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2008

Financial Results for the 1st Quarter  
ended 31 March 2008

**SUMIDA CORPORATION**

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## Consolidated Financial Highlights for the 1st Quarter ended 31 March 2008

### 1. Consolidated Results of Operations

(Millions of yen, %)

Category \ Period	1st Quarter				
	2008	% of Total	2007	% of Total	% Change
Net sales	14,835	100.0	16,888	100.0	(12.2)
Operating income	1,042	7.0	705	4.2	47.8
Ordinary income	810	5.5	563	3.3	43.7
Income before income taxes	754	5.1	594	3.5	27.0
Net income	502	3.4	355	2.1	41.7
Net income per common share (yen)					
(Basic)	26.15	—	18.75	—	—
(Fully diluted)	22.42	—	15.88	—	—

### 2. Consolidated Financial Conditions

(Millions of yen)

Category \ Period	1st Quarter		
	2008	2007	Increase/Decrease
Total assets	67,310	70,747	(3,437)
Paid in capital	7,217	6,964	253
Net assets	26,709	27,098	(389)
Total numbers of stock issued (thousand shares)	19,213	18,912	301
Net assets per share (yen)	1,322.92	1,381.49	(58.57)
Equity ratio (%)	37.8	36.9	—

### 3. Consolidated Statements of Cash Flows

(Millions of yen)

Category \ Period	1st Quarter		
	2008	2007	Increase/Decrease
Cash flows from operating activities	(426)	794	(1,220)
Cash flows from investing activities	479	(559)	1,038
Cash flows from financing activities	(577)	149	(726)
Cash and cash equivalents, end of period	8,252	6,886	1,366

### 4. Estimation of 2nd Quarter 2008

Category \ Period	2008 2Q (Estimation)	2007 2Q (Actual)	% Change
Net sales (millions of yen)	16,300	18,402	(11.4)
Operating income (millions of yen)	1,280	1,253	2.2
Ordinary income (millions of yen)	1,000	1,750	(42.9)
Net income (millions of yen)	600	679	(11.6)
Net income per share (yen)	31.23	35.95	—

## 5. Consolidated Quarterly Business Results

(Millions of yen)

Category \ Period	2008	2007				2006			
	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Net sales	14,835	17,035	17,885	18,402	16,888	17,162	16,587	14,953	14,806
Operating income	1,042	1,316	1,438	1,253	705	608	1,356	1,125	1,082
Ordinary income	810	1,032	1,023	1,750	563	492	1,574	1,234	1,206
Income before income taxes	754	767	1,252	1,001	594	(94)	1,493	1,520	1,206
Net income	502	949	872	679	355	(55)	924	586	727

## 6. Consolidated Yearly Business Results

(Millions of yen)

	2007	2006	2005	2004	2003
Net sales	70,210	63,508	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 First Quarter of Fiscal 2008**

The world economic outlook is still uncertain after the end of 1st quarter in 2008. While the turmoil in the financial markets which arose from the sub prime mortgage issue last year has yet to be over, there have been clear signs of economic downturn such as decrease in consumption and weakening labor market, particularly in the US economy. Further, due to the boost and volatility of raw materials prices represented by crude oil, even though the possibility for the developed economies to go into recession seems to be low, a quick recovery would not be expected. In general there are more cautious views over the future business environment. IMF recently announced the expected annual growth of the world economy in 2008 at 3.7%, comparing with 4.9% last year.

In order to prevent further economic slowdown, the western governments have quickly taken fiscal and monetary measures but the progress is still limited. Meanwhile, thanks to the steady economic growth of emerging countries such as China and India, the growing trend of such countries is expected to be maintained with the continuous increase of investment in infrastructure and expanding domestic consumption.

Under such circumstances, there has also been a sign of the decreasing demand identified in the electronic market, particularly in the North American market. As a result, more finished goods manufacturers have cautious views on the business environment and adjusted their inventory stock, which reflects directly on the purchasing order volume for electronic components industry. However, since demand for digital equipments such as notebook PC and mobile phone has been continuing to expand as both replacement demand in developed economies and new demand in emerging economies still appear strong, the steady recovery and expansion of demand in the 2nd quarter will be expected.

