

CONSOLIDATED FINANCIAL STATEMENTS
(for the fiscal year 2010.12 ended December 31, 2010)

February 18, 2011

Name of Company: **SUMIDA CORPORATION**
 Stock Listing: Tokyo
 Security Code No.: 6817
 (URL <http://www.sumida.com>)
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 Phone: +81-(0) 3-3272-7100
 Date of Annual General Meeting of Shareholders: March 19, 2011
 Date of Submission of Marketable Securities Filings: March 22, 2011
 Date on which Dividend Payments to Commence: March 4, 2011

(Note: Amounts of less than one million yen are omitted)

1. Consolidated Operating Results for the FY 2009.12 Ended December 31, 2010

(1) Consolidated Operating Results

(Percentages represent changes compared with the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%
FY ended Dec. 2010	53,445	22.4	3,569	—	2,241	—	2,210	—
FY ended Dec. 2009	43,652	—	(233)	—	(773)	—	(2,009)	—

	Net income per share (Basic)		Net income per share (Fully diluted)	
	<i>Yen</i>		<i>Yen</i>	
FY ended Dec. 2010	115.05		-	
FY ended Dec. 2009	(104.57)		-	

	Ratio of Net income to Shareholders' Equity	Ratio of Ordinary income to Total Assets	Ratio of Operating Income to Net sales
	<i>Yen</i>	<i>Yen</i>	<i>Yen</i>
FY ended Dec. 2010	23.50	4.3	6.7
FY ended Dec. 2009	(16.60)	(1.3)	(0.5)

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio	Net assets per share
	<i>Millions of yen</i>	<i>Millions of yen</i>	%	<i>Yen</i>
As of Dec. 31, 2010	49,410	8,848	16.8	433.22
As of Dec. 31, 2009	54,505	11,068	19.2	545.55

Reference: Shareholders' equity at December 30, 2010: 8,323 millions of yen

Shareholders' equity at December 31, 2009: 10,482 millions of yen

(3) Results of cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Balance of Cash and Cash Equivalents
	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>Millions of yen</i>
FY ended Dec. 2010	3,095	(1,794)	(2,191.0)	7,275.00
FY ended Dec. 2009	1,888	(128)	(3,529.0)	9,064.00

2. Dividends

	Dividends per Share					Total Dividends (Annual)	Dividend Ratio (Consolidated)	Ratio of Dividends to Net Assets (Consolidated)
	End of First Quarter	End of Second Quarter	End of Third Quarter	End of Fiscal Year	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY ended Dec. 2009	5.00	5.00	5.00	5.00	20.00	384	—	3.2
FY ended Dec. 2010	5.00	5.00	5.00	10.00	25.00	480	21.7	5.1
FY ending Dec. 2011 (Forecast)	7.00	7.00	7.00	7.00	28.00		20.7	

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

3. Forecast of Consolidated Results for FY 2011 (January 1, 2011–December 31, 2011)

(% 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
FY2011	55,000	2.9	4,000	12.0	3,330	48.6	2,600	17.6	135.32

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: 1 (Sumida America Manufacturing, Inc.)

(2) Application of simplified accounting methods and/or special accounting method for preparation of the quarterly consolidated financial statements: No

(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: No

(b) Changes other than those in (a) above: No

(4) Number of shares issued (common shares)

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

FY 2010 19,944,317 shares

FY 2009 19,944,317 shares

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

FY 2010 731,940 shares

FY 2009 731,669 shares

(Additional Information)

Non-Consolidated Operating Results for the FY 2010.12 Ended December 31, 2010

(1) Non-consolidated results of operations

(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	%
FY ended Dec. 2010	708	83	192	—	(265)	—	244	—
FY ended Dec. 2009	387	—	(133)	—	(90)	—	(117)	—

	Net income per share (Basic)	Net income per share (Fully diluted)
	Yen	Yen
FY ended Dec. 2010	12.74	-
FY ended Dec. 2009	(6.11)	-

