

NOTICE OF THE 59TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Time and Date:

1:00 p.m., Friday, March 21, 2014 (JST)

(The reception desk will open at 12:30 p.m., JST.)

Venue:

Apollon, Hotel Nikko Tokyo (1st Floor),
1-9-1, Daiba, Minato-ku, Tokyo

Agenda: Election of six (6) directors



Stock Code: 6817

Table of Contents

Notice of the General Meeting of Shareholders

Notice of the 59th Annual General Meeting of Shareholders 1

Concerning the Exercise of Voting Rights

Reference Materials for Annual General Meeting of Shareholders

Agenda: Election of six (6) directors 4

Attached Documents to the Notice of the General Meeting of Shareholders

Business Report

1. Matters Concerning the Current Status of the Sumida Group 9
2. Matters Concerning the Company 20

Consolidated Financial Statements 33

Non-consolidated Financial Statements 37

Audit Report 41

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 3, 2014

NOTICE OF THE 59TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

SUMIDA CORPORATION (the “Company”) hereby would like to inform you that the 59th 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 in person, 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 on page 3.

Yours faithfully,

Shigeyuki Yawata

Director, Representative Executive Officer and CEO

SUMIDA CORPORATION

Suitengu Hokushin Building,

1-39-5, Nihonbashi Kakigara-cho, Chuo-ku, Tokyo

1. Time and Date: 1:00 p.m., Friday, March 21, 2014 (JST)
(The reception desk will open at 12:30 p.m., JST.)

2. Venue: Apollon, Hotel Nikko Tokyo (1st Floor),
1-9-1, Daiba, Minato-ku, Tokyo

3. Meeting Agenda:

- Items to be reported

1. Business Report, Consolidated Financial Statements and reports on the audited results of the Consolidated Financial Statements by the independent auditors and the Audit Committee for the 59th term (January 1 to December 31, 2013)
2. Non-consolidated Financial Statements for the 59th term (January 1 to December 31, 2013)

- Item to be resolved

Agenda: Election of six (6) directors

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 will 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 will 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 the voting form to us by mail by 5:00 p.m. on Thursday, March 20, 2014 (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 Thursday, March 20, 2014 (JST).
- (5) In the event that a shareholder exercises voting rights diversely, the shareholder is requested to submit his/her intention to do so and the reason for the diverse 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, and Non-consolidated and Consolidated Financial Statements are subsequently revised, the revisions shall be posted on the Company's website (<http://www.sumida.com>).

<Concerning the Exercise of Voting Rights>

- * Shareholders attending the meeting in person are requested to submit the voting form enclosed with this notice 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 17 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. From a computer, a mobile phone or a smartphone:
 - (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 code and password for the exercise of voting rights.
 - (3) Follow the instructions given on the screen to exercise your voting rights.
2. 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.
3. For shareholders who intend to exercise voting rights via mobile phones or smartphones, please note that it may not be possible to do so using certain models.
4. In the event that a shareholder exercises a voting right on multiple occasions via the Internet, the Company will treat the shareholder's final vote as the effective exercise of the voting right.

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

Shareholders' Register Manager: Tokyo Securities Transfer Agent Co., Ltd.

Tel: 0120-88-0768 (Toll-free, available only in Japan)

Operating hours: 9:00 a.m. to 9:00 p.m. (JST: excluding Saturdays, Sundays and holidays)

[To All Institutional Investors]

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

Reference Materials for Annual General Meeting of Shareholders

Agenda: Election of six (6) directors

The terms of office of eight (8) directors will expire at the conclusion of this Annual General Meeting of Shareholders. The Company requests the election of six (6) directors as nominated by the Nomination Committee.

The candidates for the directors' positions are as follows. Five (5) of the candidates for director, namely Ulrich Ruetz, Johji Sato, Pak Hong Auyang, Souichiro Uchida and Yukihiro Moroe, seek the positions as outside directors as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.

No.	Name (Date of birth)	Brief personal profile and position and duties at the Company (Important concurrent occupations or positions at other organizations)	Number of shares held in the Company
1	Shigeyuki Yawata (October 28, 1951)	<p>(Brief personal profile) 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)</p> <p>(Position and duties at the Company) Director (Chairman of the Board of Directors), Representative Executive Officer and CEO, Chairman, Risk Management Committee</p> <p>(Important concurrent occupations or positions at other organizations) Managing Director, SUMIDA Europe GmbH</p>	561,331
2	Ulrich Ruetz (March 15, 1940)	<p>(Brief personal profile) Feb. 1983 Director, BERU GmbH (Currently BorgWarner BERU Systems GmbH) Jan. 1994 President, BERU GmbH (Currently BorgWarner BERU Systems GmbH) Oct. 1997 CEO, BERU GmbH (Currently BorgWarner BERU Systems GmbH) Mar. 2007 Director of the Company (To date)</p> <p>(Position and duties at the Company) Director, Member, Nomination Committee and Compensation Committee</p> <p>(Important concurrent occupations or positions at other organizations) Outside Director, Progress Werk Oberkirch AG Outside Director, Wüstenrot Holding AG Outside Director, Wüstenrot & Württembergische AG</p>	3,000

No.	Name (Date of birth)	Brief personal profile and position and duties at the Company (Important concurrent occupations or positions at other organizations)	Number of shares held in the Company
3	Johji Sato (November 20, 1953)	<p>(Brief personal profile)</p> <p>Apr. 1982 Joined Chuo Coopers & Lybrand Associates, Inc.</p> <p>Sep. 1985 Assigned to London Office, Coopers & Lybrand UK (Currently PricewaterhouseCoopers LLP)</p> <p>Oct. 1989 Partner (International Corporate Tax Division), London Office, Coopers & Lybrand UK (Currently PricewaterhouseCoopers LLP)</p> <p>Jul. 1995 Lead Partner (Japanese Business Group in Europe, the Middle East and Africa), London Office, Coopers & Lybrand UK (Currently PricewaterhouseCoopers LLP)</p> <p>Jul. 2002 Chair Partner, Japanese Business Steering Committee, Central Cluster (Europe, the Middle East, Africa and India), PricewaterhouseCoopers LLP</p> <p>May 2012 Executive Senior Director (Global Japanese Business), PricewaterhouseCoopers Co., Ltd. (To date)</p> <p>Mar. 2013 Director of the Company (To date)</p> <p>(Position and duties at the Company) Director, Member, Audit Committee</p> <p>(Important concurrent occupations or positions at other organizations) Executive Senior Director (Global Japanese Business), PricewaterhouseCoopers Co., Ltd.</p>	0
4	Pak Hong Auyang (December 24, 1967)	<p>(Brief personal profile)</p> <p>Sep. 1991 Joined Computime Group Limited</p> <p>Sep. 2002 CEO, Computime Group Limited</p> <p>Nov. 2009 Chairman, Vida Nova Ventures</p> <p>Jul. 2010 Co-CEO & Executive Director, Touchmedia (To date)</p> <p>Mar. 2013 Director of the Company (To date)</p> <p>(Position and duties at the Company) Director, Member, Nomination Committee</p> <p>(Important concurrent occupations or positions at other organizations) Co-CEO & Executive Director, Touchmedia Vice Chairman, Dragonchip Limited Outside Director, Grayhill Hong Kong Company Limited Director, QVIVO Limited Director, Greenlink Global Limited</p>	0

