

**CONSOLIDATED FINANCIAL STATEMENTS**  
(for the fiscal year 2012.12 ended December 31, 2012)

February 15, 2013

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, 2013  
 Date of Submission of Marketable Securities Filings: March 21, 2013  
 Date on which Dividend Payments to Commence: March 4, 2013  
 Supplementary Materials Prepared for the Financial Statements: Yes  
 Presentation Held to Explain the Financial Statements : Yes (for institutional investors and analysts)

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

**1. Consolidated Operating Results for the FY 2012.12 Ended December 31, 2012**

**(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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended Dec. 2012	51,300	(2.8)	1,706	(19.1)	1,100	(15.0)	691	39.2
FY ended Dec. 2011	52,759	(1.3)	2,110	(40.9)	1,294	(42.3)	496	(77.5)

Note: Comprehensive income for the year ended December 31, 2012 : 2,881 million yen (- %)

Comprehensive income for the year ended December 31, 2011 : (996 million yen) (- %)

	Net income per share (Basic)	Net income per share (Fully diluted)
	Yen	Yen
FY ended Dec. 2012	36.00	-
FY ended Dec. 2011	25.85	-

	Ratio of Net income to Shareholders' Equity	Ratio of Ordinary income to Total Assets	Ratio of Operating Income to Net sales
	Yen	Yen	Yen
FY ended Dec. 2012	8.7	2.3	3.3
FY ended Dec. 2011	6.6	2.7	4.0

**(2) Consolidated Financial Condition**

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Dec. 31, 2012	46,788	9,871	19.7	479.66
As of Dec. 31, 2011	47,497	7,186	14.1	348.92

Reference: Shareholders' equity at December 30, 2012: 9,215 millions of yen

Shareholders' equity at December 31, 2011: 6,703 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY ended Dec. 2012	3,003	(2,774)	(4,909)	2,557
FY ended Dec. 2011	1,536	(2,493)	1,160	6,851

## 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. 2011	7.00	7.00	6.00	0.00	20.00	384	77.4	5.1
FY ended Dec. 2012	5.00	5.00	5.00	5.00	20.00	384	55.6	4.8
FY ending Dec. 2013 (Forecast)	5.00	5.00	5.00	5.00	20.00			

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

## 3. Forecast of Consolidated Results for FY 2013.12 (January 1, 2013–December 31, 2013)

(% 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
FY2012	62,300	21.4	2,300	34.7	1,770	60.8	500	(27.7)	26.03

## 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 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)

FY 2012 19,944,317 shares

FY 2011 19,944,317 shares

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

FY 2012 732,361 shares

FY 2011 732,085 shares

(c) Average number of shares issued during the period:

FY 2012 19,212,021 shares

FY 2011 19,212,300 shares

(Additional Information)

Non-Consolidated Operating Results for the FY 2012.12 Ended December 31, 2012

(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. 2012	942	-29.5	492	-42.8	295	-50.4	(1,055)	-
FY ended Dec. 2011	1,337	88.7	860	346.3	594	—	515	110.6

	Net income per share (Basic)	Net income per share (Fully diluted)
	Yen	Yen
FY ended Dec. 2012	(54.93)	-
FY ended Dec. 2011	26.84	-

(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, 2012	37,839	15,255	40.3	794.05
As of Dec. 31, 2011	43,594	16,598	38.1	863.97

Reference: Shareholders' equity at December 31, 2012: 15,255 millions of yen

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

## **Business conditions for the fiscal year under review**

The global economy continued to experience gloomy developments during 2012, including the slowing European economy in spite of measures in EU member countries to address financial uncertainty and a lackluster U.S. economy despite indications of recovery as well as a trend of slowing economic growth in emerging countries, such as China, which had previously sustained good conditions, were no longer able to avoid the effects from the economic slowdown in the developed countries.

Looking at the electronic parts industry during the current fiscal year, although consumer electronics saw increased demand for smartphones and tablet PCs, no recovery in demand was observed for products for TVs and digital cameras, etc. Moreover, PC demand, which had been anticipated as a benefit of Windows 8 compatibility and the launch of new products such as the Ultrabook, was sluggish mainly as a result of market encroachment by tablet PCs and the effect of the economic slowdown. Demand in the industrial related products was sluggish for industrial equipment and construction machinery, which was partly attributable to the impact of the slowdown in capital expenditure in countries such as China. Meanwhile, demand for automotive related products remained firm, which was partly due to healthy new car sales and advancing automotive electrification as a result of the sales growth of hybrid vehicles and electric cars.

