



3
2008

Financial Results for the 3rd Quarter
ended 30 September 2008

SUMIDA CORPORATION

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CEO's Message for the Third Quarter of Fiscal 2008

At the point where the third-quarter of year 2008 finished, the world economy has become much more uncertain than ever before. The confusion in the financial market in the US and Europe which deepened last September has yet to be over while it is concerned that the situation may become even worse in the future, it has started to make serious impact on the actual economy.

In addition to sharp economic downturn in the US and slow down in Europe and Japan, even emerging economies such as China and India who have shown a steady growth are gradually being influenced by the downturn of the developed economies. This slowdown in turn leads to a decrease of exports from developed countries. This negative spiral as well as the world wide price fluctuation of commodities is now the major concern of the world as the constraint of economic recovery.

As the outlook of world economy has become more and more uncertain due to this drastic change in the financial market which no one predicted, we are facing a very challenging business environment towards 2009.

Under such circumstances, the business of manufacturing companies has become worse because of the significant decrease of demand in both consumer electronics and automotive markets particularly in the North America. This has resulted in a serious decrease of demand in the components industry especially after July. Future demand trends are expected to be low in the short term, and the effect from various fiscal and monetary measures to stimulate the economy would not lead to a quick recovery of the economic environment.

Nevertheless, if we look at the situation from the mid to long-term perspective, the outlook of the industry is still promising. For example, the sales of automotive electronic components show steady expansion as car electronics continues to develop, and are expected to further expand since the increase of demand for hybrid cars and the commercialization of electric vehicles are likely to be accelerated. Furthermore, it should be noticed that electronic components should be utilized for industrial instruments and energy-related fields under such circumstances where environmental protection and energy-saving are becoming a major concern throughout the market.

Regarding the business results in the 3rd Quarter in 2008, net sales decreased by 17.8% year-on-year to 14,701 million yen due to the sudden decline of sales order for the European market particularly after July. This is the unfavorable result even if we subtracted the factors which arose from the sale of unprofitable businesses carried out last year. Operating income underachieved by 43.1% year-on-year to 819 million yen due to the increase of material price and labor cost as well as the sales decrease.

Despite such severe business environment, we have been taking proactive measures for the future. After formulating our mid-term business plan "Triple Ex" this March, we have been pursuing to achieve each target we set for manufacturing, R&D, marketing and M&A. This time, we have made significant progress for M&A.

We have reached the basic agreement with EIWA Co., Ltd. ("EIWA") and MOSTEC Inc. ("MOSTEC") regarding our majority share acquisition of both companies. EIWA engages in development, manufacturing and sales of electronics devices including transformers and coils for switching supplies, and MOSTEC is specialized in developing coils and transformers for high current industry use.

Being specialized in manufacturing electronic components and modules based on coil technology, we are focusing on growing power electronics markets as a new business opportunity which is related to development of environment protection and conservation of energy. Following our mid-term business plan "Triple Ex", we are taking proactive measures not only to further develop our core automotive business to meet energy saving and electronic-controlling technology requirements, but also to create new businesses especially for industrial electronics and energy-environment. In this respect, we plan to enhance our capability to create higher value-added products based on our current components through

active cooperation with and/or acquisition of companies that have the know-how, experiences and technologies to strengthen our business.

Both companies have been keeping close relationships with trusted customers owing to their outstanding technologies, and their main businesses are promising in the future which we expect would accelerate further development in the new business fields which we focus on. This time, judging that integrating Sumida, EIWA and MOSTEC's technology, manufacturing and sales competency would bring the competitive advantage so that three companies can cope with the growing business fields, we came to the basic agreement with EIWA and MOSTEC.

The world economy is facing a great change but we are certain that the business opportunities of electronics technology and components are expanding ever more. We will continue to strive to achieve steady growth under any circumstances.

A handwritten signature in black ink, appearing to read 'S. Yawata', with a stylized, cursive script.