Regarding the business in the 1st Quarter in 2008, net sales decreased by 12.2% year-on-year by 14.835 billion yen, due to the effect of the sales of Inverter Unit Business and a part of VOGT EMS Business, and the decline of March order amount. Nonetheless, the operating income increased by 47.8% year-on-year to 1.042 billion yen due to the recovery of profitability by the sales of unprofitable businesses. Net income recorded an increase in 41.7% year-on-year, to 520 million yen. Through such measures as streamlining unprofitable businesses and enhancing productivity, we have improved our profitability and it is steadily increasing even under the uncertain external business environment.

We have announced our Mid-Term Business Plan 2008-2010 "Triple Ex". With the new business plan, we will challenge higher goals based on the results of the previous Mid-term Business Plan ended last year. In the coming three years, we will focus on R&D to develop brand new products which can lead the global market, while further improve our existing strengths -- low-cost mass production capability and our ability of quick and flexible responses to the global customer needs.

We have set three main excellence targets: (i) to achieve 8.5 billion yen operation profit in 2010; (ii) to develop 10 market leading products; and (iii) to achieve ROE 12% or more. To achieve these targets, we have formulated main strategies in manufacturing, R&D, marketing and M&A areas respectively. We aim to achieve the targets to maximize the synergy by utilizing our human resources and material resources which come from various cultural backgrounds and experiences.

The world economy is changing even faster and more dynamically. Under such circumstances we will further make continuous efforts to achieve steady growth, increase our corporate value and playing a leading role in the global world electronic industry, and make all stakeholders feel satisfied with the company.



Shigeyuki Yawed  
Sumida Group CEO

## **Overview of Consolidated Business Results for the First Quarter of 2008**

The real GDP growth rate in the first quarter of 2008 in the U.S. recorded 0.6% which indicated a vivid sign of economic slowdown. With rising prices for food and crude oil in addition to sentiment over the deterioration in the U.S. economy, consumer spending and capital investment in Europe pinched coincident with inflation and deceleration of business growth. In Japan, the number of construction projects on the rebound of the set back caused by the corrective construction standard enforced by the authorities last year achieved less than expected, the desire for capital investment from corporate sectors cooled off and the interest-rise inclination by the Bank of Japan slowed down. India had experienced a contraction of economic growth since the latter half of 2007, amid its high interest policy and recent downturn in the IT Industry. China sustained the double-digit growth, the continual expansion in personal spending and capital investment happened to make up for the blunted exports. Russia, driven by the oil exports and consumer spending, was expected to mark growth of about 7%. The credit crunch resulting from the U.S. sub-prime problems has done harm in substance to the worldwide economy in various ways.

The U.S. real GDP growth rate is expected to bottom out in the first half of the year and form a U-shape recovery, starting from a flat growth of 0.1% in the 2<sup>nd</sup> quarter, 2.1% in the 3<sup>rd</sup> and 1.9% in the 4<sup>th</sup> quarter due to the soothing effect from the credit relaxation and contingent economic measure of income tax cut. The fundamentals are projected to gradually expand when the worldwide economies shake off the worst time.

In the face of production adjustment by set manufacturers as a result of business deceleration, the worldwide demand for leading electronic equipment like PCs and PC peripherals, cellular phones and digital equipments has been on the upside due to the desire for replacement from advanced nations, new demand in the emerging markets and increasing demand for a 2<sup>nd</sup> or additional devices.

About shipment of audiovisual equipment, all were slowed down except liquid crystal display (LCD) TVs and DSC. Shipment for personal computers added 14.3% year-on-year to 269 million sets in 2007 and gained 14.6% stably to 69 million sets in the 1st quarter as compared the corresponding term last year. Shipment volume for cellular phones, after a record high of increasing 12.5% year-on-year to 1,144 million pieces in 2007, strongly grew 14.3% to 292 million pieces in the 1st quarter of 2008. As new car sales worldwide are undergoing high-level expansion, the demand for automotive electronic parts and peripherals that optimize safety, comfort and fuel-economy for cars has been prospering.

