



2
2003

**Financial Results for the 2nd Quarter
ended 30 June 2003**

SUMIDA CORPORATION

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Consolidated Financial Highlights for the 2nd Quarter ended 30 June 2003

1. Consolidated Results of Operations

(Million yen, %)

Period Category	2nd Quarter					6-months period (January - June)				
	2003	% Of Total	2002	% Of Total	% Change	2003	% Of Total	2002	% Of Total	% Change
Net sales	7,162	100.0	9,349	100.0	(23.4)	14,364	100.0	18,304	100.0	(21.5)
Operating profit	571	8.0	592	6.3	(3.5)	872	6.1	1,096	6.0	(20.4)
Ordinary income	488	6.8	589	6.3	(17.1)	794	5.5	1,103	6.0	(28.0)
Income before income taxes	440	6.2	566	6.1	(22.3)	(494)	(3.4)	1,075	5.9	---
Net income	481	6.7	502	5.4	(4.2)	(461)	(3.2)	884	4.8	---
Per share data (yen)										
Net income: (Basic)	32.61	---	37.65	---	---	(31.20)	---	66.41	---	---
Net income: (Fully diluted)	32.37	---	36.96	---	---	----	---	65.53	---	---

2. Consolidated Financial Position

(Million yen)

Period Category	2nd Quarter		
	2003	2002	% Change
Total assets	29,501	31,571	(2,070)
Capital stock	5,532	5,497	35
Total shareholder's equity	18,382	18,813	(431)
Total number of stock issued (thousand shares)	14,774	13,396	1,378
Shareholders' equity per share (yen)	1,244.83	1,404.35	(159.52)
Shareholders' equity ratio (%)	62.3	59.6	---

3. Conditions of Consolidated Cash Flow

(Million yen)

Category	Period	2nd Quarter			6-month period (January - June)		
		2003	2002	Change	2003	2002	Change
Cash flows from operating activities		252	1,267	(1,015)	201	644	(443)
Cash flows from investing activities		(668)	(567)	(101)	(965)	(827)	(138)
Cash flows from financing activities		379	(426)	805	(15)	(423)	408
Cash and cash equivalents, end of period		4,044	4,295	(251)	4,044	4,295	(251)

Consolidated Earnings Forecasts (3rd Quarter 2003: Three months ending September 30, 2003)

Category	Period	3rd Quarter		
		2003(Estimate)	2002	%Change
Net sales (million yen)		8,300	8,474	(2.1)
Operating profit (million yen)		700	641	9.2
Ordinary income (million yen)		660	614	7.5
Net income (million yen)		440	428	2.8
Net income per share (yen)		29.80	31.95	(6.7)

Consolidated Quarterly Business Results

(Million yen)

Category	Period	2003		2002				2001				2000
		2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q
Net sales		7,162	7,202	8,018	8,474	9,349	8,955	7,582	7,636	8,114	8,226	8,693
Operating profit		571	301	434	641	592	504	541	156	81	333	662
Ordinary income		488	306	398	614	589	514	356	(44)	(277)	47	505
Income before income taxes		440	(934)	7	571	566	509	(14)	(1,405)	(219)	(141)	237
Net income		481	(942)	(194)	428	502	382	839	(1,651)	(131)	(94)	410

Consolidated Yearly Business Results

(Million yen)

	2002	2001	2000	1999	1998
Net sales	34,796	31,558	33,575	24,574	21,391
Operating profit	2,171	1,112	3,318	2,687	2,210
Ordinary income	2,116	82	2,967	2,439	2,336
Income before income taxes	1,653	(1,779)	2,632	1,580	2,550
Net income	1,118	(1,037)	1,973	1,003	1,942
Shareholders' equity	18,910	19,534	18,581	15,083	9,232
Total assets	30,666	32,340	32,000	26,220	20,840
Per share (yen)					
EPS	83.64	(78.11)	163.43	101.56	205.07
Shareholders' equity	1,408.72	1,471.29	1,539.48	1,374.60	974.60

*Foreign exchange adjustments are included in shareholder's equity

CEO's Message for the 2nd Quarter of 2003

The spread of SARS, which infected a number of people throughout the world, has come to an end for the present, with the July 2, 2003 WTO removal of Toronto and Taiwan from the list of infected areas. However, any possible spread of this communicable disease again in the future is inevitable, as no sure cure has been established. Upon entering the 21st century, new and unexpected risks and crises, such as the Iraq war and SARS, have arisen. Within the Sumida Group, we have recognized anew the necessity of risk management more than ever before and have set up a Risk Management Committee, headed by the CRO (Chief Risk Management Officer) formally on July 1, 2003. This Committee aims to cope with all risks covering 91 different items, aside from SARS, with which the Sumida Group is likely to be confronted in every field from facilities, personnel, and legal affairs, to management, finance, and the environment, among others.

