



4
2007

Financial Results for the 4th Quarter
ended 31 December 2007

SUMIDA CORPORATION

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Consolidated Financial Highlights for the 4th Quarter ended 31 December 2007

1. Consolidated Results of Operations

(Millions of yen, %)

Category	Period		4th Quarter			12-month period (January - December)				
	2007	% of Total	2006	% of Total	% Change	2007	% of Total	2006	% of Total	% Change
Net sales	17,035	100.0	17,162	100.0	(0.7)	70,210	100.0	63,508	100.0	10.6
Operating income	1,316	7.7	608	3.5	116.3	4,712	6.7	4,171	6.6	13.0
Ordinary income	1,032	6.1	492	2.9	109.8	4,368	6.2	4,505	7.1	(3.1)
Income before income taxes	767	4.5	(94)	(0.5)	—	3,614	5.1	4,126	6.5	(12.4)
Net income	949	5.6	(55)	(0.3)	—	2,855	4.1	2,182	3.4	30.9
Net income per common share (yen)										
(Basic)	49.39	—	(2.82)	—	—	149.96	—	111.88	—	—
(Fully diluted)	42.19	—	—	—	—	127.82	—	94.96	—	—

2. Consolidated Financial Conditions

(Millions of yen)

Category	Period	4th Quarter		
		2007	2006	Increase/Decrease
Total assets		71,510	70,161	1,349
Paid in capital		7,217	6,961	256
Net assets		29,919	27,151	2,768
Total numbers of stock issued (thousand shares)		19,211	18,910	301
Net assets per share (yen)		1,486.13	1,383.75	102.38
Equity ratio (%)		39.9	37.3	—

3. Consolidated Statements of Cash Flows

(Millions of yen)

Category	Period	4th Quarter			12-month period (January - December)		
		2007	2006	Increase/Decrease	2007	2006	Increase/Decrease
Cash flows from operating activities		2,315	1,088	1,227	4,180	3,264	916
Cash flows from investing activities		418	(2,050)	2,468	(2,281)	(10,048)	7,767
Cash flows from financing activities		(1,728)	(58)	(1,670)	1,071	(5,295)	6,366
Cash and cash equivalents, end of period		9,356	6,537	2,819	9,536	6,537	2,999

4. Estimation of 1st Quarter 2008

Category	2008 1Q (Estimation)	2007 1Q (Actual)	%Change
Net sales (millions of yen)	15,600	16,888	(7.6)
Operating income (millions of yen)	1,000	705	41.8
Ordinary income (millions of yen)	800	563	42.1
Net income (millions of yen)	560	355	57.7
Net income per share (yen)	27.06	18.75	—

5. Consolidated Quarterly Business Results

(Millions of yen)

Category \ Period	2007				2006				2005
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q
Net sales	17,035	17,885	18,402	16,888	17,162	16,587	14,953	14,806	10,317
Operating income	1,316	1,438	1,253	705	608	1,356	1,125	1,082	926
Ordinary income	1,032	1,023	1,750	563	492	1,574	1,234	1,206	997
Income before income taxes	767	1,252	1,001	594	(94)	1,493	1,520	1,206	1,964
Net income	949	872	679	355	(55)	924	586	727	1,153

6. Consolidated Yearly Business Results

(Millions of yen)

	2007	2006	2005	2004	2003
Net sales	70,210	63,058	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

CEO's Message for the Fourth Quarter of Fiscal 2007

2007 may be marked as a year when the world economy started to show a sign of its decline after the several years' steady growth due to the credit crisis which arose from the subprime mortgage issue in the second half of the year. Although the impact of the issue on the real economy was supposed to be marginal at first, its seriousness has been reassessed as a major concern of the world economy since a sign of the economic downturn such as a decrease in consumption and weakening labor market has been emerging. Now due to the turmoil in the financial markets and the volatility in raw material prices represented by crude oil, the world economic outlook is becoming increasingly uncertain.

Nonetheless, the western governments have quickly taken some fiscal and monetary measures to prevent further economic slowdown, thus it is hoped that the momentum of the growth will recover soon. Meanwhile, China, India and other emerging economies have been demonstrating their strong growth, while Asian region in general appear to grow steadily. Particularly in China, due to a great extent to the Beijing Olympic, domestic demand continues to increase and even after the event it is expected that the momentum will be maintained thanks to the increasing investment in infrastructure and further expansion of domestic consumption as the development across the country is further pursued in foreseeable future.

