



2008 1st Quarter Financial Results (supplementary information) **Nissen Holdings Co., Ltd.**

April 21, 2008

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※ The forecasts mentioned in this presentation are based on judgments made in accordance with information currently available. Forecasts therefore embody risks and uncertainty. Actual figures may differ from those forecasts for a number of reasons, including but not limited to changes in future economic trends, changes in the business conditions and changes in exchange rates.

※ Yen amounts have generally be rounded down

(in 100 millions of yen)

	2008 1Q Result	2008 1Q Forecast	Difference to forecast		2007 1Q Result	Difference to prior year		(for ref.)	
				in %			in %	F/C for 1st semester 2008	F/C for fiscal year 2008
Net sales	35,153	35,179	-26	-0.1%	34,461	+692	+2.0%	80,700	160,000
Operating income	-106 (-0.3%)	-94 (-0.3%)	-12	—	-251 (-0.7%)	+145	—	2,400 (3.0%)	4,600 (2.9%)
Ordinary income	-3,257 (-9.3%)	55 (0.2%)	-3,312	—	-650 (-1.9%)	-2,607	—	1,680 (2.1%)	3,100 (1.9%)
Net income	-1,710 (-4.9%)	150 (0.4%)	-1,860	—	-437 (-1.3%)	-1,273	—	1,170 (1.4%)	2,100 (1.3%)
✕ Income per share (Yen)	-28.12				-8.00			19.24	34.53
(ref) Ordinary income before gain/loss on revaluation of foreign exchange contracts at market value	27 (0.1%)	55 (0.2%)	-28	—	-479 (-1.4%)	+506	—	1,680 (2.1%)	3,100 (1.9%)
(ref) Net income before gain/loss on revaluation of foreign exchange contracts at market value	195 (0.6%)	150 (0.4%)	+45	+30.2%	-338 (-1.0%)	+533	—	1,170 (1.4%)	2,100 (1.3%)

• Non operating position “gain/loss on revaluation of foreign exchange contracts at market value”: 2008 1Q -3,285 million yen (2007 1Q -170 million yen). Rate as of end of 2008 1Q 99.72 Yen/USD (Appreciation of Yen of 13.64 to exchange rate at of end of FY2007: 113.36 Yen)

• The plan above refers to the consolidated earnings forecast as disclosed on February 4, 2008.

✓ Sales nearly on plan level and 2% over prior year. The level of operating income, ordinary income and net income before gain/loss on revaluation of foreign exchange contracts at market value substantially improved to prior year.

() related to sales

2008 1Q Financial Results: By business segment

(in 100 millions of yen)

