



4
2008

Financial Results for the 4th Quarter
ended 31 December 2008

SUMIDA CORPORATION

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Consolidated Financial Highlights for the 4th Quarter ended 31 December 2008

1. Consolidated Results of Operations

(Millions of yen, %)

Category	Period	4th Quarter				12-month period (January - December)					
		2008	% of Total	2007	% of Total	% Change	2008	% of Total	2007	% of Total	% Change
Net sales		10,719	100.0	17,035	100.0	(37.1)	55,734	100.0	70,210	100.0	(20.6)
Operating income		(745)	(7.0)	1,316	7.7	—	2,167	3.9	4,712	6.7	(54.0)
Ordinary income		(2,340)	(21.8)	1,032	6.1	—	(146)	(0.3)	4,368	6.2	—
Income before income taxes		(5,776)	(53.9)	767	4.5	—	(4,230)	(7.6)	3,614	5.1	—
Net income		(6,759)	(63.1)	949	5.6	—	(5,743)	(10.3)	2,855	4.1	—
Net income per common share (yen)											
	(Basic)	(351.82)	—	49.39	—	—	(298.91)	—	149.96	—	—
	(Fully diluted)	—	—	42.19	—	—	—	—	127.82	—	—

2. Consolidated Financial Conditions

(Millions of yen)

Category	Period	4th Quarter		
		2008	2007	Increase/Decrease
Total assets		60,814	71,510	(10,696)
Paid in capital		7,217	7,217	0
Net assets		14,700	29,919	(15,219)
Total numbers of stock issued (thousand shares)		19,213	19,211	2
Net assets per share (yen)		718.04	1,486.13	(768.09)
Equity ratio (%)		22.7	39.9	—

3. Consolidated Statements of Cash Flows

(Millions of yen)

Category	Period	4th Quarter			12-month period (January - December)		
		2008	2007	Increase/Decrease	2008	2007	Increase/Decrease
Cash flows from operating activities		1,791	2,315	(524)	2,014	4,180	(2,166)
Cash flows from investing activities		(508)	418	(926)	(1,818)	(2,281)	463
Cash flows from financing activities		3,670	(1,728)	5,398	2,717	1,071	1,646
Cash and cash equivalents, end of period		10,380	9,356	1,024	10,380	9,356	1,024

4. Estimation of FY 2009

Category	Period	FY2009 (Estimation)	FY2008 (Actual)	%Change
Net sales (millions of yen)		47,600	55,734	(14.6)
Operating income (millions of yen)		1,490	2,167	(31.2)
Ordinary income (millions of yen)		890	(146)	—
Net income (millions of yen)		700	(5,743)	—
Net income per share (yen)		36.43	(298.91)	—

5. Consolidated Quarterly Business Results

(Millions of yen)

Category \ Period	2008				2007				2006
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q
Net sales	10,719	14,701	15,479	14,835	17,035	17,885	18,402	16,888	17,162
Operating income	(745)	819	1,051	1,042	1,316	1,438	1,253	705	608
Ordinary income	(2,340)	867	517	810	1,032	1,023	1,750	563	492
Income before income taxes	(5,776)	365	427	754	767	1,252	1,001	594	(94)
Net income	(6,759)	531	(17)	502	949	872	679	355	(55)

6. Consolidated Yearly Business Results

(Millions of yen)

	2008	2007	2006	2005	2004
Net sales	55,734	70,210	63,508	39,666	36,246
Operating income	2,167	4,712	4,171	3,183	3,611
Ordinary income	(146)	4,368	4,505	2,853	3,128
Income before income taxes	(4,230)	3,614	4,126	3,929	2,625
Net income	(5,743)	2,855	2,182	2,435	1,807
Shareholders' equity	14,700	29,919	27,151	24,920	20,511
Total assets	60,814	71,510	70,161	51,701	34,170
Per share (yen)					
EPS	(298.91)	149.96	111.88	126.54	104.25
Shareholders' equity	718.04	1,486.13	1,383.75	1,285.44	1,175.67

CEO's Message for the Fourth Quarter of Fiscal 2008

I believe that 2008 will go down in history as the beginning of the massive upheaval in the global economy that we are now confronting. The world's financial markets, which began to collapse in early autumn last year, still show no signs of emerging from the crisis, despite the implementation of a raft of emergency fiscal and monetary measures by the world's governments. The crisis has now spread to the real economy, causing demand and production to collapse suddenly in every industry around the world and radically changing the business environment. In the manufacturing industry, we are facing the most difficult conditions we have ever experienced. Increasingly, it seems the world is on the brink of a major depression, and all eyes are on the Obama administration in the US and other governments, hoping that the emergency measures they implement will restore some stability to the economy and the markets and address the public's growing uncertainty. As governments and companies do their best to cope with the crisis, one thing that is certain is that unpredictable conditions will continue in 2009.

