

**Financial Results for the First Nine Months of the Fiscal Year Ending December 20, 2008
(December 21, 2007 to September 20, 2008)**

Company name: **Nissen Holdings Co., Ltd.**

Stock exchange listing: TSE and OSE, First Section

Stock code: 8248

URL: <http://info.nissen.co.jp/en>

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(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Nine Months (Dec. 21, 2007 – Sep. 20, 2008) of Fiscal Year 2008

(1) Consolidated results of operations

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Sep. 2008	113,322	2.7	1,094	(36.2)	(578)	-	(5,235)	-
Nine months ended Sep. 2007	110,377	(2.7)	1,715	(33.3)	(2,601)	-	(3,369)	-
Year ended Dec. 2007	152,997	-	4,508	-	(2,022)	-	(3,144)	-

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Nine months ended Sep. 2008	(86.10)	-
Nine months ended Sep. 2007	(57.30)	-
Year ended Dec. 2007	(53.03)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 20, 2008	72,487	26,284	36.2	432.08
As of Sep. 20, 2007	75,541	35,193	46.6	578.30
As of Dec. 20, 2007	72,371	35,186	48.6	578.23

(3) Consolidated cash flow position

	Net cash provided by (used in)			Cash and cash equivalents at end of period
	Operating activities	Investing activities	Financing activities	
	Million yen	Million yen	Million yen	Million yen
Nine months ended Sep. 2008	3,476	(1,331)	(636)	8,551
Nine months ended Sep. 2007	(3,441)	(5,423)	5,279	8,939
Year ended Dec. 2007	(4,792)	(5,165)	4,373	6,924

2. Consolidated Forecasts for the Fiscal Year Ending December 20, 2008 (Dec. 21, 2007 – Dec. 20, 2008)*(Percentages represent year-over-year changes)*

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	155,900	1.9	2,500	(44.6)	(900) to 1,100	-	(6,600) to (5,400)	-	(108.53) to (88.79)

3. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Application of simplified accounting methods: Yes

(3) Changes in accounting method from those used in the most recent consolidated fiscal year: None

Note: Please refer to “Qualitative Information on Consolidated Financial Position, 4. Others” on page 4 for further information.

*** Cautionary statement with respect to forward-looking statements**

The above forecasts are based on judgments made in accordance with information currently available. Forecasts therefore embody risks and uncertainties. Actual figures may differ significantly from these forecasts for a number of factors, including but not limited to Nissen Holdings and all Nissen Group’s operating environment, market trends, and changes in exchange rates.

Disclosure of a range of values for ordinary income, net income, and net income per share forecasts

To improve the level of disclosure to investors, the Nissen Group provides a range of values within which it expects earnings to settle in order to reflect the risk of changes in dollar-yen exchange rates and other factors in its forecasts. Based on the level of forward foreign exchange contract gains or losses at the end of this quarter, and taking into consideration exchange rate movements over the last six months as well as the projected level of forward foreign exchange contracts outstanding at the end of FY2008, the Nissen Group estimates the potential impact to full-year ordinary income from valuation gains or losses due to changes in dollar-yen exchange rates and US-Japanese interest rate spreads at a maximum 1,000 million yen plus or minus.

Please refer to “3. Qualitative information regarding consolidated earnings forecast” on page 4 for further information concerning these forecasts.

Qualitative Information on Consolidated Financial Position

1. Qualitative information regarding consolidated results of operations

The outlook for the Japanese economy became increasingly uncertain in the first nine months (December 21, 2007 to September 20, 2008) of the fiscal year because share prices declined due to financial uncertainty brought about by turmoil in US financial markets, and crude oil and other raw materials prices surged. The environment for the retail industry in which the Nissen Group operated remained extremely depressed as personal consumption cooled as consumers retrenched in the face of rising prices, and price competition intensified.

In this economic environment, the Nissen Group moved forward with implementing various policies, based on its core strategy of promoting group management centered on database marketing, to achieve the goals of its medium-term business plan “Nissen Vision 2009” (consolidated net income of 5,200 million yen), and make Nissen a corporate group that offers suggestions for each individual customer’s ideal lifestyle.

