



©2007 NHK Spring Co.,Ltd. All rights reserved.

1

Midterm Business Plan (Fiscal Years 2008 through 2010)

President and CEO Takehiko Amaki

Contents

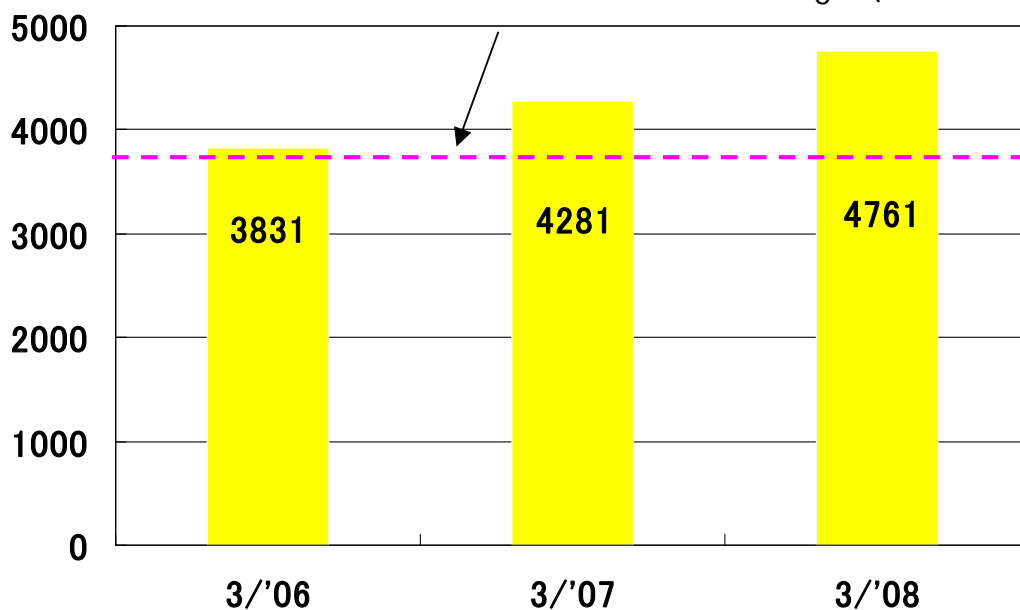
1. 07 Midterm Plan Progress	4 - 5
2. 10 Midterm Plan External Environment	6
3. 10 Midterm Plan Slogan	7
4. Basic Directives of the 10 Midterm Plan	8
5. Key Policies for Each Business Division in the 10 Midterm Plan	9
6. 10 Midterm Plan Targets	10

1. 07 Midterm Plan Progress – Sales

■ Sales trend

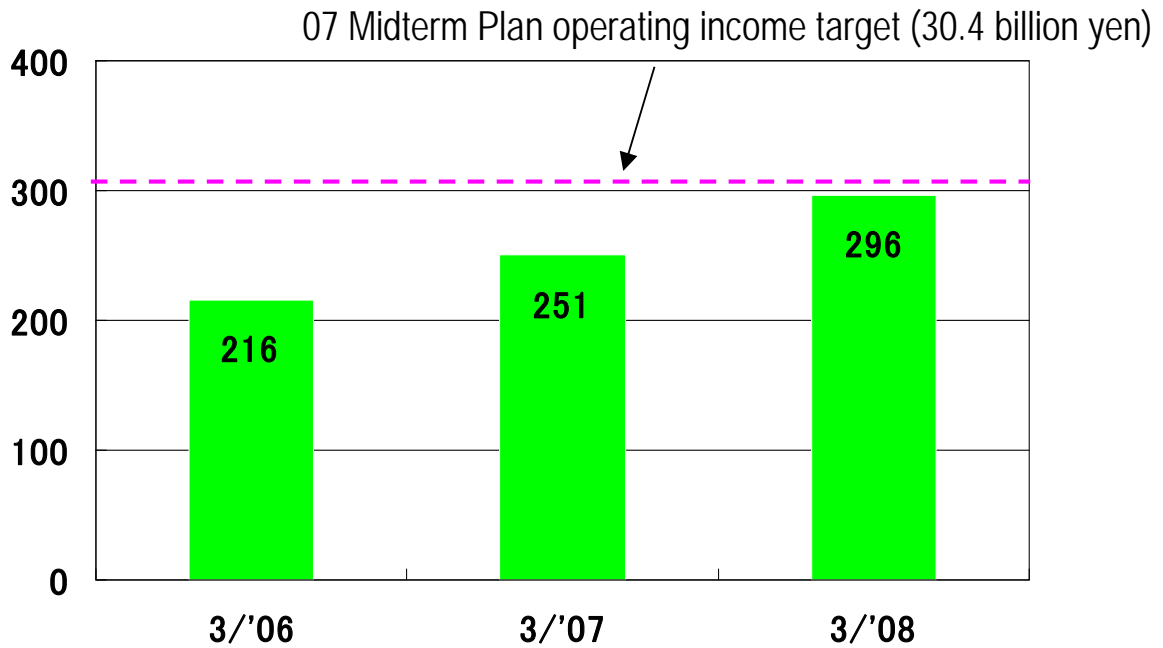
(Unit: 100 million yen)

07 Midterm Plan sales target (380 billion yen)



■ Operating income trend

(Unit: 100 million yen)



©2007 NHK Spring Co., Ltd. All rights reserved.

① Global Economy

- The world economy will continue to grow in the future.
- Soaring crude oil and raw material costs could be a growth inhibitor.

② Auto Industry

- The U.S. market will slow while still maintaining a high level.
- Emerging markets will expand, centered around BRIC economies.
- Production in Japan will continue to exceed 11 million vehicles.
- Environmental and safety measures will be more important.