The Sumida Group held a one-week conference in June at which 53 executives from our group companies throughout the world met to reaffirm our medium-term vision (to be a US\$1 billion company). As a result of this conference, it was decided that an Automotive Group (AG) be organized formally on July 1, 2003. Approximately 20 people experienced in business and development will be concentrated here, with an eye on making this group an independent business division in the future. By entering this automobile-related business on a full scale, we are expecting to encounter a number of problems, which cannot be solved even with our long-standing history in standard coil manufacturing. For example, we have to shift our system to make it suitable for the automobile industry in terms of business, manufacturing, development and quality. The personnel who are engaged in this business are also required to challenge themselves. We intend to make certain the goal of our medium-term vision (to be a US\$1 billion company) by placing emphasis on 3 strategic pillars; automotives, coils for flat panels, and standard coils, which Sumida has produced for the past 50 years.

We also launched a drive for a manufacturing reform on a full scale in July, in preparation for Sumida's advance into the automotive coil business. We are aiming at constructing New Sumida Production System (NSPS) under Sumida's own method by June 2004, which will be an upgrade from the existing method in all respects including production costs, lead time, and production efficiency, among others. In addition to the accomplishment of our medium-term vision, we will direct our efforts toward risk management and manufacturing reform, thereby enhancing customer satisfaction and also ultimately maximizing Sumida's corporate value.



Shigeyuki Yawata
CEO of the Sumida Group

Overview of Consolidated Business Results for the 2nd Quarter of 2003

The demand for electronic equipment in the second quarter of 2003 remained high for electric equipment manufacturers as a result of manufacturers maintaining a high level of orders in order to keep supply stable. This occurred despite the unstable economic situation in the aftermath of the Iraq war and the SARS epidemic.

The demand for audiovisual equipment maintained the levels of the first half of last year, when demand was heightened by the 2002 FIFA World Cup competition due to the growth of LCD TV demand and the break the back of production control in the ASEAN region. The demand for personal computers continued to grow by 10% in the second quarter of 2003 as compared with the same period of the previous year, after increasing in the second half of 2002. Cellular phones showed minor fluctuations in demand, with signs of recovery in some regions. In the area of automotive equipment, ABS, air bags, keyless entry systems, and car-navigation systems have come into broader use, contributing to an expanding demand for automotive components, despite the reduction in the number of new car registrations and its influence on related industries in Europe. Demand for optoelectronics parts, specifically DVD optical pickups, has continued to grow due to the broadening presence of DVD-ROM and DVD players. However, equipment manufacturers in this area now face tough competition from newcomers.

The Sumida Group has been promoting businesses in the much broader field of applications while simultaneously focusing on future growth products. For automotive components, Sumida implemented regular deliveries of ABS coils for second and third customers. We have also concentrated on the development, production, and sales of new products such as keyless entry systems and immobilizers. In the area of coils for communications and information processing equipment, we strengthened our marketing force in the Taiwanese market, which is rapidly becoming the center of notebook PC production. We also launched production and sales of inverter units in the rapidly expanding Chinese market. In the U.S. market, where we are currently restructuring our business operations, we decided to sell off the division handling switches, relays, and surge arresters in the first quarter of 2003, and we excluded SRC from consolidated financial figures for the first quarter.

Sales for the second quarter of 2003 were ¥7,162 million, a decrease of 23.4% compared with the same quarter of the previous year, due to slowing optoelectronics business operations, particularly optical pickups, the exclusion of SRC from the consolidated financial figures, and the scaled-down magnetics business operations in North America. The decline was also caused by a reduction in yen-converted overseas sales due to yen appreciation by ¥10.55 per dollar compared to the second quarter of 2002, and despite increased sales of automotive components such as ABS coils.

Operating profit was at ¥571 million, down 3.5% compared with the same quarter of the previous year. Ordinary profit was ¥488 million, a decrease of 17.1% compared with the same quarter of the previous year due to an operating loss in the optoelectronics business as a result of a decrease in sales of optical pickups decreased sales in the coil business due to temporary inventory adjustments by equipment manufacturers and increasing costs of research and development for new products, and despite operating loss fell due to exception SRC from consolidated financial figure. Net income was ¥481 million, down 4.2% compared with the same quarter of the previous year.

Sales by Product Category

(Million yen, %)

Period Category		2nd Quarter					6-month period (January - June)				
		2003	% Of total	2002	% Of total	% Change	2003	% Of total	2002	% Of total	% Change
Coil Business	AV Coils	527	7.3	525	5.6	0.4	945	6.6	942	5.2	0.3
	IT Communications Coils	3,414	47.7	3,826	40.9	(10.8)	6,668	46.4	7,421	40.5	(10.1)
	Other Coils	571	8.0	480	5.2	19.0	1,017	7.1	971	5.3	4.7
	Automotive	1,774	24.8	1,650	17.6	7.5	3,622	25.2	3,438	18.8	5.4
	TOTAL	6,286	87.8	6,481	69.3	(3.0)	12,252	85.3	12,772	69.8	(4.1)
Optoelectronics		531	7.4	1,452	15.5	(63.4)	1,351	9.4	2,767	15.1	(51.2)
Magnetics		345	4.8	1,416	15.2	(75.6)	761	5.3	2,765	15.1	(72.5)
TOTAL		7,162	100.0	9,349	100.0	(23.4)	14,364	100.0	18,304	100.0	(21.5)

