



Financial Results for the 3rd Quarter
ended 30 September 2007

SUMIDA CORPORATION
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CEO's Message for the Third Quarter of Fiscal 2007

Looking back on the 3rd Quarter of this year, one of the biggest news is the turmoil in financial market which occurred mainly in Europe and the U.S. arising from the sub prime mortgage issue in August, and the concern regarding the future development of world economy which has been expanding steadily these years has come up to the surface.

Meanwhile, the impact of such turmoil on the real economy is supposedly limited, and the economy is expected to grow steadily in the world as a whole. Especially in Asia, the economy continues to grow rapidly led by fast growing China and India. Under such circumstances, demand for digital equipments such as notebook PC, mobile phone is expanding steadily in the electronics market. Asian region is increasingly raising its status as a center of world's manufacturing industry, and this trend particularly appears in CEATEC Japan (Cutting-edge IT & Electronics Comprehensive Exhibition) took place in October. In CEATEC, 40% of all exhibitors were foreign enterprises mainly from Taiwan, China and Korea, which gave us impression that the presence of Asian electric components manufacturers is getting stronger.

Regarding the business in the 3rd Quarter in 2007, our business has developed smoothly driven especially by Magnetics Business, and net sales rose 7.8% year-on-year to 17.885 billion yen. Operating income rose 6.1% year-on-year to 1.439 billion yen including structural reform expenses. As a result, operating income rate has improved to 8.0% level. In light of the final year of 1B7[※], our structural reform plans which aim to further strengthen the company base for coming years have almost completed within this quarter. For example, the sale of assets including our headquarter building and the review of unprofitable business including transfer of such business have almost completed, after a careful analysis of our businesses and assets which are not related to our core business. We have been thus carrying out steadily our strategic measures which are "focus on core business", "slimming down and making a healthier balance sheet by selling assets", and "streamlining production system and enhancing productivity". Pursuing these measures further, we will challenge to improve the operating income ratio in the 4th Quarter and become "1B Company" which has a firm financial base after the 4th Quarter.

The theme of CEATEC Japan of this year is "Digital Convergence" following last year which Sumida has raised as our concept for a long time. Many enterprises made a strong appeal on how new technology will change our lives by focusing on fusion and convergence of technology and industry. No matter how digitalized society develops, we still need electronics technologies, represented by coils in order to connect digital technology with "analogue" people; therefore our role to provide such linkage is getting more and more important.

While we play an important role to connect digital with analogue, as a leader of the industry, we plan more careful but positive strategies than ever before in order to make all stakeholders feel satisfied with the company. Reorganizations in world electronics industry have taken place more actively, and companies' attitude towards reorganization by M&A and alliance with other companies has become more positive. Thus, favorable business circumstance for our management strategy is being in place.

Currently we are planning our next business strategy from next year. Being well aware of our role in the industry, we aim to further thrive while supporting digital network age by providing coils.

※Note: "1B7" is our current midterm management plan aimed at achieving our target of ¥100 billion in net sales and an EBITDA ratio (the sum of earnings before taxes, interest expenses and depreciation and amortization) of 10%.



Shigeyuki Yawata
Sumida Group CEO

Consolidated Financial Highlights for the 3rd Quarter ended 30 September 2007

1. Consolidated Results of Operations

(Millions of yen, %)

Category \ Period	3rd Quarter					9-month period (January - September)				
	2007	% of Total	2006	% of Total	% Change	2007	% of Total	2006	% of Total	% Change
Net sales	17,885	100.0	16,587	100.0	7.8	53,175	100.0	46,346	100.0	14.7
Operating income	1,439	8.0	1,356	8.2	6.1	3,396	6.4	3,563	7.7	(4.7)
Ordinary income	1,023	5.7	1,574	9.5	(35.0)	3,336	6.3	4,013	8.7	(16.9)
Income before income taxes	1,252	7.0	1,493	9.0	(16.1)	2,847	5.4	4,219	9.1	(32.5)
Net income	872	4.9	924	5.6	(5.6)	1,906	3.6	2,237	4.8	(14.8)
Net income per common share (yen)										
(Basic)	45.60	—	47.19	—	—	100.43	—	114.59	—	—
(Fully diluted)	38.98	—	40.13	—	—	85.52	—	97.24	—	—

2. Consolidated Financial Conditions

(Millions of yen)

Category \ Period	3rd Quarter		
	2007	2006	Increase/Decrease
Total assets	76,915	68,594	8,321
Paid in capital	7,211	6,931	280
Net assets	29,547	28,034	1,513
Total numbers of stock issued (thousand shares)	19,121	19,573	(452)
Net assets per share (yen)	1,466.45	1,388.07	78.38
Equity ratio (%)	36.6	39.6	—

3. Consolidated Statements of Cash Flows

(Millions of yen)