The current crisis has caused an enormous contraction in the global demand for electronic devices and automobiles, which has caused a rapid decline in the performance of name brand manufacturers. Especially since September, inventory adjustment on the part of these manufacturers has caused a collapse in orders to parts manufacturers, making production adjustments necessary in every sector. The predominant view is that these very difficult demand conditions will continue in the short term. Of course, the process of inventory adjustment will not continue indefinitely, nor will the current difficult conditions. For now, however, every company must focus on its immediate difficulties, by such means as cutting costs and improving capital management, in the expectation that the current severe conditions will continue for some time.

On the other hand, even the midst of these difficulties, many companies are looking to the medium- to long-term and, foreseeing the end of an energy supply based on fossil fuels and the need to protect the environment, are beginning to seriously consider businesses related to alternative energy or energy conservation. In the electronic components industry, we expect to see increased demand for components for hybrid cars and a rapid increase in demand as electric automobiles are commercialized. We also expect new demand for electronic components to grow as electrification progresses in the areas of energy and industrial equipment, and we expect that these businesses will be core elements in our future growth.

Across all Sumida Group companies, orders and production volumes have fallen sharply. Sales for the fourth quarter of last year were roughly 30% below normal fourth quarter levels, a collapse greater than anything we have ever experienced, and conditions have only worsened in 2009. Our 2008 results reflect these conditions, in particular the sudden collapse of orders for the European and North American markets since October. Sales declined sharply, falling 20.6% year-on-year to 55,734 million yen. In terms of profit, operating income was severely affected by the drop in revenue, falling 54% year-on-year to 2,167 million yen, but our core business sectors remained in the black. But, with current conditions looking set to continue into the foreseeable future, we judged it necessary to undertake bold and speedy structural reform. As a result of declaring the restructuring expenses as an extraordinary loss, our final profit and loss figures showed a loss of 5,743 million yen. However, as a reduction effect, the outlook is for this to make for a profitable figure in fiscal 2009.

Despite the severe business climate, we have been steadily working to lay the foundations for future growth by pursuing strategies to achieve targets in the areas of manufacturing, R&D, marketing, and M&A as set forth in our mid-term business plan, "Triple Ex", formulated last March. As part of our strategic initiatives in new business areas, related to the trends toward energy conservation and electrification in automobiles and targeting the industrial machinery and energy/environment sectors, we have acquired EIWA Co., Ltd. and MOSTEC Inc. On the manufacturing front, we have established new satellite factories, rationalized our operations in North America, and centralized the cash management system for the Group as part of our steady efforts to achieve our targets.

The current difficult environment has given us an opportunity to go back to basics and consider our fundamental role. Under these conditions, we must reduce costs through further rationalization and

implement a variety of measures to improve day-to-day operations. At the same time, we need to create and develop new businesses. To do this, we need to grasp, accurately and quickly, the needs of the market and society at large and work to secure a leading position in global industry. What is required now is a flexible response to the great changes occurring in the business climate and a willingness to undertake creation and destruction as necessary, based on an accurate assessment of the needs of our times.

“Triple Ex” assumes the need for evolution in the composition of our business and sets the course for new ventures in the industrial and healthcare sectors, in addition to sustainable growth in our existing consumer electronics and automotive businesses. We have worked hard to cultivate our global business capabilities and our ability to respond flexibly to changing conditions, and our basic philosophy is to continue these efforts. Recent events have confirmed that this basic philosophy is precisely what is required now. We therefore intend to put this philosophy into practice, to respond quickly and appropriately to our customers’ needs, to surpass our competitors, and to secure a position as a market leader. Given the current climate, we will give particular emphasis to the following three issues:

- (a) We must work not only to maintain our market share in the current difficult climate but also to increase our share and promote the growth of the market itself so as to be in a stronger position when the business climate improves.
- (b) We must actively develop new markets and businesses. In the current climate, industrial reorganization is inevitable, and we must take advantage of this opportunity to pursue new acquisition and partnership opportunities. In particular, we must actively pursue opportunities to form partnerships with or to acquire companies that have the sophisticated technology to add value to our products and the knowledge and experience to help us to strengthen and expand our business foundations.
- (c) We must make every effort to achieve and exploit synergies among group companies.

The global economy is now entering a period of great change. We believe that in this environment opportunities are increasing for our electronics technologies and components to make a positive contribution to society. We are strongly aware of our own role in the global electronics industry, which is now undergoing massive change and expansion. To overcome the current crisis, we are committed to working as a cohesive unit, directors and employees together, to actively face up to the enormous changes that are taking place and to continue to pursue new challenges. These days, it can truly be said that “change is the only constant”, and we believe that change also brings opportunities for the future.



