

CONSOLIDATED FINANCIAL STATEMENTS

(for the fiscal year 2011 ended December 31, 2011)

February 17, 2012

Name of Company: **SUMIDA CORPORATION**
 Stock Listing: Tokyo
 Security Code No.: 6817
 (URL <http://www.sumida.com>)
 Representative: Shigeyuki Yawata, CEO
 Contact: Yoshiyuki Honda, CFO
 Phone: +81-(0) 3-3272-7100
 Date of Annual General Meeting of Shareholders: March 20, 2012
 Date of Submission of Marketable Securities Filings: March 21, 2012
 Date on which Dividend Payments to Commence: -

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

1. Consolidated Operating Results for the FY 2011.12 Ended December 31, 2011

(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. 2011	52,759	(1.3)	2,110	(40.9)	1,294	(42.3)	496	(77.5)
FY ended Dec. 2010	53,445	22.4	3,569	-	2,241	-	2,210	-

Note: Comprehensive income at December 31, 2011: (996) millions of yen (- %)
 Comprehensive income at December 31, 2010: (1,684) millions of yen (- %)

	Net income per share (Basic)	Net income per share (Fully diluted)
	<i>Yen</i>	<i>Yen</i>
FY ended Dec. 2011	25.85	-
FY ended Dec. 2010	115.05	-

	Ratio of Net income to Shareholders' Equity	Ratio of Ordinary income to Total Assets	Ratio of Operating Income to Net sales
	%	%	%
FY ended Dec. 2011	6.6	2.7	4.0
FY ended Dec. 2010	23.5	4.3	6.7

(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, 2011	47,497	7,186	14.1	348.92
As of Dec. 31, 2010	49,410	8,848	16.8	433.22

Reference: Shareholders' equity at December 31, 2011: 6,703 millions of yen
 Shareholders' equity at December 31, 2010: 8,323 millions of yen

(3) Results of consolidated 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. 2011	1,536	(2,493)	1,160	6,851
FY ended Dec. 2010	3,095	(1,794)	(2,191)	7,275

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. 2010	5.00	5.00	5.00	10.00	25.00	480	21.7	5.1
FY ended Dec. 2011	7.00	7.00	6.00	0.00	20.00	384	77.4	5.1
FY ending Dec. 2012 (Forecast)	5.00	5.00	5.00	5.00	20.00		57.8	

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

3. Forecast of Consolidated Results for FY 2012 (January 1, 2012–December 31, 2012)

(% change figures for net sales, 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
FY2012	52,100	(1.2)	1,900	(10.0)	1,224	(5.4)	665	33.9	34.61

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) Changes in principles, procedures, methods of presentation, 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 accompanying revisions in accounting principles: Yes

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

- (3) Number of shares issued (common shares)

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

FY 2011 19,944,317 shares

FY 2010 19,944,317 shares

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

FY 2011 732,085 shares

FY 2010 731,940 shares

(C) Average number of shares issued during the period

FY 2011 19,212,300 shares

FY 2010 19,212,477 shares

(Additional Information)

Non-Consolidated Operating Results for the FY 2011 Ended December 31, 2011

(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	
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%
FY ended Dec. 2011	1,337	88.7	860	346.3	594	-	515	110.6
FY ended Dec. 2010	708	83.0	192	-	(265)	-	244	-

	Net income per share (Basic)		Net income per share (Fully diluted)	
	<i>Yen</i>		<i>Yen</i>	
FY ended Dec. 2011	26.84		-	
FY ended Dec. 2010	12.74		-	

(2) Non-consolidated financial conditions

	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, 2011	43,594	16,598	38.1	863.97
As of Dec. 31, 2010	45,228	16,664	36.8	867.40

Reference: Shareholders' equity at December 31, 2011: 16,598 millions of yen
Shareholders' equity at December 31, 2010: 16,664 millions of yen

Notes:

Items related to the status of the implementation of auditing procedures

At the time of disclosure of these consolidated financial statements, auditing procedures were in progress for the financial statements based on the Financial Instruments and Exchange Act.

Explanation of the appropriate use of performance forecasts and other related items

Portions of this report that refer to performance forecasts or any other future events are believed to be reasonable under information available at the time of the forecasts. Actual financial results may materially differ from these forecasts due to potential risks and uncertainties.