Category \ Period	3rd Quarter			9-month period (January - September)		
	2007	2006	Increase/Decrease	2007	2006	Increase/Decrease
Cash flows from operating activities	21	437	(416)	1,865	2,176	(311)
Cash flows from investing activities	(556)	(1,995)	1,439	(2,699)	(7,998)	5,299
Cash flows from financing activities	3,286	1,734	1,552	2,799	(5,237)	8,036
Cash and cash equivalents, end of period	8,532	7,464	1,068	8,532	7,464	1,068

4. Estimation of 4th Quarter 2007

Category \ Period	2007 4Q (Estimation)	2006 4Q (Actual)	% Change
Net sales (millions of yen)	17,000	17,162	(0.9)
Operating income (millions of yen)	1,400	608	130.3
Ordinary income (millions of yen)	1,335	492	171.3
Net income (millions of yen)	940	(55)	—
Net income per share (yen)	48.94	(2.82)	—

5. Consolidated Quarterly Business Results

(Millions of yen)

Category \ Period	2007			2006				2005	
	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q
Net sales	17,885	18,402	16,888	17,162	16,587	14,953	14,806	10,317	10,225
Operating income	1,439	1,253	705	608	1,356	1,125	1,082	926	845
Ordinary income	1,023	1,750	563	492	1,574	1,234	1,206	997	733
Income before income taxes	1,252	1,001	594	(94)	1,493	1,520	1,206	1,964	814
Net income	872	679	355	(55)	924	586	727	1,153	590

6. Consolidated Yearly Business Results

(Millions of yen)

	2006	2005	2004	2003	2002
Net sales	63,058	39,666	36,246	30,537	34,796
Operating income	4,171	3,183	3,611	2,394	2,171
Ordinary income	4,505	2,853	3,128	1,960	2,116
Income before income taxes	4,126	3,929	2,625	73	1,653
Net income	2,182	2,435	1,807	315	1,118
Shareholders' equity	27,151	24,920	20,511	18,809	18,910
Total assets	70,161	51,701	34,170	29,941	30,666
Per share (yen)					
EPS	111.88	126.54	104.25	21.21	83.64
Shareholders' equity	1,383.75	1,285.44	1,175.67	1,220.14	1,408.72

Overview of Consolidated Business Results for the Third Quarter of 2007

In 2007, the GDP growth rate which 70% has been backed up by personal spending in the U.S. is moving up stably. In view of recent confusion in the financial market triggered by the worries of sub-prime loans (home loans to borrowers who do not qualify for prime financing) since this August, the costs for enterprises in procuring fund was up and financial institutions made downward adjustments to balance sheets as a result of the adverse assets value arising from the depreciation in housing market, however, since the affected fields were limited that the year-round GDP is expected to post around 2%. In addition to the ongoing robust exports from the emerging countries in Europe zone, the vigorous business activities which were in line to the good achievement not only urged the increase in capital investments but also actualized a record low unemployment rate in the region. The annual GDP growth in Europe is likely to reach 2.6% in 2007 thanks to this favorable export and personal spending. Japan is seeing the real GDP growth rate at about 2% this year on the back of the ever growing demand from the emerging nations in Asia, positive performance extending from corporate sector to household spending resulting in a healthy “production-income-spending circulation”.

In China, the GDP growth rate was 11.1% in the 1st quarter compared with the same term last year, 11.9% in the 2nd quarter and is in all likelihood to achieve a year-round rate of 10% led by the construction and capital investments, personal spending as well as the sound exports. India posted a real GDP growth at 9.3% in the 2nd quarter, from 9.1% in the 1st quarter in contrast to the same period of last year. The growth rate is expected to remain close to 9% for mid to long term by reason of the continual domestic demand through personal spending, capital investments and fading out of deceleration anxiety from the contraction of inflation rate.

According to the latest IMF announcement, the real world GDP saw a sturdy growth of 5.2% in 2007 and 4.8% in 2008 attributable to substantial contributions from the emerging nations like China, India and Russia despite the drawback in the U.S. housing market.

The worldwide demand for electronic equipment has been on the upside due to the desire for replacement of PCs and PC peripherals and multi-feature cellular phones from advanced nations, new demand in the emerging markets and increasing demand for a 2nd or additional devices.

About shipment for audiovisual equipment, liquid crystal display (LCD) TVs and DSC trended upward while PDP-TVs were in a head-on battle. Shipment for personal computers added 8.9% to 63 million sets in the 1st quarter and 11.7% to 61 million sets in the 2nd quarter and further expanded 14.4% to 68 million sets in the 3rd quarter of 2007 as compared the same terms last year. Shipment volume for cellular phones was up 14.5% to 257 million pieces in the 1st quarter, gained 17.4% to 271 million pieces and is expected to grow 13.8% to 286 million pieces in the 3rd quarter in contrast with the same terms in 2006. As the new car sales worldwide are undergoing high-level expansion, demand for automotive electronic parts and peripherals that optimize safety, comfort and fuel-economy for cars has been prospering.

Under such circumstances, Sumida Group aims towards the overall improvement on profitability. At the same time in transferring the production of both Mexico and Taiwan to Panyu and Suzhou plants in China, VOGT being a consolidated subsidiary beginning the 1st quarter of 2006 has been undergoing restructure. Besides, our Japan headquarters building had been disposed in hope to healthier and slim down the balance sheet the Group.