Under such circumstances, there has also been a sign of the decreasing demand identified in the consumer electronics industry since the 4th Quarter, particularly in the North American market. In this respect, the number of manufacturers who has a cautious view of the business environment in the coming months is increasing, notably finished goods manufacturers, while demand for digital equipments such as notebook PC, mobile phone is continuing to expand as both replacement demand in developed economies and new demand in emerging economies still appear strong.

Regarding the business in the 4th Quarter in 2007, our coils' monthly order amount maintained the highest level and net sales recorded similar amount year-on-year to 17.035 billion yen, operating income increased by 116% year-on-year to 1.316 billion yen. Net income recorded 949 million yen owing to the sale profit of Inverter Unit Business. In consequence, the business results of fiscal year 2007 are as follows: net sales rose by 10.6% year-on-year to 70.210 billion yen, operation income increased by 13% year-on-year to 4.712 billion yen and net income increased by 30.9% year-on-year to 2.855 billion yen. We have made steady improvement in operating income through smooth expansion of existing business, streamlining of unprofitable departments, improvement of productivity etc.

In addition, we have completed our structural reform plans (e.g. the sale of assets including our headquarter building and transfer of unprofitable business) which aimed to further strengthen the company base for the coming years as a result of the careful analysis of our businesses and assets which are not related to our core business. In consequence, we have almost achieved operating income ratio to 8.0% level in the 4th Quarter which would be the important attainment for the further improvement in profitability in the 2008 onwards.

1B7*, which we have engaged since 2003, has been concluded at the end of 2007 and various successful results have been achieved during the past 5 years. Although one of the quantitative targets, net sales 100 billion yen, was under achievement due to the review of Inverter Business etc., the net sales increased by 132% compared to the results in 2003 and the profitability has steadily improved including the achievement of EBITDA ratio 10% - thus we have surely built the solid foundation to be 100 billion yen enterprise with high profitability.

Our strategic approach to Automotive Business has brought its successful progress during 1B7. We have steadily expanded market area and business field through active marketing in Asia as well as acquiring VOGT. Automotive Business has become one of our 2 main strategic businesses together with the existing business for general consumer electronics market.

I would also like to address that through the 1B7 challenge, the mindset of directors and staff of Sumida Group has been changed so that they can feel more conscious and confident as being the member of the global enterprise and the leader of the industry which I believe to be the dynamic driving force for further growth of Sumida Group.

We plan to announce our new mid-term business plan after 1B7 in a short time. Being well aware of our role in the electronics industry which is facing drastic changes and expansion, we aim to further thrive by planning and carrying out careful and positive strategies more than ever in order to make all stakeholders feel satisfied with the company.

※Note: "1B7" is our midterm management plan from 2003 to 2007 aimed at achieving our target of 100 billion yen in net sales and an EBITDA ratio (the sum of earnings before taxes, interest expenses and depreciation and amortization) of 10%.

A handwritten signature in black ink, appearing to read 'S. Yawata', with a large, stylized flourish at the end.

Shigeyuki Yawata
Sumida Group CEO

Overview of Consolidated Business Results for the Fourth Quarter of 2007

In 2007, banks in the U.S., clouded by concerns on deteriorating profits due to the recent sub-prime shock, have been setting stringent measures to financing standard resulting in dramatic decline in the commercial property market. The rising price of crude oil drove consumer spending to pinch while sentiment of managers hampered capital investment and triggered control on inventory at corporate sectors, which collectively gave rise to a blunted growth at the end of the year. The economy is however seeing a recovery in the latter half of 2008 through gradual growth in the bank profits and relaxed financing standard following a series of interest-rate cuts by the FRB. Europe is expected a revival from the 3rd quarter of 2008, supported by the growing contribution of personal spending and capital investment for domestic demand, although the repetitious rise of interest rates in the region lately has slowed down the economic growth in a rather extent. In Japan, investment in housing and plant and equipment continued to decelerate because of the enforcement of the corrective construction standard art along with strict procedures for earthquake resistance. The growth rate after the latter half of 2008 is anticipated to pick up in view of expansion in personal spending, with improved employment environment and income in addition to the upward investment in housing and plants due to the end of negative impact of the new construction standard at 2nd Quarter.