In this environment, the Sumida Group addressed the issues highlighted in Stage I (Realignment & Foundation Building) of the Mid-Term Business Plan, which the Company announced in the current fiscal year.

On the manufacturing side, the Group pushed ahead with reduction of indirect personnel, further automation of production lines for automotive related products, and production transfers to satellite plants, and also pressed forward with cost reductions such as direct labor costs.

In terms of sales, in the consumer electronics related products, the Sumida Group proceeded with specialization in growth segments with an emphasis on profitability.

With respect to finance, the Sumida Group effectively utilized funds within the Group, improved capital efficiency and accelerated the repayment of debt and reduction of interest bearing debt through cash pooling.

In terms of regions, the Sumida Group worked to strengthen R&D functions in North America and expand its business there. Moreover, as a strategy to expand its business in China, the Group boosted collaboration between teams in the U.S., Europe and Japan and aimed to strengthen design-in capabilities in those countries.

Despite the steady performance of automotive related products, overall net sales for the current fiscal year decreased by 2.8% to 51,300 million yen from the previous fiscal year, which was partly attributable to the appreciation in the average rate for the yen by 1.0% against the U.S. dollar and

8.4% against the euro compared to the previous fiscal year in addition to the sluggish performance in the consumer electronics related and industrial related products. Operating income decreased by 19.1% year on year to 1,706 million yen. Ordinary income decreased by 15.0% year on year to 1,100 million yen as a result of non-operating expenses, which included interest expenses. Net income increased by 39.2% year on year to 691 million yen because the amount of income taxes-deferred became a negative figure (which is a positive for net income).

The following is the business performance in the current fiscal year by segment. The Sumida Group is composed of the Asia Pacific Business and EU Business.

### **I. Asia Pacific Business**

Sales at the Asia Pacific Business for the current fiscal year increased by 0.3% year on year to 33,958 million yen because, in spite of the stagnation in consumer electronics related products with the exception of those for smartphones and tablet PCs, there was steady demand for automotive related products.

### **II. EU Business**

Sales at the EU Business for the current fiscal year decreased by 8.3% year on year to 17,342 million yen mainly due to the sluggish performance of the consumer electronics related and industrial related products and the impact from the euro's further weakness against the yen compared to the previous fiscal year, although there was steady business for automotive related products, including for luxury vehicles. Operating income decreased by 19.1% to 1,358 million yen.

## Consolidated balance sheets

	(Unit: Millions of yen)	
	<u>As of December 31, 2011</u>	<u>As of December 31, 2012</u>
Assets		
Current assets		
Cash and deposits	6,912	2,608
Notes and accounts receivable-trade	9,580	10,384
Merchandise and finished goods	4,255	4,230
Work in process	862	1,055
Raw materials and supplies	2,909	2,850
Deferred tax assets	671	540
Income taxes receivable	304	226
Other	1,028	1,438
Allowance for doubtful accounts	(43)	(58)
Total current assets	<u>26,481</u>	<u>23,277</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	9,495	10,211
Machinery, equipment and vehicles	22,790	26,664
Tools, furniture and fixtures	3,696	4,108
Land	1,275	1,292
Lease assets	851	958
Construction in progress	674	1,046
Accumulated depreciation	(25,878)	(29,508)
Total property, plant and equipment	<u>12,905</u>	<u>14,773</u>
Intangible assets		
Goodwill	2,447	2,402
Leasehold right	467	312
Software	57	95
Other	362	353
Total intangible assets	<u>3,335</u>	<u>3,164</u>
Investments and other assets		
Investment securities	415	535
Deferred tax assets	3,424	4,056
Other	871	865
Total investments and other assets	<u>4,711</u>	<u>5,457</u>
Total noncurrent assets	<u>20,952</u>	<u>23,395</u>
Deferred assets		
Business commencement expenses	31	24
Bond issuance cost	31	89
Total deferred assets	<u>63</u>	<u>114</u>
Total assets	<u>47,497</u>	<u>46,788</u>

(Unit: Millions of yen)

