

This is a translation of the original notice in Japanese. In the event of any discrepancy, the original notice in Japanese shall prevail.

(Stock Code: 6817)

March 12, 2009

NOTICE OF THE 54TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

SUMIDA CORPORATION hereby would like to inform you that the 54th Annual General Meeting of Shareholders will be held as outlined below. Please accept our cordial invitation to this meeting. If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet. Please examine the appended "Reference Materials for Annual General Meeting of Shareholders" and exercise your voting rights in accordance with the instructions given in pages 3 and 4.

Yours faithfully,
Shigeyuki Yawata
Director, Representative Executive Officer and CEO
SUMIDA CORPORATION
Yaesu Center Building
1-6-6, Yaesu, Chuo-ku, Tokyo

- 1. Date and Time:** 1:00 p.m., Saturday, March 28, 2009
(The reception desk will open at 12:30 p.m.)
- 2. Venue:** Apollon, Hotel Nikko Tokyo (1st Floor),
1-9-1 Daiba, Minato-ku, Tokyo
(Please note that the venue is different from that of the previous General Meeting of Shareholders.)

3. Meeting Agenda:

- Items to be reported

1. Business Report, Consolidated Financial Statements and a report on the audit results of Consolidated Financial Statements by the independent auditors and the Audit Committee for the 54th term (January 1 to December 31, 2008)
2. Non-consolidated Financial Statements for the 54th term (January 1 to December 31, 2008)

- Items to be resolved

Agenda 1: Partial amendment to the Articles of Incorporation

Agenda 2: Appointment of eleven (11) directors

Agenda 3: Appointment of independent auditor

4. Decisions Made for the Notice of the Meeting

- (1) If a shareholder does not indicate acceptance or rejection of the agenda items when exercising a voting right in writing or via the Internet, the Company shall treat such cases as indications of acceptance.
- (2) In the event that a shareholder exercises a voting right via the Internet, even if the voting form is returned to us by mail, the Company shall treat the shareholder's Internet vote as the effective exercise of the voting right.
- (3) If a shareholder exercises a voting right in writing, the shareholder is requested to return a voting form to us by mail by 5:00 p.m. on Friday, March 27, 2009 (JST).
- (4) If a shareholder exercises a voting right via the Internet, the shareholder is requested to do so by 5:00 p.m. on Friday, March 27, 2009 (JST).
- (5) In the event that a shareholder exercises voting rights inconsistently, the shareholder is requested to submit his/her intention to do so and the reason for the inconsistent exercise of voting rights to the Company in writing by three days before the meeting.

If the Reference Materials for Annual General Meeting of Shareholders, Business Report, Consolidated and Non-consolidated Financial Statements are revised, the revisions shall be posted on our Website (<http://www.sumida.com>).

<Concerning the Exercise of Voting Rights>

- * Shareholders attending the meeting in person are requested to fill out the voting form enclosed with this notice and submit it at the reception desk on the day of the meeting.
- * A shareholder may exercise his/her voting rights by designating one proxy who is another shareholder of the Company with voting rights pursuant to Article 18 of the Articles of Incorporation. In such cases, please submit to the Company a document proving the proxy's power of representation (power of attorney).
- * If you are unable to attend the meeting in person, please exercise your voting rights using either of the below methods.

[How to submit your voting form by mail]

After indicating your acceptance or rejection of the agenda items on the voting form enclosed with this notice, return the form to us.

[How to exercise your voting rights via the Internet]

1. When using a computer
 - (1) Access the Website for Exercising Voting Rights at <http://www.tosyodai54.net/>
 - (2) After reading the requests listed on the voting form, input the exercise of code and password for the exercise of voting rights.
 - (3) Follow the instructions given on the screen to exercise your voting rights.
2. When using a mobile phone
 - (1) The following services can be utilized. When using a mobile phone, access the Website for Exercising General Shareholder Meeting Voting Rights (<http://www.tosyodai54.net/>) and follow the instructions displayed on the screen to exercise your voting rights in the same way as specified in "1. When using a computer" above.
 - i-mode
 - EZweb
 - Yahoo! Keitai(i-mode is a service mark / registered trademark of NTT DoCoMo, Inc., EZweb is a service mark / registered trademark of KDDI Corp. and Yahoo! Keitai is a service mark / registered trademark of Softbank Mobile Corp.)
 - (2) Your mobile phone needs to be equipped with an SSL communications function for secure encrypted communications.
3. Please note that shareholders are to bear any and all telecommunications charges, including call charges, and connection charges to be paid to Internet service providers when accessing the Website for Exercising Voting Rights.
4. In the event that a shareholder exercises a voting right on multiple occasions, the Company shall treat the shareholder's final vote as the effective exercise of the voting right.

Please direct any enquiries you may have concerning the exercise of voting rights via the Internet to:

Shareholders' Register Manager: Tokyo Securities Transfer Agent Co., Ltd. Tel: 0120-49-7009 (Toll free number)
Operating hours: 9:00 a.m. to 5:00 p.m. weekdays (excluding Saturdays, Sundays and holidays)

[To All Institutional Investors]

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

Business Report
for the 54th business term
(January 1 to December 31, 2008)

Shigeyuki Yawata
Director, Representative Executive Officer and CEO
SUMIDA CORPORATION

Business Report

(January 1 to December 31, 2008)

1. Matters Concerning the Current Status of the Sumida Group

(1) Business conditions for the fiscal year under review

(i) Progress and results of the business

In 2008, Lehman Brothers, a leading securities firm, filed for bankruptcy on September 15, triggering a trend of reorganization and shakeout violently hit the U.S. financial industry, including securities, banking and insurance sectors, and causing major banks in Europe to start seeking public management one after the other. The U.S. and other countries are trending back toward safekeeping international investment funds in their own countries and are trying to secure settlement funds under uncertain financial conditions, thereby giving rise to active sales of stocks in order to obtain U.S. dollars and Japanese yen and simultaneously, causing a drastic decline of the Euro. Given such circumstances, the world economy is still experiencing an unpredictable, unstable situation. Despite the ceaseless efforts of each country to meet the challenges by implementing new or adapting old policies, uncertain economic forecasts still have not been swept away. Feeling pressure from falling asset value through decline of financial and product markets, individual households and corporate sectors are encouraged to defer spending, resulting in a radical slash of demand for consumer items and capital goods. Both global industrial production and trade values recorded a three-month decline of over 40% in November, compared with an increase by about 5% and 20% for the middle of 2008, respectively. Although emerging nations, particularly in Asia, including China, India, and ASEAN members, are expected to maintain economic growth in the future, developed countries including the U.S., Europe, and Japan are likely to continue suffering negative economic growth. According to the latest IMF announcement, the increase in the world's real GDP is expected to slow down from 3.4% for 2008 to 0.5% for 2009.

Whereas the global market for electronic devices was relatively favorable until the middle of 2008 in terms of final demand of key products, including notebook PCs, cellular phones, and DSCs, the downward trend has been rapidly expanding since the end of the third quarter.

Shipments for personal computers continued to grow by 14.6% to 69 million units in the first quarter, 15.3% to 71 million units in the second quarter, and 15.8% to 80 million units in the third quarter; however, shipments declined by 0.4% to 77 million units in the fourth quarter compared with the corresponding term of the previous year. The sales volume of cellular phones increased by 14.3% to 292 million units in the first quarter, 15.3% to 306 million units in the second quarter, and 14.4% to 331 million units in the third quarter; yet decreased by 13.5% to 289 million units in the fourth quarter compared with the corresponding term of the previous year. Shipments for DSCs increased by 33.0% to 24 million units in the first quarter, 29.5% to 32 million units in the second quarter, and 22.2% to 33 million units in the third quarter, yet slowed down by 0.8% to 31 million units in the fourth quarter compared with the corresponding term of the previous year. In addition, demand for automotive parts and peripherals, which had been continuously increasing due to automotive electrification, turned into a decline due to the impact of production adjustment by major automotive manufacturers in Japan, the U.S., and Europe.

Given such circumstances, the Sumida Group strived to reduce the cost of raw materials as well as cut labor cost and manufacturing expenses by shortening overwork hours and improving productivity in the Coil Business while focusing on enhancing efficient operation of its Romanian and Slovenian factories in VOGT Component Business. The Group also established a satellite factory in Nanning, China, where labor costs are relatively inexpensive, as one of its cost reduction policies during the third quarter. Moreover, the Group placed under its umbrella EIWA Co., Ltd., which engages in manufacturing and selling power supply transformers and various coils, and MOSTEC, Inc., which specializes in developing coils and transformers used for industrial large current.

Overall net sales for the fiscal year under review fell by 20.6% to 55,734 million yen from the previous fiscal year due to a scale-down of the Coil Business, which was marked a decrease by over 10% in Legacy, Inverter, and Other Coil Business as well as a reduction in VOGT Components and VOGT EMS Businesses, reflected in drastic production adjustments made in the European automotive industry, although new companies such as EIWA and MOSTEC joined as Other Business.

In terms of profit, despite the new addition of Other Business and efforts to reduce R&D, sales and administrative expenses, the Company could not avoid a decrease in earnings in its Coil Business, due to revenue reduction effects from Power Solution, Power Inductor, Signal and other components of the Legacy Business, and the VOGT Components and VOGT EMS Businesses also saw reduced revenue and profit. This had the effect of pushing down operating income by 54.0% year on year to 2,167 million yen. Although no investment loss on equity-method accounting was recorded, the recording of foreign exchange losses under non-operating expenses resulted in an ordinary loss of 146 million yen compared to ordinary income of 4,368 million yen in the previous fiscal year. Due to structural reform expenses, a loss on valuation of investments in securities, a loss on expenses for commission on processing among other extraordinary losses, the Company recorded a net loss of 5,743 million yen compared to net income of 2,855 million yen in the previous fiscal year.

The following is the business performance by segment of the consolidated fiscal year. The Sumida Group is composed of Coil Business, VOGT Components Business, VOGT EMS Business and Other Business.

A. Coil Business

Sales for Coil Business decreased by 22.7% year on year to 35,570 million yen due to decrease in Inverter Business and Other Coil Business, and to reduction of Legacy Business, although Automotive-related Business increased.

1) Legacy Business

Sales for Legacy Business were down 17.2% year on year to 21,062 million yen because of decrease in Power Solution, Power Inductor and Signal.

a) Power Solution

Sales of Power Solution were down 22.7% year on year to 3,542 million yen.

In terms of area, sales fell in Hong Kong/China, the U.S., Taiwan, Europe and Japan despite

sales increased in Singapore. For sales by product used, recreational equipment, automotive-related devices, AV equipment, PC and its peripherals, air conditioners, industry equipment, medical equipment and garage equipment showed a decrease.

b) Power Inductor

Sales of the Power Inductor fell by 17.6% year on year to 13,037 million yen. In terms of area, sales in Hong Kong/China, Taiwan, the U.S., Japan, Singapore and Europe were declined. For sales by product used, although industry equipment and medical equipment increased, PC and its peripherals, AV equipment, communication equipment, automotive-related devices and electric power equipment decreased.

c) Signal

Sales of the Signal decreased by 11.2% year on year to 4,483 million yen. In terms of area, sales were decreased in the U.S., Singapore, Hong Kong/China, Taiwan and Europe but sales in Japan were increased. For sales by product used, industrial equipment and medical equipment increased, but tags, automotive-related devices, OA equipment, PC and its peripherals and AV equipment decreased.

2) Inverter Business

Sales of Inverter Business decreased by 84.3% year on year to 1,056 million yen. In terms of area, sales were up in Singapore, but declined in Hong Kong/China, Taiwan, Japan, Europe and the U.S. For sales by product used, liquid crystal display TVs expanded whereas notebook PCs and liquid crystal displays dropped.

3) Automotive Business

Sales of Automotive Business gained 1.5% to 10,005 million yen from the previous fiscal year. In terms of area, sales declined in the U.S., Japan and Hong Kong/China but, on the other hand, were favorably increased in Europe and Singapore. Looking at sales by product used, although there were sluggish sales of keyless entry systems, automotive air conditioners, there were higher sales of ABS systems, injection systems for direct engines.

