

Financial results for the fiscal year ended March 31, 2007.

May 2007



Consolidated Statements of Income

Financial year ended March 31	2007 JPYm	2006 JPYm	Change in %	Notes
Net sales	312,825	278,616	12.3	1
Operating profit	11,551	10,524	9.8	2
Other income (expenses)	11,534	9,295		3
Profit before tax and minority interests	23,085	19,819	16.5	
Tax	6,289	7,438		
Minority interests	1,688	1,198		4
Net profit	15,107	11,182	35.1	

Notes

1 Textiles: (635), Brakes: +3,634, Papers: +1,296, Chemical: (157), Electronics: +30,210, Real estate: +6, Others: (146)

2 Textiles: (658), Brakes: +1,547, Papers: (224), Chemical: +67, Electronics: +233, Real estate: (47), Others: (475), Eliminations down: +584

3 Interest and dividend income; +499, Investment profit on equity method; +2,160, Profit on securities sold; (3,060), Depletion; (4,086), Early retirement pay; (1,888)

4 New Japan Radio; +441, CHOYA; (304), Saeron Automotive; +197

Consolidated Balance Sheets

Financial year ended March 31	2007 JPYm	2006 JPYm	Notes
Assets			
Inventories	52,689	52,583	
Property, plant and equipment	121,904	121,148	1
Investment securities	168,142	185,051	2
Liabilities			
Short-term bank loans	47,148	50,666	3
Long-term debt	5,917	8,932	4
Deferred tax liability	39,772	48,150	5
Net assets			
Net unrealized gain on available-for-sale securities	61,225	74,994	6
Treasury stock	(559)	(454)	7

Notes

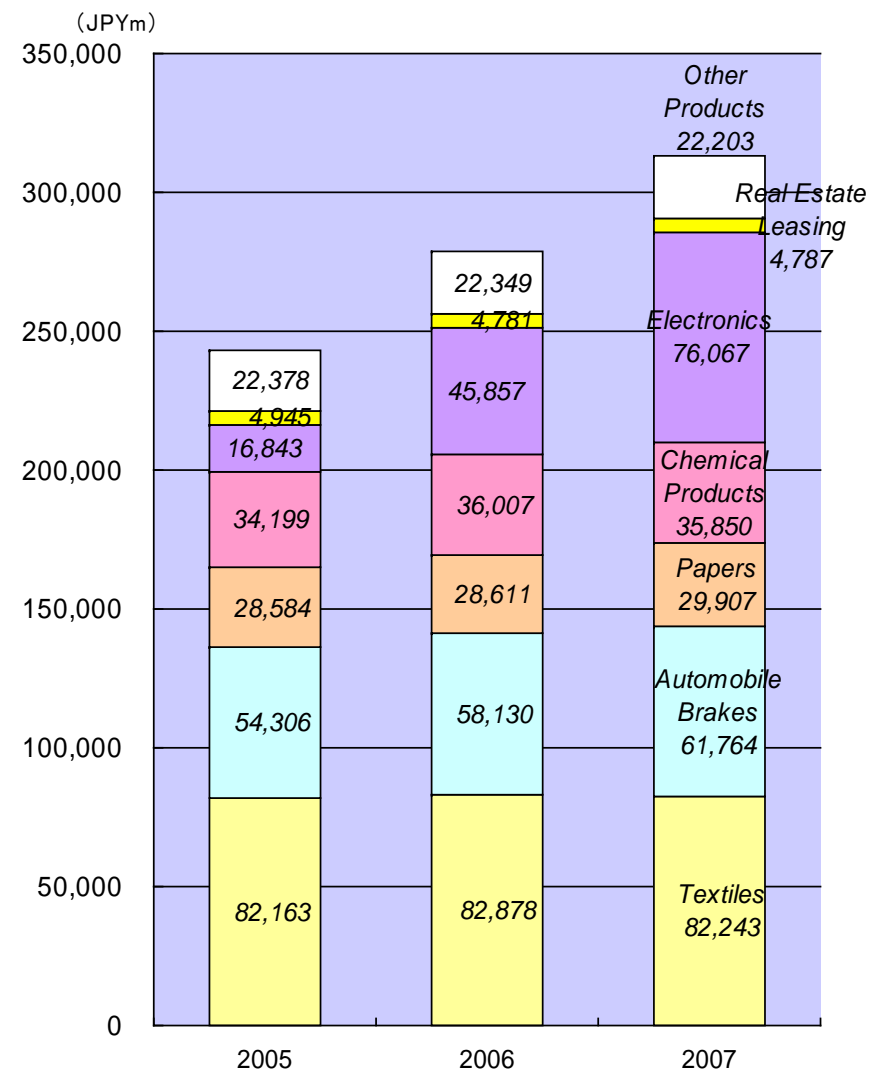
- 1 Acquisition; +17,104, Depreciation; (14,507), Disposal by sale; (2,097), Depletion; (1,327), Others; +1,583
- 2 Valuation of investment securities: (23,236)
- 3 Nisshinbo; (1,500), New Japan Radio; (1,624)
- 4 Overseas subsidiaries of brake: (2,951)
- 5 Valuation of investment securities down
- 6 Valuation of investment securities down
- 7 The number of treasury shares held: 937K

