

## Financial Statement for the Nine Months Ended December 31, 2007

February 5, 2008

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

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## 1. Consolidated Financial Result for the Nine Months Ended December 31, 2007

## (1) Consolidated Operating Result

Amounts to nearest Million yen

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine Months Ended								
December 31, 2007	4,690	( 31.6 )	581	( — )	671	( — )	549	( — )
December 31, 2006	6,861	( 11.0 )	810	( 59.3 )	832	( 49.7 )	560	( 79.8 )
Year Ended March 31, 2007	8,329		518		541		340	

	Net Income Per Share		Diluted Net Income Per Share	
	Yen		Yen	
Nine Months Ended				
December 31, 2007	53.	98	—	—
December 31, 2006	55.	09	—	—
Year Ended March 31, 2007	33.	48	—	—

## (2) Consolidated Financial Position

	Total Assets		Total Net Assets		Shareholders' Equity Ratio		Total Net Assets Per Share	
	Millions of Yen		Millions of Yen		%		Yen	
Nine Months Ended								
December 31, 2007	11,894		7,581		63.7		744.	04
December 31, 2006	12,303		8,486		69.0		833.	45
Year Ended March 31, 2007	11,981		8,261		69.0		811.	39

## 2. Dividends

	Cash Dividends Per Share		
	Interim	Year ended	For the Year
Fiscal Year ended	Yen		
March 31, 2007	—	9. 00	9. 00
March 31, 2008 (actual)	—	—	5. 00
March 31, 2008 (estimate)	—	5. 00	

## 3. Financial forecasts for the Consolidated Fiscal Year Ending March 31, 2008 【Reference】

	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	
Year Ending										
March 31, 2008	5,937		890		1,130		941		92. 42	

## 4. Other

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

(2) Change in the use of concise accounting procedure : NO

(3) Change in the way of accounting procedure on the current business year : YES

## (Reference) Non-Consolidated Financial Statement

## 1. Non-Consolidated Financial Result for the Nine Months Ended December 31, 2007

		Amounts to nearest Million yen							
		Net Sales		Operating Income		Ordinary Income		Net Income	
Nine Months Ended		Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2007		3,794	( 38.5 )	645	( — )	560	( — )	205	( — )
December 31, 2006		6,171	( 10.8 )	622	( 39.6 )	634	( 32.6 )	396	( 34.4 )
Year Ended March 31, 2007		7,427		295		423		256	

		Net Income Per Share		Diluted Net Income Per Share	
Nine Months Ended		Yen		Yen	
December 31, 2007		20.	20	—	—
December 31, 2006		38.	95	—	—
Year Ended March 31, 2007		25.	17	—	—

## (2) Non-Consolidated Financial Position

		Total Assets	Total Net Assets	Shareholders' Equity Ratio	Total Net Assets Per Share
Nine Months Ended		Millions of Yen	Millions of Yen	%	Yen
December 31, 2007		11,845	7,749	65.4	760. 59
December 31, 2006		12,003	8,208	68.4	806. 15
Year Ended March 31, 2007		11,721	8,063	68.8	791. 91

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

		Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share	
Year Ending		Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen	
March 31, 2008		4,914		848		803		407		39.	97

## Consolidated Financial Statement for the Nine Months Ended December 31, 2007

(1) Consolidated Balance Sheet

(Unit: Thousand Yen, %)