No.	Name (Date of birth)	Brief personal profile and position and duties at the Company (Important concurrent occupations or positions at other organizations)	Number of shares held in the Company
*5	Souichiro Uchida (November 8, 1953)	<p>(Brief personal profile)</p> <p>Mar. 1981 Joined NOK CORPORATION</p> <p>Jun. 1993 Director, NOK CORPORATION</p> <p>Jun. 2007 Senior Managing Director, SYNZTEC Co., Ltd.</p> <p>Jun. 2010 Representative Director & President, SYNZTEC Co., Ltd.</p> <p>Apr. 2013 Adviser, NOK CORPORATION (To date)</p> <p>(Important concurrent occupations or positions at other organizations)</p> <p>Adviser, NOK CORPORATION</p>	0
*6	Yukihiro Moroe (July 18, 1955)	<p>(Brief personal profile)</p> <p>Nov. 1985 Joined The Nomura Securities Co., Ltd.</p> <p>Jul. 1988 Joined Goldman Sachs Japan</p> <p>Nov. 1998 Managing Director, Goldman Sachs Japan</p> <p>Aug. 2008 Representative Director, YUME Capital Co., Ltd. (To date)</p> <p>Representative Director, Itohan Japan Co., Ltd. (To date)</p> <p>Oct. 2008 Outside Director, NIPPON PARKING DEVELOPMENT Co., Ltd. (To date)</p> <p>Jun. 2009 Outside Corporate Auditor, Oisix Inc. (To date)</p> <p>(Important concurrent occupations or positions at other organizations)</p> <p>Representative Director, YUME Capital Co., Ltd.</p> <p>Representative Director, Itohan Japan Co., Ltd.</p> <p>Outside Director, NIPPON PARKING DEVELOPMENT Co., Ltd.</p> <p>Outside Corporate Auditor, Oisix Inc.</p>	0

Notes:

1. Asterisks (*) indicate candidates for new directors.
2. SUMIDA Europe GmbH is a subsidiary of the Company. Among other things, the Company loans funds to the subsidiary.
3. There are no special interest relationships between the candidates and the Company.
4. Four (4) of the candidates for outside director, Ulrich Ruetz, Johji Sato, Pak Hong Auyang and Yukihiro Moroe, will be designated as independent directors of the Company in accordance with the rules of the Tokyo Stock Exchange and their names will be notified to the said stock exchange.

Reasons for the selection:

Four (4) of the candidates nominated for director, Shigeyuki Yawata, Ulrich Ruetz, Johji Sato and Pak Hong Auyang, have sufficiently served as directors who determine basic management policies and supervise operations. The Company therefore requests to reelect them as directors.

Regarding the reasons for the nomination of the new candidates Souichiro Uchida and Yukihiro Moroe, please refer to items (iv) and (v), on page 7.

Reasons for the selection of candidates nominated for outside director, independence as outside directors and the explanation of liability limitation contracts with outside directors are as follows.

- (1) Reasons for the selection of candidates nominated 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 operations” to make them function effectively. Such a company generally needs to elect multiple outside directors. To further enhance the functions of the board of directors, the Company is to make outside directors account for a majority of directors, and hereby requests the election of five (5) outside directors.

- (i) Ulrich Ruetz was engaged in the management of car component manufacturer BorgWamer BERU Systems GmbH of Germany for many years. He currently serves as outside director of many European corporations. The Company proposed him as 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 and electric and electronics industries and the European market. He currently serves as outside director of the Company. The length of his service as outside director will be seven (7) years at the conclusion of this Annual General Meeting of Shareholders.
 - (ii) Johji Sato has been involved in the provision of advice regarding taxation and investment to global corporations over many years, and has held various posts including partner at PricewaterhouseCoopers LLP. The Company proposed him as a candidate for outside director because it expects him to oversee and check management based on the managerial knowledge and experience that he has accumulated throughout his career, especially in the fields of accounting and taxation. He currently serves as outside director of the Company. The length of his service as outside director will be one (1) year at the conclusion of this Annual General Meeting of Shareholders.
 - (iii) Pak Hong Auyang was engaged in the management of electronic control products manufacturer Computime Group Limited of Hong Kong, and currently serves as a manager or director at Asian companies mainly in China and Hong Kong. The Company proposed him as 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 Asian market. He currently serves as outside director of the Company. The length of his service as outside director will be one (1) year at the conclusion of this Annual General Meeting of Shareholders.
 - (iv) Souichiro Uchida has served as director of NOK CORPORATION for many years and engaged in the management of SYNZITEC Co., Ltd. The Company proposed him as 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 automotive components industry.
 - (v) Yukihiro Moroe has accumulated a wealth of experience in the financial industry over many years, and currently engages in management and serves as director and outside corporate auditor at several companies. The Company proposed him as a candidate for outside director because it expects him to oversee and check management based on the experience and insight that he has accumulated throughout his career.
- (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 managing members of the Company or business operators that have specific relations with the Company.

(3) Liability limitation contracts with outside directors

The Company has entered into liability limitation contracts with the candidates Ulrich Ruetz, Johji Sato and Pak Hong Auyang, who are currently outside directors of the Company. (Outline of the contracts is stated on page 29 of the Business Report.) In case of their re-election, the Company will continue the above liability limitation contracts with them. If Souichiro Uchida and Yukihiro Moroe are elected as directors, the Company will also enter into the above liability limitation contract with each of them.

Business Report
for the 59th term
(January 1 to December 31, 2013)

Shigeyuki Yawata
Director, Representative Executive Officer and CEO
SUMIDA CORPORATION

Business Report

(January 1 to December 31, 2013)

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

The global economy in 2013 saw the U.S. economy continue moderate but steady expansion, and the European economy also bottomed out showing signs of recovery despite a trend of slowing economic growth in emerging countries, such as China and India.

Looking at the electronic parts industry, supported by the continued advance of automotive electrification, demand for automotive related electronic parts remained firm, which was also partly due to healthy automotive demand mainly in the U.S. and Japan. In the industrial related products sector, demand for renewable energy related products in Japan increased, and signs of recovery were also observed in demand for industrial equipment. Meanwhile, demand for smartphones and tablet PCs continued to expand, and no recovery in demand was observed for products for TVs, and the contraction in demand for products for PCs and digital cameras also continued as a result of market encroachment by smartphones and tablet PCs. Given these circumstances, the Sumida Group strived to improve its corporate value by addressing following important issues also during the current fiscal year, the second year of Stage I (Foundation Building for New Business Style) of the nine-year Master Plan. The issues are “Profitability”, “Global cash management”, “Product management” and “Organizational resilience and adaptability”. The Sumida Group aimed to achieve earnings targets under the Mid-Term Business Plan, and promoted implementation of certain measures including cost reduction activities by optimization of production sites and offices to improve profitability. In addition, the Sumida Group raised a total of 1,839 million yen of funds by way of a capital increase totaling 4 million shares of common stock through public offering in April and a third-party allocation of new shares in May with the aim of improvement of corporate value by securing adequate funding for capital investment and improvement of the financial structure.

In this environment, looking at the business results of the Sumida Group, overall net sales for the current fiscal year increased by 24.5% from the previous fiscal year to 63,893 million yen, which was partly attributable to the depreciation of the yen against the U.S. dollar and the euro compared to the previous fiscal year. Operating income decreased by 3.2% year on year to 1,698 million yen because, in spite of stable prices for raw materials such as copper, there were such factors as rising costs due to the further depreciation of the yen against the U.S. dollar and greater-than-expected increases in payments for payroll in China. Ordinary income decreased by 3.5% year on year to 1,107 million yen due to foreign exchange losses despite the improvement in non-operating income and expenses due to such factors as an increase in gain on valuation of derivatives and a decrease in interest expenses. In net income (loss), the Company posted a 2,008 million yen net loss (net income of 725 million yen for the previous fiscal year.) The net loss resulted from such factors as insurance income of 1,426 million yen in extraordinary income due to the impact of floods damage in Germany offset by 1,742 million yen in loss on disaster in extraordinary losses. And, in consideration of the current business environment including the impact of floods, the Company decided to reverse deferred

tax assets as the result of a review of recoverability of deferred tax assets and recorded income taxes-deferred of 2,089 million yen.

(Reporting segment information)

The following is the business performance in the current fiscal year by reporting segment.