Segment information (1)

Sales

Financial year ended March 31	2005 JPYm	2006 JPYm	2007 JPYm
Textiles	82,163	82,878	82,243
Automobile Brakes	54,306	58,130	61,764
Papers	28,584	28,611	29,907
Chemical Products	34,199	36,007	35,850
Electronics	16,843	45,857	76,067
Real Estate Leasing	4,945	4,781	4,787
Other Products	22,378	22,349	22,203
Total	243,421	278,616	312,825

Textiles:	Decrease in domestic. Some of foreign subsidiaries increase sales.
Brakes:	Both domestic and overseas increase sales due to car production rise. ABS products decrease sales drastically due to transfer to CTC.
Papers:	Both household and fine papers increase sales.
Chemical:	Overseas subsidiaries processing plastics are favorable. Elastomer and carbon products increase sales.
Electronics:	New Japan Radio contributes in full year.
Real Estate:	Small rise as leasing area increases.
Others:	Mechatronics decrease sales.

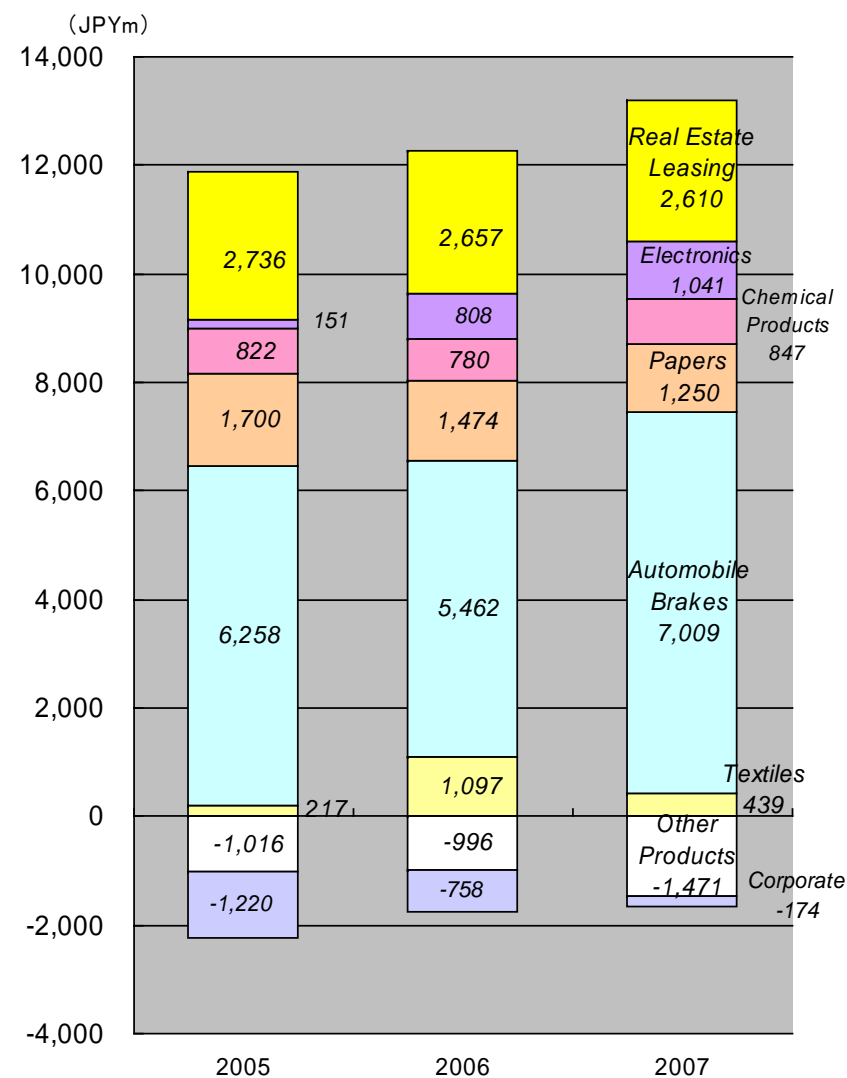


Segment information (2)