Item	Period	As of Dec 31,2006	As of Dec 31,2007	Increase and Decrease		As of March 31,2007
		Amount	Amount	Amount	Rate of Change	Amount
(Assets)						
Current Assets						
1	Cash and Cash Equivalents	1,343,138	2,008,910	665,772		1,695,741
2	Notes Receivable and Accounts Receivable	2,942,977	2,180,869	762,108		1,995,385
3	Inventories	1,604,629	1,458,609	146,019		1,705,331
4	Deferred Tax Assets	115,139	57,832	57,307		145,665
5	Others	102,095	283,279	181,183		169,249
	Doubtful Notes and Accounts	9,419	6,854	2,564		8,798
	<b>Total Accumulated Current Assets</b>	<b>6,098,561</b>	<b>5,982,646</b>	<b>115,914</b>	1.9	<b>5,702,574</b>
Fixed Assets						
1 Tangible Fixed Assets						
	(1) Buildings and Structures	5,689,130	5,725,083	35,953		5,692,644
	(2) Equipment and Vehicles	1,490,075	1,616,169	126,094		1,543,974
	(3) Others	406,861	570,399	163,538		414,894
	Total Depreciation Expenses	4,060,503	4,436,722	376,218		4,172,972
	(4) Land	1,444,289	1,454,819	10,530		1,444,289
	<b>Total Tangible Fixed Assets</b>	<b>4,969,852</b>	<b>4,929,750</b>	<b>40,102</b>	0.8	<b>4,922,831</b>
2 Intangible Fixed Assets						
	(1) Others	235,749	189,446	46,302		228,756
	<b>Total intangible Fixed Assets</b>	<b>235,749</b>	<b>189,446</b>	<b>46,302</b>	19.6	<b>228,756</b>
3 Investments and Other Assets						
	(1) Investment Securities	539,074	165,514	373,559		661,319
	(2) Deferred Tax Assets	219,227	242,189	22,961		222,657
	(3) Others	253,015	396,750	143,735		254,911
	Allowance for Doubtful Debts	11,497	11,777	280		11,777
	<b>Total Investments and Other Assets</b>	<b>999,820</b>	<b>792,677</b>	<b>207,142</b>	20.7	<b>1,127,111</b>
	<b>Total Fixed Assets</b>	<b>6,205,422</b>	<b>5,911,875</b>	<b>293,547</b>	4.7	<b>6,278,699</b>
	<b>Total Assets</b>	<b>12,303,983</b>	<b>11,894,522</b>	<b>409,461</b>	3.3	<b>11,981,274</b>

(Unit: Thousand Yen, %)

Item	Period	As of Dec 31,2006	As of Dec 31,2007	Increase and Decrease		As of March 31,2007
		Amount	Amount	Amount	Rate of Change	Amount
(Liabilities)						
Current Liabilities						
1	Notes Receivable and Accounts Receivable	1,044,558	726,657	317,900		657,143
2	Short-term Borrowings	750,000	1,350,000	600,000		450,000
3	Current Position of Long-term Borrowings	366,420	402,473	36,053		488,773
4	Accrued Income Taxes and Other Taxes	100,731	8,115	92,615		59,192
5	Reserve for Employees Bonuses	60,000	53,520	6,480		120,000
6	Reserve for Directors' Bonuses	—	—	—		17,000
7	Others	311,305	309,284	2,021		276,297
	Total Current Liabilities	2,633,015	2,850,050	217,035	8.2	2,068,407
Fixed Liabilities						
1	Long-term Borrowings	662,411	823,284	160,873		1,123,798
2	Lease obligation	—	100,083	100,083		—
3	Reserve for Employees' Retirement Benefits	199,655	219,394	19,739		202,513
4	Unpaid Amount for Directors Retirement Benefits	311,050	311,050	—		311,050
5	Deferred Tax Liabilities	11,441	9,263	2,177		13,991
	Total Fixed Liabilities	1,184,558	1,463,076	278,518	23.5	1,651,353
	Total Liabilities	3,817,573	4,313,127	495,554	13.0	3,719,761
(Net Assets Section)						
Shareholders' Equity						
1	Capital Stock	1,998,700	1,998,700	—		1,998,700
2	Capital Surplus	2,953,700	2,953,700	—		2,953,700
3	Earned Surplus	3,770,929	2,881,845	889,084	23.6	3,550,825
4	Treasury Stock	480,905	481,249	344	0.1	481,141
	Total Shareholders' Equity	8,242,423	7,352,995	889,428	10.8	8,022,084
Valuation and Foreign Currency Translation						
1	Revaluation of Investment Securities	71,255	87,101	15,846	22.2	66,695
2	Foreign Currency Translation Adjustments	172,730	135,504	37,226	21.6	172,733
	Total Valuation and Foreign Currency Translation	243,985	222,606	21,379	8.8	239,428
	New Stock Reservation Right	—	5,792	5,792	—	—
	Total Net Assets	8,486,409	7,581,394	905,015	10.7	8,261,513
	Total Liabilities and Net Assets	12,303,983	11,894,522	409,461	3.3	11,981,274

## (2) Consolidated Statements of Income

(Unit: Thousand Yen, %)