Shigeyuki Yawata
Sumida Group CEO

Overview of Consolidated Business Results for the Fourth 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 in exchange for US dollar and Japanese yen as a result that the America-based international investment funds reinstated cash to home country to assure their own repayment capability amid the financial tsunami, the unpredictable circumstances would likely continue. Since the eager policies correspondingly taken by the government of each country seemed not mighty enough to do away with the uncertainty in the faltering economies, the downward pressure on assets value through the ongoing deceleration of the finance and commodities market reduced the household and corporate expenses sharply. The global industrial production and trading amount compared with 3 months earlier increased about 5% and 20% respectively in mid of 2008 but both appeared to record a some 40% decrease in this November. Notwithstanding the sustainable growth of the emerging countries headed by China, India and other ASEAN countries, the advanced nations like the U.S., Europe and Japan may continue to hover with possibly negative growth. The latest IMF announcement foresaw that the real GDP growth worldwide would drop from 3.4% in 2008 to 0.5% in 2009.

The worldwide demand for electronic equipment like notebook-sized PCs, cellular phones and DSC though experienced relatively strong growth until the mid of the year, 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, 15.8% to 80 million sets in the 3rd quarter but dripped 0.4% to 77 million sets in the 4th 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, 14.4% to 331 million pieces in the 3rd quarter but shrank by 13.5% to 289 million pieces in the 4th quarter of 2008. Shipment for DSC increased 33.0% to 24 million units in the 1st quarter, 29.5% to 32 million units in the 2nd quarter, 22.2% to 33 million units in the 3rd quarter and 0.8% though blunted in 4th quarter to 31 million units. Besides, the demand for electronic parts and peripherals for automotive that prospered for digitalization has also been progressively dampened due to the production adjustments by major auto manufacturers in Japan, US and Europe.

Under such circumstances, Sumida Group has tackled the reduction of raw materials, the compression of the labor cost and the manufacturing expenses by shortening the overtime work and improving the productivity for the Coil Business; and has focused the production footholds and management resources to the two factories at Romania and Slovenia for the Vogt Component Company. The satellite factory established in Nanning, Guangxi for comparatively lower-wage production as a part of the prime cost reduction has gradually been on the track towards the full-scale production. Furthermore, EIWA that manufactures and sells coils and transformers used for power supply and MOSTEC that specializes in the development of the heavy-current coils and transformers for industrial purpose have become the consolidated subsidiaries of the Group since this October.

Overall sales of the fourth Quarter of 2008 reduced 37.1% year-on-year to ¥10,719 million, because of the contraction of the Coil Business due partly to the drastic loss of the sales in Inverter Company following the disposal of inverter arms in Taiwan and Suzhou, partly to the declined sales of Power Solution, Power Inductor and Signal in Legacy Company and Other Coil Company and partly to the sudden drop of sales in relatively growing Automotive Company. It was also caused by the sales decrease in both of Vogt Component Company and Vogt EMS Company as a result of the dreadful production adjustment in the automotive industry in Europe, despite the contribution from Other Business made up of EIWA and MOSTEC.

Operating income reduced from ¥1,316 million year-on-year to a loss of ¥745 million, explained not only by the declined income in Coil Business resulting from the overall sales contraction in Legacy Company, Other Coil Company and Automotive Company but also by the deteriorated revenue from Vogt

Component Company and Vogt EMS Company as a whole.

Ordinary income decreased from ¥1,032 million year-on-year to a loss of ¥2,340 million for the exchange losses and other non-operating expenses. Net income was down from ¥949 million year-on-year to a loss of ¥6,759 million attributable to the special loss arising from the costs for restructuring and retrenchment, valuation loss in investment securities, adjustment of sub-contract fee as well as expenses for the liquidation of subsidiaries.

Business Segment Information

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

I. COIL BUSINESS

Sales for Coil Business lost 43.0% to ¥6,622 million due to sales reduction in Inverter Company, Other Coil Company and Legacy Company in addition to business contraction in Automotive Company.

Operating income decreased 69.5% year-on-year to ¥523 million by reason of the greatly declined revenue in Legacy Company and Other Coil Company in addition to the reduced income in the Europe-based-customers-oriented Automotive Company due to weak Euro in the face of the continual endeavor in the cost reduction in the R&D, selling and administration aspects.

1. Legacy Company

Sales in our Legacy Company shed 36.6% year-on-year to ¥4,021 million with the overall reduction in Power Solution, Power Inductor and Signal.

a) Power Solution

Sales of Power Solution slid 39.0% to ¥680 million from the same term last year.

In terms of area, sales reduced in Hong Kong/China, the U.S., Europe, Japan, Singapore and Taiwan. For sales by product used, recreational devices, AV equipments, industrial devices and medical instruments, garage shutter, PC & PC peripherals and air conditioner related all reduced.

b) Power Inductor

Sales of Power Inductors declined 38.2% year-on-year to ¥2,454 million.

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

c) Signal

Sales of Signal slipped 29.2% year-on-year to ¥887 million.