China, having achieved a real GDP growth rate of about 11.4% in 2007, is expected to decelerate orderly because of inflation and its continual tightening measures but to maintain a like growth of 10% in 2008. India, pushed by infrastructure investment, recorded a growth at 9.1% in 2007 and is estimated to remain high at 9.2% in 2008. Russia posted 7.6% in 2007 due mostly to the rising price of crude oil and is expected to achieve 6.7% in 2008.

According to the latest IMF announcement, the real GDP growth worldwide reported a rate of 4.9% in 2007 and expected growth of 4.1% in 2008 attributable to contributions from the emerging nations like China, India and Russia despite the drawback in the U.S. housing market.

The worldwide demand for electronic equipment has been on the upside due to the desire for replacement of PCs and PC peripherals and multi-feature cellular phones from advanced nations, new demand in the emerging markets and increasing demand for a 2nd or additional devices.

About shipment for audiovisual equipment, liquid crystal display (LCD) TVs and DSC trended upward while PDP-TVs were in a head-on battle. Shipment for personal computers added 10.9% to 59 million sets in the 1st quarter, 12.5% to 59 million sets in the 2nd quarter, 15.5% to 67 million sets in the 3rd quarter and 15.5% to 77 million sets in the 4th quarter of 2007 as compared the same terms last year. Shipment volume for cellular phones gained 10.0% to 256 million pieces in the 1st quarter, 16.2% to 273 million pieces in the 2nd quarter, 13.8% to 289 million pieces in the 3rd quarter and continued to increase 11.6% to 334 million pieces in the 4th quarter in contrast with the same terms in 2006. As the new car sales worldwide are undergoing high-level expansion, demand for automotive electronic parts and peripherals that optimize safety, comfort and fuel-economy for cars has been prospering.

Under such circumstances, Sumida Group aims towards a thorough reorganization to optimize the profitability of the Group. As a part of management measures, business in Shanghai, Mexico and Oberzell under Vogt Component Company has been in the course of reengineering while business in Letron of Vogt EMS Company with lower margin has completely been disposed. An Agreement to sell the Inverter Company including production and sales divisions in Taiwan and Suzhou, China has been entered by at the end of December.

Overall sales of the Fourth Quarter of 2007 reduced 0.7% year-on-year to ¥17,035 million due to the decrease in Inverter and Legacy Companies and contraction of Vogt Component Company despite expansion in Automotive and Other Companies. The decline was also accounted for the appreciation of Japanese Yen which was up 3.9% from 117.6 to 113.0 Yen to a US dollar as compared with a year earlier.

Operating income increased 2.2 times to ¥1,316 million as compared with the same term last year, attributable partly to the increased revenue leading to sustainable profit in Coil Business and growing profitability in Automotive and Other Companies, and partly to the gain in VOGT Component Company in contrast to a lump-sum amortization of goodwill accounted in the same term last year despite the inevitably operating loss in support of the aggressive restructuring steps in VOGT EMS Company.

Ordinary income gained 2.1 times year-on-year to ¥1,032 million because of the unrealized exchange loss resulted from yen appreciation despite no investment loss from equity-method. Net income increased to ¥949 million from a loss of ¥55 million in the same term last year, the gain from the sales of Inverter Company in Taiwan and Suzhou

of China has alleviated the extraordinary loss from the restructuring costs at VOGT and Mexico, the investment loss from the bankruptcy of Shintex as well as the disposal loss of fixed assets in the head office building. Besides, the gain from the disposal of Inverter Company which was scheduled to be accounted in early 2008 has been recorded in this quarter on the basis of execution date of the Share Purchase Agreement as of December 31, 2007.

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 reduced 0.2% to ¥11,613 million due to sales contraction in Power Solution and Power Inductor of Legacy Company despite double-digit increase in Automotive Company and Other Company.

Operating income climbed 21.5% year-on-year to ¥1,716 million arising from improved profit margin in Automotive Company after production shifted from Mexico to China and increased revenue in Other Company.

1. Legacy Company

Sales in our Legacy Company down 4.4% year-on-year to ¥6,340 million were caused by reduction in both Power Solution and Power Inductor regardless of stable growth in Signal.

a) Power Solution

Sales of Power Solution shed 2.2% to ¥1,115 million from the same term last year.

