
SUMIDA CORPORATION

4th Quarter & Fiscal Year Results - 2006

27th February, 2007

**CFO
SABURO MATSUDA**

1. Consolidated Results of Operations for Q4

(Unit: million yen)

	<u>2005 Q4</u>	<u>2006 Q4</u>	<u>Change (%)</u>	<u>2006 Q4 Forecast</u>	<u>Achievement (%)</u>
Net sales	10,317	17,162	66.3	15,800	108.6
Operating income	926	608	(34.3)	1,100	55.3
Operating income ratio	9.0	3.5		7.0	
Ordinary income	997	492	(50.7)	930	52.9
Net income	1,153	(55)	(104.8)	550	—

2. Consolidated Results of Operations for Q4 (substantial)

(Unit : million yen)

	2005 Q4	2006 Q4	Change (%)	2006 Q4 Forecast	Achievement (%)
Net sales	10,317	17,162	66.3	15,800	108.6
Operating income	926	1,230	32.8	1,100	111.8
Operating income Ratio	9.0	7.2		7.0	
Ordinary income	997	1,114	11.7	930	119.8
Net income	1,153	567	(50.8)	550	103.1

3. Consolidated Results of Operations for Full fiscal year 2006

(Unit :million yen)

	FY2005	FY2006	Change (%)	FY2006 (Substantial)	
Net sales	39,666	63,508	60.1	63,508	60.1
Operating income	3,183	4,171	31.0	4,793	50.6
Operating income ratio	8.0%	6.6%		7.5%	
Ordinary income	2,853	4,505	57.9	5,127	79.7
Net income	2,435	2,182	(10.4)	2,804	15.2

4. Net Sales Analysis

(Unit: million yen)

	<u>FY2006</u>	<u>FY2005</u>	<u>Change(%)</u>
Power Solution	3,807	2,794	36.3%
Power Inductor	15,272	12,679	20.5%
Signal	4,555	3,842	18.6
	23,634	19,315	22.4%
Inverter	7,520	10,536	(28.6%)
Automotive	8,231	7,592	8.4%
Others	2,864	2,223	28.8%
VOGT	21,259	—	—
Total	63,508	39,666	60.1%

5-1. Operating Profit Analysis

(Unit : million yen)

	<u>Former SUMIDA</u>	<u>VOGT</u>	<u>Total</u>
Net sales	42,249	21,259	63,508
Operating income	3,073	1,098	4,171
	7.3%	5.2%	6.6%

5-2. Operating Profit Analysis

(Unit: million yen)

Former SUMIDA	FY2006 Operating income	3,073	
	FY2005 Operating income	3,183	
		(110)	
FY2006			
	Inverter	(200)	
	Automotive	(800)	(Mexico: (400) Material Cost: (400))
	Legacy	1,300	
	Panta	50	
	SGA	(460)	
		(110)	

6. Non-operating Profit and Loss/ Extraordinary Profit and Loss

◎Non-operating

Profit and loss

Foreign currency	1,145 million yen	increase by 1,006 million yen
Exchange gain		
Equity method loss	514 million yen	increase by 128 million yen

(Shareholders' equity fluctuation gain)	(288 million yen)	
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	226 million yen	

◎ Extraordinary profit

Restructuring cost	Restructuring of Automotive Business	137 million yen
	Restructuring of VOGT	291 million yen
	<hr/>	
	Total	428 million yen

7-1. Goodwill (as of 1st January 2006)

	<u>TOB</u>	<u>PPR</u>	<u>Total</u>
Acquisition amount	€19,835K	€17,000K	€36,835K
Net assets	€9,770K	€5,630K	€15,400K
Goodwill	€10,065K	€11,370K	€21,435K
			= 3,350 million yen

PPR (Profit Participation Right)

- ① Right to exercise Stock Option (equivalent to 1,300,000 shares) at €1 per share (Super Majority)
- ② We can enjoy tax free merit by €84M
- ③ We can remove Minority interest by €84M

7-2. Goodwill

(Unit : million yen)

B/S				B/S	
Deferred income tax assets	4,800				
Minority interest no resorted interest	1,800	Goodwill	3,350		
B/S				B/S	
Deferred income tax assets	4,800			Goodwill	3,350
Valuation reserve	△3,250				
	1,550				
Minority interest no resorted interest	1,800				
	3,350				

7-3. Goodwill

PPR Payable

1st January €5,630K

End of December €1,360K

favor €4,270K

€4,270K = 622 million yen

8. Forecast of 1st Quarter for 2007

	FY2007 Forecast for Q1	FY2006 Actual for Q1	Favor (%)
Net sales (million yen)	16,400	14,806	10.8
Operating income (million yen)	900	1,082	(16.8)
Operating income ratio (%)	5.5	7.3	
Ordinary income (million yen)	650	1,206	(46.1)
Net income (million yen)	390	727	(46.4)
Net income per share (yen)	20.62	37.44	—