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

2. Inverter Company

Sales of Inverter Company fell 88.4% year-on-year to ¥200 million.

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

3. Automotive Company

Sales in Automotive Company were down 26.5% year-on-year to ¥1,910 million.

In terms of area, sales withdrew in Europe, the U.S., Japan and Hong Kong/China. For sales by

product used, coils for the direct-injection engines increased but coils for ABS, keyless entry and car air conditioner were on the downside.

4. Other Coil Company

Sales in Other Company decreased 48.5% year-on-year to ¥491 million.

Other Coil Company is made up of STELCO and PANTA. Revenue of both PANTA and STELCO declined.

II. VOGT COMPONENT COMPANY

Sales in VOGT Component Company fell 43.6% year-on-year to ¥2,767 million. Products used for home and illumination appliances, industrial devices and medical instruments grew stably while auto-related devices shrank sharply. Operating income reduced from ¥278 million year-on-year to a loss of ¥386 million, with the sales falling short of the breakeven point.

III. VOGT EMS COMPANY

Sales in VOGT EMS Company decreased 67.1% year-on-year to ¥170 million.

Sales grew orderly for industrial and medical devices but reduced for home and illumination appliances and auto-related devices diminished. Operating income down further from a loss of ¥13 million year-on-year to a loss of ¥20 million was owing to the decline sales.

IV. OTHER BUSINESS

Other Business comprises EIWA and MOSTEC which Sumida has acquired as consolidated subsidiaries since this October. The part that the Other Business contributed to the consolidated result was ¥1,160 million in the sales revenue and ¥86 million in the operating income.

Consolidated Business Results for January to December of 2008

Overall sales of the entire year of 2008 reduced 20.6% year-on-year to ¥55,734 million due in part to the contraction of the Coil Business in view of the double-digit sales lost in Legacy, Inverter and Other Coil Companies and in part to the reduction of sales revenue in both of Vogt Component Company and Vogt EMS Company as a result of the dreadful production adjustment in the Europe-based automotive industry, despite the contribution from Other Business made up of EIWA and MOSTEC.

Operating income dropped 54.0% year-on-year to ¥2,167 million on the basis of the reduced sales of Power Solution, Power Inductor and Signal under Legacy Company leading to an inevitable drawback in the Coil Business on top of the declined income in both of Vogt Component Company and Vogt EMS Company.

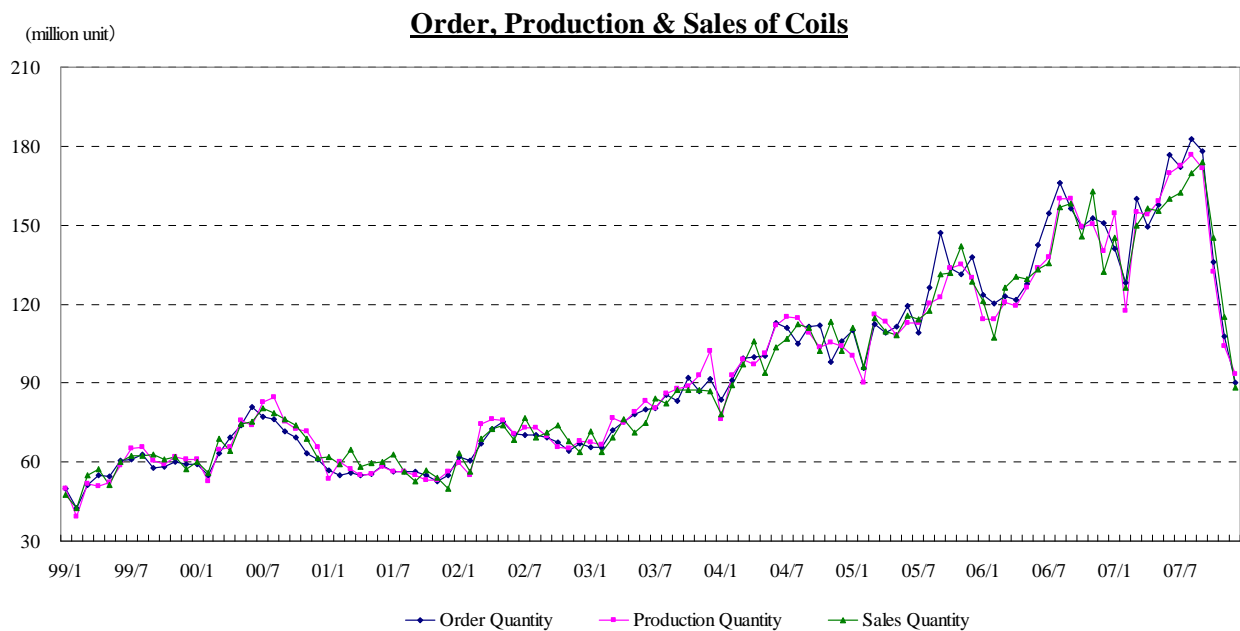
Ordinary income down from ¥4,368 million year-on-year to a loss of ¥146 million was imputed to the exchange loss despite the absence of investment loss from the equity-method. Net income plunged from ¥2,855 million in 2007 to a loss of ¥5,743 million, due to the special loss arising from the costs for restructuring and retrenchment, valuation loss in investment securities, adjustment of sub-contract fee as well as expenses for the liquidation of subsidiaries.