Against this backdrop, the Nissen Group increased third-quarter (July-September) sales in the mainstay direct marketing business by 13.6% year-over-year, achieving a large increase in sales and profits for the first nine months of the fiscal year, through aggressive and successful expansion of Internet and mobile-based sales, an increase in active customers through efficient catalog issue, and promotion of low-cost management.

The finance business, disclosed as a separate segment starting this fiscal year, consists of profits from an Insurance Service Company, a consolidated subsidiary that operates agencies selling insurance products, and equity-method investment profits from GE Nissen Credit Co., Ltd. (hereafter “NGEC”), an equity-method affiliate. Profitability improved at NGEC, despite an increase in amortization of non-performing loans for regular credit, as the Nissen Group strengthened debt recovery, allowing for a decline in non-performing loan reserves, and cut SG&A expenses. Ordinary income in the finance business in the first nine months of the fiscal year totaled 1,511 million yen.

In the direct sales business, the Nissen Group decided, as reported in the press release “Notice Concerning Partial Withdrawal from Subsidiary’s Business” of September 5, 2008, that it would have Nissen Premium Co., Ltd., a consolidated subsidiary, withdraw from event-based marketing operations by the end of December 2008. Net sales, operating income, and ordinary income in the direct sales business in the first nine months of the fiscal year fell below year-ago levels as sales in September, when withdrawal began, fell substantially below plan, and one-time expenses related to the withdrawal emerged. The Nissen Group also booked an extraordinary loss of 2,772 million yen related to the withdrawal from event-based marketing operations.

The Nissen Group booked a 353 million yen valuation loss on long-term forward foreign exchange contracts as the non-operating expense line in the third quarter (July-September) because the yen was stronger against the US dollar at the end of the third quarter than the Nissen Group had initially assumed. This, together with a 1,205 million yen valuation loss on long-term forward foreign exchange contracts booked in the interim period, gives total valuation losses on long-term forward foreign exchange contracts of 1,558 million yen for the first nine months of the fiscal year.

As a result, net sales for the first nine months of current fiscal year increased by 2,944 million yen or 2.7% year-over-year to 113,322 million yen, operating income decreased by 620 million yen or 36.2% to 1,094 million yen, ordinary loss was 578 million yen (ordinary loss of 2,601 million yen one year earlier), and net loss was 5,235 million yen (net loss of 3,369 million yen one year earlier).

The direct marketing business uses long-term forward foreign exchange contracts to hedge against foreign exchange fluctuations when it makes payment on merchandise it imports. It books mark-to-market gains or losses on these contracts as non-operating expense items. However, because these valuation gains/losses do not involve the inflow or outflow of cash from the Nissen Group, ordinary income (hereafter “adjusted ordinary income”), which excludes these valuation gains/losses, is a more effective barometer of the group’s earnings strength. Adjusted ordinary income was 980 million yen, significantly higher than the year-ago figure.

2. Qualitative information regarding consolidated financial position

Total assets at the end of the third quarter increased 115 million yen from the end of the previous fiscal year to 72,487 million yen. The main factors were increases in inventories and cash and deposits, and decrease in accounts receivable-others.

Total liabilities increased 9,017 million yen to 46,202 million yen. The main factors were increases in notes and accounts payable-trade, forward foreign exchange contracts, and provision for loss on business liquidation.

Net assets declined 8,901 million yen to 26,284 million yen due to a decline in retained earnings from net loss and dividend payments, and a decline in deferred hedge gain/loss. The shareholders' equity ratio was 36.2%.

Cash flow position

Cash and cash equivalents at the end of the third quarter increased 1,627 million yen over the end of the previous fiscal year to 8,551 million yen.

Cash flow from operating activities increased 3,476 million yen. The main factors were an increase in inventories of 4,080 million yen, loss before income taxes and minority interests of 3,365 million yen, an increase in provision for loss on business liquidation of 2,433 million yen, a decrease in notes and accounts receivable-trade of 2,200 million yen, and a decrease in notes and accounts payable-trade of 1,796 million yen.

Cash flow from investing activities declined 1,331 million yen. The main factors were purchases of fixed assets of 1,259 million yen, and proceeds from transfer of business of 135 million yen.

