
SUMIDA CORPORATION

Consolidated Results 1Q FY2007

(January 1, 2007 – March 31, 2007)

CFO

Rocky Matsuda

May 8, 2007

1. Consolidated Results 1Q, FY2007

(Unit: millions of yen)

	1Q/07		1Q/06	Achievement ratio	YOY
	Results	Projections	Results		
Net Sales	16,888	16,400	14,806	103.0%	114.1%
Operating income	705	900	1,082	78.3%	65.2%
O.I.R	4.2%	5.5%	7.3%	—	—
Ordinary income	563	650	1,206	86.6%	46.7%
Net income	355	390	727	91.0%	48.8%

2. Sales Breakdown

	1Q/07	1Q/06	Change	
	(¥million)	(¥million)	(¥million)	(%)
Power Solution	1,062	765	297	38.8
Power Inductor	3,690	3,342	348	10.4
Signal	1,212	1,025	187	18.2
Magnetics total	5,964	5,132	832	16.2
Inverter	1,412	1,823	(411)	(22.5)
Automotive	2,294	1,950	344	17.6
Other	1,030	639	391	61.2
VOGT Components	5,563	4,661	902	19.4
VOGT EMS	625	601	24	4.0
Total	16,888	14,806	2,082	14.1

3. Sales Breakdown

	1Q/07	1Q/06	Change	
	(¥million)	(¥million)	(¥million)	(%)
Magnetics	5,964	5,132	832	16.2
Inverter	1,412	1,823	△411	△22.5
Automotive	2,294	1,950	344	17.6
Other	1,030	639	391	61.2
Sub-total	10,700	9,544	1,156	12.1
VOGT Components	5,563	4,661	902	19.4
VOGT EMS	625	601	24	4.0
Total	16,888	14,806	2,082	14.1

4. Breakdown of Operating income changes

		(¥million)
Sales for Coil at 1Q/07:10,700×O.I.R at 1Q/06:15.7%=		1,680
Operating income for Coil (Results)		1,161
	(Change)	<u>Δ519</u>

【Changes in operating income】

OEM for VOGT	Δ18	(temporary)◎
Preoperating cost of SUMIDA SHINTEX	Δ19	(temporary)
Influence of Chinese New Year	Δ200	(temporary)
Start-up New products	Δ40	(temporary)◎
Decrease in Inverter Sales	Δ80	(temporary)◎
Increase in SGA expense for production transfer from Taiwan to Suzhou, China	Δ40	(temporary)◎
Increase in fixed cost for production increase	Δ90	(Permanent)
Other	Δ32	◎

Total

5

Δ519



5. Sales Price & Material Cost

	4Q/06 → 1Q/07
Sales Price	
Magnetics	1.5%down
Inverter	1.75%down
Automotive	1.85%up
	<hr/>
	0.77%down
Material Cost	
Magnetics	2.1%down
Inverter	0.1%down
Automotive	6.53%down
	<hr/>
	3.08%down

6. Breakdown of Operating Income

(¥million, %)

	1Q/07	1Q/06	Change
Coil	1,161	1,502	(341)
O.I.R.(%)	10.8	15.7	—
VOGT Components	238	253	(15)
O.I.R.(%)	4.2	5.4	—
VOGT EMS	(7)	62	(69)
O.I.R.(%)	(1.1)	10.3	—
Elimination	(687)	(735)	48
Total	705	1,082	(377)
O.I.R.(%)	4.2	7.3	—

7. Balance Sheet

(¥million)

Short-term loans	13,960
Bond(Alpine bond)	8,000
Long-term loans	4,727
Total debt	26,687
Cash and cash equivalent	6,902
Net debt	19,785
Bond	8,000
Debt	11,785
	19,785

Promotion of conversion
Reduction in assets

8. Statement of Cash Flows

1. Operating activities

Increase of inventory with production transfer
185 million yen

2. Investing activities

Up of ratio of shareholding of Panta GmbH
(60%→70%)

Invest to C-Lab
354 million yen

3. Financing activities

—

9. Projections for 2Q FY2007 Consolidated

(¥million)

	2Q/07 Projections	2Q/06 Results	Change
Net sales	17,300	14,953	15.7%
Operating income	1,000	1,125	△11.1%
O.I.R.	5.7%	7.5%	—
Ordinary income	800	1,234	△35.2%
Net income	480	586	—

