global economic, business, competitive market and regulatory factors.

The following explanations include outlook on future business results for Sumida Group. Such outlook is based on the Group's own judgment, and has been adopted as our business administration policies. Actual situations may differ greatly from the outlook, due to changes in the world economic situations, unforeseen incidents and various other factors. Please be sure not to rely totally on the outlook indicated below.

1. Coil businesses

While demand for audio and visual equipment has been affected by stagnant consumption all over the world, except for some products, such as liquid crystal TVs, the environment is expected to continue to be severe. In terms of communication and information processing equipment, it appears that although some products, such as mobile phones, bottomed in August this year, the market has subsequently slumped again in the aftermath of the September terrorist attacks in the United States. It has been one year since production adjustment commenced in autumn last year, centering on mobile phones and personal computers, and it appears that commercial stocks have decreased considerably. However, as it appears that a global-scale slump in demand will continue, we do not anticipate a rapid recovery of the market. We forecast that the expansion of production by set makers will become prominent after spring next year. When it comes to consumer electronics, we expect that sales of air conditioners will continue to grow in the coming months, particularly in China, however, production adjustment will continue for a while due to seasonal factors. In the automobile field, in spite of the decrease in unit sales of new cars, mainly in the United States, we forecast that electronic components for automobiles, such as ABS, HID lamps, torque angle sensor coils for EPS (Electronic Power Steering), and injection coils for direct injection engines, will continue to grow steadily.

In terms of standard coils, we will develop sales activities to gather information about the technological needs of users and to take in the maximum market needs. We will also focus on the development of new products that are smaller or slimmer in size, the efficient use of energy, larger liquid crystal monitors, and next-generation mobile phones, in preparation for the next recovery phase of the market. Further, with respect to electronic components for automobiles, we will address the expansion of sales of the existing products on a full-scale. We have delivered ABS coils to only one client in the past, however, through negotiations with several other major foreign capital companies, we have decided to conduct business with one of them as well. We plan to commence production and sales as soon as possible after the production line is ready, once we have shipped and received approval for the samples. In terms of the scale of production, we forecast an annual production of 21,000,000 units (for the five-year agreement), which is equivalent to more than 40% of the production units for the last year.

At the production sites of the coil division, we have implemented a thorough reduction of cost prices. An increase in the production of inverter units, for which the cost of raw materials is relatively high, has been a factor contributing to low profitability; but the Company achieved a full-scale cutback in the procurement prices from the latter half of 2001. The effect of cost reduction in the value of purchase of raw materials at Pan Yu factory in China grew from 4.7% in March, to 9.6% in August, and to 9.0% in September. On the other hand, at Tai Ping factory, which made a late start, the same effect has been up from 0.6% in March, to 9.0% in August, and to 9.0% in September. Gross profit of inverter units in Taiwan had been 8.1% from the previous year, showing a low standard, however, thanks to the reduction of the purchase cost of chip components, gross profit rose to 19.3% in 2001. In the coming months, the Company will continue to activate negotiations with existing suppliers, as well as aiming at the further reduction of cost prices through the development and fostering of local suppliers, mainly at two factories in China, and the implementation of an outsourcing policy focusing on cost performance. The Company also plans to continue to focus on the reduction of expenses involved in factories, sales, and general administrative expenses.

2. Optoelectronic businesses

In terms of optical pickups for CD-ROM, which is the Company's mainstay product, it is expected that sales will decrease gradually due to progress of the generational changeover. On the other hand, it is forecasted that demand for optical pickups for DVD-ROM will expand in the coming months, against a backdrop of contracting commercial stocks. Although the Company commenced production of optical pickups for DVD-ROM in the third quarter in the last year, the yield ratio has been improved significantly, thanks to its efforts to improve the production lines on a weekly basis. Furthermore, the company will proceed with the reinforcement of the preparation and development of a production structure for pickups for DVD-R/W; where demand is expected to grow in the coming months.
The company aims to commence the production of optical pickups for DVD-R/W from the middle of 2002, through proactively targeting users.

