

**Consolidated Quarterly Financial Results
for the Third Quarter Ended December 2007**

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Stock Exchange Listed: Tokyo Stock Exchange First Section
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1. Financial Results for the Third Quarter of FY 2007 (April 1, 2007– December 31, 2007)
(1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Third Quarter of FY 2007	93,995	(0.1)	3,249	8.8	3,286	6.3	1,611	(32.5)
Third Quarter of FY 2006	94,078	12.0	2,987	75.2	3,090	47.4	2,387	70.2
FY 2006	144,451		5,298		5,386		3,840	

Percentages for net sales, operating income, and others in the above table represent annual changes compared to the corresponding quarter in the previous year.

	Net income per share for this quarter	Net income per share after adjustment of latent shares for this quarter
	yen	yen
Third Quarter of FY 2007	16.13	-
Third Quarter of FY 2006	23.89	-
FY 2006	38.43	-

(2) Consolidated Financial Position

	Total assets	Shareholders' equity	Equity ratio (Ratio of shareholders' equity to total assets)	Shareholders' equity per share
	Million yen	Million yen	%	Yen
Third Quarter of FY 2007	140,114	82,631	57.8	810.23
Third Quarter of FY 2006	136,972	81,504	57.9	794.20
FY 2006	141,192	82,947	57.1	808.16

(3) Consolidated Cash Flow

	Cash flow from operation	Cash flow from Investment activities	Cash flow from finance activities	Cash and cash equivalents at quarter end
	Million yen	Million yen	Million yen	Million yen
Third Quarter of FY 2007	4,067	(3,589)	(1,052)	9,524
Third Quarter of FY 2006	(4,482)	(2,909)	5,951	10,966
FY 2006	(1,930)	(3,352)	2,943	10,099

2. Dividends

	Dividends per share		
	Interim	Year-end	Full-year
	yen	yen	yen
FY 2006	5.00	5.00	10.00
FY 2007	5.00		10.00
FY 2007 (Forecast)		5.00	

3. Financial Results Forecast for the Fiscal Year Ending March 2008(April 1, 2007 – March 31, 2008)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Full Year	138,000	(4.5)	5,100	(3.8)	4,900	(9.0)	2,600	(32.3)	26.03

4. Others

(1) Changes in scope of consolidation and application of the equity method: No

(2) Adoption of the simplified accounting method: Yes

(3) Change in accounting method from the recent consolidated accounting term: No

The above projected business performance includes figures forecasted on the basis of future outlooks and plans as of the date of announcement. The projection includes uncertain factors, so actual business performance may differ from the projected business performance.

Qualitative Information

1. Qualitative Information on Consolidated Results of Operations

During the nine months ended December 31, 2007, the Japanese economy remained unstable while the economic slowdown in the U.S. triggered by the subprime loan crisis coupled with high crude oil prices gradually took its toll not only on businesses but also on consumer spending in domestic markets, though exports to China and other Asian countries continued to be strong.

Against this backdrop, the Aircraft Segment of ShinMaywa Group achieved growth in both orders received and net sales compared with the corresponding period of fiscal 2006. This growth was due particularly to the good progress made on the manufacture of US-2 STOL Search and Rescue Amphibians. The Special Purpose Truck Segment, however, experienced a drop in orders and net sales compared with the same period a year earlier because the demand for products meeting emission control standards had already peaked out. The Industrial Machinery Segment also ended up with a year-on-year decline in both orders and net sales, due primarily to the sluggish performance of mechatronics products.

As a result, orders received by the ShinMaywa Group totaled ¥101,063 million (down 3.6% year on year), with consolidated net sales of ¥93,995 million (down 0.1% year on year). In terms of profitability, operating income increased compared to the previous year due mainly to an increase in sales of components for overseas aircraft manufacturers, pushing up ordinary income to ¥3,286 million (up 6.3% year on year). Net income, however, declined to ¥1,611 million (down 32.5%) compared with the corresponding figure for fiscal 2006, which recorded a gain on sale of fixed assets.

2. Qualitative Information on the Financial Position

The balance of total assets at the end of the third quarter declined ¥1,077 million, to ¥140,114 million, compared with the balance at the end of fiscal 2006. The lower asset balance primarily reflected a decrease of ¥11,806 million in trade receivables due to collections, and a decrease of ¥457 million in fixed assets due to write-downs, though inventories rose by 11,868 million due to progress in projects and the inventory buildup for year-end business. Total liabilities, meanwhile, decreased by 761 million, to 57,483 million, compared with the balance at the end of fiscal 2006, mainly because accrued expenses decreased ¥1,633 million due to payments made. Net assets decreased due to a decrease in unrealized gain on securities and the payment of dividends, though a positive net income was posted for the quarter. As a result, the company's equity ratio rose to 57.8% from the 57.1% recorded at the end of fiscal 2006.

3. Qualitative Information on the Financial Forecast

Looking ahead, the Japanese economy is expected to keep growing driven up mainly by brisk exports, but fears of higher crude oil prices and an economic slowdown in China are also expected to surface.

Under these circumstances, the ShinMaywa Group seeks to accomplish the goal set out in the Medium-Term Management Plan "T-up 130L," by launching products and services with higher added value into the market, achieving even higher productivity, and concentrating its management resources on growth markets and areas.

Regarding the earnings forecast for the year ending March 31, 2008, the ShinMaywa Group has revised its previous forecast released on October 24, 2007 as indicated below, due to slower progress than expected in the mass-production program for the new-model aircraft in the Aircraft Segment.

Revision of the Forecast for the Consolidated Financial Results for FY 2007 (April 1, 2007 – March 31, 2008)

	Net Sales	Operating income	Ordinary Income	Net Income
	Million Yen	Million Yen	Million Yen	Million Yen
Previous Forecast (A)	140,000	5,100	4,900	2,600
Revised Forecast (B)	138,000	5,100	4,900	2,600
Difference (B – A)	(2,000)			
Percent of Change (%)	(1.4)			
Actual of the Previous Term (FY 2006)	144,451	5,298	5,386	3,840

(Reference) Expected net income per share (full year): 26.03 yen

Notes: 1 . The amounts in the above tables are truncated to the nearest million yen.

2 . The expected net income per share is calculated based on the full-year net income forecast divided by the number of outstanding shares as of the end of the third quarter (excluding treasury stocks).

4. Others

(1) Changes in scope of consolidation and application of the equity method: No

(2) Adoption of the simplified accounting method: Yes

- The figure represents a proportionate amount for the nine months computed based on the annual estimate.
- Computation of income taxes: The income taxes are calculated using the simplified method on the basis of legally effective tax rates.
- The simplified accounting method is partially used for other transactions that will have a slight impact.

(3) Change in accounting method from the recent consolidated accounting term: No