Operating profit

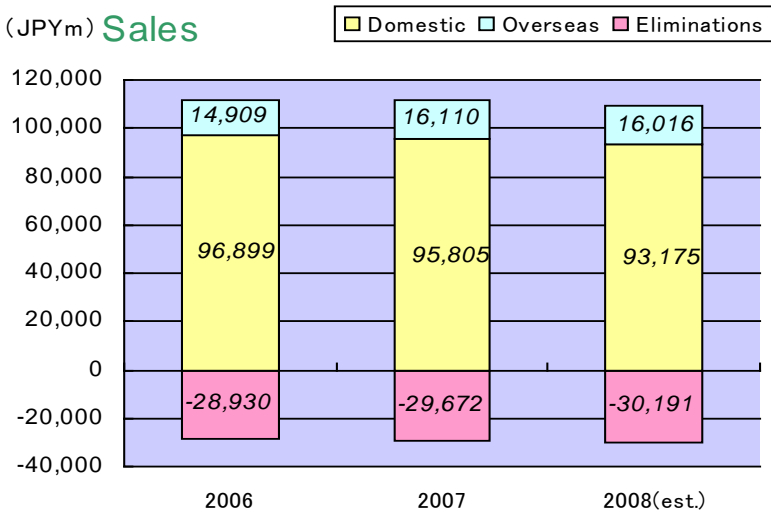
Financial year ended March 31	2005 JPYm	2006 JPYm	2007 JPYm
Textiles	217	1,097	439
Automobile Brakes	6,258	5,462	7,009
Papers	1,700	1,474	1,250
Chemical Products	822	780	847
Electronics	151	808	1,041
Real Estate Leasing	2,736	2,657	2,610
Other Products	(1,016)	(996)	(1,471)
Corporate	(1,220)	(758)	(174)
Total	9,651	10,524	11,551

Textiles:	Serious decrease in CHOYA. Gistex and Brasil fall.
Brakes:	Domestic/ Declining profit due to factory relocation costs rise. Foreign/ US subsidiaries improve profit.
Papers:	Raw material and enegy costs rise. Market prise of household papers recover slowly.
Chemical:	Profit improves due to cost reduction and concentration of products.
Electronics:	New Japan Radio contributes in full year.
Real Estate:	Stable profit
Others:	Mechatronics decrease sales.

