

CONSOLIDATED FINANCIAL STATEMENTS

(for the second quarter of fiscal year 2012)

July 30, 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 Submission of quarterly Marketable Securities Filings: August 10, 2012

Date on which Dividend Payments to Commence: August 23, 2012

Supplementary Materials Prepared for the Financial Statements: Yes

Presentation Held to Explain the quarterly Financial Statements : Yes (for institutional investors and analysts)

(Amounts of less than one million yen are omitted.)

1. Consolidated Operating Results for the 2nd quarter of FY 2012 (January 1, 2012–June 30, 2012)

(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	%
2nd quarter of FY2012	25,721	(5.2)	750	(41.4)	373	(69.1)	126	(81.8)
2nd quarter of FY2011	27,140	0.5	1,279	(38.0)	1,208	(2.2)	691	(23.7)

Note: Comprehensive income at June, 2012: 411 millions of yen (70.5%)
 Comprehensive income at June, 2011: 1,394 millions of yen - %

	Net income per share (Basic)	Net income per share (Fully diluted)
	Yen	Yen
2nd quarter of FY2012	6.56	-
2nd quarter of FY2011	35.99	-

(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, 2012	45,939	7,530	15.2	363.29
As of Dec. 31, 2011	47,497	7,186	14.1	348.92

Reference: Shareholders' equity at June 30, 2012: 6,979 millions of yen
 Shareholders' equity at December 31, 2011: 6,703 millions of yen

2. Dividends

	Dividend per share				
	End of first half	End of second half	End of third half	End of fourth half	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended Dec.2011	7.00	7.00	6.00	0.00	20.00
FY ended Dec.2012	5.00	5.00	-	-	-
FY ended Dec.2012 (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 2012 (January 1, 2012–December 31, 2012)

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

Note: Whether the forecasts for consolidated figures under review have been revised: 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 special accounting method for preparation of the quarterly consolidated financial statements: Yes

(3) Changes in accounting principles, changes in accounting estimates, and restatements

(a) Changes in accounting principles accompanying revisions in accounting standards: None

(b) Changes in accounting principles other than those in (a) above: None

(c) Changes in accounting estimates: None

(d) Restatements: None

(4) Number of shares issued (common shares)

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

2nd quarter of FY 2012 19,944,317 share

FY 2011 19,944,317 share

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

2nd quarter of FY 2012 732,337 shares

FY 2011 732,085 shares

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

2nd quarter of FY 2012 19,212,073 shares

2nd quarter of FY 2011 19,212,343 shares

Note:

Items related to the status of the implementation of quarterly reviews

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

Note:

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 Financial Statements**(1) Consolidated quarterly balance sheets**

	(Millions of yen)	
	As of December 31, 2011	As of June 30, 2012
Assets		
Current assets		
Cash and deposits	6,912	4,531
Notes and accounts receivable-trade	9,580	10,299
Merchandise and finished goods	4,255	3,645
Work in process	862	911
Raw materials and supplies	2,909	2,885
Income taxes receivable	304	155
Other	1,700	2,050
Allowance for doubtful accounts	(43)	(36)
Total current assets	26,481	24,443
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	9,495	9,302
Machinery, equipment and vehicles	22,790	23,964
Tools, furniture and fixtures	3,696	3,745
Land	1,275	1,276
Lease assets	851	848
Construction in progress	674	819
Accumulated depreciation	(25,878)	(26,579)
Total property, plant and equipment	12,905	13,377
Intangible assets		
Goodwill	2,447	2,319
Other	887	678
Total intangible assets	3,335	2,998
Investments and other assets	4,711	5,037
Total noncurrent assets	20,952	21,413
Deferred assets	63	82
Total assets	47,497	45,939

	(Millions of yen)	
	As of December 31, 2011	As of June 30, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,397	3,451
Short-term loans payable	20,824	16,926
Income taxes payable	180	379
Other	6,211	5,301
Total current liabilities	30,613	26,058
Noncurrent liabilities		
Bonds payable	1,050	2,700
Long-term loans payable	6,357	7,566
Provision for retirement benefits	716	711
Other	1,572	1,372
Total noncurrent liabilities	9,697	12,350
Total liabilities	40,310	38,408
Net assets		
Shareholders' equity		
Capital stock	7,216	7,216
Capital surplus	7,029	7,029
Retained earnings	6,871	6,901
Treasury stock	(1,524)	(1,524)
Total shareholders' equity	19,593	19,623
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23	26
Foreign currency translation adjustment	(12,914)	(12,671)
Total accumulated other comprehensive income	(12,890)	(12,644)
Minority interests	483	551
Total net assets	7,186	7,530
Total liabilities and net assets	47,497	45,939

(2) Consolidated quarterly statements of (comprehensive) income

(Millions of yen)