Sales by Region

(Million yen, %)

Period Region		2nd Quarter					6 months (January - June)				
		2003	% Of Total	2002	% Of Total	Change %	2003	% Of Total	2002	% Of Total	Change %
Japan		2,167	30.3	2,321	24.8	(6.6)	4,206	29.3	4,386	24.0	(4.1)
HK/China		1,204	16.8	1,801	19.3	(33.1)	2,453	17.1	3,451	18.8	(28.9)
ASEAN		560	7.8	668	7.1	(16.2)	1,038	7.2	1,182	6.5	(12.2)
Taiwan/Korea		1,393	19.4	1,815	19.5	(23.3)	2,844	19.8	3,663	20.0	(22.4)
NAFTA		792	11.1	1,320	14.1	(40.0)	1,622	11.3	2,518	13.8	(35.6)
EU		1,046	14.6	1,424	15.2	(26.5)	2,201	15.3	3,104	16.9	(29.1)
TOTAL		7,162	100.0	9,349	100.0	(23.4)	14,364	100.0	18,304	100.0	(21.5)

Product Segment Information

(Million yen, %)

	2002					2003		
	1Q	2Q	3Q	4Q	YTD	1Q	2Q	YTD
Net sales								
Coil Business	6,291	6,481	5,993	5,949	24,714	5,966	6,286	12,252
Optoelectronics	1,315	1,452	1,094	904	4,765	820	531	1,351
Magnetics	1,349	1,416	1,387	1,165	5,317	416	345	761
Elimination	---	---	---	---	---	---	---	---
Total	8,955	9,349	8,474	8,018	34,796	7,202	7,162	14,364
Operating expense								
Coil Business	5,006	5,115	4,732	4,870	19,723	5,032	5,130	10,162
Optoelectronics	1,232	1,364	988	893	4,477	805	547	1,352
Magnetics	1,682	1,703	1,539	1,303	6,227	543	417	960
Elimination	531	575	574	518	2,198	521	497	1,018
Total	8,451	8,757	7,833	7,584	32,625	6,901	6,591	13,492
Operating profit								
Coil Business	1,285	1,366	1,261	1,079	4,991	934	1,156	2,090
Optoelectronics	83	88	106	11	288	15	(16)	(1)
Magnetics	(333)	(287)	(152)	(138)	(910)	(127)	(72)	(199)
Elimination	(531)	(575)	(574)	(518)	(2,198)	(521)	(497)	(1,018)
Total	504	592	641	434	2,171	301	571	872
Operating profit ratio								
Coil Business	20.4	21.1	21.0	18.1	20.2	15.7	18.4	17.1
Optoelectronics	6.3	6.1	9.7	1.2	6.0	1.8	(3.0)	(0.1)
Magnetics	(24.7)	(20.3)	(11.0)	(11.8)	(17.1)	(30.5)	(20.9)	(26.1)
Elimination	---	---	---	---	---	---	---	---
Total	5.6	6.3	7.6	5.4	6.2	4.2	8.0	6.1

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 during the second quarter of 2003, 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

Although the coil business for audiovisual products, automotive components and other coils expanded, sales decreased to ¥6.286 billion, down 3.0% compared with the same quarter of the previous year (up 5.6% compared with the same quarter of the previous year on a local-currency basis) due to a reduction in coils for communication and information processing equipment.

Operating profits were ¥1.156 billion, a decline of 15.4% compared with the same quarter of the previous year. This was due to the increasing in labor costs required to meet

expanded production capacity, increasing research and development costs for new products; this decline took place despite efforts to reduce manufacturing expense.

a) Coils for Audiovisual Products

Sales of coils for audiovisual equipment were ¥527 million, an increase of 0.4% compared with the same quarter of the previous year (up 9.3% compared with the same quarter of the previous year on a local-currency basis).

By region, sales in Japan remained relatively steady at ¥265 million, an increase of 10.4% compared with the same quarter of the previous year due to increasing sales of LCD TVs. Overseas, sales in Hong Kong and China were ¥137 million, a decline of 18.0% compared with the same quarter of the previous year due to falling sales of radios, radio cassettes and stereos. In the ASEAN region, sales increased to ¥125 million, up 5.9% compared with the same quarter of the previous year due to normalized production adjustment.

b) Coils for Communication and Information Processing Equipment

Sales of coils for communication and information processing equipment were ¥3.414 billion, a decline of 10.8% compared with the same quarter of the previous year (down 2.8% compared with the same quarter of the previous year on a local-currency basis).

