

CONSOLIDATED FINANCIAL STATEMENTS

(for the fiscal year 2009, ended December 31, 2009)

Name of Company : **SUMIDA CORPORATION**
 Address of Head Office : Asahi Building, 3-12-2, Nihonbashi, Chuo-ku, Tokyo, Japan , 103-8589
 Stock Listing : Tokyo Stock Exchange , First Section
 Security Cord No.: 6817
 Representative : Mr. Shigeyuki Yawata, CEO
 Contact : Mr. Saburo Matsuda, CFO
 Phone: +81-(0)3-3272-7101
 Date of General Meeting of Shareholders : March 20, 2010
 Date of Submission of Marketable Securities Filings : March 23, 2010
 Date on which Dividend Payments to Commence : March 5, 2010

1. CONSOLIDATED OPERATING RESULTS FOR FY 2009 ENDED DECEMBER 31, 2009

(1) Results of operations

	Net sales		Operating income		Ordinary income	
	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
FY ended Dec. 31, 2009	43,653	(21.7)	(233)	-	(774)	-
FY ended Dec. 31, 2008	55,734	(20.6)	2,167	(54.0)	(146)	-

	Net income		Net income per share (Basic)		Net income per share (Fully diluted)	
	Millions of yen	% Change	Yen		Yen	
FY ended Dec. 31, 2009	(2,009)	-	(104.57)		-	
FY ended Dec. 31, 2008	(5,743)	-	(298.91)		-	

	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
FY ended Dec. 31, 2009	(16.6%)	(1.3%)	(0.5%)
FY ended Dec. 31, 2008	(27.1%)	(0.2%)	3.9%

Notes: Equity method earnings for the year ended December 31, 2009 - Millions of yen
 Equity method earnings for the year ended December 31, 2008 - Millions of yen

(2) FINANCIAL CONDITIONS

	Total assets	Net assets	Equity ratio	Net assets per shares
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of Dec. 31, 2009	54,505	11,068	19.2	545.55
As of Dec. 31, 2008	60,814	14,700	22.7	718.04

Notes: Shareholders' equity at December 31, 2009 10,482 Millions of yen
 Shareholders' equity at December 31, 2008 13,795 Millions of yen

(3) Results of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from operating activities	Balance of cash & cash equivalents
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY ended Dec. 31, 2009	1,888	(129)	(3,530)	9,063
FY ended Dec. 31, 2008	2,015	(1,687)	2,717	10,502

2. Dividends

	Dividends per shares				
	End of 1st Quarter Yen	End of 2nd Quarter Yen	End of 3rd Quarter Yen	End of 4th Quarter Yen	Total Yen
FY ended Dec. 31, 2009	5.00	5.00	5.00	5.00	20.00
FY ended Dec. 31, 2008	10.00	10.00	10.00	10.00	40.00
FY ended Dec.31, 2010 (Forecast)	5.00	5.00	5.00	5.00	20.00

	Total dividends	Dividends ratio	Ratio of dividends to net assets (Consolidated)
	Millions of yen	(%)	(%)
FY ended Dec. 31, 2009	384	-	3.2
FY ended Dec. 31, 2008	768	-	3.4
FY ended Dec.31, 2010 (Forecast)		19.2	

3. CONSOLIDATED FORECASTS FOR THE YEAR ENDING DECEMBER 31, 2010 (January 1, 2010 - December 31, 2010)

	Net sales		Operating income		Ordinary income	
	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
2nd Quarter (YTD)	24,400	30.9	1,360	-	1,060	-
FY2010	50,000	14.5	3,000	-	2,700	-

	Net income		Net income per share (Basic)	
	Millions of yen	% Change	Yen	
2nd Quarter (YTD)	890	-	46.32	
FY2010	2,000	-	104.10	

4. Others

(1) Changes in the state of material subsidiaries during the period (changes regarding specific subsidiaries attendant with change in scope of consolidation):

Newly consolidated subsidiaries: Sumida Finance B.V., Concord Electronics Industries
Exclusion consolidated subsidiaries: SUMIDA DE MEXICO, S.A. C.V.