Overall sales of the Third Quarter of 2007 climbed 7.8% year-on-year to ¥17,885 million due to the stable expansion in Power Solution and Signal and double-digit growth in Automotive and Other Companies and Vogt Business despite the decline in Inverter.

Operating income grew 6.1% year-on-year to ¥1,439 million derived from the increased revenue in Automotive and Other Companies leading to improved profitability in Coil Business, although VOGT Component Company was under restructure and VOGT EMS Company recorded a decline in sales.

Ordinary income reduced 35% year-on-year to ¥1,023 million in response to the rising interest payables and exchange loss despite decreased investment loss from the equity-method. Net income dropped only 5.6% year-on-year to ¥872 million, which was explained by the gain from disposal of the headquarters building and

other profit from securities sales despite the extraordinary loss from the restructuring costs at VOGT, Panta and Mexico in addition to impairment loss in investment of securities in Arima.

Business Segment Information

Sumida Group is composed of the Coil Business, VOGT Component Company and VOGT EMS Company.

I. COIL BUSINESS

Sales for Coil Business gained 5.7% to ¥11,836 million following sustainable growth in Legacy Company and significant increase in Automotive Company and Other Company despite decline in Inverter Company. Operating income climbed 10.7% year-on-year to ¥1,816 million attributable to increased sales and margin in Automotive Companies, improved profitability in Inverter Company and dramatic contribution in Other Company.

1. Legacy Company

Sales in our Legacy Company up 3.1% year-on-year to ¥6,593 million were driven by moderate increase in Signal and stable growth in Power Solution despite reduction in Power Inductor.

a) Power Solution

Sales of Power Solution soared 14.4% to ¥1,170 million from the same term last year.

In terms of area, sales actualized 2-digit growth in Hong Kong/China, Singapore and the U.S and gentle growth in Taiwan but declined in Japan and Europe. For sales by product used, data processing equipments, AV equipments, 4V coils for switching between cooling and heating and recreational devices increased whereas industrial equipments, medical instruments, communication devices, automotive-related equipments and garage-related devices declined.

b) Power Inductor

Sales of Power Inductors reduced 0.5% year-on-year to ¥4,141 million.

In terms of area, sales decreased in Hong Kong/China, Japan and Singapore except Europe and the U.S. For sales by product used, PC & PC peripherals recreational devices and phone sets increased while AV equipments, power-supply-related devices and industrial equipments contracted.

c) Signal

Sales of Signal added 5.8% to ¥1,282 million from the corresponding term last year.

In terms of area, sales climbed all over the areas of Taiwan, Europe, Hong Kong/China, the U.S., Singapore and Japan. For sales by product used, AV equipments, automotive devices, OA equipments and tag-related devices were on the upside whereas industrial devices reduced.

2. Inverter Company

Sales of Inverter Company fell 10.6% year-on-year to ¥1,763 million.

In terms of area, sales gained in Hong Kong/China, the U.S and Europe but dropped in Taiwan, Japan and Singapore. For sales by product used, notebook-sized PCs, liquid crystal monitors and liquid crystal TVs decreased.

3. Automotive Company

Sales in Automotive Company jumped 19.4% year-on-year to ¥2,507 million.

In terms of area, sales trended stably upward in Europe, the U.S., Hong Kong/China and Singapore except Japan. For sales by product used, ABS, car air-conditioners, coils for the direct-injection engines increased but keyless entry and coils for suspension systems reduced.

4. Other Company

Sales in Other Company gained 33.8% year-on-year to ¥973 million.

Other Company is made up of STELCO, JENSEN and PANTA. Sales in STELCO reduced. JENSEN has been released from consolidation of the Group starting from the 2nd quarter and PANTA which Sumida acquired in the 3rd quarter of 2006 has been making great contribution to the turnover of the Company.

II. VOGT COMPONENT COMPANY

Sales in VOGT Component Company increased 14.8% year-on-year to ¥5,359 million.

Sales increased for automotive, home appliances and illumination devices while declined communication equipments, recreational equipments, industrial and medical devices. Operating Profit reduced 35.1% year-on-year to ¥239 million in response to the restructuring cost.

III. VOGT EMS COMPANY

Sales in VOGT EMS Company dropped 5.0% year-on-year to ¥690 million. Sales increased for automotive-related equipments, home and illumination appliances but pulled back for communication devices, industrial and medical equipments. Operating income down 39.8% to ¥62 million compared with the same term last year was caused by the decrease of sales revenue and other reorganization expenses.

Consolidated Business Results for January to September of 2007

Overall sales from January to September, 2007 increased 14.7% year-on-year to ¥53,175 million. The strong growth in Legacy Company that consists of Power Inductor, Power Solution, Signal, Automotive Company and Other Company in addition to the expansion of the Component and the EMS businesses of VOGT had given rise to the growing revenue despite the mere decline in Inverter business.