Subdivided by use, sales of coils for cellular phones were ¥52 million, up 20.9% compared with the same quarter of the previous year. Sales of coils for digital cameras were ¥229 million, an increase of 8.5% compared with the same quarter of the previous year. Sales of coils for other communication and information processing equipment grew to ¥1.141 billion, up 18.1% compared with the same quarter of the previous year. While sales of inverter units were ¥1.088 billion, an increase of 4.3% compared with the same quarter of the previous year. Sales of coils and transformers for personal computers, PDAs, and computer peripherals were ¥904 million, a decline of 42.2% compared with the same quarter of the previous year.

By region, sales in Japan were ¥909 million, a decline of 10.3% compared with the same quarter of the previous year. In the ASEAN region, sales declined to ¥272 million, down 24.7% compared with the same quarter of the previous year. Sales in Taiwan were ¥1.318 billion, a decline of 16.6% compared with the same quarter of the previous year. Sales in the US were ¥176 million, down 24.1% compared with the same quarter of the previous year. Sales in Hong Kong and China increased to ¥739 million, up 15.6% compared with the same quarter of the previous year; inverter unit sales in Suzhou, China, contributed significantly to this growth.

c) Other Coils

Sales of other coils were ¥571 million, an increase of 19.0% compared with the same quarter of the previous year (up 29.5% compared with the same quarter of the previous year on a local-currency basis). Sales of coils for FA equipment and for water heaters increased, but sales of 4 V coils for selector of heating and cooling of air-conditioners decreased due to prolonged production adjustments of air-conditioners.

d) Automotive Components

Sales of electronic automotive components were ¥1.774 billion, an increase of 7.5% compared with the same quarter of the previous year (up 17.1% compared with the same quarter of the previous year on a local-currency basis).

Sales of ABS coils were ¥1.038 billion, up 16.1% compared with the same quarter of the previous year. In terms of production quantity, however, these sales exhibited a steady growth of 23.24 million units, up 31.7% compared with the same quarter of the previous year. Sales of car audio equipment, car-navigation systems, keyless entry systems, and other automotive parts were ¥618 million, a decrease of 0.2% compared with the same quarter of the previous year. Sales of transformers for HID (high intensity discharge) lamps were ¥86 million, a decrease of 14.9% compared with the same quarter of the previous year. Sales of EPS (electronic power steering) were ¥32 million, a decline of 11.1% compared with the same quarter of the previous year.

2. Optoelectronics Business

Sales of optoelectronic components were ¥531 million, a decline of 63.4% compared with the same quarter of the previous year (down 60.2% compared with the same quarter of the previous year on a local-currency basis). Sales of DVD optical pickups declined to ¥95 million, down 59.2% compared with the same quarter of the previous year. Sales of optical pickups for CD-ROMs also shrank to ¥246 million, down 71.9% compared with the same quarter of the previous year. Sales of other optoelectronic components were ¥190 million, down 44.6% compared with the same quarter of the previous year. An operating loss of ¥16 million was booked due to decreased sales despite strenuous efforts to cut the costs of labor, overhead and sales & general administrative expense.

3. Magnetics Business (former REMtech)

The magnetics business posted sales of ¥345 million, a decline of 75.6% compared with the same quarter of the previous year (down 73.5% compared with the same quarter of the previous year on a local-currency basis). We decided to sell off the division handling switches, relays, and surge arresters in the first quarter of 2003, and we excluded SRC from consolidated financial figures for the first quarter and then the magnetics business has a division handling magnetics only. Sales of magnetics were ¥364 million, a decline of 60.8% compared with the same quarter of the previous year due to the influence of the sluggish U.S. economy. Operating loss fell to 72 million yen from 287 million yen for the second quarter of 2002, for restructuring of SRC, which was main factor of the magnetics, businesses had depressed.

Overview of Consolidated Business Results for the Period of January-June 2003

Sales for the first half of 2003 were ¥14.364 billion, a decline of 21.5% compared with the same half of the previous year, due to slowing optoelectronics business operations, particularly optical pickups, the exclusion of SRC from the consolidated financial figures, and the scaled-down magnetics business operations following a review of non-profitable magnetics products in North America. The decline was also caused by a reduction in yen-converted overseas sales due to yen appreciation by ¥10.82 per dollar compared to the first half 2002, and despite increased sales of automotive components such as car-navigation systems, keyless entry systems, and coils for immobilizers.

Operating profit stood at ¥872 million, down 20.4% compared with the same half of the previous year. Ordinary profit was ¥794 million, down 28.0% compared with the same half of

the previous year due to an operating loss in the optoelectronics business as a result of a decrease in sales of optical pickups, decreased sales in the coil business due to temporary inventory adjustments by equipment manufacturers and increasing costs of research and development for new products such as automotive components and flat panels, and despite continuing declines in raw material costs and efforts to reduce fixed costs such as depreciation expenses. Net loss was ¥461 million for the first half of 2003 due to a special loss as the result of a subsidiary sale.