4) Other Coil Business

Sales of Other Coil Business were decreased by 13.2% year on year to 3,447 million yen. Other Coil Business is classified into STELCO and Panta, etc. Both STELCO and Panta marked a decrease in sales.

B. VOGT Components Business

Sales in VOGT Components Business were decreased by 19.2% year on year to 17,531 million yen. As the Group decided to supply materials to its subcontractors without charge, whereas it was supplied at cost until the previous year, the cost was therefore added to sales. It is also attributable to radical production adjustment by its clients in the automotive-related device industry.

C. VOGT EMS Business

Sales in VOGT EMS Business were decreased by 41.2% year on year to 1,473 million yen. Sales of industry equipment and medical equipment continued strong, while sales for home electric appliances, lightning equipment and automotive-related devices fell.

D. Other Business

Other Business consists of EIWA Co., Ltd. and MOSTEC, Inc., which were placed under the Group's umbrella in October 2008. EIWA engages mainly in manufacturing and selling electronic parts, including power supply transformers and various coils, while MOSTEC specializes in developing coils and transformers used for industrial large current as a manufacturing company. Sales of Other Business were 1,160 million yen.

Business Segment	Net Sales (million yen)
Coil Business	35,570
VOGT Components Business	17,531
VOGT EMS Business	1,473
Other Business	1,160
Total	55,734

Note: Above amounts do not include consumption tax.

(ii) Plant and equipment investment

The Group continuously makes investments to expand facilities and enhance research and development for rationalization of production, quality improvement and increasing demand. For the current fiscal year, the total investment amounted to 2,964 million yen, including constant investments related to the development and manufacturing of new products.

(iii) Fund procurement

During the current fiscal year, the Group made bank borrowings and issued bonds to meet the funding requirements for M&A etc. The balance increased by 2,752 million yen from the previous fiscal year end.

Additionally, borrowing commitment agreements have been concluded with five Companies' financing banks to raise working capital effectively. The undisbursed commitment pertaining to the borrowing commitment as of the end of the current fiscal year is shown as follows:

Total borrowing commitment:	6,000 million yen
Borrowings outstanding:	2,710 million yen
Undisbursed commitment:	3,290 million yen

(iv) Business transfers, absorption-type demerger, and incorporation-type demerger

There were no relevant issues.

(v) Business acceptance from other companies

There were no relevant issues.

(vi) Succession in rights and obligation related to the businesses of other companies through merger or spin-off by absorption

There were no relevant issues.

- (vii) Acquisition of shares, other stakes or stock acquisition rights of other companies
- 1) VOGT electronic Oberzell GmbH
VOGT electronic Oberzell GmbH (Germany) has been excluded from the scope of consolidation on the integration with VOGT electronic Components GmbH.
 - 2) Panta GmbH
The Company purchased shares of Panta GmbH (Germany) from minor shareholders, and as a result, the percentage of its shares held increased from 76% to 100%.
 - 3) PANTA ROMANIA S.R.L.
In February 2008, the Company established PANTA ROMANIA S.R.L., a wholly-owned subsidiary that engages in manufacturing for Panta GmbH in Romania, and recorded it as a consolidated subsidiary.
 - 4) SUMIDA ELECTRIC (GUANGXI) Co., LTD.
In August 2008, the Company established SUMIDA ELECTRIC (GUANGXI) Co., LTD. (China), a wholly-owned subsidiary that engages in manufacturing in China, and recorded it as a consolidated subsidiary.
 - 5) SUMIDA AMERICA COMPONENTS INC.
In December 2008, the corporate name VOGT electronic of North America, Inc. (U.S.), a consolidated subsidiary in the previous fiscal year, was changed to SUMIDA AMERICA COMPONENTS INC.
 - 6) Sumida Power Electronics Co., Ltd.
In October 2008, the Company established Sumida Power Electronics Co., Ltd. (Tokyo), a wholly-owned subsidiary that engages in overseeing the power electronics business, and recorded it as a consolidated subsidiary.
 - 7) Sumida America Manufacturing, Inc.
In December 2008, the Company established Sumida America Manufacturing, Inc. (U.S.), a wholly-owned subsidiary that engages in manufacturing in North America, and recorded it as a consolidated subsidiary.
 - 8) EIWA Co., Ltd.
In December 2008, the Company acquired 100% of the total shares of EIWA Co., Ltd., and recorded it as a consolidated subsidiary.
 - 9) Eiwa (Thailand) Co., Ltd.
In December 2008, the Company acquired 100% of the total shares of Eiwa (Thailand) Co., Ltd. (Thailand), and recorded it as a consolidated subsidiary.
 - 10) EIWA (HK) COMPANY LIMITED
In December 2008, the Company acquired 100% of the total shares of EIWA (HK) COMPANY LIMITED (Hong Kong), and recorded it as a consolidated subsidiary.
 - 11) EIWA Aomori Ltd.
In October 2008, the Company acquired 100% of the total shares of EIWA Aomori Ltd., and recorded it as a consolidated subsidiary.
 - 12) MOSTEC, Inc.
In October 2008, the Company acquired 100% of the total shares of MOSTEC, Inc. and recorded it as a consolidated subsidiary.
 - 13) VOGT electronic AG
In June 2008, the Company subscribed the capital increase through shareholder allocation to VOGT electronic AG and as a result, the percentage of its shares held by the Sumida Group

increased to 84.6% from 83.7%. Accordingly, the ratio of shareholding in subsidiaries of the company by the Sumida Group also increased.

(2) Summary of assets, profit and losses

Item	51st Fiscal Term (ended Dec. 2005)	52nd Fiscal Term (ended Dec. 2006)	53rd Fiscal Term (ended Dec. 2007)	54th (Current) Fiscal Term (ended Dec. 2008)
Net sales (million yen)	39,666	63,508	70,210	55,734
Net income (loss) (million yen)	2,435	2,182	2,855	(5,743)
Net income (loss) per share (yen)	126.54	111.88	149.96	(298.91)
Total assets (million yen)	51,701	70,161	71,510	60,814
Net assets (million yen)	24,920	27,150	29,919	14,700
Net assets per share (yen)	1,285.44	1,383.75	1,486.13	718.04

Notes:

1. Net sales do not include consumption tax.
2. Starting from the 52nd fiscal term, “Accounting Standard for Indication of Net Assets on the Balance Sheet” (Accounting Standard No. 5, December 9, 2005) and “Implementation Guidance for Accounting Standard for Indication of Net Assets on the Balance Sheet” (Implementation Guidance for Accounting Standard No. 8, December 9, 2005) have been adopted.
3. For the 51st fiscal term, “Accounting Standard for Net Income per Share” (Accounting Standard No. 2, September 25, 2002) and “Implementation Guidance for Accounting Standard for Net Income per Share” (Implementation Guidance for Accounting Standard No. 4, September 25, 2002) were adopted for calculation of net assets per share and net income per share.
4. During the 51st fiscal term, a 1.1-for-1 stock split was executed. Net income per share was calculated based on the assumption that the stock split was executed at the beginning of the fiscal term.
5. Starting from the 52nd fiscal term, “Accounting Standard for Net Income per Share” (Amended Accounting Standard No. 2, January 31, 2006) and “Implementation Guidance for Accounting Standard for Net Income per Share” (Implementation Guidance for Amended Accounting Standard No. 4, January 31, 2006) were adopted for calculation of net assets per share and net income per share.

(3) Significant matters of the parent company and subsidiaries

(i) Relationship with the parent company

There were no relevant issues.

(ii) Significant subsidiaries

Company name	Capital (in thousand)	Voting rights of the Company (%)	Key business
Sumida Electric Co., Ltd.	50,000 yen	100	Control of the coil business
Sumida Power Electronics Co., Ltd.	50,000 yen	100	Control of the power electronics business
Sumida Electronic Components Co., Ltd.	1,000,000 yen	100 (100)	Sale and research & development of coils
Sumida Corporate Service Incorporated	25,000 yen	100	Control of Group management
EIWA Co., Ltd.	261,200 yen	100 (100)	Development, manufacture, and sale of power electronics related coils
MOSTEC, Inc.	40,000 yen	100 (100)	Development of power electronics related coils
Dongguan Sumida (Tai Ping) Electric Co., Ltd.	305,000 Hong Kong dollars	100 (100)	Manufacture of coils
SUMIDA ELECTRIC (GUANGXI) Co., LTD.	17,562 yuan	100 (100)	Manufacture of coils
Sumida Electric (H.K.) Company Limited	245,000 Hong Kong dollars	100 (100)	Manufacture and research & development of coils
SUMIDA SERVICE COMPANY LIMITED	13,000 Hong Kong dollars	100 (100)	Internal services
SUMIDA TRADING COMPANY LIMITED	80,000 Hong Kong dollars	100 (100)	Sale of coils
SUMIDA TRADING PTE LTD.	6,000 Singapore dollars	100 (100)	Sale of coils
SUMIDA AMERICA COMPONENTS INC.	6,350 U.S. dollars	100 (100)	Sale of coils
Sumida America Manufacturing, Inc.	4,000 U.S. dollars	100 (100)	Sale of coils
SUMIDA DE MEXICO S.A. DE C.V.	5 Mexico peso *	100 (100)	Manufacture of coils
SMD MARKETING (M) SDN. BHD.	50 Malaysia dollars	100 (100)	Sale of coils
SUMIDA TRADING (SHANGHAI) COMPANY LIMITED	8,070 yuan	100 (100)	Sale of coils
TAIWAN SUMIDA TRADING COMPANY LIMITED	30,000 Taiwan dollars	100 (100)	Sale of coils
SUMIDA TRADING (KOREA) COMPANY LIMITED	250,000 Korea won	100 (100)	Sale of coils
Sumida VOGT GmbH	25 euro	100	Control of European operations
STELCO GmbH Electronic Components	105 euro	100 (100)	Manufacture and sale of coils
VOGT electronic AG	5,849 euro	84.6 (84.6)	Holding company

Company name	Capital (in thousand)	Voting rights of the Company (%)	Key business
VOGT electronic Austria GmbH	1,500 euro	84.6 (84.6)	Manufacture of components
VOGT electronic Components GmbH	25 euro	84.6 (84.6)	Control and sale of components
VOGT electronic EMS GmbH	25 euro	84.6 (84.6)	Controlling company of EMS
VOGT electronic Lehesten GmbH	1,100 euro	84.6 (84.6)	EMS
VOGT electronic de Mexico S.A. de C.V.	50 Mexico peso	62.6 (62.6)	Manufacture of components
VOGT electronic Romania S.R.L.	2,197 euro	84.6 (84.6)	Manufacture of components
VOGT electronic Shanghai Co., Ltd.	37,905 yuan	84.6 (84.6)	Manufacture and sale of components
VOGT electronic Slovenija, d.o.o.	503 euro	62.6 (62.6)	Manufacture of components
vogtronics GmbH	25 euro	62.6 (62.6)	Manufacture and sale of components
Panta GmbH	26 euro	100 (100)	Manufacture and sale of flat cables
PANTA ROMANIA S.R.L.	161 euro	100 (100)	Manufacture of flat cables
Eiwa (Thailand) Co., Ltd.	70,000 baht	100 (100)	Development, manufacture and sale of power electronics related coils
EIWA (HK) COMPANY LIMITED	52 U.S. dollars	100 (100)	Development, manufacture and sale of power electronics related coils
ISMART GLOBAL LIMITED	23,309 euro	100 (100)	Intermediate holding company

Notes:

1. *Asterisk: Figure inclusive of capital reserve
2. Figures shown in parentheses in the column of voting rights are the percentages held indirectly.

(4) Issues to address

(i) Sustainable growth and maintenance of profitability

The Sumida Group will steadily execute strategic initiatives listed in the new Mid-Term Business Plan “Triple Ex” laid out in March 2008, with the aim of sustaining growth, realizing synergy in the Group as well as maintaining and improving profitability by enhancing existing businesses and fostering growth through M&A and business tie-ups.