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**CEO
SHIGEYUKI YAWATA**

Product-by-product Sales of FY2006

Rank		FY2006			FY2005	FY2006/FY2005	
2005	2006	Products	Actual	Share (%)	Actual	Change (%)	
	1	VOGT Components	18,878	29.73			
1	2	Power Inductor	15,272	24.05	12,679	20.45	↑ ↑
3	3	Automotive	8,230	12.96	7,592	8.40	↑
2	4	Inverter	7,520	11.84	10,534	-28.61	↓ ↓
4	5	Signal	4,555	7.17	3,842	18.56	↑
5	6	Power Solution	3,806	5.99	2,795	36.17	↑ ↑
	7	VOGT EMS	2,381	3.75			
6	8	Stelco	2,238	3.52	1,780	25.73	↑ ↑
8	9	Jensen	129	0.20	101	27.72	↑ ↑
		Others	499	0.79	341	46.33	↑
		Magnetics	23,502	37.01	19,316	21.67	↑ ↑
		Total	63,508	100.00	39,664	60.11	↑ ↑ ↑

Business Challenge of FY2007

1B7
By the end of FY2007, to establish the basis of Sales 100 billion yen and EBITDA sales ratio 10%



Actual status of FY2006
Sales 63.5 billion yen
EBITDA at 11.6%
(Operating income 4,170 million yen, Depreciation & Amortization 2,800 million yen)



Expansion of sales scale
In addition to organic growth, to seek M&A opportunities actively towards achievement of 1B7



EBITDA sales ratio
To aim EBITDA not only at 10%, but over 10% by improvement of profitability



To strengthen profitability and establish the firm basis of post 1B7 as well as to dedicate ourselves towards achievement of 1B7

Outlook for FY2007

Expansion of company scale

- Organic Growth
 - To achieve over 70 billion yen of sales
 - Magnetics & Automotive to lead whole SUMIDA group performance supported by the steady growth of worldwide electronics device market
- M&A
 - To seek M&A opportunities actively (target company: sales scale over 10 billion yen)

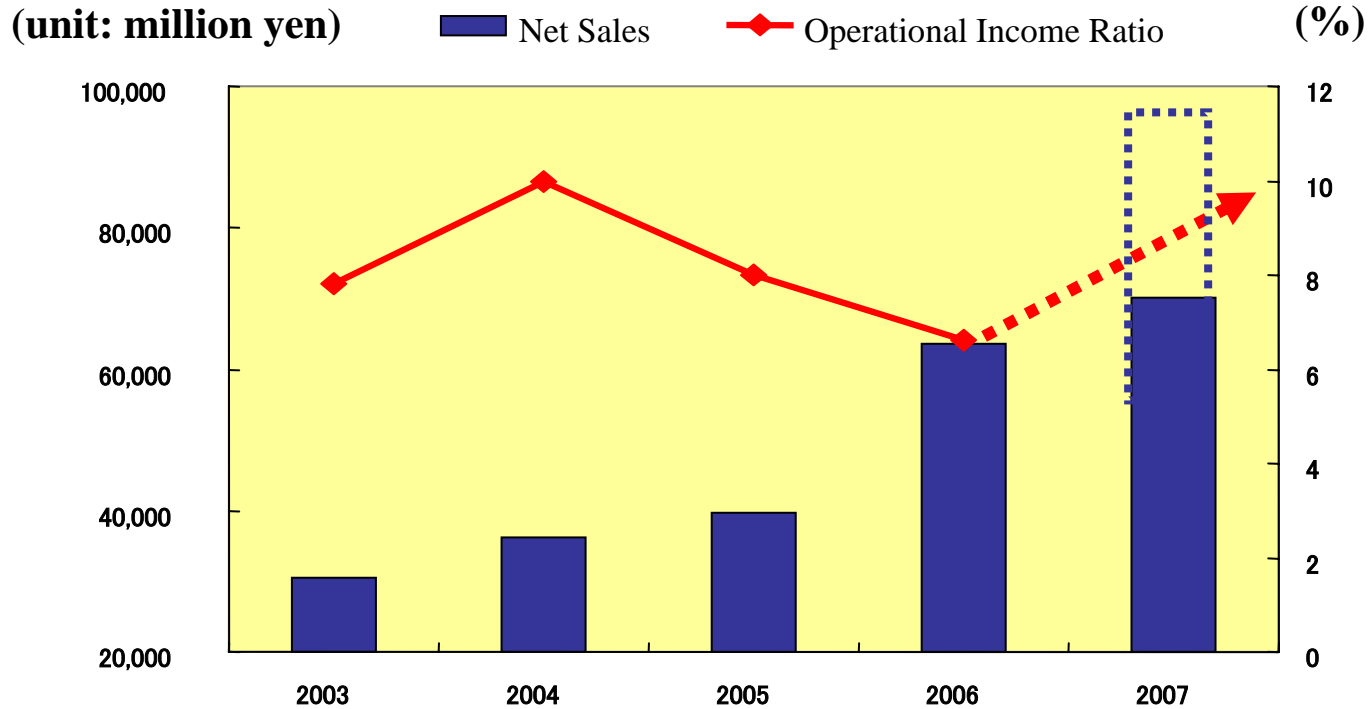
Improvement of profitability

- Magnetics: to promote cost reduction by introduction of automation
- Automotive: to restructure Mexico Factory
- Inverter: to retreat unprofitable product items
- VOGT: To streamline Eastern European operations and partially transfer to China

To aim at adding 1 billion yen profits



FY2007 Improvement of Operational Profit



Year 2006

SUMIDA (excluding VOGT)

Operating Income Ratio 7.3% => 8.7% (Excluding Inverter, Mexico)

VOGT Operating Income Ratio 5.2% => 8.1% (Excluding 622 million yen)

End of FY2007 Challenge to Operating Income Ratio 10%

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