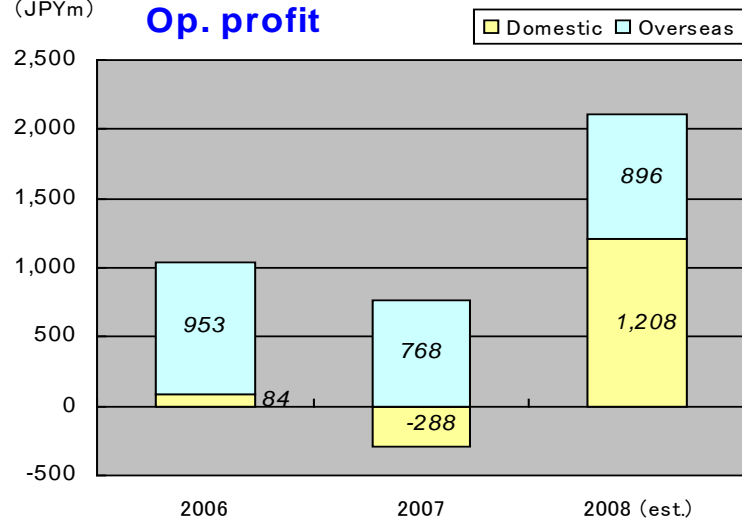


Textiles

(JPYm) Sales



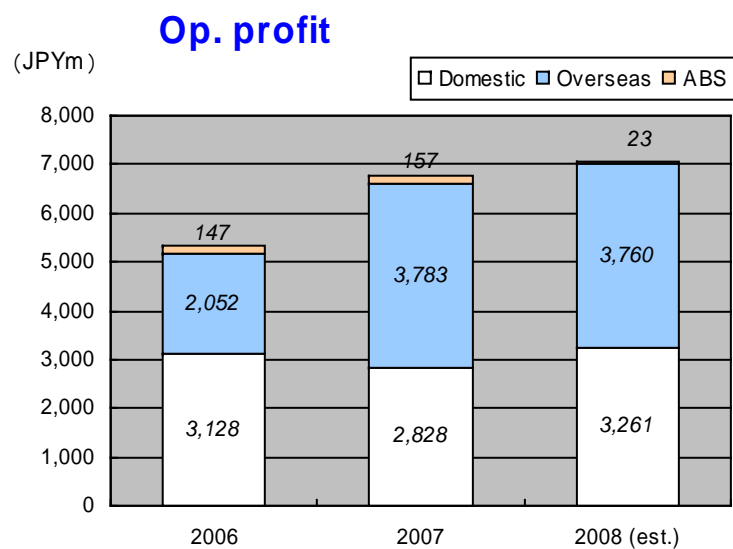
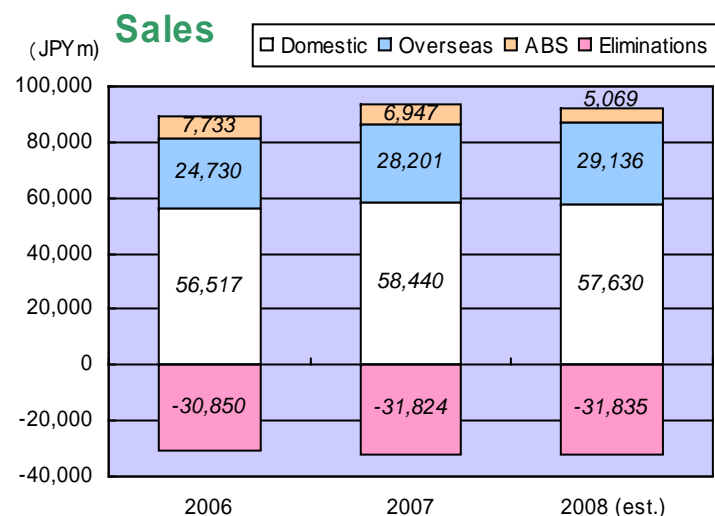
(JPYm) Op. profit



(JPYm)

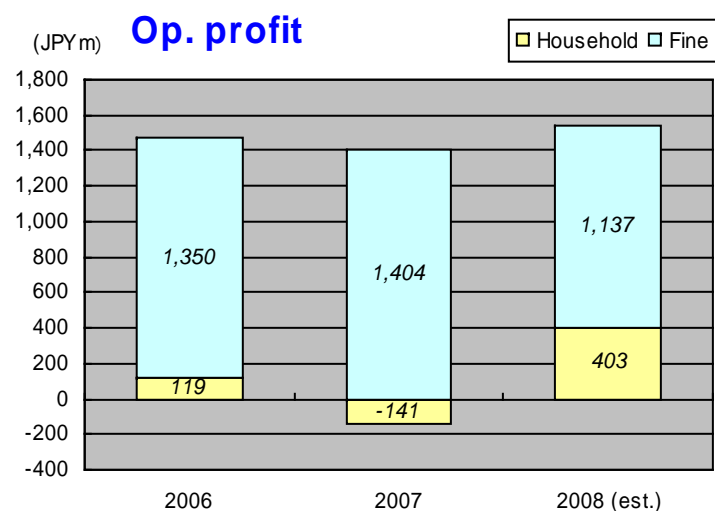
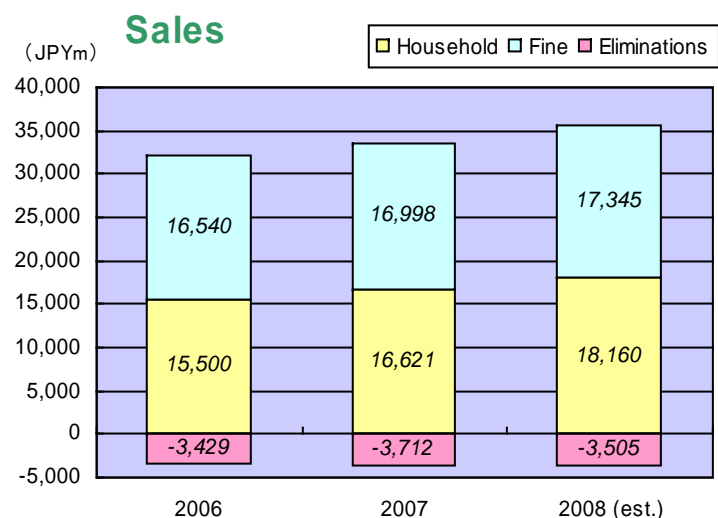
Financial year ended March 31	2006		2007		2008 Forecast	
	Sales	Op. profit	Sales	Op. profit	Sales	Op. profit
NISSHINBO	55,288	185	55,011	(49)	51,500	843
CHOYA	11,849	(50)	10,961	(556)	12,100	115
Others	29,762	(51)	29,833	317	29,575	250
Sub-total / Domestic	96,899	84	95,805	(288)	93,175	1,208
NDB (BRA)	4,335	669	4,443	540	4,170	472
G&N (INA)	3,532	114	3,100	17	3,220	109
Nikawa (INA)	4,772	163	5,539	170	5,175	253
NISSHINBO (SHANGHAI)	2,021	4	2,732	44	3,132	49
P.T. Naigai shirts (INA)	249	3	296	(3)	319	13
Sub-total / Overseas	14,909	953	16,110	768	16,016	896
Sub-total	111,808	1,037	111,915	480	109,191	2,104
Eliminations	(28,930)	60	(29,672)	(41)	(30,191)	(4)
Total	82,878	1,097	82,243	439	79,000	2,100