1) Asia Pacific Business

Sales at the Asia Pacific Business for the current fiscal year increased by 19.9% year on year to 40,715 million yen because, in spite of the stagnation in consumer electronics related products with the exception of those for smartphones and tablet PCs, sales of automotive related products such as keyless entries increased, and there was steady demand for industrial related products, including those related to solar energy-related products. The sales growth was also partly attributable to the depreciation of the yen against the U.S. dollar compared to the previous fiscal year. Segment profit, however, decreased by 12.1% year on year to 2,291 million yen because the depreciation of the yen against the U.S. dollar was a factor for increased costs, and there was a sharp rise in payments for payroll in China in addition to other factors.

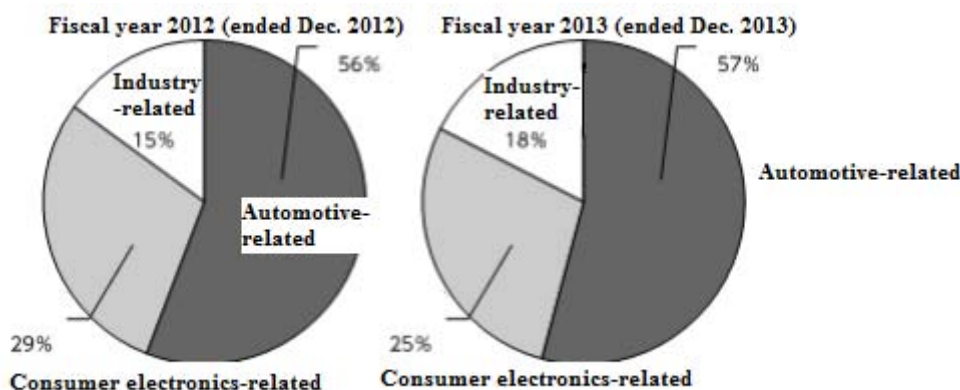
2) EU Business

Sales at the EU Business for the current fiscal year increased by 33.7% year on year to 23,177 million yen while segment profit decreased by 0.6% year on year to 1,397 million yen. Although demand for consumer electronics related products was sluggish and sales of industrial related products were also flat due to the slump in demand for renewable energy related products in Europe, there was steady demand for automotive related products for HID lamps. While there was a period when capacity utilization rate fell due to the impact of flooding in Germany, sales have increased, which is partly attributable to the depreciation of the yen against the euro compared to the previous fiscal year.

Business segment	Net sales (million yen)
Asia Pacific Business	40,715
EU Business	23,177
Total	63,893

(Reference)

Looking at the composition of sales by market, the share of sales derived from consumer electronics related products decreased from 29% in the previous fiscal year to 25%, while the share derived from automotive related products increased from 56% to 57%, and the share derived from industrial related products increased from 15% to 18%.



(ii) Fund procurement

- 1) The Group conducted the following capital increase by public offering and third-party allocation of new shares by way of over-allotment during the current fiscal year and raised a total of 1,839 million yen of funds.

Category	Number of shares issued	Price paid per share (yen)	Fund procured (million yen)	Payment date
Public offerings	3,500,000 shares	463.41	1,621	April 22, 2013
Third-party allocation	500,000 shares	463.41	231	May 10, 2013
Total	4,000,000 shares		1,853	—

Note: The amount of the found procured includes charges for the stock delivery.

- 2) Loan commitment agreements

In order to raise working capital effectively, the Group has concluded loan commitment agreements with 9 of its financing banks amounting to a total loan commitment of 3,500 million yen.

- 3) Global commitment line agreements

In order to raise working capital effectively, the Company has concluded global commitment line agreements with 7 of its financing banks amounting to a total commitment line of 5,699 million yen.

(iii) 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, total investment amounted to 4,449 million yen, including constant investments related to the development and manufacturing of new products, facility expansions for the future growth and the replacement of facilities due to the flood in Germany.

(iv) Acquisition or disposal of shares, other stakes or stock acquisition rights of other companies
SUMIDA AG

After the Group fulfilled demand of purchasing shares by shareholders, the percentage of SUMIDA AG shares held by the Sumida Group increased to 97.1% from 97.0%.

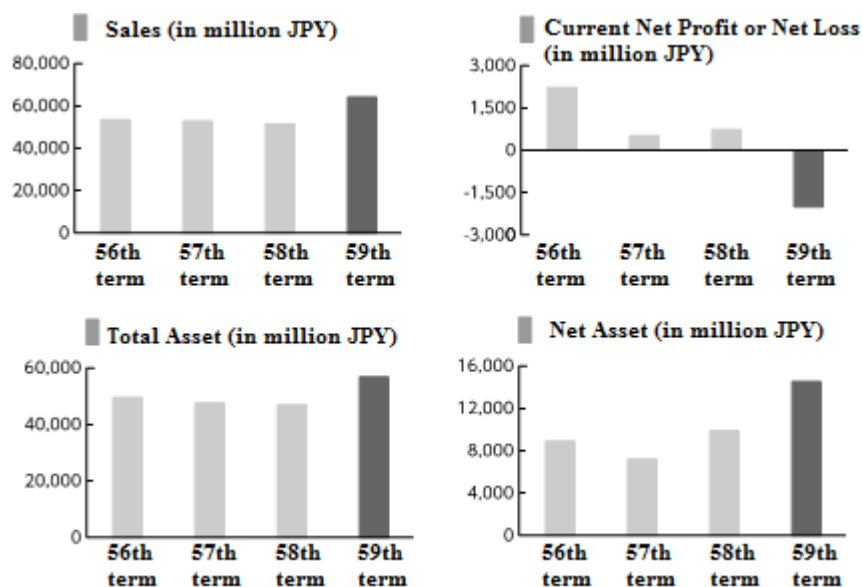
Accordingly, the ratio of shareholding in subsidiaries of the company by the Sumida Group also increased.

(2) Summary of assets, profit and losses

Item	56th term (ended Dec. 2010)	57th term (ended Dec. 2011)	58th term (ended Dec. 2012)	59th (current) term (ended Dec. 2013)
Net sales (million yen)	53,445	52,759	51,300	63,893
Net income (loss) (million yen)	2,210	496	725	(2,008)
Net income (loss) per share (yen)	115.05	25.85	37.78	(91.41)
Total assets (million yen)	49,410	47,497	46,790	56,743
Net assets (million yen)	8,848	7,186	9,866	14,510
Net assets per share (yen)	433.22	348.92	479.38	583.50

Notes:

1. Net income (loss) per share is calculated based on the average number of shares issued in each fiscal term and net assets per share is calculated based on the total number of shares issued at the end of each fiscal term. In calculating net income (loss) per share and net assets per share, treasury shares are excluded from the total average number of shares issued during each fiscal term and from the total number of shares issued at the end of each fiscal term.
2. Amendments to IAS19 were published on June 16, 2011 and have taken effect from the fiscal year which had started from January 1, 2013. Accordingly, starting from this fiscal year (2013) the amended IAS19 was applied to a part of the consolidated subsidiaries. This change in accounting policy has been applied retroactively. The figures for the previous fiscal year (2012) have been adjusted retroactively to reflect the change. The cumulative impact on prior fiscal years (2011 and before) has been reflected in net assets as of the beginning of the 2012 fiscal year.



(3) Significant matters of the parent company and subsidiaries

(i) Parent company

There were no relevant issues.

