

Consolidated Financial & Business Performance Results for 1st Quarter of the fiscal year ending in March 2008

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(Note) Figures rounded down to millions of yen

1. Consolidated Business Performance for First Quarter of Fiscal Year 2007 (From April 1, 2007 to June 30, 2007)

(1) Consolidated business performance (% indicates the changes to corresponding numbers of previous periods)

	Sales		Operating income		Ordinary income		Net income	
	Mil yen	%	Mil yen	%	Mil yen	%	Mil yen	%
Three months ended Jun.30, 2007	9,103	0.3	313	(42.9)	221	(51.5)	121	(56.8)
Three months ended Jun.30, 2006	9,076	28.7	549	32.0	456	42.2	280	77.2
(Ref) Full year, FY 2006	36,712	-	1,845	-	1,297	-	834	-

	E.P.S		Diluted E.P.S	
	Yen	sen	Yen	sen
Three months ended Jun.30, 2007	3.91		-	
Three months ended Jun.30, 2006	9.14		9.11	
(Ref) Full year, FY 2006	27.40		27.33	

(2) Consolidated financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Net worth per Share
	Mil yen	Mil yen	%	Yen
As of Jun.30, 2007	39,674	12,089	30.5	390.56
As of Jun.30, 2006	33,311	9,809	29.4	341.58
(Ref) Full year, FY 2006	39,193	12,019	30.7	388.56

(3) Consolidated cash flow status

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of 1st quarter
	Mil yen	Mil yen	Mil yen	Mil yen
Three months ended Jun.30, 2007	320	(1,330)	652	1,950
Three months ended Jun.30, 2006	45	(170)	25	2,973
(Ref) Full year, FY 2006	(1,210)	(3,144)	3,628	2,317

2. Consolidated business performance forecast for FY 2007 (April 1, 2007 ~ March 31, 2008)

There is no change for the interim and full year consolidated business performance forecast that was announced on May 15, 2007.

3. Others

- (1) Changes in significant subsidiaries during 1st quarter of FY2007 (changes in certain subsidiaries accompanying the changes in scope of consolidation) : None
- (2) Adoption of simplified methods in accounting : Yes
- (3) Changes in accounting methods since the most recent consolidated fiscal year : Yes

(Note) For detailed information, please refer to item 4 of "Others" in [Qualitative Information of Financial Statements and etc] on page 3.

The business performance forecast was made based on the premise that we judged rationally with reasonable information available at this point. We would like you to bear in mind that there are possibilities that actual business results might be materially different from our current forecast due to various risk factors and uncertainties.

[Qualitative Information of Financial Statements and etc.]

1. Qualitative information of consolidated operating results

As for the consolidated operating results for 1st quarter ended June 30, 2007, sales were 9,103 million yen, which was almost the same as that of previous 1st quarter. Out of which, sales of product decreased by 1.5% on a year-on-year basis (y-o-y) to 5,241 million yen, while sales of merchandise increased by 2.9% y-o-y to 3,861 million yen.

Sales of semiconductor discrete products for consumer-use, decreased by 7% y-o-y to 3,560 million yen. As the sales for LCD application showed double-digit growth y-o-y and the sales for PC related grew steadily, sales of SBD (Schottky barrier diode) boosted by 9%. However, sales of FRED (fast recovery epitaxial diode) remained at almost the same level with that of previous 4th quarter and decreased by 25% y-o-y, as the result of the prolonged production adjustment in panel makers due to the stagnation of distribution stock in PDP market. Regarding small electricity rectifier diodes, though sales to one of our mainstream application of automobile electronic components decreased, with the background of high demand towards hybrid vehicles, sales to automobile related showed increase that outperformed such decrease. As to clean energy related market positioned as a growing market, sales of thin packaged products with new architecture developed in previous term to solar panel use increased, and which could be anticipated to increase as well in the future.