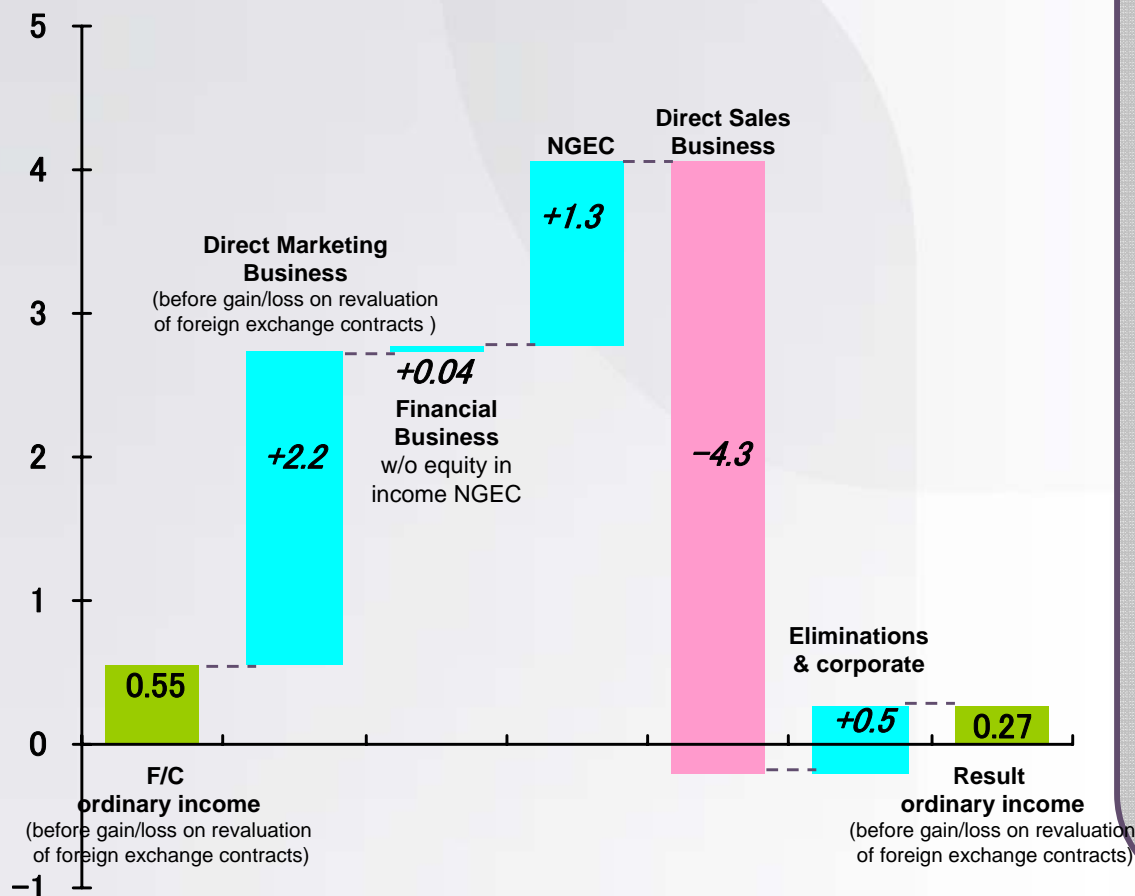
		2008 1Q Result		2008 1Q Forecast			2007 1Q Result				
			% of sales	% of sales	Diff. to F/C	in %	% of sales	Diff. to prior year	in %		
Direct Marketing Business	Net sales	30,535	—	29,558	—	+977	+3.3%	28,220	—	+2,315	+8.2%
	Operating income	984	3.2%	566	1.9%	+418	+73.9%	284	1.0%	+700	+246%
	Ordinary income	-2,580	-8.5%	486	1.6%	-3,066	—	-137	-0.5%	-2,443	—
	(ref) Ordinary income before gain/loss on revaluation of foreign exchange contracts at market value	704	2.3%	486	1.6%	+218	+44.9%	32	0.1%	+672	+2,053%
Financial Business	Net sales	157	—	27	—	+130	+482%	675	} <for ref.> Portions of listing fees, etc. included in the Direct Marketing business segment for FY 2007		
	Operating income	31	20.2%	27	100%	+4	+17.5%	674			
	Ordinary income	453	289%	320	1185%	+133	+41.8%	735			
Direct Sales Business	Net sales	4,460	—	5,424	—	-964	-17.8%	5,561	—	-1,101	-19.8%
	Operating income	-492	-11.1%	-19	-0.4%	-473	—	-357	-6.4%	-135	—
	Ordinary income	-499	-11.2%	-73	-1.3%	-426	—	-363	-6.5%	-136	—
Eliminations and Corporate	Operating income	-629	—	-668	—	+39	—	-852	—	+223	—
	Ordinary income	-631	—	-678	—	+47	—	-884	—	+253	—

• Up to now, the financial Services were included in the Direct Marketing Business. From 2008 on, this part of the business will be disclosed separately. Financial Services consists of the consolidated affiliated company n Insurance Service Company and of the equity method affiliate GE Nissen Credit Co., Ltd.

- ✓ Direct Marketing Business and Financial Business could achieve plan for net sales, operating income as well as ordinary income (regarding to the Direct marketing business before gain/loss on revaluation of foreign exchange contracts).
- ✓ On the contrary, regarding the Direct Sales Business, sales and income deteriorated on a higher scale than planned.