Shigeyuki Yawata
Sumida Group CEO

Consolidated Financial Highlights for the 3rd Quarter ended 30 September 2008

1. Consolidated Results of Operations

(Millions of yen, %)

Category	Period		3rd Quarter			9-month period (January - September)				
	2008	% of Total	2007	% of Total	% Change	2008	% of Total	2007	% of Total	% Change
Net sales	14,701	100.0	17,885	100.0	(17.8)	45,015	100.0	53,175	100.0	(15.3)
Operating income	819	5.6	1,439	8.0	(43.1)	2,912	6.5	3,396	6.4	(14.3)
Ordinary income	867	5.9	1,023	5.7	(15.2)	2,194	4.9	3,336	6.3	(34.2)
Income before income taxes	365	2.5	1,252	7.0	(70.8)	1,546	3.4	2,847	5.4	(45.7)
Net income	531	3.6	872	4.9	(39.0)	1,016	2.3	1,906	3.6	(46.7)
Net income per common share (yen)										
(Basic)	27.68	—	45.60	—	—	52.91	—	100.43	—	—
(Fully diluted)	23.73	—	38.98	—	—	45.35	—	85.52	—	—

2. Consolidated Financial Conditions

(Millions of yen)

Category	Period	3rd Quarter		
		2008	2007	Increase/Decrease
Total assets		64,262	76,915	(12,653)
Paid in capital		7,217	7,211	6
Net assets		26,484	29,547	(3,063)
Total numbers of stock issued (thousand shares)		19,213	19,121	92
Net assets per share (yen)		1,323.71	1,466.45	(142.74)
Equity ratio (%)		39.6	36.6	—

3. Consolidated Statements of Cash Flows

(Millions of yen)

Category	Period		3rd Quarter			9-month period (January - September)		
	2008	2007	Increase/Decrease	2008	2007	Increase/Decrease		
Cash flows from operating activities	(449)	21	(470)	223	1,865	(1,642)		
Cash flows from investing activities	(903)	(556)	(347)	(1,310)	(2,699)	1,389		
Cash flows from financing activities	422	3,286	(2,864)	(953)	2,799	(3,752)		
Cash and cash equivalents, end of period	6,766	8,532	(1,766)	6,766	8,532	(1,766)		

4. Estimation of 4th Quarter 2008

Category	Period	2008 4Q (Estimation)	2007 4Q (Actual)	% Change
Net sales (millions of yen)		13,000	17,035	(23.7)
Operating income (millions of yen)		525	1,316	(60.1)
Ordinary income (millions of yen)		255	1,032	(75.3)
Net income (millions of yen)		115	949	(87.9)
Net income per share (yen)		5.99	49.39	—

5. Consolidated Quarterly Business Results

(Millions of yen)

Category \ Period	2008			2007				2006	
	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q
Net sales	14,701	15,479	14,835	17,035	17,885	18,402	16,888	17,162	16,587
Operating income	819	1,051	1,042	1,316	1,438	1,253	705	608	1,356
Ordinary income	867	517	810	1,032	1,023	1,750	563	492	1,574
Income before income taxes	365	427	754	767	1,252	1,001	594	(94)	1,493
Net income	531	(17)	502	949	872	679	355	(55)	924

6. Consolidated Yearly Business Results

(Millions of yen)

	2007	2006	2005	2004	2003
Net sales	70,210	63,508	39,666	36,246	30,537
Operating income	4,712	4,171	3,183	3,611	2,394
Ordinary income	4,368	4,505	2,853	3,128	1,960
Income before income taxes	3,614	4,126	3,929	2,625	73
Net income	2,855	2,182	2,435	1,807	315
Shareholders' equity	29,919	27,151	24,920	20,511	18,809
Total assets	71,510	70,161	51,701	34,170	29,941
Per share (yen)					
EPS	149.96	111.88	126.54	104.25	21.21
Shareholders' equity	1,486.13	1,383.75	1,285.44	1,175.67	1,220.14

Overview of Consolidated Business Results for the Third Quarter of 2008

In 2008, the demise of the major investment bank, Lehman Brothers, on September 15 has set off tremors throughout the financial industry resulting in a rage of restructuring and elimination series at the securities firms, banks and insurers in the U.S. In Europe, even leading banks fell into public management following one another and Euro depreciated dramatically as a result that hedge funds realized assets for cash in Japanese yen and US dollar, the uncertainty was likely to remain. The latest IMF reflected a downward correction on the real GDP growth worldwide to 3.9% in 2008 and 3.0% in 2009 from 4.1% and 3.9% respectively estimated in this July. The economy of the advanced nations would continue to hover through the global financial crises and soaring commodities price until the mid of 2009 and be expected to gradually recover in the latter half of 2009.

The worldwide demand for electronic equipment like notebook-sized PCs, cellular phones and DSC though experienced relatively strong growth in the 1st and 2nd quarters, the deceleration deepened rapidly from the end of the 3rd quarter.

