

77th 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	205,027
(2) Structures	224,814		225,190		376	
Accumulated Depreciation Expense	137,477	87,337	150,606	74,584	13,128	12,752
(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	85,000
(4) Automotive Equipment	30,624		30,624		—	
Accumulated Depreciation Expense	20,528	10,096	23,928	6,696	3,400	3,400
(5) Tools	309,478		332,582		23,103	
Accumulated Depreciation Expense	250,226	59,252	272,213	60,368	21,987	1,116
(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						