

CONSOLIDATED FINANCIAL STATEMENTS

(for the first quarter of fiscal year 2011)

April 27, 2011

Name of Company: **SUMIDA CORPORATION**
 Stock Listing: Tokyo
 Security Code No.: 6817
 (URL <http://www.sumida.com>)
 Representative: Shigeyuki Yawata, CEO
 Contact: Saburo Matsuda, CFO
 Phone: +81-(0) 3-3272-7100
 Date of Submission of Marketable Securities Filings: May 12, 2011
 Date on which Dividend Payments to Commence: May 27, 2011

(Amounts of less than one million yen are omitted.)

1. Consolidated Operating Results for the First Quarter of FY 2011 (January 1, 2011–March 31, 2011)

(1) Consolidated Operating Results (cumulative)

(Percentages represent changes compared with the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1st Quarter of FY2011	13,259	2.8	618	(39.7)	665	(15.4)	419	(35.7)
1st Quarter of FY2010	12,894	50.3	1,025	-	786	-	652	-

	Net income per share (Basic)	Net income per share (Fully diluted)
	Yen	Yen
1st Quarter of FY2011	21.82	-
1st Quarter of FY2010	33.95	-

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2011	51,978	10,270	18.7	506.96
As of Dec. 31, 2010	49,410	8,848	16.8	433.22

Reference: Shareholders' equity at March 31, 2011: 9,739 millions of yen
 Shareholders' equity at December 31, 2010: 8,323 millions of yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended Dec.2010	5.00	5.00	5.00	10.00	25.00
FY ended Dec.2011	7.00	-	-	-	-
FY ended Dec.2011(forecast)	-	7.00	7.00	7.00	28.00

Note: Whether the dividend forecast under review has been revised: No

3. Forecast of Consolidated Results for FY 2011 (January 1, 2011–December 31, 2011)

(% change figures for revenues, operating income, recurring profit, and net income is presented in comparison with the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%change	Millions of yen	%change	Millions of yen	%change	Millions of yen	%change	yen
Fully year of FY2011	55,000	2.9	4,000	12.0	3,330	48.6	2,600	17.6	135.32

Note: Whether the forecasts for consolidated figures under review have been revised: No

4. Others

(1) Changes in the state of material subsidiaries during the period (changes regarding specific subsidiaries attendant with change in scope of consolidation): None

Newly added: — Excluded: —

(2) Application of simplified accounting methods and/or special accounting method for preparation of the quarterly consolidated financial statements: Yes

(3) Changes in principles, procedures, methods of presentation, etc., related to the quarterly consolidated financial statements (Changes in material items that form the basis for the preparation and presentation of the quarterly consolidated financial statements):

(a) Changes accompanying revisions in accounting principles: Yes

(b) Changes other than those in (a) above: Yes

(4) Number of shares issued (common shares)

(a) Number of shares issued at the end of the period (including treasury stock)

First quarter of FY 2011 19,944,317 shares

FY 2010 19,944,317 shares

(b) Number of treasury stock at the end of the period

First quarter of FY 2011 731,990 shares

FY 2010 731,940 shares

(c) Average number of shares issued during the period (three months)

First quarter of FY 2011 19,212,359 shares

First quarter of FY 2010 19,212,621 shares

Consolidated Financial Statements

(1) Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2011	As of December 31, 2010
(Summary)		
Assets		
Current assets		
Cash and deposits	7,501	7,399
Notes and accounts receivable-trade	11,204	10,086
Merchandise and finished goods	3,739	3,853
Work in process	1,028	816
Raw materials and supplies	3,246	3,037
Income taxes receivable	332	305
Other	1,862	1,692
Allowance for doubtful accounts	(25)	(22)
Total current assets	<u>28,889</u>	<u>27,168</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	10,550	10,804
Machinery, equipment and vehicles	23,717	22,573
Tools, furniture and fixtures	3,940	3,811
Land	1,414	1,456
Lease assets	865	—
Construction in progress	587	511
Accumulated depreciation	(27,418)	(26,044)
Total property, plant and equipment	<u>13,657</u>	<u>13,112</u>
Intangible assets		
Goodwill	3,066	2,896
Other	976	957
Total intangible assets	<u>4,043</u>	<u>3,854</u>
Total investments and other assets	<u>5,299</u>	<u>5,178</u>
Total noncurrent assets	<u>23,000</u>	<u>22,145</u>
Deferred assets	88	96
Total assets	<u><u>51,978</u></u>	<u><u>49,410</u></u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,054	3,995
Short-term loans payable	19,442	19,073
Income taxes payable	397	365
Other	9,086	7,884
Total current liabilities	<u>32,981</u>	<u>31,318</u>
Noncurrent liabilities		
Bonds payable	1,400	2,115
Long-term loans payable	4,544	4,376
Provision for retirement benefits	817	756
Other	1,963	1,995
Total noncurrent liabilities	<u>8,726</u>	<u>9,243</u>
Total liabilities	<u>41,707</u>	<u>40,561</u>
Net assets		
Shareholders' equity		
Capital stock	7,216	7,216
Capital surplus	7,029	7,029
Retained earnings	7,176	6,951
Treasury stock	(1,524)	(1,524)
Total shareholders' equity	<u>19,898</u>	<u>19,673</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	35	33
Foreign currency translation adjustment	(10,193)	(11,384)
Total valuation and translation adjustments	<u>(10,158)</u>	<u>(11,350)</u>
Minority interests	530	525
Total net assets	<u>10,270</u>	<u>8,848</u>
Total liabilities and net assets	<u><u>51,978</u></u>	<u><u>49,410</u></u>