The Future Management Environment and Business Development Policy

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

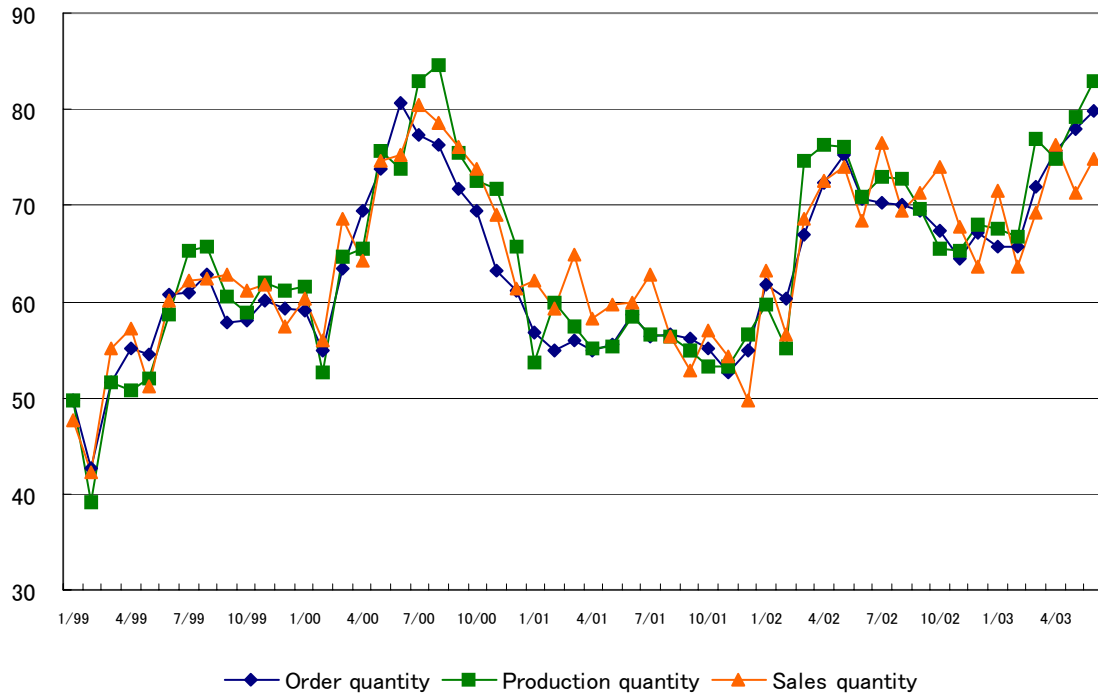
1. Coil Business

Monthly orders (amount delivered in a given month) for Sumida Group coils have been growing steadily in 2003. Monthly orders were an average 68 million pieces per month in the first quarter of 2003. Monthly orders were 76 million pieces in April, 78 million pieces in May and 80 million pieces in June, close to the 81 million pieces in June, 2002, which was the highest level in the past five years.

Seventy million pieces were produced monthly in the first quarter of 2003, and monthly production was coupled with an increase in monthly orders to total 75 million pieces in April, 79 million pieces in May and 83 million pieces in June. On the other hand, monthly sales quantities had made little increase with 76 million pieces in April, 71 million pieces in May and 75 million pieces in June. This is because the electronic manufacturers added electronic components for raw-material reservation and performed temporary inventory adjustment after the declaration of the end of SARS in Hong Kong, China and Taiwan, and a part of the second quarter delivery was carried over into the third quarter.