(2) Non-consolidated financial conditions

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Dec. 31, 2010	45,228	16,664	36.8	867.40
As of Dec. 31, 2009	46,893	16,799	35.8	874.42

Reference: Shareholders' equity at December 30, 2010: 16,664 millions of yen

Shareholders' equity at December 31, 2009: 16,799 millions of yen

Consolidated balance sheets

(Unit: Millions of yen)

	As of December 31, 2009	As of December 31, 2010
Assets		
Current assets		
Cash and deposits	9,317	7,399
Notes and accounts receivable-trade	10,422	10,086
Merchandise and finished goods	3,083	3,853
Work in process	717	816
Raw materials and supplies	2,691	3,037
Deferred tax assets	377	589
Income taxes receivable	509	305
Other	1,539	1,103
Allowance for doubtful accounts	(40)	(22)
Total current assets	<u>28,619</u>	<u>27,168</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	12,063	10,804
Machinery, equipment and vehicles	26,299	22,573
Tools, furniture and fixtures	4,303	3,811
Land	1,633	1,456
Construction in progress	313	511
Accumulated depreciation	(29,324)	(26,044)
Total property, plant and equipment	<u>15,288</u>	<u>13,112</u>
Intangible assets		
Goodwill	3,837	2,896
Leasehold right	565	492
Software	126	68
Other	470	396
Total intangible assets	<u>5,000</u>	<u>3,854</u>
Investments and other assets		
Investment securities	480	443
Deferred tax assets	3,613	3,837
Other	1,411	903
Allowance for doubtful accounts	(3)	(6)
Total investments and other assets	<u>5,501</u>	<u>5,178</u>
Total noncurrent assets	<u>25,790</u>	<u>22,145</u>
Deferred assets		
Business commencement expenses	19	45
Bond issuance cost	74	51
Total deferred assets	<u>94</u>	<u>96</u>
Total assets	<u><u>54,504</u></u>	<u><u>49,410</u></u>

(Unit: Millions of yen)

	As of December 31, 2009	As of December 31, 2010
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,831	3,995
Short-term loans payable	18,483	19,073
Current portion of bonds	1,090	1,960
Current portion of long-term loans payab	2,885	2,723
Accounts payable-other	1,278	833
Accrued expenses	1,579	1,470
Income taxes payable	366	365
Deferred tax liabilities	—	2
Other	633	893
Total current liabilities	30,149	31,318
Noncurrent liabilities		
Bonds payable	4,075	2,115
Long-term loans payable	5,550	4,376
Deferred tax liabilities	443	354
Provision for retirement benefits	1,050	756
Provision for directors' retirement benefi	28	—
Lease obligations	669	499
Other	1,469	1,141
Total noncurrent liabilities	13,287	9,243
Total liabilities	43,436	40,561
Net assets		
Shareholders' equity		
Capital stock	7,216	7,216
Capital surplus	7,029	7,029
Retained earnings	5,125	6,951
Treasury stock	(1,524)	(1,524)
Total shareholders' equity	17,847	19,673
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	27	33
Foreign currency translation adjustment	(7,394)	(11,384)
Total valuation and translation adjustmer	(7,366)	(11,350)
Minority interests	586	525
Total net assets	11,068	8,848
Total liabilities and net assets	54,504	49,410

Consolidated statements of income

(Unit: Millions of yen)

