

Financial Statement for the Fiscal Year Ended March 31, 2007

May 18, 2007

Trade Name: **Nihon Micro Coating Co., Ltd.**

Stock Exchange: JQ

Stock Code: 5381

(URL <http://www.mipox.co.jp>)

Name and Title of Representative: Nobuyoshi Watanabe, President

Contact: Tokio Tonami, Executive Managing Director Tel: (042)-543-4711

Annual General Meeting of Stockholders Jun 21, 2007

Start of distribution of dividends Jun 22, 2007

Filing of Securities Report Jun 22, 2007

1. Summary of Consolidated Financial Results.

1. Financial Result for the Fiscal Year Ended March 31, 2007

(1) Consolidated Operating Result

Amounts to nearest Million yen

Fiscal Year ended	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2007	8,329	(7.1)	518	(39.1)	541	(39.7)	340	(35.6)
March 31, 2006	8,966	(17.0)	851	(29.2)	896	(29.9)	529	(28.3)

Fiscal Year ended	Net Income Per Share	Diluted Net Income Per Share	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Ordinary Income to Sales
	Yen	Yen	%	%	%
March 31, 2007	33. 48		4.2	4.2	6.2
March 31, 2006	49. 30	49. 28	6.7	6.4	9.5

(Note) Equity in net losses of affiliates (Millions of Yen): As of March 31, 2007 (0) As of March 31, 2006 (0)

(2) Consolidated Consolidated Financial Position

Fiscal Year ended	Total Assets	Total Net Assets	Shareholders' Equity Ratio	Total Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
March 31, 2007	11,981	8,261	69.0	811. 39
March 31, 2006	13,804	8,051	58.3	788. 09

(Note) Equity capital (Millions of Yen): As of March 31, 2007 8,261 As of March 31, 2006 (0)

(3) Cash Flows

Fiscal Year ended	Cash Flow from Operating Activities	Cash Flow from Investment Activities	Cash flow from Financing Activities	Cash and Cash Equivalents at End of Fiscal Year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
March 31, 2007	302	591	1,262	1,549
March 31, 2006	1,036	722	805	3,095

2. Dividends

Fiscal Year ended	Cash dividends per share			Total Dividends (For the Year)	Payout ratio (Consolidated)	Dividends per net assets (Consolidated)
	Interim	Year ended	For the Year			
	Yen	Yen	Yen	Millions of Yen	%	%
March 31, 2006		13. 00	13. 00	132	26.4	1.7
March 31, 2007		9. 00	9. 00	91	26.9	1.1
March 31, 2008 (estimate)		6. 26	6. 26		25.0	

3. Financial forecasts for the Consolidated Fiscal Year Ending March 31, 2008

Year ending	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
September 30, 2007	2,870	(39.3)	127	()	93	()	88	()	8. 64
March 31, 2008	7,258	(12.9)	342	(34.1)	385	(28.9)	255	(25.2)	25. 04

4. Other

(1) Changes in Scope of Consolidation and Application of Equity Method : NO

(2) Changes in Accounting Rules, Procedures, Presentation Method, etc. for Consolidated Financial Statements

Changes in consolidated accounting methods : Yes

Changes other than above : Yes

(3) Number of shares issued and outstanding (common stock)

Number of shares outstanding (Including treasury stock)	As of March 31, 2007	10,696,320 shares
	As of March 31, 2006	10,696,320 shares
Treasury stock at end of period	As of March 31, 2007	514,358 shares
	As of March 31, 2006	513,458 shares

(Reference) Non-Consolidated Financial Statement

1. Non-Consolidated Financial Result for the Fiscal Year Ended March 31, 2007

(1) Non-Consolidated Operating Result

Amounts to nearest Million yen

Fiscal Year ended	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2007	7,427	(7.6)	295	(58.7)	423	(43.4)	256	(43.7)
March 31, 2006	8,038	(21.6)	715	(28.1)	748	(30.1)	455	(25.6)

Fiscal Year ended	Net Income Per Share	Diluted Net Income Per Share
	Yen	Yen
March 31, 2007	25. 17	
March 31, 2006	42. 00	41. 99

(2) Non-Consolidated Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio	Total Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
As of March 31, 2007	11,721	8,063	68.8	791. 91
As of March 31, 2006	13,571	7,981	58.8	781. 27

