



**Financial Results for the 4th quarter
and year ended 31 December 2001**

SUMIDA CORPORATION
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Results for the 4th quarter and full year ended 31 December 2001

Financial Highlights for the 4th quarter and full year ended 31 December 2001

Unit: million yen

Category	Period	4th quarter 2001					Twelve Months ended 31 December 2001				
		This 1/4	%	4th 1/4 2000	%	% change	2001	%	2000	%	% Change
Sales		7,582	100.0	8,693	100.0	(12.8)	31,558	100.0	33,575	100.0	(6.0)
Operating Income		541	7.1	662	7.6	(18.3)	1,112	3.5	3,318	9.9	(66.5)
Income before taxes & abnormal items (Recurring Profit)		356	4.7	505	5.8	(29.5)	82	0.3	2,967	8.8	(97.2)
Income before taxes		(14)	(0.2)	237	2.7	(105.9)	(1,779)	(5.6)	2,632	7.8	(167.6)
Net Income		(839)	(11.1)	410	4.7	(104.6)	(1,037)	(3.3)	1,973	5.9	(152.6)

Unit: million yen

Category	Period	2001				2000			1999
		3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q
Sales		7,636	8,114	8,226	8,693	9,207	8,231	7,445	7,290
Operating Income		156	81	333	662	1,248	695	713	619
Income before taxes & abnormal items		(44)	(277)	47	505	1,149	623	690	268
Income before taxes		(1,405)	(219)	(141)	237	1,105	611	679	(482)
Net Income		(1,651)	(131)	(94)	410	669	459	434	(356)

Unit: million yen

	2001	2000	1999	1998	1997
Sales	31,558	33,575	24,574	21,391	21,248
Operating Income	1,112	3,318	2,687	2,210	2,637
Income before taxes & abnormal items	82	2,967	2,439	2,336	2,305
Income before taxes	(1,779)	2,632	1,580	2,550	1,969
Net Income	(1,037)	1,973	1,003	1,942	1,385
Shareholders Equity	19,534	18,581	15,083	9,232	8,587
Total Assets	32,340	32,000	26,220	20,840	20,381
Per share (yen)					
eps	(78.11)	163.43	101.56	205.07	146.25
Equity ratio	1,471.32	1,539.48	1,374.60	974.60	906.54

*Foreign exchange adjustments are included in Shareholder's Equity

Message from the CEO- 4th quarter 2001

Upon entering the new millennium and with the fears of Y2K out of the way, many of us assumed years of significant advancement would be forthcoming. Growth, however, was short-lived. The US economy, which had sustained the longest economic expansion in history, began to experience a decline in its real GDP growth rate during the latter half of 2000, marking the first decline since the first quarter of 1993. Hopes of a turnaround in stagnant investment in plant and equipment and dull personal consumption were dashed by the events of September 11, 2001. US government stimulus via interest rate and income tax reductions could do little to spawn optimism amidst such uncertainty. The effects of the US recession spread to Japan and the rest of Asia, and even to Europe where economic performance had been strong. 2001, then is more likely to be remembered as a year of loss and destruction than one of any significant progress.

In the electronic components industry, releases of next-generation cellular phones and Windows XP operating system did little to lift the enthusiasm of consumers. There were, however, a few bright spots amongst this economic gloom. In the field of audiovisual equipment, demand expanded for digital televisions and liquid crystal televisions. Products such as PDP indicate better performance may not be so far away. New technology is opening up new markets, including the expansion of the wireless LAN market aided by the rapid price decrease for broadband networks.

In this difficult environment, the Sumida Group took the opportunity to “reset” its business. In the heady days before the downturn, we were not afforded enough breathing space to carefully assess business processes and adequately evaluate performance. In the slower period of 2001, we were able to conduct a far-reaching review of the group. We adopted a rigorous cost management policy on a global basis and worked hard at developing a corporate structure which maximizes speedy, accurate communication and speedy appropriate response. We did not choose to forego opportunities, however, and continued strategic investment from the medium- to long-term standpoint. These measures were fully implemented during fiscal 2001. In addition to the cost reduction measures, and to further advance our policy of “glocalization”, we reorganized our manufacturing operations in China, and streamlined our operations in Mexico. The Sumida group is much more consolidated as a result of the efforts undertaken in 2001.