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

b) Power Inductor

Sales of Power Inductors fell 8.2% year-on-year to ¥3,972 million.

In terms of area, sales decreased in Hong Kong/China, the U.S., Singapore and Europe except Japan and Taiwan. For sales by product used, communication devices, recreational devices and power-supply-related devices increased, PC & PC peripherals remained at the similar level as a year earlier while AV equipments and automotive-related equipments reduced.

c) Signal

Sales of Signal climbed 7.7% to ¥1,253 million from the corresponding term last year.

In terms of area, sales gained in Hong Kong/China, Singapore and Japan but fell in the U.S. Taiwan and Europe. For sales by product used, OA equipments, AV equipments, automotive devices, communication devices and tag-related devices were on the upside although PC & PC peripherals, industrial devices and medical instruments contracted.

2. Inverter Company

Sales of Inverter Company lost 13.5% year-on-year to ¥1,720 million.

In terms of area, sales were up in Hong Kong/China and the U.S but withdrew in Taiwan, Japan and Europe. For sales by product used, liquid crystal TVs increased whereas recreational devices, liquid crystal monitors and notebook-sized PCs decreased.

3. Automotive Company

Sales in Automotive Company soared 20.0% year-on-year to ¥2,599 million.

In terms of area, sales expanded in all areas in Europe, the U.S., Hong Kong/China and Singapore except Japan. For sales by product used, coils for ABS, the direct-injection engines and car air-conditioners swelled but keyless entry and coils for suspension systems reduced.

4. Other Company

Sales in Other Company put on 12.1% year-on-year to ¥954 million.

Other Company is made up of STELCO and PANTA. Sales in PANTA expanded stably while sales in STELCO continued to reduce until the 3rd Quarter as compared with the same term a year before but increased in 4th Quarter.

II. VOGT COMPONENT COMPANY

Sales in VOGT Component Company slid 3.0% year-on-year to ¥4,905 million.

Sales mildly increased for recreational equipments, industrial and medical devices, home appliances and illumination devices while declined communication equipments and automotive. Operating Profit increased to ¥278 million from a loss of ¥187 million in the same term of 2006 which included a lump-sum amortization of goodwill.

III. VOGT EMS COMPANY

Sales in VOGT EMS Company increased 10.9% year-on-year to ¥517 million.

Sales expanded drastically for home appliances and illumination devices but pulled back for industrial and medical equipments, communication devices and automotive-related equipments. Operating income recorded a loss of ¥13 million due to the restructuring cost as compared with ¥94 million in the same term last year.

Consolidated Business Results for January to December of 2007

Overall sales from January to December, 2007 increased 10.6% year-on-year to ¥70,210 million. The moderate growth in Legacy Company contributed mainly by Power Solution and Signal; the double-digit expansion in Automotive, Other, and Vogt Companies had collectively joined to bring about the increased revenue despite the decline in Inverter business.

Operating profit added 13.0% year-on-year to ¥4,712 million thanks not only to the sustainable profit growth in COIL Business in proportion to the increased revenue in Automotive and Other Companies but also to a lump-sum amortization of goodwill in VOGT Component Company accounted in 2006 despite the reduced profit in Vogt EMS due to the restructuring costs.

Ordinary Income dropped 3.1% year-on-year to ¥4,368 imputing to increased interest payables and declined exchange gain despite reduced loss from equity-method. Net Income jumped 30.9% year-on-year to ¥2,855 million which was explained by the special gains from the sales of the headquarters' building, fixed assets in Taiwan and the Inverter Company other than the extraordinary loss from the restructuring costs at VOGT, Jensen, Panta, and Mexico as well as the impairment loss on the investment to Arima.

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, though had already passed the peak seasonal demand of the year, remained to grow favorably.

The monthly volume of orders received for coils (orders received during the current month and scheduled to sell during the current month exclude STELCO, JENSEN, PANTA and VOGT), after new records at 161 million pieces on average per month in the 2nd quarter of 2007 and 178 million pieces on average per month in the 3rd quarter; the volume maintained high at 178 million pieces on average per month in the 4th quarter. The monthly order volume was 180 million in October, 179 million in November and 175 million pieces in December, and remained strong in excess of 170 million pieces per month.