3. Magnetics businesses

Reconstruction measures will be heavily promoted in the magnetics division. The company has already cut back its work force at the production sites, from 1,607 at the end of April 2001, which was the peak period, to 1,252 at the end of September 2001. A further reduction in labor costs is expected to translate into a 20% drop in total from the earlier highest peak of employment. In terms of the transportation costs, through a shift from air transport to sea transport, and the relocation of the distribution center to the Mexican side, the ratio of the transportation cost to sales decreased from 13.3% in the peak period, to 7.6% after the changes. Furthermore, the company has also internalized its procurement of raw materials per se, using the exclusive lines set at the Pan Yu factory in China, thereby also addressing localization.
Against a backdrop of such cost cutting measures, profit of the magnetics department has been on an upward trend. In contrast, however, sales of the components department (particularly in relays, and surge arresters) decreased in line with the stagnation of the U.S. communications and communications equipment industries, which resulted in an overall sluggish performance.
Given this situation, the Sumida Group plans to carry out the following restructuring measures. In the magnetics division, while maintaining the production lines for several major customers, the company will shift the production of all of the products for other

customers to its own factories in China, thereby cutting back the labor force further. Furthermore, while production of ABS coils has increased from 403,000 units in May, to 531,000 units in June, and to 893,000 units in September, the company aims to achieve a monthly production of 2,000,000 units as soon as possible. In terms of a new telecommunications product, it was planned that a transformer for ISDN was to come into mass production from September 2001, however, due to additional requests, such as a change in specifications, the company continued its negotiations. Although the period for mass production has not yet been finalized, the company is aiming for the spring of 2002. The isolation transformer for xDSL has not reached to the stage of mass production, due to stagnation of the communications and communications equipment industry, however, as set makers and IC makers have been competing for technological improvements, focusing on the next recovery period, demand for transformer makers has been activated gradually. SAT (Sumida America Technologies) has been involved in the improvement of the circuit technology with its clients' design departments. In addition, under the terms of the next-generation improvement theme, which is an extension of the communicable distance, client companies have become dependent on the technological ability of transformer makers, such as the design of the structure of coils for transformers and assembly design, much more than before. The company considers this a good opportunity to differentiate itself from its competitors is presenting itself right now.

In the component department, Sumida REMtech Corporation (SRC) founded in July 2001 will consolidate both production and sales. The relay divisions will carry out a further streamlining, while maintaining the current scale of sales. The surge arrester department will develop the GDTs (Gas Discharge Tubes) for HID lamps, aiming to penetrate the field of electronic components for automobiles.

In this quarter, the company depreciated 1,237 million yen in a lump sum, which represents the outstanding balance of the goodwill, which arose through the purchase of the magnetics business. In order to handle the introduction of the economic block to the NAFTA zone, to establish a production base in North America quickly, the Sumida Group purchased the magnetics division. However, the Company earmarked the gap between the actual purchase price and the appraisal value of the assets as goodwill, deeming that such gap was excess profitability. The company has depreciated the goodwill over five years, however, recently, the accounting standards of the United States that set out market evaluation of a goodwill along with purchase of a company have changed, therefore, the Company decided to depreciate the goodwill in a lump sum. Further, through the implementation of streamlining measures, the company also assigned 107 million yen of special retirement bonuses. In the coming years, the company plans to devote itself to turning a profit in the magnetics division.

Consolidated Balance Sheet

(Unit: Thousand yen)

	3rd Quarter 2001	%	3rd Quarter 2000	%	Year End 2000	%
ASSETS						
I Current Assets						
1. Cash & Cash Equivalents	4,293,912		5,843,519		4,892,637	
2. Accounts Receivable	6,449,313		7,772,315		7,042,392	
3. Inventories	3,447,174		3,934,896		4,366,458	
4. Other	1,828,659		898,098		1,144,792	
5. Provision for Doubtful Debts	(92,638)		(95,729)		(78,797)	
Total Current Assets	15,926,420	53.9	18,353,099	57.3	17,367,482	54.3
II Non Current Assets						
(1) Tangible Non-Current Assets						
1. Buildings	6,459,415		5,039,990		6,240,079	
2. Machinery & equipment	9,550,760		8,461,143		8,304,517	
3. Furniture & Fixtures	2,992,578		2,535,540		2,543,761	
4. Land	1,255,768		1,285,127		1,285,904	
5. Construction in Progress	79,226		1,598,952		148,498	
6. Accumulated Depreciation	(8,215,173)		(8,187,527)		(6,914,276)	
Total Non-current Assets	12,122,575	41.0	10,733,225	33.5	11,608,483	36.3
(2) Intangible Assets						
1. Land Occupancy Rights	587,509		537,349		572,532	
2. Consolidation Adjustments	49,671		115,884		99,329	
3. Other	110,847		1,615,533		1,598,847	
Total Intangible Assets	748,027	2.5	2,268,766	7.1	2,270,708	7.1
(3) Investments & Other Assets						
1. Investments in Securities	314,412		234,560		241,314	
2. Other	439,301		452,815		511,824	
Total Investments & Other Assets	753,713	2.6	687,375	2.2	753,138	2.3
Total Fixed Assets	13,624,315	46.1	13,689,366	42.2	14,632,329	45.7
TOTAL ASSETS	29,550,735	100.0	32,042,465	100.0	31,999,811	100.0

