

June 25, 2009

Sumitomo Electric Industries, Ltd.

Reorganization of Optical and Electronic Devices Businesses

Sumitomo Electric Industries, Ltd. (hereinafter Sumitomo Electric), at the meeting of its Board of Directors held today, resolved that Sumitomo Electric and Eudyna Devices Inc. (hereinafter Eudyna) will reorganize their optical and electronic devices businesses by way of an absorption-type corporate split effective as of August 1, 2009. This reorganization is based on the basic policy announced on May 20, 2009.

Additionally Eudyna will change its corporate name to "Sumitomo Electric Device Innovations, Inc." on August 1, 2009.

Eudyna was established on April 1, 2004 as a 50-50 joint venture of Sumitomo Electric and Fujitsu Limited. Since then, it has become a global leader in the compound semiconductor devices market through development, manufacture and sale of a wide range of optical and electronic devices.

On April 1, 2009, Sumitomo Electric acquired the remaining 50% of Eudyna's stocks from Fujitsu in order to flexibly respond to increasingly sophisticated customer needs and rapidly changing global business environment by combining the two companies' managerial resources and utilizing them effectively. This integration of the managerial resources will strengthen the optical and electronic devices businesses of Sumitomo Electric, generating synergistic effects such as accelerated development and launch of new products and competitiveness in quality, cost and marketing.

In order to pursue early realization of the synergistic effects and further growth in the field, Sumitomo Electric will succeed Eudyna's sales and marketing, strategic planning, as well as research and development of the entire optical and electronic device businesses, while Eudyna will assume product development, manufacturing, sales engineering, quality assurance and purchasing (Japan domestic procurement only) activities from Sumitomo Electric by way of an the absorption-type corporate split.

Furthermore, Excelight Communications, Inc., our oversea sales base of optical and electronic devices, will change its corporate name to "Sumitomo Electric Device Innovations U.S.A., Inc." and integrate the business with Eudyna Devices USA, Inc., Eudyna's sales subsidiary in North America on August 1, 2009.

Upon this organizational restructuring, Sumitomo Electric will supervise all the strategies of the optical and electronic devices businesses, promoting global marketing activities under the Sumitomo Electric brand name. The restructuring is also intended to gear up the Sumitomo Electric to meet more sophisticated and diversified needs for technology development and achieve synergistic effects in its electronic-device-related study and network-related product development. Meanwhile, Eudyna as a newborn Sumitomo Electric Device Innovations, Inc. will focus on enhancing its excellence in the product development, manufacturing, process technology and quality assurance of optical and electronic devices to create globally competitive products.