

CONSOLIDATED FINANCIAL STATEMENTS

(for the fiscal year 2014.12 ended December 31, 2014)

February 10, 2014

Name of Company: **SUMIDA CORPORATION**
 Stock Listing: Tokyo
 Security Code No.: 6817
 (URL <http://www.sumida.com>)
 Representative: Shigeyuki Yawata, CEO
 Contact: Yoshiyuki Honda, CFO
 Phone: +81-(0) 3-6758-2743
 Date of Annual General Meeting of Shareholders: March 21, 2014
 Date of Submission of Marketable Securities Filings: March 23, 2014
 Date on which Dividend Payments to Commence: March 2, 2014
 Supplementary Materials Prepared for the Financial Statements: Yes
 Presentation Held to Explain the Financial Statements : Yes (for institutional investors and analysts)

(Note: Amounts of less than one million yen are omitted)

1. Consolidated Operating Results for the FY 2014.12 Ended December 31, 2014

(1) Consolidated Operating Results

(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	%
FY ended Dec. 2014	77,563	21.4	3,345	97.0	2,799	152.8	1,346	-
FY ended Dec. 2013	63,893	24.5	1,698	(3.2)	1,107	(3.5)	(2,008)	-

Note: Comprehensive income for the year ended December 31, 2014 : 3,753 million yen (23.5%)
 Comprehensive income for the year ended December 31, 2013 : 3,039 million yen (4.3%)

	Net income per share (Basic)	Net income per share (Fully diluted)
	Yen	Yen
FY ended Dec. 2014	58.01	-
FY ended Dec. 2013	(91.41)	-

	Ratio of Net income to Shareholders' Equity	Ratio of Ordinary income to Total Assets	Ratio of Operating Income to Net sales
	Yen	Yen	Yen
FY ended Dec. 2014	9.0	4.4	4.3
FY ended Dec. 2013	(17.7)	2.1	2.7

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Dec. 31, 2014	70,110	17,724	23.6	711.88
As of Dec. 31, 2013	56,743	14,510	23.9	583.50

Reference: Shareholders' equity at December 31, 2014: 16,523 millions of yen
 Shareholders' equity at December 31, 2013: 13,543 millions of yen

(3) Results of cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Balance of Cash and Cash Equivalents
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY ended Dec. 2014	1,512	(6,279)	4,719	3,713
FY ended Dec. 2013	4,313	(2,912)	(1,197)	3,531

2. Dividends

	Dividends per Share					Total Dividends (Annual)	Dividend Ratio (Consolidated)	Ratio of Dividends to Net Assets
	End of First Quarter	End of Second Quarter	End of Third Quarter	End of Fiscal Year	Total			
	Yen	Yen	Yen	Yen	Yen			
FY ended Dec. 2013	5.00	5.00	5.00	5.00	20.00	444	-	3.8
FY ended Dec. 2014	5.00	5.00	5.00	5.00	20.00	464	34.5	3.1
FY ending Dec. 2015 (Forecast)	5.00	5.00	5.00	5.00	20.00		-	

3. Forecast of Consolidated Results for FY 2014.12 (January 1, 2014–December 31, 2014)

(% 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
FY2014	83,630	7.8	2,700	(19.3)	2,000	(28.6)	1,000	(25.7)	43.08

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) Changes in accounting principles and changes in accounting estimates
 (a) Changes in accounting principles: Yes
 (b) Changes other than those in (a) above: None
 (c) Changes in accounting estimates : None
 (d) Restatement : None
- (3) Number of shares issued (common shares)
 (a) Number of shares issued at the end of the period (including treasury stock)
 FY 2014 23,944,317 shares
 FY 2013 23,944,317 shares
 (b) Number of treasury stock at the end of the period
 FY 2014 733,020.shares
 FY 2013 732,667shares
 (c) Average number of shares issued during the period:
 FY 2014 23,211,487 shares
 FY 2013 21,970,774 shares

(Additional Information)

Non-Consolidated Operating Results for the FY 2014.12 Ended December 31, 2014

(1) Non-consolidated results of operations

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

	Net sales		Operating income		Ordinary income		Net income	
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%
FY ended Dec. 2014	2,321	25.6	1,792	32.7	1,557	42.5	1,271	191.6
FY ended Dec. 2013	1,848	96.2	1,350	174.5	1,092	270.2	435	-

	Net income per share (Basic)		Net income per share (Fully diluted)	
	<i>Yen</i>		<i>Yen</i>	
FY ended Dec. 2014	54.77		-	
FY ended Dec. 2013	19.84		-	

(2) Non-consolidated financial conditions

	Total assets	Net assets	Equity ratio	Net assets per share
	<i>Millions of yen</i>	<i>Millions of yen</i>	%	<i>Yen</i>
As of Dec. 31, 2014	45,009	17,954	39.9	773.51
As of Dec. 31, 2013	39,093	17,131	43.8	738.07

Reference: Shareholders' equity at December 31, 2014: 17,954 millions of yen
 Shareholders' equity at December 31, 2013: 17,131 millions of yen

*Items related to the status of the implementation of auditing procedures

At the time of disclosure of these consolidated financial statements, auditing procedures were in progress for the financial statements based on the Financial Instruments and Exchange Act.