Consolidated balance sheets

(Unit: Millions of yen)

	As of December 31, 2010	As of December 31, 2011
Assets		
Current assets		
Cash and deposits	7,399	6,912
Notes and accounts receivable-trade	10,086	9,580
Merchandise and finished goods	3,853	4,255
Work in process	816	862
Raw materials and supplies	3,037	2,909
Deferred tax assets	589	671
Income taxes receivable	305	304
Other	1,103	1,028
Allowance for doubtful accounts	(22)	(43)
Total current assets	27,168	26,481
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	10,804	9,495
Machinery, equipment and vehicles	22,573	22,790
Tools, furniture and fixtures	3,811	3,696
Land	1,456	1,275
Lease assets	—	851
Construction in progress	511	674
Accumulated depreciation	(26,044)	(25,878)
Total property, plant and equipment	13,112	12,905
Intangible assets		
Goodwill	2,896	2,447
Leasehold right	492	467
Software	68	57
Other	396	362
Total intangible assets	3,854	3,335
Investments and other assets		
Investment securities	443	415
Deferred tax assets	3,837	3,424
Other	903	871
Allowance for doubtful accounts	(6)	—
Total investments and other assets	5,178	4,711
Total noncurrent assets	22,145	20,952
Deferred assets		
Business commencement expenses	45	31
Bond issuance cost	51	31
Total deferred assets	96	63
Total assets	49,410	47,497

(Unit: Millions of yen)

	As of December 31, 2010	As of December 31, 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,995	3,397
Short-term loans payable	19,073	20,824
Current portion of bonds	1,960	1,065
Current portion of long-term loans payable	2,723	2,455
Accounts payable-other	833	669
Accrued expenses	1,470	1,289
Income taxes payable	365	180
Deferred tax liabilities	2	—
Other	893	732
Total current liabilities	31,318	30,613
Noncurrent liabilities		
Bonds payable	2,115	1,050
Long-term loans payable	4,376	6,357
Deferred tax liabilities	354	153
Provision for retirement benefits	756	716
Lease obligations	499	510
Other	1,141	908
Total noncurrent liabilities	9,243	9,697
Total liabilities	40,561	40,310
Net assets		
Shareholders' equity		
Capital stock	7,216	7,216
Capital surplus	7,029	7,029
Retained earnings	6,951	6,871
Treasury stock	(1,524)	(1,524)
Total shareholders' equity	19,673	19,593
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	33	23
Foreign currency translation adjustment	(11,384)	(12,914)
Total accumulated other comprehensive income	(11,350)	(12,890)
Minority interests	525	483
Total net assets	8,848	7,186
Total liabilities and net assets	49,410	47,497

Consolidated statements of income

(Unit: Millions of yen)

	FY 2010.12	FY 2011.12
	(Jan. 1, 2010 - Dec. 31, 2010)	(Jan. 1, 2011 - Dec. 31, 2011)
Net sales	53,445	52,759
Cost of sales	41,191	42,656
Gross profit	12,253	10,102
Selling, general and administrative expenses		
Freightage and packing expenses	655	607
Employees' salaries and allowances	2,840	2,835
Depreciation	353	274
Research and development expenses	1,069	1,049
Other	3,765	3,225
Total selling, general and administrative expenses	8,683	7,992
Operating income	3,569	2,110
Non-operating income		
Interest and dividends income	30	—
Interest income	—	39
Dividends income	—	61
Gain on valuation of derivatives	—	29
Other	92	58
Total non-operating income	122	189
Non-operating expenses		
Interest expenses	599	532
Foreign exchange losses	507	235
Loss on valuation of derivatives	227	—
Other	116	237
Total non-operating expenses	1,450	1,005
Ordinary income	2,241	1,294
Extraordinary income		
Gain on sales of noncurrent assets	7	42
Reversal of impairment loss	—	74
Gain on sales of investment securities	0	0
Other	0	2
Total extraordinary income	8	119
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	32	19
Business structure improvement expenses	40	268
Impairment loss	94	—
Loss on change in equity	—	53
Loss on disaster	—	136
Other	25	58
Total extraordinary losses	193	537
Income before income taxes and minority interests	2,056	876
Income taxes-current	460	280
Income taxes-deferred	(702)	52
Total income taxes	(242)	333
Income before minority interests	—	543
Minority interests in income	88	46
Net income	2,210	496

Consolidated statements of comprehensive income

(Unit: Millions of yen)

	FY 2010.12	FY 2011.12
	(Jan. 1, 2010 - Dec. 31, 2010)	(Jan. 1, 2011 - Dec. 31, 2011)
Income before minority interests	—	543
Other comprehensive income		
Valuation difference on available-for-sale securities	—	(9)
Foreign currency translation adjustment	—	(1,530)
Total other comprehensive income	—	(1,539)
Comprehensive income	—	(996)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	—	(1,043)
Comprehensive income attributable to minority interests	—	46