(Note) Equity capital (Millions of Yen): As of March 31, 2007 8,063 As of March 31, 2006 (0)

2. Financial Forecasts for the Non-Consolidated Fiscal Year Ending March 31, 2008

Year ending	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
September 30, 2007	2,450	(42.5)	108	()	91	()	91	()	8. 94
March 31, 2008	5,988	(19.4)	235	(20.6)	252	(40.5)	154	(39.9)	15. 13

Consolidated Financial Statement for the Fiscal Year ended March 31, 2007

(1) Consolidated Balance Sheet

(Unit: Thousand Yen)

	As of March 31, 2006			As of March 31, 2007			Increase (Decrease)	
	Amount	Composition		Amount	Composition		Amount	
(Assets)			%			%		
Current Assets								
1 Cash and Cash Equivalents	3,241,718			1,695,741			1,545,977	
2 Notes Receivable	3,115,764			1,995,385			1,120,379	
3 Inventories	904,459			1,705,331			800,871	
4 Deferred Tax Assets	159,823			145,665			14,158	
5 Others	143,052			169,249			26,197	
Doubtful Notes and Accounts	5,816			8,798			2,981	
Total Current Assets	7,559,002	54.8		5,702,574	47.6		1,856,427	
Fixed Assets								
1 Tangible Fixed Assets								
(1)Buildings and Structures	5,636,958			5,692,644			55,686	
(2)Equipment and Vehicles	1,361,121			1,543,974			182,852	
(3)Others	402,966			414,894			11,927	
Accumulated Depreciation	3,727,243	3,673,804		4,172,972	3,478,541		445,728	195,262
(4)Land		1,444,289			1,444,289			—
Total Tangible Fixed Assets		5,118,094	37.1		4,922,831	41.1		195,262
2 Intangible Fixed Assets								
(1)Others		114,091			228,756			114,664
Total Intangible Fixed Assets		114,091	0.8		228,756	1.9		114,664
3 Investments and Other Assets								
(1)Investment Securities		543,435			661,319			117,884
(2)Deferred Tax Assets		209,418			222,657			13,239
(3)Others		272,144			254,911			17,233
Allowance for Doubtful Debts		11,497			11,777			280
Total Investments and Other Assets		1,013,500	7.3		1,127,111	9.4		113,610
Total Fixed Assets		6,245,686	45.2		6,278,699	52.4		33,012
Total Assets		13,804,689	100.0		11,981,274	100.0		1,823,414

	As of March 31, 2006		As of March 31, 2007		Increase (Decrease)	
	Amount	Composition	Amount	Composition	Amount	
		%		%		
(Liabilities)						
Current Liabilities						
1 Notes Payable	1,229,405		657,143		572,261	
2 Short-term Borrowings	1,669,861		450,000		1,219,861	
3 Current Portion of Long-term Borrowings	609,438		488,773		120,665	
4 Income Taxes and Other Taxes Payable	216,454		59,192		157,261	
5 Reserve for Employees' Bonuses	130,000		120,000		10,000	
6 Reserve for Directors' Bonuses	—		17,000		17,000	
7 Others	468,248		276,297		191,950	
Total Current Liabilities	4,323,407	31.3	2,068,407	17.2	2,255,000	
Fixed Liabilities						
1 Long-term Borrowings	912,564		1,123,798		211,234	
2 Reserve for Employees' Retirement Benefits	191,682		202,513		10,830	
3 Accrued Directors' Retirement Benefits	315,217		311,050		4,167	
4 Deferred Tax	10,782		13,991		3,209	
Total Fixed Liabilities	1,430,246	10.4	1,651,353	13.8	221,107	
Total Liabilities	5,753,653	41.7	3,719,761	31.0	2,033,892	
(Minority Interests)						
Minority Interests	—	—	—	—	—	
(Shareholders' Equity)						
Capital Stock	1,998,700	14.5	—	—	—	
Capital Surplus	2,953,700	21.4	—	—	—	
Earned Surplus	3,368,329	24.4	—	—	—	
Revaluation of Other Investment Securities	82,194	0.6	—	—	—	
Foreign Currency Translation Adjustments	128,527	0.9	—	—	—	
Treasury Stock	480,415	3.5	—	—	—	
Total Shareholders' Equity	8,051,035	58.3	—	—	—	
Total Liabilities, Minority Interest and Shareholders' Equity	13,804,689	100.0	—	—	—	

