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Miyoshi Precision Limited registers \$10.7 million net earnings on revenue of \$133.7 million for FY2008

Singapore, 24 October 2008 – Leading integrated metal-stamped precision parts specialist Miyoshi Precision Limited (“Miyoshi” or “The Group”) net profit attributable to shareholders for the full-year FY2008 came in at \$10.7 million. On a year-on-year comparison, however, net earnings eased by \$33.6%, from \$16.1 million, in part due to lower sales. Group revenue slid by 17.8% from \$162.6 million to \$133.7 million from a year ago.

A few factors affecting the Group’s key business segments of Data Storage and Consumer Electronics dragged down overall sales. The Consumer Electronics segment had been weighed down by competitive market pressures since the preceding financial year (FY2007). Whilst a change of material specification and downward price adjustments resulted in lower selling prices for certain Data Storage products that consequently led to lower revenue.

Revenue for Data Storage, Consumer Electronics and Automotive & Others slid by 20.7%, 12.3% and 14.5% respectively.

Financial Highlights

(S\$)	FY2008	FY2007 (restated)	% Change
Turnover	133.7 mil	162.6 mil	(17.8)
Profit Before Tax	13.7 mil	22.6 mil	(39.4)
Net profit attributable to shareholders	10.7 mil	16.1 mil	(33.6)
EPS	2.54 cents	3.83 cents	(33.7)

The company, however, continued to generate healthy cash flow from its operations with net cash from operations of \$12.1 million, contributing to the final cash tally of \$25.5 million at year end. This allowed the Group to reduce its borrowings from \$12.4 million to \$8.4 million as repayments were made out of cash generated from operations.

To reward shareholders, Miyoshi's Board of Directors has proposed final dividends of 0.3 cents per share.

Mr Andrew Sin, Miyoshi's Chief Executive Officer said, "There had been encouraging signs that the industry outlook was turning for the better, but in the light of the current uncertain global economic climate, it would be prudent for us to exercise a certain degree of caution. As such our expectations for the coming financial year will be more muted."

In line with the more cautious sentiments, the company has also been watching its cost management closely. It was able to reduce raw materials cost significantly by 19.3% to \$83.8 million, from \$103.8 million previously, due to a change of materials specification and lower raw material usage on a range of drives that migrated from 3.5" to 2.5".

The Group has also made inroads into diversifying its revenue and customer base. It now owns a 27.64% equity stake in Catalist-listed Giken Sakata ("Giken") through a \$1.5 million convertible loan made out to Giken in February this year that was converted to Giken shares just last month. The agreement gives Miyoshi a further option to provide a second convertible loan tranche of \$1.5 million that if converted and added to the shares issued earlier, will give Miyoshi ownership of 53.16% Giken's ordinary share capital.

Giken is principally engaged in the manufacturing of micro shafts, plastic injection, moulding and steel-printed circuit boards.

Miyoshi's latest results, however, do not include those of Giken's as the latter's shares were issued after Miyoshi's financial year-end.

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About Miyoshi Precision Limited

Established in 1987 and subsequently listed on the SGX Main Board in September 2000, Miyoshi Precision Limited has grown progressively from a metal stamping plant to become an Integrated Engineering Corporation, with in-house capabilities ranging from new product development to mass production. Serving the Data Storage, Consumer Electronics and Automotive Industries, our Regional Business Ring revolves around our headquarter in Singapore and manufacturing plants in Singapore, Malaysia , Thailand, Philippines and China. Coupled with our strategic partner in Japan, this strategy of locating our operations in cost-competitive hubs beyond Singapore sites us in proximity with our customers and strongly positions us to capitalize on the opportunities in the region.

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