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

(a) Changes related to revisions in accounting principles: Yes

(b) Changes aside from those in (a) above: None

(3) Number of shares issued (common stock):

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

Fiscal year ended December 31, 2009: 19,944,317

Fiscal year ended December 31, 2008: 19,944,317

(b) Number of treasury shares at the end of the period:

Fiscal year ended December 31, 2009: 731,669

Fiscal year ended December 31, 2008: 731,545

Consolidated balance sheets

	As of December 31, 2008 (Millions of yen)	As of December 31, 2009 (Millions of yen)
Assets		
Current assets		
Cash and deposits	10,855	9,317
Notes and accounts receivable-trade	8,305	10,423
Inventories	7,813	—
Merchandise and finished goods	—	3,084
Work in process	—	718
Raw materials and supplies	—	2,692
Deferred tax assets	457	377
Income taxes receivable	719	510
Other	3,096	1,538
Allowance for doubtful accounts	(19)	(40)
Total current assets	31,226	28,619
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	11,157	12,063
Machinery, equipment and vehicles	22,512	26,300
Tools, furniture and fixtures	6,817	4,303
Land	1,744	1,633
Construction in progress	460	313
Accumulated depreciation	(26,035)	(29,324)
Total property, plant and equipment	16,655	15,288
Intangible assets		
Goodwill	5,275	3,838
Leasehold right	555	565
Software	175	127
Other	640	470
Total intangible assets	6,645	5,000
Investments and other assets		
Investment securities	946	481
Deferred tax assets	3,350	3,614
Other	1,948	1,411
Allowance for doubtful accounts	—	(3)
Total investments and other assets	6,244	5,503
Total noncurrent assets	29,544	25,791
Deferred assets		
Business commencement expenses	24	20
Bond issuance cost	20	75
Total deferred assets	44	95
Total assets	60,814	54,505
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,684	3,832
Short-term loans payable	18,174	18,484
Current portion of bonds	430	1,090
Current portion of current portion of bonds with subscription rights to shares	7,770	—
Current portion of long-term loans payable	2,075	2,886
Accounts payable-other	1,122	1,279
Accrued expenses	2,793	1,580
Income taxes payable	129	366
Deferred tax liabilities	330	—
Forward exchange contracts	1,196	—
Other	603	632
Total current liabilities	37,306	30,149
Noncurrent liabilities		
Bonds payable	1,815	4,075
Long-term loans payable	3,923	5,551
Deferred tax liabilities	527	443
Provision for retirement benefits	779	1,050
Provision for directors' retirement benefits	32	29
Lease obligations	787	670
Other	945	1,470
Total noncurrent liabilities	8,808	13,288
Total liabilities	46,114	43,437
Net assets		
Shareholders' equity		
Capital stock	7,217	7,217
Capital surplus	7,030	7,030
Retained earnings	9,423	5,125
Treasury stock	(1,524)	(1,524)
Total shareholders' equity	22,146	17,848
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	21	28
Deferred gains or losses on hedges	(198)	—
Foreign currency translation adjustment	(8,174)	(7,394)
Total valuation and translation adjustments	(8,351)	(7,366)
Minority interests	905	586
Total net assets	14,700	11,068
Total liabilities and net assets	60,814	54,505

Consolidated statements of income

	FY2008.12 (Jan.1, 2008-Dec.31, 2008) (Millions of yen)	FY2009.12 (Jan.1, 2009-Dec.31, 2009) (Millions of yen)
Net sales	55,734	43,653
Cost of sales	42,898	35,075
Gross profit	12,836	8,578
Selling, general and administrative expenses		
Freightage and packing expenses	814	577
Employees' salaries and allowances	3,666	2,870
Depreciation	755	551
Experiment and research expenses	1,424	1,110
Provision of allowance for doubtful accounts	35	21
Other	3,975	3,682
Total selling, general and administrative expenses	10,669	8,811
Operating income (loss)	2,167	(233)
Non-operating income		
Interest and dividends income	140	42
Revised gain on fair value	41	—
Gain on valuation of derivatives	—	190
Other	113	134
Total non-operating income	294	366
Non-operating expenses		
Interest expenses	426	650
Foreign exchange losses	1,703	146
Loss on valuation of derivatives	388	—
Other	90	111
Total non-operating expenses	2,607	907
Ordinary loss	(146)	(774)
Extraordinary income		
Gain on sales of noncurrent assets	15	14
Gain on sales of investment securities	1	190
Other	1	79
Total extraordinary income	17	283
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	102	112
Business structure improvement expenses	1,884	1,185
Loss on valuation of investment securities	404	—
Adjustment subcontracting expenses	425	—
Loss on liquidation of business	281	—
Impairment loss	129	—
Revised loss on sale of affiliated companies	418	428
VTA arrears	205	—
Other	253	149
Total extraordinary losses	4,101	1,874
Loss before income taxes and minority interests	(4,230)	(2,365)
Income taxes-current	107	309
Income taxes for prior periods	1,265	—
Income taxes-deferred	125	(723)
Total income taxes	1,497	(414)
Minority interests in income	16	58
Net loss	(5,743)	(2,009)