With a leaner, more efficient organization in 2002 we are well placed to expand market share by being able to respond to market demands for lower prices without compromising quality or service.

Our initial priority in 2001 highest priorities will be the realization of the objectives of our “Revive Sumida” plan, which aims to recover the profit levels of fiscal 2000. The full-scale introduction of BaaN will also enable us to plan and report more speedily.

In addition to the production facilities that were “reset” during fiscal 2001, our manufacturing facility in Vietnam will begin to fulfill more prominent role in our

manufacturing group. A new plant in Suzhou (near Shanghai) to serve the notebook computer makers, is scheduled to commence full scale production by mid 2002. We also expect sales in the automotive segment to contribute to a larger proportion of overall group sales as a result of investments made in human resources and strengthened manufacturing and technology processes in the automotive area.

In optoelectronics where profit margins have been tight, we expect an improved performance with the growth of the DVD market and rationalization amongst the players in this field.

With “Global, Speed & Focus 21” as our inspiration, 2002 promises to be a year of significant improvement and new opportunity.

A handwritten signature in black ink, appearing to read 'S. Yawata', with a large, stylized flourish at the end.

President & CEO
Sumida Corporation

Overview of Consolidated Business Results for the Fourth Quarter of 2001

In the electronics industry, fourth quarter inventory levels continued their retraction commencing from the second quarter of the prior year due to restructuring mainly on the part of cellular phone manufacturers and computer makers. Inventories have approached appropriate levels, but no large impetus in demand has brought relieve to the difficult operating conditions. Electronic automotive parts continued to be as buoyant as before thanks to the increased usage of electronics in automobiles, even though new car sales were slack.

In regard to sales in the fourth quarter of 2001, sales of electronics automotive parts displayed a double-digit increase, but decreases were seen in coils for audiovisual equipment, coils for communications and data processing equipment, other coils, the optoelectronic business, and the electromagnetic business. Sales for the quarter were ¥7.582 billion, a decrease of 12.8% YOY.

Efforts were made to reduce the price of raw materials, reduce manufacturing expenses, and improve production efficiency. However, operating profit was ¥541 million, a decrease of 18.3% YOY, due to the delayed improvement of the electromagnetic business accompanying the deterioration of the US communication equipment market and the decline in the capacity utilization ratio because of decreased sales. Ordinary profit was ¥356 million, a decrease of 29.5% YOY, due to the posting of foreign exchange translation loss under non-operating expenses. Current net income was ¥839 million, an increase of 104.6% YOY, due to the application of tax effect accounting accompanying the impairment loss on investments in US subsidiaries.

Overview of Consolidated Business Results for the twelve months ended 31 December 2001

When inventory levels had seemed to fallen to “appropriate” levels, the events of September 11 caused further negative impact on the electronics industry. Audiovisual equipment, except for liquid crystal televisions, performed poorly as consumers refrained from purchases. Production of cellular phones and computers appeared to bottom out from the summer through the early autumn and then subsequently began to display some increase. However, the speed of the recovery remains extremely slow. In the automotive equipment field, despite the fact that new car sales are decreasing, the demand for electronic automotive parts continued to grow, including ABS, HID (high intensity discharge) lamps, EPS (electronic power steering), and parts for direct injection engines. In optoelectronics parts, due to inventory adjustments for computers from the end of the previous year, the demand for pick-ups remained sluggish. However, the number of pick-up manufacturers has dropped, and the market began to suddenly improve from the end of 2001.

The Sumida Group took 2001 as a good opportunity to perform an overall examination of group activities. While devoting resources to new product development in preparation for the next market recovery and concentrating sales activities to maximize

customer retention, we worked on thorough cost cutting, particularly at the plant in China. In our North American operations, we implemented improvements in manufacturing and transportation efficiency and reduced the cost of raw materials in the magnetics, components, and ABS coils segments.

Regarding sales during 2001 from January to December, electronic automotive parts continued to perform favorably, particularly ABS coils and transformers for HID lamps. However, decreases were experienced in coils for audiovisual equipment, coils for communications and data processing equipment, optoelectronics parts, and magnetics. Sales were ¥31.558 billion, a decrease of 6.0% compared to the prior twelve month period.