	As of December 31, 2011	As of December 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,397	3,474
Short-term loans payable	20,824	10,163
Current portion of bonds	1,065	1,000
Current portion of long-term loans payable	2,455	2,395
Accounts payable-other	669	604
Accrued expenses	1,289	1,574
Income taxes payable	180	260
Deferred tax liabilities	—	1
Other	732	792
Total current liabilities	30,613	20,267
Noncurrent liabilities		
Bonds payable	1,050	5,650
Long-term loans payable	6,357	9,011
Deferred tax liabilities	153	85
Provision for retirement benefits	716	798
Lease obligations	510	534
Other	908	569
Total noncurrent liabilities	9,697	16,648
Total liabilities	40,310	36,916
Net assets		
Shareholders' equity		
Capital stock	7,216	7,216
Capital surplus	7,029	7,029
Retained earnings	6,871	7,275
Treasury stock	(1,524)	(1,524)
Total shareholders' equity	19,593	19,997
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23	25
Foreign currency translation adjustment	(12,914)	(10,807)
Total accumulated other comprehensive income	(12,890)	(10,782)
Minority interests		
	483	656
Total net assets	7,186	9,871
Total liabilities and net assets	47,497	46,788

**Consolidated statements of income**

(Unit: Millions of yen)

	FY 2011.12 (Jan. 1, 2011 - Dec. 31, 2011)	FY 2012.12 (Jan. 1, 2012 - Dec. 31, 2012)
Net sales	52,759	51,300
Cost of sales	42,656	41,651
Gross profit	10,102	9,649
Selling, general and administrative expenses		
Freightage and packing expenses	607	597
Employees' salaries and allowances	2,835	2,977
Depreciation	274	245
Research and development expenses	1,049	1,130
Other	3,225	2,991
Total selling, general and administrative expenses	7,992	7,942
Operating income	2,110	1,706
Non-operating income		
Interest income	39	20
Dividends income	61	1
Gain on valuation of derivatives	29	119
Other	58	44
Total non-operating income	189	185
Non-operating expenses		
Interest expenses	532	587
Foreign exchange losses	235	53
Other	237	151
Total non-operating expenses	1,005	791
Ordinary income	1,294	1,100
Extraordinary income		
Gain on sales of noncurrent assets	42	219
Reversal of impairment loss	74	—
Insurance income	—	305
Other	2	50
Total extraordinary income	119	575
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	19	49
Business structure improvement expenses	268	155
Loss on change in equity	53	—
Loss on disaster	136	135
Directors' severance pay	—	315
Loss on liquidation of subsidiaries and affiliates	—	158
Other	58	83
Total extraordinary losses	537	897
Income before income taxes and minority interests	876	779
Income taxes-current	280	315
Income taxes-deferred	52	(309)
Total income taxes	333	5
Income before minority interests	543	773
Minority interests in income	46	81
Net income	496	691

**Consolidated statements of comprehensive income**

	(units: Millions of yen)	
	FY 2011.12	FY 2012.12
	(Jan. 1, 2011 - Dec. 31, 2011)	(Jan. 1, 2012 - Dec. 31, 2012)
Income before minority interests	543	773
Other comprehensive income		
Valuation difference on available-for-sale securities	(9)	1
Foreign currency translation adjustment	(1,530)	2,106
Total other comprehensive income	(1,539)	2,108
Comprehensive income	(996)	2,881
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(1,043)	2,799
Comprehensive income attributable to minority interests	46	81

## Consolidated statements of changes in net assets

(Unit: Millions of yen)

	FY 2011.12 (Jan. 1, 2011 - Dec. 31, 2011)	FY 2012.12 (Jan. 1, 2012 - Dec. 31, 2012)
Shareholders' equity		
Capital stock		
Balance at the beginning of current 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 beginning of current 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 beginning of current period	6,951	6,871
Changes of items during the period		
Dividends from surplus	(576)	(288)
Net income	496	691
Disposal of treasury stock	—	(0)
Total changes of items during the period	(79)	403
Balance at the end of current period	6,871	7,275
Treasury stock		
Balance at the beginning of current 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 beginning of current period	19,673	19,593
Changes of items during the period		
Dividends from surplus	(576)	(288)
Net income	496	691
Purchase of treasury stock	0	0
Disposal of treasury stock	—	0
Total changes of items during the period	(79)	403
Balance at the end of current period	19,593	19,997

