

SUMIDA CORPORATION

Consolidated Results of the 3rd Quarter FY2009

30th October 2009

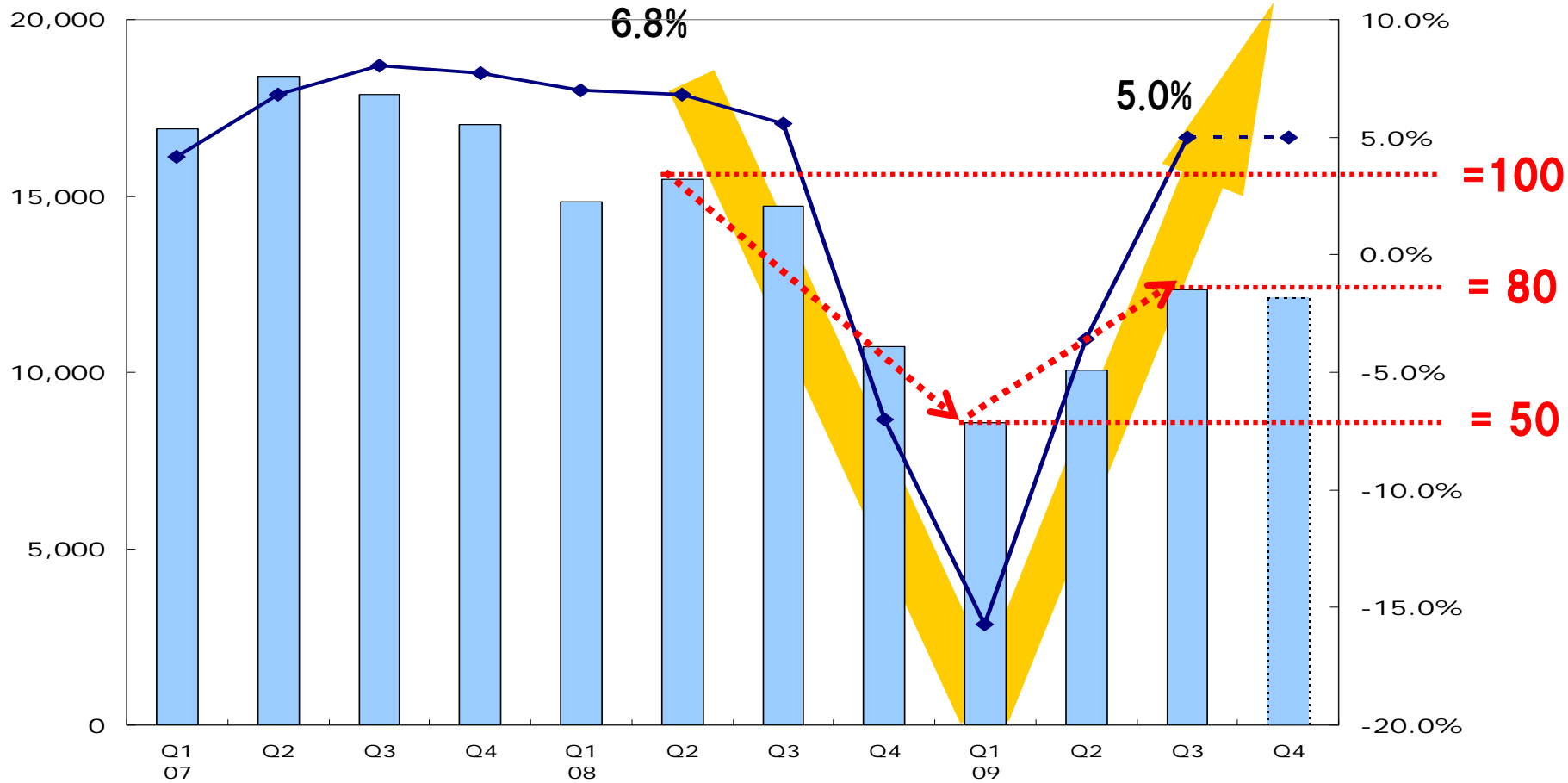
CEO Shigeyuki Yawata

CFO Saburo Matsuda

Trend of the Consolidated Net Sales and Operating Income



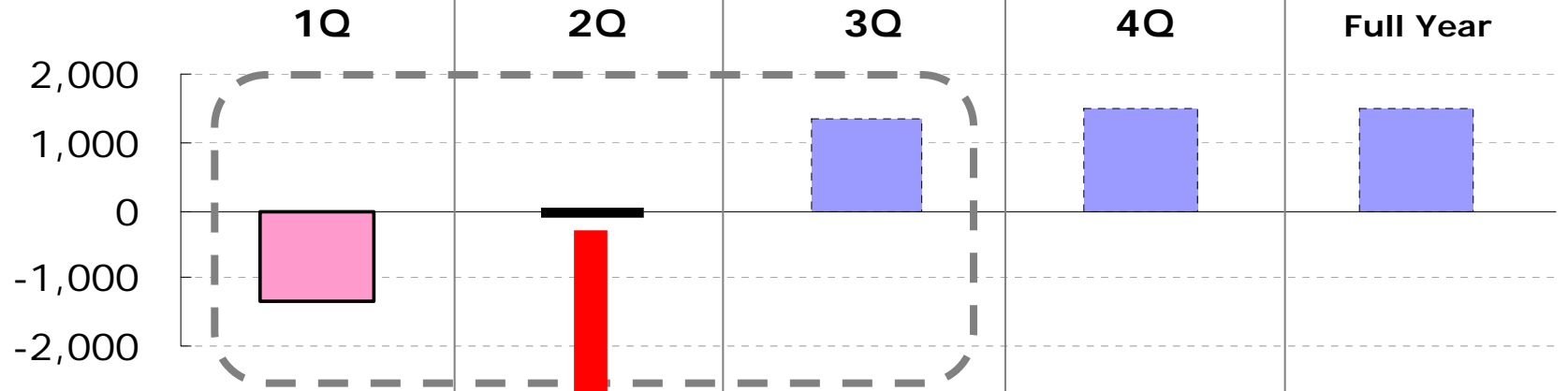