In terms of profits, the effects of improvements were visible mainly in raw materials costs and labor expenses in the manufacturing operations. However, operating profit was ¥1.112 billion, a decrease of 66.5% YOY, due to a number of factors, including difficulties in demand for the magnetic business in the North American market, the increase in fixed costs of the China plant following boost in production capacity, increased expenses accompanying enhancement of R&D, including depreciation of research facilities and wages for research personnel. Ordinary profit was ¥82 million, a decrease of 97.2% YOY, including translation loss that arose in relation to transactions between group companies and expenses for moving ABS coils to the Mexico plant. Net loss was ¥1.037 billion due to postings including restructuring expenses and lump sum amortization of goodwill of US subsidiaries as a special loss.

Segment Information

Sales by Product Category

(Unit : million yen, %)

Category	Period	4th 1/4 2001					12 months ended 31 Dec. 2001				
		This 1/4	% of total	Same 1/4 2000	% of total	% change	2001	% of total	2000	% of total	% change
Coil Business	AV Coils	402	5.3	515	5.9	(21.9)	1,734	5.5	2,173	6.5	(20.2)
	IT Communications Coils	3,341	44.1	3,669	42.6	(9.7)	12,883	40.8	13,793	41.1	(6.6)
	Other Coils	389	5.1	609	7.0	(36.1)	2,205	7.0	2,266	6.7	(2.7)
	Automotive	1,178	15.6	1,001	11.5	17.7	5,244	16.6	4,318	12.9	21.4
	TOTAL	5,310	70.1	5,824	67.0	(8.8)	22,066	69.9	22,550	67.2	(2.1)
Optoelectronics	995	13.1	1,340	15.4	(25.7)	3,777	12.0	4,677	13.9	(19.2)	
Magnetics	1,277	16.8	1,422	16.4	(10.2)	5,715	18.1	5,929	17.7	(3.6)	
Other Business	-	0.0	107	1.2	(100.0)	-	0.0	419	1.2	(100.0)	
TOTAL	7,582	100.0	8,693	100.0	(12.8)	31,558	100.0	33,575	100.0	(6.0)	

Product Segment Information

(Unit : million yen、%)

Segment	12 months ended 31 Dec. 2001			12 months ended 31 Dec. 2000		
	Sales	Operating Profit*	Ratio	Sales	Operating Income	Ratio
Coil Business	22,066	2,273	10.3	22,550	3,714	16.5
Optoelectronics	3,777	61	1.6	4,677	204	4.4
Magnetics	5,715	(1,222)	(21.4)	5,929	(672)	(11.3)
Other Business	-	-	-	419	72	17.2
TOTAL	31,558	1,112	3.5	33,575	3,318	9.9

Sales by Product Region

(Unit : million yen、%)

Region	4Q 2001					12 months ended 31 Dec. 2001				
	Period									
	4Q 2001	% of Total	4Q 2000	% of Total	Change %	2001	% of Total	2000	% of Total	Change %
Japan	2,092	27.6	2,315	26.6	(9.6)	8,161	25.9	8,914	26.5	(8.4)
HK/China	1,264	16.7	1,949	22.5	(35.1)	5,434	17.2	6,530	19.6	(16.8)
ASEAN	557	7.3	811	9.3	(31.3)	2,438	7.7	2,904	8.6	(16.0)
Taiwan/Korea	1,697	22.4	922	10.6	84.1	5,146	16.3	3,926	11.7	31.1
NAFTA	943	12.4	1,538	17.7	(38.7)	4,938	15.7	6,186	18.4	(20.2)
EU	1,029	13.6	1,158	13.3	(11.1)	5,441	17.2	5,115	15.2	6.5
TOTAL	7,582	100.0	8,693	100.0	(12.8)	31,558	100.0	33,575	100.0	(6.0)

Business Segment Information

The Sumida Group's businesses are composed of the coil business, the optoelectronics business, and the magnetics business. (In delineating the condition of each business for the period from January to December 2001, in addition to amounts in yen, the percentage of increase or decrease compared to the previous period will also be calculated using local currencies. In cases where a single currency is involved, the corresponding local currency will be used; in cases where multiple currencies are involved, the amounts will be converted into US\$.)

1. Coil Business

Whereas electronic automotive parts achieved double-digit growth, coils for audiovisual equipment and coils for communications and data processing equipment both declined, and sales of other coils were also slack. Resulting sales for the coil business were ¥22.066 billion, representing a decrease of 2.1% YOY (a decrease of 13.1% YOY in local currency).

