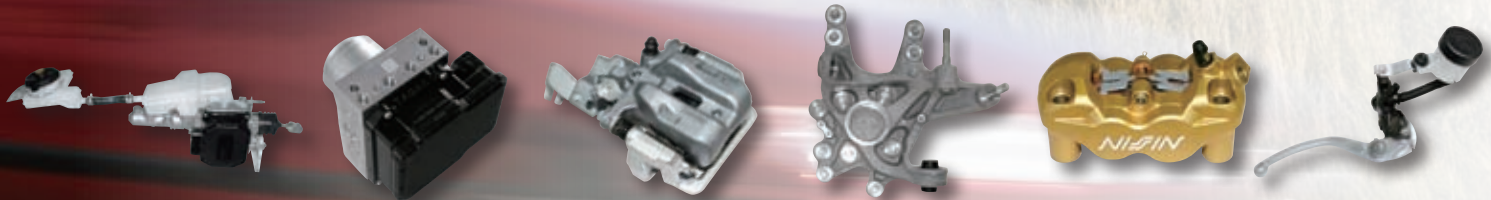


ANNUAL REVIEW 2008

For the year ended March 31, 2008



NISSIN KOGYO CO., LTD.

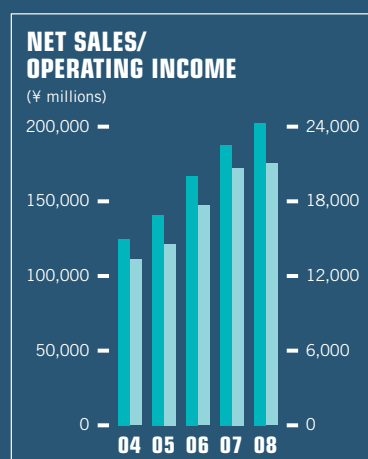
FINANCIAL HIGHLIGHTS

Nissin Kogyo Co., Ltd. and Consolidated Subsidiaries
Years ended 31st March, 2007 and 2008

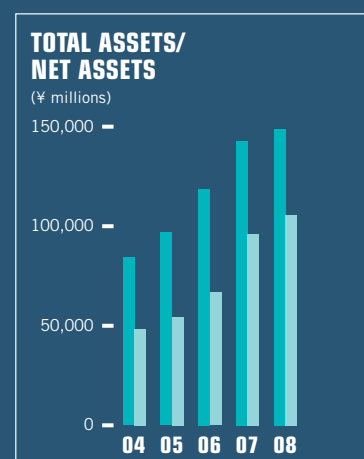
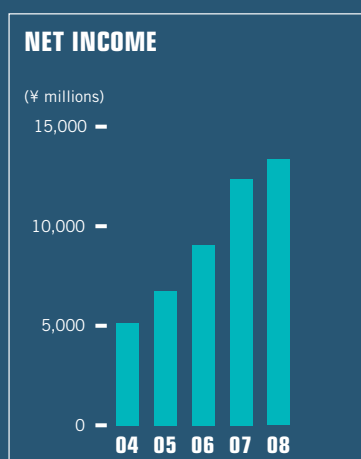
	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
For the year:			
Net sales	¥187,878	¥202,469	\$2,020,850
Operating income	20,666	21,029	209,891
Income before income taxes and minority interests	21,388	22,375	223,326
Net income	12,375	13,348	133,227
At year-end:			
Total assets	¥142,710	¥148,818	\$1,485,358
Net assets	95,947	105,544	1,053,438
Per share (Yen and U.S. dollars):			
Net income—primary	¥ 189.16	¥ 204.03	\$ 2.04
Cash dividends paid	32.00	36.00	0.36

Notes: 1. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥100.19=U.S.\$1, the approximate Tokyo foreign exchange market rate as of March 31, 2008.

2. Nissin Kogyo conducted a 3-for-1 stock split on April 1, 2006.



■ Net Sales (left scale)
■ Operating Income (right scale)



■ Total Assets
■ Net Assets

CONTENTS

00 FINANCIAL HIGHLIGHTS	10 CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
01 MESSAGE FROM THE PRESIDENT	11 CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
02 MAKING FURTHER ADVANCES WITH THE NISSIN BRAND	12 NETWORK
04 INTRODUCING CORE PRODUCTS	13 CORPORATE DATA
06 FINANCIAL REVIEW	
08 CONSOLIDATED BALANCE SHEETS (UNAUDITED) CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED)	

MESSAGE FROM THE PRESIDENT

I would like to take this opportunity to extend warm greetings to all our shareholders and other investors, to thank them for their steadfast support and understanding.

In April 2008, the Nissin Kogyo Group initiated its tenth medium-term management plan, a new plan that runs for three years. Based on this plan, we aim to strengthen our broad-ranging manufacturing technologies and brake control technologies, as well as our global business expansion, and achieve further growth by providing attractive products that contribute to the environment and safety.

Overview of the Fiscal Year Ended March 31, 2008 — Despite the impact of soaring raw material prices, profits increased due to the effect of higher sales and cost reduction activities

During the year under review, by leveraging our global network of production sites, we promoted the expansion of production in growth markets such as Asia and South America and worked to reinforce our cost competitiveness, which is underpinned by the strength of our manufacturing technologies. Consequently, on the sales front, we increased production aimed at exports by major business clients in Japan and carried out new sales promotion of mechatronics products for new models of four-wheeled vehicles. Moreover, sales of parts for four-wheeled vehicles in China and motorcycle parts in Brazil and Vietnam registered a strong performance. As a result, consolidated net sales rose 7.8% year on year to ¥202,469 million.

On the profit front, despite the adverse impact of soaring worldwide raw material prices and an increase in costs related to the launch of new-model vehicles in North America, profits were boosted by the effect of higher sales and cost reduction activities. Consequently, operating income rose 1.8% to ¥21,029 million, ordinary income increased 3.5% to ¥22,368 million, and net income grew 7.9% to ¥13,348 million.

Business Prospects for the Fiscal Year Ending March 31, 2009 — Continuing to bolster global sales expansion activities and product development while thoroughly cutting costs

The management environment in which the Nissin Kogyo Group operates is forecast to become increasingly challenging, due to such factors as intensifying competition with rival companies, soaring raw materials prices, and the continuing appreciation of the yen in foreign exchange markets. However, we will strive to secure earnings by continuing to strengthen our global sales promotion activities and development of attractive new products while thoroughly reducing costs. In the fiscal year ending March 31, 2009, we forecast net sales of ¥205.0 billion, operating income of ¥17.5 billion, ordinary income of ¥18.7 billion, and net income of ¥10.3 billion.