Shipment for personal computers climbed 14.6% to 69 million sets in the 1st quarter, 15.3% to 71 million sets in the 2nd quarter and 15.8% to 80 million sets in the 3rd quarter of 2008 as compared the corresponding terms last year. Shipment volume for cellular phones gained 14.3% to 292 million pieces in the 1st quarter and 15.3% to 306 million pieces in the 2nd quarter but was expected to slow down in the 3rd quarter of 2008 caused by stagnant sales from the prime manufacturers. Shipment for DSC increased 33.0% to 24 million units in the 1st quarter, 29.5% to 32 million units in the 2nd quarter, 13.2% to 31 million units in the 3rd quarter but the growth was anticipated to blunt. Besides, the demand for electronic parts and peripherals for automotive that had continued expanding for pursuit of safety, comfort and fuel-economy in spite of new cars sales decline, were progressively dampened due to the production adjustments by major auto manufacturers in Japan, US and Europe.

Under such circumstances, Sumida Group has enlarged the business scale of the ABS- dominated Automotive Company and improved the productivity in Legacy Company under Coil Business, with the production footholds and management resources focused on Romania and Slovenia since last year under Vogt Component Company, to strive for further enhancement of the corporate value. In addition, a satellite factory has been established in Nanning, Guangxi for comparatively lower-wage production as a part of prime cost reduction.

Overall sales of the third Quarter of 2008 fell 17.8% year-on-year to ¥14,701 million. It was partly explained by the appreciation of Japanese Yen which inflated year-on-year from ¥117.79 to ¥107.61 to a US dollar causing an inevitably twin-digit sales decrease in Legacy Company, partly due to the sales decline from the restructuring of Inverter Company and Vogt EMS Company and from the different accounting treatment in which the materials to subcontractor had been recorded at free of charge since this year in Vogt Component Company and partly for the sales slowdown of Other Company, despite the expansion in Automotive Company.

Operating income reduced 43.1% year-on-year to ¥819 million, resulted from the declined profit margin in Coil Business led by the sales contraction in Legacy Company and Other Company that was not fully offset by the enhanced revenue of Automotive Company and the decreased headquarters, selling and administrative expenses in addition to the production adjustments by leading US-based and Europe-based customers of Vogt Business.

Ordinary income dipped 15.2% year-on-year to ¥867 million despite the absence of investment loss from the equity-method and reduced interest payables. Net income slid 39.0% year-on-year to ¥531 million.

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 decreased 18.2% to ¥9,679 million due to sales reduction in of Inverter Company and Other Company, and business contraction of Legacy Company despite increase in Automotive Company.

Operating income reduced 35.6% year-on-year to ¥1,170 million attributable to the declined sales in Legacy Company and Other Company that was not fully offset by the enhanced revenue of Automotive Company and the decreased headquarters, selling and administrative expenses.

1. Legacy Company

Sales in our Legacy Company shed 10.9% year-on-year to ¥5,872 million with the overall reduction in Power Solution, Power Inductor and Signal.

a) Power Solution

Sales of Power Solution decreased 18.0% to ¥959 million from the same term last year.

In terms of area, sales were up in Singapore and Japan but reduced in Hong Kong/China, the U.S., Europe and Taiwan. For sales by product used, recreational devices, PC & PC peripherals, garage shutter, AV equipments, industrial devices and medical instruments and 4V coils for switching between cooling and heating all reduced saving that automotive-related equipments stayed the same as that of last year.

b) Power Inductor

Sales of Power Inductors declined 11.3% year-on-year to ¥3,671 million.

In terms of area, sales expanded in Hong Kong/China but decreased in Taiwan, the U.S., Europe, Japan and Singapore. For sales by product used, recreational devices, industrial devices and medical instruments swelled while PC & PC peripherals, phone sets, automotive-related equipments, AV equipments and power-supply-related devices reduced.

c) Signal

Sales of Signal dropped 3.1% year-on-year to ¥1,242 million.

In terms of area, sales gained in Japan, Hong Kong/China and Europe and lost in Singapore, the U.S. and Taiwan. For sales by product used, AV equipments, Industrial devices and medical instruments expanded whereas tags, automotive-related devices, PC & PC peripherals and OA equipments declined.

2. Inverter Company

Sales of Inverter Company shed 86.1% year-on-year to ¥245 million.