	FY 2009.12 (Jan. 1, 2009 - Dec. 31, 2009)	FY 2010.12 (Jan. 1, 2010 - Dec. 31, 2010)
Net sales	43,652	53,445
Cost of sales	35,074	41,191
Gross profit	8,577	12,253
Selling, general and administrative expenses		
Freightage and packing expenses	576	655
Employees' salaries and allowances	2,869	2,840
Depreciation	551	353
Research and development expenses	1,110	1,069
Provision of allowance for doubtful accounts	21	—
Other	3,682	3,765
Total selling, general and administrative	8,811	8,683
Operating income (loss)	(233)	3,569
Non-operating income		
Interest and dividends income	41	30
Gain on valuation of derivatives	189	—
Other	134	92
Total non-operating income	366	122
Non-operating expenses		
Interest expenses	650	599
Foreign exchange losses	146	507
Loss on valuation of derivatives	—	227
Other	110	116
Total non-operating expenses	906	1,450
Ordinary income (loss)	(773)	2,241
Extraordinary income		
Gain on sales of noncurrent assets	13	7
Gain on sales of investment securities	190	0
Other	79	0
Total extraordinary income	283	8
Extraordinary loss		
Loss on sales and retirement of noncurrent	112	32
Business structure improvement expenses	1,185	40
Impairment loss	—	94
Revises loss on sale of affiliated companies	428	—
Other	148	25
Total extraordinary losses	1,874	193
Income (loss) before income taxes and minority	(2,365)	2,056
Income taxes-current	309	460
Income taxes-deferred	(723)	(702)
Total income taxes	(413)	(242)
Minority interests in income	57	88
Net income (loss)	(2,009)	2,210

Consolidated statements of changes in net assets

	(Unit: Millions of yen)	
	FY 2009.12	FY 2010.12
	(Jan. 1, 2009 - Dec. 31, 2009)	(Jan. 1, 2010 - Dec. 31, 2010)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	7,216	7,216
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	7,216	7,216
Capital surplus		
Balance at the end of previous period	7,029	7,029
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	7,029	7,029
Retained		
Balance at the end of previous period	9,422	5,125
Effect of changes in accounting policies applied to foreign	(1,807)	—
Changes of items during the period		
Dividends from surplus	(480)	(384)
Net income (loss)	(2,009)	2,210
Disposal of treasury stock	-	-
Total changes of items during the period	(2,489)	1,826
Balance at the end of current period	5,125	6,951
Treasury stock		
Balance at the end of previous period	(1,524)	(1,524)
Changes of items during the period		
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	0	0
Total changes of items during the period	(0)	(0)
Balance at the end of current period	(1,524)	(1,524)
Total shareholders' equity		
Balance at the end of previous period	22,145	17,847
Effect of changes in accounting policies applied to foreign	(1,807)	—
Changes of items during the period		
Dividends from surplus	(480)	(384)
Net income (loss)	(2,009)	2,210
Purchase of treasury stock	-	-
Disposal of treasury stock	-	-
Total changes of items during the period	(2,489)	1,826
Balance at the end of current period	17,847	19,673

	(Unit: Millions of yen)	
	FY 2009.12	FY 2010.12
	(Jan. 1, 2009 - Dec. 31, 2009)	(Jan. 1, 2010 - Dec. 31, 2010)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	20	27
Changes of items during the period		
Net changes of items other than shareholders'	7	5
Total changes of items during the period	7	5
Balance at the end of current period	27	33
Deferred gains or losses on hedges		
Balance at the end of previous period	(197)	
Changes of items during the period		
Net changes of items other than shareholders'	197	—
Total changes of items during the period	197	—
Foreign currency translation adjustment		
Balance at the end of previous period	(8,172)	(7,394)
Changes of items during the period		
Net changes of items other than shareholders'	778	(3,990)
Total changes of items during the period	778	(3,990)
Balance at the end of current period	(7,394)	(11,384)
Total valuation and translation adjustments		
Balance at the end of previous period	(8,349)	(7,366)
Changes of items during the period		
Net changes of items other than shareholders'	983	(3,984)
Total changes of items during the period	983	(3,984)
Balance at the end of current period	(7,366)	(11,350)
Subscription rights to shares		
Changes of items during the period		
Minority interests		
Balance at the end of previous period	904	586
Changes of items during the period		
Net changes of items other than shareholders'	(318)	(60)
Total changes of items during the period	(318)	(60)
Balance at the end of current period	586	525
Total net assets		
Balance at the end of previous period	14,700	11,068
Effect of changes in accounting policies applied to foreign	(1,807)	—
Changes of items during the period		
Dividends from surplus	(480)	(384)
Net income (loss)	(2,009)	2,210
Purchase of treasury stock	-	-
Disposal of treasury stock	-	-
Net changes of items other than shareholders' equity	665	(4,045)
Total changes of items during the period	(1,824)	(2,219)
Balance at the end of current period	11,068	8,848