I would like to emphasize again that we will strive to secure earnings by continuing to strengthen our global sales expansion activities and development of attractive new products while thoroughly reducing costs.

In conclusion, I ask for your continued support and cooperation as we strive to achieve these goals.



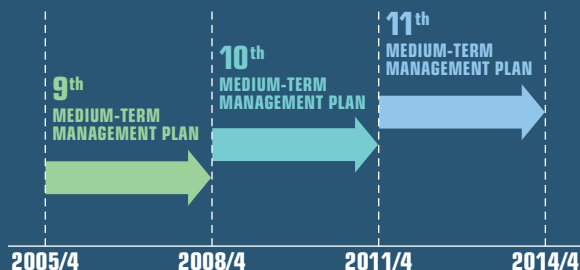
Akihiro Kubo
President



MEDIUM AND LONG-TERM CORPORATE MANAGEMENT STRATEGIES

The basis of the Nissin Kogyo Group's management strategy is to strive in unison to contribute to the environment and safety, which are unchanging needs in society. We will achieve this by leveraging our strengths in aluminum casting and processing technologies as well as brake control technologies. Moreover, while working to further strengthen our development capabilities and manufacturing technologies, we will enhance quality and price competitiveness throughout the entire Group and thereby continue to provide attractive products to customers all over the world.

In 2005, we initiated our ninth medium-term management plan, which was aimed at bolstering the management foundation in order to realize and maintain growth into the future. During the three years of that plan, the number of shareholders increased approximately four fold, while sales and ordinary income both ended up exceeding initial targets. In terms of overseas expansion, this was a three-year period when we expanded capacity and launched products for new models while steadily developing the foundations for the next step in the Group's growth.



THE NINTH MEDIUM-TERM REVIEW

INITIAL TARGETS			ACTUAL RESULTS		CHALLENGES	
NET SALES	200 billion yen	➔	202.5 billion yen	➔	Continue aiming to achieve the numerical targets of the tenth medium-term management plan	
ORDINARY INCOME	20 billion yen		22.4 billion yen		MOTOR-CYCLE BUSINESS Maintain No. 1 Global Position • Overwhelming product competitiveness • Intensifying competition in motorcycle ABS market • Capital participation in price-competitive parts manufacturers	
DEVELOPMENT EXPENSES	22 billion yen		20.6 billion yen			
INVESTMENT	34 billion yen		48.4 billion yen			
Bolster the growth foundations for the tenth and eleventh medium-term management plans		➔	Achieved	➔	FOUR-WHEELED VEHICLE BUSINESS Intensifying price competition • Mature markets (North America, Japan) North America: Maintain profitability Japan: Cost competitiveness of existing products • Growth markets (China, India, Brazil) Bolster price competitiveness Maintain volume	

The U.S. and Japanese markets have remained stagnant, but demand in emerging markets such as Asia and South America has continued to be robust. Moreover, the Company felt the impact of an increase in expenses related to the launch of new vehicle models in North America, but as production of new-model vehicles increased steadily and new sales promotion progressed favorably, we achieved our initial sales target. We also achieved our target for ordinary income, due partly to the impact of the yen's appreciation on exchange rates as well as the benefits of increased sales and cost-cutting activities.

The challenges remaining in the tenth medium-term management plan, which represents our next step, are to continue to differentiate ourselves from our competitors and provide high-value-added, attractive products by improving the quality and pricing of our products.

MAKING FURTHER ADVANCES WITH THE NISSIN BRAND

THE TENTH MEDIUM-TERM MANAGEMENT PLAN

BUSINESS ENVIRONMENT

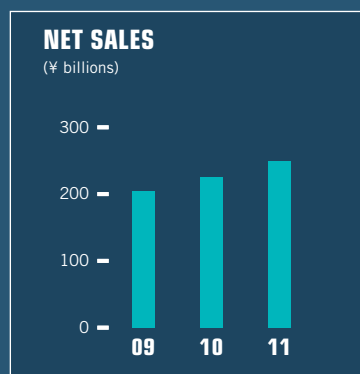
With the downturn in the global economy gradually intensifying, the Japanese economy is forecast to experience a substantial slowdown in its rate of growth, due to a decline in the momentum of exports and a slowdown in capital investment and consumer spending. Furthermore, the business environment in which the Nissin Kogyo Group operates is forecast to become increasingly challenging, due to such factors as further intensification of competition with rival companies, soaring raw materials prices, and the continuing appreciation of the yen in foreign exchange markets. However, we will strive to secure earnings by continuing to expand our global sales promotion activities and strengthen the development of attractive new products while thoroughly reducing costs.

TARGETS

We aim to achieve net sales of ¥250.0 billion and operating income of ¥22.5 billion.

INVESTMENT

Under the tenth medium-term management plan, we intend to invest a total of ¥36 billion. In 2008, we plan to invest ¥12 billion, with investment of ¥4.3 billion being directed toward Asia (excluding China) for the construction of a new factory in India and the reinforcement of motorcycle product supply capacity. We also intend to invest ¥3 billion in Japan aimed at optimizing production sites and bolstering development capabilities. In addition, we will invest in the construction of a new four-wheeled vehicle product plant in Brazil and the enhancement of local procurement ratios in China and North America.



**The 11th medium-term plan:
takes a further leap...**

DIRECTIONS

MOTORCYCLE BUSINESS	<p>BECOME BY FAR THE NO. 1 BRAND IN THE WORLD</p> <p>The Nissin Group, which even now boasts world-class technologies, will create even more solid brand power. Specifically, we will establish this by having works racing teams employ our products, selling highly functional, high-performance, high-value-added products, and selling low-priced hydraulic systems.</p>	<ul style="list-style-type: none"> Respond to increased production by customers (Brazil, Vietnam, Indonesia) Expand high-performance, highly functional, high-value-added products Sales of knuckles
FOUR-WHEELED VEHICLE BUSINESS	<p>CREATE ATTRACTIVE PRODUCTS</p> <p>We will develop and sell environmentally friendly products that contribute to fuel efficiency and highly functional, high-value-added products. We will also focus on ensuring cost competitiveness.</p>	<ul style="list-style-type: none"> Respond to increased production by customers Start production at new sites (India, Brazil) Expand applications for knuckles and engine mounts
MECHATRONICS	<p>STRENGTHEN PRODUCT DEVELOPMENT AND SALES</p> <p>In mechatronics, we will promote product development aimed at the evolution of integrated control systems for vehicles.</p>	<ul style="list-style-type: none"> Expand applications for vehicle stability assist (VSA) Sales of new products Expand applications for motorcycle-use ABS systems
AFTER-MARKET	<p>INCREASE PARTS SUPPLY VOLUME</p> <p>In the after-market business, we will expand the supply of parts for the North American market.</p>	<ul style="list-style-type: none"> Expand supply of parts to North American market