(Unit: Thousand Yen)

	As of March 31, 2006		As of March 31, 2007		Increase (Decrease)	
	Amount	Composition	Amount	Composition	Amount	
(Net Assets)		%		%		
Shareholders' Equity						
1 Capital Stock			1,998,700	16.7		
2 Capital Surplus			2,953,700	24.7		
3 Earned Surplus			3,550,825	29.6		
4 Treasury Stock			481,141	4.0		
Total Shareholders' Equity			8,022,084	67.0		
Valuation and Translation Adjustments						
1 Revaluation of Other Investment Securities			66,695	0.6		
2 Foreign Currency Translation Adjustments			172,733	1.4		
Total Valuation and Translation Adjustments			239,428	2.0		
Total Net Assets			8,261,513	69.0		
Total Liabilities and Net Assets			11,981,274	100.0		

(2) Consolidated Statements of Income

(Unit: Thousand Yen)

	Fiscal Year Ended March 31, 2006 (From April 1, 2005 to March 31, 2006)			Fiscal Year Ended March 31, 2007 (From April 1, 2006 to March 31, 2007)			Increase (Decrease)	
	Amount		Composition	Amount		Composition	Amount	
			%			%		
Net Sales		8,966,039	100.0		8,329,063	100.0		636,975
Cost of Sales		5,591,198	62.4		5,277,546	63.4		313,651
Gross Profit		3,374,840	37.6		3,051,516	36.6		323,323
Selling and General Administrative Expenses								
1 Freight Outwards	137,491			128,263			9,227	
2 Payroll and Bonus	797,528			705,037			92,490	
3 Provision for Bonus Reserve	40,014			30,600			9,414	
4 Provision for Directors' Bonus Reserve	—			17,000			17,000	
5 Expenses for Employees' Retirement Benefits	13,914			17,670			3,756	
6 Depreciation Expenses	98,283			114,740			16,457	
7 Research and Development Expenses	515,483			706,968			191,485	
8 Others	920,885	2,523,600	28.1	812,454	2,532,735	30.4	108,431	9,135
Operating Income		851,240	9.5		518,780	6.2		332,459
Non-Operating Income								
1 Interest Income	3,815			8,688			4,873	
2 Rent Income	21,832			19,807			2,024	
3 Foreign Currency Exchange Gain	41,052			3,510			37,542	
4 Others	29,139	95,839	1.1	34,037	66,044	0.8	4,898	29,795
Non-Operating Expenses								
1 Interest Expenses	48,020			36,313			11,707	
2 Others	2,062	50,083	0.6	7,310	43,623	0.5	5,247	6,460
Ordinary Income		896,996	10.0		541,202	6.5		355,794
Extraordinary Gains								
1 Gain on Doubtful Debts	1,677			—			1,677	
2 Gain on Sale of Fixed Assets	1,801			—			1,801	
3 Gain on Reserve for Directors' Retirement Benefits	500	3,978	0.0	—	—		500	3,978
Extraordinary Losses								
1 Loss on Sale of Fixed Assets	705			—			705	
2 Loss on Disposal of Fixed Assets	30,243			2,488			27,755	
3 Doubtful Debts	—			280			280	
4 Loss on Revaluation of Investment in Golf Club Membership	595			—			595	
5 Loss on Disposal of Obsolete Inventories	70,992	102,536	1.1	—	2,768	0.0	70,992	99,767
Net Income Before Tax		798,438	8.9		538,433	6.5		260,005
Income Taxes-Current	225,827			183,690			42,137	
Income Taxes-Deferred	42,986	268,814	3.0	13,869	197,559	2.4	29,117	71,254
Net Income		529,624	5.9		340,873	4.1		188,750

(3) Consolidated Statement of Surplus

(Unit: Thousand Yen)