(in million JPY)



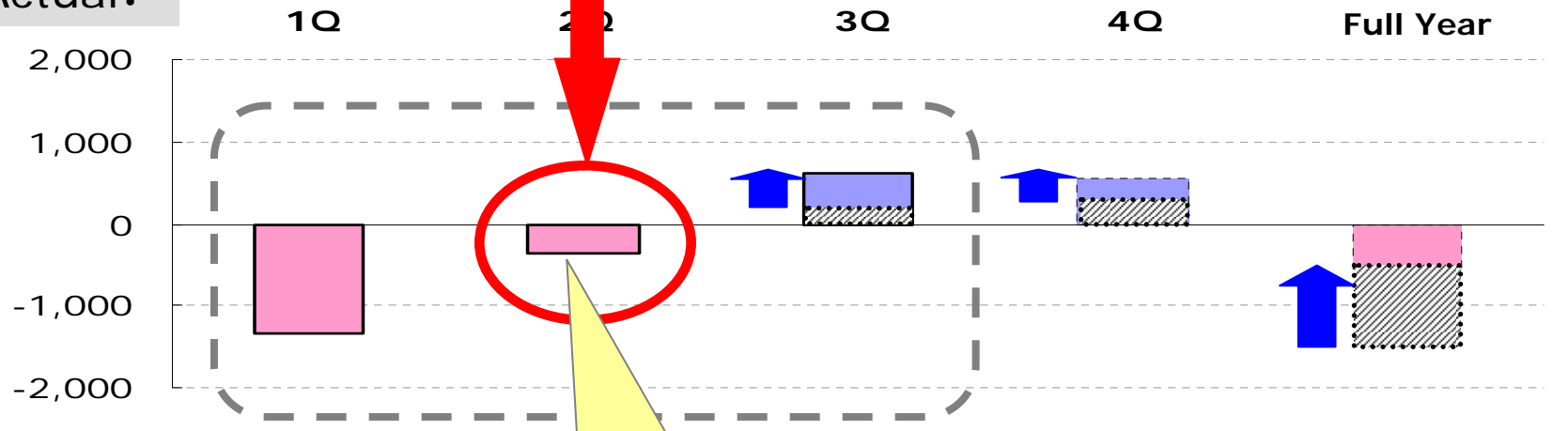
■ Net sales dropped to 50 points in 1Q of FY2009 compared to 2Q of FY2008 (=100), but recovered up to 80 points in 3Q of FY2009
 ■ The operating income ratio improved significantly up to 5.0%

