



Consolidated Financial Results
For the 3rd Quarter of the Fiscal Year Ending March 31, 2011
<Japanese GAAP>

February 4, 2011

Company Name: **Nittobo** (Registered as **NITTO BOSEKI CO., LTD.**)
 Stock Code: 3110
 Stock Exchange Listing: Tokyo Stock Exchange, Osaka Securities Exchange
 URL: <http://www.nittobo.co.jp/>
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 Scheduled date of filing quarterly securities report: February 10, 2011
 Supplementary information for quarterly financial results: Not available
 Organization of quarterly financial results briefing: None
 Scheduled date of commencement of dividend payment: -

(Yen in millions, rounded down)

1. Consolidated financial results for the 3rd quarter of the fiscal year ending March 31, 2011 (April 1, 2010 to December 31, 2010)

(1) Consolidated results of operations (Cumulative)

(Percentage figures represent the change from the same period in the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Q3 of FY ending March 31, 2011	63,344	(3.1)	4,724	-	4,280	-	2,046	-
Q3 of FY ended March 31, 2010	65,353	(28.5)	313	(91.1)	(194)	-	(1,009)	-

	Net income per share	Diluted net income per share
	Yen	Yen
Q3 of FY ending March 31, 2011	10.26	-
Q3 of FY ended March 31, 2010	(4.73)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2010	129,714	55,178	41.4	269.37
As of March 31, 2010	129,067	54,567	41.2	266.32

(Reference) Equity

Nine months ended December 31, 2010..... ¥53,710 million

Fiscal year ended March 31, 2010..... ¥53,131 million

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2010	-	0.00	-	4.00	4.00
Fiscal year ending March 31, 2011	-	0.00	-	-	-
Fiscal year ending March 31, 2011 (Forecast)	-	-	-	-	-

Note: Revision of the forecasted dividend during the period: None

The forecasted dividend for the fiscal year ending March 31, 2011 is undecided.

3. Consolidated forecast for the fiscal year ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(Percentage figures represent year on 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	87,500	0.5	6,100	181.4	5,600	293.5	3,400	152.4	17.05

Note: Revision of the consolidated forecast during the period: Yes

4. Others (for details, see “2. Other information” under “Supplementary Materials” on page 3.)

- (1) Changes in significant subsidiaries during the period: None

New: None

Excluded: None

Note: This shows whether changes have taken place in specific subsidiaries accompanied by changes in the scope of consolidation.

- (2) Application of simplified accounting method and application of special accounting method: Yes

Note: This shows whether a simplified accounting method and/or a special accounting method has been applied for the preparation of the quarterly consolidated financial statements.

- (3) Changes in accounting principles, procedures, and the method of presentation:

(a) Changes due to revision of accounting standards: Yes

(b) Changes other than (a): No

Note: This shows whether changes have been made in accounting principles, procedures, and the method of presentation in the preparation of the quarterly consolidated financial statements, presented in the section on Changes in significant accounting policies in the preparation of the quarterly consolidated financial statements.

- (4) Number of shares outstanding (common stock)

- (a) Number of shares outstanding at end of period (including treasury stock)

As of December 31, 2010	247,677,560 shares	As of March 31, 2010	247,677,560 shares
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- (b) Number of treasury stock at end of period

As of December 31, 2010	48,283,985 shares	As of March 31, 2010	48,178,460 shares
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- (c) Average number of shares outstanding (Cumulative)

As of December 31, 2010	199,444,218 shares	As of December 31, 2009	213,516,667 shares
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*Presentation of present status of quarterly review procedures

These “Consolidated Financial Results” are not subject to quarterly review procedures pursuant to the Financial Instruments and Exchange Act and, as of the date of publication of these financial results, the quarterly review procedures of the quarterly financial statements were in progress.

*Explanation on the appropriate use of performance forecasts and other special notes

- The forecasts presented above are estimates based on information available to management at the time this report was prepared. Actual results may differ from these forecasts due to changes in business conditions and other factors. For matters related to the forecasts, please see “1. (3) Qualitative information on consolidated forecast” on page 2 of “Supplementary Materials” of the Consolidated Financial Results.
- Forecasts for dividends for the fiscal year ending March 31, 2011 shall be announced, upon consideration of performance trends and other factors, as soon as they are available.