For this fiscal year, the Group made active efforts to place the power electronics sector on the same footing as highly-growing environmental conservation and efficient energy saving by placing two companies with technical expertise and business foundation relating to the sector under the Group’s umbrella. The Group aims to expand the business at an early stage by making the most of globally-developed marketing and manufacturing strengths.

(ii) Speedy and flexible management in response to changes in business environment

A more mobile and flexible management attitude is required to appropriately keep up with the drastically changing business environment. The Company strives to speed up the execution of

operations throughout the Group by substantially assigning authority to the executive officers under the proper corporate governance system as a company with committees, always review the profitability of each business, and efficiently allocate resources by drastically scaling down the less profitable businesses and focusing on the more profitable ones. The Company will press ahead with selection and concentration of its businesses by considering the development and commercialization of new products and pursue speedy and flexible management that can accommodate environmental change.

(iii) Corporate governance

The basics of the Company's corporate governance are to maintain transparency and efficiency of management, meet the expectations of stakeholders and continuously improve the corporate value, which it recognizes as being one of the most important issues for its management. In particular, the role of governance under a system in which "execution" and "supervision" are segregated through delegation of substantial authority for executing operations is extremely important. The Company always tries to develop a system in which both duties function effectively and efficiently to realize more suitable governance.

(iv) Corporate social responsibility

Under the existing circumstances, in which companies need to fulfill legal, economic and social responsibilities more than ever, and in which they need to actively contribute to society and make concrete actions, the Group fulfills its social responsibilities by performing business based on basic perspectives such as integrity, discipline and common sense, and at the same time makes broad efforts to further enhance the trust that society places in it through measures including reinforcement of the legal and compliance functions, active commitment to environmental issues and offering of scholarships.

Note: New Mid-Term Business Plan "Triple Ex"

The name of the new Mid-Term Business Plan Triple Ex, which covers the three years from FY2008 through FY2010, comes from the Sumida Group's motto shown below:

Excellence Through

Exception Execution, **Ex**traordinary Technology and

Exemplary Global Management System

By executing the following five strategic initiatives under the motto, the Sumida Group will move beyond its current core competencies of low cost production and response to customer needs globally, and will increase its investments in R&D to produce innovative products that lead global markets.

1) Sumida "Silk Road Concept": sharpen the low cost mass production capability based in Asia

Sharpen the low cost mass production capability based in Asia, utilizing the new Sumida "Silk Road Concept"

2) Leverage execution capability

Leverage execution capability in Asia to offer low cost and mass production capabilities to European and North American customers.

3) Invest in pioneering technologies and stimulating environment to motivate innovative research

Invest in pioneering technologies to lead the industry and invest in stimulating environment to motivate innovative research of the Group's engineers. Regional R&D centers in Japan and Germany will work in close proximity to markets and customers to develop innovative customer-driven solutions. The Group's newly established R&D center, C-Lab, in

China, provides a fertile ground for engineers from group companies in many different countries to develop exciting new products.

4) Leverage Global R&D, Production, Sales structure

Leverage Sumida's global platform of R&D, sourcing, manufacturing, marketing, and sales, by carrying out horizontal and vertical integration through M&A, to deepen and widen its capabilities. Through horizontal integration Sumida aims to consolidate individual component technologies into higher level module-based technologies. By means of vertical integration, the Group will further enhance its cost competitiveness.

5) Strengthen and refine the Group's global management system

Strengthen and refine the Group's global management system to extract the maximum synergy from the diversity in cultures and experience existing in subsidiaries in Asia as well as in Europe. As the Group continue with its growth, organic and through M&A, this system needs to be adaptable and responsive to allow the Group to create synergy from the different cultures in different regions, to work with new allies, and to assimilate new companies as they join or partner with the Sumida group.

(5) Major business lines (as of December 31, 2008)

Lines of business	Key products
Coil Business	DC/CD converter transformers, switching power supply transformers, stroboscopic oscillating transformers, noise filter coils, DC/DC converter units, power inductors, IFT/RF coils, keyless entry antenna coils, ADSL modem transformers, data line filters, antenna coils, video filters, signal inductors, RF-ID, four-way valve coils, CCFL driving inverter transformers, CCFL driving inverter units, ABS coils, injection coils, antenna coils, sensor coils, and noise filers
VOGT Components Business	Antenna coils, sensor coil modules, ignition coil modules, noise filters, xDSL splitter modules, and DC/DC converter transformers
VOGT EMS Business	Power steering control units, GPS antennas, anti-theft control units, diesel engine control units, and power supply
Other Business	High-frequency transformers, high-frequency choke coil, edge-wise coil, stick coil, motor coil for HDD

(6) Major business offices of the Sumida Group (as of December 31, 2008)

Headquarters: Chuo-ku, Tokyo (the Company)

Business Supervising Companies:

Sumida Electric Co., Ltd. (Chuo-ku [Tokyo]), Sumida Power Electronics Co., Ltd. (Chuo-ku [Tokyo]), Sumida VOGT GmbH (Germany), Sumida Corporate Service Incorporated (Chuo-ku [Tokyo])

Domestic sales offices:

Sumida Electronic Components Co., Ltd. (Chuo-ku [Tokyo], Yokohama, Osaka, Nagoya and other three offices), EIWA Co., Ltd. (Chuo-ku [Tokyo])

Overseas sales offices:

SUMIDA TRADING COMPANY LIMITED (Hong Kong), SUMIDA TRADING PTE LTD. (Singapore), SUMIDA AMERICA COMPONENTS INC. (U.S.), SMD MARKETING (M) SDN. BHD. (Malaysia), STELCO GmbH Electronic Components (Germany), VOGT electronic Austria GmbH (Austria), SUMIDA TRADING (SHANGHAI) COMPANY LIMITED (China), VOGT electronic Components GmbH (Germany), VOGT electronic EMS

GmbH (Germany), vogtronics GmbH (Germany), VOGT electronic Lehesten GmbH (Germany), VOGT electronic Shanghai Co., Ltd. (China), Panta GmbH (Germany), SUMIDA TRADING (KOREA) COMPANY LIMITED (South Korea), TAIWAN SUMIDA TRADING COMPANY LIMITED (Taiwan)

Domestic production bases:

EIWA Co., Ltd. (Komoro-shi [Nagano], Shimokita-gun [Aomori])

Overseas production bases:

SUMIDA Electric (H.K.) Company Limited (Hong Kong), Dongguan Sumida (Tai Ping) Electric Co., Ltd. (China), Sumida America Manufacturing, Inc. (U.S.), SUMIDA DE MEXICO S.A. DE C.V. (Mexico), VOGT electronic Austria GmbH (Austria), STELCO GmbH Electronic Components (Germany), VOGT electronic Romania S.R.L. (Romania), vogtronics GmbH (Germany), VOGT electronic de Mexico S.A. de C.V. (Mexico), VOGT electronic Slovenija, d.o.o. (Slovenia), VOGT electronic Lehesten GmbH (Germany), VOGT electronic Shanghai Co., Ltd. (China), Panta GmbH (Germany), PANTA ROMANIA S.R.L. (Romania), SUMIDA ELECTRIC (GUANGXI) Co., LTD. (China), Eiwa (Thailand) Co., Ltd. (Thailand), EIWA (HK) COMPANY LIMITED (Hong Kong)

Domestic R&D centers:

Sumida Electronic Components Co., Ltd. (Chuo-ku [Tokyo], Natori-shi [Miyagi]), EIWA Co., Ltd. (Komoro-shi [Nagano]), MOSTEC, Inc. (Kyotanabe-shi [Kyoto])

Overseas R&D centers:

SUMIDA Electric (H.K.) Company Limited (Hong Kong), Dongguan Sumida (Tai Ping) Electric Co., Ltd. (China), STELCO GmbH Electronic Components (Germany), VOGT electronic Austria GmbH (Austria), VOGT electronic Components GmbH (Germany), vogtronics GmbH (Germany), VOGT electronic Shanghai Co., Ltd. (China), VOGT electronic de Mexico S.A. de C.V. (Mexico)

(7) Employees (as of December 31, 2008)

(i) Employees of the Sumida Group

Industry segments Number of employees	Changes from the end of the previous fiscal year
18,106	Decrease by 2,699

Notes:

1. The number of employees is the number of persons who engage in full-time work.
2. The number of employees fell by 2,699 from the end of the previous fiscal year. Although the number of employees increased by 2,265 due to the acquisition of EIWA Co., Ltd. and MOSTEC, Inc., it fell by 4,964 due to the integration of bases and the business streamlining through structural reform of existing businesses.
3. The number of employees includes those in the consigned processing companies.

(ii) Employees of the Company

The Company is a pure holding company and it has no employees.

(8) Major lenders (as of December 31, 2008)

Lenders	Amount borrowed (million yen)
Sumitomo Mitsui Banking Corporation	6,515
Mizuho Corporate Bank, Ltd.	5,329
Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,714
Resona Bank Limited	3,291

(9) Other important matters concerning the Sumida Group

There are no relevant issues.

2. Matters Concerning the Company

(1) Shares of the Company

- (i) Number of shares issuable: 70,000,000 shares
- (ii) Total number of shares outstanding: 19,944,317 shares
- (iii) Number of shareholders as of December 31, 2008: 6,723
- (iv) Major shareholders (top 10 shareholders, excluding treasury stock)

Name of shareholders	Investment in the Company	
	Share ownership (thousand shares)	Investment ratio (%)
Yawata Building Co., Ltd.	5,210	27.24
Japan Trustee Services Bank, Ltd.	2,005	10.48
The Chase Manhattan Bank	1,106	5.78
The Master Trust Bank of Japan, Ltd.	646	3.38
Shigeyuki Yawata	542	2.84
JPMorgan Chase Bank	533	2.79
Trust & Custody Services Bank, Ltd.	518	2.71
Northern Trust Corporation	514	2.69
Mellon Bank, N A	388	2.03
State Street Bank and Trust Company	319	1.67

Note: Investment ratio has been calculated excluding treasury shares (731,545 shares).

(2) Matters concerning the Company's stock acquisition rights

- (i) Stock acquisition rights granted to and held by the Company's officers in compensation for exercise of their duties
There were no relevant issues.
- (ii) Stock acquisition rights granted to employees in compensation for exercise of their duties during the current fiscal year
There were no relevant issues.

(iii) Other important matters concerning stock acquisition rights

Yen-denominated convertible bond-type bonds attached with stock acquisition rights have been issued pursuant to the provisions of Article 341-2 of the former Commercial Code.

[Yen-denominated convertible bond-type bonds attached with stock acquisition rights]

	As of the end of fiscal year (December 31, 2008)
Number of stock acquisition rights	1,600 units
Number of treasury stock subject to stock acquisition rights out of the above	NA
Class of share subject to stock acquisition rights	Common shares
Number of target shares for stock acquisition rights	3,201,280 shares
Amount to be paid per share upon exercise of stock acquisition rights	2,499 yen
Exercise period of stock acquisition rights	In principle, between February 1, 2005 and January 13, 2009 (Swiss time)
Amount to be paid and amount to be accounted for as stated capital in respect of shares to be issued upon exercise of stock acquisition rights	Issue price: 2,499 yen Amount to be accounted for as stated capital: 1,250 yen
Terms of exercise of stock acquisition rights	Partial exercise of each unit of stock acquisition rights is not allowed.
Matters concerning transfer of stock acquisition rights	Separate transfer of stock acquisition rights from the bond is not allowed.
Matters concerning substitute payment	Under Items 7 and 8, Paragraph 1, Article 341-3 of the former Commercial Law, when those who hold the bonds attached with stock acquisition rights exercise the stock acquisition rights, the entire amount of payment to be made upon exercise of the relevant stock acquisition rights shall be deemed to have been made in lieu of redemption of all amount of the bonds attached with the relevant stock acquisition rights.
Matters concerning grant of stock acquisition rights as part of the business restructuring	NA

Note: These yen-denominated convertible bond-type bonds attached with stock acquisition rights have been redeemed on its maturity date, January 26, 2009.

