

**Consolidated Financial Results for the  
3rd Quarter ended 30 September 2003**

**SUMIDA CORPORATION**

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## Consolidated Financial Highlights for the 3rd Quarter ended 30 September 2003

### 1. Consolidated Results of Operations

(Million yen, %)

Period Category	3rd Quarter					9-month period (January - September)				
	2003	% Of Total	2002	% Of Total	% Change	2003	% Of Total	2002	% Of Total	% Change
Net sales	8,033	100.0	8,474	100.0	(5.2)	22,397	100.0	26,778	100.0	(16.4)
Operating profit	709	8.8	641	7.6	10.5	1,581	7.1	1,737	6.5	(9.0)
Ordinary income	607	7.6	614	7.3	(1.1)	1,401	6.3	1,717	6.4	(18.4)
Income before income taxes	472	5.9	571	6.7	(17.4)	(22)	(0.1)	1,646	6.1	---
Net income	402	5.0	428	5.0	(6.2)	(59)	(0.3)	1,312	4.9	---
Amounts per common share (yen)										
Net income: (Basic)	27.21	---	31.95	---	---	(3.99)	---	98.34	---	---
Net income: (Fully diluted)	26.55	---	31.64	---	---	---	---	97.20	---	---

### 2. Consolidated Financial Position

(Million yen)

Period Category	3rd Quarter		
	2003	2002	Change
Total assets	29,503	31,665	(2,162)
Capital stock	5,599	5,525	74
Total shareholders' equity	17,787	19,477	(1,690)
Total number of stocks issued (thousand shares)	14,832	13,423	1,409
Shareholders' equity per share (yen)	1,199.24	1,451.01	(251.77)
Shareholders' equity ratio (%)	60.3	61.5	---

### 3. Conditions of Consolidated Cash Flow

(Million yen)

Category	Period	3rd Quarter			9-month period (January - September)		
		2003	2002	Change	2003	2002	Change
Cash flows from operating activities		403	1,346	(943)	604	1,989	(1,385)
Cash flows from investing activities		(354)	(360)	6	(1,319)	(1,187)	(132)
Cash flows from financing activities		416	(235)	651	401	(658)	1,059
Cash and cash equivalents, end of period		4,242	5,081	(839)	4,242	5,081	(839)

### Consolidated Earnings Forecasts (4th Quarter 2003: Three months ending December 31, 2003)

Category	Period	4th Quarter		
		2003(Estimate)	2002	%Change
Net sales (million yen)		8,000	8,018	(0.2)
Operating profit (million yen)		700	434	61.3
Ordinary income (million yen)		667	398	67.6
Net income (million yen)		440	(194)	---
Net income per share (yen)		29.80	(14.49)	---

### Consolidated Quarterly Business Results

(Million yen)

Category	Period	2003			2002				2001			
		3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Net sales		8,033	7,162	7,202	8,018	8,474	9,349	8,955	7,582	7,636	8,114	8,226
Operating profit		709	571	301	434	641	592	504	541	156	81	333
Ordinary income		607	488	306	398	614	589	514	356	(44)	(277)	47
Income before income taxes		472	440	(934)	7	571	566	509	(14)	(1,405)	(219)	(141)
Net income		402	481	(942)	(194)	428	502	382	839	(1,651)	(131)	(94)

## Consolidated Yearly Business Results

(Million yen)

	2003 (E)	2002	2001	2000	1999
Net sales	30,397	34,796	31,558	33,575	24,574
Operating profit	2,281	2,171	1,112	3,318	2,687
Ordinary income	2,068	2,116	82	2,967	2,439
Income before income taxes	540	1,653	(1,779)	2,632	1,580
Net income	381	1,118	(1,037)	1,973	1,003
Shareholders' equity	18,227	18,910	19,534	18,581	15,083
Total assets	29,943	30,666	32,340	32,000	26,220
Per share (yen)					
EPS	25.80	83.64	(78.11)	163.43	101.56
Shareholders' equity	1,228.93	1,408.72	1,471.29	1,539.48	1,374.60