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

3. Automotive Company

Sales in Automotive Company added 5.9% year-on-year to ¥2,654 million.

In terms of area, sales withdrew in the U.S., Japan and Hong Kong/China but increased in Europe and Singapore. For sales by product used, coils for ABS and the direct-injection engines increased while coils for keyless entry and car air conditioner were stagnant.

4. Other Company

Sales in Other Company slid 6.7% year-on-year to ¥908 million and on the moderate upward trend.

Other Company is made up of STELCO and PANTA. PANTA increased revenue whereas STELCO declined.

II. VOGT COMPONENT COMPANY

Sales in VOGT Component Company down 14.8% year-on-year to ¥4,567 million was explained by

the production adjustment from automotive customers and the different treatment on materials to subcontractor, which were accounted as sales last year but had been provided free of charge this year. Operating income fell 18.0% year-on-year to ¥196 million due mainly to the reduced revenue despite the positive effect from the business restructuring last year.

III. VOGT EMS COMPANY

Sales in VOGT EMS Company decreased 34.1% year-on-year to ¥455 million.

Sales grew orderly for industrial and medical devices but reduced for home and illumination appliances and communication devices following the disposal of Letron in the 4th quarter of last year.

Operating income reduced 14.5% year-on-year to ¥53 million due to production adjustment imposed by the leading customer.

Consolidated Business Results for January to September of 2008

Overall sales of the first half of 2008 lost 15.3% from the same term last year to ¥45,015 million, attributable partly to the appreciation of Japanese Yen which inflated year-on-year from ¥119.19 to ¥105.86 to a US dollar causing an inevitably twin-digit sales decrease in Legacy Company, partly to the slowdown of the recent growing Other Company and partly to the sales contraction of the restructured Inverter Company and of VOGT EMS Company and to the different accounting treatment in which the materials to subcontractor had been changed to free of charge since this year in VOGT Component Company, despite expansion in Automotive Company.

Operating income dropped 14.3% year-on-year to ¥2,912 million down to the reduced profit from the production adjustment by the leading customers of Vogt EMS Company plus the declined earning of Coil Business from the business contraction in Legacy Company despite improved profitability benefited from the restructuring last year in VOGT Component Company.

Ordinary income down 34.2% year-on-year to ¥2,194 million was stemmed from exchange loss despite the absence of investment loss from the equity-method. Net income decreased 46.7% year-on-year to ¥1,016 million as compared with the same fiscal term of last year.

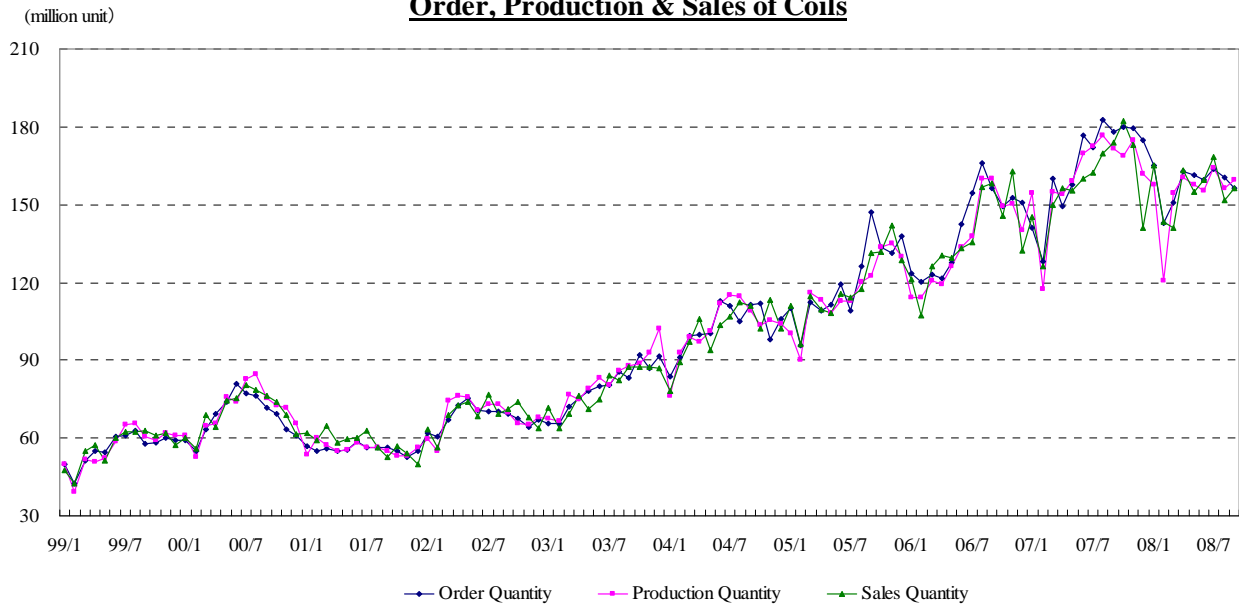
The Future Management Environment and Business Development Policy

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 not been expanding much in spite of the prime season.