(JPY115.00/USD)

10. Projections for FY2007 Consolidated

(¥million, %)

	FY2007 Projections	FY2006 Results	Change
Net sales	69,000	63,508	8.6%
Operating income	4,500	4,171	7.9%
O.I.R	6.5%	6.6%	—
Ordinary income	4,000	4,505	△11.2%
Net income	2,400	2,182	10.0%

(JPY115.00/USD)

11. Quarterly Projections for FY2007 Consolidated

(¥million)

	<u>1Q</u>	<u>2Q</u>	<u>3Q</u>	<u>4Q</u>	<u>FY2007</u>
Net sales	16,900	17,300	17,800	17,200	69,200
Operating income	700	1,000	1,400	1,460	4,560
Ordinary income	560	800	1,350	1,400	4,110
Net income	350	480	810	840	2,480

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CEO

Shigeyuki Yawata

May 8, 2007

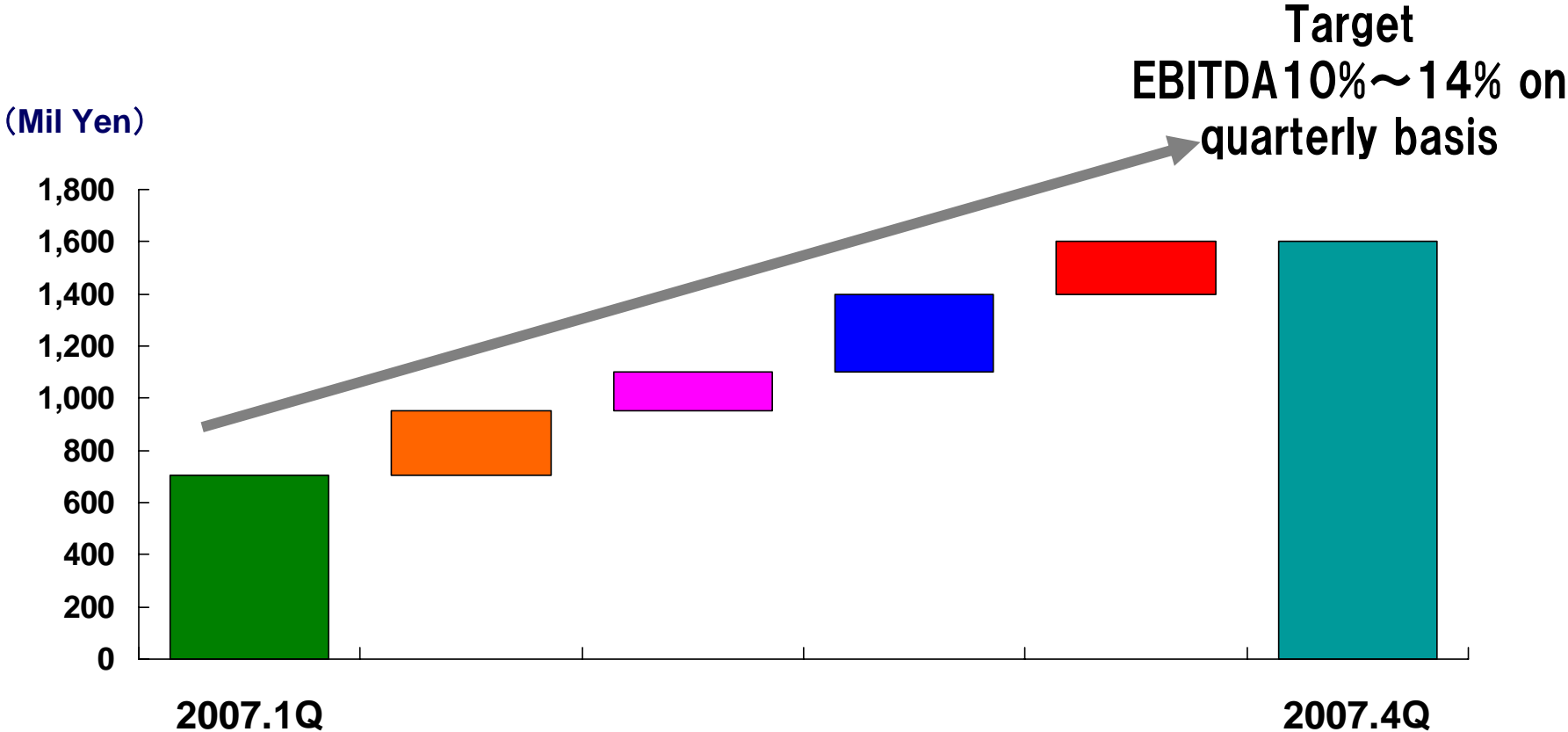
FY2006 Sumida Group Sales Profit Ratio

	Former Sumida	VOGT	Cost Center	Total
EBITDA ratio(%)	14.7%	11.5%	-1.9%	11.4%
Operating Profit (%)	10.0%	5.2%	-1.9%	6.6%

FY 2007 Sumida Group Business Forecast

Sales	69 Billion Yen	(100. 0%)
EBITDA	7.8 Billion Yen	(11. 3%)
Operating Profit	4.5 Billion Yen	(6. 5%)
Ordinary Profit	4 Billion Yen	(5. 8%)
Net Profit	2.4 Billion Yen	(3. 5%)

Improvement of Operating income toward Q4



- Profit from increased sales and other
- Improvement of productivity
- Divestment of non profitable subsidiary
- Profit from factory shutdown and consilidation



FY2007 Extraordinary Profit and Restructuring Cost

IN	OUT
Sales of unused asset	Mainly restructuring cost
Sales of business and other	– Review of production sites – Consolidation of production sites
Approximately 3~4 billion yen capital gain	Approximately 3.3~3.5 billion yen (of which approximately 50% is extraordinary loss)

Completion of 1B7

FY2007

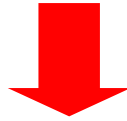
(Unit: million yen)

	FY2007 Q1 result (Profit Sales Ratio)	FY2007 Q2 forecast (Profit Sales Ratio)		FY2007 Q4 forecast (Profit Sales Ratio)
Net Sales	16, 888(100.0%)	17, 300(100.0%)		17, 200(100.0%)
Operating income	705(4.2%)	1, 000(5.8%)		1, 460(8.5%)
Ordinary income	563(3.3%)	800(4.6%)		1, 400(8.1%)
Net income	355(2.1%)	480(2.8%)		840(4.9%)

FY2006~FY2008

	FY2006	FY2007 forecast	FY2008 forecast	08/07 (%)