	Fiscal Year Ended March 31, 2007 (From April 1, 2006 to March 31, 2007)	
	Amount	
(Capital Surplus)		
Year Starting Balance on Capital Surplus		2,953,700
Year Ending Balance on Capital Surplus		2,953,700
(Earned Surplus)		
Year Starting Balance on Earned Surplus		3,071,020
Increased Amount of Earned Surplus		
Net Income	529,624	
Increased Amount of Earned Surplus of a New Consolidated Subsidiary	400	530,024
Reduced Amount of Earned Surplus		
1 Dividend Payable	194,891	
2 Director's Bonuses	37,000	
3 Loss on Sale of Treasury Stock	824	232,716
Year Ending Balance on Earned Surplus		3,368,329

(4) Consolidated Statement of Changes in Shareholders' Equity

Consolidated Fiscal Year (From April 1, 2006 to March 31, 2007)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Earned Surplus	Treasury Stock	Total Shareholders' Equity
Balance as of March 31,2006 (Thousand Yen)	1,998,700	2,953,700	3,368,329	480,415	7,840,313
Changes during the period					
Dividends of Retained Earnings			132,377		132,377
Director's Bonuses			26,000		26,000
Net Income			340,873		340,873
Purchase of Treasury Stock				725	725
Net Changes in Items other than Shareholders' Equity					
Total Changes during the period (Thousand Yen)			182,496	725	181,770
Balance as of March 31,2007 (Thousand Yen)	1,998,700	2,953,700	3,550,825	481,141	8,022,084

	Valuation and Translation Adjustments			Total Net Assets
	Revaluation of Other Investment Securities	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments	
Balance as of March 31,2007 (Thousand Yen)	82,194	128,527	210,722	8,051,035
Changes during the period				
Dividends of Retained Earnings				132,377
Director's Bonuses				26,000
Net Income				340,873
Purchase of Treasury Stock				725
Net Changes in Items other than Shareholders' Equity	15,498	44,205	28,706	28,706
Total Changes during the period (Thousand Yen)	15,498	44,205	28,706	210,477
Balance as of September 30,2006 (Thousand Yen)	66,695	172,733	239,428	8,261,513

(5) Consolidated Statement of Cash Flows

(Unit: Thousand Yen)

	Fiscal Year Ended March 31, 2006 (From April 1, 2005 to March 31, 2006)	Fiscal Year Ended March 31, 2007 (From April 1, 2006 to March 31, 2007)	Increase (Decrease)
	Amount	Amount	Amount
Cash Flow from Operating Activities			
1 Net Income Before Taxes	798,438	538,433	260,005
2 Depreciation Expense	485,482	496,431	10,949
3 Increase/Decrease in Allowance for Employees' Bonuses (Decrease())	15,000	10,000	5,000
4 Increase/Decrease in Allowance for Directors' Bonuses (Decrease())	—	17,000	17,000
5 Increase/Decrease in Allowance for Employees' Retirement Benefits (Decrease())	23,358	10,830	12,527
6 Interest and Dividends Earned	10,563	15,942	5,378
7 Interest Expenses	48,020	36,313	11,707
8 Foreign Currency Translation Losses(Gain ())	1,784	5,112	3,328
9 Increase/Decrease in Accounts Receivable (Increase())	3,976	1,120,379	1,116,403
10 Increase/Decrease in Inventories (Increase())	236,417	800,871	1,037,289
11 Increase/Decrease in Accounts Payable (Decrease())	118,508	572,261	453,753
12 Increase/Decrease in Advance Receipt (Decrease())	57,968	2,192	55,775
13 Cash paid for Director's Bonuses	37,000	26,000	11,000
14 Others	153,587	122,616	276,204
Sub Total	1,512,025	674,615	837,409
15 Interest and Dividends Received	10,492	15,883	5,390
16 Interest Paid	44,388	35,444	8,943
17 Income Taxes Paid	441,868	352,309	89,558
Net Cash Provided by Operating Activities	1,036,261	302,744	733,516
Cash Flows from Investing Activities			
1 Payments for Time Deposits	2,448	64	2,384
2 Payments for Investment Securities	15,280	14,085	1,194
3 Payments for Tangible Fixed Assets	616,345	280,916	335,428
4 Proceeds from Tangible Fixed Assets	10,263	—	10,263
5 Payments for Intangible Fixed Assets	38,495	157,504	119,009
6 Payments for Incorporation in Affiliate	64,310	—	64,310
7 Payments for Investment in Affiliate	—	129,934	129,934
8 Increase/Decrease in Other Investments (Increase())	4,137	9,190	13,327
Net Cash Provided by Investing Activities	722,479	591,697	130,781
Cash Flows from Financing Activities			
1 Proceeds from Short-term Loans	119,861	300,000	180,138
2 Repayments of Short-term Loans	—	1,519,861	1,519,861
3 Proceeds from Long-term Loans	100,000	700,000	600,000
4 Repayments of Long-term Loans	770,374	609,431	160,943
5 Proceeds from Sales Treasury Stock	10,296	—	10,296
6 Payments for Purchases Treasury Stock	70,445	725	69,720
7 Amount Paid for Dividend Payable by Parent Company	194,543	132,268	62,275
Net Cash Provided by Financing Activities	805,206	1,262,285	457,079
Effect of Exchange Rate Changes on Cash and Equivalents	45,246	5,196	40,050
Increase/Decrease in Cash and Cash Equivalents (Decrease())	446,178	1,546,042	1,099,864
Cash and Cash Equivalents at Beginning of Year	3,482,764	3,095,669	387,094
Increase/Decrease in Cash and Cash Equivalents for Consolidation of a new Subsidiary (Decrease())	59,083	—	59,083
Cash and Cash Equivalents at Mid year Ending (Year Ending)	3,095,669	1,549,626	1,546,042

