



May 9, 2008

# FY 2008 Consolidated Financial Results

## FUJIMI INCORPORATED

Stock exchanges on which the shares are listed: Tokyo, Nagoya

Code: #5384

URL: <http://www.fujimiinc.co.jp>

Representative: Keishi Seki, President

Person in charge of reference: Kazuhiro Ishii, Senior General Manager

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Date of board meeting to approve financial results: June 24, 2008

Scheduled date for the securities report to be presented: June 24, 2008

Scheduled date for dividend payments to commence: June 25, 2008

## 1. Consolidated Financial Results for FY 2008 (April 1, 2007 - March 31, 2008)

### (1) Summary of Consolidated Financial Results

(Fractions less than one million yen are rounded off.)

	FY 2008		FY 2007	
	Million yen	(%)	Million yen	(%)
Net sales	42,630	12.0	38,060	18.5
Operating income	5,226	(12.6)	5,979	25.3
Ordinary income	5,289	(13.6)	6,122	25.1
Net income	3,249	(20.4)	4,080	27.2
Net income per share	109.64 yen		138.45 yen	
Net income per share (diluted)	109.31 yen		137.43 yen	
Ratio of net income to shareholders' equity	7.5 %		10.0 %	
Ratio of ordinary income to total assets	9.7 %		12.1 %	
Ordinary income to net sales ratio	12.3 %		15.7 %	

Note: Percentages indicate year-on-year changes.

Reference: Equity in earnings (losses) of affiliated companies: (FY2008) --- million yen (FY2007) --- million yen

### (2) Consolidated Financial Position

	FY 2008	FY 2007
	Million yen	Million yen
Total assets	55,233	53,730
Net assets	44,536	42,638
Shareholders' equity ratio	80.3 %	79.1 %
Net assets per share	1,494.39 yen	1,435.75 yen

Reference: Shareholders' equity: (FY2008) 44,341 million yen (FY2007) 42,495 million yen

### (3) Consolidated Cash Flows

	FY 2008	FY 2007
	Million yen	Million yen
Operating activities	4,617	2,990
Investing activities	(6,374)	(3,182)
Financing activities	(321)	(936)
Cash and cash equivalents at the term-end	9,729	11,785

## 2. Dividends

	Dividend/share (Yen)		
	FY 2007	FY 2008	FY 2009 (Estimated)
Per-share dividends (mid-term)	20.00	20.00	20.00
Per-share dividends (term end)	23.00	23.00	23.00
Per-share dividends (yearly)	43.00	43.00	43.00
Total dividends (yearly/million yen)	1,269	1,275	1,275
Dividends payout (consolidated)	31.1%	39.2%	34.9%
Dividends rate for net assets (consolidated)	3.1%	2.9%	2.8%

## 3. Consolidated Financial Forecast for FY 2009 (April 1, 2008 - March 31, 2009)

( Percentages for yearly forecast indicate changes compared to the previous year, and those for term forecasts show changes from the same term of the previous year. )

	Mid-term		Yearly	
	Million yen	(%)	Million yen	(%)
Net sales	22,110	5.1	46,280	8.6
Operating income	2,350	(7.9)	5,840	11.7
Ordinary income	2,410	(8.0)	5,900	11.6
Net income	1,470	(8.5)	3,660	12.7
Net income per share	49.54 yen		123.35 yen	

## 4. Others

(1) Transfer of any key subsidiary during the term (transfer of any specified subsidiary in line with changes to consolidated scope): None

New: None Excluded: None

(2) Changes in accounting principles, procedures, display methods, etc. for preparing consolidated financial statements (to be recorded as changes in important matters which serve as basis in order to prepare consolidated financial statements )

[1] Changes due to revision of accounting standards: Present

[2] Changes other than [1]: None

(3) Number of shares issued (ordinary shares)

	FY 2008	FY 2007
	Shares	Shares
[1] Number of shares issued at year-end (including treasury stocks)	30,699,500	30,699,500
[2] Number of treasury stocks at year-end	1,027,476	1,101,331

## (Reference) Summary of Non-Consolidated Performance

### 1 . Non-Consolidated Financial Results for FY 2008 (April 1, 2007 - March 31, 2008)

#### (1) Non-Consolidated Financial Results

( Percentages show changes compared to same term of the previous year. )