Operating profit shed 4.7% year-on-year to ¥3,396 million due partly to restructure costs in VOGT Component Company and reduced profit margin in VOGT EMS Company and partly to insufficient measures to cope with the production during the Chinese New Year Holidays at the China plants, which resulted in only a like amount of profit in Coil Business regardless a double-digit growth in sales comparing with the same term in 2006.

Ordinary Income lost 16.9% year-on-year to ¥3,336 on account of increased interest payables and decreased exchange gain despite reduced loss from equity-method. Net Income reduced 14.8% year-on-year to ¥1,906 million which was explained by the extraordinary loss from the restructuring costs at VOGT, Jensen, Panta, Arima, Sumida Shintex and Mexico in addition to the impairment loss in investment securities and loss in disposal of subsidiary's shares although special gains from the disposal of the headquarters' building and fixed assets in Taiwan was accounted.

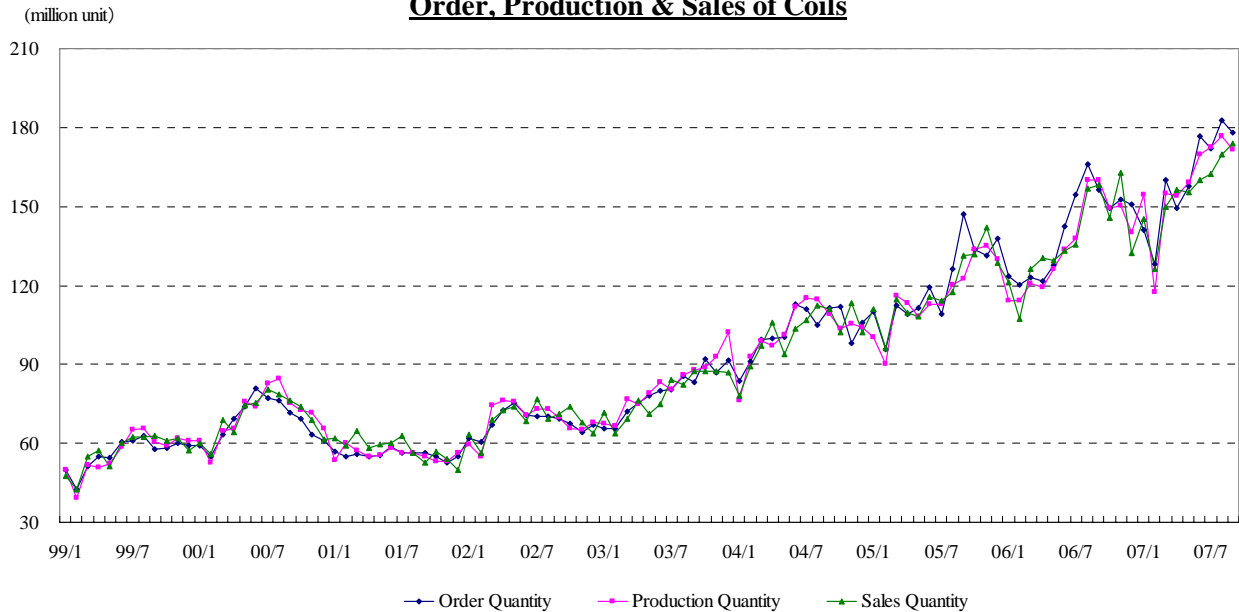
The Future Management Environment and Business Development Policy

The discussion below is future management environment and our business development policy. The following descriptions include Sumida group's forecasts of future prospects, which Sumida group judged from an independent standpoint and adopted as management guidelines. In reality, however, actual results may sometimes deviate largely from such forecasts owing to various factors such as change of economic environment in each country of the world, outbreak of any unforeseen event, etc. Thus readers are requested to refrain from relying fully on these forecasts.

Orders for coils received by Sumida Group has entered into a mature stage and continued to challenge new records.

The monthly volume of orders received for coils (orders received during the current month and scheduled to sell during the current month exclude STELCO, JENSEN, PANTA and VOGT), after 159 million pieces on average per month in the 3rd quarter and 151 million pieces in the 4th quarter of 2006, adjusted to 143 million pieces in the 1st quarter of 2007, reached 161 million pieces on average per month in the 2nd quarter of 2007 and renewed another new record at 178 million pieces on average per month in the 3rd quarter which had been the 2nd consecutive quarter reporting the new high. The monthly order volume was 172 million in July, 183 million in August and 178 million pieces in September, and reported a breakthrough in excess of 180 million pieces in single month of August.