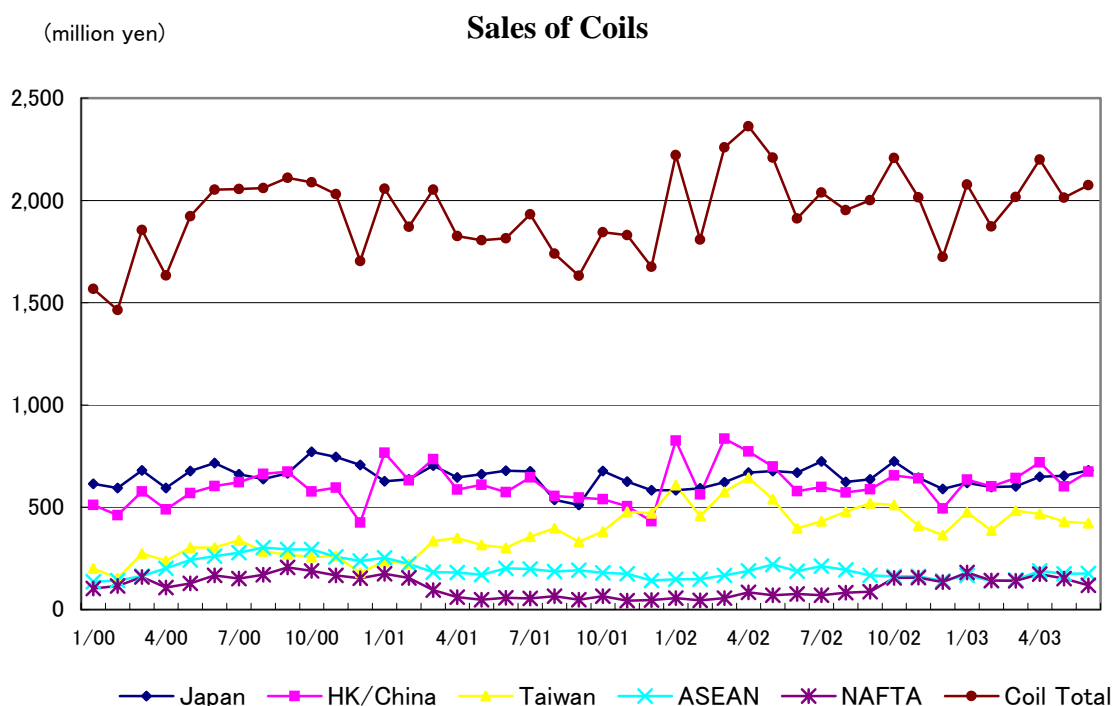
Order, Production and Sales Quantities

(million units)



The monthly sales of coils increased from 1,989 million yen per month on average in the first quarter to 2,095 million yen per month on average in the second quarter. Monthly sales were increasing gradually in Japan, Hong Kong and China. On the other hand, the

monthly sales of coils remained flat in the ASEAN region, and decreasing in the NAFTA region and Taiwan.



Uncertain conditions in the global business environment are expected to continue to affect the Sumida Group's coil business operations.

The number of PCs shipped worldwide in the second quarter of 2003 reached 32.82 million units, an increase of 10.0%, double-digit growth for the first time in three years. PC shipments are expected to expand due to active replacement demand.

Since demand for digital cameras increased and digital camera manufacturers improved their production plans, the anticipated 37 million sets at the beginning of the term in 2003 increased to 43 million sets. The demand for cellular phones will return to normal with the end of SARS. It is thought that the number of shipments will total 430 million sets and at the beginning of this year. LCD TVs are likely to increase from 1.5 million in 2002 to 3 million sets in 2003 and 5.5 million sets in 2004, as they become more widely used.

The positive new car sales promotion measures taken by each major European company were successful, and resulted in an increase of 2.9% compared with the corresponding month of the previous year, and an increase in June for the first time in three months.

The automobile market in the U.S. shifted to an increase in May, although inactivation continued under the influence of the Iraq war, and it increased 4.1% compared with the same quarter of the previous year in June. The Japanese automobile market has been increasing over the first half of 2003 by a total of 3.7% compared with the same quarter of the previous year for two consecutive terms. With increasing optimism spreading through the U.S., and the uptrend of consumer buying sentiment at the conclusion of the Iraq war, automobile sales for the future in the world market are expected to continue to expand.

Given these conditions, the Sumida Group will promote business activities that focus on fields of future growth, seeking to dramatically enhance corporate value. Deliveries of ABS coils to new customers, which began in the latter half of last year, will make their full contributions in 2003. We will strengthen our marketing force in the NAFTA region and in Asia. We plan to expand our customer base aggressively, from Japanese companies to foreign customers for automotive components such as keyless entry systems, immobilizers, car navigation systems, gasoline/diesel engines, EPS (electronic power steering), and coils for air bags, in addition to ABS coils.

We believe that the flat-panel display market for PCs and televisions will become our major source of income. The shift from CRT monitors to LCD monitors is expected to occur soon, and rapidly. Another reason for forecasting the imminent shift from CRTs to LCDs is the implementation of digital broadcasts in Japan toward the end of 2003. Digital broadcasts will replace analog broadcasts over the period from 2006 to 2011. The Sumida Group will concentrate on developing new products such as backlight-related products for flat-panel displays, power-supply-related products, and noise and high frequency filters.

2. Optoelectronics Business

We held back from optical pickups ODM products in the third quarter of last year, but our policy is to continue supplying to OEMs. The market for DVD optical pickups will continue to expand alongside expanding DVD demand. However, competition among equipment manufacturers is expected to heat up due to increasing numbers of market participants.

Our lens holders and actuators used in optical pickups have acquired a solid reputation in the optoelectronics equipment industry, thanks to the use of proprietary wire-winding machines for production. This has resulted in an industry leadership position in the direct sales market, excluding uses for our own production and use. Our policy is to aggressively market lens holders and actuators to new customers.

3. Magnetics business

In the magnetics business, SRC was excluded from consolidated financials from the first quarter of 2003. The magnetics segment remained in the red in the first half 2003 due to a significant decline of sales due to the sluggishness of the U.S. economy. We will seek to improve profitability by reducing manufacturing expenses while expanding our outsourcing policies to local manufacturers in China.

Prospects of Performance for the Third Quarter 2003

The Sumida Group arrives at its performance forecasts by compiling commitment reports submitted by all divisions for the following quarter. We must acknowledge the difficulties and risks of projecting an entire year's business performance at the beginning of the year. Such a forecast is undoubtedly subject to the unstable and changing economic environment. Therefore, it is our basic policy to disclose projections for the following quarter only, placing our first priority on providing more appropriate business information to all investors. Our performance estimates for the third quarter 2003 are as follows.