	FY 2008		FY 2007	
	Million yen	(%)	Million yen	(%)
Net sales	35,349	10.0	32,140	18.8
Operating income	4,491	(8.6)	4,913	29.3
Ordinary income	4,722	(8.8)	5,178	26.7
Net income	2,630	(19.7)	3,274	24.0
Net income per share	88.73 yen		111.11 yen	
Net income per share (diluted)	88.46 yen		110.29 yen	

#### (2) Non-Consolidated Financial Position

	FY 2008		FY 2007	
	Million yen		Million yen	
Total assets	50,267		49,652	
Net assets	41,066		39,724	
Shareholders' equity ratio	81.7 %		80.0 %	
Net assets per share	1,383.63 yen		1,342.13 yen	

Reference: Shareholders' equity: (FY2008) 41,055 million yen (FY 2007) 39,724 million yen

### 2. Non-Consolidated Financial Forecast for FY 2009 (April 1, 2008 – March 31, 2009)

(Percentages for yearly forecast indicate changes compared to the previous year, and those for term forecasts show changes from the same term of the previous year. )

	Mid-term		Yearly	
	Million yen	(%)	Million yen	(%)
Net sales	18,630	7.7	39,130	10.7
Operating income	1,830	(16.6)	4,650	3.5
Ordinary income	1,990	(14.3)	5,000	5.9
Net income	1,240	(16.0)	3,130	19.0
Net income per share	41.79 yen		105.49 yen	

<Note about appropriate use of the forecast>

This financial forecast is a prospective based on the information presently available and should not be construed as an assurance or guarantee of future performance. Actual results may differ from the figures provided above due to changes in business conditions.

## Consolidated Financial Statement

### (1) Consolidated Balance Sheet

(Thousands of yen)

Item	FY2007		FY2008		Year-on-year change	
	(As of March 31, 2007)		(As of March 31, 2008)			
	Amount	Percentage	Amount	Percentage	Increase/Decrease	
<b>ASSETS</b>		%		%		
<b>I. Current assets</b>						
1. Cash and deposits	10,710,062		6,307,639			
2. Notes and accounts receivable	12,781,342		12,195,124			
3. Marketable securities	1,575,070		3,221,174			
4. Inventories	6,151,897		7,742,308			
5. Prepaid expenses	96,266		115,277			
6. Deferred tax assets	688,702		640,083			
7. Short-term loans receivable	15,813		303,081			
8. Accrued corporate tax	62,712		—			
9. Other current assets	163,016		235,807			
Allowance for doubtful accounts	(42,211)		(12,554)			
Total current assets	32,202,672	59.9	30,747,941	55.7	(1,454,731)	
<b>II. Fixed Assets</b>						
1. Tangible fixed assets						
(1) Buildings and structures	14,376,134		15,939,588			
Accumulated depreciation	6,445,129	7,931,005	6,921,195	9,018,393		
(2) Machinery, equipment and vehicles	18,591,312		20,682,028			
Accumulated depreciation	14,723,066	3,863,246	15,534,733	5,147,295		
(3) Land		3,439,134		3,448,338		
(4) Construction in progress		785,362		674,137		
(5) Other tangible fixed assets	6,411,509		7,321,505			
Accumulated depreciation	4,204,522	2,206,986	5,153,567	2,167,937		
Total tangible fixed assets		18,230,735		20,456,102	37.0	2,225,367
2. Intangible fixed assets						
(1) Software		170,562		225,760		
(2) Goodwill		65,978		—		
(3) Other intangible fixed assets		88,419		199,836		
Total intangible fixed assets		324,960		425,596	0.8	100,636
3. Investments and other assets						
(1) Investment in securities		530,471		314,478		
(2) Long-term loans receivable		2,517		2,903		
(3) Deferred tax assets		24,759		384,612		
(4) Other investments and assets		2,423,376		2,910,539		
Allowance for doubtful accounts		(8,500)		(8,400)		
Total investment and other assets		2,972,624		3,604,133	6.5	631,509
Total fixed assets		21,528,320		24,485,832	44.3	2,957,512
Total Assets		53,730,993		55,233,774	100.0	1,502,781

## (1) Consolidated Balance Sheet

(Thousands of yen)

