

NI TEISHO Mid-Term Management Plan 2008

~A Strategic Enterprise Group Realizing Sustainable Growth in Corporate Value~

Build a high profit constitution

Coordinate
Compound
Convert

With "3C"

Corporate Philosophy

NI TEISHO is a group of professionals that cultivates limited resources to add further values by making full use of its people, technology and functions. As a trading company of the future that takes a passionate interest in researching the latest textile culture, thereby creating a truly rich living environment, NI TEISHO is committed to contributing to the international community.

Action Guidelines

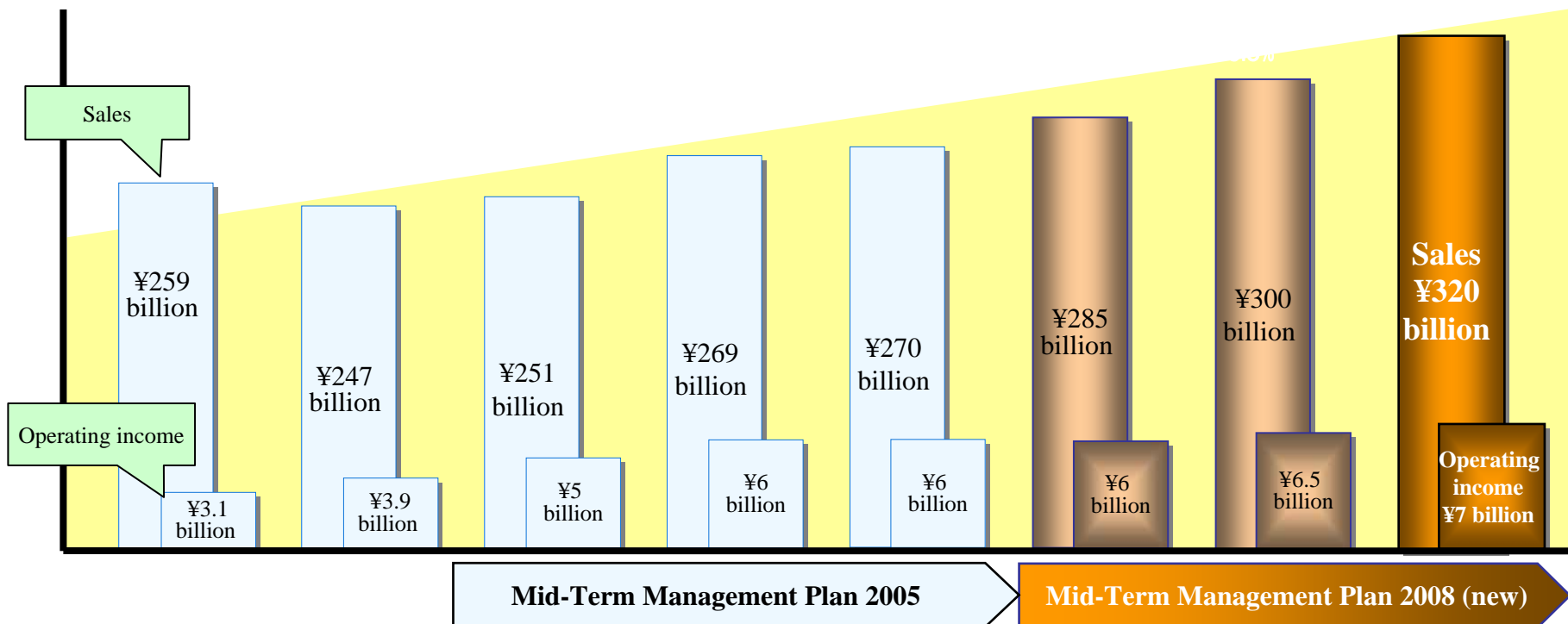
- CHANGE:** Sense any change acutely and respond to it speedily.
- CHALLENGE:** Take a challenge to implement possibilities or face limitations by eyeing tomorrow as well as the more distant future.
- CREATE:** Cherish flexible ideas and create new values.
- HARMONY:** Respect each other's differences and nurture new spirits.