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1. Qualitative information on consolidated quarterly results, etc.

(1) Qualitative information on consolidated operation results

During the nine months ended December 31, 2010 (April 1, 2010 to December 31, 2010), the Japanese economy continued to show signs of recovery, due to the effects of policies, increases in exports and other factors. However, the economy was also affected by such factors as the appreciation of the yen after summer and the following diminished effects of policies.

In the Textiles Division, the Nittobo Group made efforts to develop new products and expand sales of high value-added products while apparel consumption remained sluggish due to the impact of weak personal consumption.

The Glass Fiber Division continued to recover and performed solidly, led mainly by glass fiber for use in electronic materials and in reinforced plastics, in spite of the moves among some to adjust inventories.

In the Environmental Business Division, the insulation field performed solidly owing to growing demand for energy saving and environment-related products, while the engineering and construction field suffered from the effects mainly from the delay in the recovery of domestic capital investment.

In the Medical & Beverages Division, the Nittobo Group promoted the reinforcement of its sales force and improvement of added value in the field of reagent for in vitro diagnostics, while tapping new customers and expanding sales of new products in the beverages field.

In Other Operations, efforts were made to ensure profit mainly in property management and services.

As a result, the Nittobo Group recorded net sales of ¥63,344 million, operating income of ¥4,724 million, ordinary income of ¥4,280 million and net income of ¥2,046 million for the nine months ended December 31, 2010.

(2) Qualitative information on consolidated financial position

1) Financial condition

Total assets were ¥129,714 million at the end of the third quarter of the fiscal year under review, an increase of ¥647 million from the end of the previous fiscal year. This was mainly attributable to the increase in notes and accounts receivable-trade.

Total liabilities were ¥74,535 million at the end of the third quarter of the fiscal year under review, an increase of ¥35 million from the end of the previous fiscal year.

Net assets stood at ¥55,178 million. The equity ratio rose 0.2 point from the end of the previous fiscal year to 41.4%.

2) Status of cash flows (April 1, 2010 to December 31, 2010)

Net cash provided by operating activities was ¥6,664 million. This was mainly attributable to the ¥4,418 million in depreciation and amortization and the ¥3,383 million in net income before income taxes and minority interests.

Net cash used in investing activities was ¥3,322 million, which was primarily due to the ¥1,995 million from the purchase of investment securities and the ¥1,334 million from the purchase of noncurrent assets.

Net cash used in financing activities was ¥3,925 million. This was mainly attributable to the ¥10,000 million decrease in short-term loans payable, the ¥7,202 million repayment of long-term loans payable, and the ¥14,201 million in proceeds from long-term loans payable.

As a result, cash and cash equivalents at the end of the third quarter of the fiscal year under review totaled ¥12,270 million, a decrease of ¥644 million from the end of the previous fiscal year.

(3) Qualitative information on consolidated forecast

In terms of the consolidated performance forecasts for the fiscal year ending March 31, 2011, the Nittobo Group, in light of third quarter results of operations and current trends in operating performance, has revised the performance forecasts from the previous forecasts which were announced on May 11, 2010. For details, please refer to the "Announcement of Revisions to the Performance Forecasts," announced today.

No changes have been made to the non-consolidated performance forecasts.

2. Other information

(1) Overview of changes in significant subsidiaries

Not applicable

(2) Overview of adoption of simplified accounting method and special accounting method

1) Simplified accounting method

a. Method of calculating the estimated bad-debt amount on general accounts receivable

In calculating the estimated bad-debt amount on general accounts receivable at the end of the third quarter of the fiscal year under review, the bad debt rate that was used at the end of the previous fiscal year was used, in cases where no material changes were found to have taken place in said rate from the previous fiscal year.

b. Method of calculating depreciation of noncurrent assets

For assets to which the declining balance method is adopted, depreciation for the fiscal year has been calculated on a pro-rata basis.

c. Method of calculating deferred tax assets and liabilities

In judging the recoverability of deferred tax assets, when no major changes in the operating environment nor in the occurrence of temporary differences have been recognized following the close of the previous fiscal year, the future business forecasts and tax planning documents that were used for making such judgments related to the previous fiscal year have been used.

2) Application of special accounting method for the preparation of the quarterly consolidated financial statements.