Changes to forecast

(100 millions of yen)



NGECE : Equity in income for GE Nissen Credit (NGECE)

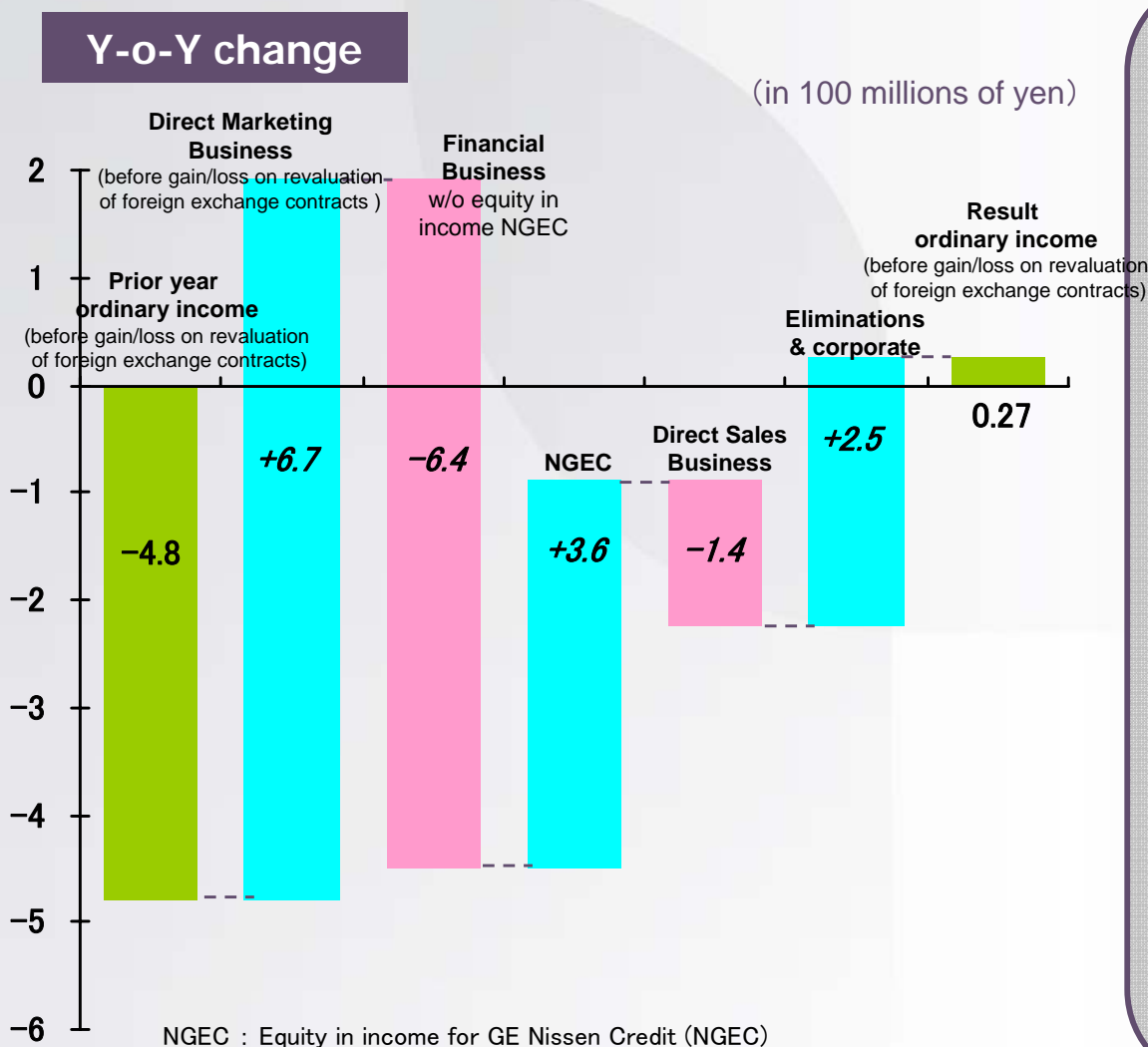
【Factors behind changes to forecast】

- Direct Marketing Business
 - ✓ The core business Direct Marketing performed over forecast (before gain/loss on revaluation of foreign exchange contracts) given such as the increase of active customers, the expansion of dedicated internet websites and the effectiveness of cost reductions.
- Financial Business
 - ✓ Regarding NGECE, the equity in income exceeded forecast due to a recovery of the entity based on such as the compression of SGA expenses and the strengthening in credit collection which led to a decrease of provisions.
- Direct Sales Business
 - ✓ Sales could not be raised due to declining average sales per customer and number of customers, the event sales market being shrinking more than expected. As a result, income fell materially below forecast.

- ✓ Earnings are on forecast level as the deterioration of the Direct Sales Business on a bigger scale than forecasted compensated the over-achievement of both the Direct Marketing Business and the Financial Business.
- ✓ From now on, securing the profitability of the Direct Marketing Business will be worked on and implemented as the first priority of our company.

Ordinary income: : Changes to prior year

(before gain/loss on revaluation of foreign exchange contracts at market value)



【Factors behind changes to prior year】

- Direct Marketing Business
 - ✓ Significant improvement in earnings due to such as the increase in active customers, the expansion of dedicated internet websites and the effectiveness of cost reductions.
- Financial Business
 - ✓ Though, due to such as the changes in terms and conditions of the financial business, the earnings of the Financial Services excluding the equity in income of NGEC declined, based on the improvement of the profit and loss of NGEC, the equity in income of NGEC improved to a great extent. (since the equity in income of NGEC is based on the profit after tax, the improvement is even greater this season)
- Direct Sales Business
 - ✓ Decrease in earnings to prior year due to the ongoing decline in sales as a result of the decline in average sales per customer and of the number of customers as the event sales market shrunk more than expected.