Although the global electronic parts market had been getting stronger in the latter half of 2007, it is facing adjustments caused by the psychological impact on the sub-prime problem before Beijing Olympics. Given the reason being is not by the excess of inventory, the market is expected to recover again as soon as the exact sum of loss from sub-prime crisis at financial institutions can be reckoned and their funds will be fully replenished.

Shipment volume of personal computers in the globe achieved a growth of 14.3% to 269 million sets in 2007 from a year earlier and is expected to add 11.9% to 301 million sets in 2008 due to the new demand from the emerging countries. On the other hand, notebook-sized PCs are estimated to advance from 31.3% year-on-year to 108 million

sets in 2007 to 23.1% to 133 million sets in 2008. Shipment volume of cellular phones increased 12.5% year-on-year to 1,144 million sets in 2007 from 2006 and is anticipated to add 8.0% to 1,235 million pieces in 2008. Shipment volume for digital home appliance, such as liquid-crystal display (LCD) TVs increased 57.4% year-on-year to 74 million sets in 2007 and is expected a high growth of 29.7% to 96 million sets in 2008; DSCs realized a rapid growth of 27.1% year-on-year to 100 million sets in 2007 and sees an increase of 9.0% to about 109 million sets in 2008.

According to "The Worldwide Production Trend Investigation (2007 December)" of JEITA, the production volume of electronic equipments in the globe is estimated to gain 6% to ¥120.5 trillion, as a result of the penetration of flat TVs facing the Beijing Olympics, demand from advanced countries for notebook-sized PCs adjusted to new OS in addition to demand from the emerging nations for cellular phones.

Production Volume of new cars in the globe gained 4% year-on-year to 69.6 million units in 2006 while private cars grew 6.3% to achieve 49.9 million units. Demand is expected to trend upward as a whole driven by growing demand from Asia and South America despite stagnant demand from the U.S. Japan and Europe. With rising demand in China, India, Brazil, Thailand, Russia, Middle East, Africa and other emerging countries, the production output is expected to reach 79.7 million units by 2012. The tendency that stresses on safety and comfortable cruising as well as fuel-economy for cars has ever increased in globe wide. The demand for electronic parts leading to the safety, comfort, fuel-economy and other features for automotive is expected to result in a mid to long term growth.

Amid such business environment, Sumida group devoted to re-align and remove all less-profitable divisions. Jensen in Sweden has been sold, automotive coil production has been moved from Mexico to Panyu factory in China, Vogt has been undergone restructuring and Inverter Company at Taiwan and Suzhou of China has been disposed in 2007. We are committed to concentrating resources on profit-making sections to optimize the corporate value of the Group.

I. COIL BUSINESS

1. Legacy Company

For power solution, which supported by the robust growth in the sales of PC and PC peripherals, AV devices like DSCs, and recreational-related equipments, automotive-mounted parts is continuing expansion. Our direction ahead is to extend all out effort in driving sales for PCs, ADSLs, DSCs, recreational-related equipments, LCD-TVs, HID lamps and cellular phones.

For power inductor, with growing sales in PC and PC peripherals, automotive-mounted parts, cellular phones, recreational-related equipments, we are dedicating to focus more resources on intensifying the sales for PCs, HDDs, LCD TVs, DSCs, and cellular phones.

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

2. Inverter Company

The Inverter Company has sold its production bases and sales divisions in Taiwan and Suzhou of China at the end of December 2007. Inverter Company from then on is committed to sales of inverter transformers as well as of re-sales of inverter units for LCD-TVs and recreational-related devices.

3. Automotive Company

For ABS coil, the production capacity has been adjusted up to meet with the request of customer. Besides, we have developed three customers for Keyless Entry and widened the applications to more car models. Apart from struggling for new customers, the business also stresses to expand shares from existing clients. 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, following good business last year in the wake of the rolling out of digital television broadcasting base, was temporarily restrained because partly of the inventory adjustment by a major customer and partly of the delay in acquiring new orders for portable telephone terminals. The Company is in hope to enlarge market shares with the existing customers on one hand and develop new customers on another.