(2) Consolidated quarterly statements of income

(Millions of yen)

	First three month of FY2010 (Jan.1, 2010 - Mar.31, 2010)	First three month of FY2011 (Jan.1, 2011 - Mar.31, 2011)
Net sales	12,894	13,259
Cost of sales	9,783	10,646
Gross profit	3,110	2,612
Selling, general and administrative expenses		
Freightage and packing expenses	143	153
Employees' salaries and allowances	676	686
Depreciation	95	67
Research and development expenses	273	263
Other	896	821
Total selling, general and administrative expenses	2,084	1,994
Operating income	1,025	618
Non-operating income		
Interest and dividends income	6	6
Foreign exchange gains	—	146
Gain on valuation of derivatives	118	49
Other	32	9
Total non-operating income	158	212
Non-operating expenses		
Interest expenses	147	130
Foreign exchange losses	218	—
Other	30	35
Total non-operating expenses	396	165
Ordinary income	787	665
Extraordinary income		
Gain on sales of noncurrent assets	0	16
Reversal of impairment loss	—	74
Other	0	2
Total extraordinary income	0	93
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	4	6
Business structure improvement expenses	3	97
Loss on disaster	—	51
Other	0	3
Total extraordinary losses	8	159
Income before income taxes and minority interests	778	599
Income taxes	102	166
Income before minority interests	—	433
Minority interests in income	23	14
Net income	652	419

(3) Consolidated quarterly statements of cash flows

(Millions of yen)

	First three month of FY2010 (Jan.1, 2010 - Mar.31, 2010)	First three month of FY2011 (Jan.1, 2011 - Mar.31, 2011)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	778	599
Depreciation and amortization	633	535
Amortization of goodwill	83	72
Interest and dividends income	(6)	(6)
Interest expenses	147	130
Foreign exchange losses (gains)	9	0
Business structure improvement expenses	3	97
Reversal of impairment loss	—	(74)
Loss (gain) on valuation of derivatives	(118)	(49)
Decrease (increase) in notes and accounts receivable-trade	(565)	(699)
Decrease (increase) in inventories	(445)	(5)
Increase (decrease) in notes and accounts payable-trade	199	(84)
Other, net	76	(248)
Subtotal	794	266
Interest and dividends income received	6	6
Interest expenses paid	(145)	(126)
Income taxes (paid) refund	(106)	(148)
Net cash provided by (used in) operating activities	549	(0)
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	107	11
Payments into time deposits	(168)	(13)
Purchase of property, plant and equipment	(386)	(506)
Collection of loans receivable	42	0
Proceeds from sales of investment securities	18	12
Purchase of stocks of subsidiaries and affiliates	(12)	(53)
Other, net	2	(86)
Net cash provided by (used in) investing activities	(397)	(635)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	434	271
Proceeds from long-term loans payable	50	1,500
Repayment of long-term loans payable	(672)	(733)
Redemption of bonds	(415)	(375)
Cash dividends paid	(96)	(192)
Other, net	(14)	(13)
Net cash provided by (used in) financing activities	(712)	457
Effect of exchange rate change on cash and cash equivalents	(166)	291
Net increase (decrease) in cash and cash equivalents	(728)	113
Cash and cash equivalents at beginning of period	9,064	7,275
Cash and cash equivalents at end of period	8,335	7,389

Segment information

For the first quarter ended March 31, 2011 (Jan. 1, 2011 - Mar. 31, 2011)

	Asia Pacific	EU	Total
	<i>(Millions of yen)</i>	<i>Millions of yen</i>	<i>Millions of yen</i>
Sales			
(1) Sales to third parties	8,450	4,809	13,259
(2) Inter-segment sales or transfers	243	286	530
Total	8,693	5,096	13,790
Segment profit	690	410	1,100

Operating income	Amount
	<i>(Millions of yen)</i>
Segment profit	1,100
Eliminations	(482)
Operating income	618

Supplementary Information

Beginning with the first quarter of the fiscal year ending December 31, 2011, "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, issued on March 27, 2009) and the "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, issued on March 21, 2008) have been applied.