Sales of semiconductor applied products for industry-use, increased by 12% y-o-y to 1,681 million yen. As the inventory adjustments of industrial machines to China market completed, in addition to the increased sales of power modules to main force application of general-purpose inverter and industrial power supply, sales to welders that have been used in communication units for mobile phone base stations, automobile manufacturing lines and etc grew a lot.

With respect to merchandise, driven by the active inquiries for amusement application continued from the previous year, besides the increased sales to LCD, memory module, power supply unit and etc., centering on the digital appliance application in audio/video market, sales to optical devices such as optocoupler, optical sensor and etc., rose greatly as well.

Operating income was 313 million yen, ordinary income was 221 million yen and net income for 1st quarter was 121 million yen, which indicated the decrease in profits in comparison with those for the same period of the prior fiscal year when demand were pretty high. It was the result of falling sales price, soaring raw material expense and etc, though temporary higher cost due to the delayed ramp-up of 8-inch production impacted also, we believe there is a lot of room for us to improve when order expands in the future.

As to the product order that a standstill state started from the previous 2nd half of fiscal year, as inquiries for new models of flat panel TV and etc begin to appear, the sign of rise in 2nd half could be seen. Fully utilizing the mass production system of 8-inch wafer production stabilized in previous fiscal year, centering on the LCD application and etc with higher growing potential, we would like to concentrate our sales mainly on newly developed customers in Chinese district and Japanese power supply makers. By enlarging the sales to automobile, industrial machinery, PFC application and etc as well, we are committed to enhance our profitability based on the balanced customer base.

2. Qualitative information of consolidated financial position

Total assets at the end of current 1st quarter were 39,674 million yen, a decrease of 481 million yen y-o-y. Out of which, due to the increases in inventories and etc., current assets increased by 10 million yen to 25,718 million yen y-o-y, while fixed assets increased by 473 million yen y-o-y to 13,889 million yen, which was mainly due to the capital expenditure on 8-inch wafer production machinery and other accounts.

Total liabilities were 27,584 million yen, an increase of 410 million yen y-o-y. Out of which,

current liabilities increased by 527 million yen y-o-y to 17,520 million yen as the result of the increases in notes and accounts payable and etc., while fixed liabilities decreased by 116 million yen y-o-y to 10,064 million yen, for the reason of the decreases in allowances for retirement benefits and other accounts.

Total net assets increased by 70 million yen to 12,089 million yen at the end of the term, which was mainly attributable to the increases in foreign currency translation adjustments and other accounts.

3. Qualitative information of consolidated business performance forecast

The business performance forecast for FY2007 has been presented on page 1, and there is no change to the figures announced on May 15, 2007.

4. Others

(1) Changes in significant subsidiaries during 1st quarter of FY2007 (changes in certain subsidiaries accompanying the changes in scope of consolidation):

None.

(2) Adoption of simplified methods in accounting:

As for the recording of tax expenses, simplified method of using statutory effective tax rate was applied.

(3) Changes in accounting methods since the most recent consolidated fiscal year:

(Recording of allowances for directors' bonuses)

In preparation for the payment of directors' bonuses, the amount of allowances based on the estimated amount to be paid in current consolidated fiscal year was recorded.