Automobile Brakes



Financial year ended March 31	2006		2007		2008 Forecast	
	Sales	Op. profit	Sales	Op. profit	Sales	Op. profit
NISSHINBO	29,059	2,986	29,996	2,618	29,770	3,041
Others	27,458	142	28,444	210	27,860	220
Sub-total	56,517	3,128	58,440	2,828	57,630	3,261
ABS	7,733	147	6,947	157	5,069	23
Sub-total/Domestic	64,250	3,275	65,387	2,985	62,699	3,284
Overseas	24,730	2,052	28,201	3,783	29,136	3,760
Sub-total	88,980	5,327	93,588	6,768	91,835	7,044
Eliminations	(30,850)	135	(31,824)	241	(31,835)	(44)
Total	58,130	5,462	61,764	7,009	60,000	7,000

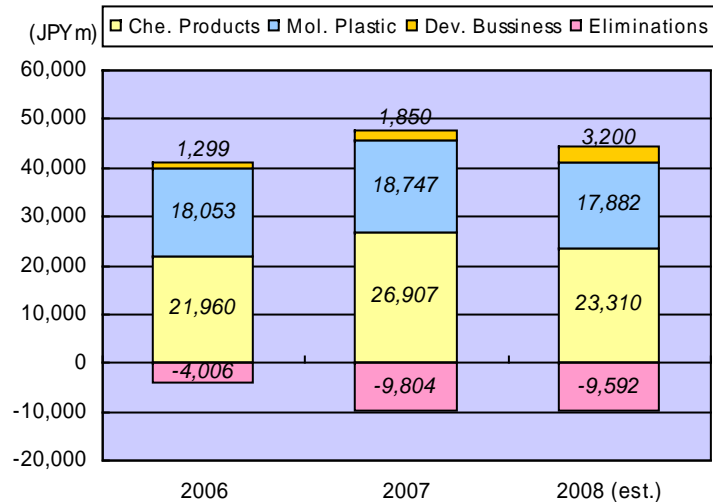
Papers



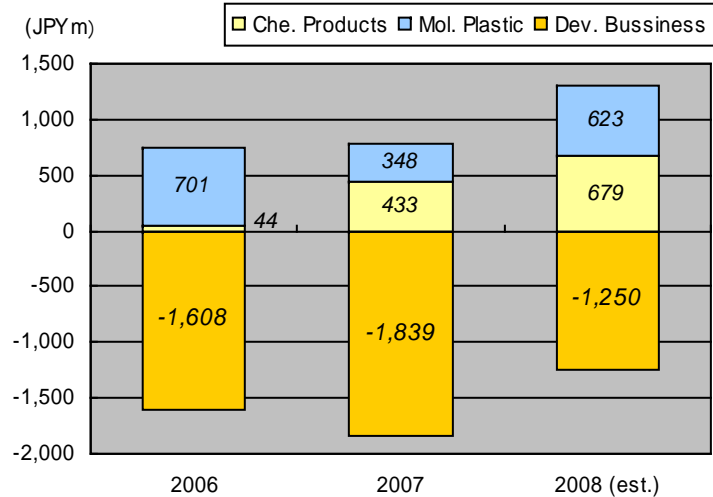
Financial year ended March 31	2006		2007		2008 Forecast	
	Sales	Op. profit	Sales	Op. profit	Sales	Op. profit
NISSHINBO	11,310	106	12,064	(247)	12,705	330
Others*1	4,190	13	4,557	106	5,455	73
Sub-total/Household	15,500	119	16,621	(141)	18,160	403
NISSHINBO	11,818	1,249	12,026	1,254	12,295	1,011
Others	4,722	101	4,972	150	5,050	126
Sub-total/Fine	16,540	1,350	16,998	1,404	17,345	1,137
Sub-total	32,040	1,469	33,619	1,263	35,505	1,540
Eliminations	(3,429)	5	(3,712)	(13)	(3,505)	(40)
Total	28,611	1,474	29,907	1,250	32,000	1,500