Item	FY2007 (As of March 31, 2007)		FY2008 (As of March 31, 2008)		Year-on-year change
	Amount	Percentage	Amount	Percentage	Increase/Decrease
<b>LIABILITIES</b>		%		%	
I. Current liabilities					
1. Notes and accounts payable	5,373,244		5,185,977		
2. Short-term loans payable	340,507		720,189		
3. Accrued expenses	423,437		536,397		
4. Corporate tax payable	1,251,718		793,382		
5. Allowance for bonus payments	531,071		570,360		
6. Notes payable for facilities	370,151		531,417		
7. Other current liabilities	2,700,263		1,816,321		
Total current liabilities	10,990,394	20.4	10,154,045	18.4	(836,349)
II. Fixed liabilities					
1. Long-term borrowing	2,523		429,541		
2. Deferred tax liabilities	10,044		13,121		
3. Allowance for employees' retirement benefits	89,569		89,851		
4. Other current liabilities	—		10,742		
Total fixed liabilities	102,137	0.2	543,257	1.0	441,120
Total liabilities	11,092,532	20.6	10,697,303	19.4	(395,228)
<b>NET ASSETS</b>					
I. Shareholders' equity					
1. Capital stock	4,753,438	8.9	4,753,438	8.6	—
2. Capital surplus	5,062,190	9.4	5,070,049	9.2	7,858
3. Retained earnings	33,368,244	62.1	35,344,694	64.0	1,976,449
4. Treasury stock	(1,445,632)	(2.7)	(1,349,390)	(2.4)	96,241
Total shareholders' equity	41,738,241	77.7	43,818,791	79.4	2,080,549
II. Gain or loss on valuation and translation					
1. Gain or loss on valuation of other securities	210,701	0.4	80,372	0.1	(130,328)
2. Foreign currency translation adjustment	546,507	1.0	442,430	0.8	(104,077)
Total gain/loss on valuation and translation	757,209	1.4	522,802	0.9	(234,406)
III. Stock acquisition rights	—	—	11,056	0.0	11,056
IV. Minority interest	143,009	0.3	183,820	0.3	40,811
Total net assets	42,638,460	79.4	44,536,470	80.6	1,898,010
Total liabilities and net assets	53,730,993	100.0	55,233,774	100.0	1,502,781

## (2) Consolidated Statement of Income

(Thousands of yen)

Item	FY 2007 〔 April 1, 2006 March 31, 2007 〕		FY 2008 〔 April 1, 2007 March 31, 2008 〕		Year-on-year changes
	Amount		Amount		Increase/Decrease
		Percentage		Percentage	
I Net sales	38,060,949	100.0	42,630,601	100.0	4,569,652
II Cost of sales	24,974,459	65.6	29,429,532	69.0	4,455,073
Gross income on sales	13,086,490	34.4	13,201,069	31.0	114,579
III Selling, general and administrative expenses					
1. Selling expenses	1,354,447		1,451,922		
2. General administrative expenses	5,752,434	7,106,882	6,523,081	7,975,004	868,121
Operating income		5,979,608		5,226,065	(753,542)
IV Non-operating income					
1. Interest received	79,868		102,006		
2. Dividends received	3,552		4,547		
3. Profit from waste disposal	15,693		25,881		
4. Interest on refund	16,853		—		
5. Foreign exchange gain	26,268		—		
6. Others	42,408	184,645	48,912	181,346	(3,298)
V Non-operating expenses					
1. Interest paid	10,743		49,722		
2. Foreign exchange loss	—		53,359		
3. Listing expenses	19,301		—		
4. Depreciation expenses	6,301		7,305		
5. Others	5,024	41,371	7,702	118,089	76,718
Ordinary income		6,122,882		5,289,322	(833,559)
VI Extraordinary profit					
1. Gain on correcting from previous term	—		22,716		
2. Gain on sale of fixed assets	446,095		1,386		
3. Provision for allowance doubtful accounts	—		29,558		
4. New industry subsidies	23,696		—		
5. Income from subsidies	—		33,492		
6. Allowance for overdue sales taxes of overseas subsidiaries	—		9,721		
7. Others	34,612	504,403	—	96,875	(407,528)
VII Extraordinary loss					
1. Loss from correcting losses of previous term	9,232		54,563		
2. Loss on sale and disposal of fixed assets	31,618		49,073		
3. Loss due to damage	—		284,465		
4. Overdue sales taxes of overseas subsidiaries	12,989		—		
5. Loss from investment securities	—		498		
6. Others	1,172	55,013	—	388,600	333,587
Net income before tax adjustment		6,572,273		4,997,597	(1,574,675)
Corporate tax, inhabitant tax, and business tax	2,518,876		1,934,159		
Corporate tax adjustment	(30,132)	2,488,744	(224,070)	1,710,088	(778,656)
Minority interest		3,023		37,783	34,760
Net income		4,080,505		3,249,725	(830,779)