The monthly volume of orders received for coils (orders received during the current month and scheduled to sell during the current month exclude STELCO, PANTA and VOGT) after the record high of 178 million pieces on average per month in the 4th quarter of 2007 were 153 million pieces on average per month in the 1st quarter, 161 million pieces in the 2nd quarter and 160 million pieces on average per month in the 3rd quarter of 2008 and was moving sideways. The monthly order volume was 164 million in July, 161 million in August, 156 million pieces in September and slowly declined towards the 4th quarter.

Order, Production & Sales of Coils



The downside demand in the global electronic parts market has emerged after the Beijing Olympics and deteriorated by the economic-recession worries in the midst of full-blown global financial chaos since the mid of September. Low-end-product-based notebook-sized PCs though increased orderly, desktop PCs have been under correction. High-end cellular phones bound for advance nations have remained sluggish while low-end types bound for emerging countries also started decelerating. Thin-type TVs for the U.S. and Europe have been stagnant. Game devices directing for Christmas sales battle are expected to grow whereas AV equipments like DVDs, audio and DSCs are estimated to decline. New car registration collectively in Japan, the U.S. and Europe at the end 2006 appeared being frozen from a year earlier and is expected to lose double-digit in quantity from the 3rd quarter of 2008. The electronics industry is predicted to continue with the unpromising outlook through the first half of 2009 and possibly back on the recovery track in the latter half.

Amid such business environment, Sumida group devoted to re-align and remove all less-profitable divisions. Jensen in Sweden has been sold, production in Mexico has been moved to Panyu factory in China, VOGT has been undergone restructuring and Inverter Companies at Taiwan and Suzhou of China have been disposed last year. The management system that focuses resources on each promising field has thus been built. With devotion of efforts on production and sales for leading products of each respective field, we will intensify new-product development preparing for the next expanding-market period. The price for copper which makes up a very part of the raw materials cost dropped 30% to US\$8,811.55 /t in July of 2008 amid the worldwide recession and is estimated to go further downward in the medium to long run. The labor cost at our China Factories had grown about 20% as a result of the introduction of minimum-wages policy in September of 2006 but had been completely offset by the improved productivity in 10 months. The recent increment of the minimum wages in April this year has brought the cost up by 16% and the productivity has been improved by 11% in 5 months. With reduction on raw materials cost, wages, production and selling overhead, the enhancement of the corporate value of the Group can be actualized.

I. COIL BUSINESS

1. Legacy Company

For power solution, the Company targets to extend all out effort in driving sales for PCs, ADSLs, DSCs, recreational-related equipments, LCD-TVs, HID lamps and telephone related equipments.

For power inductor, we are devoted to focus more resources on intensifying the sales for PCs, HDDs, LCD TVs, DSCs, and telephone sets.

For signal, the business intends to reinforce sales in ADSLs, toner sensors, LCD TVs, immobilizers, keyless entry, TPMS, cellular phones and tags.

2. Inverter Company
Inverter Company is committed to widen sales of inverter transformers and re-sales of inverter units for Crystal TVs and recreational-related devices.

3. Automotive Company
ABS coils, the mainstay of Automotive Company, which first designed for prevention from wheel lock at emergency braking, can also be used for prevention from sideslip of tires. The number of coils to be deployed in each car has steadily on the upside. In addition to strengthen the production and sales for present clients, the team is also devoted to explore other major customers. For keyless entry coils, apart from striving for new customers, the business also stresses to expand shares from existing clients with the aim of nurturing the 2nd large project after ABS Coil. Injection coil used for the direct-injection engine ranks as the 3rd-pillar product immediate following ABS and Keyless Entry in the Automotive Company. With request from the major customer to enlarge production volume, full-fledged production has been scheduled. In the meantime, various activities have started to strengthen sales of coils for car air conditioner, suspension and transmission.