Order, Production & Sales of Coils



The global electronic parts market is anticipated to have fled from the worst days of the Silicon Cycle and to strengthen in the latter half of 2007, although the growth for semiconductors as the mainstay had slightly blunted in the first half of this year. Shipment volume of personal computers in the globe is expected to advance 12.0% to 270 million sets in 2007 attributable to the new demand from the emerging countries following an increase of 10.0% to 241 million sets in 2006 from 2005. On the other hand, notebook-sized PCs grew 26.5% year-on-year to 83 million sets in 2006 and are estimated to increase 27.4% to 105 million sets in 2007 with persistent growth. Shipment volume of HDD gained 19.0% to 433 million sets in 2006 from 2005 and is expected to increase 17.3% to 508 million sets in 2007. Shipment volume of cellular phones increased 21.3% year-on-year to 991 million sets in 2006 and was anticipated to post a blunted growth 9.6% to 1,086 million pieces in 2007; nevertheless, the estimate have been modified to approximately 13.8% to 1,128 million pieces because of the exceeding performance from the 1st to 3rd quarter. Production volume for liquid-crystal display (LCD) TVs [10 types and above] increased 106.9% year-on-year to 42 million sets in 2006 and saw a 51.2% growth to 63 million sets in 2007; DVD recorders surged 22.4% to 18 million sets in 2006 and saw a high growth at 21.6% to 22 million sets in 2007; DSCs added 21.9% year-on-year to 79 million sets in 2006 and the initial forecast of an addition at 7.5% to 85 million sets in 2007 has been adjusted upward to as 18.5% to 94 million sets.

Sales of new cars in the globe are estimated to trend gently upward as a whole in 2007 as sales expanded notably in China, India and other emerging countries despite stagnancy in the U.S., Japan, and Europe. The tendency that stresses on safety and comfortable cruising as well as fuel-economy for cars has ever increased in globe wide. The demand for electronic parts leading to the safety, comfort, fuel-economy and other features for automotive is expected to result in a mid to long term growth.

Amid such business environment, Sumida group focuses not only on expansion of the existing Coil Business and VOGT Business in excess of the yardstick of the global electronic market but also aims towards the profitability enhancement. We are committed to our structural reforms in full speed at our Mexican plant producing automotive parts, Taiwan factory for inverter and VOGT.

I. COIL BUSINESS

1. Legacy Company

For power solution, which supported by the forceful growth in the sales of data processors, AV devices like DSCs, and recreational-related equipments for the past 2.5 years since the 2nd quarter of 2005, is staying on the upward track. Sumida is committed to all out effort in driving sales for DSCs, recreational-related equipments, LCD-TVs, HID lamps and automotive related equipments in the coming days.

For power inductor, we address the reinforcement of sales in PC and PC peripherals, cellular phones,

digital cameras, HDD, notebook-sized computer, automotive-mounted parts, recreational devices and printers. PC and PC peripherals as a mainstay, after sneaking out from stagnancy for 5 quarters in a row since the 1st quarter of 2006, sales increased in the 2nd quarter of 2007 and renewed a record high in the 3rd quarter. We are dedicating to activate new products and expand market shares in future. Further, it is our incoming direction to focus more on intensifying the sales for DSCs, HDDs, LCD TVs and recreational devices.

For signal, the business intends to reinforce sales in ADSL, LCD TVs, keyless entry, TPMS and tags.

2. Inverter Company

The Inverter Company deals with the inverter transformers and inverter units used for of notebook-sized PCs, LCD monitors, liquid-crystal display (LCD) TVs and recreational devices. Though sales of notebook-sized PCs slowed down due to the change of new models by the major customer in the 1st Quarter, orders for both our existing and new models increase. Apart from focus itself on the production for major customer, Inverter Company attempts to strive for more business opportunity on our existing customers and endeavor in expanding the customer base by acquiring new customers. For LCD monitors, the Business is making effort to enhance its R&D development on the two-in-one system with the aim of grasping more market shares. Meanwhile, the team has devoted to reinforce sales of inverters and transformers used for LCD TVs mainly in Taiwan, Japan and Korea. The manufacturing overhead has appeared to decline starting this 3rd quarter as a result that the production lines had been shifted from Taiwan to Suzhou, China where a full-scale production is materialized soon.

3. Automotive Company

For ABS coil, we are continuing making all-out efforts to grow the sales. Besides, we have developed three customers for Keyless Entry and widened the applications to more car models. Apart from struggling for new customers, the business also stresses to expand shares from existing clients. Our aims towards the development of Keyless Entry as the 2nd-pillar product next to ABS coils is close to achieve. Injection coil used for the direct-injection engine is likely to become the 3rd-pillar product immediate following ABS and Keyless Entry in the Automotive Company. With request from the major customer to enlarge production volume, the production in full capacity has been reserved. Various activities have started to reinforce sales of coils for car air conditioner, suspension, immobilizer, transmission, and EPS (electronic power steering) in the worldwide market. Besides, production from Mexico are being shifted orderly to China, the improved margin is expected to emerge following the complete production in China from the 4th quarter financials.

4. Other Company

STELCO, following good business last year in the wake of the rolling out of digital television broadcasting base, was temporarily slowed down because partly of the inventory adjustment carried out by a major customer and partly of the delay in acquiring new orders for portable telephone terminals. Seeing that the stock adjustment is likely to end and inquiries for chip inductors and resistors are boosting, the Company is in hope to enlarge sales with the existing customers on one hand and explore new customers on another.