Estimate Performance of 3rd quarter 2003 (July 1, 2003-September 30,2003)	Actual performance of 3rd quarter 2002 (July 1, 2002-September 30,2002)	
Net sales	8,300 million yen	8,474 million yen
Ordinary profit	660 million yen	614 million yen
Net profit	440 million yen	428 million yen

(Based foreign exchange rate: \$1=¥120)

Consolidated Balance Sheet

(Unit: thousand yen)

	2Q 2003	%	2Q 2002	%	4Q2002	%
ASSETS						
I Current assets						
1.Cash & cash equivalents	4,043,563		4,295,410		4,789,274	
2.Trade receivables	6,441,558		7,308,652		6,440,099	
3.Inventories	3,134,711		4,074,388		3,645,101	
4.Others	1,520,356		1,086,398		1,239,564	
5.Allowance for doubtful accounts	(21,210)		(65,739)		(41,238)	
Total current assets	15,118,978	51.2	16,699,109	52.9	16,072,800	52.4
II Non-current assets						
(1) Tangible fixed assets						
1.Buildings	6,303,294		6,318,311		6,302,920	
2.Machinery & equipment	9,583,111		10,199,701		10,413,262	
3.Furniture & fixture	2,853,557		3,113,372		3,144,559	
4.Land	1,255,754		1,256,903		1,255,183	
5.Construction in progress	212,957		250,708		335,307	
6.Accumulated depreciation	(9,954,128)		(9,540,876)		(10,307,893)	
Total tangible fixed assets	10,254,545	34.8	11,598,119	36.7	11,143,338	36.3
(2) Intangible fixed assets						
1.Leasehold rights	585,342		587,587		582,306	
2.Software	151,137		178,933		173,188	
3.Others	4,016		15,074		8,152	
Total intangible fixed assets	740,495	2.5	781,594	2.5	763,646	2.5
(3) Investments & other assets						
1.Investments in securities	321,201		172,955		143,770	
2.Others	3,065,812		2,318,814		2,542,925	
Total investments & other assets	3,387,013	11.5	2,491,769	7.9	2,686,695	8.8
Total fixed assets	14,382,053	48.8	14,871,482	47.1	14,593,679	47.6
TOTAL ASSETS	29,501,031	100.0	31,570,591	100.0	30,666,479	100.0

Continued over

Consolidated Balance Sheet (Continued)

LIABILITIES							
I	Current liabilities						
	1.Trade payables	2,195,770		2,824,631		2,365,892	
	2.Short-term loans	5,596,572		5,136,840		5,129,741	
	3.Other current liabilities	1,914,198		2,691,817		2,466,875	
	Total current liabilities	9,706,540	32.9	10,653,288	33.8	9,962,508	32.5
II	Non-current liabilities						
	1.Long-term loans	971,212		1,848,020		1,324,616	
	2.Deferred tax liability	224,426		215,271		204,001	
	3.Other non-current liabilities	217,133		29,485		261,477	
	Total non-current liabilities	1,412,771	4.8	2,092,776	6.6	1,790,094	5.8
	TOTAL LIABILITIES	11,119,311	37.7	12,746,064	40.4	11,752,602	38.3
	(Minority interests)						
	Minority shareholders interests	---	---	11,907	0.0	3,726	0.0
SHAREHOLDER'S EQUITY							
I	Capital Stock	5,532,285	18.8	5,497,091	17.4	5,527,181	18.0
II	Legal reserves	5,330,521	18.1	5,294,280	16.8	5,325,272	17.4
III	Consolidated retained earnings	8,603,440	29.1	9,098,453	28.8	9,198,400	30.0
IV	Unrealized gains/losses on securities at market valuation	57,888	0.2	42,404	0.1	28,360	0.1
V	Cumulative translation adjustments	(1,124,698)	(3.8)	(1,116,712)	(3.5)	(1,164,091)	(3.8)
VI	Treasury stock	(17,716)	(0.1)	(2,896)	(0.0)	(4,971)	(0.0)
	TOTAL SHAREHOLDER'S EQUITY	18,381,720	62.3	18,812,620	59.6	18,910,151	61.7
TOTAL LIABILITIES & SHAREHOLDER'S EQUITY		29,501,031	100.0	31,570,591	100.0	30,666,479	100.0

Consolidated Statement of Income

(unit : thousand yen)