*Explanation of the appropriate use of performance forecasts and other related items

Portions of this report that refer to performance forecasts or any other future events are believed to be reasonable under information available at the time of the forecasts. Actual financial results may materially differ from these forecasts due to potential risks and uncertainties.

(1) Business conditions for the fiscal year under review

Looking at the global economy in the current fiscal year, although the European economy showed signs of recovery, the recovery was slow, and it could not get out of the stagnation. Emerging countries including China experienced economic slowdowns, and the slowing growth rates were a concern. The Japanese economy did not show a robust recovery partly due to decreased demand in reaction to last-minute demand brought by the raised consumption tax. Meanwhile, economic activities in the U.S. temporarily slowed due to a cold wave at the beginning of the year, but the economy picked up thereafter and continued to show a strong recovery.

In the electronic devices market, while the production volume of products such as PCs and TVs did not increase, that of smartphones and tablet PCs steadily grew. In addition, as electronic parts related to industrial equipment continued strong, benefiting from capital investment, etc. in China as well as an increase in the automobile production, advance in automotive electrification of hybrid vehicles, electric cars, etc. and other factors, demand for electronic parts increased.

Under such circumstances, for the Sumida Group, demand for consumer electronics related products for smartphones and tablet PCs remained in good shape. Amidst the advance in automotive electrification, auto sales remained healthy worldwide, and demand for automotive-related products continued to expand, especially supported by robust sales of luxury vehicles. In the industry-related products sector, orders for products related to capital investment, such as for industrial equipment, remained firm. Given these circumstances, the Sumida Group expanded plants in Mexico and other countries during the current fiscal year in order to meet expanding demand for automotive-related products. For the industry-related products, aiming to develop markets and expand sales for industrial equipment, energy, and medical and healthcare, the Group newly established Sumida Power Technology Co., Ltd. as one of the strategies and promoted the strengthening of products for medical equipment, which is expected to grow in future.

As a result, net sales for the current fiscal year increased by 13,669 million yen (21.4%) from the previous fiscal year to 77,563 million yen, which was partly attributable to the depreciation of the yen and the appreciation of the U.S. dollar and euro compared to the previous fiscal year in addition to robust sales of automotive-related products in Europe, North America, etc. supported by the advance in automotive electrification for the safety, environment and comfort and strong production of luxury vehicles, and sales growth of FA equipment and industrial equipment in the industry-related products sector, despite continued sluggish growth of consumer electronics related products with the exception

of those for smartphones and tablet PCs.

Operating income increased by 97.0% year on year to 3,345 million yen owing to productivity improvement and price reduction for raw materials as well as revenue increase.

Ordinary income increased by 152.8% year on year to 2,799 million yen due to interest expenses of 524 million yen and other expenses as non-operating expenses.

Income before income taxes increased by 286.6% year on year to 3,162 million yen, owing partly to extraordinary income of insurance income from flood damage, etc. in Germany of 495 million yen, government subsidy for the flood damage of 359 million yen, and reversal of impairment loss recognized for the previous fiscal year on buildings of consolidated subsidiaries in Germany damaged by the flood based on IFRS of 137 million yen, despite extraordinary losses including loss on flood damage in Germany in June 2013 of 303 million yen and additional contributions of social insurance in China of 310 million yen.

Net income was 1,346 million yen (for the previous fiscal year, net loss of 2,008 million yen partly due to the impact of flood damage in Germany and the review of recoverability of deferred tax assets).

(Reporting segment information)

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

1) Asia Pacific Business

In the Asia Pacific Business, sales for industrial equipment remained strong in the industrial-related products sector despite the sluggish growth of consumer electronics related products with the exception of those for smartphones and tablet PCs. Moreover, owing to healthy demand for automotive-related products primarily for smart entry system in North America and other areas as well as ABS and ESC, the depreciation of the yen compared to the previous fiscal year, and other factors, net sales for the current fiscal year increased by 15.6% year on year to 47,061 million yen. Segment profit increased by 50.2% year on year to 3,443 million yen.