Cash flow from financing activities declined 636 million yen. The main factors were an increase in short-term bank loans of 1,700 million yen, repayment of long-term loans from banks of 830 million yen, and dividends paid of 1,490 million yen.

3. Qualitative information regarding consolidated earnings forecast

The Nissen Group expects full-year sales and profits in the direct marketing and finance businesses to be generally in line with its previous forecasts, but it revises its forecasts for the direct sales business due to a decline in net sales and operating income at Nissen Premium Co., Ltd. following withdrawal from event-based marketing operations, and the booking of extraordinary losses related to the withdrawal. Please see "Notice of Revision to Earnings Forecasts, and Booking of an Extraordinary Loss (Japanese version only)" released October 27, 2008 for further details.

Actual results for the full fiscal year could differ materially from the forecasts in these materials due to changes in the environment surrounding Nissen Holdings and all Nissen Group including economic conditions, market trends, foreign exchange rate changes, and other factors.

4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation)

No reportable information.

(2) Application of simplified accounting methods

(Description) Calculation of taxes

Tax expenses of consolidated subsidiaries are calculated based on the estimated effective tax rates (non-consolidated basis) applicable to each of the subsidiaries for the current fiscal year.

(Description) Omission of physical inventory

Physical inventory not conducted.

(3) Changes in accounting method from those used in the most recent consolidated fiscal year

No reportable information.

5. Quarterly Consolidated Financial Statements (Summary)**(1) Quarterly Consolidated Balance Sheets (Summary)***(Millions of yen)*

Item	First nine months of FY2007 (As of Sep. 20, 2007)	First nine months of FY2008 (As of Sep. 20, 2008)	YoY change		FY2007 (As of Dec. 20, 2007)
	Amount	Amount	Amount	%	Amount
Assets					
I Current assets					
1. Cash and deposits	8,949	8,566	(382)		6,939
2. Notes and accounts receivable –trade	9,261	9,761	500		10,955
3. Inventories	18,423	19,902	1,479		15,821
4. Accounts receivable-others	10,224	9,030	(1,194)		13,602
5. Prepaid expenses	6,161	7,462	1,301		5,315
6. Forward foreign exchange contracts	2,289	-	(2,289)		1,137
7. Others	4,447	2,476	(1,970)		2,899
Allowance for doubtful receivables	(247)	(198)	49		(279)
Total current assets	59,509	57,002	(2,506)	(4.2)	56,391
II Fixed assets					
1. Property, plant and equipment					
(1) Buildings and structures	1,257	1,172	(85)		1,254
(2) Tools, furniture and fixtures	876	715	(161)		853
(3) Land	1,768	1,768	-		1,768
(4) Others	786	1,388	602		1,402
Total property, plant and equipment	4,688	5,044	355	7.6	5,279
2. Intangible assets					
(1) Goodwill	356	302	(54)		178
(2) Others	845	1,076	231		732
Total intangible assets	1,201	1,379	177	14.8	910
3. Investments and other assets					
(1) Investments in securities	7,522	7,455	(67)		6,788
(2) Others	3,118	2,181	(937)		3,520
Allowance for doubtful receivables	(499)	(575)	(76)		(519)
Total investments and other assets	10,141	9,060	(1,080)	(10.7)	9,789
Total fixed assets	16,032	15,484	(547)	(3.4)	15,979
Total assets	75,541	72,487	(3,054)	(4.0)	72,371

(Millions of yen)