Operating profit was ¥2.273 billion, a decrease of 38.8% YOY. This was due to numerous factors including declining margins for coils in communications and data processing, increased fixed expenses in the China manufacturing facilities following the boost in production capacity last year, additional depreciation charges for M. laboratory and R&D facilities built the previous year, and increased personnel expenses for the enhancement of human resources in R&D, etc.

a) Audiovisual equipment coils

Sales of coils for audiovisual equipment for the period from January to December 2001 were ¥1.734 billion, a decrease of 20.2% YOY (a decrease of 29.4% YOY in local currency).

By region, in Japan, coils for liquid crystal televisions more than doubled, whereas coils for VTRs and for audio equipment such as radios and stereos performed poorly. Sales were ¥826 million, a decrease of 12.6% YOY. Overseas, sales in Hong Kong and China were ¥450 million, a decrease of 24.6% YOY, due to shrinkage of coil sales for radios, radio-cassettes, and televisions. In ASEAN countries, sales dipped to ¥458 million, a decline of 27.4% YOY, due to production adjustments for televisions and audio equipment.

b) Information processing and telecommunications equipment coils

Sales of coils for communication and data processing equipment from January to December 2001 were ¥12.883 billion, a decrease of 6.6% YOY (a decrease of 17.1% YOY in local currency).

In terms of product segment, sales of coil and transformers for computers, PDA, and computer peripherals were ¥5.595 billion, a decrease of 23.5% YOY. Sales of coils for cellular phones were ¥237 million, a decrease of 49.5% YOY. Sales of coils for digital cameras were ¥526 million, a decrease of 7.4% YOY. Sales of coils for cordless telephones, etc., were ¥3.373 billion, a decrease of 8.5% YOY. Sales of inverter units for notebook computers were ¥3.152 billion, an increase of 79.5% YOY, and this expanding trend seems likely to continue.

By region, in Japan sales were ¥4.091 billion, a decrease of 7.9% YOY. In the US, sales were ¥919 million, a decrease of 49.5% YOY. Sales in Hong Kong and China were ¥2.235 billion, a decrease of 13.9% YOY, In ASEAN, sales declined by ¥1.458 billion, a drop of 21.7% YOY. Taiwan continued to perform well, with sales of ¥4.180 billion, an increase of 36.2% YOY due to the contribution of the inverter units for notebook computers and LCD monitors.

c) Other coils

Sales of other coils for the period from January to December 2001 were ¥2.205 billion, a drop of 2.7% YOY (a drop of 13.6% YOY in local currency).

Sales of 4V coils for switching air-conditioners from cooling to heating grew rapidly, and coils for water heaters performed solidly. However, affected by the decrease in sales of other coils for FA equipment, overall sales were slack.

d) Automotive Components

Sales of electronic automotive parts for the period from January to December 2001 were ¥5.244 billion, an increase of 21.4% YOY (an increase of 7.9% YOY in local currency). Sales of ABS coils continued to grow to ¥3.022 billion, an increase of 30.5% YOY. The quantities produced have been increasing, with 18,399 units produced in 1998; 39,398 units produced in 1999; and 47,471 units produced in 2000. In 2001, 57,200 units were produced, an increase of 20.5% YOY. Transformers for HID (high intensity discharge) lamps also performed solidly, with sales of ¥409 million, an increase of 7.9% YOY.

2. Optoelectronic businesses

Sales of optic electronics parts for the period from January to December 2001 were ¥3.777 billion, a decrease of 19.2% YOY (a decrease of 28.2% YOY in local currency). Optical pick-ups for DVD-ROMs entered a period of genuine growth, with sales of ¥353 million, four times those of the previous period. However, pick-ups for CD-ROMs, the leading product, declined to ¥2.140 billion, a decrease of 35.3% YOY. Efforts were made to reduce production expenses and sales expenses, but due to the decrease in sales, operating profit was ¥61 million, a drop of 70.1% YOY.

3. Magnetics businesses

The magnetics business during the period from January to December 2001 posted sales of ¥5.715 billion, a decrease of 3.6% YOY (a decrease of 14.4% YOY in local currency). Sales of reed switches of SRC (Sumida REMtech Corporation, established in July 2001) were added, but sales of other SRC components (high performance, reed relays, and surge arresters) suffered a sizeable decrease.