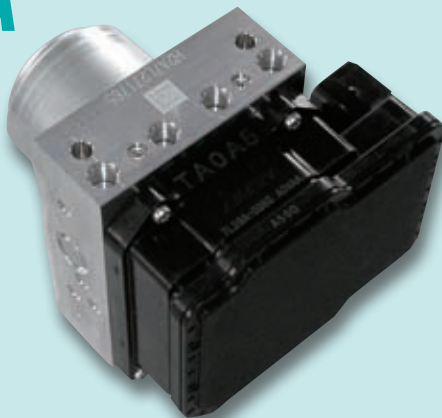
INTRODUCING CORE PRODUCTS

Reducing environmental impact and enhancing safety are two universal requirements of the automotive industry. Since its founding as a company manufacturing automotive brake components, Nissin Kogyo has been engaged in research and development activities to satisfy these requirements by leveraging the advanced technologies it has amassed, including aluminum casting and processing technologies, and braking system control technologies.

By making use of its strengths in aluminum casting and processing technologies to deliver lightweight and compact products, Nissin Kogyo has been improving automotive fuel efficiency and contributing to reducing the environmental impact of automobiles by reducing CO₂ emissions. The Company is also making use of another strength, its braking system control technologies, to contribute to the ongoing development of highly intelligent braking systems, and thereby to driving safety and comfort.

Matched precisely to the needs of the current era, Nissin Kogyo's products are finding favor with the Company's customers, automobile manufacturers.

VSA



The Company's VSA (vehicle stability assist) system helps maintain the stability of a vehicle by preventing skidding. The system applies the brakes automatically when the vehicle is cornering if a sensor detects the vehicle is losing stability.

STRENGTHS AND FEATURES OF THE NEW VSA

When the VSA system is installed in a vehicle, it provides three functions. The anti-lock brake system (ABS) prevents the wheels from locking up when braking, the traction control system (TCS) prevents the wheels from losing their grip on the road when accelerating, and the VSA system itself prevents skidding when the vehicle is cornering. Because these three functions provide comprehensive control of the vehicle, they help enable the direction of travel to be maintained automatically.

The newly developed VSA system offers the driver a more responsive operation than hitherto, and is more compact and lightweight because the specifications of all components, including motors and pressure sensors, were reviewed and consolidated. Weighing 2.0 kg, the new VSA system is 20% lighter than the conventional product. A decade ago the product weighed 4.6 kg, and Nissin Kogyo's success in reducing the weight by more than half is reflected in the continually increasing unit production of this product.



NK15 Series

Nissin Kogyo developed the NK15 series brake system specifically for hybrid vehicles. This system adjusts the hydraulic brake volume according to the change in the regenerative brake volume when the brake is operated. The NK15 series has been adopted for use in Honda Motor's Civic Hybrid vehicle.

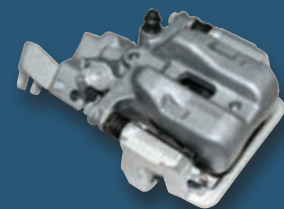
➡ Produced in: Japan



ABS

Anti-lock brake systems (ABS) enable the vehicle to be steered without the tires locking, even if the brakes are applied under slippery road conditions.

➡ Produced in: Japan, the U.S., China and other parts of Asia

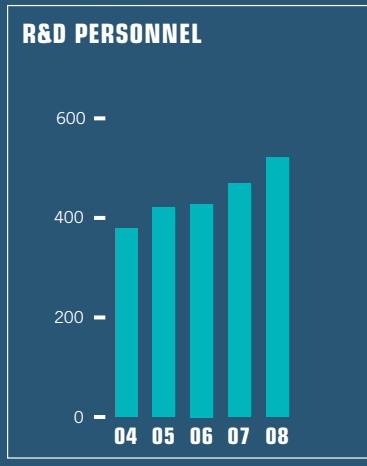
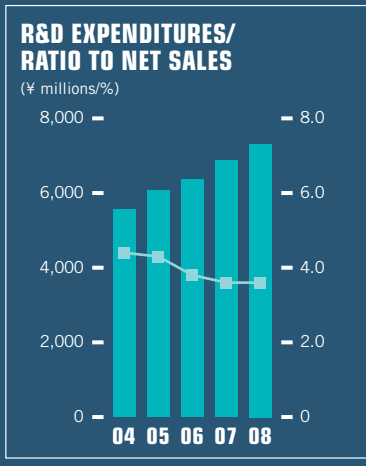


Aluminum Rear Disc Brakes

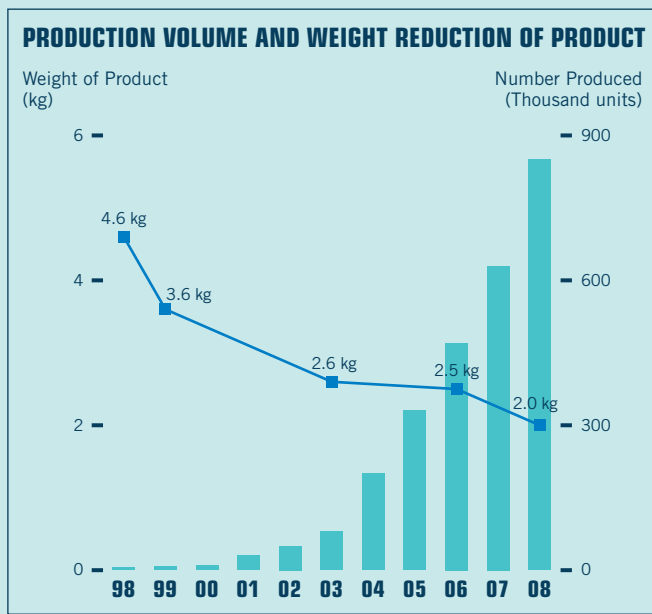
The rear disc brake operates by pinching a rotating disc together with the rear wheel between friction pads.

