

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