With regard to profits, although significant efforts were made to reduce raw material costs primarily in the magnetics segment and to reduce expenses in the manufacturing operations, operating loss was ¥1.222 billion due to the large decrease in the component segment.

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.

1. Coil businesses

After peaking at 80,730 units of coil in June 2000, the monthly orders for Sumida Group coils fell to less than 60,000 units in January 2001 due to inventory adjustments by electronic equipment manufacturers. In April 2001, the amount dropped to 55,000 units. Subsequently, orders experienced a temporary recovery from summer to early autumn. However, due to the global recession exacerbated by the 9/11 terrorists incidents in the US, orders declined once again. In November 2001, orders amounted to 52,600 units, off 34.8% from the peak and setting a record low for the previous two years.

Monthly sales amounts for coils, which lag three months behind orders, have almost uniformly followed a steady decline after achieving a peak of ¥2.100 billion in September 2000. In December 2001, sales were stagnant at ¥1.680 billion, a decrease of 20% from the peak. Sales of coils for PDA and computers, leading products that were major factors in the current stagnation of the coil business, peaked at ¥725 million in October 2000 and then promptly bottomed out in August 2001 at ¥360 million, a decline of 50.3% from the peak. In December, sales rebounded to ¥560 million, an increase of 55.6% from the bottom.

Orders for coils in 2002 rapidly rose, in contrast to the previous year. Orders as of January 25 exceeded 61,300 units, an increase of 11.6% YOY. By region, Japan, Taiwan, and Singapore are on the upswing. By usage, full-scale recovery is taking place in the leading product line of coils for computers and PDA, in addition to coils for digital still cameras (DSC) and digital video cameras (DVC) as well as inverter units for computers. Inquiries are also plentiful regarding coils for cellular phones. Orders for February delivery have already reached 90% of the expected level. Reasons behind the rapid increase in orders include the rapid progress in inventory adjustments of electronic equipment, and the sudden recovery of business primarily among foreign-owned electronic equipment manufacturers.

With regard to orders from March onward, there are some who predict relatively stable demand due to more active investment in new-model equipment by set manufacturers starting in April and genuine economic recovery starting in the latter half of 2002. However, the Sumida Group will continue to concentrate on developing a corporate structure that is somewhat insulated from vicissitudes in the economic environment.

In standard coils, while developing sales activities in close alignment with the customer's engineers, we will endeavor to make production more efficient and

shorten delivery time to customers for contribution to strengthened supply chain management. Together with establishing a manufacturing and sales base primarily for inverter units in Suzhou, China, we will reorganize the sales operations in China to strengthen sales. We will also concentrate effort into the development of low-profile power inductors that make ultra-small cellular phones possible, DC/DC computers and power inductors for high-speed, large-capacity CPUs. We will also concentrate resources on power inductors and transformers that use new metals and magnetic materials, coils for next-generation cellular phones, inverter transformers and units for liquid crystal backlight, mobile equipment incorporating Bluetooth technology, and transformers for wireless LAN. As for electronic automotive parts, we have been delivering ABS coil to one customer company, but commencing in early autumn 2002, we plan to develop production and sales for additional customers. We are also involved in the development of transformers and module products for HID lamps as well as coils for entry systems.

At coil production facilities, we are achieving comprehensive cost cutting. The ratio of materials to sales in the coil business in 2001 rose by 2.4 points compared to the previous period due to the increase in inverter units, which have a relatively high raw material costs. However, we were able to reduce this ratio of materials to sales for ordinary coils below the previous year's level by implementing significant raw material cost reduction, primarily at our two key facilities in Pan Yu and Tai Ping in China. The effects of cost reduction attributable to the raw material purchases at the Pan Yu Plant became fully noticeable from the middle of 2001. The effect for December alone was 15.7%, and for the year as a whole amounted to 8.0%. The Tai Ping facility achieved similar results.