Prospect of the Next Term

Orders for coils received by Sumida Group have greatly reduced in the fourth quarter.

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, EIWA, MOSTEC) 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 remained high at 160 million

pieces on average per month in the 3rd quarter but dropped significantly to only 111 million pieces on average per month in the 4th quarter of 2008. The monthly order volume was 136 million in October, 108 million in November and 90 million pieces in December. The last monthly orders that fell below 100 million pieces had been in 3 years and 10 months ago.



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. Desktop PCs that decreased slowly in the first half have dropped in a greater extent while the growth rate of notebook-sized PCs especially for the low-end-product-based type that used to increase favorably has also decreased by half. Cellular phones for emerging countries such as South America and Asian Pacific areas have decelerated in conjunction with the advance nations like North America and West Europe. Shipment volume of DSCs for Japan has diminished gradually every month since the summer and that for North America and Europe despite the recent twin-digit growth has rapidly dropped beginning this November and December. The same for the emerging countries with once significant expansion has also slowed down with only a single digit growth since November. New car registration collectively in Japan, the U.S. and Europe at the end of 2006 froze from that of a year earlier, lost double-digit in quantity from the 3rd quarter and is expected to be further down by 20% to 30% in the 4th quarter of 2008. The electronics industry is predicted to continue with the unpromising outlook throughout the year of 2009.

Amid such business environment, Sumida group devoted to re-align and remove all less-profitable divisions. Jensen in Sweden, automotive production in Mexico, plants of VOGT in Ukraine, Austria and Letron, as well as the Inverter Companies at Taiwan and Suzhou of China were all dealt with and disposed in mid of the 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 has gone down 60% since 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 though grew 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 had brought the cost up by 16% so that we are committed to making amends completely for such by cutting overtime work with improved productivity. With reduction on raw materials cost, wages, production and selling overhead, the profit-making business structure has been built to withstand every business environment.

I. COIL BUSINESS

1. Legacy Company

For power solution, the Company targets to extend all out effort in driving sales for industrial devices and medical instruments, DSCs, automotive-related equipments, telephone sets, recreational-related equipments, STBs, air conditioners and PC & PC peripherals.

For power inductor, we are devoted to focus more resources on intensifying the sales for PCs, DSCs, telephone sets, automotive-related equipments, HDDs, LCD TVs, portable-type audio equipments and recreational-related equipments.

For signal, the business intends to reinforce sales in keyless entry, toner sensors, ADSLs, light pickups, industrial devices and medical instruments, tags, LCD TVs and printers.

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. We are devoted to increasing the market share for the principal customer. In the meantime, various activities have started to strive for sales of coils used 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 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 and home and illumination appliances mainly to Europe, America and China. Further, upon completion of the reorganization to consolidate production mainly in Romania and Slovenia, we strive to shift 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 divisions with lower margin have been disposed to secure the competitiveness of the Company with the remaining high-yield sections.

V. OTHER BUSINESS

The integration of technology, manufacturing and development competency of EIWA and MOSTEC with Sumida's would bring the competitive edge to tackle with the growing business fields. The team is committed not only to expanding the existing business but also making aggressive research and development on the various coils and transformers for solar and wind power generators, for

hybrid automobile or electric automobile and for primary power supply used for industrial or communication equipments.

Forecast of Business Results of FY2009

The following is our forecast of business results of FY2009 at this point.

Forecast of consolidated business results FY2009 (from Jan 1 to Dec. 31, 2009)		Actual figures of consolidated business results of FY2008 (from Jan 1 to Dec. 31, 2007)	
Sales	¥47,600 M	Sales	¥ 55,734M
Operating income	¥ 1,490M	Operating income	¥ 2,167M
Ordinary income	¥890 M	Ordinary income	¥ (146)M
Net income	¥700 M	Net income	¥(5,743) M
(Exchange rate is premised at ¥105 per 1US\$, ¥120 per 1 Euro)			

Consolidated Balance Sheets

(Unit : millions of yen)