✓ Ordinary income substantially improved to prior year mainly as a result of the improvement in performance of the Direct Marketing Business by ways of such as expansion of the internet sales, of the progress of the earnings restructuring in the Financial Business and of cost reductions at the Head Office.

【Group's foreign exchange contract policy, situation and disclosure policy】

- The Direct Marketing Business of Nissen Co., Ltd. is selling imported goods which were manufactured overseas e.g. in China and were paid for in US\$. The catalog planning occurs one year before issue. From thereon, the import volume can be forecasted stably for the mid-term. In order to suppress the impact on cost price of exchange rate fluctuations to secure the earnings plan and to hedge the exposure of exchange rate fluctuations, forward foreign exchange contracts are gradually entered in for the amount of expected imports (coverage rate for the expected import volume one year later 100%, for the expected import volume up to three years later about 80~90%).
- From now on these foreign exchange contracts, as financial products, have to be revaluated at the market value depending on the spot rate at the day of the end of the term. For that reason, depending on the difference between the foreign exchange contract rate and the spot rate, a loss or gain on revaluation (revaluation at market value of foreign exchange contracts) is being booked as a non operating position. If the exchange rate for the next end of the term is going back to a cheap yen, then a benefit will be accounted for, in case the appreciation of the yen is going on, it would lead to a loss of value, but this profit or loss to the last is a loss or gain on evaluation, it would not be a "real loss" leading to a cash outflow. Further, for Nissen, as a company which made the selling of imported goods its core, the trend cheap dollar/high valued yen which, by nature, leads to an improvement in the cost price is positive. And forward foreign exchange contracts are scheduled to be signed in a constant range in the future also.
- Under this situation, for our shareholders to get a proper image of the corporate value of the group, our company is always indicating further to the common earnings disclosure and as a reference value for the profit level, the ordinary or net income "before gain/loss on revaluation of foreign exchange contracts at market value". Please use solely these reference figures as the base for judgments on your investment.

Gain/loss on revaluation of foreign exchange contracts

