



# **ANNUAL REVIEW 2006**

For the year ended March 31, 2006

**NISSIN KOGYO CO., LTD.**

# PROFILE

Nissin Kogyo Co., Ltd. was established in 1953 as a company specializing in brake components. As the automotive industry has grown, so has Nissin Kogyo, developing and manufacturing a wide range of brake products for motorcycles and four-wheeled vehicles. Nissin Kogyo was quick to respond to the internationalization of the automobile industry, initiating local production in Thailand in 1973 to meet the needs of its global customers. Expansion into other parts of Asia, the Americas, and Europe soon followed, resulting in Nissin Kogyo's network today of 14 production sites in 9 countries.

Nissin Kogyo's overriding goal is to constantly produce the most advanced braking systems possible. To this end, the company is engaged in research and development encompassing a wide range of technologies and products.

The company's core technologies are aluminum casting and processing technologies, which have been developed during the manufacture of brakes since the company's founding, and integrated braking system technologies, which encompass all of the braking equipment and related control systems used in a car.

By leveraging these two groups of core technologies to deliver compact, lightweight, and high-performance components, Nissin Kogyo is significantly contributing to reducing environmental impact and enhancing safety—two universal requirements of the automotive industry.

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### FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements about future plans, strategies, beliefs and performance that are not historical facts. They are based on current expectations, estimates, forecasts and projections about the industries in which Nissin Kogyo operates, and represent beliefs and assumptions made by management. As the expectations, estimates, forecasts and projections are subject to a number of risks, uncertainties and assumptions, actual results may differ materially from those projected. Nissin Kogyo therefore wishes to caution readers not to place undue reliance on forward-looking statements. Furthermore, the company undertakes no obligation to update any forward-looking statements as a result of new information, future events or other developments.

# FINANCIAL HIGHLIGHTS

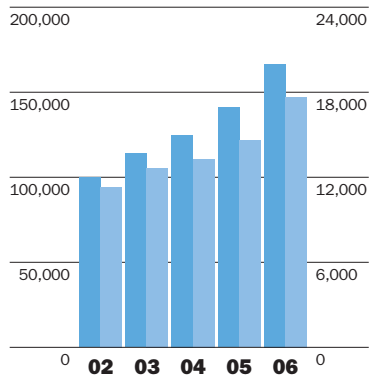
Nissin Kogyo Co., Ltd. and Consolidated Subsidiaries  
Years ended 31st March, 2005 and 2006

	Millions of yen		Thousands of U.S. dollars
	2005	2006	2006
<b>For the year:</b>			
Net sales	¥140,964	<b>¥166,796</b>	<b>\$1,419,901</b>
Operating income	14,593	<b>17,661</b>	<b>150,348</b>
Income before income taxes and minority interests	13,647	<b>18,117</b>	<b>154,223</b>
Net income	6,755	<b>9,046</b>	<b>77,005</b>
<b>At year-end:</b>			
Total assets	¥ 96,897	<b>¥118,544</b>	<b>\$1,009,143</b>
Total shareholders' equity, net	54,295	<b>66,674</b>	<b>567,579</b>
<b>Per share (Yen and U.S. dollars):</b>			
Net income — primary	¥ 307.29	<b>¥414.78</b>	<b>\$ 3.5310</b>
Cash dividends paid	42.00	<b>60.00</b>	<b>0.511</b>

Note: U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥117.47=U.S.\$1, the approximate Tokyo foreign exchange market rate as of March 31, 2006.

## NET SALES / OPERATING INCOME

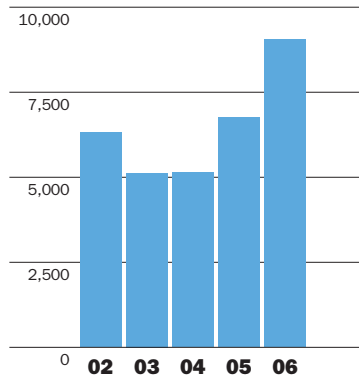
(¥ millions)



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

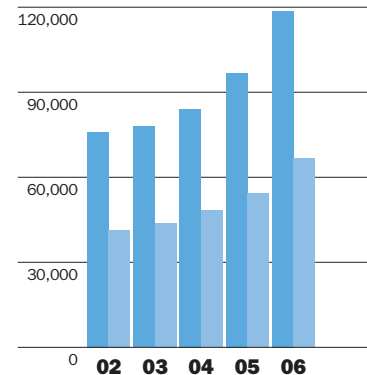
## NET INCOME

(¥ millions)



## TOTAL ASSETS / SHAREHOLDERS' EQUITY

(¥ millions)



■ Total Assets  
■ Shareholders' Equity