

CONSOLIDATED FINANCIAL STATEMENTS

(for the second quarter of fiscal year 2010)

July 30, 2010

Name of Company: **SUMIDA CORPORATION**
 Stock Listing: Tokyo
 Security Code No.: 6817
 (URL <http://www.sumida.com>)
 Representative: Shigeyuki Yawata, CEO
 Contact: Saburo Matsuda, CFO
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 Date of Submission of Marketable Securities Filings: August 10, 2010
 Date on which Dividend Payments to Commence: August 23, 2010
 Supplementary materials to the quarterly financial statements have been prepared : No
 Presentation will be held to explain the quarterly financial statements: Yes

(Amounts are rounded to less than one million yen.)

1. Consolidated Operating Results through the Second Quarter of FY 2010 (January 1, 2010–June 30, 2010)

(1) Consolidated Operating Results (cumulative)

(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	%
First six months of FY2010	27,001	44.8	2,062	—	1,235	—	906	—
First six months of FY2009	18,645	(38.5)	(1,722)	—	(1,697)	—	(2,065)	—

	Net income per share (Basic)	Net income per share (Fully diluted)
	Yen	Yen
First six months of FY2010	47.13	-
First six months of FY2009	(107.49)	-

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2010	49,759	8,940	16.9	438.41
As of Dec. 31, 2009	54,505	11,068	19.2	545.55

Reference: Shareholders' equity at June 30, 2010: 8,423 millions of yen
 Shareholders' equity at December 31, 2009: 10,482 millions of yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended Dec.2009	5.00	5.00	5.00	5.00	20.00
FY ended Dec.2010	5.00	5.00	-	-	-
FY ended Dec.2010(forecast)	-	-	5.00	5.00	20.00

Note: Whether the dividend forecast under review has been revised: No

3. Forecast of Consolidated Results for FY 2010 (January 1, 2010–December 31, 2010)

(% 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
Fully year of FY2010	52,600	20.5	3,700	-	2,730	-	2,200	-	114.51

Note: Whether the forecasts for consolidated figures under review have been revised: Yes

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) Application of simplified accounting methods and/or special accounting method for preparation of the quarterly consolidated financial statements: Yes

(3) Changes in principles, procedures, methods of presentation, etc., related to the quarterly consolidated financial statements (Changes in material items that form the basis for the preparation and presentation of the quarterly consolidated financial statements):

(a) Changes accompanying revisions in accounting principles: Yes

(b) Changes other than those in (a) above: Yes

(4) Number of shares issued (common shares)

(a) Number of shares issued at the end of the period (including treasury stock)

1st Half of FY 2010 19,944,317 shares

FY 2009 19,944,317 shares

(b) Number of treasury stock at the end of the period

1st Half of FY 2010 731,913 shares

FY 2010 731,669 shares

(c) Average number of shares issued during the period (three months)

1st half of FY 2010 19,212,529 shares

1st Half of FY 2009 19,212,752 shares

Consolidated balance sheets

	(Millions of yen)	
	As of June 30, 2010	As of December 31, 2009 (Summary)
Assets		
Current assets		
Cash and deposits	6,295	9,317
Notes and accounts receivable-trade	11,256	10,423
Merchandise and finished goods	3,276	3,084
Work in process	805	718
Raw materials and supplies	3,073	2,692
Income taxes receivable	333	510
Other	1,714	1,915
Allowance for doubtful accounts	(34)	(40)
Total current assets	<u>26,718</u>	<u>28,619</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	10,992	12,063
Machinery, equipment and vehicles	24,176	26,300
Tools, furniture and fixtures	3,977	4,303
Land	1,522	1,633
Construction in progress	360	313
Accumulated depreciation	(27,357)	(29,324)
Total property, plant and equipment	<u>13,670</u>	<u>15,288</u>
Intangible assets		
Goodwill	3,019	3,838
Other	1,025	1,162
Total intangible assets	<u>4,044</u>	<u>5,000</u>
Investments and other assets	<u>5,213</u>	<u>5,503</u>
Total noncurrent assets	<u>22,927</u>	<u>25,791</u>
Deferred assets	114	95
Total assets	<u>49,759</u>	<u>54,505</u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,140	3,832
Short-term loans payable	18,649	18,484
Income taxes payable	362	366
Other	7,777	7,467
Total current liabilities	<u>30,928</u>	<u>30,149</u>
Noncurrent liabilities		
Bonds payable	2,495	4,075
Long-term loans payable	4,489	5,551
Provision for retirement benefits	757	1,050
Other	2,150	2,612
Total noncurrent liabilities	<u>9,891</u>	<u>13,288</u>
Total liabilities	<u>40,819</u>	<u>43,437</u>
Net assets		
Shareholders' equity		
Capital stock	7,217	7,217
Deposit for subscriptions to shares	7,030	7,030
Retained earnings	5,838	5,125
Treasury stock	(1,524)	(1,524)
Total shareholders' equity	<u>18,561</u>	<u>17,848</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	29	28
Foreign currency translation adjustment	(10,167)	(7,394)
Total valuation and translation adjustments	<u>(10,138)</u>	<u>(7,366)</u>
Minority interests	517	586
Total net assets	<u>8,940</u>	<u>11,068</u>
Total liabilities and net assets	<u>49,759</u>	<u>54,505</u>