Item	First nine months of FY2007 (As of Sep. 20, 2007)	First nine months of FY2008 (As of Sep. 20, 2008)	YoY change		FY2007 (As of Dec. 20, 2007)
	Amount	Amount	Amount	%	Amount
Liabilities					
I Current liabilities					
1. Notes and accounts payable-trade	21,636	24,245	2,608		20,402
2. Short-term bank loans	1,736	3,361	1,625		1,661
3. Accounts payable-other	7,813	7,994	180		8,507
4. Income tax payable	13	98	84		-
5. Allowance for sales returns	406	635	228		585
6. Allowance for returned goods damaged	92	127	35		84
7. Reserve for overcharged interest repayment	194	213	18		213
8. Forward foreign exchange contracts	-	1,759	1,759		-
9. Provision for loss on business liquidation	-	2,433	2,433		-
10. Others	4,913	3,454	(1,459)		3,088
Total current liabilities	36,807	44,324	7,516	20.4	34,543
II Long-term liabilities					
1. Long-term bank loans	3,342	1,681	(1,661)		2,512
2. Others	197	196	(0)		128
Total long-term liabilities	3,540	1,878	(1,662)	(46.9)	2,641
Total liabilities	40,348	46,202	5,854	14.5	37,184
Net assets					
I Shareholders' equity					
1. Common stock	11,218	11,218	-		11,218
2. Capital surplus	11,240	11,240	-		11,240
3. Retained earnings	16,286	9,635	(6,650)		16,510
4. Treasury stock	(3,282)	(3,297)	(15)		(3,282)
Total shareholders' equity	35,462	28,796	(6,665)	(18.8)	35,686
II Valuation and translation adjustments					
1. Net unrealized holding gain (loss) on securities	191	105	(85)		226
2. Deferred hedge gain (loss)	(496)	(2,627)	(2,130)		(748)
3. Translation adjustments	16	(9)	(26)		4
Total valuation and translation adjustments	(288)	(2,530)	(2,242)	777.0	(517)
III Minority interests					
	19	18	(0)	(2.5)	16
Total net assets	35,193	26,284	(8,908)	(25.3)	35,186
Total liabilities and net assets	75,541	72,487	(3,054)	(4.0)	72,371

(2) Quarterly Consolidated Statements of Income (Summary)*(Millions of yen)*

Item	First nine months of FY2007 (Dec. 21, 2006 – Sep. 20, 2007)	First nine months of FY2008 (Dec. 21, 2007 – Sep. 20, 2008)	YoY change		FY2007 (Dec. 21, 2006 – Dec. 20, 2007)
	Amount	Amount	Amount	%	Amount
I Net sales	110,377	113,322	2,944	2.7	152,997
II Cost of sales	49,034	52,113	3,079	6.3	69,597
Gross profit	61,343	61,208	(134)		83,399
Provision of allowance for sales returns	406	935	528		585
Reversal of allowance for sales returns	(556)	(906)	(349)		(556)
Gross profit -net	61,493	61,179	(313)	(0.5)	83,370
III Selling, general and administrative expenses	59,778	60,085	306	0.5	78,861
Operating income	1,715	1,094	(620)	(36.2)	4,508
IV Non-operating income	466	1,756	1,290	276.4	598
1. Commission income	132	163	30		209
2. Equity in earnings of affiliates	-	1,333	1,333		-
3. Miscellaneous income	333	260	(73)		389
V Non-operating expenses	4,783	3,429	(1,353)	(28.3)	7,130
1. Loss on write-down of merchandise	2,098	1,532	(566)		2,981
2. Loss on valuation of forward foreign exchange contracts	726	1,558	832		1,424
3. Equity in losses of affiliates	1,694	-	(1,694)		2,365
4. Miscellaneous losses	264	338	74		358
Ordinary loss	2,601	578	2,022	-	2,022
VI Extraordinary income	54	42	(12)	(22.8)	390
VII Extraordinary loss	1,870	2,829	958	51.3	1,762
Loss before income taxes and minority interests	4,416	3,365	1,051	-	3,395
Income taxes	(1,027)	1,867	2,895	-	(228)
Minority interest in income (loss) of consolidated subsidiaries	(20)	2	22	-	(22)
Net loss	3,369	5,235	(1,866)	-	3,144

(3) Quarterly Consolidated Statement of Changes in Shareholders' Equity (Summary)

First nine months of FY2007 (Dec. 21, 2006 – Sep. 20, 2007)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of Dec. 20, 2006	7,665	7,687	20,784	(3,290)	32,846
Changes in the period					
New share issue	3,552	3,552	-	-	7,105
Dividend of surplus	-	-	(1,125)	-	(1,125)
Net loss	-	-	(3,369)	-	(3,369)
Purchases of treasury stock	-	-	-	(0)	(0)
Disposal of treasury stock	-	-	(4)	9	5
Changes (net) in items other than shareholders' equity	-	-	-	-	-
Total changes in the period	3,552	3,552	(4,498)	8	2,615
Balance as of Sep. 20, 2007	11,218	11,240	16,286	(3,282)	35,462