PANTA, which has been acquired in July of 2006, bases in Germany engaging in the manufacture and sale of Flat Cables for automotive equipment, measuring instruments and other electronic manufacturers in Europe. The future direction of the Company is to develop and enhance sales both in Asia and the U.S.

II. VOGT COMPONENT COMPANY

The VOGT Component Company engages in sales of coils, various modules, sensors and the like for a wide variety of applications such as automotive devices, communication equipment, industrial & medical equipment, recreational equipment, home appliances and lighting devices mainly to Europe, America and China. The Company would focus increasing resources on automotive-related, industrial and data communication devices that see high growth in future. Apart from shifting low-margin products to China, the Company is undergoing reform and restructure all in Europe, Mexico and Shanghai to optimize the profit margin.

III. VOGT EMS BUSINESS COMPANY

The VOGT EMS Company sells power steering control units, GPS antennas, theft-prevention control units, diesel-engine control units, power supplies and etc. to mainly European customers. The orders from major customers record a stable growth and the projects which we have struggled in the past two years has been bringing about fruitful result in front of healthy economy in Europe, the fundamentals for growth is expected to remain in future. The Company is making every endeavor to improve productivity to heighten as much possible the profit margin in future.

Forecast of Business Results in the Fourth Quarter of 2007

The following is our forecast of business results in the fourth quarter of 2007 at this point.

Forecast of consolidated business results in the fourth quarter of 2007 (from Oct 1 to Dec 31, 2007)		Actual figures of consolidated business results in the fourth quarter of 2006 (from Oct 1 to Dec 31, 2006)	
Sales	¥17,000 M	Sales	¥17,162 M
Operating income	¥1,400 M	Operating income	¥608 M
Ordinary income	¥1,335 M	Ordinary income	¥492 M
Net income	¥940 M	Net loss	¥ 55 M

(Exchange rate is premised at ¥115 per U.S. \$1)

Consolidated Balance Sheets

(Unit : millions of yen)

Account \ Period	3Q 2007	%	3Q 2006	%	Dec. 2006	%
ASSETS						
I Current assets						
1. Cash and cash equivalents	8,538		7,464		6,417	
2. Trade receivables	16,349		15,866		16,220	
3. Inventories	10,992		9,698		9,383	
4. Deferred tax assets	980		1,779		832	
5. Others	7,440		3,554		3,206	
6. Allowance for doubtful accounts	(53)		(39)		(65)	
Total current assets	44,246	57.5	38,322	55.9	35,993	51.3
II Fixed assets						
(1) Tangible fixed assets						
1. Buildings	11,716		11,747		13,062	
2. Machinery and equipment	24,299		29,491		23,320	
3. Furniture and fixture	7,862		11,454		7,579	
4. Land	1,542		2,375		2,543	
5. Construction in progress	2,628		1,591		1,782	
6. Accumulated depreciation	(27,326)		(35,459)		(25,843)	
Total tangible fixed assets	20,721	27.0	21,199	30.9	22,443	32.0
(2) Intangible fixed assets						
1. Goodwill	6,081		2,839		5,360	
2. Leasehold rights	475		486		490	
3. Software	220		155		213	
4. Others	625		50		651	
Total intangible fixed assets	7,401	9.6	3,530	5.1	6,714	9.6
(3) Investments and other assets						
1. Investments in securities	800		447		819	
2. Deferred tax assets	2,950		3,343		2,489	
3. Others	797		1,753		1,703	
Total investments and other assets	4,547	5.9	5,543	8.1	5,011	7.1
Total fixed assets	32,669	42.5	30,272	44.1	34,168	48.7
TOTAL ASSETS	76,915	100.0	68,594	100.0	70,161	100.0

(Unit : millions of yen)

Account	Period	3Q 2007	%	3Q 2006	%	Dec. 2006	%
LIABILITIES							
I	Current liabilities						
	1. Trade payables	5,879		5,316		5,353	
	2. Short-term loans	14,444		9,751		10,531	
	3. Bond	---		1,200		1,200	
	4. Current portion of long term loan	1,525		1,275		1,500	
	5. Others	8,087		7,340		7,200	
	Total current liabilities	29,935	38.9	24,882	36.3	25,784	36.7
II	Fixed liabilities						
	1. Bond	8,000		8,000		8,000	
	2. Long-term loans	3,942		4,279		5,107	
	3. Deferred tax liabilities	1,551		592		1,525	
	4. Others	3,940		2,807		2,594	
	Total fixed liabilities	17,433	22.7	15,678	22.8	17,226	24.6
	Total liabilities	47,368	61.6	40,560	59.1	43,010	61.3
SHAREHOLDERS' EQUITY							
I	Shareholders' equity						
	1. Paid in capital	7,211	9.4	6,931	10.1	6,961	9.9
	2. Capital reserve	7,024	9.1	6,744	9.8	6,775	9.7
	3. Retained earnings	15,148	19.7	13,892	20.3	13,642	19.4
	4. Treasury stock	(1,524)	(2.0)	(73)	(0.1)	(1,522)	(2.2)
	Total shareholders' equity	27,859	36.2	27,494	40.1	25,856	36.8
II	Revaluation, translation adjustments and others						
	1. Unrealized gains/losses on securities at market valuation	(5)	(0.0)	25	0.0	29	0.1
	2. Gains/losses on hedging	(26)	(0.0)	72	0.1	96	0.1
	3. Cumulative translation adjustments	337	0.4	(421)	(0.6)	186	0.3
	Total revaluation, translation adjustments and others	306	0.4	(324)	(0.5)	311	0.5
III	Minority interest	1,382	1.8	864	1.3	984	1.4
	Total shareholders' equity	29,547	38.4	28,034	40.9	27,151	38.7
TOTAL LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY		76,915	100.0	68,594	100.0	70,161	100.0