The production operations for ABS coils in the US produced a high rate of inferior goods at the test production stage in the first half of the period, and in the second half of the period, the amount of inferior goods was close to 30%. However, this is steadily improving, with 20.1% in September, 17.0% in October, 12.7% in November, and approximately 10% in December. Henceforth, together with activating negotiations with suppliers, we will endeavor to improve the production technology for ABS coils, etc., and will make an effort to reduce the ratio of raw material costs in the coil business. It is our policy to continue to put effort into reduction of manufacturing overhead, sales expenses, and general and administrative expenses.

2. Optoelectronic businesses

Slack demand continued for optical pick-ups due to inventory adjustments of computers manufacturers, but inquiries from users increased, commencing in the fourth quarter of 2001. This is due to the continuing market rationalization whereby many optical pick-up manufacturers withdrawing from this area of operation.

Since the remaining manufacturers of optic pick-ups are pursuing research and development for a wide variety of models, including CD-ROMs, DVD-ROMs, CD R-R/Ws, and DVD-RAMs, it is forecast that the demand for optical pick-ups and optical pick-up parts will further increase henceforth. Together with endeavoring to expand the orders of existing customers, the Sumida group will aggressively

cultivate new customers. Manufacture of optical pick-ups for DVD-ROMs started in the third quarter of the Year 2000, and the yield rate is rising rapidly due to efforts in manufacturing reforms.

In the fourth quarter of 2001, the number of manufacturing personnel at the Pan Yu facility in China increased significantly due to increased demand for optical pick-ups and optical pick-up parts. Since three to four months is required to train new employees, the plant did not turn an operating profit during that quarter because of increases in labor expenses and manufacturing expenses. However, since it can be expected that the new employees will become productive and expand sales henceforth, profitability is considered likely to recover in the near future.

3. Magnetics businesses

In 2001, improvement policies were implemented at the manufacturing sites for the magnetics business, which had been a cause for concern up to that time. However, in the latter half of the year, there was rapid shrinkage in the market for communications equipment, which is the leading user of components (high performance, dry reed relays, surge arresters). Sales of the component segment decreased to ¥2.023 billion, a drop of 25.5% YOY (a drop of 33.7% YOY in US currency). Thus, the electromagnetic business remained unprofitable during the fourth quarter as well.

Currently, the restructuring of the magnetic business is producing steady results. Raw material costs have been significantly reduced by sending engineers to the China plants, switching from airfreight to sea freight for raw material shipments, moving the distribution center to the less costly site inside China, and shifting to raw materials produced by group companies. The ratio of materials to sales in the magnetic business dropped by 5 percentage points compared to the previous period. Also, personnel cuts were made primarily in the magnetics and component segments. The number of personnel at the manufacturing sites was reduced from a peak of 1,445 people in April 2001 to 817 people in December 2001. This resulted in a large reduction in personnel expenses (including employees salaries, labor expenses, and welfare expenses) in the second half of the period in both magnetics and components of minus 26.1% compared to the first half of the period. We are certain that the improvement policies implemented in 2001 will steadily display their effects henceforth.

Consolidated Balance Sheet

	4th Quarter				(Unit: Thousand yen) Year End	
	2001	%	2000	%	2000	%
ASSETS						
I Current Assets						
1.Cash & Cash Equivalents	5,349,268		4,892,637		4,213,906	
2.Accounts Receivable	6,325,910		7,042,392		6,491,612	
3.Inventories	3,821,519		4,366,458		4,153,113	
4.Other	1,235,438		1,144,792		1,915,617	
5.Provision for Doubtful Debts	(63,412)		(78,797)		(91,831)	
Total Current Assets	15,926,420	51.5	17,367,482	54.3	16,682,417	52.8
II Non Current Assets						
(1)Tangible Non-Current Assets						
1.Buildings	6,643,163		6,240,079		6,568,808	
2.Machinery & equipment	10,549,409		8,304,517		9,246,799	
3.Furniture & Fixtures	3,328,409		2,543,761		2,725,106	
4.Land	1,259,545		1,285,904		1,268,646	
5.Construction in Progress	147,145		148,498		254,395	
6.Accumulated Depreciation	(9,349,035)		(6,914,276)		(8,130,660)	
Total Non-current Assets	12,578,636	38.9	11,608,483	36.3	11,933,094	
(2)Intangible Assets						
1.Land Occupancy Rights	649,483		572,532		618,607	
2.Consolidation Adjustments	41,153		99,329		66,224	
3.Other	102,037		1,598,847		1,508,206	
Total Intangible Assets	792,673	2.5	2,270,708	7.1	2,193,037	6.9
(3)Investments & Other Assets						
1.Investments in Securities	333,450		241,314		347,080	
2.Other	1,966,527		511,824		445,318	
Total Investments & Other Assets	2,299,977	7.1	753,138	2.3	792,398	2.5
Total Fixed Assets	15,671,286	48.5	14,632,329	45.7	14,918,529	47.2
TOTAL ASSETS	32,340,009	100.0	31,999,811	100.0	31,600,946	100.0