Under such circumstances, Sumida Group, in the wake of a series of close-to-completion restructuring that included the transfer of automotive business from Mexico to China, reengineering of Vogt Component Company and Vogt EMS Company, and sales of the Inverter Company comprising production and sales divisions in Taiwan and Suzhou of China by the end of last year, has been redirecting and concentrating all its management resources on the remaining prime sections and making all out to improve the corporate value.

Overall sales of the First Quarter of 2008 dropped 12.2% year-on-year to ¥14,835 million, because partly of the declined sales of power solution, power inductor and signal under Legacy Company due to the production adjustment by manufacturers and partly of the dramatic loss of sales in inverter business resulting from the disposal of Inverter Company in Taiwan and Suzhou, China in addition to the contraction of Vogt Component Company and Vogt EMS Company despite expansion in Automotive Company. The decline was also accounted for the appreciation of Japanese Yen which inflated 11.7% year-on-year from 119.3 to 105.4 Yen to a US dollar.

Operating income increased 47.8% to ¥1,042 million as compared with the same term last year, thanks to the improved profitability in Automotive Company, sustainable double-digit growth in Legacy Company of Coil Business along with the enhanced profit margin from Vogt Component Company led by the declined subcontract fees as well as the absence of selling and administration expenses at the disposed divisions like JENSEN and Inverter Company.

Ordinary income climbed 43.7% year-on-year to ¥810 million, explained by the absence of investment loss from the equity-method despite increase of interest payables and unrealized exchange loss resulting from the sharp appreciation of Yen. Net income increased 41.7% year-on-year to ¥502 million in spite of the restructuring costs and disposal loss of fixed assets of Vogt which could not be accounted in last year.

## **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 12.0% to ¥9,413 million due to sales reduction in Power Solution, Power Inductor and Signal of Legacy Company plus the drastic contraction of Inverter Company despite double-digit increase in Automotive Company and sustainable sales in Other Company.

Operating income gained 18.5% year-on-year to ¥1,376 million arising from improved profit margin in Automotive Company through the increased revenue of ABC coils, and the absence of the selling and administration expenses at the disposed divisions including JENSEN and Inverter Company in Taiwan and Suzhou, China.

#### 1. Legacy Company

Sales in our Legacy Company down 8.5% year-on-year to ¥5,457 million were accounted for the overall reduction in Power Solution, Power Inductor and Signal.

##### a) Power Solution

Sales of Power Solution fell 13.9% to ¥914 million from the same term last year.

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

##### b) Power Inductor

Sales of Power Inductors shed 7.4% year-on-year to ¥3,417 million.

In terms of area, sales decreased in all areas such as Hong Kong/China, the U.S., Europe, Singapore, Japan and Taiwan. For sales by product used, PC & PC peripherals, industrial devices and medical instruments expanded while AV equipments, recreational devices, automotive-related equipments, communication devices and power-supply-related devices reduced.

##### c) Signal

Sales of Signal reduced 7.1% year-on-year to ¥1,126 million.

In terms of area, sales were down in Hong Kong/China, the U.S., Taiwan Singapore and Europe except Japan. For sales by product used, tag-related devices, industrial devices and medical instruments, AV equipments, OA equipments, and automotive-related equipments declined except for PC & PC peripherals.

#### 2. Inverter Company

Sales of Inverter Company lost 77.9% year-on-year to ¥312 million.

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

#### 3. Automotive Company

Sales in Automotive Company jumped 14.6% year-on-year to ¥2,630 million.

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

#### 4. Other Company

Sales in Other Company slid 1.6% year-on-year to ¥1,014 million.

Other Company is made up of STELCO and PANTA. Sales in PANTA expanded stably but slowed down in STELCO.

## II. VOGT COMPONENT COMPANY

Sales in VOGT Component Company declined 10.0% year-on-year to ¥5,004 million.

The main reason for the sales decline was explained by the different treatments for raw materials. Materials supplied to subcontractors were accounted as Sales in last year but had been provided free of charge this year. The sales in the first quarter would have achieved almost the same amount without the supplied materials in the same term last year

For sales by product used, sales increased for automotive but reduced for industrial devices and medical instruments, home appliances and illumination devices. Operating Profit increased 66.4% year-on-year to ¥396 million owing to the significant contraction of subcontract fee as a result of business restructuring.