Account	Period	4Q 2008	%	4Q 2007	%	Jun. 2008	%
ASSETS							
I	Current assets						
	1. Cash and cash equivalents	10,855		9,181		8,066	
	2. Trade receivables	8,305		12,597		13,002	
	3. Inventories	7,813		9,814		9,189	
	4. Deferred tax assets	457		1,894		1,952	
	5. Others	3,815		6,207		4,335	
	6. Allowance for doubtful accounts	(19)		(35)		(44)	
	Total current assets	31,226	51.3	39,658	55.5	36,500	53.3
II	Fixed assets						
	(1) Tangible fixed assets						
	1. Buildings	11,157		11,450		11,397	
	2. Machinery and equipment	22,512		24,017		24,772	
	3. Furniture and fixture	6,817		7,881		8,106	
	4. Land	1,744		1,367		1,372	
	5. Construction in progress	460		2,282		1,630	
	6. Accumulated depreciation	(26,035)		(27,121)		(28,076)	
	Total tangible fixed assets	16,655	27.4	19,876	27.8	19,201	28.0
	(2) Intangible fixed assets						
	1. Goodwill	5,275		6,495		6,602	
	2. Leasehold rights	555		458		432	
	3. Software	175		290		296	
	4. Others	913		630		601	
	Total intangible fixed assets	6,918	11.4	7,873	11.0	7,931	11.6
	(3) Investments and other assets						
	1. Investments in securities	946		881		1,199	
	2. Deferred tax assets	3,350		1,852		2,306	
	3. Others	1,675		1,370		1,347	
	Total investments and other assets	5,971	9.8	4,103	5.7	4,852	7.1
	Total fixed assets	29,544	48.6	31,852	44.5	31,984	46.7
III	Deferred assets	44	0.1	---	---	23	0.0
	Total deferred assets	44	0.1	---	---	23	0.0
	TOTAL ASSETS	60,814	100.0	71,510	100.0	68,507	100.0

(Unit : millions of yen)

Account	Period	4Q 2008	%	4Q 2007	%	Jun. 2008	%
LIABILITIES							
I	Current liabilities						
	1. Trade payables	2,684		4,433		3,857	
	2. Short-term loans	18,174		14,673		13,482	
	3. Convertible bonds with stock acquisition rights (with remaining) maturities of less than a year	430		---		---	
		7,770		---		7,830	
	4. Current portion of long term loan	2,075		1,523		1,500	
	5. Others	6,173		5,210		4,809	
	Total current liabilities	37,306	61.3	25,839	36.2	31,478	45.9
II	Fixed liabilities						
	1. Convertible Bond	1,815		---		1,200	
	2. Convertible bonds with stock acquisition rights	---		8,000		---	
	3. Long-term loans	3,923		3,563		2,813	
	4. Deferred tax liabilities	527		566		482	
	5. Others	2,543		3,623		3,406	
	Total fixed liabilities	8,808	14.5	15,752	22.0	7,901	11.5
	Total liabilities	46,114	75.8	41,591	58.2	39,379	57.4
SHAREHOLDERS' EQUITY							
I	Shareholders' equity						
	1. Paid in capital	7,217	11.9	7,217	10.1	7,217	10.5
	2. Capital reserve	7,030	11.6	7,030	9.8	7,030	10.3
	3. Retained earnings	9,423	15.5	15,934	22.2	16,035	23.4
	4. Treasury stock	(1,524)	(2.5)	(1,524)	(2.1)	(1,524)	(2.2)
	Total shareholders' equity	22,146	36.5	28,657	40.0	28,758	42.0
II	Revaluation, translation adjustments and others						
	1. Unrealized gains/losses on securities at market valuation	21	0.0	(82)	(0.1)	(88)	(0.1)
	2. Gains/losses on hedging	(198)	(0.3)	(27)	(0.0)	(17)	(0.0)
	3. Cumulative translation adjustments	(8,174)	(13.5)	6	0.0	(817)	(1.2)
	Total revaluation, translation adjustments and others	(8,351)	(13.8)	(103)	(0.1)	(922)	(1.3)
III	Minority interest	905	1.5	1,365	1.9	1,292	1.9
	Total shareholders' equity	14,700	24.2	29,919	41.8	29,128	42.6
TOTAL LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY		60,814	100.0	71,510	100.0	68,507	100.0

Consolidated Statements of Income

(Unit : millions of yen)

