

# Consolidated Flash Report for 1<sup>st</sup> quarter of fiscal year ended March 31, 2009 (FY2008)

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Listed company name: Nihon Inter Electronics Corporation Listed on Sec.1 of TSE  
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(Figures are rounded down to millions of yen)

## 1. Consolidated business performances for 1Q of FY2008 (April 1, 2008 ~ June 30, 2008)

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

	Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q of FY2008	9,305	--	(404)	--	(407)	--	(242)	--
1Q of FY2007	9,103	0.3	313	(42.9)	221	(51.5)	121	(56.8)

	Net income per common share (basic)		Net income per common share (diluted)	
	Yen	Sen	Yen	Sen
1Q of FY2008				
1Q of FY2007	(7.85)	3.91	--	

### (2) Consolidated financial position

	Total assets	Total net assets	Shareholders' equity ratio	Net assets per share	
	Million yen	Million yen	%	Yen	Sen
As of June 30, 2008	38,557	9,793	25.4	316.39	
As of March 31, 2008	37,247	9,879	26.5	319.16	

(Reference) Shareholders' equity as of: June 30, 2008: 9,793 million yen; March 31, 2008: 9,879 million yen  
 According to Japanese GAAP: Shareholders' equity = Net assets – Stock option – Minority interest

## 2. Dividend information

(Record date)	Dividend per share					Annual dividend
	End of 1Q	End of 2Q	End of 3Q	End of FY		
	Yen Sen	Yen Sen	Yen Sen	Yen Sen	Yen Sen	
FY2007	--	4.00	--	2.00	6.00	
FY2008	--	-----	-----	-----	-----	
FY2008 (Forecast)	-----	--	--	4.00	4.00	

(Note) Modifications to dividend forecast figures during the current quarter: none.

## 3. Consolidated performance forecast for FY2008 (April 1, 2008 ~ March 31, 2009)

(% indicates the changes to corresponding numbers of previous periods)

	Sales		Operating income		Ordinary income		Net income		Net income per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Sen
2Q (cumulative)	19,700	--	250	--	50	--	0	--	0.00	
Full year	41,000	6.5	1,000	187.5	600	--	200	--	6.46	

(Note) Modifications to consolidated performance forecast figures during the current quarter: none.

## FY2008 1<sup>st</sup> quarter

### 1. Non-quantitative information regarding consolidated business performance

Regarding consolidated business performance of this 1<sup>st</sup> quarter, sales were 9 billion 305 million yen (2.2% increase YOY), of which products sales were 4 billion 791 million yen (8.6% decrease YOY) and trading sales were 4 billion 514 million yen (16.9% increase YOY).

Sales of discrete semiconductor products sector mainly for consumer application were 3 billion 260 million yen (8% decrease YOY) since we saw not much demand in spring towards Olympic games in summer as well as slow down in American economy and appreciation of yen compared to that of last year caused by higher oil price and sub-prime loan problem etc. Schottky Barrier Diode (SBD) high frequency rectifier sold well to ODM companies of liquid crystal television which was a result of our strong promotion in Taiwan and China started last year. New design low profile package product which we expect sales growth in solar energy module market showed good result as well. Sales into PC and amusement game machines were slow however which caused less sales figure YOY. Fast Recovery Epitaxial Diode (FRED) very fast rectifier sold well in automotive market mainly for hybrid cars. FRED showed double digit sales increase in industrial products such as inverter and absorbed decrease in main area of plasma television.

Sales of semiconductor applications industrial product sector were 1 billion 531 million yen (9% decrease YOY). Sales of main target application market such as inverter for general use, growing battery forklift market went well which resulted in 6% increase YOY in industrial machinery market. Producers of base station power unit for cell phones adjusted production level however caused decrease of our sales of semiconductor applications industrial product sector as a whole.

Trading sector received continuous good demand in amusement applications market and sales showed considerable increase YOY, caused by LCD and developed products such as customized module and power units etc.

Although we endeavoured to promote new products and cut cost we could not absorb depreciation cost due to slow growth of sales, booking price adjustment of inventory assets due to yen appreciation caused thinner gross profit margin and as a result of all these aspects operating income/loss was 404 million yen loss, ordinary profit/loss was 407 million yen loss and net profit/loss was 242 million yen loss.

i. [ Quarterly consolidated financial statements

(1) [ Quarterly consolidated balance sheet ]

(Millions of yen)

