

Fiscal 2005

(Apr 1, 2005 ~ Mar 31, 2006)

Financial Results

June 2006



Consolidated Statements of Income

(millions of yen)

	FY2005	FY2004	vs. FY2004	RC	Notes
Net sales	278,616	243,421	35,195	14.5%	Textiles: +715, Brakes: +3,823, Papers: +27, Chemical: +1,807, Electroics:+29,014, Real Estate:-163, Others: -28
Operating income	10,524	9,651	873	9.0%	Textiles: +879, Brakes: -795, Papers: -226, Chemical: -42, Electronics: +657, Real estate: -79, Others: +19, Corporate costs: -461
Other income (expences)	9,295	3,212	6,083		
Income before income taxes and minority interests	19,819	12,863	6,955	54.1%	
Income taxes	(7,438)	(5,038)	(2,400)		
Minority interests in net income	(1,198)	373	(1,572)		
Net income	11,182	8,199	2,983	36.4%	

June, 2006

2

Consolidated Balance Sheets

(millions of yen)

Assets	FY2005	FY2004	vs. FY2004	Notes
Inventory assets	52,583	40,407	12,176	Increase from newly consolidated New Japan Radio: +14,884
Property, plant and equipment	121,148	99,781	21,366	Increase from newly consolidated New Japan Radio: +21,923, Acquisition: +16,420, Depreciation: -13,443, Impairment: -5,414
Intangible fixed asset	5,050	1,351	3,699	Goodwill resulting from newly consolidated New Japan Radio: +3,839
Investment securities	185,051	122,811	62,240	Unrealized gain on investment securities: +54,931
Liabilities				
	FY2005	FY2004	vs. FY2004	
Short-term bank loans and Current portion of long-term debt	50,666	40,485	10,180	Increase from newly consolidated New Japan Radio: +9,677
Accrued pension and severance benefits	28,622	15,036	13,585	Increase from newly consolidated New Japan Radio: +9,238
Deferred tax liabilities	48,150	27,518	20,632	Unrealized gains on investment securities
Shareholder's equity				
	FY2005	FY2004	vs. FY2004	
	266,434	222,771	43,662	Unrealized gain on investment securities, increased profits
Interest-bearing debt				
	FY2005	FY2004	vs. FY2004	
	63,553	53,039	10,514	Increase from newly consolidated New Japan Radio: +12,474

Segment information(1)

Sales

(millions of yen)

	FY2003	FY2004	FY2005
Textiles	68,402	82,163	82,878
Automobile Brakes	52,075	54,306	58,130
Papers	29,009	28,584	28,611
Chemical Products	32,098	34,199	36,007
Electronics	16,176	16,843	45,857
Real Estate Leasing	4,941	4,945	4,781
Other Products	24,179	22,378	22,349
Total	226,882	243,421	278,616

Textiles:

NISSHINBO(SHANGHAI) newly consolidated
Favorable performance of overseas subsidiaries (NDB etc.)

Brakes:

Acquiring new orders in both domestic and foreign markets
Transfer of ABS products to CTC proceeding

Papers:

Household papers / Stagnation due to decrease in product prices
Fine papers / Favorable performance of fine papers and synthetic papers

Chemical:

Favorable performance of overseas subsidiaries

Electronics:

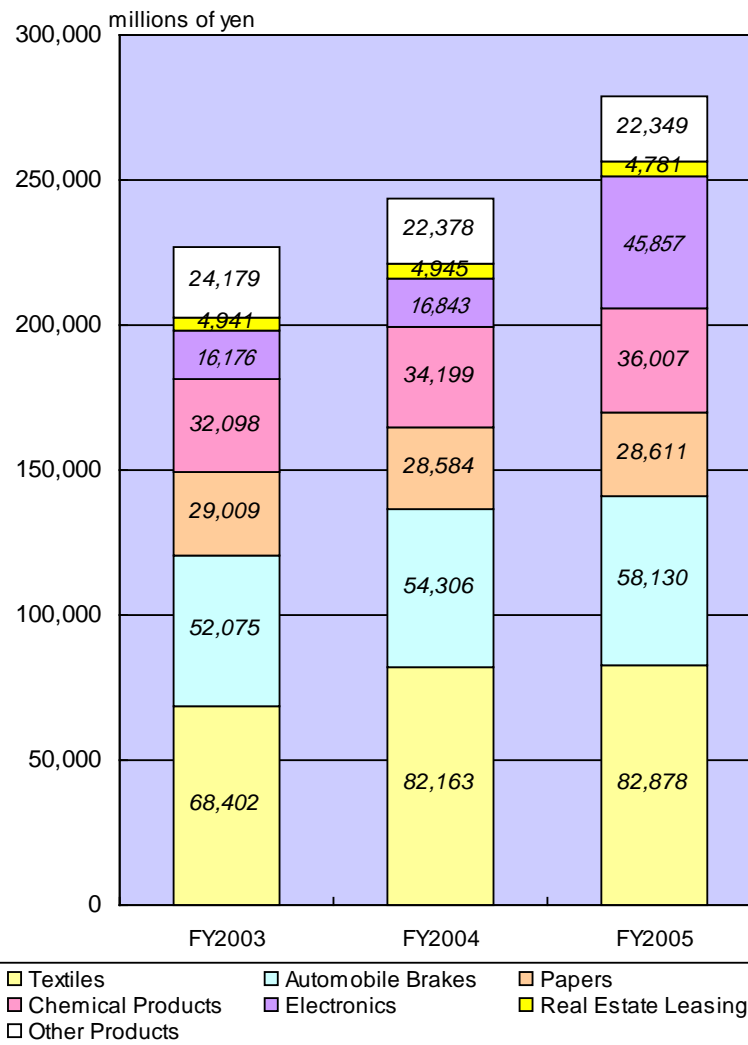
New Japan Radio newly consolidated

Real estate:

Decrease in leasing

Others:

Increase in earnings of Machine tools



Segment information(2)

Operating income (millions of yen)

	FY2003	FY2004	FY2005
Textiles	724	217	1,097
Automobile Brakes	4,811	6,258	5,462
Papers	2,023	1,700	1,474
Chemical Products	611	822	780
Electronics	(71)	151	808
Real Estate Leasing	2,614	2,736	2,657
Other Products	(1,085)	(1,016)	(996)
Corporate	(1,134)	(1,220)	(758)
Total	8,495	9,651	10,524

Textiles:

Drastic improvement in CHOYA's earnings

Brakes:

Soaring raw material prices in Japan
Favorable performance of overseas subsidiaries

Papers:

Household papers / Continuous slump in product prices

Chemical:

Favorable performance of overseas subsidiaries

Electronics:

New Japan Radio newly consolidated

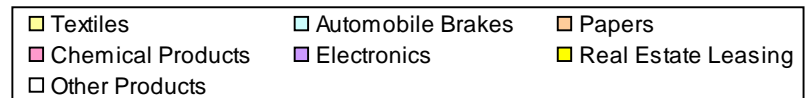
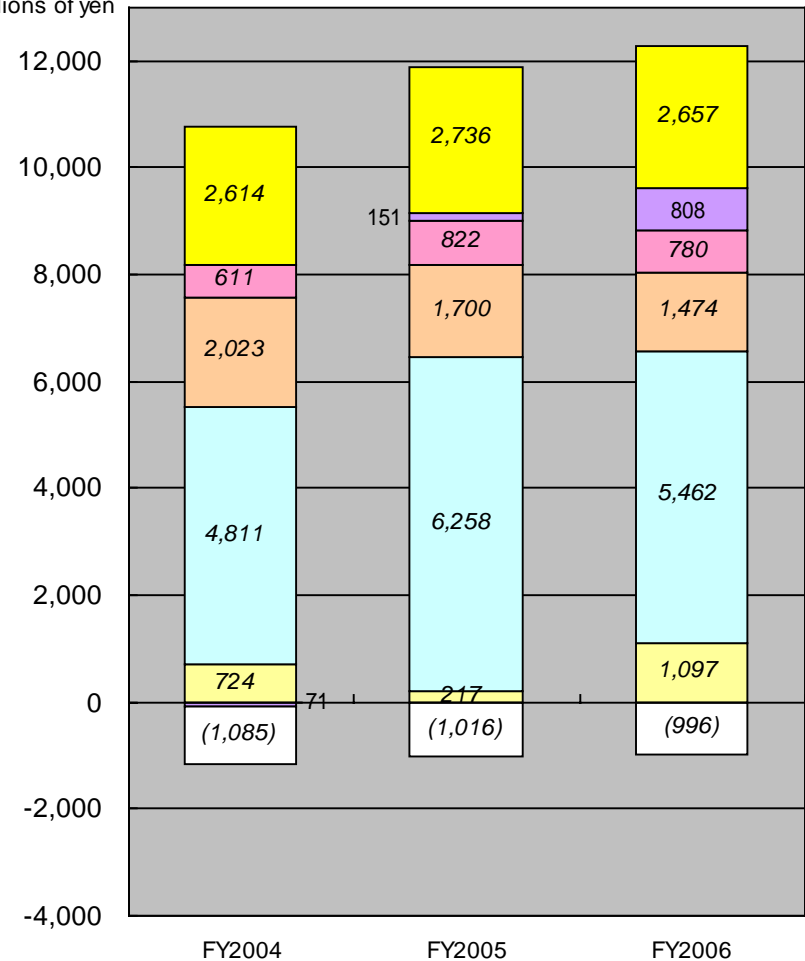
Real estate:

Stable earnings

Others:

Increasing in earnings of Machine tools
Withdrawal from PDP optical filters business

millions of yen



Textiles

(millions of yen)

	FY2004 Results		FY2005 Results		FY2006 Forecast	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
NISSHINBO	56,373	233	55,288	185	56,000	940
CHOYA	11,233	(1,144)	11,849	(50)	11,980	190
Others *	30,266	88	29,762	(51)	29,656	259
Sub-total / Domestic	97,872	(823)	96,899	84	97,636	1,389
NDB (BRA)	4,197	733	4,335	669	3,800	400
G&N (INA)	3,223	78	3,532	114	3,300	66
Nikawa (INA)	3,908	250	4,772	163	4,400	72
NISSHINBO (SHANGHAI) (CHN)	-	-	2,021	4	1,594	6
P.T. Naigai shirts (INA)	195	(4)	249	3	233	4
Sub-total / Overseas	11,523	1,057	14,909	953	13,327	548
Sub-total	109,395	234	111,808	1,037	110,963	1,937
Eliminations	(27,232)	(17)	(28,930)	60	(25,963)	(37)
Total	82,163	217	82,878	1,097	85,000	1,900

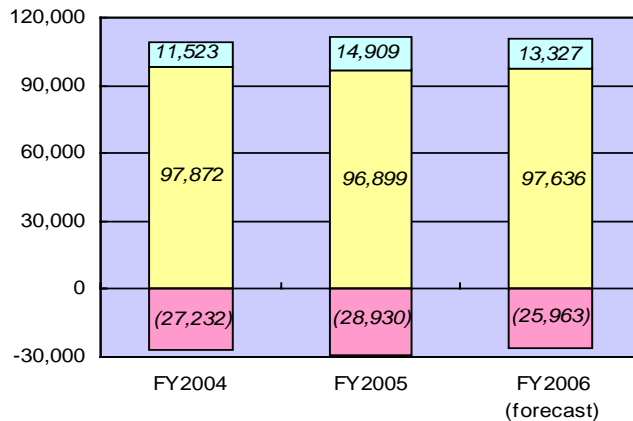


“Non care”
100% Cotton, drip-dry shirts

* Nisshin Toa Inc., Nisshin Denim Inc. and others

millions of yen

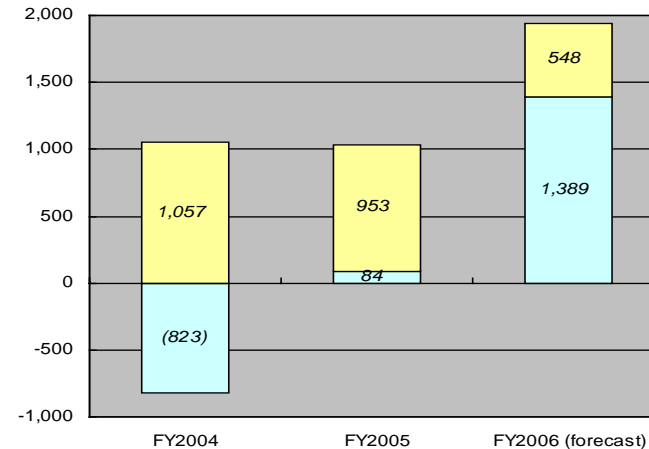
Sales



Domestic Overseas Eliminations

millions of yen

Operating income



Domestic Overseas

June, 2006

Automobile Brakes

(millions of yen)

	FY2004 Results		FY2005 Results		FY2006 Forecast	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
NISSHINBO	28,481	3,668	29,059	2,986	29,040	3,200
Others *	26,995	146	27,458	142	27,710	190
ABS	10,581	736	7,733	147	2,900	250
Sub-total / Domestic	66,057	4,550	64,250	3,275	59,650	3,640
NAC & NAMI (USA)	5,789	(12)	8,571	(113)	8,371	778
NSA (THA)	2,613	453	3,720	686	4,483	810
SAC (KOR)	8,653	1,206	11,628	1,378	10,244	1,291
SABC (CHN)	-	-	811	101	1,214	131
Sub-total / Overseas	17,055	1,647	24,730	2,052	24,312	3,010
Sub-total	83,112	6,197	88,980	5,327	83,962	6,650
Eliminations	(28,806)	61	(30,850)	135	(29,362)	100
Total	54,306	6,258	58,130	5,462	54,600	6,750

