

CONSOLIDATED FINANCIAL STATEMENTS(Japan GAAP) (Non-audited)

(for the second quarter of fiscal year 2011)

July 29, 2011

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
 Phone : +81-(0) 3-3272-7100

Date of Submission of Marketable Securities Filings : August 10, 2011

Date on which Dividend Payments to Commence : August 23, 2011

Supplementary materials to the quarterly financial statements have been prepared : Yes

Presentation will be held to explain the quarterly financial statements: Yes (for institutional investors, analysts)

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

1. Consolidated Operating Results through the Second Quarter of FY 2011 (January 1, 2011–June 30, 2011)

(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 FY2011	27,140	0.5	1,279	(38.0)	1,208	(2.2)	691	(23.7)
First six months of FY2010	27,001	44.8	2,062	—	1,234	—	905	—

	Net income per share (Basic)	Net income per share (Fully diluted)
	Yen	Yen
First six months of FY2011	35.99	-
First six months of FY2010	47.13	-

(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, 2011	51,436	9,893	18.2	487.10
As of Dec. 31, 2010	49,410	8,848	16.8	433.22

Reference: Shareholders' equity at June 30, 2011: 9,358 millions of yen

Shareholders' equity at December 31, 2010: 8,323 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.2010	5.00	5.00	5.00	10.00	25.00
FY ended Dec.2011	7.00	7.00	-	-	-
FY ended Dec.2011(forecast)	-	-	7.00	7.00+α	28.00+α

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
Fully year of FY2011	55,000	2.9	4,000	12.0	3,330	48.6	2,600	17.6	135.32

Note: Whether the forecasts for consolidated figures under review have been revise : No

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 2011 19,944,317 shares

FY 2010 19,944,317 shares

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

1st Half of FY 2011 731,990 shares

FY 2010 731,940 shares

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

1st half of FY 2011 19,212,343 shares

1st Half of FY 2010 19,212,621 shares

Consolidated quarterly balance sheets

	(unit : Millions of yen)	
	As of June 30, 2011	As of December 31, 2010 (Summary)
Assets		
Current assets		
Cash and deposits	6,837	7,399
Notes and accounts receivable-trade	11,421	10,086
Merchandise and finished goods	4,189	3,853
Work in process	1,028	816
Raw materials and supplies	3,367	3,037
Income taxes receivable	237	305
Other	1,723	1,692
Allowance for doubtful accounts	(34)	(22)
Total current assets	28,771	27,168
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	10,046	10,804
Machinery, equipment and vehicles	23,675	22,573
Tools, furniture and fixtures	3,902	3,811
Land	1,339	1,456
Lease assets	887	—
Construction in progress	656	511
Accumulated depreciation	(27,062)	(26,044)
Total property, plant and equipment	13,445	13,112
Intangible assets		
Goodwill	2,971	2,896
Other	945	957
Total intangible assets	3,917	3,854
Investments and other assets	5,225	5,178
Total noncurrent assets	22,587	22,145
Deferred assets	77	96
Total assets	51,436	49,410

	(unit : Millions of yen)	
	As of June 30, 2011	As of December 31, 2010 (Summary)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,948	3,995
Short-term loans payable	19,919	19,073
Income taxes payable	393	365
Other	8,165	7,884
Total current liabilities	32,426	31,318
Noncurrent liabilities		
Bonds payable	1,400	2,115
Long-term loans payable	4,959	4,376
Provision for retirement benefits	812	756
Other	1,944	1,995
Total noncurrent liabilities	9,116	9,243
Total liabilities	41,542	40,561
Net assets		
Shareholders' equity		
Capital stock	7,216	7,216
Capital surplus	7,029	7,029
Retained earnings	7,313	6,951
Treasury stock	(1,524)	(1,524)
Total shareholders' equity	20,035	19,673
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	36	33
Foreign currency translation adjustment	(10,713)	(11,384)
Total valuation and translation adjustments	(10,677)	(11,350)
Minority interests	535	525
Total net assets	9,893	8,848
Total liabilities and net assets	51,436	49,410

Consolidated quarterly statements of income

	(Unit : Millions of yen)	
	First six months of FY2010 (Jan.1, 2010-Jun.30, 2010)	First six months of FY2011 (Jan.1, 2011-Jun.30, 2011)
Net sales	27,001	27,140
Cost of sales	20,669	21,715
Gross profit	6,331	5,424
Selling, general and administrative expenses		
Freightage and packing expenses	311	315
Employees' salaries and allowances	1,399	1,465
Depreciation	187	137
Research and development expenses	556	538
Other	1,814	1,687
Total selling, general and administrative expenses	4,269	4,145
Operating income	2,062	1,279
Non-operating income		
Interest and dividends income	14	80
Foreign exchange gains	—	138
Gain on valuation of derivatives	—	10
Other	58	35
Total non-operating income	72	264
Non-operating expenses		
Interest expenses	304	268
Foreign exchange losses	519	—
Loss on valuation of derivatives	23	—
Other	52	66
Total non-operating expenses	900	335
Ordinary income	1,234	1,208
Extraordinary income		
Gain on sales of noncurrent assets	1	21
Reversal of impairment loss	—	74
Gain on sales of investment securities	0	0
Other	0	2
Total extraordinary income	1	98
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	10	9
Business structure improvement expenses	3	167
Loss on disaster	—	51
Other	0	13
Total extraordinary losses	13	242
Income before income taxes and minority interests	1,222	1,064
Income taxes	266	343
Income before minority interests	—	721
Minority interests in income	50	29
Net income	905	691