\*Foreign exchange adjustments are included in shareholders' equity

### CEO's Message for the 3rd Quarter of 2003

"CEATEC Japan 2003" was held in October 2003 at Makuhari Messe in Chiba Prefecture. 667 firms from 17 countries participated and some 200,000 visitors attended the exhibition. Among the displays were new generation TVs, including liquid crystal TVs with evidence of ground-wave digital broadcasting near at hand and environmentally friendly automobiles such as hybrid cars and fuel cell-powered cars. At a number of booths, those in the electronic parts industry in particular, many automobile-related electronic products were on display. Sumida Group participated in this exhibition by putting emphasis on our three major growth groups of business comprising (1) legacy coils cultivated over Sumida's 50-year history, (2) new generation TV-related coils with flat panel-related ones as the axis and (3) automotive-related coils. Our booth attracted a large number of visitors.

The 2003 business year is the first year of Sumida Group's Mid-Term Vision aiming at achieving our sales target of ¥100 billion with the ratio of operating profit to net sales at 10% in the 2007 business year. This business year is also the year of large restructuring, with pains to cut off our unprofitable business segments including SRC in North America business and Opto businesses drastically from Sumida Group, while giving prominence to our three major growth groups of business. However, withdrawal from our unprofitable operations is producing visible results in terms of numerical value, with the ratio of operating profit to net sales recovering sharply to nearly 9% in the 3rd quarter of 2003.

Meanwhile, our global meeting was held for the second time this year in the middle of October and 66 key members from all over the world gathered to discuss achievement of the Mid-Term Vision in Tokyo. At this meeting, discussions were focused for one full week on the theme of radically reviewing our present organizational setup in order to achieve the Mid-Term Vision. Our automotive group was set up in July this year prior to the major restructuring in an attempts to test the effectiveness of creating a product focused group. In view of the positive results of this trial being actually felt in a short period, we are planning to restructure our organizational setup in 2004 focused on Product management groups. Each of our product group will be composed of resources from sales, manufacturing, research and development, quality and service. The chief of such product management groups will be selected by attaching much importance not on capabilities as a conventional "business administrator" but on capabilities as an entrepreneur. The difference being that "entrepreneurs do the correct things" and "business administrators do things correctly". With as the restructuring Sumida will motivate leaders of our product groups to focus on achievement of commitments with each commitment clearly defined.



Shigeyuki Yawata  
CEO of the Sumida Group

## Sales by Product Category

(Million yen, %)

Period Category		3rd Quarter					9-month period (January - September)				
		2003	% Of total	2002	% Of total	% Change	2003	% Of total	2002	% Of total	% Change
Coil Business	AV Coils	696	8.6	579	6.8	20.2	1,641	7.3	1,521	5.7	7.9
	IT Communications Coils	4,077	50.8	3,509	41.4	16.2	10,745	48.0	10,930	40.8	(1.7)
	Other Coils	579	7.2	366	4.3	58.2	1,596	7.1	1,337	5.0	19.4
	Automotive	1,650	20.5	1,539	18.2	7.2	5,272	23.5	4,977	18.6	5.9
	TOTAL	7,002	87.1	5,993	70.7	16.8	19,254	85.9	18,765	70.1	2.6
Optoelectronics		656	8.2	1,094	12.9	(40.0)	2,007	9.0	3,861	14.4	(48.0)
Magnetics		375	4.7	1,387	16.4	(73.0)	1,136	5.1	4,152	15.5	(72.6)
TOTAL		8,033	100.0	8,474	100.0	(5.2)	22,397	100.0	26,778	100.0	(16.4)

## Sales by Region

(Million yen, %)

Period Region		3rd Quarter					9-month period (January - September)				
		2003	% Of Total	2002	% Of Total	% Change	2003	% Of Total	2002	% Of Total	% Change
Japan		2,220	27.6	2,293	27.1	(3.2)	6,426	28.7	6,679	24.9	(3.8)
HK/China		1,779	22.1	1,354	16.0	31.4	4,232	18.9	4,805	17.9	(11.9)
ASEAN		651	8.1	626	7.4	4.0	1,689	7.5	1,808	6.8	(6.6)
Taiwan/Korea		1,635	20.4	1,589	18.7	2.9	4,479	20.0	5,252	19.6	(14.7)
NAFTA		859	10.7	1,353	16.0	(36.5)	2,481	11.1	3,871	14.5	(35.9)
EU		889	11.1	1,259	14.8	(29.4)	3,090	13.8	4,363	16.3	(29.2)
TOTAL		8,033	100.0	8,474	100.0	(5.2)	22,397	100.0	26,778	100.0	(16.4)