## III. VOGT EMS COMPANY

Sales in VOGT EMS Company decreased 33.1% year-on-year to ¥418 million.

Sales expanded for automotive-related equipments, industrial and medical devices but reduced for home appliances and illumination devices and communication devices following the disposal of Letron in the 4<sup>th</sup> quarter of last year. Operating loss, with production adjustment imposed by the leading customer, recorded ¥4 million as compared with the loss of ¥7 million in the same term last year.

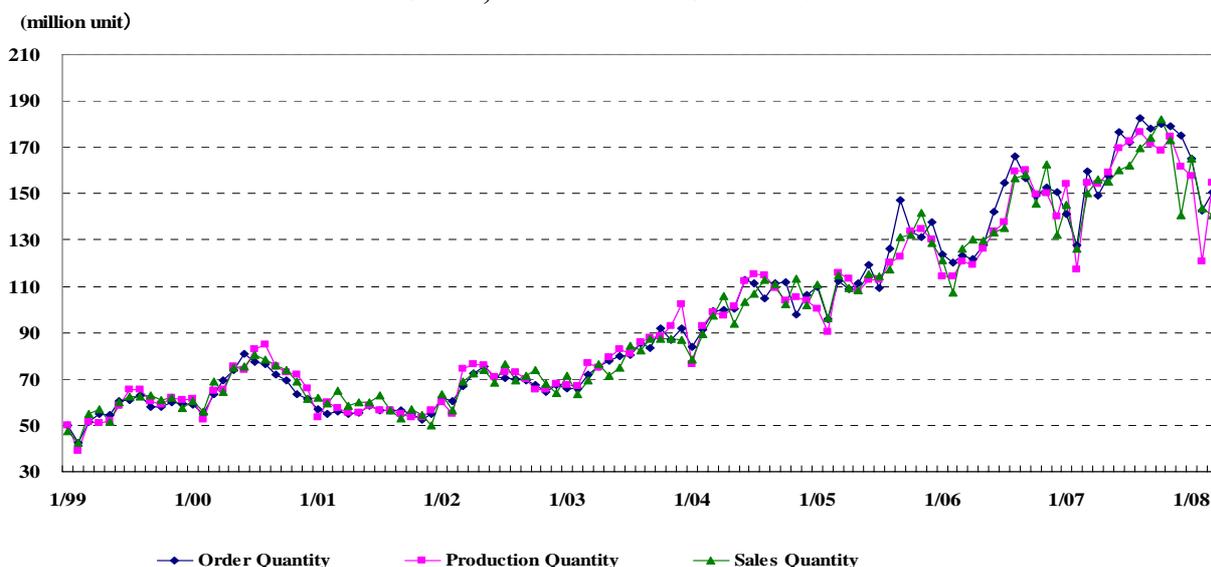
## The Future Management Environment and Business Development Policy

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 influenced by inventory adjustment by the set manufacturers, signal of recovery has been seemingly noticed in April.

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) in the first quarter of 2008 were adjusted to 153 million pieces on average per month, after new record of 178 million pieces on average per month in the 3rd quarter of 2007 and sustainable same volume in the 4<sup>th</sup> quarter. The monthly order volume grew 17.0% year on year to 165 million in January and 11.6% year on year to 143 million pieces in February though decreased 5.8% year on year to 151 million pieces in March. The monthly order volume in April turned to increase 9.0% year on year to 163 million pieces as of Apr. 24.

### Order, Production & Sales of Coils



The global electronic parts market is though facing inventory adjustment by set manufacturers before Beijing Olympics; the inventory level is not high and the adjustment almost driven by the psychological influence. The market is expected to resume expansion following the reinforcement of particular measures for the sub-prime problem.

Production volume of personal computers in the globe achieved a growth of 14.2% year-on-year to 247 million sets in 2007 and is expected to add 12.0% to 277 million sets in 2008 due to the new demand from the emerging countries. On the other hand, notebook-sized PCs are estimated to gain from 29.5% year-on-year to 99 million sets in 2007 to 28.6% to 127 million sets in 2008. Production volume of cellular phones increased 14.0% year-on-year to 1,123 million sets in 2007 and is anticipated to grow 9.0% to 1,224 million pieces in 2008. Production volume for digital home appliances, such as liquid-crystal display (LCD) TVs (10 inches or above) increased 61.0% year-on-year to 77 million sets in 2007 and is expected to continue a high growth of 30.6% to 100 million sets in 2008; DSCs achieved a rapid growth of 18.6% year-on-year to 125 million sets in 2007 and sees a continual increase of 12.4% to 141 million sets in 2008. Production volume for HDDs swelled 14.4% year-on-year to 499 million sets in 2007 and is estimated to actualize a double-digit growth of 11.1% to 554 million sets in 2008.