Consolidated quarterly statements of income

	(Unit : Millions of yen)	
	2nd Quarter of FY2010 (Apr.1, 2010-Jun.30, 2010)	2nd Quarter of FY2011 (Apr.1, 2011-Jun.30, 2011)
Net sales	14,107	13,880
Cost of sales	10,885	11,068
Gross profit	3,221	2,812
Selling, general and administrative expenses		
Freightage and packing expenses	168	162
Employees' salaries and allowances	723	778
Depreciation	92	70
Research and development expenses	282	275
Other	917	865
Total selling, general and administrative expenses	2,184	2,151
Operating income	1,036	661
Non-operating income		
Interest and dividends income	7	73
Insurance return	11	—
Other	14	25
Total non-operating income	33	98
Non-operating expenses		
Interest expenses	157	138
Foreign exchange losses	301	7
Loss on valuation of derivatives	142	39
Other	21	30
Total non-operating expenses	621	216
Ordinary income	447	542
Extraordinary income		
Gain on sales of noncurrent assets	1	5
Gain on sales of investment securities	0	—
Total extraordinary income	1	5
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	5	2
Business structure improvement expenses	—	70
Other	—	9
Total extraordinary losses	5	83
Income before income taxes and minority interests	443	464
Income taxes	163	177
Income before minority interests	—	287
Minority interests in income	26	15
Net income	253	272

Consolidated quarterly statements of cash flows

(Unit : Millions of yen)

	First six months of FY2010 (Jan.1, 2010-Jun.30, 2010)	First six months of FY2011 (Jan.1, 2011-Jun.30, 2011)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,222	1,064
Depreciation and amortization	1,286	1,084
Amortization of goodwill	162	149
Interest and dividends income	(14)	(80)
Interest expenses	304	268
Foreign exchange losses (gains)	(22)	(0)
Loss (gain) on sales of investment securities	(0)	(0)
Business structure improvement expenses	4	167
Loss (gain) on valuation of derivatives	23	(10)
Reversal of impairment loss	—	(74)
Decrease (increase) in notes and accounts receivable-trade	(1,726)	(1,060)
Decrease (increase) in inventories	(1,359)	(707)
Increase (decrease) in notes and accounts payable-trade	653	(108)
Other, net	197	(199)
Subtotal	731	496
Interest and dividends income received	14	80
Interest expenses paid	(277)	(256)
Income taxes (paid) refund	(92)	(210)
Net cash provided by (used in) operating activities	376	108
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	277	20
Payments into time deposits	(181)	(15)
Purchase of property, plant and equipment	(937)	(1,184)
Proceeds from sales of investment securities	18	21
Purchase of stocks of subsidiaries and affiliates	—	(54)
Collection of loans receivable	122	1
Other, net	59	50
Net cash provided by (used in) investing activities	(641)	(1,160)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	246	782
Proceeds from long-term loans payable	50	2,700
Repayment of long-term loans payable	(1,422)	(1,236)
Redemption of bonds	(550)	(1,580)
Cash dividends paid	(191)	(326)
Other, net	(28)	(24)
Net cash provided by (used in) financing activities	(1,896)	314
Effect of exchange rate change on cash and cash equivalents	(715)	186
Net increase (decrease) in cash and cash equivalents	(2,876)	(550)
Cash and cash equivalents at beginning of period	9,064	7,275
Cash and cash equivalents at end of period	6,187	6,725

Segment information**[Business segments]**

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
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Sales						
(1)Sales to third parties	14,701	9,530	2,769	27,001	-	27,001
(2) Inter-segment sales or transfers	443	516	71	1,030	(1,030)	-
Total	15,144	10,046	2,841	28,032	(1,030)	27,001
Operating income (loss)	2,482	668	75	3,226	(1,164)	2,062

[Geographic segment information]

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	7,663	523	2,298	2,450	8,625	27,001	-	27,001
(2) Inter-segment sales or transfers	779	6,791	0	83	227	364	8,246	(8,246)	-
Total	6,218	14,454	523	2,382	2,677	8,990	35,247	(8,246)	27,001
Operating income (loss)	383	1,994	(3)	108	226	501	3,211	(1,149)	2,062

[Overseas sales]

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	2,312	613	2,956	11,639	69	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

Segment information

For the First six month of FY2011 (Jan. 1, 2011 - Jun. 30, 2011)

	Asia Pacific	EU	Total
	<i>(Millions of yen)</i>	<i>Millions of yen</i>	<i>Millions of yen</i>
Sales			
(1)Sales to third parties	17,052	10,088	27,140
(2) Inter-segment sales or transfers	494	570	1,064
Total	17,546	10,658	28,205
Segment profit	1,466	871	2,338

For the First six month of FY2011 (Jan. 1, 2011 - Jun. 30, 2011)

Operating income	Amount
	<i>(Millions of yen)</i>
Segment profit	2,338
Eliminations	(1,058)
Operating income	1,279

Supplementary Information

Beginning with the first quarter of the fiscal year ending December 31, 2011, "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, issued on March 27, 2009) and the "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, issued on March 21, 2008) have been applied.

Notes Regarding Major Changes in Shareholders' Equity

None