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Miyoshi Precision Limited FY2009 net margin holds firm at 9.7% to \$9.2 million, despite challenging sales environment

Early indications of improved market sentiments started to trickle in from 3QFY2009

Singapore, 26 October 2009 – Leading integrated metal-stamped precision parts specialist Miyoshi Precision Limited (“Miyoshi” or “The Group”) strengthened its net earnings margin for the full-year FY2009, to 9.7%, from last year’s 8.0%, on the back of \$94.9 million sales and \$9.2 million net profit attributable to shareholders. This was achieved despite a fall of 29.0% in Group revenue from \$133.7 million and 14.3% decline in net earnings from \$10.7 million in the previous year.

Mr Andrew Sin, Miyoshi’s Chief Executive Officer, said, “We are starting to see early signs of recovery from the global recession which besieged the data storage and consumer electronics sectors. The third quarter saw market sentiments turning positive for the first time, although it is still too early to infer if this improvement is sustainable.”

Financial Highlights

(S\$)	FY2009	FY2008	% Change
Turnover	94.9 mil	133.7 mil	(29.0)
Profit Before Tax	10.5 mil	13.9 mil	(24.3)
Net profit attributable to shareholders	9.2 mil	10.7 mil	(14.3)
EPS	2.18 cents	2.54 cents	(14.2)

The Group continued to generate relatively strong net cash flow of \$10.6 million from its operations. Cash and cash equivalents at year-end stood at \$26.4 million.

The Board of Directors has proposed final dividends of 0.3 cent per share.

While overall sales volume had declined, average selling prices remained generally stable, in part helping the Group to preserve margins. Additionally, a slew of cost management measures were implemented including headcount freeze, reduced work week and a no-overtime policy.

Raw materials and consumables reduced by \$29.0 million or 34.6%, due primarily to improved material cost management while employee benefit expenses fell \$2.8 million, as a result of measures taken to align staffing levels, salary scales and overtime work hours with the lower business volume.

These measures were necessary as the Group's three key growth engines, Data Storage, Consumer Electronics and Automotive, only saw sales picking up and registering growth in the fourth quarter. Revenue for Data Storage, Consumer Electronics and Automotive for the full-year slid by 34.7%, 18.8% and 25.6% respectively.

Mr Sin added, "We are constantly looking at making inroads into new and synergistic industry segments that will add fresh revenue streams to the Group. Aerospace and Medical could be two possible sectors that we could potentially explore."

Miyoshi now owns 53.16% of Giken Sakata, listed on SGX Catalist. The Group's share of results of associates for FY2009 of \$0.39 million is mostly attributable to this equity interest acquired through a convertible loan.

The Group is also set to expanding its Regional Business Ring with the completion of its new Huizhou plant in China. The plant with 6,480 square meters of built-up area is expected to commence operations in the first half of FY2010.

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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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