Chemical products (Chemical)

Sales



Op. profit

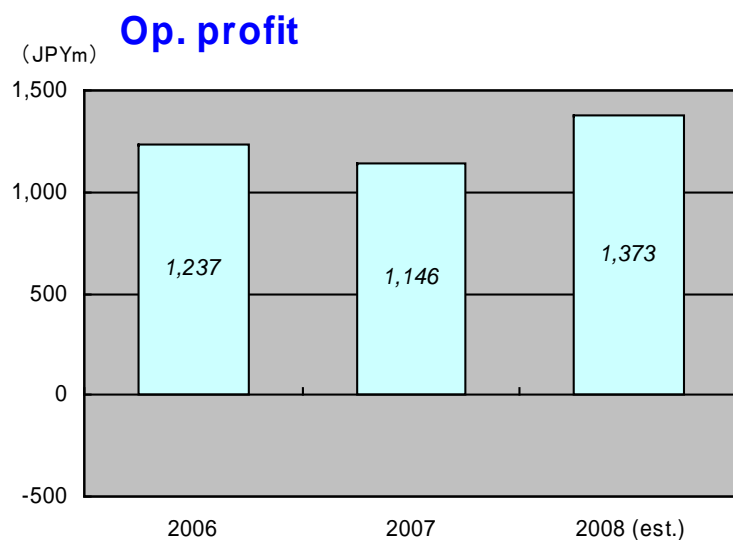
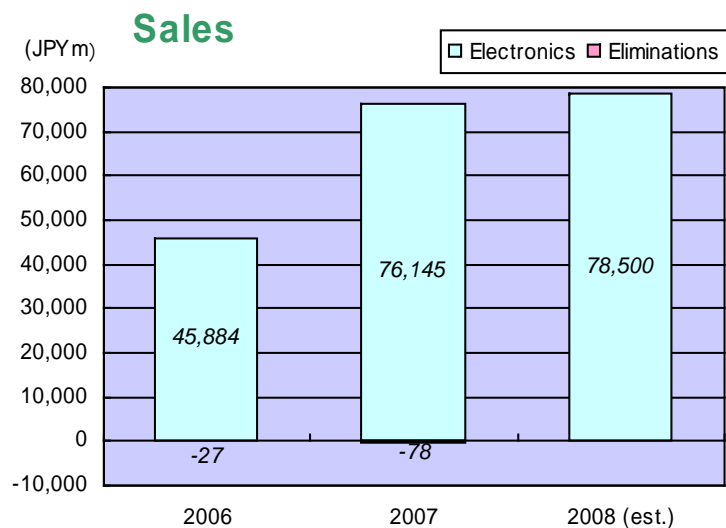


Financial year ended March 31	2006		2007		2008 Forecast	
	Sales	Op. profit	Sales	Op. profit	Sales	Op. profit
NISSHINBO	10,652	(112)	9,643	279	8,700	479
Others*1	11,308	156	17,264	154	14,610	200
Sub-total/Ch. Products	21,960	44	26,907	433	23,310	679
Nippon Kohbunshi	9,321	2	9,336	(108)	8,500	(16)
Kohbunshi (Thailan	6,341	336	6,900	188	6,975	349
Pudong Kohbunshi	2,391	363	2,511	268	2,407	290
Sub-total/Molded plastic	18,053	701	18,747	348	17,882	623
Sub-total	40,013	745	45,654	781	41,192	1,302
Eliminations	(4,006)	35	(9,804)	66	(9,592)	(2)
Total	36,007	780	35,850	847	31,600	1,300
Developing business	1,299	(1,608)	1,850	(1,839)	3,200	(1,250)
Total/Chemical Div.*2	37,306	(828)	37,700	(992)	34,800	50

*1...Iwao & Co. and others

*2...Nisshinbo integrated "Chemical products division" and "Developing business division", and then newly created "Chemical Division" on April 1, 2007. Therefore, the results and the forecast are shown as new "Chemical Div.".