Consolidated statements of changes in net assets

	FY2008.12 (Jan.1, 2008-Dec.31, 2008) (Millions of yen)	FY2009.12 (Jan.1, 2009-Dec.31, 2009) (Millions of yen)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	7,217	7,217
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	<u>7,217</u>	<u>7,217</u>
Capital surplus		
Balance at the end of previous period	7,030	7,030
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	<u>7,030</u>	<u>7,030</u>
Retained earnings		
Balance at the end of previous period	15,934	9,423
Changes of items during the period		
Dividends from surplus	(768)	(481)
Net loss	(5,743)	(2,009)
Disposal of treasury stock	-	-
Effect of changes in accounting policies applied to foreign subsidiaries	—	(1,808)
Total changes of items during the period	<u>(6,511)</u>	<u>(4,298)</u>
Balance at the end of current period	<u>9,423</u>	<u>5,125</u>
Treasury stock		
Balance at the end of previous period	(1,524)	(1,524)
Changes of items during the period		
Purchase of treasury stock	-	-
Disposal of treasury stock	-	-
Total changes of items during the period	-	-
Balance at the end of current period	<u>(1,524)</u>	<u>(1,524)</u>
Total shareholders' equity		
Balance at the end of previous period	28,657	22,146
Changes of items during the period		
Dividends from surplus	(768)	(481)
Net loss	(5,743)	(2,009)
Purchase of treasury stock	-	-
Disposal of treasury stock	-	-
Effect of changes in accounting policies applied to foreign subsidiaries	—	(1,808)
Total changes of items during the period	<u>(6,511)</u>	<u>(4,298)</u>
Balance at the end of current period	<u>22,146</u>	<u>17,848</u>

	FY2008.12 (Jan.1, 2008-Dec.31, 2008) (Millions of yen)	FY2009.12 (Jan.1, 2009-Dec.31, 2009) (Millions of yen)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(82)	21
Changes of items during the period		
Net changes of items other than shareholders' equity	103	7
Total changes of items during the period	103	7
Balance at the end of current period	21	28
Deferred gains or losses on hedges		
Balance at the end of previous period	(27)	(198)
Changes of items during the period		
Net changes of items other than shareholders' equity	(171)	198
Total changes of items during the period	(171)	198
Balance at the end of current period	(198)	—
Revaluation reserve for land		
Changes of items during the period		
Foreign currency translation adjustment		
Balance at the end of previous period	6	(8,174)
Changes of items during the period		
Net changes of items other than shareholders' equity	(8,180)	780
Total changes of items during the period	(8,180)	780
Balance at the end of current period	(8,174)	(7,394)
Total valuation and translation adjustments		
Balance at the end of previous period	(103)	(8,351)
Changes of items during the period		
Net changes of items other than shareholders' equity	(8,248)	985
Total changes of items during the period	(8,248)	985
Balance at the end of current period	(8,351)	(7,366)
Subscription rights to shares		
Changes of items during the period		
Minority interests		
Balance at the end of previous period	1,365	905
Changes of items during the period		
Net changes of items other than shareholders' equity	(460)	(319)
Total changes of items during the period	(460)	(319)
Balance at the end of current period	905	586
Total net assets		
Balance at the end of previous period	29,919	14,700
Changes of items during the period		
Dividends from surplus	(768)	(481)
Net loss	(5,743)	(2,009)
Purchase of treasury stock	-	-
Disposal of treasury stock	-	-
Effect of changes in accounting policies applied to foreign subsidiaries	—	(1,808)
Net changes of items other than shareholders' equity	(8,708)	666
Total changes of items during the period	(15,219)	(3,632)
Balance at the end of current period	14,700	11,068