In recent years, the discs have increasingly been made of aluminum instead of steel to reduce weight and enable easier recycling.

➡ Produced in: Japan, the U.S., China and other parts of Asia

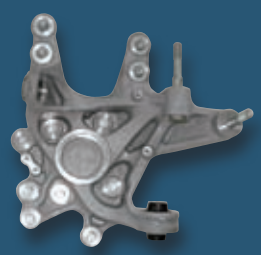


■ R&D Expenditures (left scale)
■ Ratio to Net Sales (right scale)



ADOPTION OF THE NEW VSA

The new VSA system has been installed in the latest Honda Accord model marketed in the U.S. From September 2011, it will become obligatory for all vehicles sold in the U.S. to be fitted with an anti-skid device in order to reduce the number of single-vehicle accidents. In anticipation of this change, Honda has made the VSA system a standard feature in the new Accord.



Aluminum Knuckles

Knuckles are platform parts connected to each suspension arm that are used to bind tires, discs and other components to the vehicle chassis. In recent years, knuckles are increasingly being made of aluminum instead of steel to reduce weight and enable easier recycling.

► Produced in: Japan, the U.S., China and other parts of Asia



Motorcycle Disc Brakes

The motorcycle disc brake operates by pinching a rotating disc together with the front wheel between friction pads.

The Nissin Kogyo Group holds the world's top share in master cylinders used with these brakes.

► Produced in: Japan, the U.S., China and other parts of Asia, South America



Motorcycle Master Cylinders

This component generates hydraulic pressure when a lever is physically operated. The pressure is then conveyed to the disc brake.

The Nissin Kogyo Group holds the world's top share in master cylinders for motorcycle disc brake systems.

► Produced in: Japan, the U.S., China and other parts of Asia, South America

FINANCIAL REVIEW

The Nissin Kogyo Group is made up of the parent company and 14 consolidated subsidiaries, as well as 5 affiliates accounted for by the equity method. Group companies are primarily engaged in the manufacture and sale of brake systems and components for automobiles.

Business Results

In the fiscal year ended March 31, 2008, consolidated net sales rose 7.8% year on year to ¥202,469 million. This mainly reflected increased production of products for export by major customers in Japan, and expanded sales of mechatronics products for new-model, four-wheeled vehicles, along with strong sales of car components in China and motorcycle components in Brazil and Vietnam.

On the expenses front, the cost of sales rose 8.7% to ¥170,441 million from a year earlier, and the cost of sales ratio increased by 0.7 percentage points. This reflected the impact of such factors as rising raw material prices as well as higher sales. Selling, general and administrative (SG&A) expenses increased 5.7% to ¥10,999 million, and due to cost reduction activities these expenses improved 0.1 of a percentage point as a percentage of net sales. As a result, operating income was ¥21,029 million, up 1.8%.

Other income, net climbed 86.3% year on year to ¥1,345 million. The increase was mainly due to increased interest and dividend income, even though a foreign exchange loss was booked under other expenses. As a result, income before income taxes and minority interests increased 4.6% year on year to ¥22,375 million. Net income rose 7.9% to ¥13,348 million.

Net income per share increased from ¥189.16 to ¥204.03. As planned, Nissin Kogyo paid a year-end dividend of ¥18.00 (full-year dividend of ¥36.00) per share.

Breakdown by Geographic Segment

Japan—Net sales increased 5.3% year on year to ¥79,598 million despite decreased production of four-wheeled vehicles, ATVs and motorcycles in Japan. This was mainly due to increased production of 2007 and 2008 model cars for export and new acquisitions of mechatronics products.

Operating income fell 2.3% to ¥6,972 million despite the benefits of increased net sales and cost-cutting activities. This was largely attributable to strengthening of development capabilities, rising prices of raw materials and the effect of currency conversions.

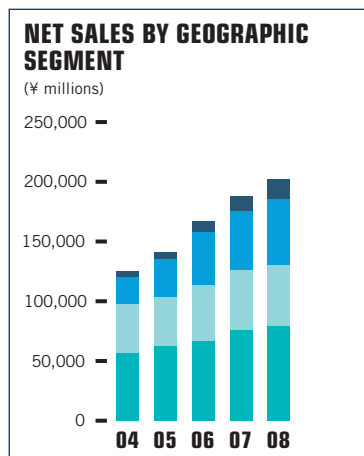
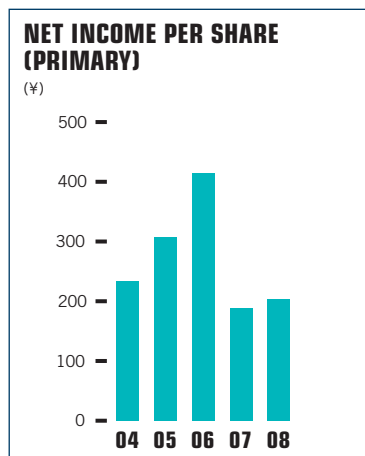
North America—Net sales edged up 0.2% year on year to ¥51,112 million despite reduced earnings of mechatronics products due to the appreciation of the yen and intensifying price competition. The slight increase was due to increased production in terms of units by customers and expanded sales of products for four-wheeled vehicles and motorcycles.

Despite the benefits of cost reduction activities, rising prices of raw materials, costs of launching new models and intensifying competition resulted in an operating income of ¥787 million, down 59.9% from the previous year.

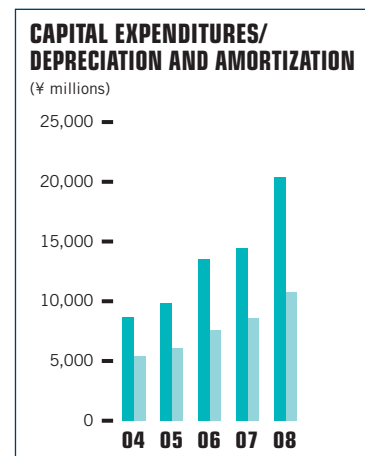
Asia—Net sales rose 13.3% year on year to ¥55,561 million despite Nissin Kogyo's withdrawal from the motorbike market in Thailand. This rise reflected strong sales in Vietnam and China as well as currency conversions.

Operating income increased 6.4% to ¥9,928 million due to strong sales in the motorcycle market in Vietnam and currency conversions.

Other regions—Sales increased 31.7% to ¥16,198 million due to the strong motorcycle market in Brazil and currency conversions. As a result of the increased sales and currency conversions, operating income rose 38.1% to ¥2,866 million.