Electronics

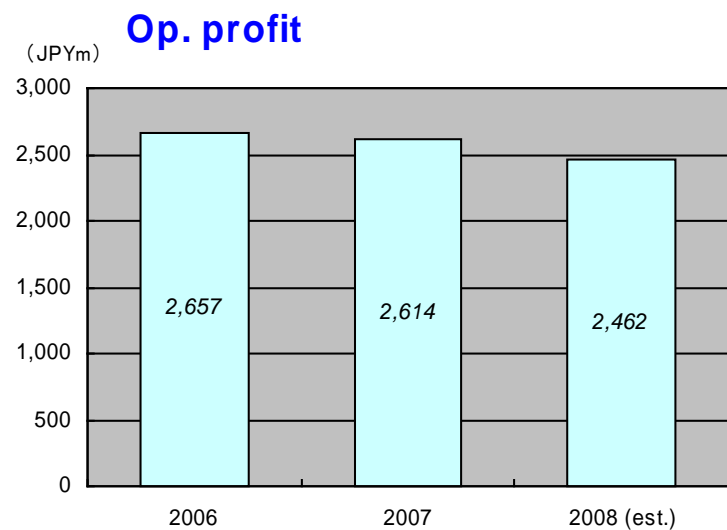
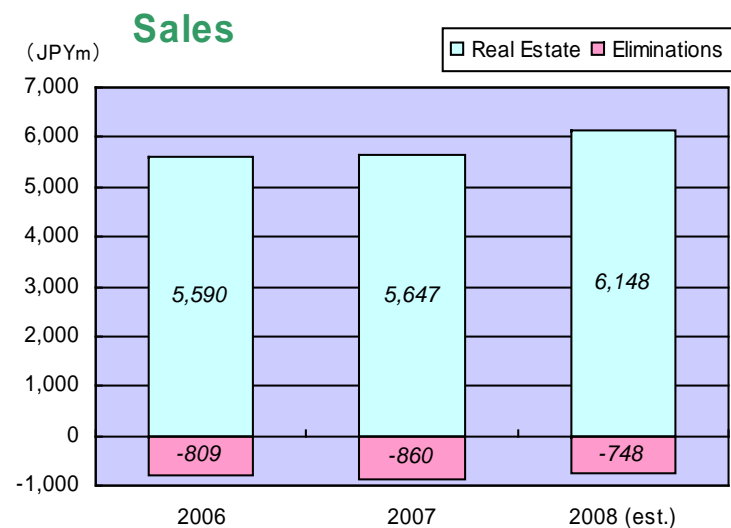


Financial year ended March 31	2006		2007		2008 Forecast	
	Sales	Op. profit	Sales	Op. profit	Sales	Op. profit
New Japan Radio*1	30,654	917	60,726	1,839	63,000	2,000
Others*2	15,230	320	15,419	(693)	15,500	(627)
Total	45,884	1,237	76,145	1,146	78,500	1,373
Eliminations	(27)	(429)	(78)	(105)	0	27
Total	45,857	808	76,067	1,041	78,500	1,400

*1... Only second half of financial result is consolidated in 2006.