(3) Matters concerning corporate officers of the Company

(i) Directors and executive officers (as of December 31, 2008)

Name	Position and responsibility at the Company	Important concurrent responsibilities as representatives and outside officers at other companies
Shigeyuki Yawata	Director, Representative Executive Officer and CEO (Chairman of the Board of Directors)	
Ka Sheung Chiu	Director, Representative Executive Officer and Group President	
Robert E. Patterson	Director (Member of the Nomination Committee and Compensation Committee)	Representative Director, Peninsula Equity Partners President, SynZyme Technologies, LLC
Ashok B. Melwani	Director (Member of the Nomination Committee)	CEO, AB Melwani PTE, Ltd.
Tadakazu Koizumi	Director (Chairman of the Audit Committee)	Outside corporate auditor, Data Applications Co., Ltd.
Kazuhide Kondo	Director (Member of the Audit Committee)	
Masato Tsuru	Director (Chairman of the Nomination Committee)	Chairman and President, Representative Director, NOK Corporation
Kotaro Miyagi	Director (Chairman of the Compensation Committee)	
Ulrich Ruetz	Director (Member of the Compensation Committee)	
Hideo Kamoshita	Director	
Masaru Hattori	Director (Member of the Audit Committee)	Outside Director, Fuji Fire and Marine Insurance Co., Ltd. Outside Auditor, Ryohin Keikaku Co., Ltd.
Saburo Matsuda	Representative Executive Officer and CFO	
Tomoharu Suseki	Executive Officer and COO	
Hans-Joachim Dittloff	Executive Officer and COO	
Ryoji Iwanaga	Executive Officer	

Notes:

- Messrs. Robert E. Patterson, Ashok B. Melwani, Kazuhide Kondo, Masato Tsuru, Kotaro Miyagi, Ulrich Ruetz and Masaru Hattori are outside directors set forth in Article 2, Item 15 of the Companies Act.
- The Company has voluntarily set up an Independent Board of Directors consisting of all outside directors; Chairman: Mr. Kotaro Miyagi
- Aside from statutory committees (Nomination, Audit and Compensation Committees), the Company has voluntarily set up a Strategy Committee and a Risk Management Committee.
Members of the Strategy Committee: Messrs. Shigeyuki Yawata, Kotaro Miyagi, Robert E. Patterson, Ashok B. Melwani, Ulrich Ruetz.
Members of the Risk Management Committee: Messrs. Shigeyuki Yawata, Ka Sheung Chiu, Saburo Matsuda, Kotaro Miyagi and Masaru Hattori.
- Mr. Kazuhide Kondo, member of the Audit Committee, is a certified public accountant, while Mr. Masaru Hattori, member of the Audit Committee, has years of experience in the accounting section of Orix Corporation. Both members thus have good knowledge of finance and accounting.

(ii) Directors who retired during this fiscal year

There are no relevant issues.

(iii) Policy to determine the compensations of directors and executive officers by the Compensation Committee and the details of the policy

A. Basic policy

The “Compensation Committee Charter” of the Company prescribes the guidelines of the activities and the purposes and responsibilities of the Committee as follows:

1) Guidelines

“To establish a compensation system to constantly allow the Sumida Group to recruit excellent human resources among the world’s top 20%. To set the level of compensation required to achieving this goal.”

2) Purposes and responsibilities

“The Compensation Committee is intended to fairly and properly determine the compensation base for directors and executive officers.”

The Company has made these a basic policy to define the details of individual compensation for directors and executive officers and established a concrete policy for the current fiscal year as follows.

B. Scope of decision and extent of disclosure

To increase transparency, “the amount of individual compensation of directors and executive officers” that the Compensation Committee defines and discloses shall be the total amount of compensation paid by the Sumida Group.

C. Directors’ compensation

The directors’ compensation will be determined by reflecting the position, responsibility and working hours of each director, and in consideration of the economic trends and the business environment of the Company. Directors’ compensation is composed of the following six elements and this will not be paid to those who serve as executive officer concurrently.

1) Basic compensation

Compensation for the responsibilities as director (including the compensation for the responsibilities of the members of the Nomination and Compensation Committees)

2) Compensation of Audit Committee members

Compensation for the responsibilities as the member of the Audit Committee

3) Compensation of Strategy Committee members

Compensation for the knowledge and insight provided by the member of the Strategy Committee

4) Compensation of full-timers

Compensation for full-time directors

5) Compensation for Chairman of Independent Board of Directors

6) Overseas director compensation

Compensation for directors residing overseas

D. Executive officers’ compensation

For executive officers’ compensation, corporate performance-linked compensation will be adopted in addition to the fixed compensation in order to maintain and raise the motivation for the execution of operations. Executive officers’ compensation is composed of the

following four elements:

1) Basic compensation

Basic compensation shall be on a fixed basis in consideration of the position and responsibility as an executive officer within the Company, and any additional post as an officer at subsidiaries. The amount of compensation will be determined by taking into account the previous operational performance and comparison with the actual compensation for the prior fiscal year.

2) Corporate performance-linked compensation

These compensations are intended to maintain and raise the short-term motivation, and the base amount will be determined depending on the position and responsibility of each executive officer. The amount to be paid will be changed in accordance with the target performance set at the beginning of the term and the performance achievement of the Group as a whole or the function in charge. Additional bonuses may be paid to any distinguished achievement, for which the Compensation Committee gives credit.

3) Long-term incentives

These compensations are designed to maintain and raise the medium- and long-term motivation, and to prevent the loss of human resources.

4) Pension plans

Plans to help retirees have stable lives after retirement (aged 68 or older)

(iv) Total amount of compensation paid to directors and executive officers

(Period: January 1 to December 31, 2008)

Item	Amount determined by the resolution of the Compensation Committee		Contribution for pension plans		Total
	Payees	Amount paid (million yen)	Payees	Amount paid (million yen)	Amount paid (million yen)
Executive officers	6	402	3	47	449
Directors	2	19	–	–	19
Outside directors	8	80	–	–	80
Total	16	501	3	47	548

Notes:

1. The above numbers include a director who retired at the end of the 53rd Annual General Meeting of Shareholders held in March 22, 2008 and an executive officer elected during the Meeting of the Board of Directors held in April 28, 2008. Officers as of the end of the fiscal year include six executive officers, four directors, and seven outside directors. As two of the six executive officers serve as Directors concurrently, the total number of officers is fifteen. Directors' compensation are not paid to those who concurrently serve as executive officer and director, and therefore, they are included in the figures shown in the column of executive officers and excluded from the figures indicated in the column of directors.
2. Although the Company planned to pay corporate performance-linked compensation of 203 million yen for this term, the amount of compensation was determined null in consideration of business results for the fiscal year.
3. Non-cash compensation for executive officers (amount of property benefits for performance of duties) includes a payment of 16 million yen as expenses for company-sponsored housing for corporate officers.
4. Long-term incentives
 - 1) With an underlying asset calculated by multiplying the total amount of dividend for this term by the rate

designated by the Company, pseudo stocks will be granted depending on positions of executive officers for the next term.

- 2) In accordance with the Japanese Accounting Standard, 88 million yen was recorded as a reserve in the settlement of accounts for this term.

(v) Matters concerning outside directors

A. Important concurrent offices of executive directors and outside officers at other companies

This is as described in the list of (i) Directors and executive officers above. There are no business relationships between the Company and other companies where they hold the additional posts.

B. Relationships with specially related companies including main clients

- 1) None of the outside directors have ever served as business executors of the Company or its specially related companies.
- 2) None of the outside directors are relatives within the third degree of relationship with directors and executive officers of the Company.

C. Main activities during the current fiscal year

1) Attendance of outside directors

Name	The Board of Directors meetings	Audit Committee meetings	Nomination Committee meetings	Compensation Committee meetings	Strategy Committee meetings	Risk Management Committee meetings
Robert E. Patterson	7/7		4/4	5/5	5/5	
Ashok B. Melwani	6/7		4/4		5/5	
Kazuhide Kondo	7/7	7/7		2/2		
Masato Tsuru	7/7		4/4			
Kotaro Miyagi	7/7	3/3		3/3	5/5	2/2
Ulrich Ruetz	7/7			5/5	5/5	
Masaru Hattori	5/5	7/7				2/2

Notes:

1. Seven meetings of the Board of Directors were held during this term. Attendance of Mr. Masaru Hattori is counted starting on March 22, 2008, when he was appointed as director.
2. Ten meetings of the Audit Committee were held during this term. Attendance of Mr. Kotaro Miyagi is counted until March 21, 2008, while attendance of Mr. Kazuhide Kondo and Mr. Masaru Hattori is counted starting on March 22, 2008, when they were appointed as members of the Audit Committee.
3. Five meetings of the Compensation Committee were held during this term. Attendance of Mr. Kazuhide Kondo is counted until March 21, 2008, while attendance of Mr. Kotaro Miyagi is counted starting on March 22, 2008, when he was appointed as member of the Compensation Committee.
4. The Company established the Risk Management Committee. Members include the Chairman of the Independent Board of Directors and a member of the Audit Committee as well as an executive officer(s) and his/her staff members.

2) Activities of each outside director

(a) Mr. Robert E. Patterson

At the meetings of the Board of Directors, he made necessary remarks in deliberations on a timely basis, mainly from the standpoint of a legal expert, in

consideration of actual model of U.S. corporate governance.

At the Nomination Committee meetings, he made necessary remarks in deliberations on a timely basis, from the standpoint of discussing and actualizing the lineup and composition of the Board and executive officers appropriate for the business development of the Company, and the ideal directors and executive officers required.

At the Compensation Committee meetings, he made necessary and timely remarks in deliberations in order to fairly and properly determine the compensation bases for directors and executive officers.

At the Strategy Committee meetings, he made necessary and timely remarks for strategy formulation to enhance the corporate value of the Company and actualize the Mid-Term Business Plan.

(b) Mr. Ashok B. Melwani

At the meetings of the Board of Directors, he made necessary remarks in deliberations from time to time, mainly from the perspective of a business executive of an Asian company.

At the Nomination Committee meetings, he made necessary remarks in deliberations on a timely basis, from the standpoint of discussing and actualizing the lineup and composition of the Board and executive officers appropriate for the business development of the Company, and the ideal directors and executive officers required.

At the Strategy Committee meetings, he made necessary and timely remarks for strategy formulation to enhance the corporate value of the Company and actualize the Mid-Term Business Plan.

(c) Mr. Kazuhide Kondo

At the meetings of the Board of Directors, Mr. Kondo made necessary remarks in deliberations as appropriate, mainly from the perspective of a financial and accounting expert.

At the Compensation Committee meetings, as chairman of the Committee for the previous term, he led deliberations from the perspective of determining fairly and properly the compensation bases for directors and executive officers, and defined the policy on the details and amount of individual compensation received by directors and executive officers relating to the previous term.

At the Audit Committee meetings, he makes necessary and timely remarks in deliberations, from the perspective of promoting compliance management through audits and leading it to enhance the corporate value.

(d) Mr. Masato Tsuru

At the meetings of the Board of Directors, he made necessary and timely remarks in deliberations, mainly from a point of view of a business executive and based

on the knowledge on automobile industry.

As chairman of the Nomination Committee, he led hearings of bills in terms of discussing and actualizing the lineup and composition of the Board and executive officers appropriate for business development of the Company, and the ideal directors and executive officers required. He decided candidates for directors and recommended candidates for executive officers.

(e) Mr. Kotaro Miyagi

At the meetings of the Board of Directors, he made necessary remarks in deliberations from time to time, mainly from the viewpoint of a business executive and based on the knowledge on electric machinery industry.

At the Audit Committee meetings, Mr. Miyagi, as a member in the previous term, made necessary and timely remarks in deliberations, from the perspective of promoting compliance management through audits and leading it to enhance the corporate value.