(ii) Significant subsidiaries (as of December 31, 2013)

Company name	Capital (in thousand)	Voting rights of the Company (%)	Key business
Sumida Electronic Components Co., Ltd.	50,000 yen	100	Control of the Asia Pacific Business
Sumida Electric Co., Ltd.	450,000 yen	100 (100)	Manufacture, sale and research & development of coils
Sumida Corporate Service Incorporated	25,000 yen	100	Control of Group management
Dongguan Sumida (Tai Ping) Electric Co., Ltd.	305,000 Hong Kong dollars	100 (100)	Manufacture of coils
SUMIDA ELECTRIC (GUANGXI) CO., LTD.	17,561 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)	Group 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 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 Europe GmbH	25 euro	100	Control of the EU Business
SUMIDA Components GmbH	105 euro	97.1 (97.1)	Manufacture and sale of coils
SUMIDA AG	7,344 euro	97.1 (97.1)	Intermediate holding company of the EU Business
SUMIDA Components & Modules GmbH	25 euro	97.1 (97.1)	Control of coil business and sale of coils
SUMIDA EMS GmbH	25 euro	97.1 (97.1)	Controlling company of EMS
SUMIDA Lehesten GmbH	1,100 euro	97.1 (97.1)	EMS
SUMIDA COMPONENTS DE MEXICO, S.A. DE C.V.	50 Mexico peso	71.9 (71.9)	Manufacture of coils
SUMIDA ROMANIA S.R.L.	3,101 euro	97.1 (97.1)	Manufacture of coils
SUMIDA electronic Shanghai Co., Ltd.	37,904 yuan	97.1 (97.1)	Manufacture and sale of coils

Company name	Capital (in thousand)	Voting rights of the Company (%)	Key business
SUMIDA Slovenija, d.o.o.	503 euro	71.9 (71.9)	Manufacture of coils
vogtronics GmbH	25 euro	71.9 (71.9)	Manufacture and sale of coils
SUMIDA flexible connections GmbH	25 euro	97.1 (97.1)	Manufacture and sale of flat cables
SUMIDA FLEXIBLE CONNECTIONS ROMANIA S.R.L.	156 euro	97.1 (97.1)	Manufacture and sale of flat cables
Sumida Electric (Thailand) Co., Ltd.	70,000 baht	100 (100)	Development and manufacture of power electronics related coils
ISMART GLOBAL LIMITED	6,308 euro	100	Intermediate holding company
Sumida Finance B.V.	20 euro	100	Financial control company
SUMIDA ELECTRONIC VIETNAM CO., LTD.	2,000 U.S. dollars	100 (100)	Manufacture of coils
Sumida Electric (Change) Co., Ltd.	8,796 yuan	100 (100)	Manufacture of coils
Sumida Electric (JI'AN) Co., Ltd.	8,723 yuan	100 (100)	Manufacture of coils
Guangzhou Sumida Electric Co., Ltd.	63,220 yuan	100 (100)	Manufacture of coils
Sumida Technologies Inc.	200 Canadian dollars	100 (100)	Research & development of coils
SUMIDA Electronic SuQian Co., Ltd.	4,500 yuan	97.1 (97.1)	Manufacture of coils

Notes:

1. Figures shown in parentheses in the column of voting rights are the percentages held indirectly.
2. Sumida Technologies Inc. and SUMIDA Electronic SuQian Co., Ltd. were newly established.

(4) Issues to address

(i) Turning point for global dynamics

European economy, which is recovering from the credit crisis, and other developed economies such as the U.S. and Japan are recovering. On the other hand, the emerging economies, which were driving the world economy, have reached a turning point of growth. Within this global dynamic, the potential growth ability in the emerging economies has not changed; in emerging economies such as China, their economic growth which is increasing their significance as sales markets beyond their historical positioning as production locations remains unchanged. Given these circumstances, the Group will have to adjust its planning approach so that the Group's actions are quickly responsive to changes and trends as they emerge.

(ii) Improving corporate value

(Business expansion into new fields)

The Company will leverage its expertise to develop products for new applications in automotive related products and specialize in growth segments with an emphasis on profitability in consumer electronics related products. Moreover, it will seek business expansion in the industrial related products, focusing on the six fields of industrial machinery &

tools, energy, medical and healthcare, identification systems, security and lighting.

(Sales)

In addition to the automotive related business, the Company will focus on expanding the U.S. sales of high technology applications such as energy, medical and security related areas which have extremely high potential for growth and expanding China sales by strengthening design-in capabilities and re-engineering the distribution system within China to expand business with Chinese manufacturers.

(Manufacturing)

The Sumida Group will further accelerate the automation of production lines, which the Group has been promoting for some time, particularly for automotive related products with long product life cycles and lower volume fluctuations. Moreover, the Group will strengthen its overall purchasing power through unification of the procurement system and focus on a single contact window to suppliers, expediting the global optimization of suppliers. The Sumida Group will lower direct labor costs by continuously promoting the transfer of production to low cost sites, primarily satellite plants, in accordance with the “Sumida Silk Road” strategy. Combined with the on-going development of and transfer of production to new low cost sites for both Asia and Europe, the Group believes that even greater reductions in direct labor costs will be possible. The Group will strive for significant manufacturing cost reduction through examining Myanmar, Laos and Cambodia as primal candidate sites.

(Finance)

The Sumida Group will continuously monitor cash flow of the whole Group, and use cash pooling to utilize efficient cash management and accelerate repayment of debts. Furthermore, the Group will raise capital efficiency through inventory reductions and improve accounts receivable and payable terms.

(iii) Continuing focus on corporate governance

Developments in the Japanese business environment show that the Company’s focus is correct. 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) Pursuing corporate social responsibility

Also of continuing importance to the Company is 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 principles 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 and active commitment to environmental and social issues.

(5) Major business lines (as of December 31, 2013)

Lines of business	Key products
Asia Pacific Business	DC/DC 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, ABS coils, injection coils, antenna coils, sensor coils, noise filers, solenoid coils for automotive air conditioner, high-frequency transformers, high-frequency choke coils, edge-wise coils, stick coils, motor coils for HDD, low-frequency transformers, harmonic preventive reactors, reactors, common mode coils
EU Business	Antenna coils, sensor coil modules, ignition coil modules, noise filters, xDSL splitter modules, DC/DC converter transformers, keyless entry antenna coils, Xenon igniter, power steering control units, GPS antennas, anti-theft control units, diesel engine control units, power supplies, high-frequency transformers, high-frequency choke coils, edge-wise coils, stick coils, motor coils for HDD, low-frequency transformers, harmonic preventive reactors, reactors, common mode coils

(6) Major business offices of the Sumida Group (as of December 31, 2013)

Headquarters: Chuo-ku, Tokyo (the Company)

Business Supervising Companies:

Sumida Electronic Components Co., Ltd. (Chuo-ku [Tokyo]), SUMIDA Europe GmbH (Germany), SUMIDA AG (Germany), Sumida Corporate Service Incorporated (Chuo-ku [Tokyo]), Sumida Finance B.V. (Netherlands)

Domestic sales offices:

Sumida Electric Co., Ltd. (Saitama-shi [Saitama], Osaka, Nagoya, Natori-shi [Miyagi], Komoro-shi [Nagano])

Overseas sales offices:

SUMIDA TRADING COMPANY LIMITED (Hong Kong), SUMIDA TRADING PTE. LTD. (Singapore), SUMIDA AMERICA COMPONENTS INC. (U.S.), SUMIDA Components GmbH (Germany), SUMIDA TRADING (SHANGHAI) COMPANY LIMITED (China), SUMIDA Components & Modules GmbH (Germany), vogtronics GmbH (Germany), SUMIDA Lehesten GmbH (Germany), SUMIDA flexible connections GmbH (Germany), SUMIDA TRADING (KOREA) COMPANY LIMITED (South Korea), TAIWAN SUMIDA TRADING COMPANY LIMITED (Taiwan), Sumida Electric (Thailand) Co., Ltd. (Thailand), SUMIDA electronic Shanghai Co., Ltd. (China)

Domestic production bases:

Sumida Electric Co., Ltd. (Ueda-shi [Nagano], Mutsu-shi [Aomori])

Overseas production bases:

Sumida Electric (H.K.) Company Limited (Hong Kong), Dongguan Sumida (Tai Ping) Electric Co., Ltd. (China), SUMIDA Components GmbH (Germany), SUMIDA Components & Modules GmbH (Germany), SUMIDA ROMANIA S.R.L. (Romania), SUMIDA COMPONENTS DE MEXICO, S.A. DE C.V. (Mexico), SUMIDA Slovenija, d.o.o. (Slovenia), SUMIDA Lehesten GmbH (Germany), SUMIDA electronic Shanghai Co., Ltd. (China), SUMIDA flexible connections GmbH (Germany), SUMIDA ELECTRIC (GUANGXI) CO., LTD. (China), Sumida Electric (Thailand) Co., Ltd. (Thailand), SUMIDA FLEXIBLE CONNECTIONS ROMANIA S.R.L. (Romania), SUMIDA ELECTRONIC VIETNAM CO., LTD. (Vietnam), Sumida Electric (JI'AN) Co., Ltd. (China), Sumida Electric (Changde) Co., Ltd. (China), Guangzhou Sumida Electric Co., Ltd. (China), SUMIDA Electronic SuQian Co., Ltd. (China)