Account	Period	4th Quarter				12-month Period (January - December)			
		2008		2007		2008		2007	
		Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
I	Net sales	10,719	100.0	17,035	100.0	55,734	100.0	70,210	100.0
II	Cost of sales	8,898	83.0	12,724	74.7	42,898	77.0	53,102	75.6
	Gross profit	1,821	17.0	4,311	25.3	12,836	23.0	17,108	24.4
III	Selling, general & administrative expenses	2,566	24.0	2,995	17.6	10,669	19.1	12,396	17.7
	Operating income	(745)	(7.0)	1,316	7.7	2,167	3.9	4,712	6.7
IV	Non-operating income (expenses)								
	Interest and dividends received	38		40		140		132	
	Interest paid	(141)		(137)		(426)		(426)	
	Exchange gain (loss)	(1,139)		(122)		(1,703)		28	
	Investment loss on equity method	---		---		---		(68)	
	Other non-operating income (expenses)	(353)		(65)		(324)		(10)	
	Non-operating income (expenses)	(1,595)	(14.8)	(284)	(1.6)	(2,313)	(4.2)	(344)	(0.5)
	Ordinary income	(2,340)	(21.8)	1,032	6.1	(146)	(0.3)	4,368	6.2
V	Extraordinary income (losses)								
	Gain on sales of fixed assets	4		9		15		3,028	
	Gain on sales of securities	---		---		1		103	
	Gain on sales of securities of affiliated company	---		370		---		370	
	Loss on disposal of fixed assets	(79)		(152)		(102)		(193)	
	Structural reorganization expenses	(1,763)		(60)		(1,884)		(2,267)	
	Valuation loss of investment securities	(404)		(172)		(404)		(1,383)	
	Adjustment of subcontracting expenses	(425)		---		(425)		---	
	VAT arrears	(281)		---		(281)		---	
	Loss on liquidation of affiliated company	(129)		---		(129)		---	
	Loss on sales of securities of affiliated company	---		---		---		(162)	
	Other extraordinary income (losses)	(359)		(260)		(875)		(250)	
	Extraordinary income (losses)	(3,436)	(32.1)	(265)	(1.6)	(4,084)	(7.3)	(754)	(1.1)
	Income before income taxes	(5,776)	(53.9)	767	4.5	(4,230)	(7.6)	3,614	5.1
	Income taxes	989	9.2	(193)	(1.2)	1,497	2.7	706	1.0
	Minority interest	(6)	(0.0)	11	0.1	16	0.0	53	0.0
	Net income	(6,759)	(63.1)	949	5.6	(5,743)	(10.3)	2,855	4.1

Consolidated Statements of Cash Flows

(Unit : millions of yen)

Account	Period	4th Quarter		12-month Period (Jan. - Dec.)	
		2008	2007	2008	2007
I. Cash flows from operating activities					
Income before income taxes		(5,776)	767	(4,230)	3,614
Depreciation and amortization		841	835	3,362	3,600
Exchange difference		842	(1)	934	10
Extra-ordinary loss		2,485	--	2,485	--
Gain on sales of fixed assets		(4)	(9)	(15)	(3,028)
Loss on disposal of fixed assets		79	152	102	193
Changes in account receivable		3,971	855	3,963	790
Changes in inventories		445	(492)	592	(2,014)
Changes in account payable		(1,068)	(350)	(1,833)	187
Income taxes paid		92	(1,237)	(1,884)	(2,151)
Others		(116)	1,795	(1,462)	2,979
Cash flows from operating activities		1,791	2,315	2,014	4,180
II. Cash flows from investing activities					
Purchase of tangible fixed assets		(896)	(1,330)	(2,964)	(4,523)
Proceeds from sales of tangible fixed assets		43	4,275	237	5,214
Investment in affiliated company		(5)	--	(453)	(378)
Sales of investment in affiliated company		--	--	1,743	--
Investment in securities		(136)	(41)	(839)	(598)
Sales of investment in securities		25	90	227	625
Purchase of intangible fixed assets		54	(3)	(42)	(75)
Others		407	(2,573)	273	(2,546)
Cash flows from investing activities		(508)	418	(1,818)	(2,281)
III. Cash flows from financing activities					
Changes in short-term borrowings		2,838	37	2,634	3,949
Changes in long-term borrowings		1,213	(381)	66	(1,524)
Revenue from issuance of bonds		--	--	1,177	--
Cash dividends paid		(191)	(161)	(768)	(780)
Revenue from issuance of stocks		--	11	--	511
Others		(190)	(1,234)	(392)	(1,085)
Cash flows from financing activities		3,670	(1,728)	2,717	1,071
IV. Effect of exchange rate changes on cash and cash equivalents		(1,339)	(158)	(1,889)	(128)
V. Net increase (decrease) in cash and cash equivalents		3,614	847	1,024	2,842
VI. Cash and cash equivalents at beginning of year		6,766	8,532	9,356	6,537
▪ Decrease in cash and cash equivalents on exclusion from consolidation		--	(23)	--	(23)
VIII. Cash and cash equivalents at end of year		10,380	9,356	10,380	9,356

Sales by Segment

(Unit: millions of yen, %)

Business	Period		4th Quarter					12-month period (January - December)				
	2008	% of Total	2007	% of Total	% Change	2008	% of Total	2007	% of Total	% Change		
Coil	6,622	61.8	11,613	68.2	(43.0)	35,570	63.8	46,004	65.5	(22.7)		
VOGT Components	2,767	25.8	4,905	28.8	(43.6)	17,531	31.5	21,699	30.9	(19.2)		
VOGT EMS	170	1.6	517	3.0	(67.1)	1,473	2.6	2,507	3.6	(41.2)		
Other	1,160	10.8	—	0.0	—	1,160	2.1	—	0.0	—		
Total	10,719	100.0	17,035	100.0	(37.1)	55,734	100.0	70,210	100.0	(20.6)		