Continued over

Consolidated Balance Sheet as at 30 June 2001 (Continued)

LIABILITIES							
I	Current Liabilities						
	1.Accounts Payable	2,325,131		2,781,023		2,214,244	
	2.Short-term loans	4,094,950		5,546,650		4,907,698	
	3.Other current liabilities	3,685,025		2,626,013		2,675,606	
	Total Current Liabilities	10,105,106	31.3	10,953,686	34.2	9,797,548	31.0
II	Non-current liabilities						
	1.Long-term loans	2,377,424		1,922,900		1,773,500	
	2.Provision for Retirement Benefits	-		314,558		-	
	3.Other Non-current liabilities	311,586		227,177		416,100	
	Total Non-current liabilities	2,689,010	8.3	2,464,635	7.7	2,189,600	6.9
	TOTAL LIABILITIES	12,794,116	39.6	13,418,321	41.9	11,987,148	37.9
	(Minority Interests)						
	Minority Shareholders Interests	11,517	0.0	-	0.0	-	0.0
SHAREHOLDER'S EQUITY							
I	Paid-in capital	5,375,711	16.6	5,375,711	16.8	5,375,711	17.0
II	Capital reserves	5,169,258	16.0	5,169,258	16.2	5,169,258	16.4
III	Consolidated Reserves	8,347,551	25.8	9,691,582	30.3	9,292,471	29.4
	Unrealized Gains/Losses on						
IV	Securities at Market Valuation	100,523	0.3	-	0.0	55,296	0.2
V	Cumulative Translation Adjustments	541,874	1.7	(1,654,429)	(5.2)	(278,284)	(0.9)
VI	Treasury Stock	(541)	0.0	(632)	0.0	(654)	0.0
	TOTAL SHAREHOLDER'S EQUITY	19,534,376	60.4	18,581,490	58.1	19,613,798	62.1
	TOTAL LIABILITIES & SHRHRLR'S EQUITY	32,340,009	100.0	31,999,811	100.0	31,600,946	100.0

Consolidated Statement of Income

(Unit '000 yen)

	4Q				12 months ended 31 Dec 2001			
	2001		2000		2001		2000	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change
		%		%		%		%
I Sales	7,582,409	100.0	8,692,892	100.0	31,558,398	100.0	33,575,103	100.0
II Cost of Sales	5,639,462	74.4	6,771,527	77.9	24,123,564	76.4	24,280,549	72.3
Gross Profit	1,942,947	25.6	1,921,365	22.1	7,434,83487	23.6	9,294,554	27.7
III Selling, General & Admin Expenses	1,401,559	18.5	1,259,584	14.5	6,322,920	20.1	5,976,813	17.8
Operating Profit	541,388	7.1	661,781	7.6	1,111,914	3.5	3,317,741	9.9
IV Non-operating Income (Expenses)								
Interest & Dividends Received	17,687		46,095		105,707		174,659	
Interest Paid	21,701		33,897		115,390		116,745	
Exchange Gains(Losses)	(150,978)		(63,347)		(605,453)		(61,811)	
Amortization of Goodwill	8,280		118,259		327,800		378,929	
Other Non-operating Income (Expenses)	(21,793)		12,623		(86,874)		32,358	
	(185,065)	(2.6)	(156,785)	(1.8)	(1,029,810)	(3.5)	(350,468)	(1.1)
Profit before taxes, gains (losses) on special items	356,323	4.7	504,996	5.8	82,104	(0.3)	2,967,273	8.8
V Gains (Losses) on Special Items								
Profit on disposal of fixed assets	327,244		49		361,601		502	
Loss on disposal of fixed assets	14,362		260,024		102,648		327,730	
Write-Off of Goodwill	590,826		-		1,934,693		-	
Special severance Payments	-		-		91,641		-	
Other Gains (Losses) on Special Items	(92,855)		(8,353)		(94,104)		(8,353)	
Special Gains(Losses)	(370,799)	(4.9)	(268,328)	(3.1)	(1,861,485)	(5.9)	(335,581)	(1.0)
Profit before Taxes	(14,476)	(0.2)	236,668	2.7	(1,779,381)	(5.6)	2,631,692	7.8
Income Taxes	(853,078)	11.3	(173,248)	(2.0)	(742,317)	(2.3)	659,042	1.9
Net Income	838,602	(11.1)	409,916	4.7	(1,037,064)	(3.3)	1,972,650	5.9