4. Other Company
STELCO is in hope to enlarge market shares with the existing customers on one hand and develop new customers at the same time.
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, industrial & medical equipment, home and illumination appliances mainly to Europe, America and China. The Company would focus increasing resources on automotive-related, industrial and medical devices with growing potential. Further, upon completion of the reorganization to consolidate production mainly in Romania and Slovenia, we strive to shifting low-margin products to China 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 division in Letron with lower margin has been disposed to secure the competitiveness of the Company with the remaining high-yield sections.

Forecast of Business Results in the Fourth Quarter of 2008

The following is our forecast of business results in the fourth quarter of 2008 at this point.

Forecast of consolidated business results in the fourth quarter of 2008 (from Oct 1 to Dec 31, 2008)		Actual figures of consolidated business results in the fourth quarter of 2007 (from Oct 1 to Dec 31, 2007)	
Sales	¥13,000M	Sales	¥17,035M
Operating income	¥525M	Operating income	¥1,316M
Ordinary income	¥255M	Ordinary income	¥1,032M
Net income	¥115M	Net loss	¥ 949M

(Exchange rate is premised at ¥100 per U.S. \$1)

Consolidated Balance Sheets

(Unit : millions of yen)

Account	Period	3Q 2008	%	3Q 2007	%	Dec. 2007	%
ASSETS							
I Current assets							
1. Cash and cash equivalents		6,772		8,538		9,181	
2. Trade receivables		11,846		16,349		12,597	
3. Inventories		8,955		10,992		9,814	
4. Deferred tax assets		1,977		980		1,894	
5. Others		4,595		7,440		6,207	
6. Allowance for doubtful accounts		(43)		(53)		(35)	
Total current assets		34,102	53.1	44,246	57.5	39,658	55.5
II Fixed assets							
(1) Tangible fixed assets							
1. Buildings		10,718		11,716		11,450	
2. Machinery and equipment		24,341		24,299		24,017	
3. Furniture and fixture		7,543		7,862		7,881	
4. Land		1,293		1,542		1,367	
5. Construction in progress		1,313		2,628		2,282	
6. Accumulated depreciation		(27,249)		(27,326)		(27,121)	
Total tangible fixed assets		17,959	27.9	20,721	27.0	19,876	27.8
(2) Intangible fixed assets							
1. Goodwill		6,188		6,081		6,495	
2. Leasehold rights		425		475		458	
3. Software		279		220		290	
4. Others		535		625		630	
Total intangible fixed assets		7,427	11.6	7,401	9.6	7,873	11.0
(3) Investments and other assets							
1. Investments in securities		850		800		881	
2. Deferred tax assets		2,542		2,950		1,852	
3. Others		1,360		797		1,370	
Total investments and other assets		4,752	7.4	4,547	5.9	4,103	5.7
Total fixed assets		30,138	46.9	32,669	42.5	31,852	44.5
III Deferred assets							
Total deferred assets		22	0.0	—	—	—	—
TOTAL ASSETS		64,262	100.0	76,915	100.0	71,510	100.0

(Unit : millions of yen)

Account	Period		3Q 2007		Dec. 2007	
	3Q 2008	%	3Q 2007	%	Dec. 2007	%
LIABILITIES						
I Current liabilities						
1. Trade payables	3,367		5,879		4,433	
2. Short-term loans	14,446		14,444		14,673	
3. Convertible bonds with stock acquisition rights (with remaining) maturities of less than a year	7,830		—		—	
4. Current portion of long term loan	1,500		1,525		1,523	
5. Others	3,819		8,087		5,210	
Total current liabilities	30,962	48.2	29,935	38.9	25,839	36.2
II Fixed liabilities						
1. Convertible Bond	1,200		—		—	
2. Convertible bonds with stock acquisition rights	—		8,000		8,000	
3. Long-term loans	2,437		3,942		3,563	
4. Deferred tax liabilities	440		1,551		566	
5. Others	2,739		3,940		3,623	
Total fixed liabilities	6,816	10.6	17,433	22.7	15,752	22.0
Total liabilities	37,778	58.8	47,368	61.6	41,591	58.2
SHAREHOLDERS' EQUITY						
I Shareholders' equity						
1. Paid in capital	7,217	11.2	7,211	9.4	7,217	10.1
2. Capital reserve	7,030	10.9	7,024	9.1	7,030	9.8
3. Retained earnings	16,375	25.5	15,148	19.7	15,934	22.2
4. Treasury stock	(1,525)	(2.4)	(1,524)	(2.0)	(1,524)	(2.1)
Total shareholders' equity	29,097	45.2	27,859	36.2	28,657	40.0
II Revaluation, translation adjustments and others						
1. Unrealized gains/losses on securities at market valuation	(194)	(0.3)	(5)	(0.0)	(82)	(0.1)
2. Gains/losses on hedging	(48)	(0.0)	(26)	(0.0)	(27)	(0.0)
3. Cumulative translation adjustments	(3,433)	(5.3)	337	0.4	6	0.0
Total revaluation, translation adjustments and others	(3,675)	(5.6)	306	0.4	(103)	(0.1)
	1,062	1.6	1,382	1.8	1,365	1.9
III Minority interest						
Total shareholders' equity	26,484	41.2	29,547	38.4	29,919	41.8
TOTAL LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY	64,262	100.0	76,915	100.0	71,510	100.0