	Six months Ended June 30, 2011 (from Jan.1, 2011 to Jun. 30, 2011)	Six months Ended June 30, 2012 (from Jan.1, 2012 to Jun. 30, 2012)
Net sales	27,140	25,721
Cost of sales	21,715	20,945
Gross profit	5,424	4,776
Selling, general and administrative expenses		
Freightage and packing expenses	315	287
Employees' salaries and allowances	1,465	1,521
Depreciation	137	125
Research and development expenses	538	581
Other	1,687	1,509
Total selling, general and administrative expenses	4,145	4,026
Operating income	1,279	750
Non-operating income		
Interest income	19	13
Dividends income	60	0
Foreign exchange gains	138	—
Gain on valuation of derivatives	10	39
Other	35	21
Total non-operating income	264	73
Non-operating expenses		
Interest expenses	268	322
Foreign exchange losses	—	57
Other	66	69
Total non-operating expenses	335	450
Ordinary income	1,208	373
Extraordinary income		
Gain on sales of noncurrent assets	21	217
Reversal of impairment loss	74	—
Insurance income	—	127
Other	2	3
Total extraordinary income	98	348
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	9	29
Business structure improvement expenses	167	69
Directors' severance pay	—	315
Loss on disaster	51	121
Other	13	40
Total extraordinary losses	242	576
Income before income taxes and minority interests	1,064	144
Income taxes	343	(20)
Income before minority interests	721	165
Minority interests in income	29	39
Net income	691	126

Consolidated quarterly statements of comprehensive income**(Millions of yen)**

	Six months Ended June 30, 2011 (from Jan.1, 2011 to Jun. 30, 2011)	Six months Ended June 30, 2012 (from Jan.1, 2012 to Jun. 30, 2012)
Consolidated quarterly statements of comprehensive income		
Income before minority interests	721	165
Other comprehensive income		
Valuation difference on available-for-sale securities	2	3
Deferred gains or losses on hedges		
Foreign currency translation adjustment	670	243
Total other comprehensive income	672	246
Comprehensive income	1,394	411
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,364	372
Comprehensive income attributable to minority interests	29	39

(3) Consolidated quarterly statements of cash flows

	(Millions of yen)	
	Six months Ended June 30, 2011	Six months Ended June 30, 2012
	(from Jan.1, 2011 to Jun. 30, 2011)	(from Jan.1, 2012 to Jun. 30, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,064	144
Depreciation and amortization	1,084	1,145
Amortization of goodwill	149	138
Interest and dividends income	(80)	(13)
Interest expenses	268	322
Foreign exchange losses (gains)	(0)	(0)
Loss (gain) on sales of investment securities	(0)	—
Business structure improvement expenses	167	69
Loss (gain) on valuation of derivatives	(10)	(39)
Reversal of impairment loss	(74)	—
Decrease (increase) in notes and accounts receivable-trade	(1,060)	(687)
Decrease (increase) in inventories	(707)	649
Increase (decrease) in notes and accounts payable-trade	(108)	33
Other, net	(198)	(213)
Subtotal	496	(1,551)
Interest and dividends income received	80	13
Interest expenses paid	(256)	(297)
Income taxes (paid) refund	(210)	(21)
Net cash provided by (used in) operating activities	108	1,245
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	20	28
Payments into time deposits	(15)	(3)
Purchase of property, plant and equipment	(1,184)	(1,582)
Proceeds from sales of property, plant and equipment	202	475
Proceeds from sales of investment securities	21	0
Purchase of stocks of subsidiaries and affiliates	(54)	(0)
Collection of loans receivable	1	0
Other, net	(151)	(126)
Net cash provided by (used in) investing activities	(1,160)	(1,208)
Net increase (decrease) in short-term loans payable	782	(4,004)
Proceeds from long-term loans payable	2,700	2,100
Repayment of long-term loans payable	(1,236)	(1,743)
Proceeds from issuance of bonds	—	2,000
Redemption of bonds	(1,580)	(715)
Cash dividends paid	(326)	(96)
Other, net	(24)	(19)
Net cash provided by (used in) financing activities	314	(2,479)
Effect of exchange rate change on cash and cash equivalents	186	67
Net increase (decrease) in cash and cash equivalents	(550)	(2,374)
Cash and cash equivalents at beginning of period	7,275	6,851
Cash and cash equivalents at end of period	6,725	4,477

Segment information

For the first second ended June30, 2011 (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

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

For the second quarter ended June 30, 2012 (Jan. 1, 2012 - Jun. 30, 2012)

	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	16,848	8,872	25,721
(2) Inter-segment sales or transfers	352	558	910
Total	17,201	9,431	26,632
Segment profit	1,183	713	1,897

Operating income	Amount
	<i>(Millions of yen)</i>
Segment profit	1,897
Eliminations	(1,147)
Operating income	750