Not applicable

(3) Overview of changes in accounting principles, procedures, and the method of presentation

Application of “Accounting Standard for Asset Retirement Obligations”

Effective from the first quarter ended June 30, 2010, the Nittobo Group has applied the “Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan (ASBJ) Statement No. 18, issued on March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, issued on March 31, 2008).

As a result, operating income, ordinary income and income before income taxes and minority interests for the nine months ended December 31, 2010 have decreased by ¥3 million, ¥4 million and ¥298 million, respectively. The amount of change in asset retirement obligations as a result of application of these accounting standards was ¥226 million.

(4) Overview of significant events relating to the going concern assumption

Not applicable

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	12,270	12,915
Notes and accounts receivable-trade	27,209	25,355
Merchandise and finished goods	7,738	8,241
Work in process	3,351	2,776
Raw materials and supplies	12,962	12,497
Deferred tax assets	1,303	1,896
Short-term loans receivable	10	10
Other	1,286	1,206
Allowance for doubtful accounts	(92)	(93)
Total current assets	66,040	64,805
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	14,383	14,810
Machinery, equipment and vehicles, net	8,726	9,573
Land	17,649	17,664
Lease assets, net	728	200
Construction in progress	516	1,707
Other, net	893	946
Total property, plant and equipment	42,898	44,904
Intangible assets	1,874	2,039
Investments and other assets		
Investment securities	9,863	8,179
Long-term loans receivable	20	23
Deferred tax assets	7,745	7,878
Other	1,342	1,329
Allowance for doubtful accounts	(70)	(92)
Total investments and other assets	18,901	17,318
Total noncurrent assets	63,674	64,262
Total assets	129,714	129,067

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010
Liabilities		
Current liabilities		
Notes and accounts payable-trade	11,257	9,335
Short-term loans payable	6,935	16,935
Current portion of long-term loans payable	9,846	7,401
Lease obligations	129	47
Income taxes payable	213	716
Accrued consumption taxes	208	671
Deferred tax liabilities	8	7
Provision for bonuses	616	1,226
Provision for business structure improvement	10	10
Other	5,652	4,181
Total current liabilities	34,878	40,534
Noncurrent liabilities		
Long-term loans payable	20,214	15,664
Lease obligations	625	162
Deferred tax liabilities	107	116
Provision for retirement benefits	11,941	11,594
Provision for repairs	4,370	4,064
Provision for business structure improvement	657	657
Other	1,741	1,705
Total noncurrent liabilities	39,657	33,966
Total liabilities	74,535	74,500
Net assets		
Shareholders' equity		
Capital stock	19,699	19,699
Capital surplus	23,062	23,062
Retained earnings	21,179	19,931
Treasury stock	(8,859)	(8,839)
Total shareholders' equity	55,081	53,853
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	677	931
Deferred gains or losses on hedges	3	(56)
Foreign currency translation adjustment	(2,052)	(1,597)
Total valuation and translation adjustments	(1,371)	(722)
Minority interests	1,468	1,435
Total net assets	55,178	54,567
Total liabilities and net assets	129,714	129,067

(2) Consolidated Statements of Income
[For the nine months]

(Millions of yen)

	For the nine months ended December 31, 2009	For the nine months ended December 31, 2010
Net sales	65,353	63,344
Cost of sales	50,456	44,935
Gross profit	14,897	18,408
Selling, general and administrative expenses	14,583	13,684
Operating income	313	4,724
Non-operating income		
Interest income	13	9
Dividends income	186	146
Equity in earnings of affiliates	—	314
Rent income	91	69
Foreign exchange gains	67	—
Other	612	214
Total non-operating income	971	752
Non-operating expenses		
Interest expenses	589	530
Equity in losses of affiliates	152	—
Amortization of net retirement benefit obligation at transition	357	342
Foreign exchange losses	—	31
Other	380	292
Total non-operating expenses	1,479	1,196
Ordinary income (loss)	(194)	4,280
Extraordinary income		
Gain on sales of noncurrent assets	302	16
Gain on sales of investment securities	851	—
Reversal of allowance for doubtful accounts	26	19
Total extraordinary income	1,180	36
Extraordinary loss		
Loss on disposal of noncurrent assets	119	358
Loss on valuation of stocks of subsidiaries and affiliates	35	—
Loss on sales of stocks of subsidiaries and affiliates	1,089	—
Environmental expenses	—	158
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	184
Other	67	231
Total extraordinary losses	1,312	933
Income (loss) before income taxes and minority interests	(327)	3,383
Income taxes-current	527	451
Income taxes-deferred	148	840
Total income taxes	675	1,291
Income before minority interests	—	2,091
Minority interests in income	6	45
Net income (loss)	(1,009)	2,046