■ Japan ■ North America ■ Asia ■ Other Regions



■ Capital Expenditures ■ Depreciation and Amortization

Capital Expenditures

Capital expenditures increased 41.2% during the year to ¥20,423 million. This was mainly attributable to measures enacted primarily at locations in North America, Japan, Thailand and China, including the rationalization of manufacturing processes, the launch of new models and the expansion of supply capabilities by increasing and upgrading production facilities.

R&D Expenditures

R&D expenditures rose 6.4% to ¥7,313 million compared to the previous fiscal year. Nissin Kogyo gave priority to product development geared toward producing motorcycles and four-wheeled vehicles that are lighter, safer and more comfortable. Our development efforts resulted in the development and commercialization of a number of new products. Our development of a basic brake for motorcycles, for instance, resulted in a vertical front master cylinder with a direct-mounted tank. In addition, the development of a mechatronics automated control system led to the NK21V for small lightweight VSAs, and efforts with regard to weight reduction technology resulted in aluminum rear knuckles and aluminum engine mount brackets. Furthermore, we are making progress with the development of a full braking system through joint initiatives with manufacturers of completely built-up vehicles.

Financial Position

Current assets stood at ¥76,867 million, an increase of ¥538 million, due to an increase in inventories which outweighed a decrease in cash and bank deposits. Property, plant and equipment, net rose ¥8,354 million to ¥54,650 million, the result mainly of an increase in tangible fixed assets such as machinery and equipment, and vehicles and fixtures. Investments and other assets declined ¥2,783 million to ¥17,301 million, mainly due to a decrease in investment securities. As a result,

total assets at the fiscal year-end amounted to ¥148,818 million, up ¥6,108 million from a year earlier.

Current liabilities decreased ¥1,478 million to ¥38,468 million compared to a year ago. This was mainly because although short-term borrowings increased, notes and accounts payable decreased. Long-term liabilities were ¥4,806 million, down ¥2,012 million. This was partially due to a decrease in deferred income taxes. As a result, total liabilities at the fiscal year-end amounted to ¥43,274 million, down ¥3,490 million from a year earlier.

Net assets rose ¥9,598 million to ¥105,544 million despite a decrease in net unrealized holding gain on investment securities due mainly to increases in consolidated retained earnings and minority interests.

Cash Flows

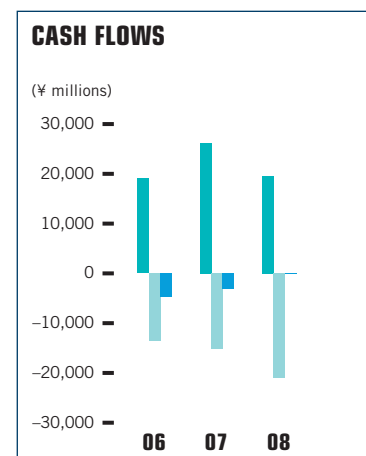
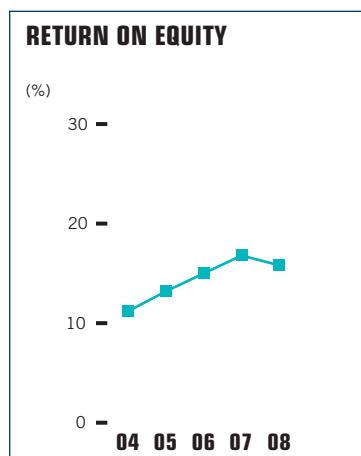
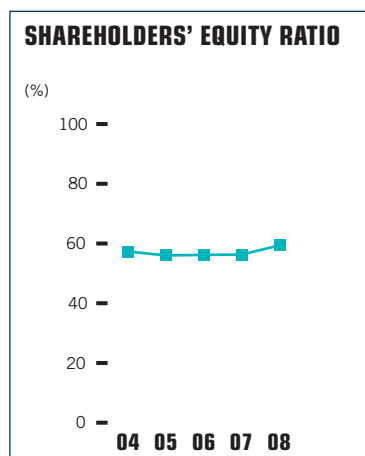
Cash and cash equivalents ("cash") as of March 31, 2008, stood at ¥23,571 million, down ¥1,715 million from the previous fiscal year-end. This reflected an increase in cash due to income before income taxes and minority interests and a decrease in cash mainly due to the purchase of property and equipment.

Net cash provided by operating activities was ¥19,504 million. The main component was an increase in income before income taxes and minority interests, which reflected strong business results.

Net cash used in investing activities was ¥20,966 million, mainly due to cash used to purchase property and equipment as part of capital investment.

Net cash used in financing activities was ¥39 million. This mainly reflected the amount of dividend payments to minority shareholders, despite the procurement of funds through short-term borrowings.

As of March 31, 2008, cash stood at ¥23,571 million. Nissin Kogyo's internal reserves will be allotted as needed for the product development indispensable to future growth and for business expansion.



■ Cash flows from operating activities
■ Cash flows from investing activities
■ Cash flows from financing activities

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

Nissin Kogyo Co., Ltd. and Consolidated Subsidiaries
31st March, 2007 and 2008

ASSETS	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Current assets:			
Cash and bank deposits	¥ 25,535	¥ 24,000	\$ 239,545
Marketable securities	439	–	–
Notes and accounts receivable	28,769	28,472	284,180
Inventories	16,628	19,186	191,496
Deferred income taxes	2,132	1,260	12,576
Prepaid expenses and other current assets	2,854	3,976	39,685
Allowance for doubtful accounts	(28)	(27)	(269)
Total current assets	76,329	76,867	767,212
Property, plant and equipment:			
Land	3,893	3,896	38,886
Buildings and structures	17,905	19,616	195,788
Machinery and equipment	64,484	76,440	762,950
Vehicles and fixtures	15,098	17,118	170,855
Construction in progress	5,980	6,625	66,124
	107,360	123,695	1,234,604
Accumulated depreciation	(61,064)	(69,045)	(689,141)
Property, plant and equipment, net	46,296	54,650	545,464
Investments and other assets:			
Investment securities	18,074	14,889	148,608
Deferred income taxes	453	569	5,679
Other assets	1,605	1,843	18,395
Allowance for doubtful accounts	(47)	–	–
Total investments and other assets	20,084	17,301	172,682
Total assets	¥142,710	¥148,818	\$1,485,358

Note: U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥100.19=U.S.\$1, the approximate Tokyo foreign exchange market rate as of March 31, 2008.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED)