2) EU Business

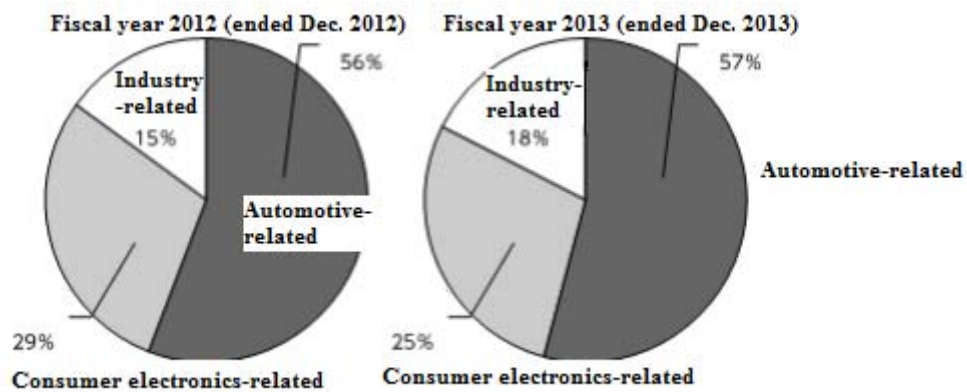
In the EU Business, owing to strong sales of automotive-related products primarily for smart entries and HID lamps and the depreciation of the yen compared to the previous fiscal year, despite no signs of significant changes in consumer electronics related products and industry related products, net sales increased by 31.6% year on

year to 30,501 million yen. Segment profit increased by 42.1% year on year to 1,957 million yen.

Business segment	Net sales (million yen)
Asia Pacific Business	47,061
EU Business	30,501
Total	77,563

(Reference)

Looking at the composition of sales by market, the share of sales derived from consumer electronics related products remained unchanged at 25%, while the share derived from industry related products decreased from 18% to 16%. Meanwhile, the share derived from automotive-related products, sales of which were robust, increased from 57% in the previous fiscal year to 59%.



Consolidated balance sheets

(Unit: Millions of yen)

	As of December 31, 2013	As of December 31, 2014
Assets		
Current assets		
Cash and deposits	3,581	3,753
Notes and accounts receivable-trade	12,840	17,013
Merchandise and finished goods	6,082	7,721
Work in process	1,188	1,505
Raw materials and supplies	3,767	4,892
Deferred tax assets	193	290
Income taxes receivable	313	405
Other	1,890	2,942
Allowance for doubtful accounts	(270)	(192)
Total current assets	29,588	38,332
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	11,756	12,966
Machinery, equipment and vehicles	33,880	40,785
Tools, furniture and fixtures	4,748	4,886
Land	1,393	1,412
Lease assets	1,166	1,387
Construction in progress	1,582	2,032
Accumulated depreciation	(36,391)	(40,450)
Total property, plant and equipment	18,136	23,018
Intangible assets		
Goodwill	2,671	2,486
Leasehold right	550	620
Software	109	168
Software in progress	61	-
Other	334	251
Total intangible assets	3,727	3,527
Investments and other assets		
Investment securities	534	528
Deferred tax assets	3,773	3,516
Other	896	1,214
Allowance for doubtful accounts	-	(76)
Total investments and other assets	5,204	5,182
Total noncurrent assets	27,068	31,728
Deferred assets		
Business commencement expenses	17	12
Share issuance cost	11	8
Bond issuance cost	57	29
Total deferred assets	86	49
Total assets	56,743	70,110

(Unit: Millions of yen)

	<u>As of December 31, 2013</u>	<u>As of December 31, 2014</u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	6,393	7,931
Short-term loans payable	10,843	4,565
Current portion of bonds	770	4,520
Current portion of long-term loans payable	4,523	7,216
Accounts payable-other	1,187	1,148
Accrued expenses	2,316	2,937
Income taxes payable	405	673
Deferred tax liabilities	23	-
Other	889	1,048
Total current liabilities	<u>27,352</u>	<u>30,042</u>
Noncurrent liabilities		
Bonds payable	5,420	900
Long-term loans payable	6,335	17,314
Deferred tax liabilities	748	1,184
Provision for retirement benefits	1,269	-
Net defined benefit liability	-	1,583
Lease obligations	623	757
Other	483	603
Total noncurrent liabilities	<u>14,880</u>	<u>22,344</u>
Total liabilities	<u>42,233</u>	<u>52,386</u>
Net assets		
Shareholders' equity		
Capital stock	8,143	8,143
Capital surplus	7,956	7,956
Retained earnings	4,836	5,719
Treasury stock	(1,524)	(1,524)
Total shareholders' equity	<u>19,412</u>	<u>20,294</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	46	68
Foreign currency translation adjustment	(5,914)	(3,768)
Remeasurements of defined benefit plans	-	(152)
Total accumulated other comprehensive income	<u>(5,868)</u>	<u>(3,770)</u>
Non controlling interests	966	1,200
Total net assets	<u>14,510</u>	<u>17,724</u>
Total liabilities and net assets	<u>56,743</u>	<u>70,110</u>