Continued over

Consolidated Balance Sheet as at 30 June 2001 (Continued)

LIABILITIES							
I	Current Liabilities						
	1. Accounts Payable	1,921,397		2,976,031		2,781,023	
	2. Short-term loans	6,050,436		6,999,099		5,546,650	
	3. Other current liabilities	2,814,895		3,059,766		2,626,013	
	Total Current Liabilities	10,786,728	36.5	13,034,896	40.7	10,953,686	34.2
II	Non-current liabilities						
	1. Long-term loans	1,573,800		1,531,600		1,922,900	
	2. Provis ion for Retirement Benefits	-		310,742		314,558	
	3. Other Non-current liabilities	237,413		83,111		227,177	
	Total Non-current liabilities	1,811,213	6.2	1,925,453	6.0	2,464,635	7.7
	TOTAL LIABILITIES	12,597,941	42.7	14,960,349	46.7	13,418,321	41.9
	(Minority Interests)						
	Minority Shareholders Interests	11,862	0.0	-	0.0	-	0.0
SHAREHOLDER'S EQUITY							
I	Paid-in capital	5,375,711	18.2	5,375,711	16.8	5,375,711	16.8
II	Capital reserves	5,169,258	17.5	5,169,258	16.1	5,169,258	16.2
III	Consolidated Reserves	7,508,949	25.4	9,281,666	29.0	9,691,582	30.3
IV	Unrealized Gains/Losses on Securities at Market Valuation	40,436	0.1	-	0.0	-	0.0
V	Cumulative Translation Adjustments	(1,153,302)	(3.9)	(2,744,043)	(8.6)	(1,654,429)	(5.2)
VI	Treasury Stock	(120)	0.0	(476)	0.0	(632)	0.0
	TOTAL SHAREHOLDER'S EQUITY	16,940,932	57.3	17,082,116	53.3	18,581,490	58.1
TOTAL LIABILITIES & SHRHLR'S EQUITY		29,550,735	100.0	32,042,465	100.0	31,999,811	100.0

Consolidated Statement of Income

(Unit '000 yen)

		3rd 1/4				9 months to Sept. 2001			
		2001		2000		2001		2000	
		Amount	Change	Amount	Change	Amount	Change	Amount	Change
			%		%		%		%
I	Sales	7,635,845	100.0	9,206,570	100.0	23,975,989	100.0	24,882,211	100.0
II	Cost of Sales	5,927,120	77.6	6,253,020	67.9	18,484,102	77.1	17,509,022	70.4
	Gross Profit	1,708,725	22.4	2,953,550	32.1	5,491,887	22.9	7,373,189	29.6
III	Selling, General & Admin Expenses	1,552,528	20.4	1,705,463	18.5	4,921,361	20.5	4,717,229	19.0
	Operating Profit	156,197	2.0	1,248,087	13.6	570,526	2.4	2,655,960	10.7
IV	Non-operating Income (Expenses)								
	Interest & Dividends Received	27,297		49,805		88,020		128,564	
	Interest Paid	35,991		29,332		93,689		82,848	
	Exchange Gains(Losses)	(102,985)		(52,395)		(454,475)		1,536	
	Amortization of Goodwill	109,203		87,269		319,520		260,670	
	Other Non-operating Income (Expenses)	20,639		19,721		(65,081)		19,735	
		(200,243)	(2.6)	(99,470)	(1.1)	(844,745)	(3.5)	(193,683)	(0.8)
	Profit before taxes, gains(losses)on special items	(44,046)	(0.6)	1,148,617	12.5	(274,219)	(1.1)	2,462,277	9.9
V	Gains(Losses) on Special Items								
	Profit on disposal of fixed assets	1,239		220		34,357		453	
	Loss on disposal of fixed assets	17,022		43,743		88,286		67,706	
	Write-Off of Goodwill	1,237,292		-		1,237,292		-	
	Special severance Payments	106,575		-		198,216		-	
	Other Gains (Losses) on Special Items	(1,249)		-		(1,249)		--	
	Special Gains(Losses)	(1,360,899)	(17.8)	(43,523)	(0.5)	(1,490,686)	(6.3)	(67,253)	(0.2)
	Profit before Taxes	(1,404,945)	(18.4)	1,105,094	12.0	(1,764,905)	(7.4)	2,395,024	9.6
	Income Taxes	245,809	3.2	435,767	4.7	110,761	(0.4)	832,290	3.3
	Net Income	(1,650,754)	(21.6)	669,327	7.3	(1,875,666)	(7.8)	1,562,734	6.3