Original Plan at the end of 1st Quarter FY09 and Actual Performance

Original Plan:



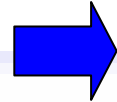
Actual:



Breakeven not achieved

... Disclosed on July 31, 2009

	(M yen)	Summary																
Operating Income	620	<p><u>Profitability recovered for the first time since 3Q FY2008</u></p> <p>Factors:</p> <ol style="list-style-type: none"> Sales efforts Sales improved due to cross selling and aggressive sales expansion Cost reduction efforts Reduced fixed cost and lowered break even point <p><u>Operating income ratio improved to 5% level</u></p> <p>Profitability structure improved and operating income ratio achieved 5% level</p> <p><u>Profitability achieved in all business segments</u></p> <table border="1"> <thead> <tr> <th>Business segments</th> <th>1Q</th> <th>2Q</th> <th>3Q</th> </tr> </thead> <tbody> <tr> <td>Asia-Pacific Business</td> <td>△</td> <td>○</td> <td>○</td> </tr> <tr> <td>EU Business</td> <td>△</td> <td>△</td> <td>○</td> </tr> <tr> <td>Environment-Energy Business</td> <td>△</td> <td>○</td> <td>○</td> </tr> </tbody> </table> <p>○: Profit △: Loss</p>	Business segments	1Q	2Q	3Q	Asia-Pacific Business	△	○	○	EU Business	△	△	○	Environment-Energy Business	△	○	○
		Business segments	1Q	2Q	3Q													
Asia-Pacific Business	△	○	○															
EU Business	△	△	○															
Environment-Energy Business	△	○	○															

 Aim to maintain profitability in 4Q and thereafter through taking continuous cost reduction measures

1. Consolidated results of 3rd quarter FY2009



(Unit: Millions of yen)

	3Q2009 Accounting period	3Q2008 Accounting period	Difference	3Q2009 Accumulated	3Q2008 Accumulated	Difference
Net Sales	12,324	14,701	(16.2%)	30,969	45,015	(31.2%)
Operating Income	620	819	(24.3%)	(1,102)	2,912	—
Ordinary Income	137	867	(84.3%)	(1,560)	2,194	—
Net Income	(109)	531	—	(2,174)	1,016	—

2. Analysis of Sales

(Unit: Millions of yen)

	FY2009					
	1Q	2Q	3Q	4Q (Forecast)	Full year (Forecast)	Break even sales (quarterly)
Asia-Pacific Business	4,644	5,721	6,798	6,400	23,563	5,250
EU Business	3,247	3,433	3,996	4,300	14,976	3,750
Environment-Energy Business	688	912	1,530	1,400	4,530	1,350
Total	8,579	10,066	12,324	12,100	43,069	10,350

Products Steady recovery observed in general

/Customers:

Regional aspects: Decline started in the US in 4Q2008 and spread over Europe, Japan and Asia

Recovery started in Asia (except Japan) and then followed by Japan, the US and Europe. Recovery in Europe is faster than that in the US.