Consolidated statements of changes in net assets

	(Unit: Millions of yen)	
	FY 2010.12 (Jan. 1, 2010 - Dec. 31,	FY 2011.12 (Jan. 1, 2011 - Dec. 31,
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 earnings		
Balance at the end of previous period	5,125	6,951
Changes of items during the period		
Dividends from surplus	(384)	(576)
Net income	2,210	496
Disposal of treasury stock	0	—
Total changes of items during the period	1,826	(79)
Balance at the end of current period	6,951	6,871
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)	—
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	17,847	19,673
Changes of items during the period		
Dividends from surplus	(384)	(576)
Net income	2,210	496
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	0	—
Total changes of items during the period	1,826	(79)
Balance at the end of current period	19,673	19,593

	(Unit: Millions of yen)	
	FY 2010.12	FY 2011.12
	(Jan. 1, 2010 - Dec. 31,	(Jan. 1, 2011 - Dec. 31,
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	27	33
Changes of items during the period		
Net changes of items other than shareholders' equity	5	(9)
Total changes of items during the period	5	(9)
Balance at the end of current period	33	23
Foreign currency translation adjustment		
Balance at the end of previous period	(7,394)	(11,384)
Changes of items during the period		
Net changes of items other than shareholders' equity	(3,990)	(1,530)
Total changes of items during the period	(3,990)	(1,530)
Balance at the end of current period	(11,384)	(12,914)
Total accumulated other comprehensive income		
Balance at the end of previous period	(7,366)	(11,350)
Changes of items during the period		
Net changes of items other than shareholders' equity	(3,984)	(1,539)
Total changes of items during the period	(3,984)	(1,539)
Balance at the end of current period	(11,350)	(12,890)
Minority interests		
Balance at the end of previous period	586	525
Changes of items during the period		
Net changes of items other than shareholders' equity	(60)	(42)
Total changes of items during the period	(60)	(42)
Balance at the end of current period	525	483
Total net assets		
Balance at the end of previous period	11,068	8,848
Changes of items during the period		
Dividends from surplus	(384)	(576)
Net income	2,210	496
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	0	—
Net changes of items other than shareholders' equity	(4,045)	(1,582)
Total changes of items during the period	(2,219)	(1,662)
Balance at the end of current period	8,848	7,186

Consolidated statements of cash flows

	(Unit: Millions of yen)	
	FY 2010.12	FY 2011.12
	(Jan. 1, 2010 - Dec. 31, 2010)	(Jan. 1, 2011 - Dec. 31, 2011)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,056	876
Depreciation and amortization	2,515	2,201
Amortization of goodwill	308	294
Increase (decrease) in provision for retirement benefits	(15)	17
Payments for directors' retirement benefits	(28)	—
Interest and dividends income	(30)	(101)
Interest expenses	599	532
Foreign exchange losses (gains)	27	(0)
Loss (gain) on sales of investment securities	(0)	—
Loss (gain) on valuation of derivatives	227	(29)
Reversal of impairment loss	—	(74)
Business structure improvement expenses	40	268
Impairment loss	94	—
Loss (gain) on sales and retirement of noncurrent assets	24	(22)
Decrease (increase) in notes and accounts receivable-trade	(835)	32
Decrease (increase) in inventories	(2,193)	(737)
Increase (decrease) in notes and accounts payable-trade	698	(422)
Decrease (increase) in accounts receivable-other	(67)	17
Increase (decrease) in accounts payable-other	(154)	(12)
Other, net	599	(389)
Subtotal	<u>3,867</u>	<u>2,450</u>
Interest and dividends income received	30	101
Interest expenses paid	(533)	(537)
Income taxes (paid) refund	(268)	(477)
Net cash provided by (used in) operating activities	<u>3,095</u>	<u>1,536</u>
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	318	94
Payments into time deposits	(213)	(18)
Purchase of property, plant and equipment	(2,177)	(2,530)
Proceeds from sales of property, plant and equipment	178	267
Purchase of intangible assets	(126)	(88)
Purchase of stocks of subsidiaries and affiliates	(27)	(113)
Collection of loans receivable	261	2
Proceeds from sales of investment securities	30	21
Purchase of investment securities	(5)	(5)
Other, net	(34)	(122)
Net cash provided by (used in) investing activities	<u>(1,794)</u>	<u>(2,493)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	672	2,063
Proceeds from long-term loans payable	1,550	5,600
Repayment of long-term loans payable	(2,885)	(3,887)
Repayments of finance lease obligations	(53)	(78)
Redemption of bonds	(1,090)	(1,960)
Cash dividends paid	(384)	(576)
Purchase and proceeds from sales of treasury stock	(0)	(0)
Net cash provided by (used in) financing activities	<u>(2,191)</u>	<u>1,160</u>
Effect of exchange rate change on cash and cash equivalents	(897)	(627)
Net increase (decrease) in cash and cash equivalents	<u>(1,788)</u>	<u>(424)</u>
Cash and cash equivalents at beginning of period	<u>9,064</u>	<u>7,275</u>
Cash and cash equivalents at end of period	<u>7,275</u>	<u>6,851</u>