PANTA, which has been acquired in September 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, communication equipment, industrial & medical equipment, recreational equipment, home appliances and lighting devices mainly to Europe, America and China. The Company would focus increasing resources on automotive-related, industrial and medical devices with growing potential. Further, we have built the efficient business structure through the reorganization to consolidate production mainly in Romania and Slovenia. From now we aim at optimizing the profit margin by shifting low-margin products to China.

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 First Quarter of 2008

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

Forecast of consolidated business results in the first quarter of 2008 (from Jan 1 to Mar 31, 2008)		Actual figures of consolidated business results in the first quarter of 2007 (from Jan 1 to Mar 31, 2007)	
Sales	¥15,600 M	Sales	¥16,888 M
Operating income	¥1,000 M	Operating income	¥705 M
Ordinary income	¥800 M	Ordinary income	¥563 M
Net income	¥560 M	Net income	¥ 355M

(Exchange rate is premised at ¥105 per U.S. \$1)

Consolidated Balance Sheets

(Unit : millions of yen)

Account \ Period	4Q 2007	%	4Q 2006	%	Jun. 2007	%
ASSETS						
I Current assets						
1. Cash and cash equivalents	9,181		6,417		5,815	
2. Trade receivables	12,597		16,220		16,972	
3. Inventories	9,814		9,383		10,547	
4. Deferred tax assets	1,894		832		646	
5. Others	6,207		3,206		4,684	
6. Allowance for doubtful accounts	(35)		(65)		(57)	
Total current assets	39,658	55.5	35,993	51.3	38,607	51.9
II Fixed assets						
(1) Tangible fixed assets						
1. Buildings	11,450		13,062		13,505	
2. Machinery and equipment	24,017		23,320		25,225	
3. Furniture and fixture	7,881		7,579		8,035	
4. Land	1,367		2,543		2,717	
5. Construction in progress	2,282		1,782		2,515	
6. Accumulated depreciation	(27,121)		(25,843)		(28,287)	
Total tangible fixed assets	19,876	27.8	22,443	32.0	23,710	31.9
(2) Intangible fixed assets						
1. Goodwill	6,495		5,360		5,886	
2. Leasehold rights	458		490		504	
3. Software	290		213		236	
4. Others	630		651		653	
Total intangible fixed assets	7,873	11.0	6,714	9.6	7,279	9.8
(3) Investments and other assets						
1. Investments in securities	881		819		774	
2. Deferred tax assets	1,852		2,489		3,333	
3. Others	1,370		1,703		620	
Total investments and other assets	4,103	5.7	5,011	7.1	4,727	6.4
Total fixed assets	31,852	44.5	34,168	48.7	35,716	48.1
TOTAL ASSETS	71,510	100.0	70,161	100.0	74,323	100.0

(Unit : millions of yen)

Account	Period	4Q 2007	%	4Q 2006	%	Jun. 2007	%
LIABILITIES							
I	Current liabilities						
	1. Trade payables	4,433		5,353		6,186	
	2. Short-term loans	14,673		10,531		11,230	
	3. Bond	--		1,200		1,200	
	4. Current portion of long term loan	1,523		1,500		1,526	
	5. Others	5,210		7,200		6,346	
	Total current liabilities	25,839	36.2	25,784	36.7	26,488	35.6
II	Fixed liabilities						
	1. Bond	8,000		8,000		8,000	
	2. Long-term loans	3,563		5,107		4,323	
	3. Deferred tax liabilities	566		1,525		1,943	
	4. Others	3,623		2,594		3,987	
	Total fixed liabilities	15,752	22.0	17,226	24.6	18,253	24.6
	Total liabilities	41,591	58.2	43,010	61.3	44,741	60.2
SHAREHOLDERS' EQUITY							
I	Shareholders' equity						
	1. Paid in capital	7,217	10.1	6,961	9.9	6,964	9.4
	2. Capital reserve	7,030	9.8	6,775	9.7	6,777	9.1
	3. Retained earnings	15,934	22.2	13,642	19.4	14,465	19.4
	4. Treasury stock	(1,524)	(2.1)	(1,522)	(2.2)	(1,523)	(2.0)
	Total shareholders' equity	28,657	40.0	25,856	36.8	26,683	35.9
II	Revaluation, translation adjustments and others						
	1. Unrealized gains/losses on securities at market valuation	(82)	(0.1)	29	0.1	52	0.1
	2. Gains/losses on hedging	(27)	(0.0)	96	0.1	114	0.2
	3. Cumulative translation adjustments	6	0.0	186	0.3	1,747	2.3
	Total revaluation, translation adjustments and others	(103)	(0.1)	311	0.5	1,913	2.6
III	Minority interest	1,365	1.9	984	1.4	986	1.3
	Total shareholders' equity	29,919	41.8	27,151	38.7	29,582	39.8
TOTAL LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY		71,510	100.0	70,161	100.0	74,323	100.0

