
December 21, 2004

Company Name **SUMIDA CORPORATION**
Representative Shigeyuki Yawata,
Representative Executive Officer(CEO)
(Code 6817, 1st Section, Tokyo Stock
Exchange)
For Inquires Hitoshi Aizawa,
Corporate Office Officer
(TEL 03-3667-3382)

**Sumida, acquiring German Electric Parts Mfg. Co. and establishing Holding Co.
in Europe**

Today (Dec. 21st) in Tokyo, SUMIDA CORPORATION has reached the agreement of acquiring a German company named STELCO GmbH and established a Holding Company in Europe.

[1] Acquisition of STELCO GmbH

1. Summary

SUMIDA CORPORATION has reached the agreement of acquiring all issued shares (€10.5 million≈¥1,460million) of STELCO GmbH with its shareholders. The name and management of the company will remain unchanged. In addition, Sumida Holding Germany GmbH will invest the company's capital which will be explained in Section [2].

2. Purpose

In order to vitalize the sales activities and increase SUMIDA CORPORATION presence in the European market for future operating growth, the acquisition of STELCO is seen as a part of a very important corporate strategy to gain a firm foothold in capturing the European market.

STELCO, in Germany, produces and sells passive electronic components such as ceramic chip coils. STELCO has maintained steady business growth in the severe environment of the European market since its establishment in 1999, with sales of 14 million Euros (about 1,900 million yen), and income of 764,000 Euros (about 100 million yen) for the current year.

STELCO's main customers include automotive manufacturers (around 40%), the telecommunication industry (around 20%) and the industrial & medical sector (around 16%). The main sales areas are in Germany and the rest of Europe; sales in Europe are about 90% of total sales.

Sumida products are expected to sell through STELCO's sales channels and network for accessing the European markets and other markets. Moreover, Sumida R&D staff is expected to work together with STELCO's R&D team to co-develop new products in the near future.

3. Summary of STELCO GmbH

Company Name	STELCO GmbH
Address	Kerschensteinerstraße 21, D-92318 Neumarkt/OPf., Germany
Representative	Cecil Baron von Hahn, Managing Director
Date of Establishment	December, 1999
Capital	€105, 250 (¥14,630,000)
Sales	FY 2003: €13,939 thousand (¥1,930million) FY 2004 Estimate: €14,890 thousand (¥2,070million)
Main Business	Manufacturing and sales of electronic components of automotive, communication and industrial machines
No. of Employees	140 (end of 2003)

[2] Establishment of Holding Company in Europe

1. Purpose

In order to vitalize the sales activities and increase SUMIDA CORPORATION presence in the European market, Sumida Holding Germany, a 100% subsidiary of SUMIDA COPORATION has been established to create plans and control Sumida's current and future business activities in Europe. It is a pure holding company to consolidate

statements and conduct Tax Planning as a financial enterprise for our associated company in order to achieve the international accounting standards of Europe.

2. Summary of Sumida Holding Germany GmbH

Company Name	Sumida Holding Germany GmbH
Address	Kerschensteinerstraße 21, D-92318 Neumarkt/Opf., Germany
Representative	Takanori Kikuchi, Managing Director (Sumida CEO strategy board Officer)
Date of Establishment	December 20, 2004
Capital	€25,000 (≈¥3,470,000)
Main Business	Holding Company in Europe

[3] Impact to Our Business

Since financial results of Sumida Holding Germany GmbH and STELCO GmbH will not be consolidated in this fiscal year 2004, there is no impact to the financial results of our business this year. Starting from fiscal year 2005, the financial results of these two companies will be consolidated, However, Sumida Holding Germany GmbH is a pure holding company, so its impact to the consolidated financial results is expected to be minimal (insignificant).

《Reference》