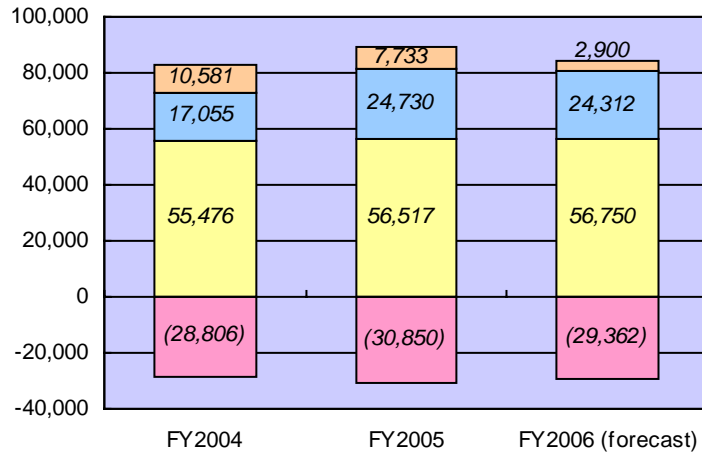
* Nisshinbo Brake Sales Co.,Ltd



Friction materials

Sales

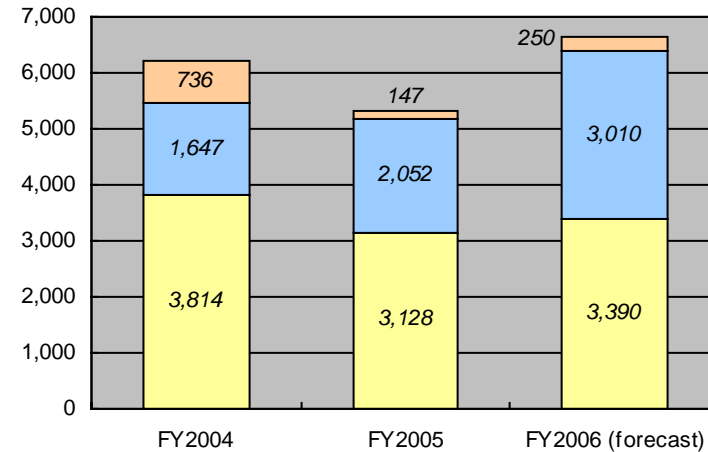
millions of yen



■ Domestic(excluding ABS) ■ Overseas ■ ABS ■ Eliminations

Operating income

millions of yen



■ Domestic(excluding ABS) ■ Overseas ■ ABS

June, 2006

Papers

(millions of yen)

	FY2004 Results		FY2005 Results		FY2006 Forecast	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
NISSHINBO	11,780	483	11,310	106	11,500	80
Others *1	4,400	30	4,190	13	4,100	(38)
Sub-total / Household papers	16,180	513	15,500	119	15,600	42
NISSHINBO	11,359	1,206	11,818	1,249	11,770	1,070
Others *2	4,799	(23)	4,722	101	4,980	92
Sub-total / Fine papers	16,158	1,183	16,540	1,350	16,750	1,162
Sub-total	32,338	1,696	32,040	1,469	32,350	1,204
Eliminations	(3,754)	4	(3,429)	5	(3,350)	(4)
Total	28,584	1,700	28,611	1,474	29,000	1,200