Consolidated Statements of Income

(Unit : millions of yen)

Account	Period	3rd Quarter				9-month Period (January - September)			
		2008		2007		2008		2007	
		Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
I Net sales		14,701	100.0	17,885	100.0	45,015	100.0	53,175	100.0
II Cost of sales		11,436	77.8	13,403	74.9	34,000	75.5	40,378	75.9
Gross profit		3,265	22.2	4,482	25.1	11,015	24.5	12,797	24.1
III Selling, general & administrative expenses		2,446	16.6	3,043	17.1	8,103	18.0	9,401	17.7
Operating income		819	5.6	1,439	8.0	2,912	6.5	3,396	6.4
IV Non-operating income (expenses)									
Interest and dividends received		30		33		102		92	
Interest paid		(53)		(98)		(285)		(289)	
Exchange gain (loss)		63		(364)		(564)		150	
Investment loss on equity method		—		(9)		—		(68)	
Other non-operating income (expenses)		8		22		29		55	
Non-operating income (expenses)		48	0.3	(416)	(2.3)	(718)	(1.6)	(60)	(0.1)
Ordinary income		867	5.9	1,023	5.7	2,194	4.9	3,336	6.3
V Extraordinary income (losses)									
Gain on sales of fixed assets		1		2,024		11		3,019	
Gain on sales of securities		—		71		1		103	
Loss on disposal of fixed assets		(4)		(17)		(23)		(41)	
Structural reorganization expenses		(36)		(1,594)		(121)		(2,207)	
Valuation loss of investment securities		—		(265)		—		(1,211)	
Loss on sales of securities of affiliated company		—		0		—		(162)	
Other extraordinary income (losses)		(463)		10		(516)		10	
Extraordinary income (losses)		(502)	(3.4)	229	1.3	(648)	(1.5)	(489)	(0.9)
Income before income taxes		365	2.5	1,252	7.0	1,546	3.4	2,847	5.4
Income taxes		(175)	(1.2)	375	2.1	508	1.1	899	1.7
Minority interest		9	0.1	5	0.0	22	0.0	42	0.1
Net income		531	3.6	872	4.9	1,016	2.3	1,906	3.6

Consolidated Statements of Cash Flows

(Unit : millions of yen)

Account	3rd Quarter		9-month Period (Jan. - Sep.)	
	2008	2007	2008	2007
I. Cash flows from operating activities				
Income before income taxes	365	1,252	1,546	2,847
Depreciation and amortization	833	895	2,521	2,765
Gain on sales of fixed assets	(1)	(2,024)	(11)	(3,019)
Loss on disposal of fixed assets	4	17	23	41
Changes in account receivable	522	95	(8)	(65)
Changes in inventories	(290)	(802)	147	(1,522)
Changes in account payable	(322)	(61)	(765)	537
Income taxes paid	(1,373)	(603)	(1,976)	(914)
Others	(187)	1,252	(1,254)	1,195
Cash flows from operating activities	(449)	21	223	1,865
II. Cash flows from investing activities				
Purchase of tangible fixed assets	(519)	(980)	(2,068)	(3,193)
Proceeds from sales of tangible fixed assets	19	928	194	939
Investment in affiliated company	(386)	—	(448)	(378)
Sales of investment in affiliated company	—	—	1,743	—
Investment in securities	1	(547)	(703)	(557)
Sales of investment in securities	1	37	202	535
Others	(19)	6	(230)	(45)
Cash flows from investing activities	(903)	(556)	(1,310)	(2,699)
III. Cash flows from financing activities				
Changes in short-term borrowings	991	3,213	(204)	3,912
Changes in long-term borrowings	(374)	(381)	(1,147)	(1,143)
Cash dividends paid	(194)	(191)	(577)	(619)
Revenue from issuance of stocks	—	495	—	500
Others	(1)	150	975	149
Cash flows from financing activities	422	3,286	(953)	2,799
IV. Effect of exchange rate changes on cash and cash equivalents	(364)	(185)	(550)	30
V. Net increase (decrease) in cash and cash equivalents	(1,294)	2,566	(2,590)	1,995
VI. Cash and cash equivalents at beginning of year	8,060	5,966	9,356	6,537
VIII. Cash and cash equivalents at end of year	6,766	8,532	6,766	8,532