February 8, 2006



N.I. TEIJIN SHOJI CO.,LTD.

Pursuit of “Orderly Expansion and Growth”

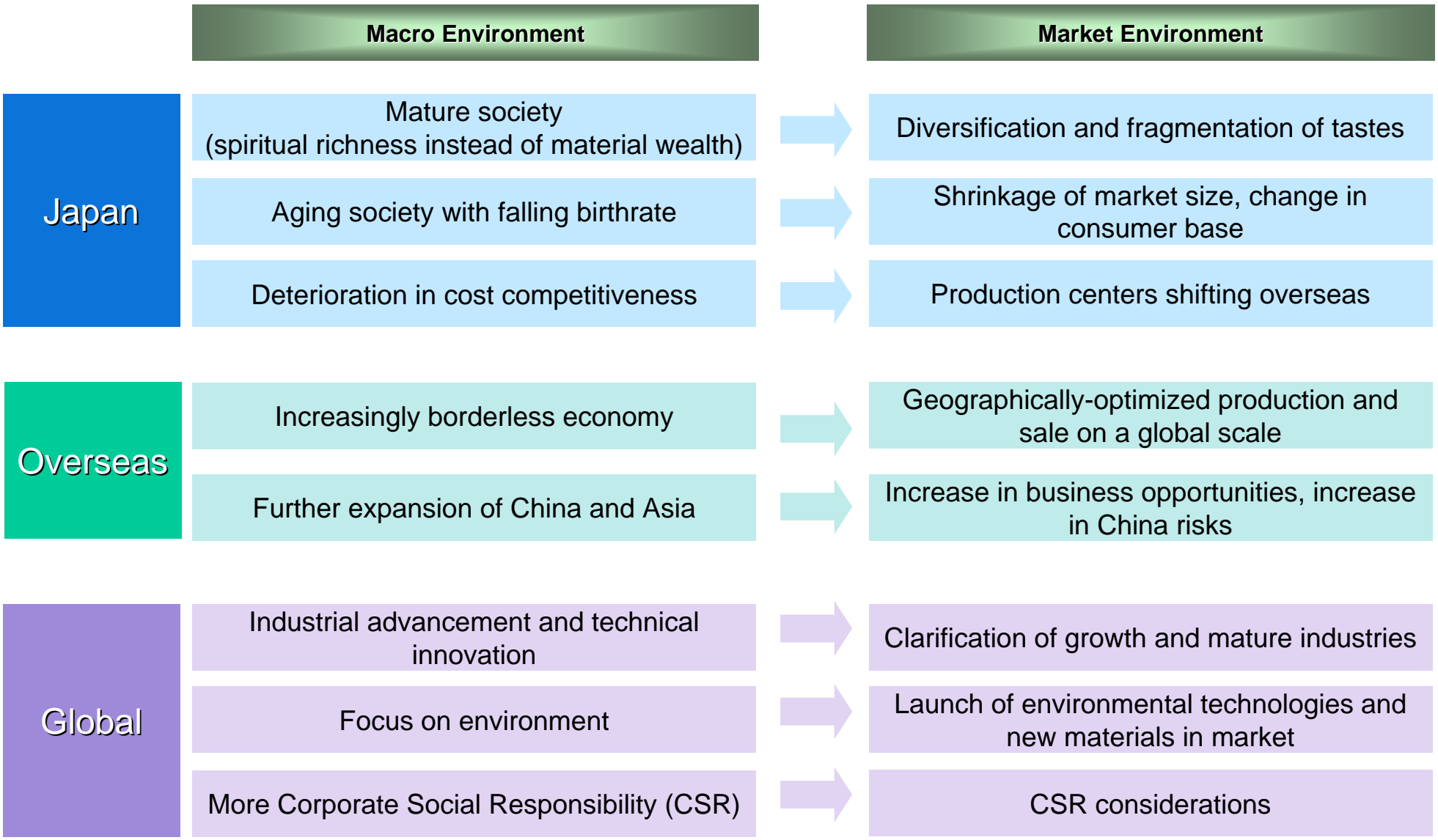


	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
Sales	2,598	2,473	2,513	2,695	2,700	2,850	3,000	3,200
Operating income	31	39	50	60	60	60	65	70
Total Assets	945	944	890	905	903	986	1,050	1,080
Operating income ROA	3.3%	4.2%	5.7%	6.7%	6.5%	6.1%	6.2%	6.5%
ROE	17.1%	23.8%	15.9%	19.9%	15.8%	15.8%	16.1%	15.5%

(First Year of Merger)

(Forecast)

Awareness of Environment



Mid-term Management Vision

Realize sustainable growth in corporate value by meeting the diversifying needs of markets and customers and adapting to globalization.