## Product Segment Information

(Million yen, %)

	2002					2003			
	1Q	2Q	3Q	4Q	YTD	1Q	2Q	3Q	YTD
<b>Net sales</b>									
Coil Business	6,291	6,481	5,993	5,949	24,714	5,966	6,286	7,002	19,254
Optoelectronics	1,315	1,452	1,094	904	4,765	820	531	656	2,007
Magnetics	1,349	1,416	1,387	1,165	5,317	416	345	375	1,136
Elimination	---	---	---	---	---	---	---	---	---
<b>Total</b>	<b>8,955</b>	<b>9,349</b>	<b>8,474</b>	<b>8,018</b>	<b>34,796</b>	<b>7,202</b>	<b>7,162</b>	<b>8,033</b>	<b>22,397</b>
<b>Operating expense</b>									
Coil Business	5,006	5,115	4,732	4,870	19,723	5,032	5,130	5,652	15,814
Optoelectronics	1,232	1,364	988	893	4,477	805	547	668	2,020
Magnetics	1,682	1,703	1,539	1,303	6,227	543	417	474	1,434
Elimination	531	575	574	518	2,198	521	497	530	1,548
<b>Total</b>	<b>8,451</b>	<b>8,757</b>	<b>7,833</b>	<b>7,584</b>	<b>32,625</b>	<b>6,901</b>	<b>6,591</b>	<b>7,324</b>	<b>20,816</b>
<b>Operating profit</b>									
Coil Business	1,285	1,366	1,261	1,079	4,991	934	1,156	1,350	3,440
Optoelectronics	83	88	106	11	288	15	(16)	(12)	(13)
Magnetics	(333)	(287)	(152)	(138)	(910)	(127)	(72)	(99)	(298)
Elimination	(531)	(575)	(574)	(518)	(2,198)	(521)	(497)	(530)	(1,548)
<b>Total</b>	<b>504</b>	<b>592</b>	<b>641</b>	<b>434</b>	<b>2,171</b>	<b>301</b>	<b>571</b>	<b>709</b>	<b>1,581</b>
<b>Operating profit ratio</b>									
Coil Business	20.4	21.1	21.0	18.1	20.2	15.7	18.4	19.3	17.9
Optoelectronics	6.3	6.1	9.7	1.2	6.0	1.8	(3.0)	(1.8)	(0.6)
Magnetics	(24.7)	(20.3)	(11.0)	(11.8)	(17.1)	(30.5)	(20.9)	(26.4)	(26.2)
Elimination	---	---	---	---	---	---	---	---	---
<b>Total</b>	<b>5.6</b>	<b>6.3</b>	<b>7.6</b>	<b>5.4</b>	<b>6.2</b>	<b>4.2</b>	<b>8.0</b>	<b>8.8</b>	<b>7.1</b>

## Consolidated Balance Sheet

Unit: thousand yen)

