

Consolidated Balance Sheets

March 31, 2008

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ASSETS		
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Current assets		
Cash and time deposits	844,532,928	8,429,313.58
Notes and accounts receivable	2,893,660,293	28,881,727.65
Marketable securities	230,666,072	2,302,286.38
Inventories	2,013,446,335	20,096,280.42
Other current assets	26,557,747	265,073.83
Allowance for doubtful receivables	(12,074,520)	(120,516.22)
Total current assets	5,996,788,855	59,854,165.64
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Property, plant and equipment		
Buildings and structures	802,872,199	8,013,496.35
Machinery and equipment	1,987,171,874	19,834,034.08
Land	850,072,041	8,484,599.67
Construction in progress	36,539,759	364,704.65
Other tangible fixed assets	242,043,908	2,415,848.97
Total property, plant and equipment	3,918,699,781	39,112,683.71
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Intangible assets	30,800,314	307,419.04
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Investments and other assets		
Investment securities	1,507,584,192	15,047,252.14
Other assets	954,003,265	9,521,940.96
Total investments and other assets	2,461,587,457	24,569,193.10
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Total assets	12,407,876,407	123,843,461.49
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March 31, 2008

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LIABILITIES, MINORITY INTERESTS AND NET ASSETS

Current liabilities

Notes and accounts payable	1,195,000,858	11,927,346.62
Short-term debt	300,000,000	2,994,310.81
Income and enterprise taxes payable	29,334,578	292,789.48
Notes payable - equipment	325,981,817	3,253,636.26
Other current liabilities	389,324,058	3,885,857.45
Total current liabilities	2,239,641,311	22,353,940.62

Long-term liabilities

Deferred tax liabilities	182,336,055	1,819,902.73
Accrued retirement benefits for employees	374,045,789	3,733,364.50
Accrued retirement benefits for directors and corporate auditors	64,790,000	646,671.32
Total long-term liabilities	621,171,844	6,199,938.56

Minority interests in consolidated subsidiaries

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Net assets

Common stock	2,219,588,726	22,153,795.05
Capital surplus	3,341,270,124	33,349,337.50
Retained earnings	3,863,654,758	38,563,277.35
Net unrealized holding gains on securities	252,764,453	2,522,851.11
Foreign currency translation adjustments	(52,709,661)	(526,097.03)
Treasury stock, at cost	(77,505,148)	(773,581.67)
Total net assets	9,547,063,252	95,289,582.31
Total liabilities, minority interests and net assets	12,407,876,407	123,843,461.49

Consolidated Statements of Income

Year ended March 31, 2008

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Net sales	8,455,611,744	74,302,387.91
Cost of sales	7,218,408,167	63,430,651.73
Gross profit	1,237,203,577	10,871,736.18
Selling, general and administrative expenses	1,693,393,359	14,880,433.73
Operating income	<u>(456,189,782)</u>	<u>(4,008,697.56)</u>
Non-Operating income	53,002,988	465,755.61
Interest income	9,188,285	80,740.64
Dividends received	30,173,159	265,141.99
Other non-operating income	13,641,544	119,872.97
Non-Operating expenses	63,165,766	555,059.46
Interest expense	3,354,998	29,481.53
Foreign currency exchange loss	35,518,009	312,109.04
Loss resulted from valuation of inventory	2,476,469	21,761.59
Loss on retirement of inventory	5,172,878	45,455.87
Other non-operating expenses	16,643,412	146,251.42
Extraordinary gains	61,552,956	540,887.14
Gain on sales of investment securities	60,336,940	530,201.58
Gain on liquidation of investment securities	411,184	3,613.22
Reversal of allowance for doubtful accounts	804,832	7,072.34
Extraordinary losses	1,237,348,794	10,873,012.25
Loss on retirement of fixed assets	18,781,176	165,036.70
Impairment loss of fixed assets	973,934,796	8,558,302.25
Loss resulted from valuation of investment securities	101,914,641	895,559.24
Loss resulted from valuation of inventory	140,759,886	1,236,905.85
Director's retirement allowance	1,958,295	17,208.22
Income before income taxes	<u>(1,642,148,398)</u>	<u>(14,430,126.52)</u>
Income taxes		
Current	22,740,111	199,825.23
Deferred	60,864,761	534,839.73
Net income	<u>(1,725,753,270)</u>	<u>(15,164,791.48)</u>