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	For the nine months ended December 31, 2009	For the nine months ended December 31, 2010
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(327)	3,383
Depreciation and amortization	4,467	4,418
Increase (decrease) in provision	(3,587)	20
Loss (gain) on sales and valuation of investment securities	(851)	—
Loss on valuation of stocks of subsidiaries and affiliates	35	—
Loss (gain) on sales of stocks of subsidiaries and affiliates	1,089	—
Decrease (increase) in notes and accounts receivable-trade	(5,548)	(1,927)
Decrease (increase) in inventories	3,025	(668)
Increase (decrease) in notes and accounts payable-trade	3,594	1,852
Other, net	(1,138)	920
Subtotal	761	7,997
Interest and dividends income received	203	155
Interest expenses paid	(593)	(530)
Business structure improvement expenses paid	(4,217)	(2)
Income taxes paid	(494)	(954)
Net cash provided by (used in) operating activities	(4,340)	6,664
Net cash provided by (used in) investing activities		
Purchase of noncurrent assets	(3,058)	(1,334)
Proceeds from sales of noncurrent assets	314	27
Purchase of investment securities	(213)	(1,995)
Proceeds from sales of investment securities	970	5
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	811	—
Other, net	226	(24)
Net cash provided by (used in) investing activities	(949)	(3,322)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	273	(10,000)
Proceeds from long-term loans payable	4,950	14,201
Repayment of long-term loans payable	(5,787)	(7,202)
Purchase of treasury stock	(4)	—
Cash dividends paid	(866)	(798)
Other, net	(88)	(126)
Net cash provided by (used in) financing activities	(1,523)	(3,925)
Effect of exchange rate change on cash and cash equivalents	3	(61)
Net increase (decrease) in cash and cash equivalents	(6,809)	(644)
Cash and cash equivalents at beginning of period	19,275	12,915
Cash and cash equivalents at end of period	12,465	12,270

(4) Notes regarding the going concern assumption

Nine months ended December 31, 2010 (April 1, 2010 to December 31, 2010)

Not applicable

(5) Segment information

Segment information by type of business (previous segments) for the nine months ended December 31, 2009 is as follows:

[Segment information by type of business]

Nine months ended December 31, 2009 (April 1, 2009 to December 31, 2009)

(Millions of yen)

	Textiles	Building Materials	Glass Fiber	Other Operations	Total
Net sales					
(1) Net sales to external customers	5,567	18,718	31,099	9,967	65,353
(2) Intersegment sales or transfers	48	1,216	540	278	2,084
Total	5,615	19,935	31,639	10,246	67,437
Operating income (loss)	258	(163)	(485)	1,624	1,233

	Eliminations/ Corporate	Consolidated
Net sales		
(1) Net sales to external customers	-	65,353
(2) Intersegment sales or transfers	(2,084)	-
Total	(2,084)	65,353
Operating income (loss)	(920)	313

Notes: 1. Businesses are grouped into business segments based on similarities of type, nature, manufacturing method and sales method of the product, as well as the profit and loss accounts in which they are reported and their related assets.

2. Major products and activities of each segment

- (1) Textiles: Core spun yarn, stretch products, interlinings, and other finished products
- (2) Building Materials: Fireproof acoustic ceiling panels, rock wool products, glass wool products, floor panels, plant engineering, and acoustic engineering
- (3) Glass Fiber: Glass fiber products, glass fiber materials for electronics, and FRP skylight panel
- (4) Other Operations: Medical, beverage, specialty chemicals, office building leasing, sports facilities business, and insurance agency

3. Changes in accounting policies

(Accounting Standard for Construction Contracts)

Effective from the first quarter ended June 30, 2009, the Nittobo Group has applied the "Accounting Standard for Construction Contracts" (Accounting Standards Board of Japan (ASBJ) Statement No. 15, issued on December 27, 2007) and the "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, issued on December 27, 2007). Accordingly, the percentage-of-completion method has been applied to portions of construction already completed by the end of the nine months ended December 31, 2010 whose outcome of construction can be estimated fairly reliably (the degree of completion of the construction is estimated by the cost-to-cost method), and the completed-contract method has been applied to all other types of construction.