5.(Summary)First Quarter Consolidated Financial Statements

(1). (Summary)First Quarter Consolidated Balance Sheet

Millions of yen

Item	1st Quarter FY2007 ended June 30,2007		1st Quarter FY2006 ended June 30,2006		Variance Y-O-Y		Note The end of FY2006	
	Amount	%	Amount	%	Amount	%	Amount	%
(Assets)								
I Current assets	25,718	64.8	22,854	68.6	2,864	12.5	25,708	65.6
1 Cash and deposits in bank	2,050		3,073		(1,023)		2,417	
2 Notes and accounts receivable	11,597		10,744		853		11,949	
3 Inventory assets	11,116		8,040		3,076		9,995	
4 Deferred tax assets	117		185		(68)		138	
5 Assets to be leased back within one year	327		135		192		327	
6 Other	515		678		(163)		884	
7 Allowances for doubtful accounts	(7)		(4)		(3)		(3)	
II Fixed assets	13,889	35.0	10,443	31.4	3,446	33.0	13,416	34.2
1 Tangible fixed assets	10,305	26.0	7,788	23.4	2,517	32.3	9,873	25.2
(1) Buildings and structures	3,466		3,282		184		3,518	
(2) Machinery and vehicles	3,632		1,433		2,199		3,806	
(3) Land	1,310		1,310		—		1,310	
(4) Construction in process	1,492		1,464		28		818	
(5) Other	403		297		106		420	
2 Intangible fixed assets	63	0.2	53	0.2	10	18.3	66	0.2
(1) Software	27		15		12		30	
(2) Other	35		37		(2)		36	
3 Investments and other assets	3,520	8.8	2,601	7.8	919	35.3	3,475	8.8
(1) Investment securities	2,600		1,417		1,183		2,587	
(2) Long-term prepaid expenses	195		304		(109)		166	
(3) Deferred tax assets	429		562		(133)		423	
(4) Other	318		327		(9)		319	
(5) Allowances for doubtful accounts	(22)		(10)		(12)		(22)	
III Deferred assets	65	0.2	13	0.0	52	379.0	69	0.2
1 Preoperating costs	1		1		0		1	
2 Bond issuance costs	64		12		52		68	
Total assets	39,674	100.0	33,311	100.0	6,363	19.1	39,193	100.0

Millions of yen

Item	1st Quarter FY2007 ended June 30,2007		1st Quarter FY2006 ended June 30,2006		Variance Y-O-Y		Note The end of FY2006	
	Amount	%	Amount	%	Amount	%	Amount	%
(Liabilities)								
I Current Liabilities	17,520	44.1	17,567	52.8	(47)	(0.3)	16,993	43.4
1 Notes and accounts payable	9,992		8,797		1,195		9,791	
2 Short-term loans	4,470		4,530		(60)		3,699	
3 Redeemable bond within one year	500		—		500		500	
4 Other accounts payable	1,239		3,246		(2,007)		1,743	
5 Income taxes payable	68		206		(138)		19	
6 Accrued expenses	526		488		38		437	
7 Allowance for employee bonuses	187		171		16		291	
8 Allowance for directors' bonuses	7		—		7		—	
9 Other	527		126		401		511	
II Fixed liabilities	10,064	25.4	5,935	17.8	4,129	69.6	10,180	25.9
1 Bonds	7,100		2,500		4,600		7,100	
2 Long-term loans	1,240		1,380		(140)		1,240	
3 Allowances for retirement benefits	1,547		2,011		(464)		1,663	
4 Other	177		43		134		177	
Total liabilities	27,584	69.5	23,502	70.6	4,082	17.4	27,174	69.3
(Shareholders' equity)								
I Shareholders' equity	11,903	30.0	9,624	28.8	2,279	23.7	11,903	30.4
1 Capital stock	4,040		4,031		9		4,039	
2 Capital surplus	4,076		4,000		76		4,075	
3 Revenue surplus	4,295		3,865		430		4,297	
4 Treasury stock	(509)		(2,272)		1,763		(508)	
II Evaluation · Translation difference etc.	186	0.5	184	0.6	2	1.2	116	0.3
1 Appraisal differences on marketable securities	452		514		(62)		452	
2 Foreign currency translation adjustments	(266)		(330)		64		(336)	
III Share warrant	—	—	—	—	—	—	—	—
IV Minority interest	—	—	—	—	—	—	—	—
Total shareholders' equity	12,089	30.5	9,809	29.4	2,280	23.2	12,019	30.7
Total liabilities & shareholders' equity	39,674	100.0	33,311	100.0	6,363	19.1	39,193	100.0