Domestic R&D centers:

Sumida Electric Co., Ltd. (Natori-shi [Miyagi])

Overseas R&D centers:

Sumida Electric (H.K.) Company Limited (Hong Kong), SUMIDA AMERICA COMPONENTS INC. (U.S.), SUMIDA Components GmbH (Germany), SUMIDA Components & Modules GmbH (Germany), SUMIDA flexible connections GmbH (Germany), Sumida Technologies Inc. (Canada)

(7) Employees (as of December 31, 2013)**(i) Employees of the Sumida Group**

Business segments	Number of employees	Changes from the end of the previous fiscal year
Asia Pacific Business	16,313	Increase by 534
EU Business	2,818	Increase by 586
Company-wide (common)	114	Decrease by 16
Total	19,245	Increase by 1,104

Notes:

1. The number of employees is the number of persons who engage in work in the Sumida Group.
2. "Company-wide (common)" indicates the number of employees posted in Sumida Corporate Service Incorporated which carries out a headquarter and support function, in SUMIDA SERVICE COMPANY LIMITED and in the Service Department of Sumida Electric Co., Ltd.
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, 2013)

Lenders	Amount borrowed (million yen)
Sumitomo Mitsui Banking Corporation	7,360
Resona Bank, Limited	5,257
Mizuho Bank, Ltd.	4,985
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,978

(9) Policy on determination of dividend of surplus

The Company considers the return of profits to its shareholders as a priority business issue. The mid- and long-term policy of the Company is to maintain stable dividend payments depending on its consolidated business results, while expanding the necessary internal reserves to boost its future business and keep up with the changing business environment.

The Company shall decide on the base amount of annual dividend at the beginning of the fiscal year in accordance with the annual business plan and basic dividend payout ratio (25–30%) and divide it into quarters to pay on a quarterly basis. However, in order to ensure stable dividends, the base amount of annual dividend shall be 20 yen or more per share. In addition, in order to have dividends reflect the consolidated business results, if the dividend amount calculated with consolidated net income and basic dividend payout ratio exceeds the base amount of annual dividend, it is the Company's policy to add the excess amount to the annual dividend when paying dividends for the fourth quarter.

Regarding the annual dividend in the current fiscal year, the Company decided to set the base amount of annual dividend at 20 yen per share at the beginning of the fiscal year, and paid 5 yen in each term from the first quarter to the third quarter. The Company also plans to pay 5 yen for the dividend in the fourth quarter, for which the record date is December 31, 2013.

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 26, 2013	The 1st quarter	96	5.00	March 31, 2013	May 28, 2013
July 31, 2013	The 2nd quarter	116	5.00	June 30, 2013	August 26, 2013
October 29, 2013	The 3rd quarter	116	5.00	September 30, 2013	November 28, 2013
February 12, 2014	The 4th quarter	116	5.00	December 31, 2013	March 4, 2014

Note:

Pursuant to Article 459 of the Companies Act, the Company stipulates in the Articles of Incorporation that it shall be entitled to allocate dividends of surplus on predetermined record dates (March 31, June 30, September 30 and December 31) by a resolution of the Board of Directors.

2. Matters Concerning the Company

(1) Shares of the Company (as of December 31, 2013)

- (i) Number of shares issuable: 70,000,000 shares
- (ii) Total number of shares issued: 23,944,317 shares (including treasury stock)
- (iii) Number of shareholders as of December 31, 2013: 8,746
- (iv) Major shareholders (top 10 shareholders, excluding treasury stock)

Name of shareholders	Number of stock held (thousand shares)	Ratio of the number of stock held (%)
Yawata Building Co., Ltd.	5,250	22.62
Japan Trustee Services Bank, Ltd.	1,580	6.81
The Master Trust Bank of Japan, Ltd.	662	2.86
Shigeyuki Yawata	561	2.42
Masakazu Matsuo	529	2.28
BNYM SANV BNYM CLIENT ACCOUNT MPCJ JAPAN	334	1.44
Wahei Takeda	279	1.21
Nippon Life Insurance Company	243	1.05
The Nomura Trust and Banking Co., Ltd. (Trust account)	239	1.03
RBC ISB A/C LUX NON RESIDENT/DOMESTIC RATE	207	0.90

Notes:

1. Although the Company holds 732,667 shares of treasury stock, it is excluded from the list of major shareholders above.
 2. The ratio of the number of stock held has been calculated excluding treasury shares.
- (v) Other significant matters concerning shares
- The Company conducted a capital increase totaling 4 million shares of common stock through public offering in April and a third-party allocation of new shares in May.

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

There were no relevant issues at the end of this fiscal year.

(3) Matters concerning corporate officers of the Company

(i) Directors and executive officers (as of December 31, 2013)

Position at the Company	Name	Duties at the Company and important concurrent occupations or positions at other organizations
Director, Representative Executive Officer and CEO	Shigeyuki Yawata	Chairman of the Board of Directors and Risk Management Committee Managing Director, SUMIDA Europe GmbH
Director	Kotaro Miyagi	Chairman of the Compensation Committee Member of the Audit Committee and Risk Management Committee Lead Director
Director	Ulrich Ruetz	Member of the Nomination Committee and Compensation Committee Outside Director, Progress Werk Oberkirch AG Outside Director, Wüstenrot Holding AG Outside Director, Wüstenrot & Württembergische AG
Director	Masaru Hattori	Chairman of the Audit Committee Member of the Risk Management Committee Outside Corporate Auditor, Ryohin Keikaku Co., Ltd.
Director	Charles F. Martin	Chairman of the Nomination Committee CEO, Martin & Company Inc.
Director	Shinji Yoko	Member of the Nomination Committee and Compensation Committee External Director, LITE-ON JAPAN LTD.
Director	Johji Sato	Member of the Audit Committee Executive Senior Director (Global Japanese Business), PricewaterhouseCoopers Co., Ltd.
Director	Pak Hong Auyang	Member of the Nomination Committee Co-CEO & Executive Director, Touchmedia Vice Chairman, Dragonchip Limited Outside Director, Grayhill Hong Kong Company Limited Director, QVIVO Limited Director, Greenlink Global Limited
Representative Executive Officer, President	Tomoharu Suseki	Member of the Risk Management Committee Representative Director and President, Sumida Electronic Components Co., Ltd. Managing Director, SUMIDA Europe GmbH
Representative Executive Officer and CFO	Yoshiyuki Honda	Member of the Risk Management Committee Representative Director, Sumida Finance B.V. Managing Director, SUMIDA Europe GmbH
Executive Officer	Paul Hofbauer	Managing Director, SUMIDA Europe GmbH
Executive Officer	Takatoshi Oyo	Representative Director, Sumida Electric (H.K.) Company Limited
Executive Officer	Ryoji Iwanaga	Representative Director and President, Sumida Corporate Service Incorporated

Notes:

- Messrs. Kotaro Miyagi, Ulrich Ruetz, Masaru Hattori, Charles F. Martin, Shinji Yoko, Johji Sato and Pak Hong Auyang are outside directors set forth in Article 2, Item 15 of the Companies Act.
- Messrs. Kotaro Miyagi, Ulrich Ruetz, Masaru Hattori, Charles F. Martin, Shinji Yoko, Johji Sato and Pak Hong Auyang have been designated as independent directors of the Company in accordance with the rules of the Tokyo Stock Exchange and their names have been notified to the said stock exchange.
- Aside from statutory committees (Nomination, Audit and Compensation Committees), the Company has voluntarily set up a Risk Management Committee. As a result of consideration by the Board of Directors, the Company transferred the functions of the Strategy Committee, which was hitherto in place as a separate committee, to the Board of Directors.
- All outside directors hold voluntary Independent Directors meetings on regular basis.
- Mr. Masaru Hattori, member of the Audit Committee, has years of experience in the accounting section of

ORIX Corporation, while Mr. Johji Sato, member of the Audit Committee, has been involved in the provision of advice regarding taxation and investment to global corporations over many years. Both members thus have good knowledge of finance and accounting.