As chairman of the Compensation Committee, he leads the deliberations from the perspective of determining fairly and proper the compensation bases for directors and executive officers, and defines the policy on the details and amount of individual compensation received by directors and executive officers.

At the Strategy Committee meetings, he made necessary and timely remarks for strategy formulation to enhance the corporate value of the Company and actualize the Mid-Term Business Plan.

As chairman of the Independent Board of Directors meetings, he leads deliberations fairly and equitably, and orchestrates the opinions of the Independent Board of Directors.

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

(g) Mr. Ulrich Ruetz

At the meetings of the Board of Directors, Mr. Ulrich made necessary remarks in deliberations from time to time, mainly from the perspective of a business executive of a European company.

At the Compensation Committee meetings, he made necessary and timely remarks in deliberations in order to fairly and properly determine the compensation bases for directors and executive officers.

At the Strategy Committee meetings, he made necessary and timely remarks for strategy formulation to enhance the corporate value of the Company and actualize the Mid-Term Business Plan.

(h) Mr. Masaru Hattori

Since Mr. Hattori's appointment in March 22, 2008, through his attendance in the meetings of the Board of Directors, he made necessary remarks in deliberations

from time to time, mainly from the perspective of a business executive.

At the Audit Committee meetings, he made necessary and timely remarks in deliberations, from the perspective of promoting compliance management through audits and leading it to enhance the corporate value.

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

3) Independent Board of Directors

The Company established the Independent Board of Directors that consists of all outside directors.

All outside directors attended two meetings held during this term to discuss and review better corporate governance and the role of the Board of Directors from the position of representing shareholders.

D. Outline of liability limitation contracts

In order to obtain excellent directors from outside, the Company has made provisions limiting liability for damages under Paragraph 1, Article 423 of the Companies Act in the Articles of Incorporation pursuant to the provisions under Paragraph 1, Article 427 of the said law. In accordance with the aforementioned provisions, the Company has entered into liability limitation contracts with seven outside directors. The limit of liability for damages under such contracts has been set at the minimum liability provided for under Paragraph 1, Article 425 of the Companies Act. However, liability limitation is applied only when the relevant outside directors have carried out their duties, for which they are supposed to assume liability, in good faith or without gross negligence.

E. Total amount of compensations received from the parent company or subsidiaries
There were no relevant issues.

(4) Independent auditors

(i) Name: Ernst & Young ShinNihon LLC

Note:

Ernst & Young ShinNihon became Ernst & Young ShinNihon LLC because of its move to a Limited Liability Auditing Firm as of July 1, 2008.

(ii) Amount of compensations:

	Amount to be paid (million yen)
Amount of compensations for the current fiscal year	75
Total amount of money and other property benefits to be paid by the Company and its subsidiaries to independent auditors	81

Note:

Because compensation for audits is not clearly classified into compensation based on the Companies Act and compensation in accordance with the Financial Instruments and Exchange Law, in the audit agreement concluded between the Company and the independent auditor, and since that compensation cannot substantially be divided either, the item "Amount of compensation for the current fiscal year" shows the sum of these amounts.

(iii) Auditing of consolidated subsidiaries

Important consolidated subsidiaries of the Company that are located abroad are undergoing auditing (only those stipulated by the Companies Act or Financial Instruments and Exchange Law (including foreign laws and regulations that are the equivalent of these laws)) by either an auditing firm or a certified public accountant (including those who possess equivalent qualifications abroad) who is not an independent auditor at the Company.

(iv) Details of non-audit services

There were no relevant issues.

(v) Policy on determination of a regarding dismissal or non-reappointment of the independent auditor

When the Audit Committee deems that any of the following items in Paragraph 1, Article 340 of the Companies Act apply to the independent auditor, that independent auditor shall be dismissed with the consent of all the committee members. In addition, the Audit Committee will annually discuss whether to reappoint the independent auditor in consideration of the quality of the audit performed by the independent auditor and the effectiveness and efficiency of its audit performance.

(5) System to secure properness of operations

(i) System to ensure that Executive Officers and employees comply with the applicable laws, regulations and the Articles of Incorporation with regard to their business activities

SUMIDA has established “Sumida Business Principles (hereinafter, the ‘Principles’)” which embodies the group’s vision, management principles, commitment, code of conduct, corporate governance principles, and environment policy. Representative executive officers shall build up a system to monitor for compliance which enables to ensure that the Executive Officers and employees perform their duties in accordance with the Principles. Details are as follows:

- (a) All directors, officers and employees shall always be reminded to understand and embody the Principles. The Principles, which is written in three languages, Japanese, English and Chinese, is always put on the company’s intranet and a booklet is distributed to all members of the group, so that it enables the employees to check and confirm their activities and behaviors as needed. The Corporate Governance Office* shall be responsible for monitoring and verifying how the Principles have been observed.
- (b) While compliance is recognized as the base of corporate governance, SUMIDA regards it in a more proactive manner rather than simply limiting the issue to the observance of law, with activities, which are defined in a wider scope as Corporate Social Responsibilities (CSR), based on integrity, and discipline and common sense. The Corporate Governance Office shall be primarily responsible for the enhancement of the group’s overall system and monitoring its activities.
- (c) The Corporate Governance Office shall report the situation of the aforementioned activities to the Representative Executive Officers and the Audit Committee, and a summary of which shall be reported to the Board of Directors.
- (d) Representative Executive Officers shall verify the effectiveness of internal control, including compliance, and shall send reports to the Board of Directors.

*The Corporate Governance Office is report to Representative Executive Officers and made up of the Risk Management Office, Compliance Office and Internal Government Team.

- (ii) System regarding the preservation and management of information of Executive Officers' business activities

Representative Executive Officers shall centrally manage important information related to execution of duties through clarification of the level of importance of information as well as the period and place of safekeeping, in accordance with the rules and regulations regarding information and document management. Documents are available to the Directors at all times.

- (iii) System and regulations with regard to risk management

Representative Executive Officer and CEO, as the Chief Risk Management Officer who takes the highest responsibility for risk management, shall establish the Risk Management Committee, which is responsible for overseeing risk management, and shall set up the Risk Management Office, which is responsible for executing the duties of said Committee, within the Corporate Governance Office. The Risk Management Office shall set out the internal risk management rules and thereby identify and analyze potential risks and formulate and manage preventive measures from a global business perspective through placement of a risk management monitoring system in major business bases of the Group including overseas sites. In the event that a risk materializes, the Risk Management Office shall discuss countermeasures to minimize losses. Executive officers and employees shall perform their duties in compliance with the rules. The Corporate Governance Office shall monitor and evaluate the implementation of the above, and shall report the situation to the Representative Executive Officers and the Audit Committee, and deliver a summary to the Board of Directors.

- (iv) System to ensure the effectiveness and efficiency of executive officers' business activities

Executive officers shall set up a system based on the Principles to ensure a proper decision-making process and surveillance of individual activities and thereby enhance the operating efficiency. Details are as follows:

- (a) Each Representative Executive Officer shall set up an Advisory Board as the need arises, with whom they shall consult and engage in sufficient discussion when making important decisions.
- (b) Representative Executive Officers shall set out regulations for the authority and decision-making process and conduct regular reviews of the situation.
- (c) Representative Executive Officers shall make regular reviews of the achievement and progress of business and ensure further propriety and efficiency of management by giving feedback of the results of the decision-making process.
- (d) Representative Executive Officers shall ensure a smooth decision-making process by collecting, analyzing and communicating on SUMIDA's business activities, as well as sharing and archiving the necessary information.

- (v) System to ensure the propriety of business of the group consisted of the Company and its subsidiaries

SUMIDA Corporation is a holding company with business activities conducted by its group companies. In light of this, Directors and Executive Officers shall always perform their duties with the view of group governance. In addition, the Company performs internal audits by assigning internal auditors in major subsidiaries and other appropriate affiliates and has an auditor

of the business-controlling companies perform audits to see how those internal audits were done. The Corporate Governance Office oversees compliance and risk management operations and also prepares internal audit reports with reference to audit reports received from the auditor of the business-controlling companies. These reports are then submitted to the Representative Executive Officers and the Audit Committee. The Audit Committee shall carry out its audit in cooperation with Corporate Governance Office. The Corporate Governance Office shall take charge of internal control of not only the Company, but also the entire Group.

- (vi) System with regard to employees who assist the Audit Committee and matters concerning the independence of those employees from executive officers

The Corporate Governance Office shall be responsible for the secretariat of the Audit Committee. Any decisions with regard to changes or transfers of personnel, reorganization or any other considerations, which may have material effect on the duties of employees, shall require the prior approval of the Audit Committee.

- (vii) System whereby executive officers and employees report to the Audit Committee or its members

The Representative Executive Officers shall set out the rules for executive officers and employees to report the following matters, and thereby report it to the Audit Committee and a summary of which shall be reported to the Board of Directors

- (a) Incidents, which may cause material losses and/or gains to, or material damage and/or benefit to, the Company
- (b) Any actual incident or potential risk involving an actual or suspected misconduct, malpractice or breach of laws, regulations or Memorandum & Articles of Incorporation by the directors and executive officers
- (c) Monthly accounting statements on a consolidated basis
- (d) Monthly internal audit report
- (e) Monthly reports from the main operating divisions
- (f) Other important matters

- (viii) System to ensure the effectiveness of audit executed by the Audit Committee members

- (a) The Corporate Governance Office shall have prior consultations with the Audit Committee when setting out the annual audit policies and plans. The Office shall also report the progress and results of internal audit to the Audit Committee. The Audit Committee may request the Corporate Governance Office for an additional audit as necessary.
- (b) External auditors shall explain to the Audit Committee its auditing plan at the outset of the financial year and report to the Audit Committee the progress of its interim audit and the end-term audit results, etc. Furthermore, the external auditors may have consultations and discussions with the Audit Committee if needed.
- (c) In order to ensure the independence of auditors from the executive officers, as well as to guarantee the implementation of the audit activities, decisions on the auditors' compensation require the Audit Committee's prior approval.

(6) Policy on determination of dividend from surplus

(i) Policy for the current fiscal year

The Company considers the return of profits to its shareholders, depending on its consolidated business results, to be a priority business issue. The mid- and long-term policy of the Company is to maintain a basic dividend payout ratio (25–30%) in a stable manner while expanding the necessary internal reserves to boost its future business and keep up with the changing management environment. Pursuant to Article 459 of the Companies Act, the Company stipulates in these Articles of Incorporation that it shall be entitled to allocate dividends from surplus on predetermined record dates (March 31, June 30, September 30 and December 31) by a resolution of the Board of Directors.

As for dividends from surplus, the Company will decide an annual dividend per share in accordance with the annual business plan and basic dividend payout ratio (25–30 %: a ratio decided in consideration of Japanese and overseas shareholders by reference to the dividend payout ratio level of Japanese quality companies listed on first section of Tokyo Stock Exchange as well as overseas companies located in the U.S. and Europe) and divide it in quarters to pay on a quarterly basis.

Regarding the annual dividend in the fiscal year, the Company decided the annual dividend to be 40 yen per share at the beginning of fiscal year. Accordingly, although the Company recorded consolidated net loss, the Company decided to pay quarterly dividends of 10 yen per share from surplus for the fiscal year, the same as the annual dividend in the previous fiscal year.

Note: Details of dividends paid from surplus for the Fiscal Year ended December 31, 2008 are as follows:

Date of Board of Directors resolution	Term	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Date of commencement of payment
April 28, 2008	The 1 st quarter	192	10.00	March 31, 2008	May 20, 2008
July 25, 2008	The 2 nd quarter	192	10.00	June 30, 2008	August 20, 2008
October 23, 2008	The 3 rd quarter	192	10.00	September 30, 2008	November 21, 2008
February 24, 2009	The 4 th quarter	192	10.00	December 31, 2008	March 13, 2009

(ii) Policy for the next fiscal year

Considering the return of profits to its shareholders to be a priority business issue, the Company has been striving to ensure stable dividend amount. It will in principle maintain this policy even in this current difficult business environment. However, as to the annual dividend to be paid for FY2009, the Company is targeting 20 yen per share, and the final decision will be made after taking into account future economic situation and the business prospect.