Item	Period	As of Dec 31,2006	As of Dec 31,2007	Increase and Decrease		As of March 31,2007
		Amount	Amount	Amount	Rate of Change	Amount
Net Sales		6,861,910	4,690,966	2,170,943	31.6	8,329,063
Cost of Sales		4,158,815	3,532,320	626,495	15.1	5,277,546
Gross Profit		2,703,094	1,158,646	1,544,447	57.1	3,051,516
Selling and General Administrative Expenses						
1 Freight Outwards		106,811	44,075	62,735		128,263
2 Payroll and Bonuses		526,009	546,610	20,601		705,037
3 Provision for Bonuses Reserve		8,527	10,230	1,703		30,600
4 Provision for Directors' Bonuses Reserve		—	—	—		17,000
5 Expenses for Employees' Retirement Benefits		13,135	25,897	12,761		17,670
6 Depreciation Expenses		82,251	100,473	18,221		114,740
7 Research and Development Expenses		541,861	461,088	80,772		706,968
8 Others		613,661	551,783	61,878		812,454
Selling and General Administrative Expenses		1,892,258	1,740,158	152,099	8.0	2,532,735
Operating Income or Losses		810,835	581,511	1,392,347	—	518,780
Non-Operating Income						
1 Interest Income		6,063	6,425	361		8,688
2 Rent Income		15,405	15,749	343		19,807
3 Foreign Currency Exchange Gain		9,178	—	9,178		3,510
4 Others		25,631	25,952	321		34,037
Total Non-Operating Income		56,279	48,127	8,151	14.5	66,044
Non-Operating Expenses						
1 Interest Expenses		29,557	23,288	6,268		36,313
2 Commitment line Expenses		—	1,320	1,320		—
3 Foreign Currency Exchange Losses		—	32,578	32,578		—
4 Investment loss on Equity Method		—	79,202	79,202		—
5 Others		5,458	1,541	3,917		7,310
Total Non-Operating Expenses		35,015	137,931	102,915	293.9	43,623
Ordinary Income or Losses		832,098	671,315	1,503,414	—	541,202
Extraordinary Income						
1 Reversal of allowance for Bad debt		—	1,381	1,381		—
2 Loss on Sales of Fixed Assets		—	2,401	2,401		—
3 Gain on Sale of Investment Securities		—	9,000	9,000		—
4 Gain from Sale of Business		—	219,527	219,527		—
Total Extraordinary Income		—	232,310	232,310	—	—
Extraordinary Losses						
1 Loss on Disposal of Fixed Assets		1,840	6,609	4,769		2,488
2 Doubtful Debts		—	—	—		280
Total Extraordinary Losses		1,840	6,609	4,769	259.1	2,768
Net Income or Losses before tax adjustment		830,258	445,614	1,275,872	—	538,433
Income Taxes-Current		224,472	19,869	204,602	91.1	183,690
Deferred Income Taxes		—	6,990	6,990	—	—
Income Taxes-Deferred		44,809	77,104	32,295	72.1	13,869
Net Income or Losses		560,977	549,578	1,110,556	—	340,873

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

Consolidated NineMonths Ended December 31, 2006 ( From April 1, 2006 to December 31, 2006 )

	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	—	—	560,977	—	560,977
Purchase of Treasury Stock	—	—	—	489	489
Net Changes in Items other than Shareholders' Equity	—	—	—	—	—
Total Changes during the period (Thousand Yen)	—	—	402,600	489	402,110
Balance as of December 31,2006 (Thousand Yen)	1,998,700	2,953,700	3,770,929	480,905	8,242,423

	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 31,2006 (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	—	—	—	560,977
Purchase of Treasury Stock	—	—	—	489
Net Changes in Items other than Shareholders' Equity	10,939	44,202	33,263	33,263
Total Changes during the period (Thousand Yen)	10,939	44,202	33,263	435,374
Balance as of December 31,2006 (Thousand Yen)	71,255	172,730	243,985	8,486,409

**Consolidated Nine Months Ended December 31, 2007** ( From April 1, 2007 to December 31, 2007 )

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Earned Surplus	Treasury Stock	Total Shareholders' Equity
Balance as of March 31,2007 (Thousand Yen)	1,998,700	2,953,700	3,550,825	481,141	8,022,084
Changes during the period					
Dividends of Retained Earnings	—	—	91,637	—	91,637
Net Losses ( )	—	—	549,578	—	549,578
Net Decrease from Newly Consolidated Subsidiaries	—	—	27,763	—	27,763
Purchase of Treasury Stock	—	—	—	108	108
Net Changes in Items other than Shareholders' Equity	—	—	—	—	—
Total Changes during the period (Thousand Yen)	—	—	668,980	108	669,089
Balance as of December 30,2007 (Thousand Yen)	1,998,700	2,953,700	2,881,845	481,249	7,352,995