3. Information by segments



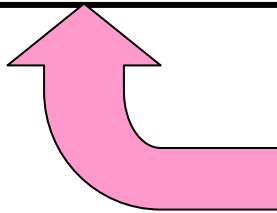
(Unit: Millions of yen)

		1Q2009	2Q2009	3Q2009	3Q/2Q
Asia-Pacific Business	Net Sales	4,644	5,721	6,798	+18.8%
	Operating Income	(174)	426	1,073	+151.9%
EU Business	Net Sales	3,247	3,433	3,996	+16.4%
	Operating Income	(481)	(319)	29	—
Environment-Energy Business	Net Sales	688	912	1,530	+67.8%
	Operating Income	(61)	149	99	-33.6%
Total	Net Sales	8,579	10,066	12,324	+22.4%
	Operating Income	(716)	256	1,201	+369.1%
Elimination		(629)	(633)	(581)	—
Consolidated	Operating Income	(1,345)	(377)	620	—

4. Non-operating gain/Loss

(Unit: Millions of yen)

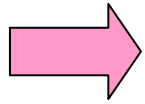
	FY2009			
	1Q	2Q	3Q	Full year (forecast)
I n t e r e s t e x p e n s e s	(139)	(179)	(169)	(650)
D e r i v a t i v e s	316	(136)	(127)	50
F o r e i g n e x c h a n g e	50	21	(205)	(150)



Further efficient F/X control through central management by our financing subsidiary in the Netherlands

5. Extraordinary Gain/Loss

※ Aiming to further reduce break even point



Still need to be prudent to forecast on business in 2010, while consolidating our operational structure to achieve operating profit of 3 billion yen

(unit: M yen)

Further reduce fixed costs	<u>Jan-Sep</u>	<u>4Q (forecast)</u>	<u>Full year (forecast)</u>
① Retrenchment	180	350	530
② Closure of unprofitable business (Mexico)	100	—	100
③ Reengineering businesses in EU	110	—	110
④ Revised loss from sale of business	400	—	400
⑤ Removal of office, etc.	—	80	80
		430	

6. Translation adjustments –①

Overseas investment (yen -> foreign currency)

Current value of overseas investment in foreign currency (liquidation value)

differences = translation adjustment

Translation adjustments as of end of Sep 2009 = (7,806M yen)

60%	China/HK	(4,700M yen)	HK dollar against yen	17.22 → 11.65 (- 32.3%)
40%	Germany	(3,100M yen)	Euro against yen	150.83 → 131.87 (- 12.5%)

6. Translation adjustments – ②

Valuation of acquired assets => **Fair Value** of the assets

Real estate

Machinery (usable assets)

Patent

Intangible assets

Customer relation

Supply chain management

Fair value 10,700M yen

HK/China 7,200M yen (600M HK dollar) ...①

Germany At acquisition 3,500M yen...②
(in 2006)