Consolidated Cash Flow Statement

(Unit: Thousand yen)

	12 months ended 31 December 2001	
	This Period	Prior Period
I. Cash Flows from Operating Activities		
1. Net Profit Before Taxes	(1,779,381)	2,631,692
2. Depreciation & Amortization	3,622,370	2,047,942
3. Reduction in Provision for Director's Retirement Bonuses	(314,558)	(16,110)
4. Change in Provision for Doubtful Debts	15,385	(20,407)
5. Interest & Dividends Received	(105,707)	(174,659)
6. Interest Paid	115,390	116,745
7. Exchange Rate Losses	42,957	61,811
8. Losses on Restructuring of Subsidiaries	-	1,757
9. Losses on Revaluation at Market of Securities	93,104	2,421
10. Losses on Revaluation of Golf Club Membership	-	4,175
11. Loss on Disposal of Golf Club Membership	1,000	-
12. Loss on Disposal of Fixed Assets	102,648	327,730
13. Gains on Disposal of Fixed Assets	(361,601)	(502)
14. Change in Accounts Receivable	1,089,124	(833,177)
15. Change in Inventories	990,585	(1,032,600)
16. Change in Accounts Payable	(904,844)	660,340
17. Reduction in other Assets/Liabilities	(60,841)	(205,341)
18. Reserve for Director's Bonuses	(53,500)	(30,000)
Sub Total	2,492,131	3,541,817
19. Interest & Dividends Received	105,707	
20. Interest Paid	(118,513)	
21. Company Tax Paid	(721,667)	
Cash Flows from Operating Activities	1,757,658	2,938,680
II. Cash Flows from Investing Activities		
1. Acquisition of Tangible Fixed Assets	(1,043,613)	(4,197,263)
2. Disposal of Tangible Fixed Assets	403,170	10,106
3. Expenditures re Acquisition of Subsidiary	(1,003,790)	-
Cash Flows from Investing Activities	(1,644,233)	(4,187,157)
III. Cash Flows from Financing Activities		
1. Change in Short-term loans	(448,643)	251,074
2. Adjustments to Long Term loans	1,300,000	1,200,000
3. Repayments of Long Term Loans	(815,468)	(840,800)
4. Dividends Paid	(253,467)	(230,426)
Cash Flows from Financing Activities	(217,578)	379,848
IV. Effect of exchange rate changes on cash and cash equivalents	560,784	375,231
V. Net Increase (Decrease) in cash and cash equivalents	456,631	(493,398)
VI. Cash and Cash equivalents at the beginning of the year	4,892,637	5,386,035
VII. Cash and Cash Equivalents at the end of the year	5,349,268	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) 4th quarter 2001 (Consolidated)

(Unit: million yen, %)

	2nd Quarter			
	US-GAAP	%	Japan-GAAP	%
Sales	7,582	100.0	7,582	100.0
Operating Profit	500	6.6	541	7.1
Trading Profit	324	4.3	356	4.7
Profit before Taxes	(47)	(0.6)	(14)	(0.2)
Net Profit after Taxes	814	10.7	839	11.1

2) 12 months ended 31 December 2001 (Consolidated)

(Unit: million yen, %)

	Half Year ended 30 June 2001			
	US-GAAP	%	Japan-GAAP	%
Sales	31,558	100.0	31,558	100.0
Operating Profit	654	2.1	1,112	3.5
Trading Profit	(48)	(0.2)	82	0.3
Profit before Taxes	(1,909)	(6.0)	(1,779)	(5.6)
Net Profit after Taxes	(1,135)	(3.6)	(1,037)	(3.3)

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 12-month period amounted to 328 million yen.