	Valuation and Translation Adjustments			New Stock Reservation Right	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)	66,695	172,733	239,428	—	8,261,513
Changes during the period					
Dividends of Retained Earnings	—	—	—	—	91,637
Net Losses ( )	—	—	—	—	549,578
Net Decrease from Newly Consolidated Subsidiaries	—	—	—	—	27,763
Purchase of Treasury Stock	—	—	—	—	108
Net Changes in Items other than Shareholders' Equity	20,406	37,228	16,822	5,792	11,029
Total Changes during the period (Thousand Yen)	20,406	37,228	16,822	5,792	680,118
Balance as of December 30,2007 (Thousand Yen)	87,101	135,504	222,606	5,792	7,518,394

## Consolidated Fiscal Year Ended March 31, 2007 ( 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 31,2006 (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 March 31,2007 (Thousand Yen)	66,695	172,733	239,428	8,261,513

## Non-Consolidated Financial Statement for the Nine Months Ended December 31, 2007

(1) Non-Consolidated Balance Sheet

(Unit: Thousand Yen, %)

Item	Period	As of Dec 31,2006	As of Dec 31,2007	Increase and Decrease		As of March 31,2007
		Amount	Amount	Amount	Rate of Change	Amount
(Assets)						
Current Assets						
1	Cash and Cash Equivalents	797,485	1,505,596	708,111		1,329,561
2	Notes Receivable	484,099	158,863	325,236		165,860
3	Accounts Receivable	2,581,982	2,033,571	548,411		1,835,763
4	Inventories	1,315,087	1,165,115	149,971		1,300,244
5	Advance	13,058	21,000	7,941		21,000
6	Prepaid Expenses	29,778	29,670	107		41,670
7	Deferred Tax Assets	50,386	34,735	15,651		79,769
8	Other Accounts Receivable	28,641	183,932	155,291		169,754
9	Others	9,041	26,668	17,627		8,500
	Doubtful Notes and Accounts	6,116	3,522	2,594		5,543
	<b>Total Current Assets</b>	<b>5,303,444</b>	<b>5,155,630</b>	<b>147,813</b>	<b>2.8</b>	<b>4,946,581</b>
Fixed Assets						
1 Tangible Fixed Assets						
(1)	Buildings	2,713,360	2,516,486	196,874		2,651,924
(2)	Structures	77,872	66,411	11,460		74,584
(3)	Machinery and Equipment	352,610	349,240	3,370		379,319
(4)	Automotive Equipment	7,542	4,934	2,608		6,696
(5)	Tools	59,782	53,857	5,924		60,368
(6)	Land	1,444,289	1,454,819	10,530		1,444,289
(7)	Construction in Progress	56	6,874	6,817		—
	<b>Total Tangible Fixed Assets</b>	<b>4,655,515</b>	<b>4,452,624</b>	<b>202,890</b>	<b>4.4</b>	<b>4,617,182</b>
2 Intangible Fixed Assets						
(1)	Patent Property	4,629	2,132	2,497		4,005
(2)	Software	228,425	184,438	43,987		221,867
(3)	Telephone Rights	1,763	1,763	—		1,763
	<b>Total Intangible Fixed Assets</b>	<b>234,818</b>	<b>188,334</b>	<b>46,484</b>	<b>19.8</b>	<b>227,636</b>
3 Investments and Other Assets						
(1)	Investment Securities	474,763	130,471	344,292		467,074
(2)	Investment in Affiliated Company	882,686	1,309,208	426,521		1,012,621
(3)	Long-term Other Accounts Receivable	—	141,848	141,848		—
(4)	Long-term Prepaid Expenses	13,895	6,339	7,556		8,661
(5)	Deferred Tax Assets	217,615	241,111	23,495		221,204
(6)	Insurance Reserve Fund	162,637	162,637	—		162,637
(7)	Golf-Club Membership	24,143	24,143	—		24,143
(8)	Others	45,949	44,501	1,447		45,830
	Allowance for Doubtful Debts	11,497	11,777	280		11,777
	<b>Total Investments and Other Assets</b>	<b>1,810,195</b>	<b>2,048,484</b>	<b>238,289</b>	<b>13.2</b>	<b>1,930,396</b>
	<b>Total Fixed Assets</b>	<b>6,700,529</b>	<b>6,689,443</b>	<b>11,085</b>	<b>0.2</b>	<b>6,775,215</b>
	<b>Total Assets</b>	<b>12,003,973</b>	<b>11,845,074</b>	<b>158,899</b>	<b>1.3</b>	<b>11,721,796</b>

