

Balance Sheets

September 30, 2007

| | ¥ | \$ |
|--|-----------------------|-----------------------|
| ASSETS | | |
| <hr/> | | |
| Current assets | | |
| Cash on hand and in banks | 1,829,823,314 | 15,852,233.51 |
| Notes receivable - trade | 456,080,656 | 3,951,144.90 |
| Accounts receivable - trade | 2,448,508,920 | 21,212,067.23 |
| Inventories | 1,775,604,239 | 15,382,519.61 |
| Other current assets | 252,640,708 | 2,188,691.92 |
| Allowance for doubtful accounts | (7,513,430) | (65,090.79) |
| Total current assets | 6,755,144,407 | 58,521,566.38 |
| <hr/> | | |
| Fixed assets | | |
| Tangible assets | | |
| Buildings | 1,100,628,078 | 9,535,026.23 |
| Machinery and equipment | 2,264,466,273 | 19,617,658.09 |
| Land | 814,055,792 | 7,052,376.26 |
| Other tangible assets | 315,238,166 | 2,730,989.92 |
| Total property, plant and equipment | 4,494,388,309 | 38,936,050.50 |
| <hr/> | | |
| Intangible assets | 29,432,152 | 254,978.36 |
| <hr/> | | |
| Investments and other assets | | |
| Investment securities | 1,957,997,953 | 16,962,643.62 |
| Other investment | 689,977,310 | 5,977,452.22 |
| Total investments and other assets | 2,647,975,263 | 22,940,095.84 |
| <hr/> | | |
| Total assets | 13,926,940,131 | 120,652,691.08 |
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Balance Sheets

September 30, 2007

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LIABILITIES AND NET ASSETS

Current liabilities

| | | |
|-------------------------------------|----------------------|----------------------|
| Notes payable | 592,152,268 | 5,129,968.54 |
| accounts payable | 703,576,231 | 6,095,263.20 |
| Income and enterprise taxes payable | 15,308,188 | 132,618.80 |
| Other current liabilities | 741,532,146 | 6,424,085.13 |
| Total current liabilities | 2,052,568,833 | 17,781,935.66 |

Long-term liabilities

| | | |
|--|--------------------|---------------------|
| Deferred tax liabilities | 263,721,784 | 2,284,690.15 |
| Accrued retirement benefits for employees | 286,382,307 | 2,481,004.13 |
| Accrued retirement benefits for directors and corporate auditors | 59,840,000 | 518,409.43 |
| Total long-term liabilities | 609,944,091 | 5,284,103.71 |

Net assets

| | | |
|--|-----------------------|-----------------------|
| Common stock | 2,219,588,726 | 19,228,872.27 |
| Capital surplus | 3,341,270,124 | 28,946,288.87 |
| Retained earnings | 5,307,262,985 | 45,978,194.45 |
| Net unrealized holding gains on securities | 457,036,057 | 3,959,421.79 |
| Treasury stock, at cost | (60,730,685) | (526,125.66) |
| Total net assets | 11,264,427,207 | 97,586,651.71 |
| Total liabilities and net assets | 13,926,940,131 | 120,652,691.08 |

Income Statement

Year ended September 30, 2007

| | ¥ | \$ |
|---|----------------------|-----------------------|
| Net sales | 4,083,076,424 | 34,253,996.85 |
| Cost of sales | 3,633,084,656 | 30,478,898.12 |
| Gross profit | 449,991,768 | 3,775,098.72 |
| Selling, general and administrative expenses | 822,769,032 | 6,902,424.77 |
| Operating income | <u>(372,777,264)</u> | <u>(3,127,326.04)</u> |
| Non-Operating income | 30,586,361 | 256,596.99 |
| Interest income | 6,016,772 | 50,476.28 |
| Other non-operating income | 24,569,589 | 206,120.71 |
| Non-Operating expenses | 17,316,958 | 145,276.49 |
| Interest expenses | 1,233,480 | 10,347.99 |
| Other non-operating expenses | 16,083,478 | 134,928.51 |
| Extraordinary gains | 60,769,820 | 509,813.93 |
| Gain on sales of investment securities | 60,336,940 | 506,182.38 |
| Other extraordinary gains | 432,880 | 3,631.54 |
| Extraordinary losses | 49,177,789 | 412,565.34 |
| 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 |
| Loss of support for affiliated company | 3,379,231 | 28,349.25 |
| Income before income taxes | <u>(347,915,830)</u> | <u>(2,918,756.96)</u> |
| Provision for income taxes | 59,467,191 | 498,885.83 |
| Net income | <u>(407,383,021)</u> | <u>(3,417,642.79)</u> |

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 | Treasury stock |
|--|---------------|-----------------|-------------------|--|----------------|
| Balance at March 31, 2007 | 2,219,588,726 | 3,341,270,124 | 5,792,417,292 | 743,047,590 | (59,138,584) |
| Net income | | | (407,383,021) | | |
| 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 | 5,307,262,985 | 457,036,057 | (60,730,685) |

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| | Common stock | Capital surplus | Retained earnings | Net unrealized holding gains on securities | Treasury stock |
|--|---------------|-----------------|-------------------|--|----------------|
| Balance at March 31, 2007 | 19,228,872.27 | 28,946,288.87 | 50,181,211.92 | 6,437,213.81 | (512,332.88) |
| Net income | | | (3,529,264.67) | | |
| 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 | 45,978,194.45 | 3,959,421.79 | (526,125.66) |

Notes

| | ¥ | \$ |
|---|----------------|----------------|
| 1. Short-term credit to subsidiaries | 144,182,756 | 1,249,092.57 |
| Long-term credit to subsidiaries | 230,000,000 | 1,992,549.59 |
| 2. Short-term debts on subsidiaries | 79,237,329 | 686,453.51 |
| 3. Accumulated depreciations of tangible assets | 15,430,763,170 | 133,680,699.73 |
| 4. Number of treasury shares | 304,114 | 304,114 |
| 5. Sales to subsidiaries | 92,955,317 | 779,826.48 |
| Purchases from subsidiaries | 389,989,517 | 3,271,724.13 |
| Income from subsidiaries | 2,747,299 | 23,047.81 |
| 6. Research and development expenses | 144,091,781 | 1,208,823.66 |
| 7. Net loss per share | 15.71 | 0.13 |
| Net loss | 407,383,021 | 3,417,642.79 |
| Average number of shares outstanding | 25,919,180 | 25,919,180 |
| 8. Net assets per share | 434.65 | 3.76 |
| Net assets | 11,264,427,207 | 97,586,651.71 |
| Number of outstanding stocks | 25,915,886 | 25,915,886 |