Consolidated statements of income

(Unit: Millions of yen)

	FY 2013.12	FY 2014.12
	(Jan. 1, 2013 - Dec. 31, 2013)	(Jan. 1, 2014 - Dec. 31, 2014)
Net sales	63,893	77,563
Cost of sales	52,841	63,691
Gross profit	11,052	13,871
Selling, general and administrative expenses		
Freightage and packing expenses	914	936
Provision of allowance for doubtful accounts	201	(4)
Provision for retirement benefits	213	80
Employees' salaries and allowances	3,187	3,848
Depreciation	237	315
Research and development expenses	1,140	1,174
Other	3,458	4,173
Total selling, general and administrative expenses	9,353	10,525
Operating income (loss)	1,698	3,345
Non-operating income		
Interest income	17	13
Dividends income	1	1
Gain on valuation of derivatives	170	17
Foreign exchange gains	-	95
Gain on sales of investment securities	-	47
Other	52	31
Total non-operating income	241	205
Non-operating expenses		
Interest expenses	461	524
Foreign exchange losses	188	-
Commission fee	85	92
Other	96	134
Total non-operating expenses	832	751
Ordinary income (loss)	1,107	2,799
Extraordinary income		
Gain on sales of noncurrent assets	1,188	18
Insurance income	1,426	495
Reversal of impairment loss	-	359
Subsidy income	-	137
Other	20	-
Total extraordinary income	2,634	1,010
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	22	19
Impairment loss	748	1
Business structure improvement expenses	388	13
Loss on disaster	1,742	303
Loss on liquidation of subsidiaries and associates	22	-
Additional contributions of social insurance	-	310
Total extraordinary losses	2,924	647
Income (loss) before income taxes and minority	817	3,162
Income taxes-current	602	988
Income taxes-deferred	2,089	669
Total income taxes	2,691	1,658
Income (loss) before minority interests	(1,873)	1,503
Minority interests in income	134	157
Net income (loss)	(2,008)	1,346

Consolidated statements of comprehensive income

(units: Millions of yen)

	FY 2013.12	FY 2014.12
	(Jan. 1, 2013 - Dec. 31, 2013)	(Jan. 1, 2014 - Dec. 31, 2014)
Income before minority interests	(1,873)	1,503
Other comprehensive income		
Valuation difference on available-for-sale securities	21	22
Foreign currency translation adjustment	4,892	2,227
Total other comprehensive income	4,913	2,249
Comprehensive income	3,039	3,753
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,904	3,596
Comprehensive income attributable to minority interests	134	157

Consolidated statements of changes in net assets

FY2013.12 (Jan. 1, 2013 - Dec. 31, 2013)

(Unit: Millions of yen)

	Net assets				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders'
Balance at beginning of current period	7,216	7,029	7,269	△1,524	19,991
Changes of items during period					
Issuance of new shares	926	926			1,853
Dividends of surplus			(424)		(424)
Net income (loss)			(2,008)		(2,008)
Purchase of treasury share				(0)	(0)
Disposal of treasury share			(0)	0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	926	926	(2,432)	(0)	(579)
Net assets	8,143	7,956	4,836	△1,524	19,412

	Net assets				
	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 at beginning of current period	25	(10,806)	(10,781)	656	9,866
Changes of items during period					
Issuance of new shares					1,853
Dividends of surplus					(424)
Net income (loss)					(2,008)
Purchase of treasury share					(0)
Disposal of treasury share					0
Net changes of items other than shareholders' equity	21	4,892	4,913	309	5,222
Total changes of items during period	21	4,892	4,913	309	4,643
Net assets	46	(5,914)	(5,868)	966	14,510

FY2014.12 (Jan. 1, 2014 - Dec. 31, 2014)

(Unit: Millions of yen)

	Net assets				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	8,143	7,956	4,836	(1,524)	19,412
Changes of items during period					
Dividends of surplus			(464)		(464)
Net income (loss)			1,346		1,346
Purchase of treasury share				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	882	(0)	881
Net assets	8,143	7,956	5,719	(1,524)	20,294