(Unit: Thousand Yen, %)

Item	Period	As of Dec 31,2006	As of Dec 31,2007	Increase and Decrease		As of March 31,2007
		Amount	Amount	Amount	Rate of Change	Amount
(Liabilities)						
Current Liabilities						
1	Accounts Payable	1,107,733	708,820	398,912		692,452
2	Short-term Borrowings	750,000	1,350,000	600,000		450,000
3	Current Position of Long-term Borrowings	366,420	402,473	36,053		488,773
4	Accrued Liabilities	138,139	119,751	18,388		124,349
5	Accrued Expenses	41,275	49,357	8,082		38,920
6	Income Taxes Payable	95,500	1,325	94,174		56,000
7	Advances	50,508	33,290	17,218		23,205
8	Reserve for Employees' Bonuses	60,000	53,520	6,480		120,000
9	Reserve for Director' Bonuses	—	—	—		17,000
10	Others	12,856	22,923	10,067		10,495
	Total Current Liabilities	2,622,433	2,741,462	119,029	4.5	2,021,196
Fixed Liabilities						
1	Long-term Borrowings	662,411	823,284	160,873		1,123,798
2	Reserve for Employees' Retirement Benefits	199,655	219,394	19,739		202,513
3	Unpaid Amount Directors' Retirement Benefits	311,050	311,050	—		311,050
	Total Fixed Liabilities	1,173,117	1,353,729	180,612	15.4	1,637,361
	Total Liabilities	3,795,550	4,095,192	299,641	7.9	3,658,558
(Net Assets Section)						
Shareholders' Equity						
1	Capital Stock	1,998,700	1,998,700	—		1,998,700
2	Capital Surplus					
	(1) Capital Appropriation	2,953,700	2,953,700	—		2,953,700
	Total Capital Surplus	2,953,700	2,953,700	—		2,953,700
3	Earned Surplus					
	(1) Earned Surplus Reserve	60,000	60,000	—		60,000
	(2)Other Earned Surplus Reserve					
	Voluntary Reserve	2,510,000	2,610,000	100,000		2,510,000
	Un-appropriated Profits	1,095,673	557,949	537,723		955,284
	Total Earned Surplus	3,665,673	3,227,949	437,723	11.9	3,525,284
4	Treasury Stock	480,905	481,249	344	0.1	481,141
	Total Shareholders' Equity	8,137,168	7,699,099	438,068	5.4	7,996,542
Valuation and Foreign Currency Translation						
1	Revaluation of Investment Securities	71,255	44,989	26,265		66,695
	Total Valuation and Foreign Currency Translation	71,255	44,989	26,265	36.9	66,695
	New Stock Reservation Right	—	5,792	5,792	—	—
	Total Net Assets Section	8,208,423	7,749,882	458,541	5.6	8,063,238
	Total Liabilities and Net Assets	12,003,973	11,845,074	158,899	1.3	11,721,796

## (2) Non-Consolidated Statements of Income

(Unit: Thousand Yen, %)