Consolidated Cash Flow Statement

(Unit: Thousand yen)

	9 months ended 30 Sept 2001				2000
	Japan	Outside Japan	Consolidation Adjustment	This Period	Prior Period
I. Cash Flows from Operating Activities					
Net Profit Before Taxes	1,925,867	(1,116,188)	(2,685,345)	(1,875,666)	1,972,650
Depreciation & Amortization	276,990	2,758,173	(5,748)	3.029,415	2,047,942
Loss on Disposal of Fixed Assets	36,086	42,680	9,520	88,286	327,730
Change in Accounts Receivable	784,410	72,189	(194,563)	662,036	(833,177)
Change in Inventory	118,698	971,161	(53,819)	1,036,040	(1,032,600)
Change in Accounts Payable	(233,551)	(1,060,730)	173,553	(1,120,728)	660,340
Other	(1,831,804)	551,378	568,275	(712,151)	(204,205)
Cash Flows from Operating Activities	1,076,696	2,218,663	(2,188,127)	1,107,232	2,938,680
II. Cash Flows from Investing Activities					
Acquisition of Tangible Fixed Assets	(181,595)	(1,675,453)	91,204	(1,765,844)	(4,197,263)
Disposal of Tangible Fixed Assets	442,303	4,134	(377,083)	69,354	10,106
Other	(1,030,527)	967,356	63,171	-	-
Cash Flows from Investing Activities	(769,819)	(703,963)	(222,708)	(1,696,490)	(4,187,157)
III. Cash Flows from Financing Activities					
Change in Short-term Borrowings	922,313	(197,523)	-	724,790	251,074
Change in Long-term Borrowings	(579,100)	-	-	(579,100)	359,200 359,200
Cash Dividends Paid	(568,667)	(2,167,203)	2,482,403	(253,467)	(230,426)
Other	11,862	27,728	(39,580)	-	-
Cash Flows from Financing Activities	(213,592)	(2,337,008)	2,442,823	(107,777)	379,848
IV. Effect of exchange rate changes on cash and cash equivalents	-	130,298	(31,988)	98,310	375,231
V. Net Increase (Decrease) in cash and cash equivalents	93,385	(692,010)	-	(598,725)	(493,398)
VI. Cash and Cash equivalents at the beginning of the year	595,596	4,297,041	-	4,892,637	5,386,035
VII. Cash and Cash Equivalents at the end of the year	688,881	3,605,031	-	4,293,912	4,892,637

Supplementary explanation

In order to facilitate interpretation of the operating results and financial position in an international context the consolidated financial statements of the Sumida group are also prepared under U.S. Generally Accepted Accounting Principles (US-GAAP).

The figures in the major account items on the consolidated profit and loss statement (non-audited) under both US & Japan generally accepted accounting principles are presented below.

1) 3rd quarter 2001 (Consolidated)

(Unit: million yen, %)

	2nd Quarter			
	US-GAAP	%	Japan-GAAP	%
Sales	7,636	100.0	7,636	100.0
Operating Profit	15	(0.2)	156	2.0
Trading Profit	(77)	(1.0)	(44)	(0.6)
Profit before Taxes	(1,437)	(18.8)	(1,405)	(18.4)
Net Profit after Taxes	(1,675)	(21.9)	(1,651)	(21.6)

2) 9 months ended 30 September 2001 (Consolidated)

(Unit: million yen, %)

	Half Year ended 30 June 2001			
	US-GAAP	%	Japan-GAAP	%
Sales	23,976	100.0	23,976	100.0
Operating Profit	154	0.6	571	2.4
Trading Profit	(372)	(1.6)	(274)	(1.1)
Profit before Taxes	(1,862)	(7.8)	(1,765)	(7.4)
Net Profit after Taxes	(1,949)	(8.1)	(1,876)	(7.8)

Note: Under US accounting rules the amortization of goodwill is included in selling administrative & general expenses. Under Japan GAAP, the amortization of goodwill is not included as a selling, general & admin expenses. The amount of amortization of goodwill for the 9-month period amounted to 320 million yen.