

VOGT electronic AG



Overview of VOGT electronic AG

Founded In : 1934, Berlin

Head Office : Erlau Passau, Bavaria, Germany

Sales Turnover : 192.3 Million Euro (Sep/2005)

No. of employees : 2,860 (Sep/2005)

**Major Products : Choke coil, Ignition transformer,
Immobilizer, Module for tire-pressure
monitoring ,etc.**



Reasons to select VOGT as our partner

1. Synergies in expansion into automotive parts industry and geographical complementation of market
2. Friendly TOB due to relationship and mutual understanding between both top managements
3. Expected Net Profit by completing restructuring
Profit realized at 1st.Q (Oct-Dec) 2005/6 FY.

**Components Product ⇒ High profitability for automotive
EMS ⇒ Effective restructuring, selling non-profitable
sectors**

**Reduction of debt and interest by negotiating monetary
institutes**

Business Achievements

(Unit: Million Euro)

	2002/2003	2003/2004	2004/2005	2005/2006 1Q
Turnover	534.7	306.1	192.3	44.7
EBITDA	38.8	28.5	6.2	4.9
Current income	△15.5	△9.9	△14.6	2.1
Total assets	294.1	163.3	110.8	-
Net assets	30.0	19.5	5.4	-

Financial Status as of FY 2003/2004

(Unit: Million Euro)

Debt	154
LCF*	70

*LCF = Loss Carried Forward



Steps to TOB

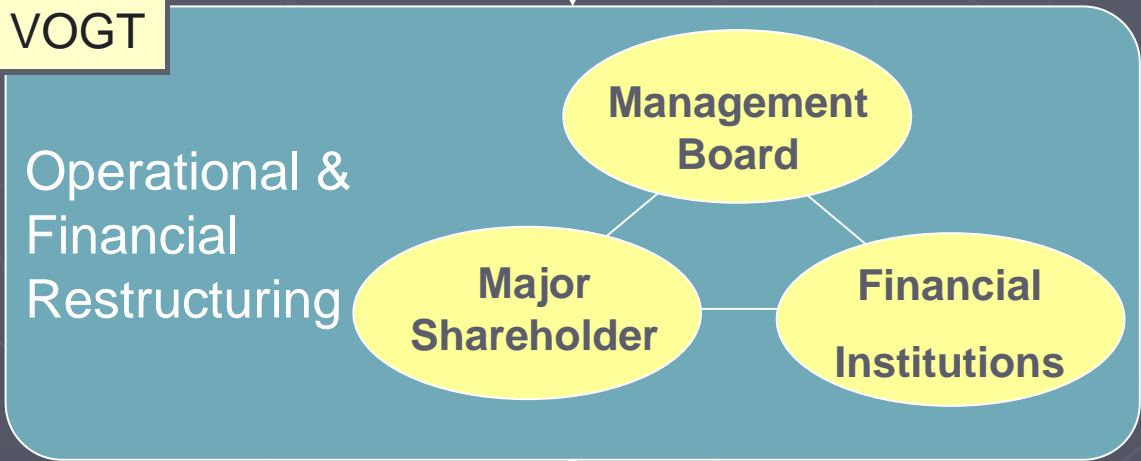
2004

Partnership offer from VOGT

Sumida declined due to VOGT's poor financial performance

2005

VOGT



Improvement in Operation and Finance

Attractive target for Sumida and other potential bidders

Operational Restructuring

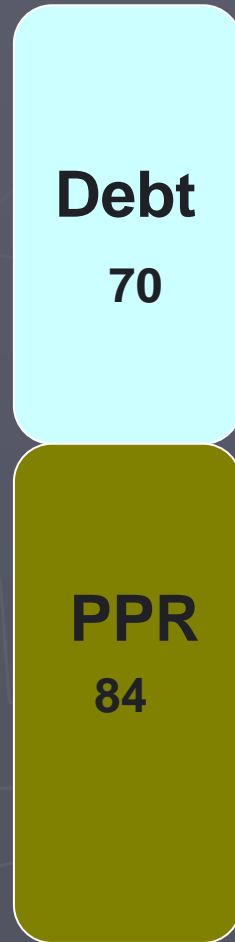
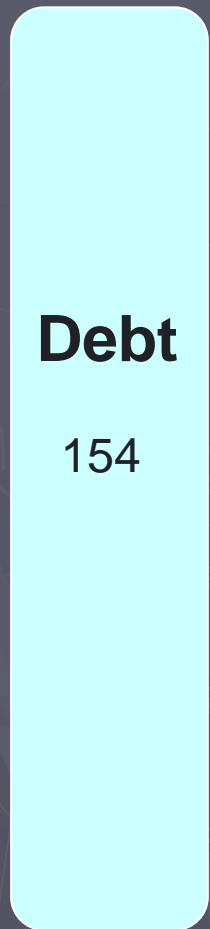
- Disposing of Unprofitable Business

Unprofitable EMS sectors, formerly more than 50% of turnover, were sold or closed except two profitable sites

- Streamlining personnel

Financial Restructuring (Reduction of Debt)

(Unit: Million Euro)



Reduction of Debt
Debt reduced to 70M
by converting 84M to PPR

← Sumida
Purchased PPR
for 12M

*PPR
Profit Participation Rights
with option rights

Overview of TOB (Purchased Shares)

	Total issued	Tendered and Purchased	Offer price
Common stock	1,340,000	1,229,524	Euro 10
Preferred shares	1,260,000	516,918	Euro 7
Total	2,600,000	1,746,442	



PPR includes option rights to get 1,299,248 common stocks .
Planning to exercise the rights

$$\frac{1,746,442 \text{ (purchased)} + 1,299,248 \text{ (exercising)}}{3,045,690} = 78.1\% \text{ gained}$$

Overview of TOB (Corporate Value-Fund)

Corporate Equity Value : 42 Million Euro

Investment : 30 Million Euro

Evaluation of Assets

5 Million Euro
Capital
6 Million Euro
Deferred Tax Assets
31 Million Euro

(our own valuation)



Share

16 Million Euro
PPR
12 Million Euro
Other cost
2 Million Euro

EBITDA8~10%

Sumida purchased 42 M Euro company with 30 M Euro investments