(7) Basic policy regarding control of a company

The Company has not specifically defined a basic policy for those who control the financial and business guidelines of a company.

Note: The amounts of money and the numbers of shares described in this business report are rounded to the nearest unit shown.

Consolidated and Non-consolidated Financial Statements

for the 54th business term

(January 1 to December 31, 2008)

Consolidated Balance Sheet

Consolidated Statement of Income

Consolidated Statement of Changes in Shareholders' Equity

Non-consolidated Balance Sheet

Non-consolidated Statement of Income

Non-consolidated Statement of Changes in Shareholders' Equity

Shigeyuki Yawata

Director, Representative Executive Officer and CEO

SUMIDA CORPORATION

Consolidated Balance Sheet
As of December 31, 2008

	Millions of yen
ASSETS	
Current assets:	
Cash and cash equivalents	10,855
Trade notes and accounts receivable	8,305
Inventories	7,813
Deferred tax assets	457
Income taxes refundable	719
Others	3,096
Allowance for doubtful accounts	(19)
Total current assets	31,226
Fixed assets	
Tangible fixed assets:	
Buildings and structures	11,157
Machinery and equipment	22,512
Furniture and fixtures	6,817
Land	1,744
Construction in progress	460
Accumulated depreciation	(26,035)
Total tangible fixed assets	16,655
Intangible fixed assets:	
Goodwill	5,275
Leasehold	555
Software	175
Others	640
Total intangible fixed assets	6,645
Investments and other assets:	
Investments in securities	946
Deferred tax assets	3,350
Others	1,948
Total investments and other assets	6,244
Total fixed assets	29,544
Deferred assets	44
Total assets	60,814

Consolidated Balance Sheet
As of December 31, 2008

	Millions of yen
LIABILITIES	
Current liabilities:	
Trade notes and accounts payable	2,684
Short-term borrowings	18,174
Current portion of bonds	430
Current portion of convertible bond-type bonds attached with stock acquisition rights	7,770
Current portion of long-term debt	2,075
Other accounts payable	1,122
Accrued expenses	2,793
Income taxes payable	129
Deferred tax liabilities	330
Others	1,799
Total current liabilities	37,306
Long-term liabilities:	
Bonds	1,815
Long-term borrowings	3,923
Allowance for retirement benefits	779
Allowance for directors' retirement benefits	32
Deferred tax liabilities	527
Lease obligation	787
Others	945
Total long-term liabilities	8,808
Total liabilities	46,114
NET ASSETS	
Shareholders' equity:	
Common stock	7,217
Capital surplus	7,030
Retained earnings	9,423
Treasury stock, at cost	(1,524)
Total shareholders' equity	22,146
Valuation and translation differences:	
Net unrealized holding gain on securities	21
Deferred profit or loss from hedges	(198)
Translation adjustments	(8,174)
Total valuation and translation differences	(8,351)
Minority interests	905
Total net assets	14,700
Total liabilities and net assets	60,814

Consolidated Statement of Income
Year ended December 31, 2008

	Millions of yen
Net sales	55,734
Cost of sales	42,898
Gross profit on sales	12,836
Selling, general and administrative expenses	10,669
Operating income	2,167
Non-operating income:	
Interest and dividend income	140
Others	154
	294
Non-operating expenses:	
Interest expense	426
Foreign exchange losses	1,703
Loss on valuation of derivatives	388
Others	90
	2,607
Ordinary income (loss)	(146)
Extraordinary income:	
Gain on sale of fixed assets	15
Others	2
	17
Extraordinary losses:	
Loss on sale and retirement of fixed assets	102
Structural reform expenses	1,884
Loss on valuation of investments in securities	404
Loss on expenses for commission on processing	425
Loss on liquidation of businesses	281
Impairment loss	129
Others	876
	4,101
Income (loss) before income taxes and minority interests	(4,230)
Income taxes:	
Current	107
Prior	1,265
Deferred	125
Minority interests	16
	1,513
Net income (loss)	(5,743)

Consolidated Statement of Changes in Shareholders' Equity
Year ended December 31, 2008

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of Dec. 31, 2007	7,217	7,030	15,934	(1,524)	28,657
Change during this term					
Issuance of new shares					-
Dividends from surplus			(768)		(768)
Net income (loss)			(5,743)		(5,743)
Acquisition of treasury stock				(0)	(0)
Disposal of treasury stock			(0)	0	(0)
(Net) Changes in items other than shareholders' equity during this term					-
Total changes during this term	-	-	(6,511)	(0)	(6,511)
Balance as of Dec. 31, 2008	7,217	7,030	9,423	(1,524)	22,146

(Millions of yen)

	Valuation / translation differences				Minority interests	Total net assets
	Net unrealized holding gain on securities	Deferred profit or loss from hedges	Translation adjustments	Total valuation / translation differences		
Balance as of Dec. 31, 2007	(82)	(27)	6	(103)	1,365	29,919
Change during this term						
Issuance of new shares						-
Dividends from surplus						(768)
Net income (loss)						(5,743)
Acquisition of treasury stock						(0)
Disposal of treasury stock						0
(Net) Changes in items other than shareholders' equity during this term	103	(171)	(8,180)	(8,248)	(460)	(8,708)
Total changes during this term	103	(171)	(8,180)	(8,248)	(460)	(15,219)
Balance as of Dec. 31, 2008	21	(198)	(8,174)	(8,351)	905	14,700

Non-consolidated Balance Sheet
As of December 31, 2008

	Millions of yen
ASSETS	
Current assets:	
Cash and cash equivalents	4,552
Trade notes receivable	321
Prepaid expenses	30
Short-term lending	4,207
Income taxes refundable	572
Other accounts receivable	2,297
Others	436
Total current assets	12,415
Fixed assets	
Tangible fixed assets:	
Buildings	968
Structures	30
Machinery and equipment	6
Land	505
Total tangible fixed assets	1,509
Intangible fixed assets:	
Telephone subscription rights	4
Software	12
Total intangible fixed assets	16
Investments and other assets:	
Investments in securities	743
Investments in affiliated companies	34,791
Long-term lending	271
Deferred tax assets	1,034
Insurance reserve fund	913
Others	98
Total investments and other assets	37,850
Total fixed assets	39,375
Deferred assets	20
Total assets	51,810

Non-consolidated Balance Sheet
As of December 31, 2008

	Millions of yen
LIABILITIES	
Current liabilities:	
Short-term borrowings	16,940
Current portion of convertible bond-type bonds attached with stock acquisition rights	7,770
Current portion of long-term debt	1,766
Other accounts payable	197
Accrued expenses	24
Deferred tax liabilities	32
Forward exchange contract	333
Deposits	2,668
Total current liabilities	29,730
Long-term liabilities:	
Bonds	1,200
Long-term borrowings	3,484
Total long-term liabilities	4,684
Total liabilities	34,414
NET ASSETS	
Shareholders' equity:	
Common stock	7,217
Capital surplus	7,030
Capital reserve	7,030
Retained earnings	4,673
Legal reserve	264
Other retained earnings	4,409
Special reserve	3,100
Retained earnings carried forward	1,309
Treasury stock, at cost	(1,524)
Total shareholders' equity	17,396
Total valuation and translation differences	0
Net unrealized holding gain on securities	0
Total net assets	17,396
Total liabilities and net assets	51,810

Non-consolidated Statement of Income
Year ended December 31, 2008

	Millions of yen
Net sales	2,145
Cost of sales	582
Operating income	1,563
Non-operating income:	
Interest income	55
Dividends income	1
Others	7
	63
Non-operating expenses:	
Interest expense	238
Foreign exchange gains	740
Others	17
	995
Ordinary income	631
Extraordinary income:	
Gain on bad debts recovered	809
Gain on sale of investments in securities	1
	810
Extraordinary losses:	
Loss on valuation of investments in securities	368
Loss on liquidation of businesses	89
	457
Income before income taxes	984
Income taxes:	
Current	99
Prior	477
Deferred	472
Net income (loss)	(64)

Non-consolidated Statement of Changes in Shareholders' Equity
Year ended December 31, 2008

(Millions of yen)

	Shareholders' equity								
	Common stock	Capital surplus		Retained earnings				Treasury stock	Total shareholders' equity
		Capital reserve	Total capital surplus	Legal reserve	Other retained earnings		Total retained earnings		
					Special reserve	Retained earnings carried forward			
Balance as of Dec. 31, 2007	7,217	7,030	7,030	264	3,100	2,141	5,505	(1,524)	18,228
Change during this term									
Issuance of new shares									-
Dividends from surplus						(768)	(768)		(768)
Net income (loss)						(64)	(64)		(64)
Acquisition of treasury stock								(0)	(0)
Disposal of treasury stock						(0)	(0)	0	0
(Net) Changes in items other than shareholders' equity during this term									
Total changes during this term	-	-	-	-	-	(832)	(832)	0	(832)
Balance as of Dec. 31, 2008	7,217	7,030	7,030	264	3,100	1,309	4,673	(1,524)	17,396

(Millions of yen)

	Valuation / translation differences		Total net assets
	Net unrealized holding gain on securities	Total valuation / translation differences	
Balance as of Dec. 31, 2007	(83)	(83)	18,145
Change during this term			
Issuance of new shares			-
Dividends from surplus			(768)
Net income (loss)			(64)
Acquisition of treasury stock			(0)
Disposal of treasury stock			0
(Net) Changes in items other than shareholders' equity during this term	83	83	83
Total changes during this term	83	83	(749)
Balance as of Dec. 31, 2008	0	0	17,396

(Translation)

Audit Report

The Audit Committee has audited the performance of duties by Directors and Executive Officers for the 54th Fiscal Year from January 1, 2008 to December 31, 2008. We report the methods and the results of the audit as follows.

1. Methods used in audits and content of audits

The Audit Committee observed and examined the resolutions of the Board of Directors regarding the organization of the system stipulated in (b) and (e), Item 1, Paragraph 1 of Article 416 of the Companies Act and the status of the system based on said resolutions (internal control systems). We also inspected in cooperation with the internal control division the process and the content of the decision making on the significant meeting, the content of the major authorized documents and other important documents related to significant business operation, business performance of the Executive Officers, and the Company's operation and condition of property in accordance with the auditing policies the Audit Committee established, the segregation of duties and others. With respect to subsidiaries, the Audit Committee took steps to facilitate communication with the directors, executive officers and company auditors of subsidiaries and, when necessary, received reports from subsidiaries on the status of their businesses.

In addition, the Audit Committee also observed and verified whether the independent auditor was maintaining its independence and was carrying out its audits in an appropriate manner. The Audit Committee received reports from the independent auditor on the execution of its duties and, when necessary, requested explanations regarding those reports. The Audit Committee also received notification from the independent auditor that it was taking steps to improve the "system for ensuring the proper execution of its duties" (as enumerated in items of Article 159 of the Corporate Accounting Rules) in compliance with the "Quality Control Standards Relating to Auditing" (adopted by the Business Accounting Deliberation Council on October 28, 2005). When necessary, Audit Committee requested explanations on these reports and notifications and confirmed that the system under which the independent auditor operated was functioning appropriately.

Based on the foregoing methods, the Audit Committee also examined the Business Report, the Non-consolidated Financial Statements (Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Shareholders' Equity, and notes to Non-consolidated Financial Statements) and supporting schedules, and the Consolidated Financial Statements (Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Shareholders' Equity, and notes to Consolidated Financial Statements)

related to the fiscal year under review.

2. Results of the Audit

(1) Results of audit of Business Report

- (i) In our opinion, the Business Report and supporting schedules fairly present the situation of the Company, in compliance with the provisions of applicable laws, regulations and the Articles of Incorporation.
- (ii) Neither improper actions in the execution of duties by Directors and Executive Officers, nor material facts in violation of the provisions of applicable laws, regulations or the Articles of Incorporation, were found.
- (iii) In our opinion, the content of the resolution by the Board of Directors regarding internal control systems was appropriate, and, furthermore, all actions of Directors and Executive Officers with respect to executing internal control systems were carried out appropriately.