	3Q 2003	%	3Q 2002	%	Year End 2002	%
<b>ASSETS</b>						
<b>I Current assets</b>						
1.Cash & cash equivalents	4,242,157		5,080,704		4,789,274	
2.Trade receivables	6,778,396		6,776,584		6,440,099	
3.Inventories	2,913,514		3,954,877		3,645,101	
4.Others	1,851,004		1,023,713		1,239,564	
5.Allowance for doubtful accounts	(18,427)		(65,343)		(41,238)	
<b>Total current assets</b>	<b>15,766,644</b>	<b>53.4</b>	<b>16,770,535</b>	<b>53.0</b>	<b>16,072,800</b>	<b>52.4</b>
<b>II Non-current assets</b>						
<b>(1) Tangible fixed assets</b>						
1.Buildings	6,094,023		6,392,276		6,302,920	
2.Machinery & equipment	9,150,411		10,566,007		10,413,262	
3.Furniture & fixture	2,761,728		3,206,591		3,144,559	
4.Land	1,254,190		1,256,032		1,255,183	
5.Construction in progress	155,539		311,299		335,307	
6.Accumulated depreciation	(9,657,532)		(10,143,889)		(10,307,893)	
<b>Total tangible fixed assets</b>	<b>9,758,359</b>	<b>33.1</b>	<b>11,588,316</b>	<b>36.6</b>	<b>11,143,338</b>	<b>36.3</b>
<b>(2) Intangible fixed assets</b>						
1.Leasehold rights	544,652		598,568		582,306	
2.Software	138,962		---		173,188	
3.Others	3,991		196,290		8,152	
<b>Total intangible fixed assets</b>	<b>687,605</b>	<b>2.3</b>	<b>794,858</b>	<b>2.5</b>	<b>763,646</b>	<b>2.5</b>
<b>(3) Investments &amp; other assets</b>						
1.Investments in securities	318,140		175,628		143,770	
2.Others	2,972,668		2,335,606		2,542,925	
<b>Total investments &amp; other assets</b>	<b>3,290,808</b>	<b>11.2</b>	<b>2,511,234</b>	<b>7.9</b>	<b>2,686,695</b>	<b>8.8</b>
<b>Total fixed assets</b>	<b>13,736,772</b>	<b>46.6</b>	<b>14,894,408</b>	<b>47.0</b>	<b>14,593,679</b>	<b>47.6</b>
<b>TOTAL ASSETS</b>	<b>29,503,416</b>	<b>100.0</b>	<b>31,664,943</b>	<b>100.0</b>	<b>30,666,479</b>	<b>100.0</b>

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**Consolidated Balance Sheet (Continued)**

<b>LIABILITIES</b>							
<b>I</b>	Current liabilities						
	1.Trade payables	2,333,554		2,823,786		2,365,892	
	2.Short-term loans	4,523,002		5,248,661		5,129,741	
	3.Other current liabilities	1,976,231		2,282,590		2,466,875	
	Total current liabilities	8,832,787	29.9	10,355,037	32.7	9,962,508	32.5
<b>II</b>	Non-current liabilities						
	1.Long-term loans	1,284,510		1,583,318		1,324,616	
	2.Straight bond	1,200,000		---		---	
	3.Deferred tax liabilities	204,119		211,509		204,001	
	4.Other non-current liabilities	195,331		26,202		261,477	
	Total non-current liabilities	2,883,960	9.8	1,821,029	5.8	1,790,094	5.8
	<b>TOTAL LIABILITIES</b>	11,716,747	39.7	12,176,066	38.5	11,752,602	38.3
	(Minority interest)						
	Minority interest	---	---	11,907	0.0	3,726	0.0
<b>SHAREHOLDERS' EQUITY</b>							
<b>I</b>	Capital Stock	5,598,570	19.0	5,524,631	17.4	5,527,181	18.0
<b>II</b>	Legal reserves	5,396,835	18.3	5,322,646	16.8	5,325,272	17.4
<b>III</b>	Consolidated retained earnings	8,857,622	30.0	9,392,878	29.7	9,198,400	30.0
<b>IV</b>	Unrealized gains/losses on securities at market valuation	60,318	0.2	44,186	0.1	28,360	0.1
<b>V</b>	Cumulative translation adjustments	(2,108,264)	(7.1)	(803,912)	(2.5)	(1,164,091)	(3.8)
<b>VI</b>	Treasury stock	(18,412)	(0.1)	(3,459)	(0.0)	(4,971)	(0.0)
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	17,786,669	60.3	19,476,970	61.5	18,910,151	61.7
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>							
		29,503,416	100.0	31,664,943	100.0	30,666,479	100.0

## Consolidated Income Statement


( unit : thousand yen)