③ Information Technology Industry

- High growth will continue accompanied by technological innovations.
- Japanese companies will continue to dominate the electronic components field.
- Short-term fluctuation in demand may be experienced.

©2007 NHK Spring Co., Ltd. All rights reserved.

Realizing new visions and possibilities

- ① Create a vision of the future
(improve our reason for existence from the viewpoint of the market and the customer)
- ② Reassess the present situation, and understand the gap between the present situation and the vision of the future.
- ③ Study actions to fill the gap.
- ④ Establish a system to promote Action Plans.

1. Automotive Suspension Spring Division

Live up to our reputation as the Number 1 suspension springs business in the world.

2. Automotive Seat Division

Establish product development and manufacturing capabilities surpassing major manufacturers who specialize in seats.

3. Precision Spring and Components Divisions

Be at the top of each field worldwide by further improving technology development capabilities.

4. Industrial Machinery and Equipment, Other Divisions

Generate high revenues by achieving overwhelming competitiveness in niche segments.

10 Midterm Plan Targets

	2007 Forecast	2010 Target
Net Sales	¥476.1 billion	¥620 billion
Operating Income	¥29.6 billion	¥47 billion
Operating Margin	6.2%	7.6%

Key Policies and Targets for Each Business Division in the 10 Midterm Plan

Executive Corporate Officer Kunio Nagasawa

Contents

- | | |
|--|----------------|
| 1. Key Policies for Each Business Division
in the 10 Midterm Plan | 13 - 17 |
| 2. Detailed Targets of the 10 Midterm Plan | 18 - 19 |
| 3. Targets for the Period Ending March, 2011 | 20 |

1. Automotive Suspension Spring Division

Live up to our reputation as the Number 1 suspension springs business in the world.

- **Establishment of a global structure**
- **Highest quality in the world**
- **Cost competitiveness**

2. Automotive Seat Division

Establish product development and manufacturing capabilities surpassing major manufacturers who specialize in seats.

- **Further acceleration of improvements in technology development capabilities**
- **Strengthening of global strategy**
- **Expansion of complete seats and safety components businesses**

3. Precision Spring and Components Divisions ①

Be at the top of each field worldwide by further improving technology development capabilities.

- **HDD suspension business**
 - Expand sales, aiming for a 50% worldwide market share in 2010.
- **Electromechanical parts for HDD business**
 - Establish a tripolar structure – Japan, China, and Thailand.
- **Helical compression springs business**
 - Expand China and North American business and increase sales to Europe.

3. Precision Spring and Components Divisions ②

Be at the top of each field worldwide by further improving technology development capabilities.

- **Microcontactor business**
 - Increase profit-earning capacity through expanded sales in the semiconductor industry.
- **Brazed and ceramic products business**
 - Increase sales to European and American semiconductor manufacturers by focusing efforts on technology development capabilities.
- **Printed wiring board business**
 - Expand business by focusing efforts on aluminum substrates.
- **Security technologies business**
 - Expand anti-counterfeiting and security-related business.

4. Industrial Machinery and Equipment, Other Divisions

Generate high revenues by achieving overwhelming competitiveness in niche segments.

- Pipe Support Systems Business
- Chemical Products Business
- Multi-level Parking Systems Business
- Golf Shafts Business
- Industrial Spring Mechanical Parts Business

©2007 NHK Spring Co., Ltd. All rights reserved.

17

(1) Segment targets by business division (Unit: 100 million yen)

Business Division	Item	2006 Actual	2007 Forecast	2010 Target
Automotive Suspension Spring Division	Net Sales	1,045	1,077	1,289
	Operating Income	12	36	85
	Operating Margin	1.2%	3.4%	6.6%
Automotive Seat Division	Net Sales	1,446	1,649	2,078
	Operating Income	61	63	102
	Operating Margin	4.2%	3.8%	4.9%
Precision Spring Components Divisions	Net Sales	1,376	1,551	2,088
	Operating Income	143	162	236
	Operating Margin	10.4%	10.4%	11.3%
Industrial Machinery and Equipment, Other Divisions	Net Sales	414	484	745
	Operating Income	35	34	47
	Operating Margin	8.4%	7.1%	6.3%
Total	Net Sales	4,281	4,761	6,200
	Operating Income	251	296	470
	Operating Margin	5.9%	6.2%	7.6%

©2007 NHK Spring Co., Ltd. All rights reserved.

18

(2) Segment targets by location

(Unit: 100 million yen)

Location	Item	2006 Actual	2007 Forecast	2010 Target
Japan	Net Sales	3,136	3,343	4,244
	Operating Income	212	205	273
	Operating Margin	6.7%	6.1%	6.4%
N. America	Net Sales	424	466	617
	Operating Income	-22	-4	28
	Operating Margin	-5.1%	-0.9%	4.5%
Asia	Net Sales	721	953	1,339
	Operating Income	61	96	169
	Operating Margin	8.5%	10.0%	12.6%
Total	Net Sales	4,281	4,761	6,200
	Operating Income	251	296	470
	Operating Margin	5.9%	6.2%	7.6%

©2007 NHK Spring Co., Ltd. All rights reserved.

19

(Unit: 100 million yen)

3/2008 Forecast

3/2011 Target

Net Sales	4,761	Net Sales	6,200
Operating Income	296	Operating Income	470
Operating Margin	6.2%	Operating Margin	7.6%
Ordinary Income	315	Ordinary Income	500
Net Income	202	Net Income	300

©2007 NHK Spring Co., Ltd. All rights reserved.

20