	(Millions of yen)										
	Shareholders' equity					Valuation and translation adjustments					
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total	Net unrealized holding gain on securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total	Minority interests	Total net assets
Balance as of March 31, 2007	¥3,694	¥3,419	¥63,682	¥(31)	¥70,764	¥7,773	¥(1)	¥1,799	¥9,571	¥15,612	¥ 95,947
Changes in the period:											
Dividends			(2,290)		(2,290)						(2,290)
Net income			13,348		13,348						13,348
Acquisition of treasury stock				(1)	(1)						(1)
Increase resulting from increase in affiliates accounted for by the equity method			8		8						8
Net changes of items other than shareholders' equity						(2,709)	5	(337)	(3,041)	1,573	(1,467)
Total changes in the period	–	–	11,066	(1)	11,065	(2,709)	5	(337)	(3,041)	1,573	9,598
Balance as of March 31, 2008	¥3,694	¥3,419	¥74,748	¥(32)	¥81,829	¥5,064	¥ 4	¥1,462	¥ 6,530	¥17,185	¥105,544

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Current liabilities:			
Short-term borrowings	¥ 929	¥ 4,416	\$ 44,076
Notes and accounts payable	33,201	29,814	297,575
Accrued expenses	2,293	2,139	21,349
Accrued income taxes	2,586	1,545	15,421
Other current liabilities	937	554	5,529
Total current liabilities	39,946	38,468	383,950
Long-term liabilities:			
Deferred income taxes	5,091	3,130	31,241
Accrued retirement benefits	1,247	1,223	12,207
Retirement benefits for directors and corporate auditors	427	338	3,374
Other long-term liabilities	53	114	1,148
Total long-term liabilities	6,818	4,806	47,969
Net assets			
Shareholders' equity:			
Common stock:			
Authorized: 150,000,000 shares			
Issued: 65,452,143 shares in 2007			
Issued: 65,452,143 shares in 2008	3,694	3,694	36,870
Capital surplus	3,419	3,419	34,125
Retained earnings	63,682	74,748	746,062
Treasury stock, at cost;			
23,881 shares in 2007 and 24,163 shares in 2008	(31)	(32)	(319)
Total shareholders' equity	70,764	81,829	816,738
Valuation, translation adjustments and others:			
Net unrealized holding gain on investment securities	7,773	5,064	50,544
Deferred gains or losses on hedges	(1)	4	40
Foreign currency translation adjustments	1,799	1,462	14,592
Total valuation, translation adjustments and others	9,571	6,530	65,176
Minority interests	15,612	17,185	171,524
Total net assets	95,947	105,544	1,053,438
Total liabilities and net assets	¥142,710	¥148,818	\$1,485,358

(Thousands of U.S. dollars)

	Shareholders' equity					Valuation and translation adjustments					Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total	Net unrealized holding gain on securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total	Minority interests	
Balance as of March 31, 2007	\$36,870	\$34,125	\$635,612	\$(309)	\$706,298	\$ 77,583	\$(10)	\$17,956	\$ 95,528	\$155,824	\$ 957,650
Changes in the period:											
Dividends			(22,857)		(22,857)						(22,857)
Net income			133,227		133,227						133,227
Acquisition of treasury stock				(10)	(10)						(10)
Increase resulting from increase in affiliates accounted for by the equity method			80		80						80
Net changes of items other than shareholders' equity						(27,039)	50	(3,364)	(30,352)	15,700	(14,642)
Total changes in the period	-	-	110,450	(10)	110,440	(27,039)	50	(3,364)	(30,352)	15,700	95,798
Balance as of March 31, 2008	\$36,870	\$34,125	\$746,062	\$(319)	\$816,738	\$ 50,544	\$ 40	\$14,592	\$ 65,176	\$171,524	\$1,053,438

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

Nissin Kogyo Co., Ltd. and Consolidated Subsidiaries
Years ended 31st March, 2007 and 2008

	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Net sales	¥187,878	¥202,469	\$2,020,850
Cost of sales	156,808	170,441	1,701,178
Gross profit	31,070	32,028	319,673
Selling, general and administrative expenses	10,404	10,999	109,781
Operating income	20,666	21,029	209,891
Other income (expenses):			
Interest and dividend income	789	1,365	13,624
Interest expense	(15)	(51)	(509)
Foreign exchange loss, net	(116)	(774)	(7,725)
Gain on sale of securities	156	26	260
Loss on disposal of fixed assets	(99)	(20)	(200)
Equity in earnings of affiliates	247	451	4,501
Loss on disposal of inventories	(12)	–	–
Loss on compensation of defective products	(321)	(23)	(230)
Prior year adjustment	0	177	1,767
Other, net	95	194	1,936
Other income, net	722	1,345	13,424
Income before income taxes and minority interests	21,388	22,375	223,326
Income taxes			
Current	5,379	4,398	43,897
Refund	–	–	–
Deferred	(61)	618	6,168
Income before minority interests	16,070	17,359	173,261
Minority interests	(3,695)	4,011	40,034
Net income	¥ 12,375	¥ 13,348	\$133,227

Note: U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥100.19=U.S.\$1, the approximate Tokyo foreign exchange market rate as of March 31, 2008.