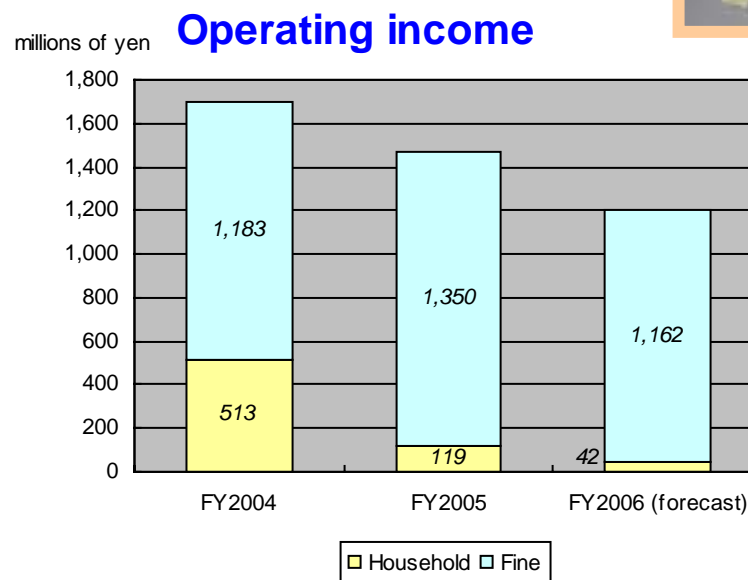
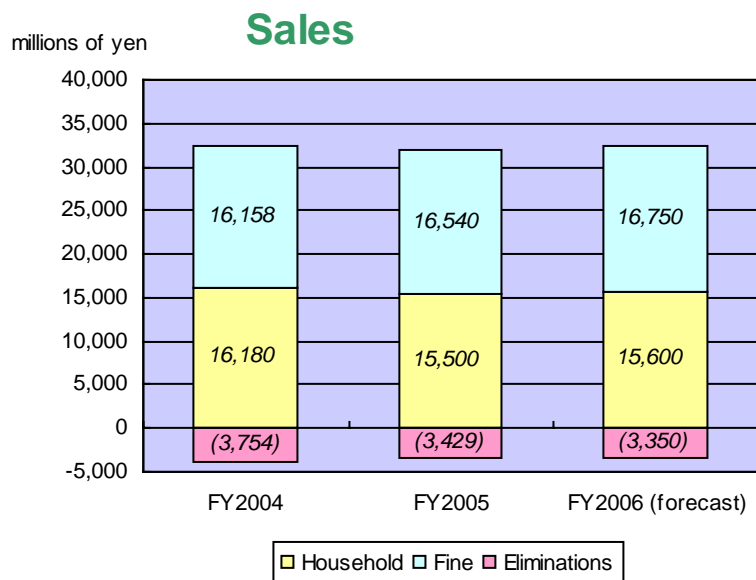
*1 Tokai Seishi Kougyou Co.,Ltd and others *2 Nihon Postal Franker Co.,Ltd



Household papers



Fine papers



Chemical Products

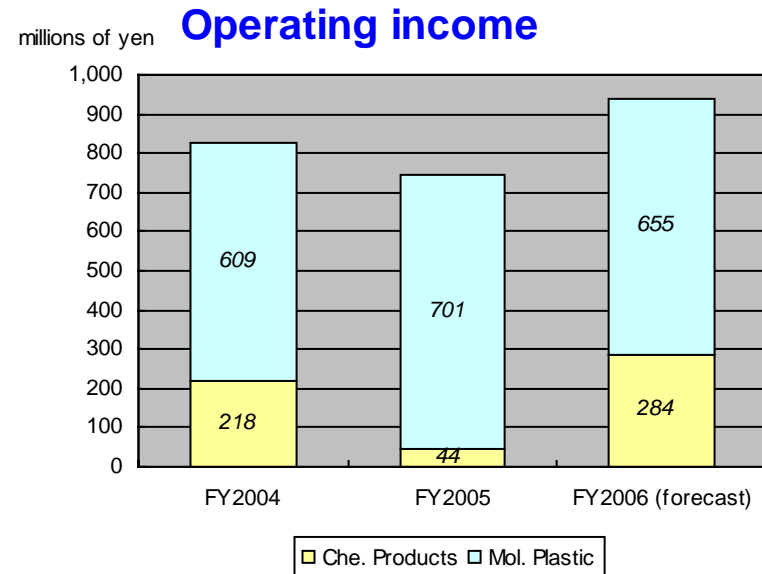
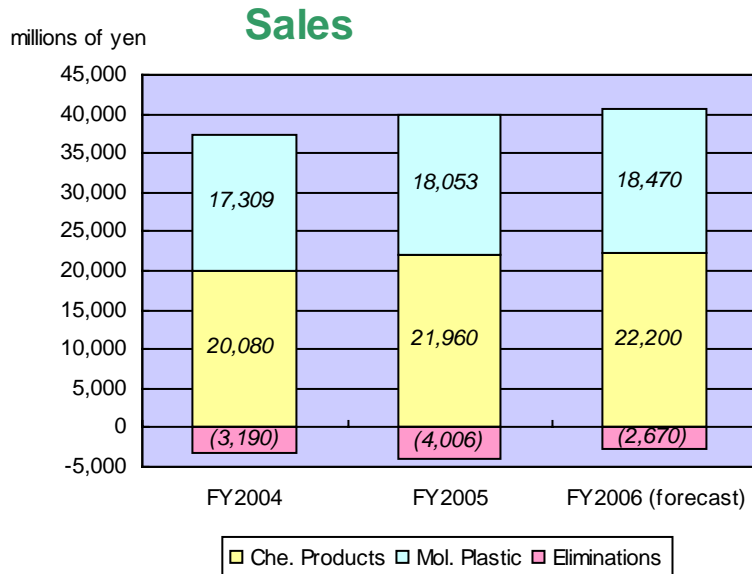
(millions of yen)