(ii) Directors and executive officers who retired during this fiscal year

Name	Date of retirement	Reason for retirement	Position and duties at the Company and important concurrent occupations or positions at other organizations at the time of retirement
Robert E. Patterson	March 20, 2013	Expiration of his term of office	Outside Director Member of the Nomination Committee and Compensation Committee Managing Director, Peninsula Ventures Outside Director, mondoBIOTECH holding AG (Chairman of the Board of Directors)
Ashok B. Melwani	March 20, 2013	Expiration of his term of office	Outside Director Member of the Nomination Committee CEO, AB Melwani PTE, Ltd.
Nobuyuki Oneda	November 30, 2013	Resignation	Outside Director Member of the Audit Committee Outside Corporate Auditor, Kirin Holdings Company, Limited Outside Director, KOKUYO Co., Ltd. Outside Director, UKC Holdings Corporation

Note:

Mr. Nobuyuki Oneda, member of the Audit Committee, has good knowledge of finance and accounting.

(iii) Policy to determine the amount of compensation for directors and executive officers by the Compensation Committee

1. Scope of decision and extent of disclosure

“The amount of individual compensation for directors and executive officers” that the Compensation Committee defines and discloses shall be the total amount of compensation paid by the Sumida Group in order to enhance its transparency. It shall be disclosed separately for directors and executive officers.

2. Directors’ compensation

The directors’ compensation shall be determined by reflecting the position and responsibility of each director, and in consideration of the economic trends and the business environment of the Company. Directors’ compensation is composed of the following four 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 Lead Director

Compensation for the responsibilities as Lead Director

3. Executive officers' compensation

For executive officers' compensation, incentive compensation (corporate performance-linked compensation) shall be adopted in addition to the basic compensation (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 shall be determined by taking into account the previous operational performance and comparison with the actual compensation for the previous fiscal year.

2) Short-term incentives

These compensations are intended to maintain and raise the short-term motivation, and the base amount shall 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 actual performance and execution of duties 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

The Company shall grant this compensation to maintain and raise the medium- and long-term motivation of executive officers, and to prevent the loss of such officers.

4) Pension plans

The Company shall grant this compensation as additional benefit to public pension in consideration of their service period in order to help eligible retired executive officers have stable lives after retirement.

(iv) Total amount of compensation paid to directors and executive officers
(Period: January 1 to December 31, 2013)

Category	Number of payees	Basic compensation (million yen)	Short-term incentive (million yen)	Long-term incentive (million yen)	Pension plan (million yen)	Total (million yen)
Executive officers	6	205	102	47	40	395
Directors	0	–	–	–	–	–
Outside directors	10	67	–	–	–	67
Total	16	272	102	47	40	462

Notes:

1. During the current fiscal year, the Company has six executive officers, one director and ten outside directors. As one of the six executive officers serves as a director concurrently, the total number of officers is sixteen. Directors' compensations are not paid to those who concurrently serve as executive officer and director, and therefore, they are included in the figures shown in the row of executive officers and excluded from the figures indicated in the row of directors. The number of persons in the above row of outside directors includes two outside directors who retired at the conclusion of the 58th Annual General Meeting of Shareholders, which was held on March 20, 2013, and one

outside director who resigned on November 30, 2013, and the amounts of the same row include the compensation owing to those outside directors for the periods from January 2013 to the respective days of retirement or resignation.

2. The figures are consolidated compensation of the Group. Compensation relating to the Company consists of 205 million yen for six executive officers, and 67 million yen for ten outside directors.
3. Long-term incentive compensation
Phantom stocks depending on the positions of the executive officers for the next fiscal year shall be granted, with underlying assets calculated by multiplying the total amount of dividend for this fiscal year by the rate designated by the Company.
4. The cell of outside directors in the basic compensation row indicates the sum of basic compensation, compensation of Audit Committee members and compensation of Lead Director.
5. In addition to the above compensations, the Group paid fringe benefits totaling 22 million yen (including 8 million yen paid by the Company) to eligible executive officers.

(v) Matters concerning outside directors

1. Important concurrent occupations or positions at other organizations
This is as described in the list of (i) Directors and executive officers above. There are no business relationships between the Company and other organizations where they hold the additional posts.
2. Relatives of managing members of the Company or business operators that have specific relations with the Company such as main clients
 - 1) None of the outside directors have been managing members of the Company or business operators that have specific relations with the Company in the past.
 - 2) None of the outside directors have relatives in the third degree or closer with managing members of the Company or business operators that have specific relations with the Company.
3. 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	Risk Management Committee meetings
Kotaro Miyagi	6/6	14/14		6/6	4/4
Ulrich Ruetz	6/6		3/3	6/6	
Masaru Hattori	6/6	14/14			4/4
Charles F. Martin	6/6		4/4		
Nobuyuki Oneda	4/5	11/12			
Shinji Yoko	6/6		4/4	5/5	
Johji Sato	5/5	11/11			
Pak Hong Auyang	5/5		3/3		

Notes:

1. The Company established the Risk Management Committee. Members include the Lead Director and Chairman of the Audit Committee as well as executive officers and their staff members.
2. As Mr. Johji Sato was appointed as a director and a member of the Audit Committee on March 20, 2013, his attendance at meetings held after this date is recorded.
3. As Mr. Pak Hong Auyang was appointed as a director and a member of the Nomination Committee on March 20, 2013, his attendance at meetings held after this date is recorded.

4. As Mr. Nobuyuki Oneda resigned as a director and a member of the Audit Committee on November 30, 2013, his attendance at meetings held before this date is recorded.

2) Statements of each outside director

(a) 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 and electronics industry.

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

As chairman of the Compensation Committee, he led the deliberations from the perspective of determining fairly and properly 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 Risk Management Committee meetings, he made necessary remarks in risk identification and planning of risk-averse measures on a timely basis.

As Lead Director, he led deliberations fairly and equitably, and orchestrates the opinions of the Independent Directors.

(b) Mr. Ulrich Ruetz

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

(c) Mr. Masaru Hattori

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.

As chairman of the Audit Committee meetings, he led the deliberations from the perspective of promoting compliance management through audits and leveraging it to enhance the corporate value, and performed audits of the Business Report, the Non-consolidated Financial Statements, the Consolidated Financial Statements, etc.

At the Risk Management Committee meetings, he made necessary remarks in

risk identification and planning of risk-averse measures on a timely basis.

(d) Mr. Charles F. Martin

At the meetings of the Board of Directors, he made necessary remarks in deliberations from time to time, mainly from the perspective of a financial strategy expert.

As chairman of the Nomination Committee, he made necessary remarks in deliberations on a timely basis, from the standpoint of examining and actualizing the lineup and organization of the Board and executive officers appropriate and required for the business development of the Company.

(e) Mr. Nobuyuki Oneda

At the meetings of the Board of Directors held before his resignation on November 30, 2013, he made necessary remarks in deliberations from time to time, mainly from the perspective of a financial strategy expert.

At the Audit Committee meetings held before his resignation on November 30, 2013, he made necessary and timely remarks in deliberations from the perspective of promoting compliance management through audits and leveraging it to enhance the corporate value.

(f) Mr. Shinji Yoko

At the meetings of the Board of Directors, he made necessary remarks in deliberations from time to time, mainly from the perspective of his knowledge and experience as a business executive that he accumulated throughout his career and an expert in the electronic components industry.