Net Sales	63, 500(100.0%)	69, 000(100.0%)	75, 000(100.0%)	108. 7
Operating income	4, 171(6.6%)	4, 500(6.5%)	6, 370(8.5%)	141. 5
Ordinary income	4, 505(7.1%)	4, 000(5.8%)	6, 200(8.3%)	155. 0
Net income	2, 182(3.4%)	2, 400(3.5%)	3, 700(4.9%)	154. 2

**To be successful in coil business, we must
compete and increase our market share**



Condition for success

- 1. Ability to respond to Customer Request
(Quality / Lead time / Pricing)**
- 2. Ability to quickly accommodate to new application**
- 3. Ability to increase productivity and to seek for
low cost production site**

Outline of long-term strategy

(**Response Capability** · **Product Development Capability**)

- to strengthen the system for small-lot manufacturing of multi-product
 - to further strengthen application development capability in China (C-Lab)
 - to further improve the coalition of sales, development and manufacturing
- to strengthen the response capability for advanced needs
 - to strengthen technical response capability by active approach to the development department
 - to strengthen the accuracy of order calculation as well as the manufacturing response capability by improving information-gathering ability as the No.1 coil specialized manufacturer
- to strengthen module products by pursuing synergy effect with VOGT

Outline of long-term strategy

(**Product Development Capability** · **Manufacturing Capability**)

- to strengthen application development department in China
(strengthen competitiveness of development cost)
- to reduce manufacturing cost in China
 - to strengthen coordination with sub-contractors
 - to improve the effectiveness of manufacturing operation by automation etc.
 - to level the manufacturing amount by strengthening the accuracy of order calculation
- to expand the manufacturing base in Viet Nam etc.
- to terminate unprofitable factories

C - Lab

Kou Shui Heng area, Panyu, China
Floor area: 31,811m²



Development Capability

- ➡ 300 ⇒ 600 people in charge of development
- ➡ Development Facility is the same level or more of Japan (M-Lab)