	Net assets					
	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	46	(5,914)	-	(5,868)	966	14,510
Changes of items during period						
Dividends of surplus				-		(464)
Net income (loss)				-		1,346
Purchase of treasury share				-		(0)
Net changes of items other than shareholders' equity	22	2,227	(152)	2,097	234	2,332
Total changes of items during period	22	2,227	(152)	2,097	234	3,214
Net assets	68	(3,687)	(152)	(3,770)	1,200	17,724

Consolidated statements of cash flows

(units: Millions of yen)

	FY 2013.12 (Jan. 1, 2013 - Dec. 31, 2013)	FY 2014.12 (Jan. 1, 2014 - Dec. 31, 2014)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	817	3,162
Depreciation and amortization	2,923	3,430
Amortization of goodwill	337	374
Increase (decrease) in provision for retirement benefits	226	-
Increase (decrease) defined benefit liability	-	302
Interest and dividends income	(18)	(14)
Interest expenses	461	524
Loss (gain) on valuation of derivatives	(170)	(17)
Business structure improvement expenses	388	13
Impairment loss	748	1
Reversal of impairment loss	-	(137)
Loss (gain) on sales and retirement of noncurrent assets	(1,165)	1
Loss (gain) on liquidation of subsidiaries and affiliates	22	-
Decrease (increase) in notes and accounts receivable-trade	(441)	(2,853)
Decrease (increase) in inventories	(1,113)	(2,179)
Increase (decrease) in notes and accounts payable-trade	2,002	927
Decrease (increase) in accounts receivable-other	7	(172)
Increase (decrease) in accounts payable-other	198	167
Other, net	61	(772)
Subtotal	5,289	2,759
Interest and dividends income received	18	14
Interest expenses paid	(414)	(415)
Income taxes (paid) refund	(579)	(846)
Net cash provided by (used in) operating activities	4,313	1,512
Net cash provided by (used in) investing activities		
Payments into time deposits	(0)	(0)
Proceeds from withdrawal of time deposits	5	8
Purchase of property, plant and equipment	(4,314)	(6,109)
Proceeds from sales of property, plant and equipment	1,553	62
Purchase of intangible assets	(135)	(67)
Purchase of stocks of subsidiaries and affiliates	(24)	(1)
Proceeds from sales of investment securities	(9)	(3)
Proceeds from sales of investment securities	43	91
Other, net	(29)	(259)
Net cash provided by (used in) investing activities	(2,912)	(6,279)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,474)	(6,341)
Proceeds from long-term loans payable	1,855	17,226
Repayment of long-term loans payable	(2,482)	(4,896)
Repayments of finance lease obligations	(50)	(34)
Proceeds from issuance of bonds	600	-
Redemption of bonds	(1,060)	(770)
Proceeds from issuance of common shares	1,839	-
Cash dividends paid	(424)	(463)
Purchase and proceeds from sales of treasury stock	(0)	(0)
Net cash provided by (used in) financing activities	(1,197)	4,719
Effect of exchange rate change on cash and cash equivalents	770	228
Net increase (decrease) in cash and cash equivalents	974	181
Cash and cash equivalents at beginning of period	2,557	3,531
Cash and cash equivalents at end of period	3,531	3,713

【Business segment information】

Year ended December 31, 2013

	Asia Pacific Business	EU Business	Total	Elimination or corporate	Consolidated
	<i>(Millions of yen)</i>				
Sales					
Sales to third parties	40,715	23,177	63,893	-	63,893
Inter-segment sales or transfers	1,557	1,354	2,912	(2,912)	-
Total sales	42,273	24,532	66,806	(2,912)	63,893
Operating income(loss)	2,291	1,397	3,689	(1,990)	1,698
Total assets	33,745	24,129	57,874	(1,131)	56,743
Depreciation	1,910	935	2,845	78	2,923
Amortization of goodwill	18	318	337	-	337
Capital expenditure	2,968	1,360	4,328	121	4,449

Year ended December 31, 2014

	Asia Pacific Business	EU Business	Total	Elimination or corporate	Consolidated
	<i>(Millions of yen)</i>				
Sales					
Sales to third parties	47,061	30,501	77,563	-	77,563
Inter-segment sales or transfers	2,744	1,594	4,338	(4,338)	-
Total sales	49,805	32,095	81,901	(4,338)	77,563
Operating income(loss)	3,443	1,985	5,428	(2,083)	3,345
Total assets	43,975	27,661	71,636	(1,526)	70,110
Depreciation	2,264	1,078	3,342	88	3,430
Amortization of goodwill	23	350	374	-	374
Capital expenditure	3,962	2,171	6,134	43	6,177