	FY2004 Results		FY2005 Results		FY2006 Forecast	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
NISSHINBO	9,984	94	10,652	(112)	9,883	115
Others *	10,096	124	11,308	156	12,317	169
Sub-total / Chemical products	20,080	218	21,960	44	22,200	284
Nippon Kohbunshi	10,048	51	9,321	2	9,200	6
Kohbunshi (Thailand)	5,342	329	6,341	336	6,780	389
Pudong Kohbunshi (Shanghai)	1,919	229	2,391	363	2,490	260
Sub-total / Molded plastic	17,309	609	18,053	701	18,470	655
Sub-total	37,389	827	40,013	745	40,670	939
Eliminations	(3,190)	(5)	(4,006)	35	(2,670)	11
Total	34,199	822	36,007	780	38,000	950

* Iwao & Co.,Ltd and others



Cross-Flow Fans



June, 2006

Electronics

(millions of yen)

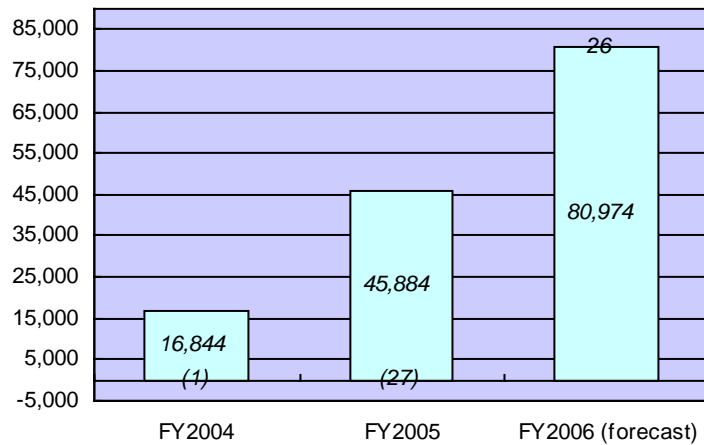
	FY2004 Results		FY2005 Results		FY2006 Forecast	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
New Japan Radio	-	-	30,654	917	64,474	2,852
Ueda Japan Radio	16,844	151	15,230	320	16,500	161
Sub-total	16,844	151	45,884	1,237	80,974	3,013
Eliminations	(1)	-	(27)	(429)	26	(813)
Total	16,843	151	45,857	808	81,000	2,200