Consolidated Statements of Income

(Unit : millions of yen)

Account	Period	4th Quarter				12-month Period (January - December)			
		2007		2006		2007		2006	
		Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
I	Net sales	17,035	100.0	17,162	100.0	70,210	100.0	63,508	100.0
II	Cost of sales	12,724	74.7	13,032	75.9	53,102	75.6	46,829	73.7
	Gross profit	4,311	25.3	4,130	24.1	17,108	24.4	16,679	26.3
III	Selling, general & administrative expenses	2,995	17.6	3,522	20.6	12,396	17.7	12,508	19.7
	Operating income	1,316	7.7	608	3.5	4,712	6.7	4,171	6.6
IV	Non-operating income (expenses)								
	Interest and dividends received	40		36		132		122	
	Interest paid	(137)		(219)		(426)		(333)	
	Exchange gain (loss)	(122)		237		28		1,145	
	Investment loss on equity method	---		(283)		(68)		(515)	
	Other non-operating income (expenses)	(65)		113		(10)		(85)	
	Non-operating income (expenses)	(284)	(1.6)	(116)	(0.6)	(344)	(0.5)	334	0.5
	Ordinary income	1,032	6.1	492	2.9	4,368	6.2	4,505	7.1
V	Extraordinary income (losses)								
	Gain on sales of fixed assets	9		(238)		3,028		4	
	Gain on sales of golf club membership	---		(6)		---		---	
	Profits from equity ratio change	---		---		---		288	
	Gain on sales of securities	---		2		103		2	
	Gain on sales of subsidiary	370		---		370		---	
	Loss on disposal of fixed assets	(152)		39		(193)		(238)	
	Unrealized gain (loss) on golf club membership	---		---		---		(6)	
	Structural reorganization expenses	(320)		(383)		(2,517)		(428)	
	Unrealized gain (loss) on securities	(172)		---		(1,383)		(1)	
	Loss on sales of securities of affiliated company	---		---		(162)		---	
	Extraordinary income (losses)	(265)	(1.6)	(586)	(3.4)	(754)	(1.1)	(379)	(0.6)
	Income before income taxes	767	4.5	(94)	(0.5)	3,614	5.1	4,126	6.5
	Income taxes	(193)	(1.2)	(79)	(0.4)	706	1.0	1,860	3.0
	Minority interest	11	0.1	40	0.2	53	0.0	84	0.1
	Net income	949	5.6	(55)	(0.3)	2,855	4.1	2,182	3.4

Consolidated Statements of Cash Flows

(Unit : millions of yen)

Account	Period	4th Quarter		12-month Period (Jan. - Dec.)	
		2007	2006	2007	2006
I. Cash flows from operating activities					
Income before income taxes		767	(93)	3,614	4,126
Depreciation and amortization		835	1,315	3,600	3,315
Gain on sales of fixed assets		(9)	(1)	(3,028)	(4)
Loss on disposal of fixed assets		152	198	193	238
Changes in account receivable		855	377	790	75
Changes in inventories		(492)	(94)	(2,014)	(1,058)
Changes in account payable		(350)	(348)	187	(917)
Others		557	(266)	838	(2,511)
Cash flows from operating activities		2,315	1,088	4,180	3,264
II. Cash flows from investing activities					
Purchase of tangible fixed assets		(1,330)	(1,149)	(4,523)	(3,975)
Proceeds from sales of tangible fixed assets		4,275	2	5,214	15
Acquisition of new subsidiary		---	(412)	(378)	(3,028)
Profit Participation Right		---	---	---	(1,751)
Investment in affiliated company		---	(240)	---	(898)
Investment in securities		(41)	(229)	(598)	(478)
Sales of investment in securities		90	9	625	19
Purchase of intangible assets		(3)	(15)	(75)	(54)
Others		(2,573)	(16)	(2,546)	102
Cash flows from investing activities		418	(2,050)	(2,281)	(10,048)
III. Cash flows from financing activities					
Changes in short-term borrowings		37	818	3,949	(4,012)
Changes in long-term borrowings		(381)	928	(1,524)	1,026
Cash dividends paid		(161)	(194)	(780)	(1,070)
Revenue from issuance of stocks		11	61	511	380
Others		(1,234)	(1,671)	(1,085)	(1,619)
Cash flows from financing activities		(1,728)	(58)	1,071	(5,295)
IV. Effect of exchange rate changes on cash and cash equivalents		(158)	93	(128)	391
V. Net increase (decrease) in cash and cash equivalents		847	(927)	2,842	(11,688)
VI. Cash and cash equivalents at beginning of year		8,532	7,464	6,537	18,225
VII. Decrease in cash and cash equivalents on exclusion from consolidation		(23)	---	(23)	---
VIII. Cash and cash equivalents at end of year		9,356	6,537	9,356	6,537