(2) Results of the audit of Non-consolidated Financial Statements and supporting schedules

In our opinion, the auditing methods used by the independent auditor, Ernst & Young ShinNihon LLC and the results of its audit were appropriate.

(3) Results of the audit of Consolidated Financial Statements

In our opinion, the auditing methods used by the independent auditor, Ernst & Young ShinNihon LLC and the results of its audit were appropriate.

February 23, 2009

Audit Committee
SUMIDA CORPORATION

Tadakazu Koizumi (Seal)
Member of the Audit Committee

Kazuhide Kondo(Seal)
Member of the Audit Committee

Masaru Hattori (Seal)
Member of the Audit Committee

Note: Members of the Audit Committee, Kazuhide Kondo and Masaru Hattori are outside directors, as provided for in Item 15, Article 2, and Paragraph 3, Article 400 of the Companies Act.

Reference Materials for Annual General Meeting of Shareholders

Agenda 1: Partial amendment to the Articles of Incorporation

SUMIDA CORPORATION (the “Company”) would like to make a partial amendment to the current Articles of Incorporation as shown in the following proposal.

1. Reasons for amendment

- (1) For the Japanese trade name of the Company, there is a one letter space between “SUMIDA” and “CORPORATION” in the Articles of Incorporation, while no space is added in the commercial register. The Company would like to correct said discrepancy between the Articles of Incorporation and the commercial register by deleting the space contained in the trade name of the Articles of Incorporation in line with the description in the register (Article 1). (note: no change will be made in the English translation)
- (2) Upon enforcement of the Act for Partial Revision of the Act on Transfer of Bonds, etc. for Streamlining Settlement Concerning Stock Trading, etc. (Act No. 88 of 2004; hereinafter referred to as the “Act for Streamlining Settlement of Stocks, etc.”) on January 5, 2009, the book-entry transfer system of stocks became applied to all the stocks of listed companies (i.e. implementation of the stock certificate dematerialization).

In conjunction with this implementation, it has been deemed that, in accordance with Article 6, Paragraph 1 of the Supplementary Provisions of the Act for Streamlining Settlement of Stocks, etc., the amendment to Article 6 of the current Articles of Incorporation (Issuance of Share Certificates) for abolishing the provisions thereof was resolved on January 5, 2009, or the day when said act took effect, the effective date of the amendment. In addition, the parts of the provisions thereof regarding beneficial shareholders and their registries relating to the former book-entry transfer system in expectation of an issuance of share certificates have become practically meaningless.

The Company would thus like to delete these provisions and make necessary changes, including the renumbering of the Articles.

- Current Article 6 (Issuance of Share Certificates): Deleted (Article numbers of the following Articles will be brought forward)
- Current Article 8: Article 7 (Number of Shares for One Unit) in the amended Articles of Incorporation

- Current Article 9: Article 8 (Rights of Shareholders Holding Shares Less Than One Unit) in the amended Articles of Incorporation
- Current Article 11: Article 10 (Record Date) in the amended Articles of Incorporation
- Current Article 12: Article 11 (Agent to Manage Shareholders Registry) in the amended Articles of Incorporation
- Current Article 13: Article 12 (Share Handling Regulations) in the amended Articles of Incorporation

Furthermore, since the registry of lost share certificates shall be prepared and retained until the day in one year after the day following the date of the enforcement date of the Act for Streamlining Settlement of Stocks, etc., the Company would like to delete the parts related to the registry of lost share certificates so that the issuing company will not retain the registry and handle any affairs concerning the registry, and the Company would then establish an Additional clause concerning a provision regarding the registry and its effective term.

- (3) With the implementation of the stock certificate dematerialization, the Company would like to clearly state in the Articles of Incorporation that the procedures for exercising shareholders' rights and other related matters shall be stipulated in the Share Handling Regulations and that share handling fees shall not be charged. The Company would also like to change the name of the Regulations to "Share Handling Regulations" by removing the Japanese word *tō* (etc.) from the current name (note: no change will be made in the English translation), since they now contain provisions merely pertaining to shares as a result of deleting descriptions regarding subscription rights and the registration of lost share certificates from the Regulations (current Article 13: Article 12 in the amended Articles of Incorporation).
- (4) The Company would like to change the name of title of the Executive Officer to the name that corresponds to the actual state of the Company (current Article 42: Article 41 in the amended Articles of Incorporation).

2. Details of amendment

Current and amended Articles of Incorporation are as follows.

(Underlined portions are to be amended.)

Current Articles of Incorporation	Amended Articles of Incorporation
<p>Article 1 – Trade Name The trade name of the Company is SUMIDA CORPORATION KABUSHIKI KAISHA in Japanese, and SUMIDA CORPORATION in English.</p> <p><u>Article 6 – Issuance of Share Certificates</u> <u>The Company shall issue share certificates thereof.</u></p> <p>Article 7 – Acquisition of the Company’s Own Shares (Details omitted)</p> <p>Article 8 – Number of Shares for One Unit, <u>and Non-Issuance of Share Certificates for Shares Less Than One Unit</u></p> <p>1. The number of shares constituting one unit of shares of the Company, with which each shareholder <u>(including beneficial shareholders; the same is applicable hereafter)</u> shall be entitled to one voting right at General Meetings of Shareholders shall be 100 shares.</p> <p>2. <u>The Company shall be entitled not to issue any share certificate for a number of shares less than the number of shares for one unit (hereinafter referred to as “Shares Less Than One Unit”) in accordance with the Share Handling Regulations.</u></p> <p>Article 9 – Rights of Shareholders Holding Shares Less Than One Unit (Details omitted)</p> <p>Article 10 – Additional Purchase of Shares Less Than One Unit A shareholder holding Shares Less Than One Unit of the Company may request the Company to sell to the shareholder such number of shares that will constitute the minimum trading unit together with Shares Less Than One Unit held by the shareholder in accordance with the Share Handling Regulations.</p> <p>Article 11 – Record Date</p> <p>1. The Company shall deem shareholders who have voting rights and whose names have been registered or recorded in the final shareholders registry <u>(including the final registry of beneficial shareholders; the same is applicable hereafter)</u> as of the last day of each business year to be shareholders with voting rights exercisable at the Annual General Meeting of Shareholders in respect of such business year.</p> <p>2. (Details omitted)</p> <p>3. (Details omitted)</p>	<p>Article 1 – Trade Name (note: no change is made in the English translation)</p> <p>(Deleted)</p> <p>Article 6 – Acquisition of the Company’s Own Shares (Same as at present)</p> <p>Article 7 – Number of Shares for One Unit</p> <p>The number of shares constituting one unit of shares of the Company, with which each shareholder shall be entitled to one voting right at General Meetings of Shareholders shall be 100 shares.</p> <p>(Deleted)</p> <p>Article 8 – Rights of Shareholders Holding Shares Less Than One Unit (Same as at present)</p> <p>Article 9 – Additional Purchase of Shares Less Than One Unit (note: no change is made in the English translation)</p> <p>Article 10 – Record Date</p> <p>1. The Company shall deem shareholders who have voting rights and whose names have been registered or recorded in the final shareholders registry as of the last day of each business year to be shareholders with voting rights exercisable at the Annual General Meeting of Shareholders in respect of such business year.</p> <p>2. (Same as at present)</p> <p>3. (Same as at present)</p>

Current Articles of Incorporation	Amended Articles of Incorporation
<p>Article 12 – Agent to Manage Shareholders Registry</p> <ol style="list-style-type: none"> 1. (Details omitted) 2. (Details omitted) 3. The preparation and retention of the shareholders registry, the ledger of subscription rights <u>and the register of lost shares, the transfer of shares, the purchase and additional purchase of Shares Less Than One Unit, and any other affairs concerning shares</u> and subscription rights shall be <u>handled</u> by agent to manage shareholders registry, and <u>not</u> by the Company. <p>Article 13 – Share Handling Regulations <u>The classification of shares of the Company, and the matters pertaining to the handling and fee of shares, subscription rights and the registration of lost shares</u> shall be carried out in accordance with applicable laws and regulations, these Articles and the Share Handling Regulations determined by resolution of the Board of Directors or by the Executive Officer authorized by resolution of the Board of Directors.</p> <p>Article 14 to Article 41 (Details omitted)</p> <p>Article 42 – Representative Executive Officers and Executive Officers Holding Statutory Names</p> <ol style="list-style-type: none"> 1. The Board of Directors shall appoint two (2) or more Representative Executive Officers, of which one shall be appointed as Representative Executive Officer and CEO, <u>and may appoint Representative Executive Officer and Group President and Representative Executive Officer and Group Vice President</u> by resolution of the Board of Directors, <u>as necessity arises.</u> 2. The Board of Directors may appoint <u>Senior Executive (Senmu) Officer and Executive Managing (Jomu) Officer</u> by resolution of the Board of Directors. <p>Article 43 to Article 53 (Details omitted)</p> <p>Additional clause <u>The amendment to the Article 7 of the Articles of Incorporation shall take effect on the day when the “Law Concerning the Development of Laws Related to the Enforcement of the Law on Partial Amendment of the Corporation Securities Transaction Law” (Law No. 66, 2006) is enforced.</u></p>	<p>Article 11 – Agent to Manage Shareholders Registry</p> <ol style="list-style-type: none"> 1. (Same as at present) 2. (Same as at present) 3. The preparation and retention of the shareholders registry <u>and</u> the ledger of subscription rights, the purchase and additional purchase of Shares Less Than One Unit, and any other affairs concerning <u>the shareholders registry</u> and <u>the ledger of</u> subscription rights <u>shall be assigned to</u> an agent to manage shareholders registry, and <u>shall not be handled</u> by the Company. <p>Article 12 – Share Handling Regulations <u>The procedures for exercising shareholders’ rights of the Company and any other handling pertaining to shares</u> shall be carried out in accordance with applicable laws and regulations, these Articles of Incorporation, and the Share Handling Regulations determined by resolution of the Board of Directors or by the Executive Officer authorized by resolution of the Board of Directors.</p> <p>Article 13 to Article 40 (Same as at present)</p> <p>Article 41 – Representative Executive Officers and Executive Officers Holding Statutory Names</p> <ol style="list-style-type: none"> 1. The Board of Directors shall appoint two (2) or more Representative Executive Officers, of which one shall be appointed as Representative Executive Officer and CEO (<u>Chief Executive Officer</u>) by resolution of the Board of Directors. 2. The Board of Directors may appoint <u>Executive Officer and Group President, Executive Officer and CFO (Chief Financial Officer), Executive Officer and COO (Chief Operating Officer) and other Executive Officer(s) Holding Statutory Name(s)</u> by resolution of the Board of Directors. <p>Article 42 to Article 52 (Same as at present)</p> <p>Additional clause <u>Article 1 – The preparation and retention of the registry of lost share certificates of the Company and any other affairs concerning the registry of lost share certificates shall be assigned to an agent to manage shareholders registry and shall not be handled by the Company.</u></p> <p><u>Article 2 – Articles 1 and 2 in the Additional clause shall be effective until January 5, 2010, and shall be deleted on said date.</u></p>

Agenda 2: Appointment of eleven (11) directors

The tenure of office of eleven (11) directors will expire at the end of this Annual General Meeting of Shareholders. The Company requests the appointment of eleven (11) directors based on the decision of the Nomination Committee.

The candidates for the directors' positions are as follows.