(2) (Summary) First Quarter Consolidated Profit and Loss Statement

Millions of yen

Item	1st Quarter FY2007 ended June 30, 2007		1st Quarter FY2006 ended June 30, 2006		Variance Y-O-Y		Note The end of FY2006	
	Amount	%	Amount	%	Amount	%	Amount	%
I Sales	9,103	100.0	9,076	100.0	27	0.3	36,712	100.0
Product	5,241	57.6	5,323	58.7	(82)	(1.5)	21,392	58.3
Merchandise	3,861	42.4	3,752	41.3	109	2.9	15,320	41.7
II Cost of Sales	7,577	83.2	7,338	80.9	239	3.3	29,976	81.7
Product	4,163	79.4	3,970	74.6	193	4.9	16,222	75.8
Merchandise	3,413	88.4	3,368	89.8	45	1.4	13,753	89.8
Gross margin	1,525	16.8	1,737	19.1	(212)	(12.2)	6,736	18.3
Product	1,077	20.6	1,352	25.4	(275)	(20.4)	5,169	24.2
Merchandise	448	11.6	384	10.2	64	16.5	1,566	10.2
III Sales Admini. And R&D expenses	1,211	13.3	1,187	13.1	24	2.0	4,891	13.3
Operating income	313	3.5	549	6.0	(236)	(42.9)	1,845	5.0
IV Non-operating income	68	0.7	32	0.4	36	109.7	169	0.5
V Non-operating expenses	160	1.8	125	1.4	35	28.3	717	2.0
Ordinary income	221	2.4	456	5.0	(235)	(51.5)	1,297	3.5
VI Extra-ordinary gain	—	—	19	0.2	(19)	(100.0)	15	0.0
VII Extra-ordinary loss	1	0.0	9	0.1	(8)	(79.8)	27	0.1
Income before taxes	219	2.4	466	5.1	(247)	(52.9)	1,285	3.4
Tax expenses	98	1.1	186	2.1	(88)	(47.1)	450	1.2
Net income	121	1.3	280	3.0	(159)	(56.8)	834	2.2

(3) (Summary) First Quarter Consolidated Statement of Cash Flows

Millions of yen

	1st Quarter FY2007	1st Quarter FY2006	(Note) Full year FY2006
	Amount	Amount	Amount
I Cash flows from operating activities			
Income before taxes	219	466	1,285
Depreciation and amortization etc.	311	225	1,154
Decrease(Increase)in notes and accounts receivable	409	(261)	(1,447)
Decrease(Increase)in inventory assets	(1,052)	(837)	(2,768)
Increase in notes and accounts payable	122	788	1,558
Other increases or decreases	342	6	(406)
Payment of corporate taxes	(33)	(341)	(585)
Net cash provided by (used in) operating activities	320	45	(1,210)
II Cash flows from investing activities			
Expenditures for the acquisition of tangible fixed assets	(1,324)	(168)	(1,853)
Expenditures for the acquisition of investments in securities	(12)	0	(1,275)
Other increases or decreases	5	(1)	(15)
Net cash used in investing activities	(1,330)	(170)	(3,144)
III Cash flows from financing activities			
Net increase(decrease)in short-term bank loans	809	222	(1,687)
Proceeds from long-term debt	—	—	1,200
Repayment of long-term debt	(65)	(59)	(341)
Proceeds from bonds	—	—	5,276
Dividends paid to stockholders	(94)	(141)	(278)
Other increases or decreases	2	3	(540)
Net cash provided by (used in) financing activities	652	25	3,628
IV Variance from foreign exchange translation of cash and cash equivalents	(7)	(17)	(46)
V Net increase(decrease)in cash and cash equivalents	(366)	(116)	(772)
VI Cash and cash equivalents at beginning of period	2,317	3,089	3,089
VII Cash and cash equivalents at end of period	1,950	2,973	2,317