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 in 2007. 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 in 2007. We are committed to concentrating resources on the remaining profit-making sections to continue the optimization of the corporate value of the Group.

## **I. COIL BUSINESS**

### **1. Legacy Company**

For power solution, the business is weakened except DSCs, HID lamps, garage devices and telephone sets. When the demand recovers in the middle of the year, the Company targets to extend all out effort in driving sales for PCs, ADSLs, DSCs, recreational-related equipments, LCD-TVs, HID lamps and telephone related equipments.

For power inductor, the entire field is influenced by production adjustment by the set manufacturers except PC, DSCs, industrial & medical equipment. Aiming toward the inquiry activation in the coming 3<sup>rd</sup> quarter, we are devoted to focus more resources on intensifying the sales for PCs, HDDs, LCD TVs, DSCs, and telephone sets.

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. The Company from then on is committed to sales of inverter transformers as well as of re-sales of inverter units for Crystal 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. Apart from striving for new customers, the business also stresses to expand shares from existing clients with the aim of nurturing another large-scale project after ABS Coil. Injection coil used for the direct-injection engine ranks as the 3<sup>rd</sup>-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 was temporarily restrained due partly to the inventory adjustment by the major customer and partly to 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 at the same time.

PANTA, which has been acquired in Sep 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, industrial & medical 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, the efficient constitution has been built through the integration of production into Romania and Slovenia factories and we intend to optimize the profit margin by shifting more 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. After disposal of Letron, a lower margin division, last year, we focus resources on the remaining high-yield sections to secure the competitiveness of the Company.

**Forecast of Business Results in the Second Quarter of 2008**

Sumida group is publishing the forecast of business results by compiling commitments submitted from each of our divisions covering the following quarter.

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

Forecast of consolidated business results in the second quarter of 2008 (from April 1 to June 31, 2008)		Actual figures of consolidated business results in the second quarter of 2007 (from April 1 to June 31, 2007)	
Sales	¥16,300 M	Sales	¥18,402 M
Operating income	¥1,280 M	Operating income	¥1,253 M
Ordinary income	¥1,000 M	Ordinary income	¥1,750 M
Net income	¥600 M	Net income	¥ 679 M

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

## Consolidated Balance Sheets

(Unit : millions of yen)

Account \ Period	1Q 2008	%	1Q 2007	%	Dec. 2007	%
<b>ASSETS</b>						
<b>I Current assets</b>						
1. Cash and cash equivalents	8,258		6,902		9,181	
2. Trade receivables	12,243		15,844		12,597	
3. Inventories	9,042		9,545		9,814	
4. Deferred tax assets	1,945		832		1,894	
5. Others	4,790		3,849		6,207	
6. Allowance for doubtful accounts	(32)		(63)		(35)	
Total current assets	36,246	53.8	36,909	52.2	39,658	55.5
<b>II Fixed assets</b>						
<b>(1) Tangible fixed assets</b>						
1. Buildings	10,773		13,115		11,450	
2. Machinery and equipment	22,641		23,583		24,017	
3. Furniture and fixture	7,550		7,687		7,881	
4. Land	1,320		2,553		1,367	
5. Construction in progress	1,822		2,105		2,282	
6. Accumulated depreciation	(25,754)		(26,518)		(27,121)	
Total tangible fixed assets	18,352	27.3	22,525	31.8	19,876	27.8
<b>(2) Intangible fixed assets</b>						
1. Goodwill	6,169		5,581		6,495	
2. Leasehold rights	407		483		458	
3. Software	265		200		290	
4. Others	703		786		630	
Total intangible fixed assets	7,544	11.2	7,050	10.0	7,873	11.0
<b>(3) Investments and other assets</b>						
1. Investments in securities	1,214		225		881	
2. Deferred tax assets	2,611		2,499		1,852	
3. Others	1,343		1,539		1,370	
Total investments and other assets	5,168	7.7	4,263	6.0	4,103	5.7
Total fixed assets	31,064	46.2	33,838	47.8	31,852	44.5
<b>TOTAL ASSETS</b>	67,310	100.0	70,747	100.0	71,510	100.0