Item	Period	As of Dec 31,2006	As of Dec 31,2007	Increase and Decrease		As of March 31,2007
		Amount	Amount	Amount	Rate of Change	Amount
Net Sales		6,171,729	3,794,611	2,377,117	38.5	7,427,967
Cost of Sales		3,929,515	3,068,938	860,576	21.9	4,981,408
Gross Profit		2,242,213	725,673	1,516,540	67.6	2,446,558
Selling and General Administrative Expenses		1,619,863	1,370,708	249,154	15.4	2,150,752
Operating Income or Losses		622,350	645,035	1,267,385	—	295,805
Non-Operating Income						
1 Interest Income		622	1,507	885		992
2 Dividend Income		7,254	112,642	105,388		128,470
3 Rent Income		6,752	6,004	748		7,698
4 Foreign Currency Exchange Gain		20,549	—	20,549		16,370
5 Entrusted Business Income		—	6,048	6,048		—
6 Others		10,244	6,309	3,934		15,859
Total Non-Operating Income		45,422	132,512	87,090	191.7	169,390
Non-Operating Expenses						
1 Interest Expenses		27,790	23,268	4,522		34,524
2 Commitment line Expenses		—	1,320	1,320		—
3 Foreign Currency Exchange Losses		—	21,804	21,804		—
4 Others		5,360	1,537	3,823		7,204
Total Non-Operating Expenses		33,151	47,930	14,779	44.6	41,728
Ordinary Income or Losses		634,621	560,453	1,195,074	—	423,468
Extraordinary Gains						
1 Reversal of allowance for Bad debt		—	1,610	1,610		—
2 Gain on Sale of Investment Securities		—	9,000	9,000		—
3 Gain from Sale of Business		—	405,282	405,282		—
Total Extraordinary Income		—	415,892	415,892		—
Extraordinary Losses						
1 Loss on Disposal of Fixed Assets		472	6,399	5,926		985
2 Doubtful Debts		—	—	—		280
Total Extraordinary Losses		472	6,399	5,926	1,253.0	1,265
Net Income or Losses before tax adjustment		634,148	150,960	785,108	—	422,202
Income Taxes-Current		195,004	7,721	187,283	96.0	153,289
Deferred Income Taxes		—	6,990	6,990	—	—
Income Taxes-Deferred		42,495	40,024	2,471	—	12,654
Net Income or Losses		396,648	205,696	602,345	—	256,258

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

Non-Consolidated NineMonths Ended December 31, 2006 ( From April 1, 2006 to December 31, 2006 )

	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 December 31,2006 (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	—	—	396,648	396,648	—	396,648
Purchase of Treasury Stock	—	—	—	—	489	489
Net Changes in Items other than Shareholders' Equity	—	—	—	—	—	—
Total Changes during the period (Thousand Yen)	—	100,000	138,270	238,270	489	237,781
Balance as of December 31,2006 (Thousand Yen)	60,000	2,510,000	1,095,673	3,665,673	480,905	8,137,168

	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	—	—	396,648
Purchase of Treasury Stock	—	—	489
Net Changes in Items other than Shareholders' Equity	10,939	10,939	10,939
Total Changes during the period (Thousand Yen)	10,939	10,939	226,842
Balance as of December 31,2006 (Thousand Yen)	71,255	71,255	8,208,423

**Non-Consolidated NineMonths Ended December 31, 2007 ( From April 1, 2007 to December 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	—	—	—
Contingent Reserve	—	—	—
Net Losses ( )	—	—	—
Purchase of Treasury Stock	—	—	—
Sale of Treasury Stock	—	—	—
Net Changes in Items other than Shareholders' Equity	—	—	—
Total Changes during the period (Thousand Yen)	—	—	—
Balance as of December 31,2006 (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	2,510,000	955,284	3,525,284	481,141	7,996,542
Changes during the period						
Dividends of Retained Earnings	—	—	91,637	91,637	—	91,637
Contingent Reserve	—	100,000	100,000	—	—	—
Net Losses ( )	—	—	205,696	205,696	—	205,696
Purchase of Treasury Stock	—	—	—	—	108	108
Sale of Treasury Stock	—	—	—	—	—	—
Net Changes in Items other than Shareholders' Equity	—	—	—	—	—	—
Total Changes during the period (Thousand Yen)	—	100,000	397,334	297,334	108	297,443
Balance as of December 31,2006 (Thousand Yen)	60,000	2,610,000	557,949	3,227,949	481,249	7,699,099

	Valuation and Translation Adjustments		New Stock Reservation Right	Total Net Assets
	Revaluation of Other Investment Securities	Total Valuation and Translation Adjustments		
Balance as of March 31,2006 (Thousand Yen)	66,695	66,695	—	8,063,238
Changes during the period				
Dividends of Retained Earnings	—	—	—	91,637
Contingent Reserve	—	—	—	—
Net Losses ( )	—	—	—	205,696
Purchase of Treasury Stock	—	—	—	108
Sale of Treasury Stock	—	—	—	—
Net Changes in Items other than Shareholders' Equity	21,705	5,792	15,912	15,912
Total Changes during the period (Thousand Yen)	21,705	5,792	15,912	313,356
Balance as of December 31,2006 (Thousand Yen)	44,989	5,792	50,782	7,749,882

## Non-Consolidated Fiscal Year Ended March 31, 2007 ( 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	955,284	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