Sales by Segment

(Unit: millions of yen, %)

Business \ Period	4th Quarter					12-month period (January - December)				
	2007	% of Total	2006	% of Total	% Change	2007	% of Total	2006	% of Total	% Change
Coil	11,613	68.2	11,637	67.8	(0.2)	46,004	65.5	42,249	66.5	8.9
VOGT Components	4,905	28.8	5,059	29.5	(3.0)	21,699	30.9	18,878	29.7	14.9
VOGT EMS	517	3.0	466	2.7	10.9	2,507	3.6	2,381	3.8	5.3
Total	17,035	100.0	17,162	100.0	(0.7)	70,210	100.0	63,508	100.0	10.6

Quarterly Sales by Segment

(Unit: millions of yen)

Business \ Period	2007				2006				2005
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q
Coil	11,613	11,836	11,855	10,700	11,637	11,194	9,874	9,544	10,317
VOGT Components	4,905	5,359	5,872	5,563	5,059	4,667	4,491	4,661	-
VOGT EMS	517	690	675	625	466	726	588	601	-
Total	17,035	17,885	18,402	16,888	17,162	16,587	14,953	14,806	10,317

Sales by Region

(Unit: millions of yen, %)

Area \ Period	4th Quarter					12-month period (January - December)				
	2007	% of Total	2006	% of Total	% Change	2007	% of Total	2006	% of Total	% Change
Japan	2,510	14.8	2,583	15.1	(2.8)	9,489	13.5	9,663	15.2	(1.8)
Hong Kong / China	3,600	21.1	3,543	20.6	1.6	13,524	19.3	11,028	17.4	22.6
ASEAN	839	4.9	892	5.2	(5.9)	3,297	4.7	3,163	5.0	4.2
Taiwan / Korea	1,010	5.9	1,510	8.8	(33.1)	4,718	6.7	6,031	9.5	(21.8)
NAFTA	1,552	9.1	1,740	10.1	(10.8)	7,133	10.2	5,931	9.3	20.3
EU	7,514	44.1	6,821	39.8	10.2	31,969	45.5	27,619	43.5	15.8
Other	10	0.1	73	0.4	(86.3)	80	0.1	73	0.1	9.6
Total	17,035	100.0	17,162	100.0	(0.7)	70,210	100.0	63,508	100.0	10.6

Segment Information

	4th 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	11,613	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

	4th quarter FY2006					
	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	11,637	5,059	466	17,162	-	17,162
(2)Inter-segment sales of transfers	22	22	-	44	(44)	-
Total	11,659	5,081	466	17,206	(44)	17,162
Operating expenses	10,247	5,268	372	15,887	667	16,554
Operating income	1,412	(187)	94	1,319	(711)	608
(%)	12.1	(3.7)	20.2	7.7	-	3.5

	12-month period (January - December) 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	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

	12-month period (January - December) FY2006					
	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	42,249	18,878	2,381	63,508	-	63,508
(2)Inter-segment sales of transfers	32	38	-	70	(70)	-
Total	42,281	18,916	2,381	63,578	(70)	63,508
Operating expenses	36,221	18,147	2,052	56,420	2,917	59,337
Operating income	6,060	769	329	7,158	(2,987)	4,171
(%)	14.3	4.1	13.8	11.3	-	6.6

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