Basic Mid-term Policies

Focus on CSR

Orderly growth

- Profitable growth
- Provide valuable trading-company functions to customers to increase sales and profit.

Enhancement of management foundations

- Enhance 3C functions (Coordinate, Compound & Convert).
- Human resources development
- Enhance management infrastructure (strictly enforce and spread systems and rules).

Enhancement of risk management

- Acknowledge and minimize operational risks, credit risks and business risks.

Creation of a new corporate culture

- Create a corporate culture based on 3C1H (Change, Challenge, Create & Harmony).
- Actively promote empowerment of female employees as sales force.

Plan Formulation Concept

Review the “true value” and “core competencies” of each organization and invest in “functions” and “human resources” based on them, to acquire and enhance functions and skills demanded by customers and realize “orderly growth” towards 2010, the tenth anniversary of the merger.

Review Core Competencies

Evaluate core competencies Evaluate functions and skills

Enhance and Improve Functions and Skills

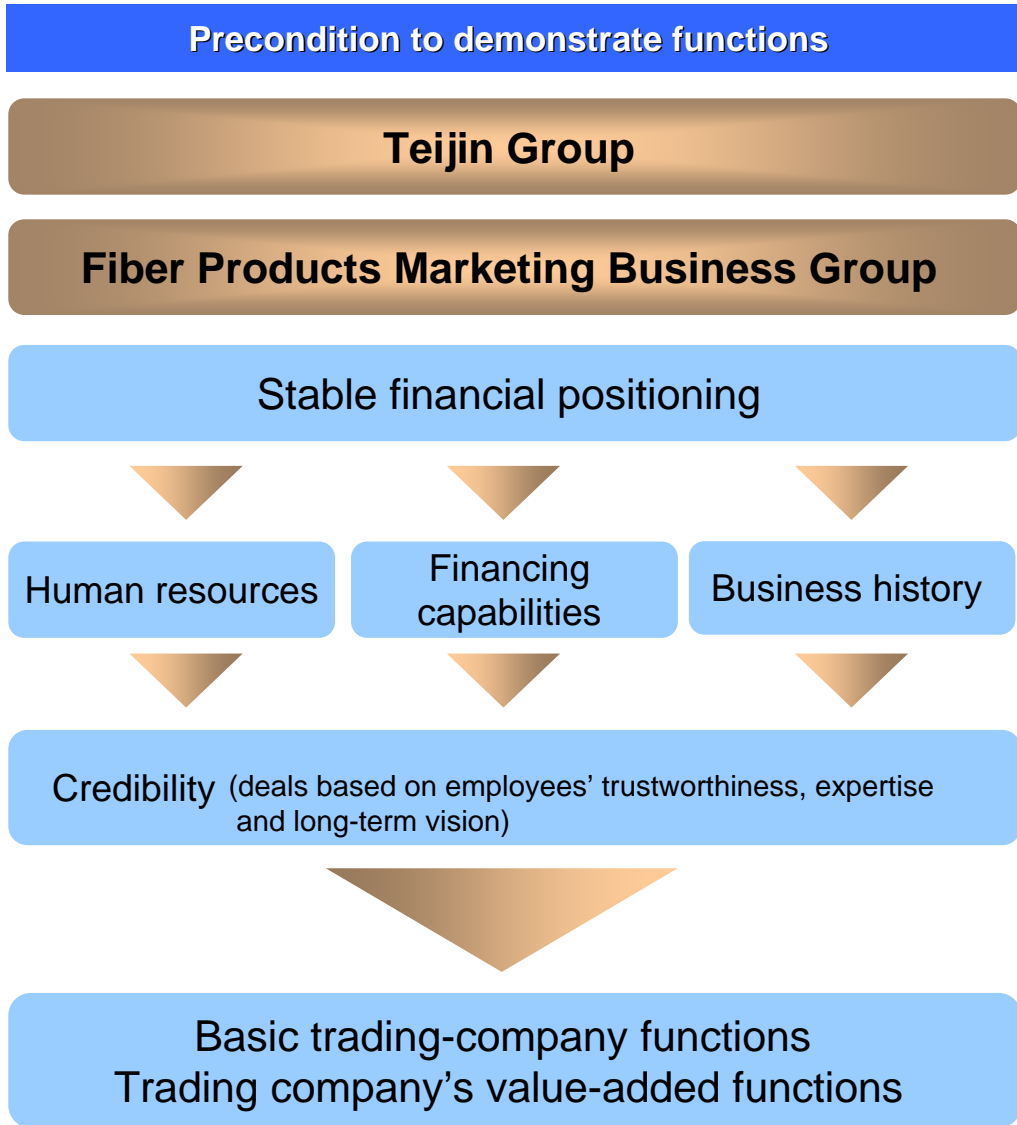
Formulate plan to enhance and improve functions and skills