Non-Consolidated Financial Statement for the Fiscal year ended March 31, 2007

(1) Non-Consolidated Balance Sheet

(Unit: Thousand Yen)

Item	As of March 31, 2006		As of March 31, 2007		Increase (Decrease)
	Amount	Composition	Amount	Composition	
(Assets)		%		%	
I Current Assets					
1 Cash and Cash Equivalents	2,952,273		1,329,561		1,622,711
2 Notes Receivable	161,224		165,860		4,636
3 Accounts Receivable, Trade	2,832,980		1,835,763		997,217
4 Merchandise	43,756		91,420		47,663
5 Finished Goods	69,814		132,898		63,083
6 Semi-Finished Goods	142,752		169,937		27,184
7 Raw Materials	327,076		184,868		142,208
8 Work in Progress	79,432		656,456		577,023
9 Supplies	28,814		64,662		35,847
10 Advance	29,653		21,000		8,653
11 Prepaid Expenses	42,176		41,670		506
12 Deferred Tax Assets	93,572		79,769		13,803
13 Other Accounts Receivable	52,674		169,754		117,079
14 Others	8,819		8,500		319
Doubtful Notes and Accounts	2,430		5,543		3,113
Total Current Assets	6,862,595	50.6	4,946,581	42.2	1,916,014
II Fixed Assets					
1 Tangible Fixed Assets					
(1) Buildings	5,216,634		5,262,112		45,477
Accumulated Depreciation Expenses	2,359,683	2,856,951	2,610,188	2,651,924	250,504
(2) Structures	224,814		225,190		376
Accumulated Depreciation Expense	137,477	87,337	150,606	74,584	13,128
(3) Machinery and Equipment	1,026,881		1,192,563		165,682
Accumulated Depreciation Expense	732,562	294,318	813,244	379,319	80,681
(4) Automotive Equipment	30,624		30,624		—
Accumulated Depreciation Expense	20,528	10,096	23,928	6,696	3,400
(5) Tools	309,478		332,582		23,103
Accumulated Depreciation Expense	250,226	59,252	272,213	60,368	21,987
(6) Land	1,444,289		1,444,289		—
(7) Construction in Progress	18,463		—		18,463
Total Tangible Fixed Assets	4,770,709	35.2	4,617,182	39.4	153,526
2 Intangible Fixed Assets					
(1) Patent Property	6,502		4,005		2,497
(2) Software	21,589		221,867		200,277
(3) Software in process Account	83,065		—		83,065
(4) Telephone Rights	1,763		1,763		—
Total Intangible Fixed Assets	112,920	0.8	227,636	1.9	114,715
3 Investments and Other Assets					
(1) Investment Securities	479,125		467,074		12,050
(2) Investment in Affiliated Company	882,686		1,012,621		129,934
(3) Long-term Prepaid Expenses	35,396		8,661		26,734
(4) Deferred Tax Assets	209,418		221,204		11,785
(5) Insurance Reserve Fund	162,637		162,637		—
(6) Golf-Club Membership	19,143		24,143		5,000
(7) Others	48,229		45,830		2,399
Allowance for Doubtful Debts	11,497		11,777		280
Total Investments and Other Assets	1,825,140	13.4	1,930,396	16.5	105,256
Total Fixed Assets	6,708,770	49.4	6,775,215	57.8	66,444
Total Assets	13,571,366	100.0	11,721,796	100.0	1,849,569