(Millions of yen)

	Valuation and translation adjustments				Minority interests	Total net assets
	Net unrealized holding gain (loss) on securities	Deferred hedge gain (loss)	Translation adjustments	Total valuation and translation adjustments		
Balance as of Dec. 20, 2006	448	507	(1)	954	47	33,847
Changes in the period						
New share issue	-	-	-	-	-	7,105
Dividend of surplus	-	-	-	-	-	(1,125)
Net loss	-	-	-	-	-	(3,369)
Purchases of treasury stock	-	-	-	-	-	(0)
Disposal of treasury stock	-	-	-	-	-	5
Changes (net) in items other than shareholders' equity	(256)	(1,003)	18	(1,242)	(27)	(1,270)
Total changes in the period	(256)	(1,003)	18	(1,242)	(27)	1,345
Balance as of Sep. 20, 2007	191	(496)	16	(288)	19	35,193

First nine months of FY2008 (Dec. 21, 2007 – Sep. 20, 2008)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of Dec. 20, 2007	11,218	11,240	16,510	(3,282)	35,686
Changes in the period					
Dividend of surplus	-	-	(1,490)	-	(1,490)
Net loss	-	-	(5,235)	-	(5,235)
Purchases of treasury stock	-	-	-	(14)	(14)
Disposal of treasury stock	-	-	(0)	0	0
Decrease in retained earnings due to an increase in the number of consolidated subsidiaries	-	-	(148)	-	(148)
Changes (net) in items other than shareholders' equity	-	-	-	-	-
Total changes in the period	-	-	(6,874)	(14)	(6,889)
Balance as of Sep. 20, 2008	11,218	11,240	9,635	(3,297)	28,796

(Millions of yen)

	Valuation and translation adjustments				Minority interests	Total net assets
	Net unrealized holding gain (loss) on securities	Deferred hedge gain (loss)	Translation adjustments	Total valuation and translation adjustments		
Balance as of Dec. 20, 2007	226	(748)	4	(517)	16	35,186
Changes in the period						
Dividend of surplus	-	-	-	-	-	(1,490)
Net loss	-	-	-	-	-	(5,235)
Purchases of treasury stock	-	-	-	-	-	(14)
Disposal of treasury stock	-	-	-	-	-	0
Decrease in retained earnings due to an increase in the number of consolidated subsidiaries	-	-	-	-	-	(148)
Changes (net) in items other than shareholders' equity	(121)	(1,879)	(13)	(2,013)	2	(2,011)
Total changes in the period	(121)	(1,879)	(13)	(2,013)	2	(8,901)
Balance as of Sep. 20, 2008	105	(2,627)	(9)	(2,530)	18	26,284

FY2007 (Dec. 21, 2006 – Dec. 20, 2007)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of Dec. 20, 2006	7,665	7,687	20,784	(3,290)	32,846
Changes in the fiscal year					
New share issue	3,552	3,552	-	-	7,105
Dividend of surplus	-	-	(1,125)	-	(1,125)
Net loss	-	-	(3,144)	-	(3,144)
Purchases of treasury stock	-	-	-	(1)	(1)
Disposal of treasury stock	-	-	(4)	9	5
Changes (net) in items other than shareholders' equity	-	-	-	-	-
Total changes in the fiscal year	3,552	3,552	(4,274)	8	2,840
Balance as of Dec. 20, 2007	11,218	11,240	16,510	(3,282)	35,686

(Millions of yen)

	Valuation and translation adjustments				Minority interests	Total net assets
	Net unrealized holding gain (loss) on securities	Deferred hedge gain (loss)	Translation adjustments	Total valuation and translation adjustments		
Balance as of Dec. 20, 2006	448	507	(1)	954	47	33,847
Changes in the fiscal year						
New share issue	-	-	-	-	-	7,105
Dividend of surplus	-	-	-	-	-	(1,125)
Net loss	-	-	-	-	-	(3,144)
Purchases of treasury stock	-	-	-	-	-	(1)
Disposal of treasury stock	-	-	-	-	-	5
Changes (net) in items other than shareholders' equity	(221)	(1,255)	5	(1,471)	(30)	(1,501)
Total changes in the fiscal year	(221)	(1,255)	5	(1,471)	(30)	1,338
Balance as of Dec. 20, 2007	226	(748)	4	(517)	16	35,186