	(Unit: Millions of yen)	
	FY 2011.12 (Jan. 1, 2011 - Dec. 31, 2011)	FY 2012.12 (Jan. 1, 2012 - Dec. 31, 2012)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	33	23
Changes of items during the period		
Net changes of items other than shareholders' equity	(9)	1
Total changes of items during the period	(9)	1
Balance at the end of current period	23	25
Foreign currency translation adjustment		
Balance at the beginning of current period	(11,384)	(12,914)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,530)	2,106
Total changes of items during the period	(1,530)	2,106
Balance at the end of current period	(12,914)	(10,807)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(11,350)	(12,890)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,539)	2,108
Total changes of items during the period	(1,539)	2,108
Balance at the end of current period	(12,890)	(10,782)
Minority interests		
Balance at the beginning of current period	525	483
Changes of items during the period		
Net changes of items other than shareholders' equity	(42)	173
Total changes of items during the period	(42)	173
Balance at the end of current period	483	656
Total net assets		
Balance at the beginning of current period	8,848	7,186
Changes of items during the period		
Dividends from surplus	(576)	(288)
Net income	496	691
Purchase of treasury stock	0	(0)
Disposal of treasury stock	-	0
Net changes of items other than shareholders' equity	(1,582)	2,281
Total changes of items during the period	(1,662)	2,685
Balance at the end of current period	7,186	9,871

## Consolidated statements of cash flows

(Unit: Millions of yen)

	FY 2011.12 (Jan. 1, 2011 - Dec. 31, 2011)	FY 2012.12 (Jan. 1, 2012 - Dec. 31, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	876	779
Depreciation and amortization	2,201	2,351
Amortization of goodwill	294	273
Increase (decrease) in provision for retirement benefits	17	(11)
Interest and dividends income	(101)	(22)
Interest expenses	532	587
Foreign exchange losses (gains)	(0)	(0)
Loss (gain) on valuation of derivatives	(29)	(119)
Reversal of impairment loss	(74)	—
Business structure improvement expenses	268	155
Loss (gain) on sales and retirement of noncurrent assets	(22)	(170)
Loss (gain) on liquidation of subsidiaries and affiliates	—	158
Decrease (increase) in notes and accounts receivable-trade	32	91
Decrease (increase) in inventories	(737)	625
Increase (decrease) in notes and accounts payable-trade	(422)	(252)
Decrease (increase) in accounts receivable-other	17	(13)
Increase (decrease) in accounts payable-other	(12)	(188)
Other, net	(389)	(552)
Subtotal	2,450	3,692
Interest and dividends income received	101	22
Interest expenses paid	(537)	(545)
Income taxes (paid) refund	(477)	(166)
Net cash provided by (used in) operating activities	1,536	3,003
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	94	42
Payments into time deposits	(18)	(12)
Purchase of property, plant and equipment	(2,530)	(3,060)
Proceeds from sales of property, plant and equipment	267	483
Purchase of intangible assets	(88)	(113)
Purchase of stocks of subsidiaries and affiliates	(113)	(5)
Collection of loans receivable	2	1
Proceeds from sales of investment securities	21	0
Purchase of investment securities	(5)	(109)
Other, net	(122)	0
Net cash provided by (used in) investing activities	(2,493)	(2,774)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	2,063	(11,710)
Proceeds from long-term loans payable	5,600	5,300
Repayment of long-term loans payable	(3,887)	(2,706)
Repayments of finance lease obligations	(78)	(46)
Proceeds from issuance of bonds	—	5,600
Redemption of bonds	(1,960)	(1,065)
Cash dividends paid	(576)	(289)
Purchase and proceeds from sales of treasury stock	0	0
Other, net	—	7
Net cash provided by (used in) financing activities	1,160	(4,909)
Effect of exchange rate change on cash and cash equivalents	(627)	386
Net increase (decrease) in cash and cash equivalents	(424)	(4,294)
Cash and cash equivalents at beginning of period	7,275	6,851
Cash and cash equivalents at end of period	6,851	2,557

**Segment information**

For the year ended December 31, 2011 (Jan. 1, 2011 - Dec.31, 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	33,845	18,913	52,759
(2) Inter-segment sales or transfers	797	1,117	1,914
Total	34,642	20,031	54,673
Segment profit	2,537	1,678	4,215

Operating income	Amount
	<i>(Millions of yen)</i>
Segment profit	4,215
Eliminations	(2,105)
Operating income	2,110

For the year ended December 31, 2012 (Jan. 1, 2012 - Dec.31, 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	33,958	17,342	51,300
(2) Inter-segment sales or transfers	754	1,108	1,862
Total	34,712	18,450	53,163
Segment profit	2,608	1,358	3,967

Operating income	Amount
	<i>(Millions of yen)</i>
Segment profit	3,967
Eliminations	(2,260)
Operating income	1,706