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

(g) Mr. Johji Sato

At the meetings of the Board of Directors, he made necessary remarks in deliberations from time to time, mainly from the perspective of a financial strategy expert.

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

(h) Mr. Pak Hong Auyang

At the meetings of the Board of Directors, he made necessary remarks in deliberations from time to time, mainly from the perspective of a corporate

business executive.

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

4. Independent Directors meeting

The Company holds Independent Directors meetings with all outside directors. All outside directors attended five 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.

5. Outline of liability limitation contracts

In order to obtain excellent directors from outside, the Company has made provisions limiting liability for damages under Article 423, Paragraph 1 of the Companies Act in the Articles of Incorporation pursuant to the provisions under Article 427, Paragraph 1 of the said act. In accordance with the aforementioned provisions, the Company has entered into liability limitation contracts with eight outside directors. The limit of liability for damages under such contracts has been set at the minimum liability provided for under Article 425, Paragraph 1 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.

6. Total amount of compensations received from the subsidiaries

There were no relevant issues.

7. Criteria and policy relating to independence

The Company has not defined specific criteria relating to independence in electing outside directors. However, with reference to the Enforcement Rules for Securities Listing Regulations of the Tokyo Stock Exchange, the Company carefully investigates and examines the beneficial interests and other relationships between outside directors and the Company and ensures the absence of possible conflicts of interest with ordinary shareholders. Meanwhile, the Company focuses on election of outside directors who have a wealth of experience and knowledge relating to management in a wide array of business fields and high levels of expertise.

(4) Independent auditors

(i) Name: KPMG AZSA LLC

(ii) Amount of compensations:

	Amount to be paid (million yen)
Amount of compensations for the current fiscal year	82
Total amount of money and other property benefits to be paid by the Company and its subsidiaries to independent auditors	95

Note:

Since in the audit agreement concluded between the Company and the independent auditor, compensation for audits is not clearly classified into compensation based on the Companies Act and compensation in accordance with the Financial Instruments and Exchange Act, and since that compensation cannot substantially be divided either, the item “Amount of compensations 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, such as Sumida Electric (H.K.) Company Limited, SUMIDA TRADING COMPANY LIMITED and SUMIDA AG, were audited (only those stipulated by the Companies Act or Financial Instruments and Exchange Act [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

Other than the services which are defined in the Article 2 (1) of Certified Public Accountants Act (non-audit services), the Company entrusts the independent auditor to prepare comfort letter etc. which are associated with the share issuance.

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

When the Audit Committee finds that any of the items in Article 340, Paragraph 1 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
The Group 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 four languages, Japanese, English, Chinese and German, 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 laws and regulations, by defining it as activities to positively fulfill our Corporate Social Responsibility (CSR) based on integrity, 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 reports to representative executive officers and made up of the Risk Management Office, Compliance Office and Internal Control 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 with clarifying 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 the authority and regulations for decision-making process and conduct regular reviews of the situation.
 - (c) Representative executive officers shall make regular reviews of the achievement and progress of businesses they are responsible for decision-making thereof and ensure further propriety and efficiency of management and execution of operation by giving feedback of the results of the review.
 - (d) Representative executive officers shall ensure a proper and quick decision-making process by smoothly collecting, analyzing, communicating, sharing and archiving the necessary information on SUMIDA's business activities.

- (v) System to ensure the propriety of business of the Group consisting of the Company and its subsidiaries
SUMIDA CORPORATION is a pure 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.
The Corporate Governance Office oversees compliance and risk management operations. It also performs internal audits and then submits the results to the representative executive officers and the Audit Committee as internal audit reports. 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) Matters 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 shall require the prior approval of the Audit Committee.

- (vii) System whereby executive officers and employees report to the Audit Committee and other systems for reporting to the Audit Committee
The Corporate Governance Office shall set out the rules for representative executive officers, executive officers and employees to report the following matters, and thereby report them to the Audit Committee. A summary of the following matters 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) When there arises any material fact or possibility thereof involving misconduct or malpractice, breach of laws and regulations or Articles of Incorporation in relation to the execution of duties of the directors or executive officers, such fact
 - (c) Monthly accounting statements on a consolidated basis
 - (d) Internal audit report
 - (e) Monthly reports from the main operating divisions
 - (f) Other important matters
- (viii) System to ensure the effectiveness of audits executed by the Audit Committee members
- To ensure the effectiveness of audit executed by the Audit Committee members, the following matters shall be performed.
- (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 if necessary.
 - (b) Independent auditors shall explain to the Audit Committee its auditing plan at the outset of the fiscal year and report to the Audit Committee the progress of its interim audit and the end-term audit results, etc. Furthermore, the independent auditors may have consultations and discussions with the Audit Committee if needed.
 - (c) In order to ensure the independence of independent auditors from the executive officers, as well as to guarantee the implementation of the audit activities, decisions on the independent auditors' compensation shall require the Audit Committee's prior consent.

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

Consolidated and Non-consolidated Financial Statements

for the 59th term

(January 1 to December 31, 2013)

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, 2013

	Millions of yen
ASSETS	
Current assets:	
Cash and deposits	3,581
Notes and accounts receivable-trade	12,840
Merchandise and finished goods	6,082
Work in process	1,188
Raw materials and supplies	3,767
Deferred tax assets	193
Income taxes receivable	313
Other	1,890
Allowance for doubtful accounts	(270)
Total current assets	29,588
Non-current assets	
Property, plant and equipment	
Buildings and structures	11,756
Machinery, equipment and vehicles	33,880
Tools, furniture and fixtures	4,748
Land	1,393
Leased assets	1,166
Construction in progress	1,582
Accumulated depreciation	(36,391)
Total property, plant and equipment	18,136
Intangible assets:	
Goodwill	2,671
Leasehold right	550
Software	109
Software in progress	61
Other	334
Total intangible assets	3,727
Investments and other assets:	
Investment securities	534
Deferred tax assets	3,773
Other	896
Total investments and other assets	5,204
Total non-current assets	27,068
Deferred assets	
Business commencement expenses	17
Bond issuance cost	57
Share issuance cost	11
Total deferred assets	86
Total assets	56,743

Note: The amounts of money described above are rounded down to the nearest million yen.

Consolidated Balance Sheet
As of December 31, 2013

	Millions of yen
LIABILITIES	
Current liabilities:	
Notes and accounts payable-trade	6,393
Short-term loans payable	10,843
Current portion of bonds	770
Current portion of long-term loans payable	4,523
Accounts payable-other	1,187
Accrued expenses	2,316
Income taxes payable	405
Deferred tax liabilities	23
Other	889
Total current liabilities	27,352
Non-current liabilities:	
Bonds payable	5,420
Long-term loans payable	6,335
Provision for retirement benefits	1,269
Deferred tax liabilities	748
Lease obligations	623
Other	483
Total non-current liabilities	14,880
Total liabilities	42,233
NET ASSETS	
Shareholders' equity:	
Capital stock	8,143
Capital surplus	7,956
Retained earnings	4,836
Treasury shares	(1,524)
Total shareholders' equity	19,412
Accumulated other comprehensive income:	
Valuation difference on available-for-sale securities	46
Foreign currency translation adjustment	(5,914)
Total accumulated other comprehensive income	(5,868)
Minority interests	966
Total net assets	14,510
Total liabilities and net assets	56,743

Note: The amounts of money described above are rounded down to the nearest million yen.

Consolidated Statement of Income
Year ended December 31, 2013

	Millions of yen
Net sales	63,893
Cost of sales	52,841
Gross profit	11,052
Selling, general and administrative expenses	9,353
Operating income	1,698
Non-operating income:	
Interest income	17
Dividends income	1
Gain on valuation of derivatives	170
Other	52
	241
Non-operating expenses:	
Interest expenses	461
Foreign exchange losses	188
Commission fee	85
Other	96
	832
Ordinary income	1,107
Extraordinary income:	
Gain on sales of non-current assets	1,188
Insurance income	1,426
Other	20
	2,634
Extraordinary losses:	
Loss on sales and retirement of non-current assets	22
Loss on liquidation of subsidiaries and associates	22
Impairment loss	748
Loss on disaster	1,742
Business structure improvement expenses	388
	2,924
Income before income taxes	817
Income taxes-current	602
Income taxes-deferred	2,089
Loss before minority interests	1,873
Minority interests in income	134
Net loss	2,008

Note: The amounts of money described above are rounded down to the nearest million yen.