No.	Name (Date of birth)	Brief personal profile, position and duties at the Company, and directorships at other companies	Number of shares held in the Company
1	Shigeyuki Yawata (October 28, 1951)	Nov. 1977 Joined the Company Mar. 1988 Director Mar. 1990 Representative Director and Senior Managing Director Apr. 1991 Representative Director and Vice President Mar. 1992 Representative Director and President Apr. 2003 Director, Representative Executive Officer and CEO (To date)	542,474
2	Ka Sheung Chiu (October 23, 1957)	Apr. 1983 Joined Sumida Electric (H.K.) Company Limited Dec. 1987 Branch Head of the Company, Hong Kong Mar. 1996 Director Jun. 2000 Managing Director Mar. 2001 Representative Director Jul. 2001 Representative Director and COO Apr. 2003 Director, Representative Executive Officer and COO Jan. 2004 Director, Representative Executive Officer and Group President (To date)	60,500
3	Robert E. Patterson (September 14, 1942)	Dec. 1972 Registered Attorney, California, U.S.A. Joined Graham James LLP (Squire, Sanders and Dempsey LLP) Jan. 1978 Representative Partner Nov. 1999 SUMIDA Advisory Board Jan. 2001 Peninsula Equity Partners Representative Director Apr. 2003 SUMIDA Director Dec. 2007 Resigned Squire, Sanders and Dempsey LLP Representative Partner (To date)	1,700
4	Ashok B. Melwani (November 26, 1958)	Apr. 1989 M. B. Melwani CEO Sep. 1998 Resigned M. B. Melwani CEO Apr. 1999 A. B. Melwani CEO Nov. 1999 SUMIDA Advisory Board Apr. 2003 SUMIDA Director (To date)	11,097

No.	Name (Date of birth)	Brief personal profile, position and duties at the Company, and directorships at other companies	Number of shares held in the Company
5	Tadakazu Koizumi (November 5, 1944)	Apr. 1967 Joined Kankaku Securities (Currently Mizuho Investors Securities) Jul. 1998 Resigned Kankaku Securities Aug. 1998 Joined the Company Corporate Strategy Officer Mar. 2001 Full-Time Corporate Auditor Mar. 2003 Resigned Corporate Auditor Apr. 2003 Director Jan. 2007 Data Applications Co., Ltd. Outside Corporate Auditor (To date)	6,050
6	Kazuhide Kondo (April 1, 1941)	Mar. 1967 Registered Chartered Accountant May 1996 Ota Showa & Co., Representative Partner (Currently Ernst & Young ShinNihon LLC) Jun. 2003 Resigned Ota Showa & Co., Representative Partner Mar. 2004 SUMIDA Director Jun. 2004 Ajinomoto Corporate Auditor Jun. 2008 Resigned Ajinomoto Corporate Auditor (To date)	0
7	Masato Tsuru (January 11, 1948)	Jun. 1985 NOK Representative Director, Chief Executive Officer Jun. 1989 NOK Representative Director and Chairman Mar. 2005 SUMIDA Director (To date)	0
8	Kotaro Miyagi (June 17, 1940)	Mar. 1995 Canon Director Mar. 2001 Canon Full-Time Corporate Auditor Mar. 2004 Resigned Canon Full-Time Corporate Auditor Mar. 2006 SUMIDA Director (To date)	2,900
9	Ulrich Ruetz (March 15, 1940)	Feb. 1983 BERU GmbH Director (Currently BERU AG) Jan. 1994 President Oct. 1997 CEO Apr. 2003 Resigned BERU GmbH CEO Mar. 2007 SUMIDA Director (To date)	3,000
10	Hideo Kamoshita (June 23, 1944)	Apr. 1988 Mitsumi Electric Center Manager, Coil Business Sep. 2001 Resigned Mitsumi Electric Oct. 2001 Joined Sumida Corporate Service Sumida Corporate Service Corporate Strategy Officer Dec. 2006 Resigned Sumida Corporate Service Mar. 2007 SUMIDA Director (To date)	6,074

No.	Name (Date of birth)	Brief personal profile, position and duties at the Company, and directorships at other companies	Number of shares held in the Company
11	Masaru Hattori (February 12, 1945)	Jul. 1974 Joined Orient Leasing (Currently ORIX) Jun. 2002 Fuji Fire and Marine Insurance Corporate Auditor Jun. 2005 Fuji Fire and Marine Insurance Director, Audit Commissioner Jan. 2006 ORIX Corporate Executive Vice President Aug. 2006 ORIX Audit Committee Secretariat Jan. 2008 ORIX Adviser Mar. 2008 SUMIDA Director May 2008 Ryohin Keikaku Co., Ltd. Outside Auditor (To date)	0

Notes:

1. One of the candidates for director, Shigeyuki Yawata, also serves as Representative Director of Sumida VOGT GmbH, and ISMART GLOBAL LIMITED.
2. One of the candidates for director, Ka Sheung Chiu, also serves as Representative Director of SEC, Sumida Electric Co., Ltd., Sumida Electric (H.K.) Co., Ltd., SUMIDA CORPORATE SERVICE COMPANY LIMITED, SUMIDA SERVICE COMPANY LIMITED, SUMIDA TRADING COMPANY LIMITED, M. SUMIDA ELECTRIC SDN. BHD, SUMIDA TRADING PTE LTD, SUMIDA AMERICA COMPONENTS INC, Sumida VOGT GmbH, ISMART GLOBAL LIMITED, SMD MARKETING (M) SDN. BHD., Sumida Korea Inc., SUMIDA LCM COMPANY LIMITED.
3. Apart from those stated above, there are no special interest relationships between the candidates and the Company.
4. One of the candidates for director, Masato Tsuru, is Representative Director of Nippon Mektron, Ltd., Synztec Co. Ltd., NOK Klüber Co., Ltd., Unimatec Co., Ltd., Seiwa Jisho Co., Ltd., NOK Asia Co., Pte. Ltd., NOK Technical Research and Development Co., Ltd., and NOK Inc.
5. Seven (7) of the candidates for director, Robert E. Patterson, Ashok B. Melwani, Kazuhide Kondo, Masato Tsuru, Kotaro Miyagi, Ulrich Ruetz and Masaru Hattori seek positions as outside directors as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
6. Two (2) of the candidates for director, Robert E. Patterson and Ashok B. Melwani, were made outside directors, starting from the 51st fiscal year, after the Company had considered legal interpretation and the actual state of their business activities.
7. Reasons for the selection of candidates for outside director, independence as outside directors and liability limitation contracts with outside directors
 - (1) Reasons for the selection of candidates for outside director

The Company is a company employing a committee-based corporate governance structure, called a company-with-committees. At a company-with-committees, the board of directors specializes in supervising management, while a committee made up of a majority of outside directors is established to improve the transparency of management and executive officers are installed as an organ to work full-time for the execution of operations. Thus, a company with committees clearly separates “supervision of management” from “execution of duties” to make them function effectively. Such a company generally needs to select multiple outside directors. To further enhance the functions of the board of directors, the Company aims to make outside directors account for a majority of directors, and hereby requests the appointment of seven outside directors.

- (i) Robert E. Patterson is a U.S. attorney (currently on inactive status), and has served as an outside director of a U.S. corporation for many years. The Company made him a candidate for outside director because it expects him to oversee and check management based on his knowledge and experience as a legal expert, which have been accumulated through his career, and his insight into corporate governance at U.S. corporations and into the U.S. market. He currently serves as an outside director of the Company. The length of his service as an outside director will be three years at the end of this Annual General Meeting of Shareholders.
- (ii) Ashok B. Melwani has managed a corporation in Singapore for a long time. The Company made him a candidate for outside director because it expects him to oversee and check management based on the knowledge and experience as a corporate executive that he has accumulated throughout his career, and for his insight into the Asian market. He currently serves as an outside director of the Company. The length of his service as an outside director will be three years at the end of this Annual General Meeting of Shareholders.
- (iii) Kazuhide Kondo is a certified public accountant and served as an outside corporate auditor of an other Business. The Company made him a candidate for outside director because it expects him to oversee and check management based on the expertise and experience in financial affairs and accounting that he has accumulated throughout his career. He currently serves as an outside director of the Company. The length of his service as an outside director will be five years at the end of this Annual General Meeting of Shareholders.
- (iv) Masato Tsuru has long engaged in the management of NOK. The Company made him a candidate for outside director because it expects him to oversee and check management based on the knowledge and experience as a corporate executive that he has accumulated throughout his career, and his insight into the automobile industry. He currently serves as an outside director of the Company. The length of his service as an outside director will be four years at the end of this Annual General Meeting of Shareholders.
- (v) Kotaro Miyagi served as President of an overseas unit of Canon, and Director and full-time Corporate Auditor of Canon. The Company made him a candidate for outside director because it expects him to oversee and check management based on the knowledge and experience as a corporate executive that he has accumulated throughout his career, and for his insight into the electrical machinery industry. He currently serves as an outside director of the Company. The length of his service as an outside director will be three years at the end of this Annual General Meeting of Shareholders.
- (vi) Ulrich Ruetz has engaged in the management of BERU AG of Germany for a long time. He currently serves as an outside director of a European corporation. The Company made him a candidate for outside director because it expects him to oversee and check management based on the knowledge and experience as a corporate executive that he has accumulated throughout his career, and for his insight into the automobile and electrical machinery industries and the European market. He currently serves as an outside director of the Company. The length of his service as an outside director will be two years at the end of this Annual General Meeting of Shareholders.
- (vii) Masaru Hattori served as an executive managing director of ORIX. He serves as an outside director of Fuji fire and marine insurance and serves as an outside auditor of Ryohin Keikaku Co., Ltd. The Company made him a candidate for outside director because it expects him to oversee and check management based on the knowledge and experience as a corporate executive that he has accumulated throughout his career, especially in the corporate planning and accounting fields, and for his insight into the audit. The length of his service as an outside director will be one year at the end of this Annual General Meeting of Shareholders.

- (2) Independence of candidates for outside director
- (i) None of the candidates for outside director have been managing members of the Company or business operators that have specific relations with the Company in the past.
 - (ii) None of the candidates for outside director have received or plan to receive a large amount of money or other property from the Company or business operators that have specific relations with the Company.
 - (iii) None of the candidates for outside director have relatives in the third degree or closer with directors or executive officers of the Company.
- (3) Liability limitation contracts with outside directors
- The Company has concluded liability limitation contracts with current outside directors. (Details of the contracts are stated on page 25 of the Business Report.)

Agenda 3: Appointment of independent auditor

The independent auditor of the Company is currently Ernst & Young ShinNihon LLC. However, considering that the tenure of office of said auditor will expire at the end of this Annual General Meeting of Shareholders and that the Company has continuously assigned the auditor to perform its independent audits over a long period of time, the Company requests the appointment of KPMG AZSA & Co. as a new independent auditor in place of Ernst & Young ShinNihon LLC. This proposal is based on the decision of the Audit Committee.

The candidate for an independent auditor is as follows:

Name	KPMG AZSA & Co.										
Office	Location of main office: 1-2 Tsukudo-cho, Shinjuku-ku, Tokyo										
History	<p>Jul. 1985 Asahi Shinwa & Co. was established</p> <p>Oct. 1993 Merged with Inoue Saito Eiwa Audit Corporation (established in April 1978); the resulting corporation was named Asahi & Co.</p> <p>Apr. 2003 Asahi & Co. officially became a member firm of KPMG International</p> <p>Jan. 2004 Merged with AZSA & Co. (established in 2003), the corporation was named KPMG AZSA & Co. and remains a member firm of KPMG International</p>										
Outline	<p>Capital: 3,955 million yen</p> <p>Employees (excluding part-time workers):</p> <table> <tr> <td>CPAs</td> <td>1,925 (senior partners: 268, regular partners: 255)</td> </tr> <tr> <td>Junior CPAs</td> <td>505</td> </tr> <tr> <td>Newly certified</td> <td>1,493</td> </tr> <tr> <td><u>Other employees</u></td> <td><u>1,189</u></td> </tr> <tr> <td>Total</td> <td>5,112</td> </tr> </table> <p>Number of clients: 4,833 companies</p>	CPAs	1,925 (senior partners: 268, regular partners: 255)	Junior CPAs	505	Newly certified	1,493	<u>Other employees</u>	<u>1,189</u>	Total	5,112
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(As of December 31, 2008)