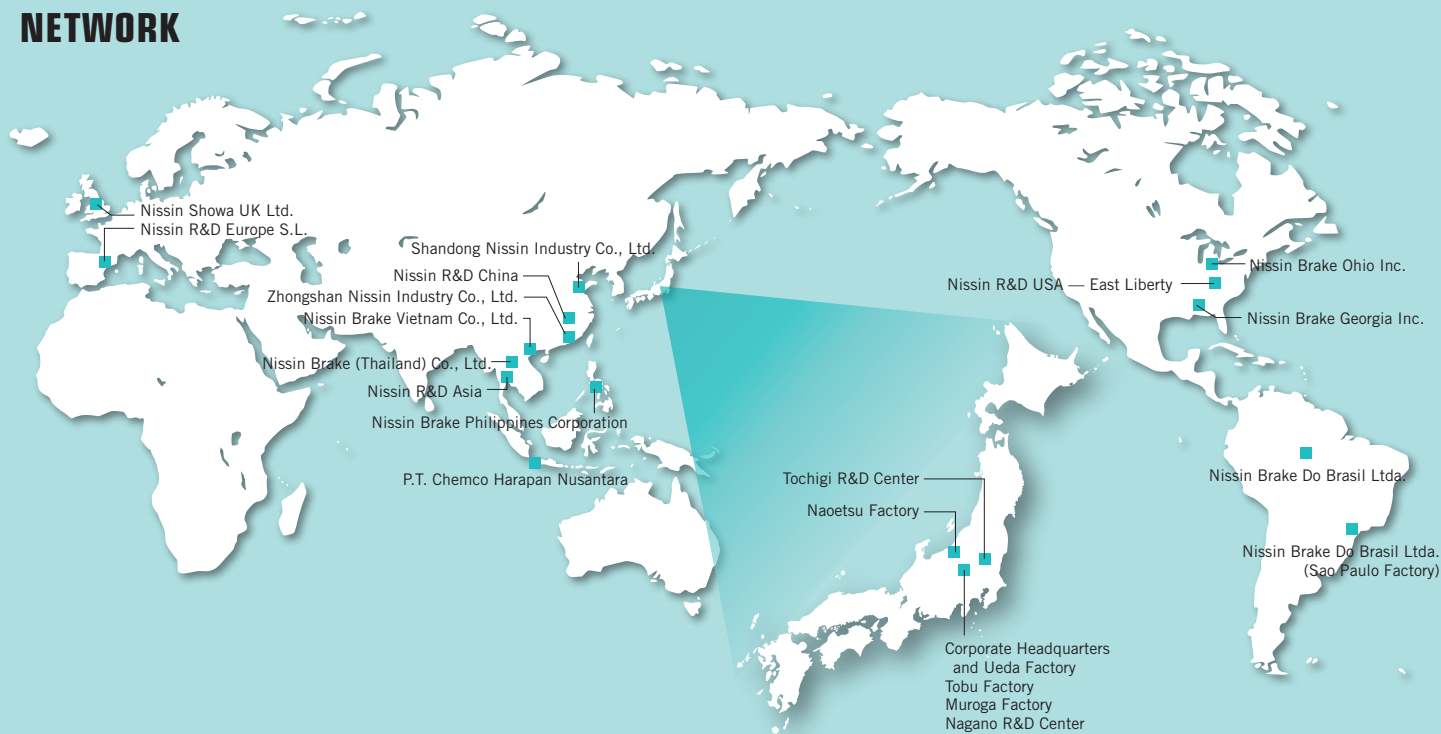
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Nissin Kogyo Co., Ltd. and Consolidated Subsidiaries
Years ended 31st March, 2007 and 2008

	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Cash flows from operating activities			
Income before income taxes and minority interests	¥ 21,388	¥ 22,375	\$ 223,326
Depreciation and amortization	8,578	10,733	107,126
Amortization of consolidation goodwill differences	9	9	90
Increase (decrease) in allowance for doubtful accounts	1	(47)	(469)
Increase (decrease) in allowance for directors' bonuses	49	(3)	(30)
Increase in allowance for product warranty	–	92	918
Decrease in accrued retirement benefits	(26)	(20)	(200)
Increase (decrease) in retirement benefits for directors and corporate auditors	126	(90)	(898)
Interest and dividend income	(789)	(1,365)	(13,624)
Interest expense	15	51	509
Foreign exchange gain, net	7	60	599
Equity in earnings of affiliates	(247)	(451)	(4,501)
Gain on sale of property, plant and equipment	(39)	(84)	(838)
Loss on sale of property, plant and equipment	4	14	140
Loss on disposal of property, plant and equipment	99	20	200
Gain on sale of investment securities	(156)	(26)	(260)
Increase in notes and accounts receivable—trade	(1,498)	(232)	(2,316)
Increase in inventories	(1,853)	(3,620)	(36,131)
Increase (decrease) in notes and accounts payable—trade	2,969	(867)	(8,654)
Increase (decrease) in accounts payable	794	(921)	(9,193)
Bonuses to directors and corporate auditors	(1)	–	–
Other, net	1,210	(1,399)	(13,963)
Subtotal	30,642	24,228	241,821
Interest and dividends received	806	1,385	13,824
Interest paid	(15)	(51)	(509)
Income taxes paid	(5,279)	(6,058)	(60,465)
Net cash provided by operating activities	26,153	19,504	194,670
Cash flows from investing activities			
Increase in time deposits	(1,021)	(630)	(6,288)
Proceeds from decrease in time deposits	–	740	7,386
Purchases of property and equipment	(14,049)	(20,423)	(203,843)
Proceeds from sale of property and equipment	101	347	3,463
Purchases of investment securities	(369)	(1,251)	(12,486)
Proceeds from sale of investment securities	172	421	4,202
Other, net	58	(169)	(1,687)
Net cash used in investing activities	(15,106)	(20,966)	(209,262)
Cash flows from financing activities			
Decrease in short-term borrowings	(5)	3,999	39,914
Dividends paid	(1,640)	(2,290)	(22,857)
Dividends paid to minority shareholders	(1,412)	(1,799)	(17,956)
Other, net	(3)	52	519
Net cash used in financing activities	(3,060)	(39)	(389)
Effect of exchange rate changes on cash and cash equivalents	1,140	(215)	(2,146)
Net increase (decrease) in cash and cash equivalents	9,127	(1,715)	(17,117)
Cash and cash equivalents at beginning of year	16,159	25,286	252,380
Cash and cash equivalents of newly consolidated subsidiaries	–	–	–
Cash and cash equivalents at end of year	¥ 25,286	¥ 23,571	\$ 235,263

Note: U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥100.19=U.S.\$1, the approximate Tokyo foreign exchange market rate as of March 31, 2008.

NETWORK



[DOMESTIC]

Corporate Headquarters and Ueda Factory

840 Kokubu, Ueda-city,
Nagano 386-8505, Japan
Tel: +81-268-24-3111 Fax: +81-268-24-7520

Tobu Factory

801 Kazawa, Toumi-city,
Nagano 389-0514, Japan
Tel: +81-268-62-1191 Fax: +81-268-62-1194

Muroga Factory

1687 Shimomuroga, Ueda-city,
Nagano 386-1542, Japan
Tel: +81-268-31-3377 Fax: +81-268-31-3381

Naetsu Factory

4370 Kamichihara, Jyoetsu-city,
Niigata 942-0035, Japan
Tel: +81-255-43-1431 Fax: +81-255-43-1365

Nagano R&D Center

801 Kazawa, Toumi-city,
Nagano 389-0514, Japan
Tel: +81-268-62-2391 Fax: +81-268-62-5285

Tochigi R&D Center

722-1 Fukuoka, Nasukarasuyama-city,
Tochigi 321-0525, Japan
Tel: +81-287-88-1215 Fax: +81-287-88-1217

[OVERSEAS]

UNITED KINGDOM

Nissin Showa UK Ltd.
Aberaman Park Industrial Estate,
Aberdare, Mid-Glamorgan, U.K. CF44 6PA
Tel: +44-1685-88-5834 Fax: +44-1685-88-5806

SPAIN

Nissin R&D Europe S.L.
Ciencia, 33 Parc D'Activitats 08840
Viladecans, Spain
Tel: +34-93-410-9999 Fax: +34-93-410-7989

UNITED STATES

Nissin Brake Ohio Inc.
1901 Industrial Drive, Findlay, OH 45840, U.S.A.
Tel: +1-419-425-6725 Fax: +1-419-425-6729

Nissin Brake Georgia Inc.