Quarterly Sales by Segment

(Unit: millions of yen)

Business	Period		2008				2007				2006
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q		
Coil	6,622	9,679	9,856	9,413	11,613	11,836	11,855	10,700	11,637		
VOGT Components	2,767	4,567	5,193	5,004	4,905	5,359	5,872	5,563	5,059		
VOGT EMS	170	455	430	418	517	690	675	625	466		
Other	1,160	—	—	—	—	—	—	—	—		
Total	10,719	14,701	15,479	14,835	17,035	17,885	18,402	16,888	17,162		

Sales by Region

(Unit: millions of yen, %)

Area	Period		4th Quarter					12-month period (January - December)				
	2008	% of Total	2007	% of Total	% Change	2008	% of Total	2007	% of Total	% Change		
Japan	2,065	19.2	2,510	14.8	(17.7)	8,777	15.7	9,489	13.5	(7.5)		
Hong Kong / China	1,921	17.9	3,600	21.1	(46.6)	9,562	17.1	13,524	19.3	(29.3)		
ASEAN	1,273	11.9	839	4.9	51.7	3,611	6.5	3,297	4.7	9.5		
Taiwan / Korea	201	1.9	1,010	5.9	(80.1)	1,317	2.4	4,718	6.7	(72.1)		
NAFTA	833	7.8	1,552	9.1	(46.3)	4,946	8.9	7,133	10.2	(30.7)		
EU	4,362	40.7	7,514	44.1	(41.9)	27,243	48.9	31,969	45.5	(14.8)		
Other	64	0.6	10	0.1	540.0	278	0.5	80	0.1	247.5		
Total	10,719	100.0	17,035	100.0	(37.1)	55,734	100.0	70,210	100.0	(20.6)		

Segment Information

	4th quarter FY2008						
	Coil (millions of yen)	VOGT Components (millions of yen)	VOGT EMS (millions of yen)	Other (millions of yen)	Total (millions of yen)	Elimination (millions of yen)	Consolidated (millions of yen)
Sales							
(1)Sales to third parties	6,622	2,767	170	1,160	10,719	-	10,719
(2)Inter-segment sales of ▪ transfers	143	17	-	-	160	(160)	-
Total	6,765	2,784	170	1,160	10,879	(160)	10,719
Operating expenses	6,242	3,170	190	1,074	10,676	788	11,464
Operating income	523	(386)	(20)	86	203	(948)	(745)
(%)	7.7	(13.9)	(11.8)	7.4	1.9	-	(7.0)

	4th quarter FY2007						
	Coil (millions of yen)	VOGT Components (millions of yen)	VOGT EMS (millions of yen)	Other (millions of yen)	Total (millions of yen)	Elimination (millions of yen)	Consolidated (millions of yen)
Sales							
(1)Sales to third parties	11,613	4,905	517	-	17,035	-	17,035
(2)Inter-segment sales of ▪ transfers	175	38	-	-	213	(213)	-
Total	11,788	4,943	517	-	17,248	(213)	17,035
Operating expenses	10,072	4,665	530	-	15,267	452	15,719
Operating income	1,716	278	(13)	-	1,981	(665)	1,316
(%)	14.6	5.6	(2.5)	-	11.5	-	7.7

	12-month period (January - December) FY2008						
	Coil (millions of yen)	VOGT Components (millions of yen)	VOGT EMS (millions of yen)	Other (millions of yen)	Total (millions of yen)	Elimination (millions of yen)	Consolidated (millions of yen)
Sales							
(1)Sales to third parties	35,570	17,531	1,473	1,160	55,734	-	55,734
(2)Inter-segment sales of ▪ transfers	786	123	4	-	913	(913)	-
Total	36,356	17,654	1,477	1,160	56,647	(913)	55,734
Operating expenses	31,704	17,180	1,428	1,074	51,386	2,181	53,567
Operating income	4,652	474	49	86	5,261	(3,094)	2,167
(%)	12.8	2.7	3.3	7.4	9.3	-	3.9

	12-month period (January - December) FY2007						
	Coil (millions of yen)	VOGT Components (millions of yen)	VOGT EMS (millions of yen)	Other (millions of yen)	Total (millions of yen)	Elimination (millions of yen)	Consolidated (millions of yen)
Sales							
(1)Sales to third parties	46,004	21,699	2,507	-	70,210	-	70,210
(2)Inter-segment sales of ▪ transfers	600	152	-	-	752	(752)	-
Total	46,604	21,851	2,507	-	70,962	(752)	70,210
Operating expenses	40,260	20,876	2,420	-	63,556	1,942	65,498
Operating income	6,344	975	87	-	7,406	(2,694)	4,712
(%)	13.6	4.5	3.5	-	10.4	-	6.7

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