	3Q				9-month Period (January - September)			
	2003		2002		2003		2002	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
I Net sales	8,033,482	100.0	8,473,664	100.0	22,397,117	100.0	26,777,769	100.0
II Cost of sales	5,850,611	72.8	6,274,727	74.0	16,365,381	73.1	20,236,005	75.6
Gross income	2,182,871	27.2	2,198,937	26.0	6,031,736	26.9	6,541,764	24.4
III Selling, general & administrative	1,474,197	18.4	1,557,485	18.4	4,450,942	19.8	4,804,297	17.9
Operating profit	708,674	8.8	641,452	7.6	1,580,794	7.1	1,737,467	6.5
IV Non-operating income (expenses)								
Interest & dividends received	9,092		11,369		25,967		43,285	
Interest cost & discount expense	17,515		21,564		54,727		65,528	
Exchange gain (loss)	(70,759)		(38,481)		(105,433)		(6,576)	
Investment loss on equity method	22,518		---		74,493		---	
Other non-operating income (expenses)	515		21,628		29,049		8,759	
Non-operating income (expenses)	(101,185)	(1.2)	(27,048)	(0.3)	(179,637)	(0.8)	(20,060)	(0.1)
Ordinary income	607,489	7.6	614,404	7.3	1,401,157	6.3	1,717,407	6.4
V Extraordinary income (losses)								
Gain on sales of fixed assets	1,512		(77)		142,232		156	
Loss on disposal of fixed assets	14,880		12,625		27,516		41,339	
Directors' retirement bonus	---		---		50,000		---	
Unrealized loss on investment securities	57,209		---		166,251		---	
Loss on sales of subsidiary	---		---		1,203,941		---	
Structural reorganization expenses	64,914		30,535		117,353		(30,535)	
Extraordinary income (losses)	(135,491)	(1.7)	(43,237)	(0.6)	(1,422,829)	(6.4)	(71,718)	(0.3)
Income before income taxes	471,998	5.9	571,167	6.7	(21,672)	(0.1)	1,645,689	6.1
Income taxes	70,151	0.9	142,792	1.7	40,540	0.2	333,645	1.2
Income on minority shareholders	---	---	---	---	3,336	0.0	---	---
Net income	401,847	5.0	428,375	5.0	(58,876)	(0.3)	1,312,044	4.9

## Consolidated Cash Flow Statement

(Unit: thousand yen)

Account	Period	3Q		9-month Period (Jan. - Sep.)	
		2003	2002	2003	2002
<b>I. Cash Flows from Operating Activities</b>					
Net income		401,847	428,375	(58,876)	1,312,044
Depreciation & Amortization		388,867	521,252	1,123,390	1,563,712
Loss on disposal of fixed assets		14,880	12,625	27,516	41,339
Decrease (Increase) in Accounts Receivable		(601,367)	677,778	(978,788)	(737,692)
Decrease (Increase) in inventories		48,852	219,764	8,988	(394,542)
Increase (Decrease) in Accounts Payable		321,169	(73,691)	455,671	690,128
Others		(170,837)	(440,493)	26,122	(485,544)
Cash Flows from Operating Activities		403,411	1,345,610	604,023	1,989,445
<b>II. Cash Flows from Investing Activities</b>					
Acquisition of tangible fixed assets		(305,803)	(357,510)	(979,093)	(1,149,371)
Proceeds from sale of tangible fixed assets		2,646	2,983	190,848	2,989
Others		(50,638)	(5,789)	(530,416)	(40,776)
Cash Flows from Investing Activities		(353,795)	(360,316)	(1,318,661)	(1,187,158)
<b>III. Cash Flows from Financing Activities</b>					
Net borrowings (repayments) of short-term loans		(1,081,763)	108,796	(606,670)	104,880
Repayments of long-term debt		313,298	(264,702)	(40,106)	(794,106)
Cash dividends paid		(147,664)	(133,949)	(281,901)	(266,716)
Proceeds from bond issuance		1,200,000	---	1,200,000	---
Revenue from issuance of stocks		132,569	55,080	142,769	297,840
Others		(696)	---	(13,440)	---
Cash Flows from Financing Activities		415,744	(234,775)	400,652	(658,102)
IV. Effect of exchange rate changes on cash and cash equivalents		(266,766)	34,775	(231,837)	(412,749)
V. Net increase (decrease) in cash and cash equivalents		198,594	785,294	(545,823)	(268,564)
VI. Cash and cash equivalents at beginning of year		4,043,563	4,295,410	4,789,274	5,349,268
VII. Decrease in cash and cash equivalents on exception from consolidation		---	---	(1,294)	---
VIII. Cash and cash equivalents at end of interim period (year)		4,242,157	5,080,704	4,242,157	5,080,704

 **The explanatory notes given in English are for reference only. For any doubts or uncertainties regarding the English translation, refer to the original text in Japanese.**