(4) Quarterly Consolidated Statements of Cash Flows (Summary)*(Millions of yen)*

Item	First nine months of FY2007 (Dec. 21, 2006 – Sep. 20, 2007)	First nine months of FY2008 (Dec. 21, 2007 – Sep. 20, 2008)	FY2007 (Dec. 21, 2006 – Dec. 20, 2007)
	Amount	Amount	Amount
I Operating activities			
Loss before income taxes and minority interests	(4,416)	(3,365)	(3,395)
Depreciation and amortization	572	438	552
Amortization of goodwill	8	37	37
Increase (decrease) in allowance for sales returns	(150)	28	29
Increase (decrease) in allowance for returned goods damaged	(29)	43	(37)
Decrease in reserve for overcharged interest repayment	(87)	-	(69)
Increase in provision for loss on business liquidation	-	2,433	-
Interest and dividend income	(79)	(25)	(88)
Interest expense	50	33	55
Loss on valuation of forward foreign exchange contracts	726	1,558	1,424
Equity in earnings of affiliates	-	(1,333)	-
Equity in losses of affiliates	1,694	-	2,365
Loss (gain) on sales or disposal of fixed assets	159	20	307
Loss on write-down of investments in securities	200	36	79
Gain on transfer of business	-	(40)	-
Loss on business restructuring	1,509	-	1,205
Decrease (increase) in notes and accounts receivable	1,941	2,200	(281)
Increase in inventories	(2,794)	(4,080)	(170)
Increase (decrease) in notes and accounts payable	(647)	1,796	(2,365)
Others, net	(81)	3,588	(2,415)
Subtotal	(1,422)	3,371	(2,764)
Interests and dividends received	77	22	86
Interests paid	(35)	(28)	(52)
Income taxes refund	-	176	-
Income taxes paid	(2,060)	(66)	(2,062)
Net cash provided by (used in) operating activities	(3,441)	3,476	(4,792)
II Investing activities			
Purchases of fixed assets	(1,545)	(1,259)	(1,629)
Purchases of investments in securities	(1,515)	(40)	(1,301)
Proceeds from sales of investments in securities	502	35	649
Purchases of subsidiary stock	(200)	(52)	(200)
Proceeds from collections of loans receivable	27	0	19
Proceeds from transfer of business	-	135	-
Acquisition of business	(2,473)	-	(2,473)
Others, net	(217)	(150)	(229)
Net cash used in investing activities	(5,423)	(1,331)	(5,165)

(Millions of yen)

Item	First nine months of FY2007 (Dec. 21, 2006 – Sep. 20, 2007)	First nine months of FY2008 (Dec. 21, 2007 – Sep. 20, 2008)	FY2007 (Dec. 21, 2006 – Dec. 20, 2007)
	Amount	Amount	Amount
III Financing activities			
Increase (decrease) in short-term bank loans	-	1,700	-
Repayment of long-term bank loans	(225)	(830)	(1,131)
Redemption of corporate bonds	(500)	-	(500)
Proceeds from issuance of new shares	7,105	-	7,105
Purchases of treasury stock	(0)	(14)	(1)
Proceeds from sales of treasury stock	5	0	5
Dividends paid	(1,125)	(1,490)	(1,125)
Others, net	20	-	20
Net cash provided by (used in) financing activities	5,279	(636)	4,373
IV Effect of exchange rate changes on cash and cash equivalents	(10)	(27)	(28)
V Increase (decrease) in cash and cash equivalents	(3,597)	1,481	(5,612)
VI Cash and cash equivalents at beginning of period	12,592	6,924	12,592
VII Increase in cash and cash equivalents resulting from inclusion of consolidated subsidiaries	-	146	-
VIII Decrease in cash and cash equivalents due to decrease in consolidated subsidiaries	(55)	-	(55)
IX Cash and cash equivalents at end of period	8,939	8,551	6,924

(5) Segment Information**Business segment information**

First nine months of FY2007 (Dec. 21, 2006 – Sep. 20, 2007)

(Millions of yen)