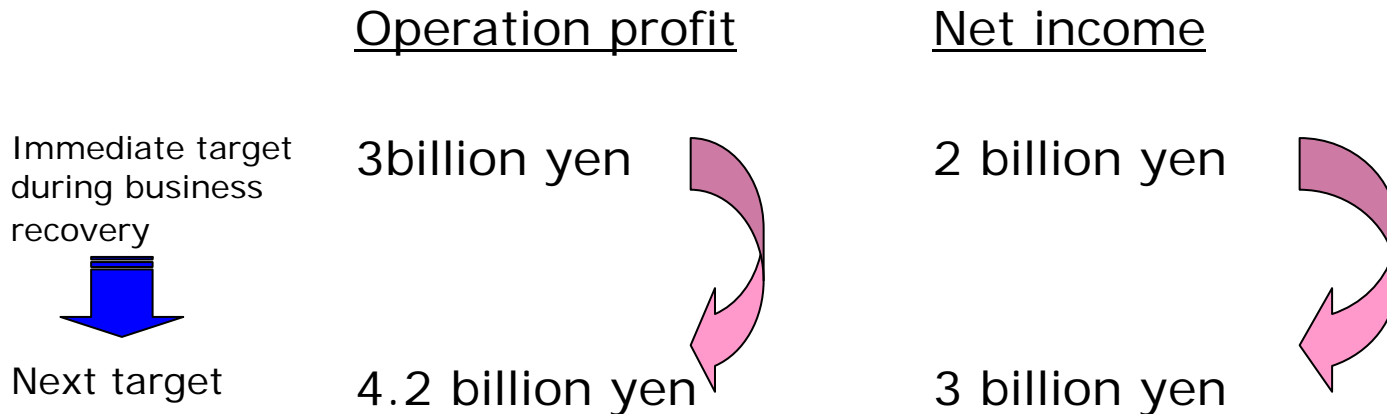
$$\text{①} + \text{②} = 10,700 \text{ million yen}$$

7. Debt

Bank loans : Increased at the time of acquisition of VOGT

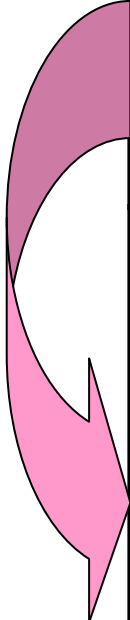
Equity finance : to be considered at appropriate time

Business recovery → EPS 150yen or more to be targeted



8. Forecast for FY2009

(Unit: Millions of yen)



	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast at 31 st Jul 2009	43,100	(1,250)	(1,600)	(2,000)
Forecast for 4Q	12,100	550	380	200
Revised forecast (22 nd Oct 2009)	43,100	(550)	(1,180)	(2,000)

Assumption : exchange rates are 1USD=90JPY, 1Euro=135JPY

Prospects from 4th Quarter FY2009

■ Consumer Electronics Sector

- Order amount is expected to hit a peak in Oct-Nov due to Christmas demand, then decrease in Dec and recover from Jan-Feb (usual order trend owing to seasonality factors)
- The trend this year may be different due to inventory adjustments took place during this year

→ Prospects from Dec '09 to Jan '10 is unclear

■ Automotive Related Sector

- Recovering may take time compared to Consumer Electronics, but the market has been out of the bottom and is in the recovering trend

Asia••• Order amount to be back to '08 level in 2 yrs from Jul '09

Europe••• Order amount to be back to '08 level in 3 to 4 yrs from Jul '09

- As Automotive Related market is not affected by seasonality factors, we expect to cover order decrease in Consumer Electronics with Automotive Related sector

■ Alternative Energy/IT/Medical etc. Sector

- Acquired profitable companies (revenue size is relatively small) → Positive factor



**“Global One Sumida” organization has been launched
(from Sep 1, '09) and steadily operated**

“Global One Sumida”

