

Consolidated Balance Sheets

September 30, 2007

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ASSETS		
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Current assets		
Cash and time deposits	1,947,797,880	16,874,277.74
Notes and accounts receivable	2,879,144,844	24,942,777.82
Marketable securities	150,926,044	1,307,511.43
Inventories	1,971,169,460	17,076,751.80
Other current assets	30,864,985	267,391.36
Allowance for doubtful receivables	(12,752,040)	(110,474.23)
Total current assets	6,967,151,173	60,358,235.93
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Property, plant and equipment		
Land	850,072,041	7,364,394.36
Buildings and structures	1,192,499,478	10,330,931.98
Machinery and equipment	2,829,960,892	24,516,684.50
Total property, plant and equipment	4,872,532,411	42,212,010.84
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Intangible assets	30,919,501	267,863.65
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Investments and other assets		
Investment securities	1,957,997,953	16,962,643.62
Other assets	47,425,005	410,855.11
Total investments and other assets	2,005,422,958	17,373,498.73
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Total assets	13,876,026,043	120,211,609.14
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September 30, 2007

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LIABILITIES, MINORITY INTERESTS AND NET ASSETS

Current liabilities

Notes and accounts payable	1,275,502,832	11,050,011.54
Income and enterprise taxes payable	16,908,888	146,486.08
Other current liabilities	776,332,815	6,725,572.34
Total current liabilities	2,068,744,535	17,922,069.96

Long-term liabilities

Deferred tax liabilities	263,721,784	2,284,690.15
Accrued retirement benefits for employees	375,024,873	3,248,937.65
Accrued retirement benefits for directors and corporate auditors	64,790,000	561,292.56
Total long-term liabilities	703,536,657	6,094,920.36

Minority interests in consolidated subsidiaries

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Net assets

Common stock	2,219,588,726	19,228,872.27
Capital surplus	3,341,270,124	28,946,288.87
Retained earnings	5,195,190,692	45,007,283.13
Net unrealized holding gains on securities	457,036,057	3,959,421.79
Foreign currency translation adjustments	(48,610,063)	(421,121.57)
Treasury stock, at cost	(60,730,685)	(526,125.66)
Total net assets	11,103,744,851	96,194,618.83
Total liabilities, minority interests and net assets	13,876,026,043	120,211,609.14

Consolidated Statements of Income

Year ended September 30, 2007

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Net sales	4,112,905,606	34,504,241.66
Cost of sales	3,600,154,326	30,202,636.96
Gross profit	512,751,280	4,301,604.70
Selling, general and administrative expenses	869,829,911	7,297,230.80
Operating income	(357,078,631)	(2,995,626.10)
Non-Operating income	28,803,459	241,639.76
Interest income	4,187,493	35,129.97
Dividends received	17,311,480	145,230.54
Other non-operating income	7,304,486	61,279.24
Non-Operating expenses	19,253,491	161,522.58
Interest expense	1,233,480	10,347.99
Foreign currency exchange loss	6,317,862	53,002.20
Loss resulted from valuation of inventory	5,313,564	44,576.88
Other non-operating expenses	6,388,585	53,595.51
Extraordinary gains	60,875,436	510,699.97
Gain on sales of investment securities	60,336,940	506,182.38
Gain on liquidation of investment securities	411,184	3,449.53
Reversal of allowance for doubtful accounts	127,312	1,068.05
Extraordinary losses	47,467,358	398,216.09
Loss on retirement of fixed assets	10,324,572	86,615.54
Loss resulted from valuation of investment securities	31,104,077	260,940.24
Loss resulted from valuation of inventory	4,369,909	36,660.31
Director's retirement allowance	1,668,800	14,000.00
Income before income taxes	(334,120,585)	(2,803,025.04)
Income taxes		
Current	3,051,042	25,595.99
Deferred	57,045,709	478,571.38
Net income	(394,217,336)	(3,307,192.42)