	End of the 1st quarter consolidated fiscal period (June 30, 2008)	End of previous consolidated FY2007 (March 31, 2008)
<b>Assets</b>		
Current assets		
Cash and deposits	3,207	2,151
Notes and accounts receivable	10,966	10,440
Merchandise	1,665	1,738
Products	2,624	3,078
Raw materials	1,995	1,438
Work-in-process	4,151	3,995
Supplies	54	54
Deferred tax assets	119	119
Others	563	1,200
Allowance for doubtful accounts	(5 )	(6 )
<b>Total current assets</b>	<b>25,343</b>	<b>24,210</b>
Fixed assets		
Tangible fixed assets		
Buildings and constructions	3,879	3,940
Machinery and conveyers	1,891	3,527
Lease assets	1,469	
Land	1,310	1,310
Construction-in-progress	160	60
Others	313	338
<b>Total tangible fixed assets</b>	<b>9,024</b>	<b>9,177</b>
Intangible fixed assets	66	68
Investment and other assets		
Investments in securities	1,913	1,632
Long-term prepaid expenses	112	113
Deffered tax assets	1,739	1,676
Others	315	323
Allowance for bad debt	(22 )	(24 )
<b>Total investments and other assets</b>	<b>4,058</b>	<b>3,721</b>
<b>Total fixed assets</b>	<b>13,149</b>	<b>12,967</b>
Deferred assets	64	69
<b>Total assets</b>	<b>38,557</b>	<b>37,247</b>



(2) [ Quarterly consolidated profit and loss statement ]

(Millions of yen)

	1st quarter of FY2008 (from April 1, 2008 to June 30, 2008)
<b>Sales</b>	
Sales of products	4,791
Sales of merchandise	4,514
<b>Total sales</b>	<b>9,305</b>
<b>Cost of goods sold</b>	
Cost of products sold	4,325
Cost of merchandise sold	4,094
<b>Total cost of goods sold</b>	<b>8,419</b>
<b>Gross profit</b>	<b>885</b>
Selling and general administrative expenses	1,290
<b>Operating income</b>	<b>(404)</b>
<b>Non-operating income</b>	
Interest income	0
Dividend income	18
Gains on foreign currency translation	80
Gains on sales of others	26
Miscellaneous income	15
<b>Total non-operating income</b>	<b>142</b>
<b>Non-operating expenses</b>	
Interest expense	74
Amortized long-term prepaid expenses	33
Amortized corporate bond issuance expenses	5
Commitment fee	4
Loss on write-off inventory	1
Miscellaneous expenses	26
<b>Total of non-operating expenses</b>	<b>145</b>
<b>Ordinary loss</b>	<b>(407)</b>
<b>Extra-ordinary gain</b>	
Reversal of allowance for bad debt	2
<b>Total extra-ordinary gain</b>	<b>2</b>
<b>Extra-ordinary loss</b>	
Loss on disposal of fixed assets	7
<b>Total extra-ordinary loss</b>	<b>7</b>
<b>Net loss before tax and other adjustments</b>	<b>(412)</b>
<b>Corporate income tax and etc.</b>	<b>(169)</b>
<b>Net loss</b>	<b>(242)</b>

(3) [ Quarterly consolidated statement of cash flows ]

(Millions of yen)

	1st quarter of FY2008 (from April 1, 2008 to June 30, 2008)
<b>Cash flows from operating activities</b>	
Net loss before taxes and other adjustments	(412 )
Depreciation	389
Amortization of deferred assets	44
Increase(decrease) in allowances for doubtful accounts	(2 )
Increase(decrease) in reserve for retirement benefits	(77 )
Interest and dividend income	(19 )
Interest expenses	74
Loss(gain) on foreign currency translation	24
Loss on disposal of fixed assets	7
Decrease(increase) in notes and accounts receivable	(415 )
Decrease(increase) in inventories	(124 )
Increase(decrease) in notes and accounts payable	204
Increase(decrease) in accrued expenses	(97 )
Increase(decrease) in allowance for bonuses	(128 )
Others	871
<b>Subtotal</b>	<b>339</b>
Receipt of interest and dividends	19
Payment of interest	(41 )
Payment of corporate income tax and etc	(12 )
<b>Net cash provided by (used in) operating activities</b>	<b>305</b>
<b>Cash flows from investing activities</b>	
Expenditures for acquisition of tangible fixed assets	(178 )
Increase of loans	(1 )
Proceeds from collection of loans	1
Others	(7 )
<b>Net cash used in investing activities</b>	<b>(186 )</b>
<b>Cash flows from financing activities</b>	
Proceeds from short-term borrowings	3,876
Repayments of short-term borrowings	(4,338 )
Repayments of long-term borrowings	(60 )
Proceeds from sale and lease backs	1,483
Payment for dividends	(45 )
Others	0
<b>Net cash provided by financing activities</b>	<b>915</b>
Effect of translation difference on cash and cash equivalents	21
<b>Net increase in cash and cash equivalents</b>	<b>1,056</b>
Cash and cash equivalents, beginning of period	2,051
<b>Cash and cash equivalents, end of period</b>	<b>3,107</b>