1. Integration of Sumida Group company names and sales structure

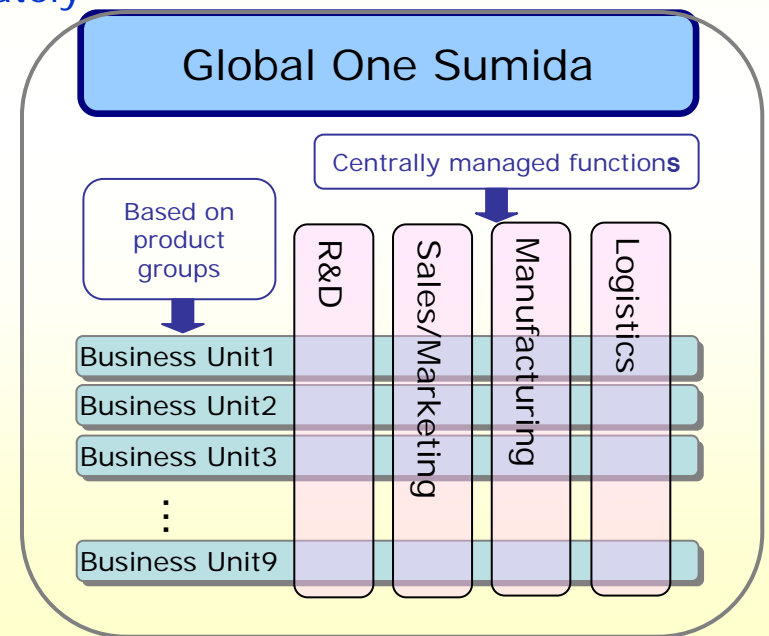
- Consolidation of group company names in Germany (VOGT, PANTA, STELOC) to “SUMIDA”
- Maximize borderless organization functions (product line, functional orders)
 - Aim to embrace customer needs timely and accurately

2. Establishment of Global Key Account Business

- Provide stable service to major customers
 - Key Account Manager for BOSCH has been already appointed
- 4 more Managers are to be appointed in '09

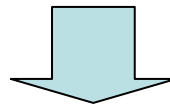
3. Global Restructuring

- Promotion of younger generations



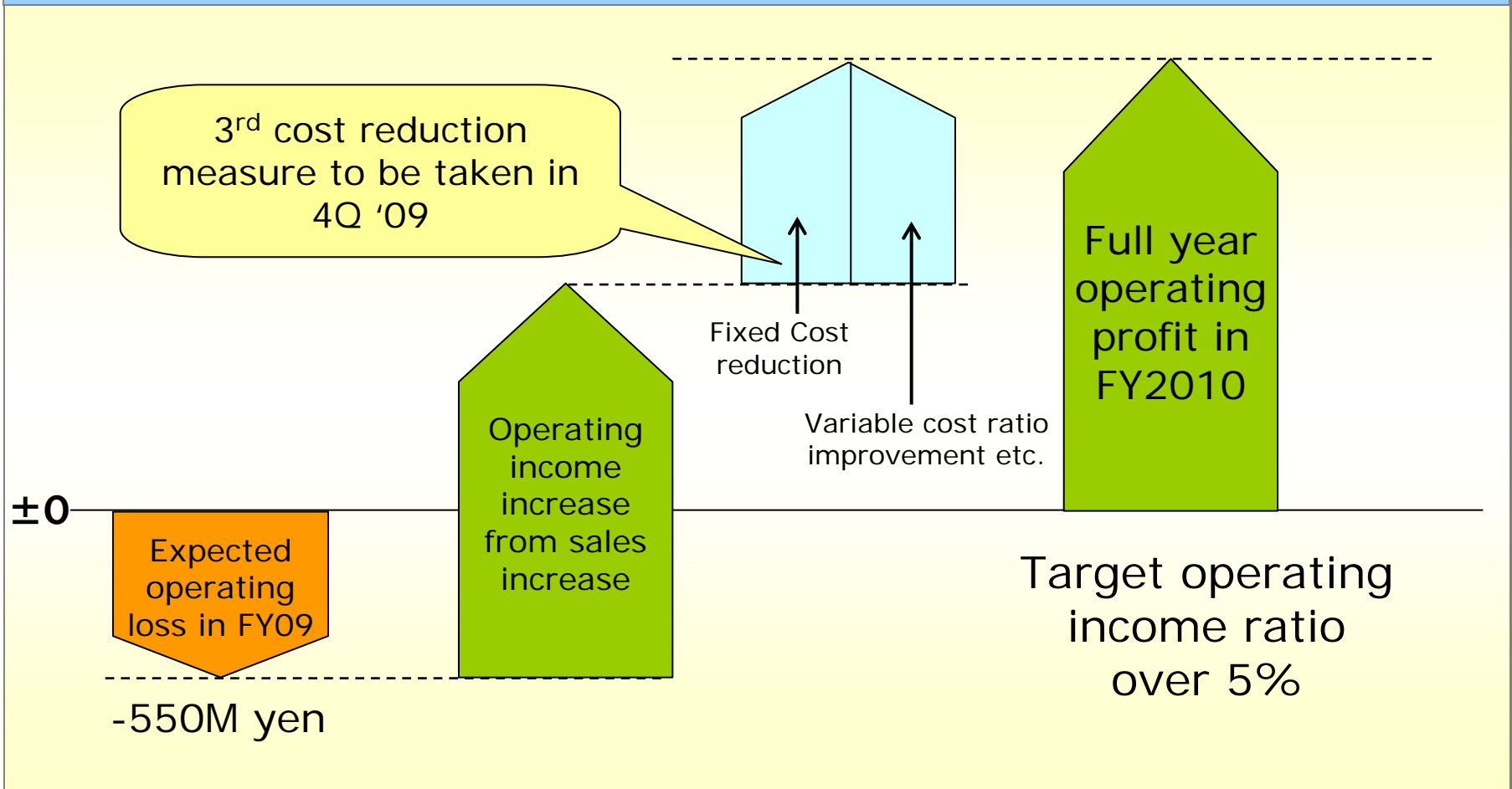
Objectives of “Global One Sumida”:

