

April 25th, 2008

To whom it may concern,

Name of the company:	Nihon Inter Electronics Corporation
Name of the representative:	Masao Ishii, Representative President (Code number :6974, Section 1 of TSE)
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Announcement on Extraordinary Loss and Revision of Business Performance Forecast for Full Fiscal Year 2007

This is to announce that Nihon Inter will write down inventory and expect extraordinary loss in Fiscal Year 2007, starting April 1st 2007 ending March 31st 2008. Business performance forecast announced on October 13th 2007 is revised as follows:

1. Extraordinary loss constituent

1) Inventory write down

We are concentrating our business into expected high growth sectors such as hybrid motor vehicle, solar power generator, fuel cell energy and flat panel display and etc, under the global trend of digitalization and fight against environmental problems. We will write down 1.1billion yen of our inventory at the settlement of FY 2007 in order to strengthen our financial position and enhancing earning power within the context of our business process renovation which includes introduction of new global information system. This is to write down inventory including lead used product that may not sold because of strengthening environmental requirement and outdated products which lost cost competitiveness in the market because we shifted into more promising market. We will realize slogan in our middle term business plan of 'strengthening NIEC brand' by strengthening our financial position and enhancing quality of our products.

2) Reserve for loss in investment

We will reserve 200million yen approximately in consideration of performance of our subsidiary, Philippine Inter Electronics Corporation. Even though we are expecting recovery in the performance of the company, we decided to reserve the fund in conservative manner.

3) Reserve for revaluation loss in securities holding

We will reserve 200million yen approximately against revaluation loss in securities holding because price of some holding in 'other securities' decreased significantly and we are not expecting recovery of price in the near future.

In FY2007, extraordinary loss of 1.7billion yen is expected in consolidated profit and loss and 1.9billion yen is expected in non-consolidated profit and loss as the consequence of the above factors.

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2. Business performance forecast for financial year 2007 starting April 1st 2007 ending March 31st 2008 revision details

Consolidated

(in millions of yen,%)

	Sales Revenue	Operating income	Ordinary income	Net income
Previously announced forecast (A)	41,400	1,000	540	300
Currently revised forecast (B)	38,400	300	(800)	(1,600)
Change in amount (B-A)	(3,000)	(700)	(1,340)	(1,900)
Change by (%)	(7.2%)	(70.0%)	—	—
Note: Results of full fiscal year 2006	36,712	1,845	1,297	834

Non-consolidated

(in millions of yen,%)

	Sales Revenue	Operating income	Ordinary income	Net income
Previously announced forecast (A)	40,000	780	350	200
Currently revised forecast (B)	37,200	170	(750)	(1,740)
Change in amount (B-A)	(2,800)	(610)	(1,100)	(1,940)
Change by (%)	(7.0%)	(78.2%)	—	—
Note: Results of full fiscal year 2006	35,201	1,576	1,153	698

3. Reasons for revision

We revise our business performance forecast for FY2007 as shown above. Even though trading business performed well throughout the year, order flow recovery was not strong as expected in product business since American economy slowed down as well as yen appreciated in the latter half of the year, that resulted in the down side revision of our forecast for sales total of trading and product. Low volume in sales caused low production capacity utilization which pushed up cost and lead to down side revision in profit and loss. We are concentrating our effort to expand product sales taking the opportunity of increasing demand in middle and small flat panel display and solar energy generator sector.

We are expecting FY2007 consolidated extraordinary profit and loss to be 1.6billion yen and non-consolidated profit and loss to be 1.7billion yen as a result of booking extraordinary loss shown in '1.Extraordinary loss constituent' above.

(Note) Please bear in mind that the forecasted figures shown in this report are based on the information that is available at the moment when the report is written and made on the assumptions that are considered rational but include a number of risks and uncertainties that could materially affect the business performances forecasted. Actually realized performances etc., might be materially differed from the forecasted figures contained in this report, depending on business and market environment changes and so on.