(Unit : millions of yen)

Account	Period	1Q 2008	%	1Q 2007	%	Dec. 2007	%
<b>LIABILITIES</b>							
I	Current liabilities						
	1. Trade payables	3,622		5,254		4,433	
	2. Short-term loans	14,674		11,247		14,673	
	3. current portion of convertible bond payable	8,000		1,200		---	
	4. Current portion of long term loan	1,500		1,513		1,523	
	5. Others	5,198		6,571		5,210	
	Total current liabilities	32,994	49.0	25,785	36.4	25,839	36.2
II	Fixed liabilities						
	1. Convertible Bond	---		8,000		8,000	
	2. Long-term loans	3,175		4,727		3,563	
	3. Deferred tax liabilities	1,094		1,485		566	
	4. Others	3,338		3,652		3,623	
	Total fixed liabilities	7,607	11.3	17,864	25.3	15,752	22.0
	Total liabilities	40,601	60.3	43,649	61.7	41,591	58.2
<b>SHAREHOLDERS' EQUITY</b>							
I	Shareholders' equity						
	1. Paid in capital	7,217	10.7	6,964	9.8	7,217	10.1
	2. Capital reserve	7,030	10.5	6,777	9.6	7,030	9.8
	3. Retained earnings	16,245	24.1	13,807	19.5	15,934	22.2
	4. Treasury stock	(1,524)	(2.3)	(1,523)	(2.1)	(1,524)	(2.1)
	Total shareholders' equity	28,968	43.0	26,025	36.8	28,657	40.0
II	Revaluation, translation adjustments and others						
	1. Unrealized gains/losses on securities at market valuation	(21)	(0.0)	35	0.0	(82)	(0.1)
	2. Gains/losses on hedging	(191)	(0.3)	61	0.1	(27)	(0.0)
	3. Cumulative translation adjustments	(3,339)	(4.9)	6	0.0	6	0.0
	Total revaluation, translation adjustments and others	(3,551)	(5.2)	102	0.1	(103)	(0.1)
		1,292	1.9	971	1.4	1,365	1.9
III	Minority interest						
	Total shareholders' equity	26,709	39.7	27,098	38.3	29,919	41.8
<b>TOTAL LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY</b>							
		67,310	100.0	70,747	100.0	71,510	100.0

(Unit : millions of yen)

Account	Period	1st Quarter				Change	
		2008		2007		Amount	%
		Amount	% of Sales	Amount	% of Sales		
I Net sales		14,835	100.0	16,888	100.0	(2,053)	(12.2)
II Cost of sales		10,869	73.3	12,979	76.9	(2,110)	(16.3)
Gross profit		3,966	26.7	3,909	23.1	57	1.5
III Selling, general & administrative expenses		2,924	19.7	3,204	18.9	(280)	(8.7)
Operating income		1,042	7.0	705	4.2	337	47.8
IV Non-operating income (expenses)							
Interest and dividends received		31		21		10	
Interest paid		(106)		(68)		(38)	
Exchange gain (loss)		(182)		59		(241)	
Investment loss on equity method		---		(145)		145	
Other non-operating income (expenses)		25		(9)		34	
Non-operating income (expenses)		(232)	(1.5)	(142)	(0.9)	(90)	-
Ordinary income		810	5.5	563	3.3	247	43.9
V Extraordinary income (losses)							
Gain on sales of fixed assets		17		1		16	
Gain on sales of securities		0		32		(32)	
Loss on disposal of fixed assets		(16)		(2)		(14)	
Structural reorganization expenses		(48)		---		(48)	
Other extraordinary income (losses)		(9)		---		(9)	
Extraordinary income (losses)		(56)	(0.4)	31	0.2	(87)	-
Income before income taxes		754	5.1	594	3.5	160	26.9
Income taxes		238	1.6	237	1.4	1	0.4
Minority interest		14	0.1	2	0.0	12	600.0
Net income		502	3.4	355	2.1	147	41.4