(Unit: Thousand Yen)

Item	As of March 31, 2006		As of March 31, 2007		Increase (Decrease)	
	Amount	Composition	Amount	Composition		
(Liabilities)		%		%		
I Current Liabilities						
1 Accounts Payable	1,260,134		692,452			567,681
2 Short-term Borrowings	1,550,000		450,000			1,100,000
3 Current Position of Long-term Borrowings	609,438		488,773			120,665
4 Accrued Liabilities	327,768		124,349			203,419
5 Accrued Expenses	57,712		38,920			18,791
6 Income Taxes Payable	204,500		56,000			148,500
7 Advances	30,514		23,205			7,309
8 Reserve for Employees' Bonuses	130,000		120,000			10,000
9 Reserve for Directors' Bonuses	—		17,000			17,000
10 Others	253		10,495			10,241
Total Current Liabilities	4,170,321	30.7	2,021,196	17.2		2,149,124
II Fixed Liabilities						
1 Long-term Borrowings	912,564		1,123,798			211,234
2 Reserve for Employees ' Retirement Benefits	191,682		202,513			10,830
3 Reserve for Directors ' Retirement Benefits	315,217		311,050			4,167
Total Fixed Liabilities	1,419,463	10.5	1,637,361	14.0		217,897
Total Liabilities	5,589,785	41.2	3,658,558	31.2		1,931,226
(Shareholders' Equity)						
I Capital Stock	1,998,700	14.7	—	—		—
II Capital Surplus						
1 Capital Appropriation	2,953,700		—			—
Total Capital Surplus	2,953,700	21.8	—	—		—
III Earned Surplus						
1 Earned Surplus Reserve	60,000		—			—
2 Voluntary Reserve						
(1) Contingent Reserve	2,410,000		—			—
3 Un-appropriated Profits	957,402		—			—
Total Earned Surplus	3,427,402	25.2	—	—		—
V Revaluation of Investment Securities	82,194	0.6	—	—		—
VI Treasury Stock	480,415	3.5	—	—		—
Total Shareholders' Equity	7,981,580	58.8	—	—		—
Total Liabilities and Shareholders' Equity	13,571,366	100.0	—	—		—

(Unit: Thousand Yen)

Item	Period	As of March 31, 2006		As of March 31, 2007		Increase (Decrease)	
		Amount	Composition	Amount	Composition		
(Net Assets)			%		%		
I Shareholders' Equity							
1 Capital Stock		—	—	1,998,700	17.1		—
2 Capital Surplus							
(1) Capital Appropriation		—		2,953,700		—	
Total Capital Surplus		—	—	2,953,700	25.2		—
3 Earned Surplus							
(1) Earned Surplus Reserve		—		60,000		—	
(2) Other Earned Surplus							
Contingent reserve		—		2,510,000		—	
Un-appropriated Profits		—		955,284		—	
Total Earned Surplus		—	—	3,525,284	30.0		—
4 Treasury Stock		—	—	481,141	4.1		—
Total Shareholders' Equity		—	—	7,996,542	68.2		—
II Valuation and Translation Adjustments							
1 Revaluation of Other Investment Securities		—	—	66,695			—
Total Valuation and Translation Adjustments		—	—	66,695	0.6		—
Total Net Assets		—	—	8,063,238	68.8		—
Total Liabilities and Net Assets		—	—	11,721,796	100.0		—

(2) Non-Consolidated Statement of Income

(Unit: Thousand Yen)