Orderly Growth

Create a growth scenario that clearly defines the functions to be demonstrated and the background (market, customers, earnings).

Core Competencies of NI TEISHO

Core competencies that give the N.I. Teijin Group a competitive edge stems from the credibility and ability to meet customer needs on the back of the Teijin Group. Given the basic trading-company functions (distribution, credit and information) and value-added functions (3C functions) based on them, NI TEISHO realizes sustainable growth by acquiring and evolving more functions demanded by customers.



What are value-added functions of a trading company?

Maintain and enhance the highly-profitable business structure through the advancement of converter functions in response to changes in the global market and in accordance with the industrial structure.



Medium/Long-term Strategies (General)

1. Continue to Execute a “Selectivity and Concentration ” Business Policy and Improve Asset Use Efficiency

Concentrate on efficient deals and withdraw from unprofitable deals.

Facilitate liquidation of credit to trim down total assets and reduce liabilities with interest.



2. Expand and Enhance Overseas Business Bases

Rebuild textile business.

Enhance sales business in China.

Expand industrial textiles & material business.



3. Enhance Human Resources

Improve the education system.

Boost recruitment of career persons (who can immediately contribute).

Empower female employees.



1. Expansion of Sales in Domestic Market

Enhance domestic and overseas production foundations.
Enhance planning and proposal-making abilities Actively utilize outside expert functions.
Develop QR framework.
Build supply-chain management (planning, production and distribution, IT utilization).



2. Expansion of Business Activities for Global Textiles

Develop textile sales organization and management framework.
Enhance coordination between overseas business bases (optimal choice of materials, geographically-optimized production and sales).
Coordination with Teijin Group's textile team



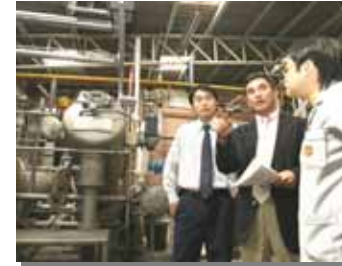
3. Pursuit of New Markets and New Business

Enhance retail-sales strategies.
Developing market in Brazil, Russia, India and China (BRICs).



1. Overseas Operations for Automotive Components

Develop production infrastructure in Thailand, China, etc. (upholstery, rubber materials).



2. Sales Promotion of Highly-functional Materials

Enhance technological capabilities and develop applications.
Enhance coordination with materials producers.



3. Expansion of Business in Growth Industries and Fields

Enhance human resources and expand new business in information electronics fields.
Enhance ability to gather information and respond quickly.



4. Re-enhancement of Foundations in Mature Fields in Japan

Increase market share in sailcloth field and maintain share in tent market.
Expand new business and new markets (AEROSHELTER, etc.)





Scenario for Growth

Three-year plan to increase sales to ¥50 billion ultimately by fiscal 2008