1. Sales ••• One-face Sales
2. Quality ••• Unified Quality Control System
3. Production ••• Optimize mass production
/distribution system
4. R&D ••• Further utilize R&D base in China
C-Lab (Central Lab)



With the new organization, we aim to seize opportunity of new business chances under recovering market environment

Profit Forecast in FY2010



■ Aim to achieve over 5% of operating income ratio in FY2010 through sales increase, thorough fixed cost reduction and improvement of variable cost ratio

Growth Strategy in FY2010 and thereafter

Market Structure:

Area:

Consumer Electronic

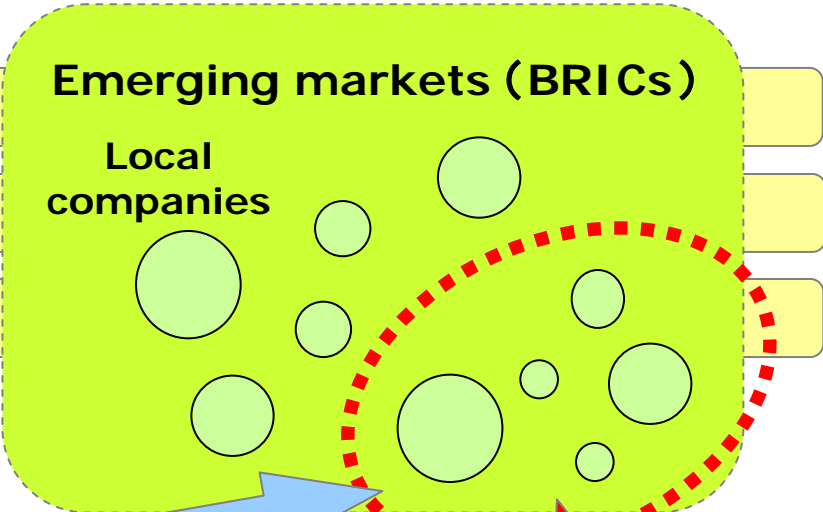
Automotive

Alternate energy,
IT, Medical etc.

Europe

America

Asia



Explore
Global Markets

Global One Management System

Centrally managed functions

Based on
product groups

	R&D	Sales & Marketing	Production	Logistics
Business Unit 1				
Business Unit 2				
Business Unit 3				
⋮				
Business Unit 9				

Make full use of the latest technology and R&D, mass production, sales of products at an optimum price

Support

To meet the needs of emerging markets, give support to existing local companies and build a two-way, coexisting business model

End of the Report

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