Consolidated statements of cash flows

(Unit: Millions of yen)

	FY 2009.12 (Jan. 1, 2009 - Dec. 31, 2009)	FY 2010.12 (Jan. 1, 2010 - Dec. 31, 2010)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(2,365)	2,056
Depreciation and amortization	3,035	2,515
Amortization of goodwill	322	308
Increase (decrease) in provision for retirement benefits	(54)	(15)
Payments for directors' retirement benefits	(32)	(28)
Interest and dividends income	(41)	(30)
Interest expenses	650	599
Foreign exchange losses (gains)	(30)	27
Loss (gain) on sales of investment securities	(190)	0
Loss (gain) on valuation of derivatives	(189)	227
Business structure improvement expenses	549	40
Impairment loss	—	94
Other extraordinary loss	148	—
Other extraordinary income	(79)	—
Loss (gain) on sales and retirement of noncurrent assets	98	24
Decrease (increase) in notes and accounts receivable-trade	(1,283)	(835)
Decrease (increase) in inventories	1,690	(2,193)
Increase (decrease) in notes and accounts payable-trade	767	698
Decrease (increase) in accounts receivable-other	917	(67)
Increase (decrease) in accounts payable-other	35	(154)
Increase (decrease) in unearned revenue	(188)	—
Other, net	(1,674)	599
Subtotal	<u>2,085</u>	<u>3,867</u>
Interest and dividends income received	41	30
Interest expenses paid	(580)	(533)
Income taxes (paid) refund	341	(268)
Net cash provided by (used in) operating activities	<u>1,888</u>	<u>3,095</u>
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	688	318
Payments into time deposits	(283)	(213)
Purchase of property, plant and equipment	(1,100)	(2,177)
Proceeds from sales of property, plant and equipment	45	178
Purchase of intangible assets	(99)	(126)
Purchase of stocks of subsidiaries and affiliates	(565)	(27)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	355	—
Collection of loans receivable	251	261
Proceeds from sales of investment	690	30
Purchase of investment securities	(11)	0
Other, net	(99)	(40)
Net cash provided by (used in) investing	<u>(128)</u>	<u>(1,794)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans	147	672
Proceeds from long-term loans payable	4,520	1,550
Repayment of long-term loans payable	(2,591)	(2,885)
Repayments of finance lease obligations	(53)	(53)
Proceeds from issuance of bonds	3,421	—
Redemption of bonds	(8,490)	(1,090)
Cash dividends paid	(480)	(384)
Purchase and proceeds from sales of	0	0
Net cash provided by (used in) financing	<u>(3,529)</u>	<u>(2,191)</u>
Effect of exchange rate change on cash and cash	<u>331</u>	<u>(897)</u>
Net increase (decrease) in cash and cash	<u>(1,438)</u>	<u>(1,788)</u>
Cash and cash equivalents at beginning of period	<u>10,502</u>	<u>9,064</u>
Cash and cash equivalents at end of period	<u>9,064</u>	<u>7,275</u>

【Business segment information】

	Year ended December 31, 2009					
	Asia Pacific Business	EU Business	Environment Energy Business	Total	Elimination or corporate	Consolidated
	<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