216 Thacker Drive, Rock Spring, GA 30739, U.S.A.
Tel: +1-706-764-1239 Fax: +1-706-764-1086

Nissin R&D USA — East Liberty

25790 State Route 287,
East Liberty, OH 43319-0289, U.S.A.
Tel: +1-937-642-7556 Fax: +1-937-642-2845

THAILAND

Nissin Brake (Thailand) Co., Ltd.
399 Mhutee 6 Chockchi-Ratchasrima Rd.,
Tambol Nongraveang, Amphur Muang
Nakornratchasrima 30000, Thailand
Tel: +66-44-212-964 Fax: +66-44-212-328

Nissin R&D Asia

Shinawatra Tower 3, 8th Floor, Room No. 801,
1010 Viphavadi Rangsit RD., Chatuchak,
Chatuchak, Bangkok 10900, Thailand
Tel: +66-2-967-7605 Fax: +66-2-967-7617

INDONESIA

P.T. Chemco Harapan Nusantara
JL. Jababeka Raya Blok-F,
19-28 Kawasan Industri Jababeka Cikarang, Bekasi,
Jawa Barat, Indonesia 17520
Tel: +62-21-8934253 Fax: +62-21-8934256

PHILIPPINES

Nissin Brake Philippines Corporation
127 North Science Avenue, SEPZ,
Laguna Technopark,
Binan Laguna, Philippines
Tel: +63-49-541-1320 Fax: +63-49-541-3063

CHINA

Shandong Nissin Industry Co., Ltd.
Shandong Rushan Golden Ridge Economic
Development Zone,
Dong Shan Road, Rushan City, Shandong, China
Tel: +86-631-6681246 Fax: +86-631-6681325

Zhongshan Nissin Industry Co., Ltd.

Zhongshan "Torch" Hi-Tech Industrial
Development Zone, New Town,
Zhongshan City, Guangdong, China
Tel: +86-760-85338330 Fax: +86-760-85338331

Nissin R&D China

No. 1205 Zhonglu Shangwu Daisha, 47 Qiaolin
Street, Linho Dong Road, Tianho Guangzhou,
China 510610
Tel: +86-20-38869630 Fax: +86-20-38863600

VIETNAM

Nissin Brake Vietnam Co., Ltd.
Quat Luu Commune, Binh Xuyen District,
Vinh Phuc Province, Vietnam
Tel: +84-211-866400 Fax: +84-211-866401

BRAZIL

Nissin Brake Do Brasil Ltda.
AV. Dos Oitis, No. 658-Distrito Industrial,
Manaus-Am, Brazil
Tel: +55-92-2121-4702 Fax: +55-92-3615-3979

Nissin Brake Do Brasil Ltda. (Sao Paulo Factory)

Rodovia Do Acucer Km 23.5
Bairro Chacara Sao Joao, ITU-SP, Brazil
Tel: +55-11-3414-4001 Fax: +55-11-3414-4025

CORPORATE DATA

(As of 31st March, 2008)

NAME: Nissin Kogyo Co., Ltd.

ESTABLISHED: October 1953

PAID-IN CAPITAL: ¥3,694 million

EMPLOYEES: 7,415

DIRECTORS AND AUDITORS:

(As of June 13, 2008)

President

Akihiro Kubo

Vice President

Masayuki Seki

Senior Executive Directors

Shigetoshi Okada

Genichiro Fukuzawa

Senior Managing Directors

Hiroyuki Suganuma

Hideaki Yanagisawa

Katsutoshi Ueda

Masamichi Komori

Executive Directors

Kimio Koyano

Junichi Beppu

Akihiko Kishimoto

Keiji Himori

Statutory Auditors

Hidenori Misaizu

Kimio Oshimori

Auditors

Atsushi Totsune

Norimasa Oguchi

TOTAL SHARES ISSUED AND OUTSTANDING: 65,452,143

NUMBER OF SHAREHOLDERS: 16,332

STOCK LISTING: Tokyo Stock Exchange, First Section

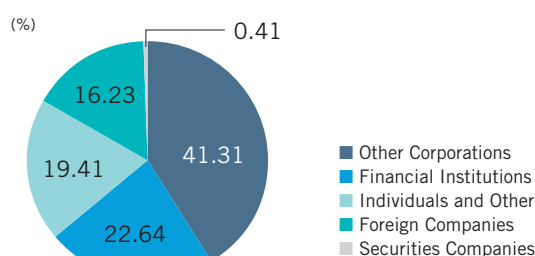
STOCK CODE: 7230

TRANSFER AGENT:

Mitsubishi UFJ Trust and Banking Corporation

4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan

SHAREHOLDINGS BY SHAREHOLDER TYPE:



PRINCIPAL SHAREHOLDERS:

Name	Holdings (Thousands of Shares)	Voting Rights (%)
Honda Motor Co., Ltd.	22,682	34.65
Japan Trustee Services Bank, Ltd.	3,867	5.90
Daishin Sangyo Co., Ltd.	3,368	5.14
The Master Trust Bank of Japan, Ltd.	3,228	4.93
Naoya Miyashita	1,864	2.84
The Nomura Trust and Banking Co., Ltd.	1,191	1.82
Mellon Bank Treaty Clients Omnibus	1,052	1.60
Millennium	967	1.47
NikkoCiti Trust and Banking Corporation	756	1.15
National Mutual Insurance Federation of Agricultural Cooperatives	716	1.09



Nissin Kogyo Co., Ltd.

840 Kokubu, Ueda-city, Nagano 386-8505, Japan

Tel: +81-268-24-3111 Fax: +81-268-24-7520

<http://www.nissinkogyo.co.jp>