Semiconductors

Sales

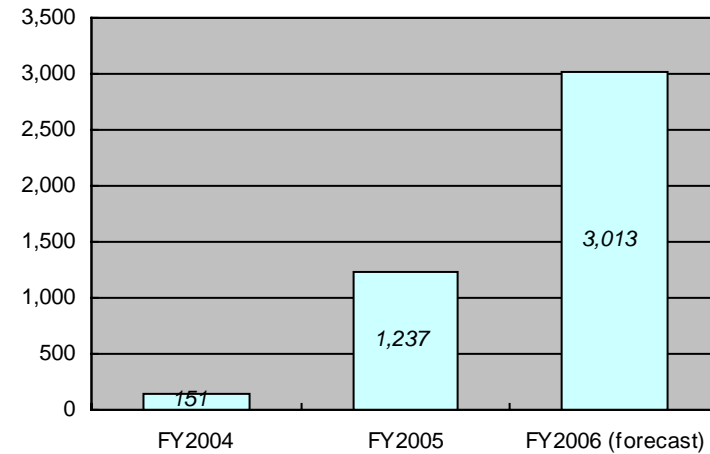
millions of yen



□ Electronics □ Eliminations

Operating income

millions of yen



Real Estate Leasing

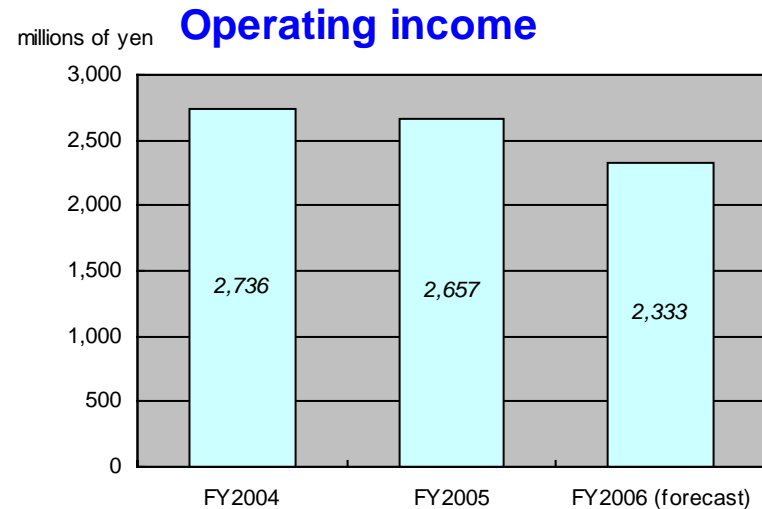
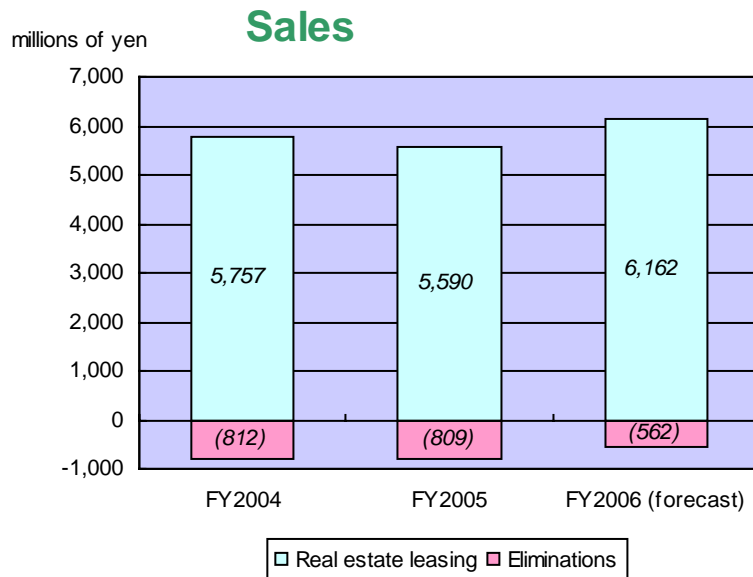
(millions of yen)

	FY2004 Results		FY2005 Results		FY2006 Forecast	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
NISSHINBO	3,692	2,303	3,657	2,250	3,807	1,999
Others *	2,065	433	1,933	407	2,355	334
Sub-total	5,757	2,736	5,590	2,657	6,162	2,333
Eliminations	(812)	-	(809)	-	(562)	(33)
Total	4,945	2,736	4,781	2,657	5,600	2,300

* Nisshinbo Urban Development Co., Ltd and others



Shopping Center



Other Products

(millions of yen)

	FY2004 Results		FY2005 Results		FY2006 Forecast	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Machine tools	7,712	286	10,508	562	11,828	549
Others *	17,474	(1,268)	15,503	(1,557)	16,986	(296)
Sub-total	25,186	(982)	26,011	(995)	28,814	253
Eliminations	(2,808)	(34)	(3,662)	(1)	(2,014)	72
Total	22,378	(1,016)	22,349	(996)	26,800	325