Sales by Segment

(Unit: millions of yen, %)

Business \ Period	3rd Quarter					9-month period (January - September)				
	2008	% of Total	2007	% of Total	% Change	2008	% of Total	2007	% of Total	% Change
Coil	9,679	65.8	11,836	66.2	(18.2)	28,948	64.3	34,391	64.7	(15.8)
VOGT Components	4,567	31.1	5,359	30.0	(14.8)	14,764	32.8	16,794	31.6	(12.1)
VOGT EMS	455	3.1	690	3.8	(34.1)	1,303	2.9	1,990	3.7	(34.5)
Total	14,701	100.0	17,885	100.0	(17.8)	45,015	100.0	53,175	100.0	(15.3)

Quarterly Sales by Segment

(Unit: millions of yen)

Business \ Period	2008			2007				2006	
	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q
Coil	9,679	9,856	9,413	11,613	11,836	11,855	10,700	11,637	11,194
VOGT Components	4,567	5,193	5,004	4,905	5,359	5,872	5,563	5,059	4,667
VOGT EMS	455	430	418	517	690	675	625	466	726
Total	14,701	15,479	14,835	17,035	17,885	18,402	16,888	17,162	16,587

Sales by Region

(Unit: millions of yen, %)

Area \ Period	3rd Quarter					9-month period (January - September)				
	2008	% of Total	2007	% of Total	% Change	2008	% of Total	2007	% of Total	% Change
Japan	2,121	14.4	2,277	12.7	(6.9)	6,712	14.9	6,979	13.1	(3.8)
Hong Kong / China	2,776	18.9	3,373	18.9	(17.7)	7,641	17.0	9,924	18.7	(23.0)
ASEAN	922	6.3	922	5.1	0.0	2,338	5.2	2,458	4.6	(4.9)
Taiwan / Korea	343	2.3	1,391	7.8	(75.3)	1,116	2.5	3,708	7.0	(69.9)
NAFTA	1,324	9.0	1,980	11.1	(33.1)	4,113	9.1	5,581	10.5	(26.3)
EU	7,107	48.3	7,913	44.2	(10.2)	22,881	50.8	24,455	46.0	(6.4)
Other	108	0.8	29	0.2	272.4	214	0.5	70	0.1	205.7
Total	14,701	100.0	17,885	100.0	(17.8)	45,015	100.0	53,175	100.0	(15.3)

Segment Information

	3rd quarter FY2008					
	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	9,679	4,567	455	14,701	-	14,701
(2)Inter-segment sales of transfers	248	22	1	271	(271)	-
Total	9,927	4,589	456	14,972	(271)	14,701
Operating expenses	8,757	4,393	403	13,553	329	13,882
Operating income	1,170	196	53	1,419	(600)	819
(%)	11.8	4.3	11.6	9.5	-	5.6

	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	459	16,447
Operating income	1,816	239	62	2,117	(679)	1,438
(%)	15.1	4.4	9.0	11.7	-	8.0

	9-month period (January - September) FY2008					
	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	28,948	14,764	1,303	45,015	-	45,015
(2)Inter-segment sales of transfers	643	106	4	753	(753)	-
Total	29,591	14,870	1,307	45,768	(753)	45,015
Operating expenses	25,462	14,010	1,238	40,710	1,393	42,103
Operating income	4,129	860	69	5,058	(2,146)	2,912
(%)	14.0	5.8	5.3	11.1	-	6.5

	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

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