This change has had no impact on net sales and operating income.

[Geographic segment information]

Nine months ended December 31, 2009 (April 1, 2009 to December 31, 2009)

Geographic segment information is omitted, because the percentage of domestic sales to sales of all segments represented more than 90% of sales.

[Overseas sales]

Nine months ended December 31, 2009 (April 1, 2009 to December 31, 2009)

(Millions of yen)

	Asia	North America	Europe	Others	Total
I. Overseas sales	7,326	1,541	722	36	9,628
II. Consolidated sales	-	-	-	-	65,353
III. Overseas sales as a percentage of consolidated sales (%)	11.2	2.4	1.1	0.1	14.7

- Notes:
1. Countries and regions are grouped according to geographical proximity.
 2. Major countries and regions belonging to each segment are as follows:
 - (1) Asia: China, Taiwan, South Korea, etc.
 - (2) North America: U.S.A. and Canada
 - (3) Europe: Germany, U.K., Russia, etc.
 - (4) Others: Central and South America, Africa, Oceania, etc.
 3. Overseas sales comprise net sales of the Company and its consolidated subsidiaries from countries and regions other than Japan.

Segment information for the nine months ended December 31, 2010 is as follows:

[Segment information]

1. Overview of reporting segments

The Nittobo Group's reporting segments are components of the Group for which separate financial information is available, and which are evaluated regularly by the board of directors in order to determine the allocation of resources and in assessing performance.

The Nittobo Group basically operates through the four divisions of Textiles, Glass Fiber, Environmental Business and Medical & Beverage, and each division formulates comprehensive domestic and overseas strategies and conducts their business activities accordingly.

Consequently, the Nittobo Group has the four reporting segments – the “Textiles Division,” the “Glass Fiber Division,” the “Environmental Business Division,” and the “Medical & Beverage Division.”

“Textiles Division” engages in the manufacture, processing and sales of textiles products (core spun yarn, stretch products, interlining, and other finished products, etc.). The “Glass Fiber Division” engages in the manufacture, processing and sales of glass fiber products. The “Environmental Business Division” engages in the manufacture, processing and sales of glass wool products; environmental improvement work; the design, manufacture and sales of machinery and equipment; the design, supervision and contracting of acoustic engineering; the sales of rock wool products (for agricultural and horticultural use); the manufacture and sales of specialty chemicals products; and the operation of own greenhouse. The “Medical & Beverage Division” engages in the manufacture and sales of reagent for in vitro diagnostics, soft drinks and PET bottles.

2. Information on net sales and income (loss) by reporting segment

Nine months ended December 31, 2010 (April 1, 2010 to December 31, 2010)

(Millions of yen)

	Textiles	Glass Fiber	Environmental Business	Medical & Beverage	Others (Note) 1
Net sales					
Net sales to external customers	5,650	36,441	12,069	7,912	1,270
Intersegment sales or transfers	5	485	695	18	227
Total	5,655	36,927	12,765	7,930	1,497
Segment income (loss)	269	3,330	219	1,068	188

	Adjustment (Note) 2	Operating income reported in consolidated statements of income (Note) 3
Net sales		
Net sales to external customers	-	63,344
Intersegment sales or transfers	(1,432)	-
Total	(1,432)	63,344
Segment income (loss)	(352)	4,724

Notes: 1. “Other” consists of business segments not included in the reporting segments such as the property management and services.

2. The ¥352 million loss under Adjustment consists of corporate expenses that are not allocated to specific reporting segments.

3. “Segment income (loss)” has been adjusted to the operating income reported in the consolidated statements of income.

(Additional information)

Effective from the first quarter ended June 30, 2010, the Nittobo Group has applied the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, issued on March 27, 2009) and the “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, issued on March 21, 2008).

(6) Notes to any significant changes in shareholders' equity

Nine months ended December 31, 2010 (April 1, 2010 to December 31, 2010)

Not applicable