(Unit : millions of yen)

Account	Period	1st Quarter	
		2008	2007
I. Cash flows from operating activities			
Income before income taxes		754	594
Depreciation and amortization		810	848
Gain on sales of fixed assets		(17)	(1)
Loss on disposal of fixed assets		16	2
Changes in account receivable		(342)	319
Changes in inventories		53	(185)
Changes in account payable		(459)	(70)
Others		(1,241)	(713)
Cash flows from operating activities		(426)	794
II. Cash flows from investing activities			
Purchase of tangible fixed assets		(771)	(844)
Proceeds from sales of tangible fixed assets		88	1
Investment in affiliated company		---	(209)
Investment in securities		(148)	(0)
Sales of investment in securities		39	498
Others		1,271	(5)
Cash flows from investing activities		479	(559)
III. Cash flows from financing activities			
Changes in short-term borrowings		13	715
Changes in long-term borrowings		(397)	(380)
Cash dividends paid		(193)	(190)
Revenue from issuance of stocks		---	5
Others		---	(1)
Cash flows from financing activities		(577)	149
IV. Effect of exchange rate changes on cash and cash equivalents		(580)	(35)
V. Net increase (decrease) in cash and cash equivalents		(1,104)	349
VI. Cash and cash equivalents at beginning of year		9,356	6,537
VIII. Cash and cash equivalents at end of year		8,252	6,886

**Sales by Business**

(unit:millions of yen, %)

Business \ Period	1st quarter				
	FY2008	% of Total	FY2007	% of Total	% Change
Coil	9,413	63.5	10,700	63.4	(12.0)
VOGT Components	5,004	33.7	5,563	32.9	(10.0)
VOGT EMS	418	2.8	625	3.7	(33.1)
Total	14,835	100.0	16,888	100.0	(12.2)

**Quarterly Sales by Business**

(unit:millions of yen)

Business \ Period	FY2008	FY2007				FY2006				FY2005
	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q
Coil	9,413	11,613	11,836	11,855	10,700	11,637	11,194	9,874	9,544	10,317
VOGT Components	5,004	4,905	5,359	5,872	5,563	5,059	4,667	4,491	4,661	-
VOGT EMS	418	517	690	675	625	466	726	588	601	-
Total	14,835	17,035	17,885	18,402	16,888	17,162	16,587	14,953	14,806	10,317

**Segment Information**

	1st quarter FY2008					
	Coils (millions of yen)	VOGTComponents (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	9,413	5,004	418	14,835	-	14,835
(2) Inter-segment sales or transfers	211	43	1	255	(255)	-
Total	9,624	5,047	419	15,090	(255)	14,835
Operating expenses	8,248	4,651	423	13,322	471	13,793
Operating income	1,376	396	(4)	1,768	(726)	1,042
(%)	14.3	7.8	(1.0)	11.7	-	7.0

	1st quarter FY2007					
	Coils (millions of yen)	VOGTComponents (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	10,700	5,563	625	16,888	-	16,888
(2) Inter-segment sales or transfers	79	39	-	118	(118)	-
Total	10,779	5,602	625	17,006	(118)	16,888
Operating expenses	9,618	5,364	632	15,614	569	16,183
Operating income	1,161	238	(7)	1,392	(687)	705
(%)	10.8	4.2	(1.1)	8.2	-	4.2

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

**Sales by Area**

(unit:millions of yen, %)

Area	1st quarter				
	FY2008	% of Total	FY2007	% of Total	%Change
Japan	2,274	15.3	2,347	13.9	(3.1)
Hong Kong/China	2,351	15.8	3,023	17.9	(22.2)
ASEAN	678	4.6	738	4.4	(8.1)
Taiwan/Korea	389	2.6	1,002	5.9	(61.2)
NAFTA	1,478	10.0	1,641	9.7	(9.9)
EU	7,613	51.3	8,113	48.0	(6.2)
Others	52	0.4	24	0.2	116.7
Total	14,835	100.0	16,888	100.0	(12.2)