

October 17th, 2007

To whom it may concern,

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Announcement on Revision of Business Performance Forecast for Full Fiscal Year 2007

We, Nihon Inter Electronics Corporation, hereby announced that the business performance forecast for full fiscal year 2007 (from April 1, 2007 to March 31, 2008), contained in our Consolidated Financial & Business Performance Results for fiscal year ended on March 31, 2007 (FY2006) which was issued on May 15 of 2007, was revised as follows:

1. The revised **consolidated** business performance forecast for FY 2007 ended on March 31, 2008

(1) Interim fiscal year (from April 1, 2007 to September 30, 2007)

(in millions of yen, except change by (%))

	Sales	Operating income	Ordinary income	Net income (Interim)
Previously announced forecast (A)	20,000	1,000	700	440
Currently revised forecast (B)	19,200	500	330	180
Change in amount (B-A)	(800)	(500)	(370)	(260)
Change by (%)	(4.0)	(50.0)	(52.9)	(59.1)
Note: Results of interim fiscal year 2006	18,721	1,263	978	631

(2) Full fiscal year (from April 1, 2007 to March 31, 2008)

(in millions of yen, except change by (%))

	Sales	Operating income	Ordinary income	Net income (Interim)
Previously announced forecast (A)	42,000	2,600	2,000	1,250
Currently revised forecast (B)	41,400	1,000	540	300
Change in amount (B-A)	(600)	(1,600)	(1,460)	(950)
Change by (%)	(1.4)	(61.5)	(73.0)	(76.0)
Note: Results of interim fiscal year 2006	36,712	1,845	1,297	834

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2. The revised **unconsolidated** business performance forecast

(1) Interim fiscal year (from April 1, 2007 to September 30, 2007)

(in millions of yen, except change by (%))

	Sales	Operating income	Ordinary income	Net income (Interim)
Previously announced forecast (A)	19,300	760	510	300
Currently revised forecast (B)	18,500	350	200	110
Change in amount (B-A)	(800)	(410)	(310)	(190)
Change by (%)	(4.1)	(53.9)	(60.8)	(63.3)
Note: Results of interim fiscal year 2006	17,920	1,061	845	536

(2) Full fiscal year (from April 1, 2007 to March 31, 2008)

(in millions of yen, except change by (%))

	Sales	Operating income	Ordinary income	Net income (Interim)
Previously announced forecast (A)	40,700	2,100	1,600	950
Currently revised forecast (B)	40,000	780	350	200
Change in amount (B-A)	(700)	(1,320)	(1,250)	(750)
Change by (%)	(1.7)	(62.9)	(78.1)	(78.9)
Note: Results of interim fiscal year 2006	35,201	1,576	1,153	698

3. Reasons for the revision

We revised our business performance forecast at the end of the first half of this fiscal year 2007 as shown above. Sales of our discrete semiconductor products for consumer products such as flat television were not active as the result of the weak order receipt for delayed launch of new 8-inch wafer based products for LCD TVs, and prolonged production adjustments at some overseas plasma panel makers. Sales of our industry-use applied semiconductor products to mainstream applications such as inverter and industrial machinery grew steadily.

We increased sales of high margin solution merchandise business, cut product costs, improved product mix as well as endeavored to cut operating expense to offset decrease of profit resulting from slow sales, however we could not absorb the increased depreciation expenses completely and profits will be below the level we have forecasted at the beginning of this fiscal year.

Even though we are expecting some sign of improvement in order flow into the latter half of this fiscal year, it is difficult to recover the underperformance of the first half of this fiscal year and we decided to revise our business performance forecast.

We will improve our performance by concentrating into growing markets such as flat television, automobile, industrial apparatus and clean energy, making the most out of 8 inch wafers production capacity and highly promoting sales to Japanese power management device producers in the Chinese market.

We are expecting to pay interim dividend as forecasted at the beginning of the fiscal year as it is our policy to steadily pay out to investors.

Note: This forecast is made based upon information available at the date of this announcement and it is possible that the actual result turn out to be different from this forecast because of unforeseen factors.