	Direct marketing business	Direct sales business	Total	Eliminations and corporate	Consolidated
Net sales	93,379	16,998	110,377	-	110,377
Operating expenses	88,436	17,934	106,371	2,291	108,662
Operating income (loss)	4,943	(936)	4,006	(2,291)	1,715
Ordinary income (loss)	867	(1,096)	(228)	(2,372)	(2,601)

First nine months of FY2008 (Dec. 21, 2007 – Sep. 20, 2008)

(Millions of yen)

	Direct marketing business	Finance business	Direct sales business	Total	Eliminations and corporate	Consolidated
Net sales	98,647	643	14,031	113,322	-	113,322
Operating expenses	94,949	426	15,116	110,492	1,734	112,227
Operating income (loss)	3,697	217	(1,085)	2,829	(1,734)	1,094
Ordinary income (loss)	885	1,511	(1,247)	1,149	(1,727)	(578)

Notes: Change in business segment classification

- (1) The Nissen Group had previously divided its operations between direct marketing and direct sales businesses, but has introduced a third business segment, the finance business, from the current fiscal year. This addition is in response to amendments to the Money-Lending Business Control and Regulation Law (promulgated December 20, 2006, Law No. 115) and represents the Nissen Group's decision, after a review of its operations, to firm up the earnings base for GE Nissen Credit Co., Ltd. by consolidating finance-related operations into a separate business unit. As a result of the reclassification, net sales and operating income of 93 million yen each and ordinary income of 1,387 million yen previously allocated to the direct marketing business is recorded as earnings for the finance business.
- (2) Performance of the newly consolidated subsidiary n Insurance Service Company is included in the finance business from the current fiscal year.
- (3) Figures for first nine months of FY2007 and FY2007 have been recalculated according to new business segment categories from the current fiscal year.

First nine months of FY2007 (Dec. 21, 2006 – Sep. 20, 2007)

(Millions of yen)

	Direct marketing business	Finance business	Direct sales business	Total	Eliminations and corporate	Consolidated
Net sales	93,241	137	16,998	110,377	-	110,377
Operating expenses	88,394	41	17,934	106,371	2,291	108,662
Operating income (loss)	4,846	96	(936)	4,006	(2,291)	1,715
Ordinary income (loss)	2,394	(1,527)	(1,096)	(228)	(2,372)	(2,601)

FY2007 (Dec. 21, 2006 – Dec. 20, 2007)

(Millions of yen)

	Direct marketing business	Finance business	Direct sales business	Total	Eliminations and corporate	Consolidated
Net sales	130,304	178	22,515	152,997	-	152,997
Operating expenses	122,079	50	23,527	145,657	2,831	148,488
Operating income (loss)	8,224	128	(1,012)	7,340	(2,831)	4,508
Ordinary income (loss)	4,279	(2,097)	(1,296)	886	(2,909)	(2,022)

FY2007 (Dec. 21, 2006 – Dec. 20, 2007)

(Millions of yen)

	Direct marketing business	Direct sales business	Total	Eliminations and corporate	Consolidated
Net sales	130,482	22,515	152,997	-	152,997
Operating expenses	122,129	23,527	145,657	2,831	148,488
Operating income (loss)	8,353	(1,012)	7,340	(2,831)	4,508
Ordinary income (loss)	2,182	(1,296)	886	(2,909)	(2,022)

Geographical segment information

First nine months of FY2007 (Dec. 21, 2006 – Sep. 20, 2007), First nine months of FY2008 (Dec. 21, 2007 – Sep. 20, 2008),
FY2007 (Dec. 21, 2006 – Dec. 20, 2007)

No information on geographic segments is presented since domestic sales exceeded 90% of consolidated net sales.

Overseas sales

First nine months of FY2007 (Dec. 21, 2006 – Sep. 20, 2007), First nine months of FY2008 (Dec. 21, 2007 – Sep. 20, 2008),
FY2007 (Dec. 21, 2006 – Dec. 20, 2007)

No information on overseas sales is presented since overseas sales accounted for less than 10% of consolidated net sales.

** This is a translation of Japanese Kessan Tanshin (including attachments), a summary of financial statements prepared in accordance with accounting principles generally accepted in Japan. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the report for complete information.*