Consolidated statements of income

(Millions of yen)

	First six months of FY2009 (Jan.1, 2009-Jun.30, 2009)	First six months of FY2010 (Jan.1, 2010-Jun.30, 2010)
Net sales	18,645	27,001
Cost of sales	15,991	20,669
Gross profit	2,654	6,332
Selling, general and administrative expenses		
Freightage and packing expenses	240	312
Employees' salaries and allowances	1,528	1,400
Depreciation	284	188
Research and development expenses	602	557
Other	1,722	1,813
Total selling, general and administrative expenses	4,376	4,270
Operating income (loss)	(1,722)	2,062
Non-operating income		
Interest and dividends income	23	14
Foreign exchange gains	71	-
Gain on valuation of derivatives	180	-
Other	140	59
Total non-operating income	414	73
Non-operating expenses		
Interest expenses	318	305
Foreign exchange losses	-	520
Loss on valuation of derivatives	-	23
Other	71	52
Total non-operating expenses	389	900
Ordinary income (loss)	(1,697)	1,235
Extraordinary income		
Gain on sales of noncurrent assets	3	1
Gain on sales of investment securities	189	0
Total extraordinary income	192	1
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	5	10
Business structure improvement expenses	423	4
Loss on valuation of inventories	400	-
Other	86	0
Total extraordinary losses	914	14
Income (loss) before income taxes and minority interests	(2,419)	1,222
Income taxes	(341)	266
Minority interests in income (loss)	(13)	50
Net income (loss)	(2,065)	906

Consolidated statements of cash flows

(Millions of yen)

	First six months of FY2009 (Jan.1, 2009-Jun.30, 2009)	First six month of FY2010 (Jan.1, 2010-Jun.30, 2010)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(2,419)	1,222
Depreciation and amortization	1,503	1,287
Amortization of goodwill	147	162
Interest and dividends income	(23)	(14)
Interest expenses	318	305
Foreign exchange losses (gains)	(144)	(22)
(Gain) Loss on sales of investment securities	(189)	(0)
Business structure improvement expenses	423	4
Loss (gain) on sales and retirement of noncurrent assets	400	-
Loss (gain) on valuation of derivatives	(180)	23
Decrease (increase) in notes and accounts receivable-trade	99	(1,726)
Decrease (increase) in inventories	2,223	(1,360)
Increase (decrease) in notes and accounts payable-trade	134	654
Other, net	(1,652)	196
Subtotal	640	731
Interest and dividends income received	23	14
Interest expenses paid	(277)	(277)
Income taxes (paid) refund	455	(92)
Net cash provided by (used in) operating activities	841	376
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	409	278
Payments into time deposits	(142)	(182)
Purchase of property, plant and equipment	(393)	(937)
Collection of loans receivable	780	19
Proceeds from sales of investment securities	(86)	-
Purchase of stocks of subsidiaries and affiliates	134	122
Other, net	(143)	59
Net cash provided by (used in) investing activities	559	(641)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,650)	247
Proceeds from long-term loans payable	3,900	50
Repayment of long-term loans payable	(1,193)	(1,423)
Proceeds from issuance of bonds	3,421	-
Redemption of bonds	(8,040)	(550)
Cash dividends paid	(289)	(192)
Other, net	(13)	(29)
Net cash provided by (used in) financing activities	(3,864)	(1,897)
Effect of exchange rate change on cash and cash equivalents	520	(714)
Net increase (decrease) in cash and cash equivalents	(1,944)	(2,876)
Cash and cash equivalents at beginning of period	10,502	9,063
Cash and cash equivalents at end of period	8,558	6,187