Consolidated Statements of Shareholders' Equity

Year ended March 31, 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			(1,725,753,270)			
Adjustments from translation of foreign currency financial statements					(4,845,529)	
Decrease in net unrealized holding gains on securities				(490,283,137)		
Cash dividends			(77,771,286)			
Treasury stock						(18,366,564)
Balance at March 31, 2008	2,219,588,726	3,341,270,124	3,863,654,758	252,764,453	(52,709,661)	(77,505,148)

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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	22,153,795.05	33,349,337.50	56,564,320.93	7,416,384.77	(477,733.63)	(590,264.34)
Net income			(17,224,805.57)			
Adjustments from translation of foreign currency financial statements					(48,363.40)	
Decrease in net unrealized holding gains on securities				(4,893,533.66)		
Cash dividends			(776,238.01)			
Treasury stock						(183,317.34)
Balance at March 31, 2008	22,153,795.05	33,349,337.50	38,563,277.35	2,522,851.11	(526,097.03)	(773,581.67)

Consolidated Statements of Cash Flows

Year ended March 31, 2008

	¥	\$
Operating Activities:		
Income before income taxes	(1,642,148,398)	(16,390,342.33)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	725,355,059	7,239,794.98
Impairment loss of fixed assets	973,934,796	9,720,878.29
Loss on retirement of property, plant and equipment	18,781,176	187,455.59
Decrease in retirement allowances	(4,877,405)	(48,681.56)
Decrease in director's retirement allowance	(4,570,000)	(45,613.33)
Decrease in accrued bonus	(18,004,390)	(179,702.47)
Increase in allowance for doubtful accounts	16,728	166.96
Interest and dividend income	(39,361,444)	(392,867.99)
Interest expense	3,354,998	33,486.36
Foreign currency exchange loss	17,731,489	176,978.63
Gain on sales of investment securities	(60,336,940)	(602,225.17)
Gain on liquidation of investment securities	(411,184)	(4,104.04)
Loss resulted from valuation of investment securities	101,914,641	1,017,213.70
Increase in trade receivables	(18,003,477)	(179,693.35)
Decrease in inventories	13,667,828	136,419.08
Increase in trade payables	(43,235,529)	(431,535.37)
Other, net	(295,076)	(2,945.16)
Interest and dividends received	39,836,720	397,611.74
Interest paid	(3,334,533)	(33,282.09)
Income taxes paid	(14,078,111)	(140,514.13)
Net cash provided by operating activities	45,936,948	458,498.33
Investing Activities:		
Proceeds from time deposits	70,000,000	698,672.52
Proceeds from redemption of marketable securities	50,000,000	499,051.80
Purchases of property, plant and equipment	(803,371,182)	(8,018,476.71)
Purchases of Intangible assets	(726,928)	(7,255.49)
Purchases of investment securities	(76,006,503)	(758,623.65)
Sales of investment securities	74,328,940	741,879.83
Liquidation of investment securities	2,411,184	24,066.11
Decrease in long-term loans receivable	2,379,577	23,750.64
Other, net	(358,095)	(3,574.16)
Net cash used in investing activities	(681,343,007)	(6,800,509.10)
Financing Activities:		
Increase in short-term debt	300,000,000	2,994,310.81
Acquisition of treasury stock	(18,366,564)	(183,317.34)
Dividends paid	(77,595,601)	(774,484.49)
Net cash used in financing activities	204,037,835	2,036,508.98
Effect of exchange rate changes on cash and cash equivalents	(21,349,593)	(213,091.06)
Decrease in cash and cash equivalents	(452,717,817)	(4,518,592.84)
Cash and cash equivalents at beginning of the year	1,148,326,052	11,461,483.70
Cash and cash equivalents at end of the year	695,608,235	6,942,890.86

Notes to Consolidated Financial Statements

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1. Accumulated depreciations of tangible assets	18,128,588,495	180,942,094.97
2. Assets pledged as collateral time deposits	5,000,000	49,905.18
3. Net loss per share	(66.68)	(0.59)
Net loss	(1,725,753)	(15164.79)
Average number of shares outstanding	25,878,859	25,878,859
4. Net assets per share	370.03	3.69
Net assets	9,547,063	95,289.58
Number of outstanding stocks	25,800,348	25,800,348