	2Q				6-Months Period (January - June)			
	2003		2002		2003		2002	
	Amount	% Of Sales	Amount	% Of Sales	Amount	% Of Sales	Amount	% Of Sales
I Net sales	7,161,780	100.0	9,349,442	100.0	14,363,635	100.0	18,304,105	100.0
II Cost of sales	5,141,651	71.8	7,024,260	75.2	10,514,770	73.2	13,961,278	76.3
Gross income	2,020,129	28.2	2,325,182	24.8	3,848,865	26.8	4,342,827	23.7
III Sales & general administrative expenses	1,448,634	20.2	1,733,003	18.5	2,976,745	20.7	3,246,812	17.7
Operating profit	571,495	8.0	592,179	6.3	872,120	6.1	1,096,015	6.0
IV Non-operating income (expenses)								
Interest & dividends received	7,502		13,572		16,875		31,916	
Interest cost & discount expense	18,744		18,708		37,212		43,964	
Exchange gain (loss)	(42,385)		35,218		(34,674)		31,905	
Investment loss on equity method	51,975		---		51,975		---	
Other non-operating income (expenses)	22,015		(33,478)		28,534		(12,869)	
Non-operating income (expenses)	(83,587)	(1.2)	(3,396)	(0.0)	(78,452)	(0.6)	6,988	0.0
Ordinary income	487,908	6.8	588,783	6.3	793,668	5.5	1,103,003	6.0
V Extraordinary income (losses)								
Income on sales of fixed assets	139,517		233		140,720		233	
Loss on disposal of fixed assets	12,633		23,249		12,636		28,714	
Director's retirement bonus	---		---		50,000		---	
Unrealized loss on investment securities	109,042		---		109,042		---	
Loss on sales of subsidiary	12,763		---		1,203,941		---	
Structural reorganization expenses	52,439		---		52,439		---	
Extraordinary income (losses)	(47,360)	(0.6)	(23,016)	(0.2)	(1,287,338)	(8.9)	(28,481)	(0.1)
Income before income taxes	440,548	6.2	565,767	6.1	(493,670)	(3.4)	1,074,522	5.9
Income taxes	(37,671)	(0.5)	63,664	0.7	(29,611)	(0.2)	190,853	1.1
Income on minority shareholders	3,336	0.0	---	---	3,336	0.0	---	---
Net income	481,555	6.7	502,103	5.4	(460,723)	(3.2)	883,669	4.8

Consolidated Cash Flow Statement

(Unit: thousand yen)

Account	Period	6-Month Period (Jan. - Jun)		12-Month
		2003	2002	Period 2002
		Amount	Amount	Amount
I. Cash Flows from Operating Activities				
1. Income before income taxes		(493,670)	1,074,522	1,652,506
2. Depreciation & Amortization		734,523	1,042,460	2,120,455
3. Change in provision for doubtful debts		(20,028)	7,983	---
4. Interest and dividends income		(16,875)	(31,916)	(53,899)
5. Interest income		37,212	43,964	86,058
6. Exchange gain/loss		(1,326)	---	28,485
7. Investment loss on equity method		51,975	---	---
8. Loss on sales of subsidiary		1,203,941	---	---
9. Unrealized loss on investments in securities		109,042	---	4,184
10. Unrealized loss on golf course membership		---	---	22,120
11. Loss on disposal of fixed assets		12,636	28,714	104,985
12. Gain on sales of fixed assets		(140,720)	(233)	(153)
13. Change in Accounts Receivable		(377,421)	(1,415,470)	(481,056)
14. Increase/Decrease in inventories		(39,864)	(614,306)	(160,932)
15. Change in Accounts Payable		134,502	763,819	275,144
16. Others		(355,134)	172,726	(139,723)
Subtotal		838,793	1,072,263	3,458,174
17. Interest and dividends received		16,875	31,916	53,899
18. Interest paid		(37,237)	(55,077)	(85,867)
19. Income taxes paid		(617,819)	(405,267)	(718,905)
Cash Flows from Operating Activities		200,612	643,835	2,707,301
II. Cash Flows from Investing Activities				
1. Acquisition of tangible fixed assets		(673,290)	(791,861)	(1,455,133)
2. Sales of tangible fixed assets		188,202	6	6,955
3. Decrease in cash and cash equivalents on sales of subsidiary		(27,553)	---	---
4. Acquisition of investments in securities		(91,088)	(1,301)	(1,301)
5. Sales of investments in securities		---	60,379	60,379
6. Investment in stocks of affiliated company		(355,620)	---	(136,229)
7. Acquisition of intangible fixed asset		(5,517)	(94,065)	(98,760)
Cash Flows from Investing Activities		(964,866)	(826,842)	(1,624,089)

. Cash Flows from Financing Activities			
1. Change in short-term loans payable	475,093	(3,916)	(16,979)
2. Repayments of long-term debt	(353,404)	(529,404)	(1,052,808)
3. Proceeds from issuance of stocks	10,200	242,760	302,940
4. Cash dividends paid	(134,237)	(132,767)	(266,716)
5. Others	(12,744)	---	(4,430)
Cash Flows from Financing Activities	(15,092)	(423,327)	(1,037,993)
. Effect of exchange rate changes on cash and cash equivalents	34,929	(447,524)	(605,213)
. Net increase (decrease) in cash and cash equivalents	(744,417)	(1,053,858)	(559,994)
. Cash and cash equivalents at beginning of year	4,789,274	5,349,268	5,349,268
. Decrease in cash and cash equivalents on exception from consolidation	(1,294)	---	---
. Cash and cash equivalents at end of interim period (year)	4,043,563	4,295,410	4,789,274

 **The explanatory notes given in English are for reference only. For any doubts or uncertainty regarding the English translation, refer to the original text in Japanese.**