Consolidated Statements of Shareholders' Equity

Year ended September 30, 2007

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	Common stock	Capital surplus	Retained earnings	Net unrealized holding gains on securities	Foreign currency translation adjustments	Treasury stock
Balance at March 31, 2007	2,219,588,726	3,341,270,124	5,667,179,314	743,047,590	(47,864,132)	(59,138,584)
Net income			(394,217,336)			
Adjustments from translation of foreign currency financial statements					(745,931)	
Decrease in net unrealized holding gains on securities				(286,011,533)		
Cash dividends			(77,771,286)			
Treasury stock						(1,592,101)
Balance at September 30, 2007	2,219,588,726	3,341,270,124	5,195,190,692	457,036,057	(48,610,063)	(60,730,685)

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	Common stock	Capital surplus	Retained earnings	Net unrealized holding gains on securities	Foreign currency translation adjustments	Treasury stock
Balance at March 31, 2007	19,228,872.27	28,946,288.87	49,096,242.87	6,437,213.81	(414,659.38)	(512,332.88)
Net income			(3,415,206.93)			
Adjustments from translation of foreign currency financial statements					(6,462.19)	
Decrease in net unrealized holding gains on securities				(2,477,792.02)		
Cash dividends			(673,752.80)			
Treasury stock						(13,792.78)
Balance at September 30, 2007	19,228,872.27	28,946,288.87	45,007,283.13	3,959,421.79	(421,121.57)	(526,125.66)

Consolidated Statements of Cash Flows

Year ended September 30, 2007

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Operating Activities:		
Income before income taxes	(334,120,585)	(2,803,025.04)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	329,991,220	2,768,382.72
Loss on retirement of property, plant and equipment	10,324,572	86,615.54
Decrease in retirement allowances	(3,898,321)	(32,704.04)
Decrease in director's retirement allowance	(4,570,000)	(38,338.93)
Decrease in accrued bonus	(9,430,594)	(79,115.72)
Decrease in allowance for doubtful accounts	(6,792)	(56.98)
Interest and dividend income	(21,498,973)	(180,360.51)
Interest expense	1,233,480	10,347.99
Foreign currency exchange loss	3,576,217	30,001.82
Loss resulted from valuation of inventory	10,005,233	83,936.52
Gain on sales of investment securities	(60,336,940)	(506,182.38)
Gain on liquidation of investment securities	(411,184)	(3,449.53)
Loss resulted from valuation of investment securities	31,104,077	260,940.24
Decrease in trade receivables	1,925,399	16,152.68
Decrease in inventories	50,313,802	422,095.65
Increase in trade payables	37,266,445	312,637.96
Other, net	(18,924,123)	(158,759.42)
Interest and dividends received	21,174,863	177,641.47
Interest paid	(1,233,480)	(10,347.99)
Income taxes paid	(12,045,342)	(101,051.53)
Net cash provided by operating activities	30,438,974	255,360.52
Investing Activities:		
Purchases of property, plant and equipment	(300,273,853)	(2,519,075.95)
Purchases of Intangible assets	(726,928)	(6,098.39)
Purchases of investment securities	(75,408,363)	(632,620.49)
Sales of investment securities	74,328,940	623,564.93
Liquidation of investment securities	2,411,184	20,228.05
Decrease in long-term loans receivable	1,500,000	12,583.89
Net cash used in investing activities	(298,169,020)	(2,501,417.95)
Financing Activities:		
Acquisition of treasury stock	(1,592,101)	(13,356.55)
Dividends paid	(77,440,877)	(649,671.79)
Net cash used in financing activities	(79,032,978)	(663,028.34)
Effect of exchange rate changes on cash and cash equivalents	(2,816,169)	(23,625.58)
Decrease in cash and cash equivalents	(349,579,193)	(2,932,711.35)
Cash and cash equivalents at beginning of the year	1,148,326,052	9,633,607.82
Cash and cash equivalents at end of the year	798,746,859	6,700,896.47

Notes to Consolidated Financial Statements

	¥	\$
1. Accumulated depreciations of tangible assets	16,846,019,292	145,941,430.23
2. Assets pledged as collateral time deposits	5,000,000	43,316.29
3. Net loss per share	15.20	0.12
Net loss	394,217,336	3,307,192.41
Average number of shares outstanding	25,919,180	25,919,180
4. Net assets per share	428.45	3.71
Net assets	11,103,744,851	96,194,618.82
Number of outstanding stocks	25,915,886	25,915,886