Item	Period	Fiscal Year Ended March 31, 2006 (From April 1, 2005 to March 31, 2006)		Fiscal Year Ended March 31, 2007 (From April 1, 2006 to March 31, 2007)		Increase (Decrease)			
		Amount	Composition	Amount	Composition				
I	Net Sales		8,038,187	100.0		7,427,967	100.0		610,220
II	Cost of Sales		5,131,889	63.8		4,981,408	67.1		150,480
	Gross Profit		2,906,298	36.2		2,446,558	32.9		459,739
III	Selling and General Administrative Expenses		2,190,524	27.3		2,150,752	28.9		39,771
	Operating Gains		715,774	8.9		295,805	4.0		419,968
IV	Non-Operating Income								
1	Interest Income	610			992			381	
2	Dividends Income	6,748			128,470			121,722	
3	Rent Income	10,777			7,698			3,078	
4	Foreign Exchange Gain	48,315			16,370			31,945	
5	Others	14,840	81,292	1.0	15,859	169,,390	2.3	1,018	88,098
V	Non-Operating Expenses								
1	Interest Expenses	46,292			34,524			11,767	
2	Others	2,059	48,352	0.6	7,204	41,728	0.6	5,144	6,623
	Ordinary Gain		748,714	9.3		423,468	5.7		325,246
	Extraordinary Gains								
1	Gain on Doubtful Debts	933						933	
2	Gain on Sale of Fixed Assets	1,073						1,073	
3	Gain on Sale of Golf Club Member ship	500	2,506	0.0				500	2,506
	Extraordinary Losses								
1	Loss on Sale of Fixed Assets	705						705	
2	Loss on Disposal of Fixed Assets	29,498			985			28,512	
3	Doubtful Debts				280			280	
4	Loss on Sale of Golf Club Member ship	595						595	
6	Loss on Disposal of Inventories	12,295	43,093	0.5		1,265	0.0	12,295	41,828
	Net Income Before Tax		708,128	8.8		422,202	5.7		285,925
	Income Taxes	209,511			153,289			56,222	
	Refunded Corporate Tax	43,572	253,084	3.1	12,654	165,944	2.3	30,918	87,140
	Net Gains Beginning		455,043	5.7		256,258	3.4		198,784
	Retained Earnings at the Beginning of the Period		503,183						
	Loss of Sale of Treasury Stock		824						
	Un-appropriated Profits		957,402						

(3) Non Consolidated Statement of Changes in Shareholders' Equity

Non Consolidated Fiscal Year (From April 1, 2006 to March 31, 2007)

	Shareholders' Equity		
	Capital Stock	Capital Surplus	
		Capital Appropriation	Total Capital Surplus
Balance as of March 31,2006 (Thousand Yen)	1,998,700	2,953,700	2,953,700
Changes during the period			
Dividends of Retained Earnings			
Director's Bonuses			
Contingent reserve			
Net Income			
Purchase of Treasury Stock			
Net Changes in Items other than Shareholders' Equity			
Total Changes during the period (Thousand Yen)			
Balance as of March 31,2007 (Thousand Yen)	1,998,700	2,953,700	2,953,700

	Shareholders' Equity					
	Earned Surplus				Treasury Stock	Total Shareholders' Equity
	Earned Surplus Reserve	Other Earned Surplus		Total Earned Surplus		
		Contingent reserve	Earned Surplus carried Forward			
Balance as of March 31,2006 (Thousand Yen)	60,000	2,410,000	957,402	3,427,402	480,415	7,899,386
Changes during the period						
Dividends of Retained Earnings			132,377	132,377		132,377
Director's Bonuses			26,000	26,000		26,000
Contingent reserve		100,000	100,000			
Net Income			256,258	256,258		256,258
Purchase of Treasury Stock					725	725
Net Changes in Items other than Shareholders' Equity						
Total Changes during the period (Thousand Yen)		100,000	2,118	97,881	725	97,156
Balance as of March 31,2007 (Thousand Yen)	60,000	2,510,000	955,285	3,525,284	481,141	7,996,542

	Valuation and Translation Adjustments		Total Net Assets
	Revaluation of Other Investment Securities	Total Valuation and Translation Adjustments	
Balance as of March 31,2006 (Thousand Yen)	82,194	82,194	7,981,580
Changes during the period			
Dividends of Retained Earnings			132,377
Director's Bonuses			26,000
Contingent reserve			
Net Income			256,258
Purchase of Treasury Stock			725
Net Changes in Items other than Shareholders' Equity	15,498	15,498	15,498
Total Changes during the period (Thousand Yen)	15,498	15,498	81,657
Balance as of March 31,2007 (Thousand Yen)	66,695	66,695	8,063,238