Consolidated statements of cash flows

	FY2008.12 (Jan. 1, 2008-Dec. 31, 2008) (Millions of yen)	FY2009.12 (Jan. 1, 2009-Dec. 31, 2009) (Millions of yen)
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	(4,230)	(2,365)
Depreciation and amortization	3,362	3,035
Amortization of goodwill	119	323
Increase (decrease) in provision for retirement benefits	(40)	(55)
Payments for directors' retirement benefits	(95)	(32)
Interest and dividends income	(140)	(42)
Interest expenses	426	650
Foreign exchange losses (gains)	935	(30)
Loss (gain) on sales of investment securities	(1)	(190)
Loss (gain) on valuation of derivatives	388	(190)
Business structure improvement expenses	1,682	549
Impairment loss	129	—
Loss on liquidation of business	225	—
Other extraordinary loss	224	149
Other extraordinary income	(1)	(79)
Loss (gain) on valuation of investment securities	404	—
Loss (gain) on sales and retirement of noncurrent assets	87	98
Decrease (increase) in notes and accounts receivable-trade	3,963	(1,283)
Decrease (increase) in inventories	592	1,690
Increase (decrease) in notes and accounts payable-trade	(1,833)	767
Decrease (increase) in accounts receivable-other	(374)	917
Increase (decrease) in accounts payable-other	(167)	36
Increase (decrease) in unearned revenue	(253)	(189)
Other, net	(1,220)	(1,673)
Subtotal	4,182	2,086
Interest and dividends income received	140	42
Interest expenses paid	(423)	(581)
Income taxes (paid) refund	(1,884)	341
Net cash provided by (used in) operating activities	2,015	1,888
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	271	688
Payments into time deposits	(1)	(283)
Purchase of property, plant and equipment	(2,964)	(1,100)
Proceeds from sales of property, plant and equipment	237	46
Purchase of stocks of subsidiaries and affiliates	(453)	(566)
Proceeds from sales of stocks of subsidiaries and affiliates	1,743	—
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	62	355
Proceeds from liquidation of subsidiaries and affiliates	57	—
Collection of loans receivable	207	251
Proceeds from sales of investment securities	227	690
Purchase of investment securities	(839)	(11)
Purchase of intangible assets	(42)	(99)
Other, net	(192)	(100)
Net cash provided by (used in) investing activities	(1,687)	(129)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	2,634	146
Proceeds from long-term loans payable	1,700	4,520
Repayment of long-term loans payable	(1,634)	(2,592)
Repayments of finance lease obligations	(28)	(54)
Proceeds from issuance of bonds	1,177	3,421
Redemption of bonds	(105)	(8,490)
Payment by purchase of treasury bonds	(230)	—
Cash dividends paid	(768)	(481)
Cash dividends paid to minority shareholders	(29)	—
Purchase and proceeds from sales of treasury stock	-	—
Net cash provided by (used in) financing activities	2,717	(3,530)
Effect of exchange rate change on cash and cash equivalents	(1,899)	332
Net increase (decrease) in cash and cash equivalents	1,146	(1,439)
Cash and cash equivalents at beginning of period	9,356	10,502
Cash and cash equivalents at end of period	10,502	9,063

【Business segment information】

	Year ended December 31, 2008					Consolidated
	Asia Pacific Business	EU Business	Environment Energy Business	Total	Elimination or corporate	
	<i>(Millions of yen)</i>					
I. Sales and operating income(loss)						
Sales						
(1) Sales to third parties	¥32,136	¥22,438	¥1,160	¥55,734	-	¥55,734
(2) Inter-segment sales or transfers	840	126	-	966	¥(966)	-
Total sales	32,976	22,564	1,160	56,700	(966)	55,734
Operating expense	28,614	22,058	1,193	51,865	1,702	53,567
Operating income(loss)	¥4,362	¥506	¥(33)	¥4,835	¥(2,668)	¥2,167
II. Assets, depreciation, impairment loss and capital expenditure						
Total assets	¥25,456	¥22,879	¥4,784	¥53,119	¥7,695	¥60,814
Depreciation	1,542	1,703	57	3,302	60	3,362
Impairment loss	129	-	-	129	-	129
Capital expenditure	¥2,018	¥1,028	¥133	¥3,179	¥17	¥3,196
※Operating expenses in the "Elimination or corporate" consist of followings: (Millions of yen)						
Headquarter expenses		¥1,244				
Fundamental research and development costs charge to headquarters		1,424				
Elimination		(966)				
Total		¥1,702				

	Year ended December 31, 2009					Consolidated
	Asia Pacific Business	EU Business	Environment Energy Business	Total	Elimination or corporate	
	<i>(Millions of yen)</i>					
I. Sales and operating income(loss)						
Sales						
(1) Sales to third parties	¥24,114	¥15,092	¥4,447	¥43,653	-	¥43,653
(2) Inter-segment sales or transfers	580	709	8	1,297	¥(1,297)	-
Total sales	24,694	15,801	4,455	44,950	(1,297)	43,653
Operating expense	22,063	16,529	4,179	42,771	1,115	43,886
Operating income(loss)	¥2,631	¥(728)	¥276	¥2,179	¥(2,412)	¥(233)
II. Assets, depreciation, impairment loss and capital expenditure						
Total assets	¥24,819	¥19,852	¥5,496	¥50,167	¥4,338	¥54,505
Depreciation	1,545	1,236	195	2,976	59	3,035
Impairment loss	-	-	-	-	-	-
Capital expenditure	¥440	¥633	¥70	¥1,143	¥56	¥1,199
※Operating expenses in the "Elimination or corporate" consist of followings: (Millions of yen)						
Headquarter expenses		¥1,298				
Fundamental research and development costs charge to headquarters		1,110				
Elimination		(1,293)				
Total		¥1,115				