	Year ended December 31, 2010					
	Asia Pacific Business	EU Business	Environment Energy Business	Total	Elimination or corporate	Consolidated
	<i>(Millions of yen)</i>					
I . Sales and operating income(loss)						
Sales						
(1)Sales to third parties	¥29,536	¥18,688	¥5,220	¥53,445	-	¥53,445
(2) Inter-segment sales or transfers	1,064	1,027	220	2,313	¥(2,313)	-
Total sales	30,601	19,715	5,441	55,758	(2,313)	53,445
Operating expense	25,953	18,347	5,354	49,655	220	49,875
Operating income(loss)	¥4,648	¥1,368	¥86	¥6,103	¥(2,533)	¥3,569
II . Assets, depreciation, impairment loss and capital expenditure						
Total assets	¥24,566	¥17,794	¥4,794	¥47,155	¥2,255	¥49,410
Depreciation	1,291	970	192	2,454	60	2,515
Impairment loss	-	36	58	94	-	94
Capital expenditure	¥1,334	¥778	¥127	¥2,239	¥63	¥2,303

【Geographic segment information】

For the year ended December 31, 2009 (Jan. 1, 2009 - December. 31, 2009)

	Japan	Hong Kong /China	Taiwan /Korea	Asean	NAFTA	EU	Total	Elimination or corporate	Consolidated
	<i>(Millions of yen)</i>								
I Sales and operating income (loss)									
Sales									
(1) Sales to third parties	8,013	13,061	644	4,760	3,239	13,933	43,652	—	43,652
(2) Inter-segment sales and transfer	1,335	9,868	-	154	404	243	12,006	(12,006)	—
Total	9,348	22,929	645	4,915	3,643	14,176	55,659	(12,006)	43,652
Operating expense	8,967	20,543	671	4,624	3,602	15,011	53,422	(9,536)	43,886
Operating income (loss)	381	2,386	(26)	290	40	(835)	2,236	(2,470)	(233)
II Total assets	21,415	17,072	74	2,521	2,286	17,789	61,159	(6,654)	54,504

For the year ended December 31, 2010 (Jan. 1, 2010 - December. 31, 2010)

	Japan	Hong Kong /China	Taiwan /Korea	Asean	NAFTA	EU	Total	Elimination or corporate	Consolidated
	<i>(Millions of yen)</i>								
I Sales and operating income (loss)									
Sales									
(1) Sales to third parties	11,302	15,247	1,100	4,275	4,824	16,694	53,445	—	53,445
(2) Inter-segment sales and transfer	1,552	13,874	5	250	464	783	16,931	(16,931)	—
Total	12,855	29,122	1,105	4,526	5,289	17,478	70,377	(16,931)	53,445
Operating expense	12,028	25,409	1,124	4,370	4,911	16,435	64,279	(14,404)	49,875
Operating income (loss)	826	3,712	(18)	156	377	1,042	6,097	(2,527)	3,569
II Total assets	22,187	16,758	480	2,528	2,155	27,284	71,394	(21,984)	49,410

【Overseas sales】

For the year ended December 31, 2009 (Jan. 1, 2009 - Dec. 31, 2009)

	Hong Kong /China	ASEAN	Taiwan /Korea	NAFTA	EU	Other	Total
Overseas sales (millions of yen)	6,370	4,806	1,042	4,154	19,040	197	35,611
Consolidated net sales (millions of yen)							43,652
Overseas sales as a percentage of consolidated net sales(%)	14.6	11.0	2.4	9.5	43.6	0.5	81.6

For the year ended December 31 2010 (Jan. 1, 2010 - Dec. 31, 2010)

	Hong Kong /China	ASEAN	Taiwan /Korea	NAFTA	EU	Other	Total
Overseas sales (millions of yen)	7,852	4,296	1,280	5,810	22,745	137	42,123
Consolidated net sales (millions of yen)							53,445
Overseas sales as a percentage of consolidated net sales(%)	14.7	8.0	2.4	10.9	42.6	0.2	78.8