Segment information

[Business segments]

For the first six months ended June 30, 2009 (Jan. 1, 2009 - Jun. 30, 2009)

	Asia Pacific Business	EU Business	Environment /Energy Business	Total	Elimination or corporate	Consolidated
	<i>(Millions of yen)</i>	<i>(Millions of yen)</i>	<i>(Millions of yen)</i>	<i>(Millions of yen)</i>	<i>(Millions of yen)</i>	<i>(Millions of yen)</i>
Sales						
(1)Sales to third parties	10,365	6,680	1,600	18,645	-	18,645
(2) Inter-segment sales or transfers	274	237	0	511	(511)	-
Total	10,639	6,917	1,600	19,156	(511)	18,645
Operating income (loss)	252	(800)	88	(460)	(1,262)	(1,722)

For the first six months ended June 30, 2010 (Jan. 1, 2010 - Jun. 30, 2010)

	Asia Pacific Business	EU Business	Environment /Energy Business	Total	Elimination or corporate	Consolidated
	<i>(Millions of yen)</i>	<i>(Millions of yen)</i>	<i>(Millions of yen)</i>	<i>(Millions of yen)</i>	<i>(Millions of yen)</i>	<i>(Millions of yen)</i>
Sales						
(1)Sales to third parties	14,701	9,530	2,770	27,001	-	27,001
(2) Inter-segment sales or transfers	443	516	72	1,031	(1,031)	-
Total	15,144	10,046	2,842	28,032	(1,031)	27,001
Operating income (loss)	2,483	668	76	3,227	(1,165)	2,062

[Geographic segment information]

For the first six months ended June 30, 2009 (Jan. 1, 2009 - Jun. 30, 2009)

	Japan	Hong Kong/China	Taiwan/Korea	ASEAN	NAFTA	EU	Total	Elimination or corporate	Consolidated
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
Sales									
(1) Sales to third parties	3,002	5,951	254	2,027	1,193	6,218	18,645	-	18,645
(2) Inter-segment sales or transfers	661	3,873	0	64	109	113	4,820	(4,820)	-
Total	3,663	9,824	254	2,091	1,302	6,331	23,465	(4,820)	18,645
Operating income (loss)	(92)	594	(19)	35	(132)	(778)	(392)	(1,330)	(1,722)

For the first six months ended June 30, 2010 (Jan. 1, 2010 - Jun. 30, 2010)

	Japan	Hong Kong/China	Taiwan/Korea	ASEAN	NAFTA	EU	Total	Elimination or corporate	Consolidated
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
Sales									
(1) Sales to third parties	5,439	7,664	523	2,299	2,450	8,626	27,001	-	27,001
(2) Inter-segment sales or transfers	780	6,791	0	83	227	365	8,246	(8,246)	-
Total	6,219	14,455	523	2,382	2,677	8,991	35,247	(8,246)	27,001
Operating income (loss)	384	1,994	(4)	108	227	502	3,211	(1,149)	2,062

[Overseas sales]

For the first six months ended June 30, 2009 (Jan. 1, 2009 - Jun. 30, 2009)

	Hong Kong/China	ASEAN	Taiwan/Korea	NAFTA	EU	Other	Total
Overseas sales (millions of yen)	2,878	2,051	489	1,512	8,602	97	15,629
Consolidated net sales (millions of yen)							18,645
Overseas sales as a percentage of consolidated net sales(%)	15.5	11.0	2.6	8.1	46.1	0.5	83.8

For the first six months ended June 30, 2010 (Jan. 1, 2010 - Jun. 30, 2010)

	Hong Kong/China	ASEAN	Taiwan/Korea	NAFTA	EU	Other	Total
Overseas sales (millions of yen)	3,961	2,313	614	2,956	11,640	70	21,553
Consolidated net sales (millions of yen)							27,001
Overseas sales as a percentage of consolidated net sales(%)	14.7	8.6	2.3	10.9	43.1	0.3	79.9