Consolidated Statements of Income

(Unit : millions of yen)

Account	Period	3rd Quarter				9-month Period (January - September)			
		2007		2006		2007		2006	
		Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
I	Net sales	17,885	100.0	16,587	100.0	53,175	100.0	46,346	100.0
II	Cost of sales	13,403	74.9	12,224	73.7	40,378	75.9	33,797	72.9
	Gross profit	4,482	25.1	4,363	26.3	12,797	24.1	12,549	27.1
III	Selling, general & administrative expenses	3,043	17.1	3,007	18.1	9,401	17.7	8,986	19.4
	Operating income	1,439	8.0	1,356	8.2	3,396	6.4	3,563	7.7
IV	Non-operating income (expenses)								
	Interest and dividends received	33		26		92		86	
	Interest paid	(98)		(47)		(289)		(114)	
	Exchange gain (loss)	(364)		459		150		908	
	Investment loss on equity method	(9)		(88)		(68)		(231)	
	Other non-operating income (expenses)	22		(132)		55		(199)	
	Non-operating income (expenses)	(416)	(2.3)	218	1.3	(60)	(0.1)	450	1.0
	Ordinary income	1,023	5.7	1,574	9.5	3,336	6.3	4,013	8.7
V	Extraordinary income (losses)								
	Gain on sales of fixed assets	2,024		0		3,019		2	
	Profits from equity ratio change	---		---		---		288	
	Gain on sales of securities	71		---		103		---	
	Loss on disposal of fixed assets	(17)		(36)		(41)		(40)	
	Structural reorganization expenses	(1,594)		(45)		(2,207)		(44)	
	Loss on sales of securities	(265)		---		(1,211)		---	
	Loss on sales of securities of affiliated company	0		---		(162)		---	
	Other extraordinary income	10		---		10		---	
	Extraordinary income (losses)	229	1.3	-81	(0.5)	(489)	(0.9)	206	0.4
	Income before income taxes	1,252	7.0	1,493	9.0	2,847	5.4	4,219	9.1
	Income taxes	375	2.1	552	3.3	899	1.7	1,938	4.2
	Minority interest	5	0.0	17	0.1	42	0.1	44	0.1
	Net income	872	4.9	924	5.6	1,906	3.6	2,237	4.8

Consolidated Statements of Cash Flows

(Unit : millions of yen)

Account	Period	3rd Quarter		9-month Period (Jan. - Sep.)	
		2007	2006	2007	2006
I. Cash flows from operating activities					
Net income		872	924	1,906	2,237
Depreciation and amortization		895	650	2,765	2,000
Gain on sales of fixed assets		(2,024)	(0)	(3,019)	(2)
Loss on disposal of fixed assets		17	36	41	40
Changes in account receivable		95	(968)	(65)	(301)
Changes in inventories		(802)	(349)	(1,522)	(964)
Changes in account payable		(61)	393	537	(569)
Others		1,029	(249)	1,222	(265)
Cash flows from operating activities		21	437	1,865	2,176
II. Cash flows from investing activities					
Purchase of tangible fixed assets		(980)	(1,198)	(3,193)	(2,826)
Proceeds from sales of tangible fixed assets		928	4	939	13
Acquisition of new subsidiary		---	(839)	(378)	(2,616)
Profit Participation Right		---	---	---	(1,751)
Investment in affiliated company		---	---	---	(658)
Investment in securities		(547)	(156)	(557)	(249)
Sales of investment in securities		37	4	535	9
Others		6	190	(45)	80
Cash flows from investing activities		(556)	(1,995)	(2,699)	(7,998)
III. Cash flows from financing activities					
Changes in short-term borrowings		3,213	2,512	3,912	(4,830)
Changes in long-term borrowings		(381)	(449)	(1,143)	98
Cash dividends paid		(191)	(392)	(619)	(876)
Revenue from issuance of stocks		495	3	500	319
Others		150	60	149	52
Cash flows from financing activities		3,286	1,734	2,799	(5,237)
IV. Effect of exchange rate changes on cash and cash equivalents		(185)	152	30	298
V. Net increase (decrease) in cash and cash equivalents		2,566	328	1,995	(10,761)
VI. Cash and cash equivalents at beginning of year		5,966	7,136	6,537	18,225
VII. Cash and cash equivalents at end of year		8,532	7,464	8,532	7,464