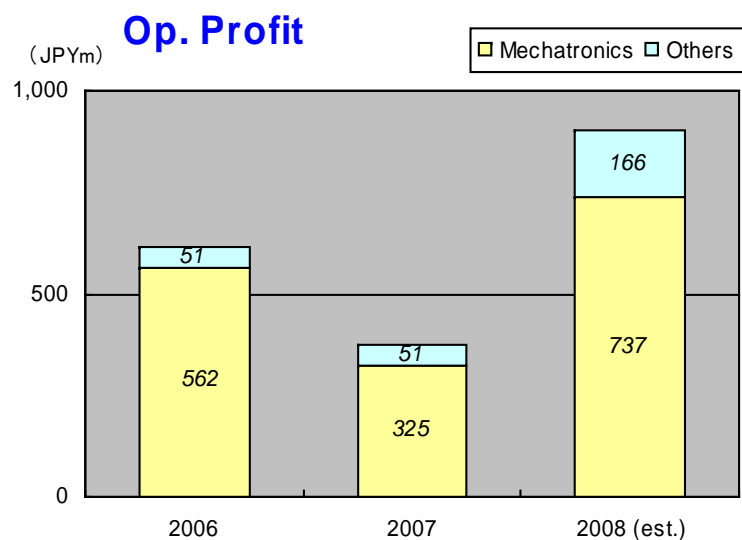
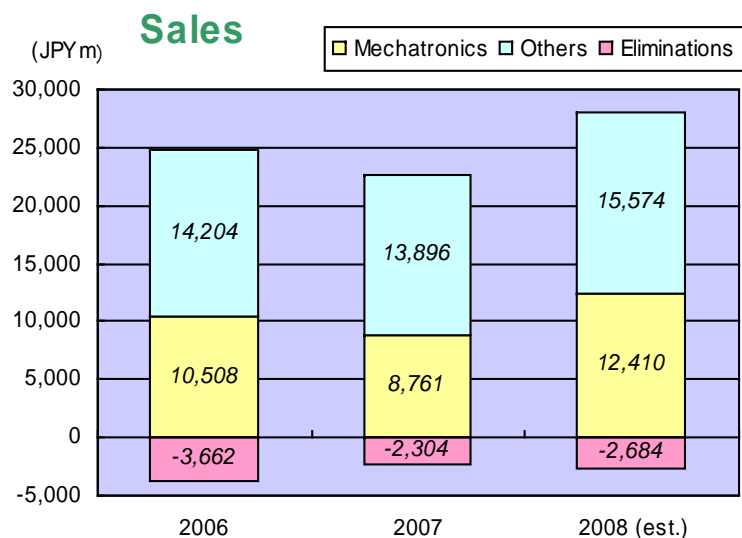
*2... It includes Ueda Japan Radio Co. and the amortization of goodwill for New Japan Radio Co.

Real Estate Leasing



Financial year ended March 31	2006		2007		2008 Forecast	
	Sales	Op. profit	Sales	Op. profit	Sales	Op. profit
NISSHINBO	3,657	2,250	3,672	2,233	4,105	2,161
Others	1,933	407	1,975	381	2,043	301
Sub-total	5,590	2,657	5,647	2,614	6,148	2,462
Eliminations	(809)	—	(860)	(4)	(748)	38
Total	4,781	2,657	4,787	2,610	5,400	2,500

Others



Financial year ended March 31	2006		2007		2008 Forecast	
	Sales	Op. profit	Sales	Op. profit	Sales	Op. profit
Mechatronics	10,508	562	8,761	325	12,410	737
Others	14,204	51	13,896	51	15,574	166
Developing Business	1,299	(1,608)	1,850	(1,839)	3,200	(1,250)
Sub-total	26,011	(995)	24,507	(1,463)	31,184	(347)
Eliminations	(3,662)	(1)	(2,304)	(8)	(2,684)	(53)
Total	22,349	(996)	22,203	(1,471)	28,500	(400)
Developing Business	(1,299)	1,608	(1,850)	1,839	(3,200)	1,250
Others*	21,050	612	20,353	368	25,300	850

*...Nisshinbo integrated "Chemical products division" and "Developing business division", and then newly created "Chemical Division" on April 1, 2007. Therefore, the results and the forecast of former "Developing business division" are counted in new "Chemical Div.", not in former "Others".

Forecast of Financial year ended March 31, 2008

(As of May 15, 2007)

(JPYm)		
Financial year ended	2008	2007
March 31	Forecast	Results
Sales	315,000	312,825
Operating profit	15,500	11,551
Net profit	15,500	15,107

Sales and operating profit are expected to increase. Net profit is also expected to increase slightly due to gain on sale of securities and others.

Sales

Increase: Papers, Electronics and Others
Decrease: Textiles / Cut down unprofitable products.

Operating profit

Business concentration mainly in textiles and the recovery of CHOYA will make it profitable.

Net profit

Small increase due to gain on sale of securities and others.

Sales

(JPYm)		
Financial year ended	2008	2007
March 31	Forecast	Results
Textiles	79,000	82,243
Auto. Brakes	60,000	61,764
Papers	32,000	29,907
Chemical	34,800	37,700
Electronics	78,500	76,067
Real Estate Leasing	5,400	4,787
Others	25,300	20,353
Total	315,000	312,825

Op. profit

(JPYm)		
Financial year ended	2008	2007
March 31	Forecast	Results
Textiles	2,100	439
Auto. Brakes	7,000	7,009
Papers	1,500	1,250
Chemical	50	(992)
Electronics	1,400	1,041
Real Estate Leasing	2,500	2,610
Others	850	368
Corporate	100	(174)
Total	15,500	11,551