Consolidated Statement of Changes in Shareholders' Equity
Year ended December 31, 2013

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of Jan. 1, 2013	7,216	7,029	7,275	(1,524)	19,997
Accumulated impact due to change of accounting policy	-	-	(5)	-	(5)
Balance at beginning of current period	7,216	7,029	7,269	(1,524)	19,991
Changes of items during the period					
Issuance of new shares	926	926			1,853
Dividends of surplus			(424)		(424)
Net loss			(2,008)		(2,008)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares			(0)	0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	926	926	(2,432)	(0)	(579)
Balance as of Dec. 31, 2013	8,143	7,956	4,836	(1,524)	19,412

(Millions of yen)

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance as of Jan. 1, 2013	25	(10,807)	(10,782)	656	9,871
Accumulated impact due to change of accounting policy	-	0	0	-	(5)
Balance at beginning of current period	25	(10,806)	(10,781)	656	9,866
Changes of items during the period					
Issuance of new shares					1,853
Dividends of surplus					(424)
Net loss					(2,008)
Purchase of treasury shares					(0)
Disposal of treasury shares					0
Net changes of items other than shareholders' equity	21	4,892	4,913	309	5,222
Total changes of items during the period	21	4,892	4,913	309	4,643
Balance as of Dec. 31, 2013	46	(5,914)	(5,868)	966	14,510

Note: The amounts of money described above are rounded down to the nearest million yen.

Non-consolidated Balance Sheet
As of December 31, 2013

	Millions of yen
ASSETS	
Current assets:	
Cash and deposits	204
Notes receivable-trade	157
Prepaid expenses	40
Deferred tax assets	67
Short-term loans receivable	5,909
Consumption taxes receivable	26
Accounts receivable-other	1,209
Total current assets	7,617
Non-current assets:	
Property, plant and equipment	
Buildings	798
Structures	14
Machinery and equipment	1
Tools, furniture and fixtures	2
Land	503
Leased assets	8
Total property, plant and equipment	1,329
Intangible assets:	
Telephone subscription right	3
Software	0
Software in progress	61
Total intangible assets	65
Investments and other assets:	
Investment securities	342
Stocks of subsidiaries and associates	29,020
Long-term prepaid expenses	30
Insurance funds	612
Other	6
Total investments and other assets	30,013
Total non-current assets	31,407
Deferred assets	
Bond issuance cost	57
Share issuance cost	11
Total deferred assets	68
Total assets	39,093

Note: The amounts of money described above are rounded down to the nearest million yen.

Non-consolidated Balance Sheet
As of December 31, 2013

	Millions of yen
LIABILITIES	
Current liabilities:	
Short-term loans payable	3,559
Current portion of bonds	770
Current portion of long-term loans payable	3,309
Accounts payable-other	71
Accrued expenses	27
Income taxes payable	38
Deposits received	4,586
Other	8
Total current liabilities	12,372
Non-current liabilities:	
Bonds payable	5,420
Long-term loans payable	2,865
Deferred tax liabilities	1,247
Other	56
Total non-current liabilities	9,589
Total liabilities	21,961
NET ASSETS	
Shareholders' equity:	
Capital stock	8,143
Capital surplus	7,956
Legal capital surplus	7,956
Retained earnings	2,543
Legal retained earnings	264
Other retained earnings	2,279
General reserve	2,279
Treasury shares	(1,524)
Total shareholders' equity	17,118
Valuation and translation adjustments	
Valuation difference on available-for-sale securities	12
Total valuation and translation adjustments	12
Total net assets	17,131
Total liabilities and net assets	39,093

Note: The amounts of money described above are rounded down to the nearest million yen.

Non-consolidated Statement of Income
Year ended December 31, 2013

	Millions of yen
Operating revenue	1,848
Operating expenses	497
Operating income	1,350
Non-operating income:	
Interest income	89
Foreign exchange gains	1
Other	0
	91
Non-operating expenses:	
Interest expenses	172
Interest on bonds	69
Amortization of bond issuance cost	43
Commission fee	61
Other	3
	350
Ordinary income	1,092
Extraordinary losses:	
Impairment loss	13
Office transfer expenses	4
	18
Income before income taxes	1,074
Income taxes-current	(270)
Income taxes-deferred	908
Net income	435

Note: The amounts of money described above are rounded down to the nearest million yen.

Non-consolidated Statement of Changes in Shareholders' Equity
Year ended December 31, 2013

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus		Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance as of Jan. 1, 2013	7,216	7,029	7,029	264	3,100	(832)	2,531	(1,524)	15,253
Changes of items during the period									
Issuance of new shares	926	926	926						1,853
Dividends of surplus						(424)	(424)		(424)
Net income						435	435		435
Purchase of treasury shares								(0)	(0)
Disposal of treasury shares						(0)	(0)	0	0
Reversal of general reserve					(3,100)	3,100	-		-
Net changes of items other than shareholders' equity									
Total changes of items during the period	926	926	926	-	(3,100)	3,111	11	(0)	1,865
Balance as of Dec. 31, 2013	8,143	7,956	7,956	264	-	2,279	2,543	(1,524)	17,118

(Millions of yen)

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance as of Jan. 1, 2013	1	1	15,255
Changes of items during the period			
Issuance of new shares			1,853
Dividends of surplus			(424)
Net income			435
Purchase of treasury shares			(0)
Disposal of treasury shares			0
Reversal of general reserve			-
Net changes of items other than shareholders' equity	11	11	11
Total changes of items during the period	11	11	1,876
Balance as of Dec. 31, 2013	12	12	17,131

Note: The amounts of money described above are rounded down to the nearest million yen.

(Translation)

Audit Report

The Audit Committee has audited the performance of duties by directors and executive officers for the 59th term from January 1, 2013 to December 31, 2013. We report the methods and the results of the audit as follows.

1. Methods used in audits and content of audits

With respect to the resolutions of the Board of Directors regarding the organization of the system stipulated in Article 416, Paragraph 1, Item 1, (b) and (e) of the Companies Act and the status of the system based on said resolutions (internal control systems), the Audit Committee received reports from directors, executive officers, employees and others, requested explanations on those reports, when necessary, and expressed an opinion concerning the establishment and operation of the system. We also inspected in cooperation with the internal control division the process and content of the decision making at significant meetings, the content of the major authorization documents and other important documents related to business operations, the business performance of the executive officers, and the Company's operation and condition of property in accordance with the auditing policies established by the Audit Committee, the segregation of duties and others. With respect to subsidiaries, the Audit Committee took steps to facilitate communication with the directors and others of subsidiaries and, when necessary, received reports from subsidiaries on the status of their businesses.

In addition, the Audit Committee also monitored 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 implemented the "system for ensuring the proper execution of its duties" (as enumerated in items of Article 131 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 the notification.

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.

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 and 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 and 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; furthermore, nothing was pointed out regarding the contents of the Business Reports and the execution of duties by directors and executive officers with respect to executing internal control systems.

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

In our opinion, the auditing methods used by the independent auditor, KPMG AZSA 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, KPMG AZSA LLC and the results of its audit were appropriate.

February 10, 2014

Audit Committee
SUMIDA CORPORATION

Masaru Hattori (Seal)
Member of the Audit Committee

Kotaro Miyagi (Seal)
Member of the Audit Committee

Johji Sato (Seal)
Member of the Audit Committee

- Notes: 1. The three members of the Audit Committee are outside directors as stipulated in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.
2. Member of the Audit Committee, Mr. Nobuyuki Oneda resigned on November 30, 2013.