
Press Release

February 19, 2004

To Whom It May Concern

Company Name **SUMIDA CORPORATION**
Representative Shigeyuki Yawata,
Representative Executive Officer(CEO)
(Code 6817, 1st Section, Tokyo Stock
Exchange)
For Inquires Hitoshi Aizawa, Officer, Corporate
Office
(TEL 03-3667-3381)

Issuance of Stock Acquisition Rights to Persons Other than Shareholders

I. Reason for issuance of Stock Acquisition Rights to persons other than shareholders

Pursuant to the provisions of Articles 280-20 and 280-21 of the Commercial Code of Japan upon the terms outlined below for the purposes of giving incentives to persons other than shareholders of Sumida Corporation (hereinafter referred to as "the Corporation") and its subsidiary companies (hereinafter referred to as "the Group"), the Corporation's Board of Directors will issue rights to subscribe ("Stock Acquisition Rights") to directors, corporate executive officers, and employees of the Corporation and the Group, as incentives; thereby improving the performance of the Group; and as rewards for contribution to the improvement of the performance of the Group.

II. Details of Stock Acquisition Rights

1. Persons to whom Stock Acquisition Rights will be allocated by the Corporation's Board of Directors include directors, corporate executive officers, and employees of the Group.
2. The class of security to be issued upon exercise of any Stock Acquisition Rights shall be common stock. The number of shares of common stock able

to issue upon exercise of all of the presently authorized Stock Acquisition Rights shall not exceed 150,000 shares of common stock.

One hundred shares of common stock shall be issued upon exercise of each Stock Acquisition Right. If the Corporation splits or consolidates its common stock after the issuance, the number of shares to be issued upon exercise of Stock Acquisition Rights shall be adjusted according to the following formula.

$$\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Ratio of split or consolidation}$$

In addition, if the Corporation merges with another company or splits its business, and the Stock Acquisition Rights are inherited, Exercise Price shall be adjusted within a rational and necessary range.

3. Total number of Stock Acquisition Rights to be issued shall not exceed 1,500.
4. Issue price of Stock Acquisition Rights
No consideration shall be paid.
5. Amount to be paid in for the exercise of Stock Acquisition Rights
The amount to be paid in shares to be issued upon exercise of each Stock Acquisition Right (the "Exercise Price") shall be the Exercise Price times the number of shares issued.

The Exercise Price shall be the closing price of the Corporation's common stock in the regular trading thereof on the Tokyo Stock Exchange on December 30, 2003, which is JPY 3,370; however, if the calculated price is higher than the closing price on the day of the issuance of Stock Acquisition Rights (or if there is no such closing price on such date, the closing price on the immediate preceding trading day), the Exercise Price shall be the closing price on the day of the issuance of the Stock Acquisition Rights (or if there is no such closing price on such date, the closing price on the immediate preceding trading day).

If the Corporation splits or consolidates its common stock after the issuance of

Stock Acquisition Rights, the Exercise Price shall be adjusted on the actual date of the split or consolidation, according to the following formula, and any fraction less than one yen arising as a result of such calculation shall be rounded up to the nearest one yen.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of split or consolidation}}$$

If the Corporation issues common stocks or sells its treasury stocks at a price which is less than the market price, the Exercise Price shall be adjusted according to the following formula, and any fraction less than one yen resulting from this adjustment shall be rounded up to the nearest one yen (except public offering at market price, issuance of Stock Acquisition Rights or bonds with Stock Acquisition Rights, and exercising of warrants according to Article 128 of the 2001 Commercial Code of Japan.)

In the following formula, the “number of shares issued” shall not include treasury stocks of the Corporation, and when the Corporation sells its treasury stocks, “Increase in number of shares due to issuance” shall be changed to “Number of treasury stocks sold”.

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{\text{Number of shares issued} + \frac{\text{Increase in number of shares due to issuance} \times \text{Price per new share}}{\text{Market price per share prior to issuance}}}{\text{Number of shares issued} + \text{Increase in number of shares due to issuance}}$$

In addition, if the Corporation merges with another company, splits its business, performs a stock exchange or unilateral transfer of the stock, or reduces its capital after issuing Stock Acquisition Rights, the Exercise Price shall be adjusted within a rational and necessary range.

6. Exercise period of Stock Acquisition Rights shall be from April 1, 2004 to March 31, 2008.
7. Conditions for exercising Stock Acquisition Rights
 - (1) Directors, corporate executive officers, and employees of the Group who are distributed Stock Acquisition Rights must be directors, corporate executive

officers, or employees of the Group when they exercise their Stock Acquisition Rights. However, exercise of Stock Acquisition Rights by directors and corporate executive officers is allowed when a director, corporate executive officer, or auditor has completed a term of office as director or corporate executive officer. Exercise of Stock Acquisition Rights by employees is allowed when an employee retires at the Group's required age-limit.

- (2) In the case of a person given Stock Acquisition Rights passing away during the exercise period, the successor of the deceased shall be able to exercise that person's Stock Acquisition Rights pursuant to the contract of distribution of Stock Acquisition Rights.
- (3) The Representative Executive Officer (CEO) shall decide any other conditions of the Stock Acquisition Rights.

8. Conditions for cancellation of Stock Acquisition Rights

- (1) When a contract of merger dissolving the Corporation is approved at the Annual General Meeting of Shareholders of the Corporation, or if a stock exchange contract where the Corporation becomes a complete subsidiary company and unilateral transfer of the stock is approved at the Annual General Meeting of Shareholders of the Corporation, the Corporation may cancel the Stock Acquisition Rights without any consideration.
- (2) If a person who has been allocated Stock Acquisition Rights loses their rights pursuant to the contract of distribution of Stock Acquisition Rights before the person exercises it, the Corporation may cancel it without any consideration.
- (3) The Corporation may cancel any Stock Acquisition Rights, which the Corporation holds and which have not been exercised without any consideration.

9. Restriction on transfer of Stock Acquisition Rights

Transfer of Stock Acquisition Rights shall require an approval of the Board of Directors.