【Segment information】

SUMIDA CORPORATION classifies its business into two reporting segments: Asia Pacific business & EU business

Year ended December 31, 2010

(Unit: Millions of yen)

	Reporting Segment			Eliminations	Consolidated
	Asia Pacific	EU	Total		
Net sales					
Sales to third parties	34,757	18,688	53,445	-	53,445
Internal-segment sales and transfers	1,018	1,027	2,046	(2,046)	-
Total	35,775	19,715	55,491	(2,046)	53,445
Segment income	4,724	1,368	6,092	(2,522)	3,569
Segment assets	27,879	17,794	45,674	3,736	49,410
Depreciation	1,484	970	2,454	60	2,515
Amortization of goodwill	18	289	308	-	308
Increase in property, plant and equipment and intangibles	1,461	778	2,239	63	2,303

Year ended December 31, 2011

(Unit: Millions of yen)

	Reporting Segment			Eliminations	Consolidated
	Asia Pacific	EU	Total		
Net sales					
Sales to third parties	33,845	18,913	52,759	-	52,759
Internal-segment sales and transfers	797	1,117	1,914	(1,914)	-
Total	34,642	20,031	54,673	(1,914)	52,759
Segment income	2,537	1,678	4,215	(2,105)	2,110
Segment assets	27,381	16,348	43,729	3,767	47,497
Depreciation	1,321	810	2,132	68	2,201
Amortization of goodwill	18	275	294	-	294
Increase in property, plant and equipment and intangibles	1,805	758	2,564	54	2,618

Related Information

For the year ended December 31, 2011 (January 1, 2011 - December 31, 2011)

1. Information by product and service

(Unit: Millions of yen)

	Automotive	Consumer	Industrial	Total
Sales to third parties	27,553	16,248	8,957	52,759

2. Information by geographical area

1) Net sales

(Unit: Millions of yen)

Japan	Germany	China	other	Total
12,037	12,146	5,082	23,493	52,759

2) Property, plant & equipment

(Unit: Millions of yen)

Japan	Hong Kong	Germany	other	Total
2,143	4,804	3,404	2,553	12,905

3. Information on Principal Customers

For the year ended December 31, 2011, there was no customer that accounted for more 10% of consolidated net sales.

Information on Impairment Losses on Noncurrent Assets by Reporting Segment

For the ended December 31, 2011 (January 1, 2011 - December 31, 2011)

(Unit: Millions of yen)

	Asia Pacific	EU	Eliminations	Total
Impairment Losses	12	-	-	12

Information related to amount of amortization of goodwill and the unamortized amount of goodwill by reporting segment

For the ended December 31, 2011 (January 1, 2011 - December 31, 2011)

(Unit: Millions of yen)

	Asia Pacific	EU	Eliminations	Total
Depreciation amount of the fiscal year ended December 31, 2011	18	275	-	294
Balance at the end of December 31, 2011	141	2,306	-	2,447

Information on profit arising from negative goodwill by reporting segment

For the year ended December 31, 2011 (January 1, 2011 - December 31, 2011)

None

Supplementary Information

For the year ended Dec. 31, 2011 (Jan. 1, 2011 - Dec. 31, 2011)

Beginning with the fiscal year ended December 31, 2011, "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ABS 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" (ABS Guidance No. 20, issued on March 21, 2008) have been applied.

Per Share Information

	FY2010.12 (Jan. 1, 2010 - Dec. 31, 2010)	FY2011.12 (Jan. 1, 2011 - Dec. 31, 2011)
Net assets per share	¥433.22	¥348.92
Net income per share (basic)	¥115.05	¥25.85
Net income per share adjustment for latent stock	—	—

Note: Basic for calculations of income per share as follows:

	FY2010.12 (Jan. 1, 2010 - Dec. 31, 2010)	FY2011.12 (Jan. 1, 2011 - Dec. 31, 2011)
Net income per share		
Net income (Millions of yen)	2,210	496
Value not attributed to common stock (Millions of yen)	—	—
Net income attributed to common stock (Millions of yen)	2,210	496
Average number of outstanding common stock during the period	19,212,477 shares	19,212,300 shares