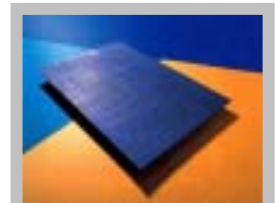
* New Businesses and others



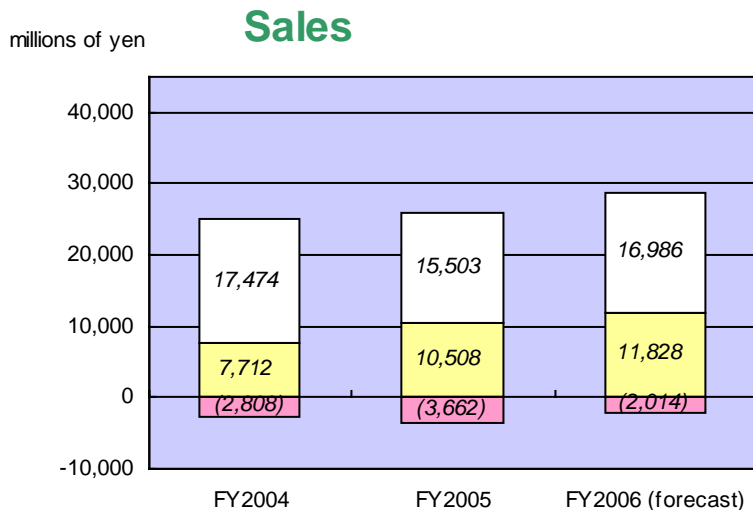
Carbodilite



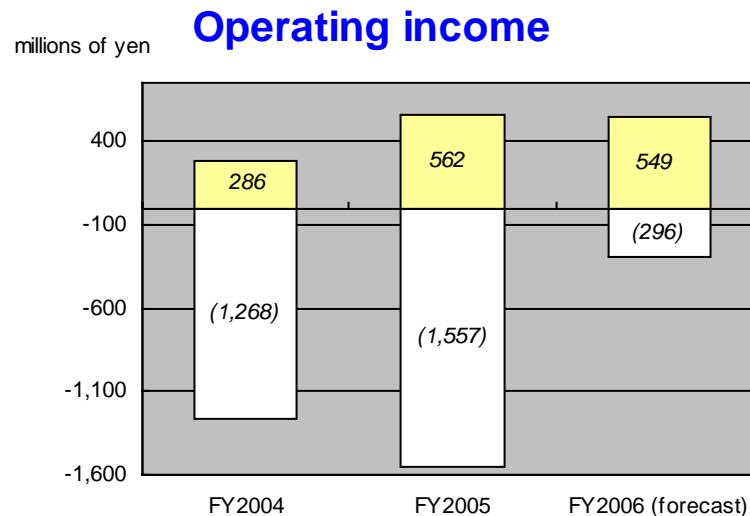
N's CAP
Electrical double layer capacitor



Carbon bipolar plates



Machine tools Others Eliminations



Machine tools Others

June, 2006

Forecast of FY2006

(As of May 16, 2006)

	(millions of yen)		
	FY 2006 Forecast	FY 2005 Results	vs. FY2005
Net sales	320,000	278,616	41,384
Operating income	15,000	10,524	4,476
Ordinary income	18,500	14,033	4,467
Net income	9,000	11,182	(2,182)

In FY 2006, the inclusion of annual net sales of New Japan Radio is expected to bring an increase in revenue, operating income and ordinary income. Conversely, net income will decrease due to a gain on sale of securities and impairment loss ending in FY2006.

Net sales: ↗

Favorable performance of overseas subsidiaries
Increase in revenue through inclusion of annual net sales of New Japan Radio

Operating income: ↗

Favorable performance of overseas subsidiaries
Improvement in earnings of CHOYA, and others

Ordinary income: ↗

Increase from rise in operating income

Net income: ↘

Gain on sale of securities and impairment loss end in FY2006.

June, 2006

Net Sales

(millions of yen)

	FY 2006 Forecast	FY 2005 Results	vs. FY2005
Textiles	85,000	82,878	2,122
Automobile Brakes	54,600	58,130	(3,530)
Papers	29,000	28,611	389
Chemical Products	38,000	36,007	1,993
Electronics	81,000	45,857	35,143
Real Estate Leasing	5,600	4,781	819
Other Products	26,800	22,349	4,451
Total	320,000	278,616	41,384

Operating income

(millions of yen)

	FY 2006 Forecast	FY 2005 Results	vs. FY2005
Textiles	1,900	1,097	803
Automobile Brakes	6,750	5,462	1,288
Papers	1,200	1,474	(274)
Chemical Products	950	780	170
Electronics	2,200	808	1,392
Real Estate Leasing	2,300	2,657	(357)
Other Products	325	(996)	1,321
Eliminations/Corporate	(625)	(758)	133
Total	15,000	10,524	4,476

“Three-Year Management Plan 2008”

(Apr, 2006 ~ Mar, 2009)

Released on Apr 10, 2006

Core Management Policies

- Continue to bring to market unique products with high added value to serve as the foundation for strong quality competitiveness
- Reduce lead times and thoroughly emphasize a prompt “customer first” response
- Promote collaboration with other companies
- Pursue overseas expansion and accelerate localization of production and marketing
- Promote amicable M&As
- Reorganize and withdraw from business with no prospects for profitability

	Sales (billions of yen)		
	FY 2006 Plan	FY 2007 Plan	FY 2008 Plan
Textiles	84.0	87.0	91.0
Automobile Brakes	54.0	56.0	59.0
Papers	29.0	30.0	32.0
Chemical Products	37.0	40.0	43.0
Electronics	85.0	86.0	94.0
Real Estate Leasing	5.0	6.0	7.0
New Businesses	26.0	30.0	34.0
Total	320.0	335.0	360.0

	Operating income (loss) (billions of yen)		
	FY 2006 Plan	FY 2007 Plan	FY 2008 Plan
Textiles	1.8	2.6	3.1
Automobile Brakes	6.8	7.1	7.3
Papers	1.2	1.7	1.9
Chemical Products	0.9	1.5	1.8
Electronics	3.0	4.5	6.6
Real Estate Leasing	2.2	2.5	3.4
New Businesses	(0.9)	0.1	0.9
Total	15.0	20.0	25.0