Sales by Segment

(Unit: millions of yen, %)

Business \ Period	3rd Quarter					9-month period (January - September)				
	2007	% of Total	2006	% of Total	% Change	2007	% of Total	2006	% of Total	% Change
Coil	11,836	66.2	11,194	67.5	5.7	34,391	64.7	30,612	66.1	12.3
VOGT Components	5,359	30.0	4,667	28.1	14.8	16,794	31.6	13,819	29.8	21.5
VOGT EMS	690	3.8	726	4.4	△ 5.0	1,990	3.7	1,915	4.1	3.9
Total	17,885	100.0	16,587	100.0	7.8	53,175	100.0	46,346	100.0	14.7

Quarterly Sales by Segment

(Unit: millions of yen)

Business \ Period	2007			2006				2005	
	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q
Coil	11,836	11,855	10,700	11,637	11,194	9,874	9,544	10,317	10,225
VOGT Components	5,359	5,872	5,563	5,059	4,667	4,491	4,661	-	-
VOGT EMS	690	675	625	466	726	588	601	-	-
Total	17,885	18,402	16,888	17,162	16,587	14,953	14,806	10,317	10,225

Sales by Region

(Unit: millions of yen, %)

Area \ Period	3rd Quarter					9-month period (January - September)				
	2007	% of Total	2006	% of Total	% Change	2007	% of Total	2006	% of Total	% Change
Japan	2,277	12.7	2,438	14.7	(6.6)	6,979	13.1	7,080	15.3	(1.4)
Hong Kong / China	3,373	18.9	2,939	17.7	14.8	9,924	18.7	7,485	16.2	32.6
ASEAN	922	5.1	891	5.4	3.5	2,458	4.6	2,271	4.9	8.2
Taiwan / Korea	1,391	7.8	1,589	9.6	(12.5)	3,708	7.0	4,521	9.7	(18.0)
NAFTA	1,980	11.1	1,461	8.8	35.5	5,581	10.5	4,191	9.0	33.2
EU	7,913	44.2	7,269	43.8	8.9	24,455	46.0	20,798	44.9	17.6
Other	29	0.2	-	-	-	70	0.1	-	-	-
Total	17,885	100.0	16,587	100.0	7.8	53,175	100.0	46,346	100.0	14.7

Segment Information

	3rd quarter FY2007					
	Coil (millions of yen)	VOGT Components (millions of yen)	VOGT EMS (millions of yen)	Total (millions of yen)	Elimination (millions of yen)	Consolidated (millions of yen)
Sales						
(1)Sales to third parties	11,836	5,359	690	17,885	-	17,885
(2)Inter-segment sales of transfers	187	33	-	220	(220)	-
Total	12,023	5,392	690	18,105	(220)	17,885
Operating expenses	10,207	5,153	628	15,988	458	46,446
Operating income	1,816	239	62	2,117	(678)	1,439
(%)	15.1	4.4	9.0	11.7	-	8.0

	3rd quarter FY2006					
	Coil (millions of yen)	VOGT Components (millions of yen)	VOGT EMS (millions of yen)	Total (millions of yen)	Elimination (millions of yen)	Consolidated (millions of yen)
Sales						
(1)Sales to third parties	11,194	4,667	726	16,587	-	16,587
(2)Inter-segment sales of transfers	2	16	-	18	(18)	-
Total	11,196	4,683	726	16,605	(18)	16,587
Operating expenses	9,555	4,315	623	14,493	738	15,231
Operating income	1,641	368	103	2,112	(756)	1,356
(%)	14.7	7.9	14.2	12.7	-	8.2

	9-month period (January - September) FY2007					
	Coil (millions of yen)	VOGT Components (millions of yen)	VOGT EMS (millions of yen)	Total (millions of yen)	Elimination (millions of yen)	Consolidated (millions of yen)
Sales						
(1)Sales to third parties	34,391	16,794	1,990	53,175	-	53,175
(2)Inter-segment sales of transfers	425	114	-	539	(539)	-
Total	34,816	16,908	1,990	53,714	(539)	53,175
Operating expenses	30,188	16,211	1,890	48,289	1,490	49,779
Operating income	4,628	697	100	5,425	(2,029)	3,396
(%)	13.3	4.1	5.0	10.1	-	6.4

	9-month period (January - September) FY2006					
	Coil (millions of yen)	VOGT Components (millions of yen)	VOGT EMS (millions of yen)	Total (millions of yen)	Elimination (millions of yen)	Consolidated (millions of yen)
Sales						
(1)Sales to third parties	30,612	13,819	1,915	46,346	-	46,346
(2)Inter-segment sales of transfers	10	16	-	26	(26)	-
Total	30,622	13,835	1,915	46,372	(26)	46,346
Operating expenses	25,974	12,879	1,680	40,533	2,250	42,783
Operating income	4,648	956	235	5,839	(2,276)	3,563
(%)	15.2	6.9	12.3	12.6	-	7.7

(※ Elimination of Operating expenses includes headquarter and R&D expenses.)