### Consolidated Financial Statement

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

Previous fiscal year (April 1, 2006 - March 31, 2007)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stocks	Total shareholders' equity
Balance as of March 31, 2006	4,753,438	5,045,677	30,457,143	(1,630,584)	38,625,674
Changes during the previous fiscal year					
Dividend from surplus (Note)			(530,208)		(530,208)
Dividend from surplus			(589,196)		(589,196)
Directors' bonuses (Note)			(50,000)		(50,000)
Net income			4,080,505		4,080,505
Acquisition of treasury stocks				(2,723)	(2,723)
Sales of treasury stocks		16,513		187,676	204,190
Changes to items other than shareholders' equity during the previous fiscal year (net)					
Total changes during the previous fiscal year	—	16,513	2,911,101	184,952	3,112,567
Balance as of March 31, 2007	4,753,438	5,062,190	33,368,244	(1,445,632)	41,738,241

(Thousands of yen)

	Gain or loss on valuation and translation			Minority interests	Total net assets
	Gain or loss on valuation of other securities	Foreign currency translation adjustment	Total gain or loss on valuation and translation		
Balance as of March 31, 2006	230,067	361,373	591,440	84,071	39,301,186
Changes during the previous fiscal year					
Dividend from surplus (Note)					(530,208)
Dividend from surplus					(589,196)
Directors' bonus (Note)					(50,000)
Net income					4,080,505
Acquisition of treasury stocks					(2,723)
Sales of treasury stocks					204,190
Changes to items other than shareholders' equity during the previous fiscal year (net)	(19,366)	185,134	165,767	58,938	224,706
Total changes during the previous fiscal year	(19,366)	185,134	165,767	58,938	3,337,273
Balance as of March 31, 2007	210,701	546,507	757,209	143,009	42,638,460

Note: These earnings appropriation items were approved at the ordinary general meeting of shareholders held in June 2006.

Changes during this fiscal year (April 1, 2007 - March 31, 2008)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stocks	Total shareholders' equity
Balance as of March 31, 2007	4,753,438	5,062,190	33,368,244	(1,445,632)	41,738,241
Changes during the fiscal year					
Dividend from surplus			(1,273,275)		(1,273,275)
Net income			3,249,725		3,249,725
Acquisition of treasury stocks				(1,453)	(1,453)
Sales of treasury stocks		7,858		97,694	105,552
Changes to items other than shareholders' equity during the fiscal year (net)					
Total changes during the fiscal year	—	7,858	1,976,449	96,241	2,080,549
Balance as of March 31, 2008	4,753,438	5,070,049	35,344,694	(1,349,390)	43,818,791

(Thousands of yen)

	Gain or loss on valuation and translation			Stock acquisition rights	Minority interests	Total net assets
	Gain or loss on valuation of other securities	Foreign currency translation adjustment	Total gain or loss on valuation and translation			
Balance as of March 31, 2007	210,701	546,507	757,209	—	143,009	42,638,460
Changes during the fiscal year						
Dividend from surplus						(1,273,275)
Net income						3,249,725
Acquisition of treasury stocks						(1,453)
Sales of treasury stocks						105,552
Changes to items other than shareholders' equity during the fiscal year (net)	(130,328)	(104,077)	(234,406)	11,056	40,811	(182,539)
Total changes during the fiscal year	(130,328)	(104,077)	(234,406)	11,056	40,811	1,898,010
Balance as of March 31, 2008	80,372	442,430	522,802	11,056	183,820	44,536,470

## (4) Consolidated Cashflow Statement

(Thousands of yen)

Item	FY 2007	FY 2008
	( April 1, 2006 )	( April 1, 2007 )
	( March 31, 2007 )	( March 31, 2008 )
	Amount	Amount
I Cashflow from operating activities		
Net income before tax adjustment	6,572,273	4,997,597
Depreciation expense	2,013,556	2,899,340
Service cost for long-term prepaid expenses	13,846	13,846
Loss due to damage	—	284,465
Amortization of goodwill	32,989	32,989
Stock compensation expense	—	11,056
Increase/decrease in allowance for doubtful accounts	13,946	(29,477)
Increase/decrease in allowance for employees' retirement benefits	16,858	282
Increase/decrease in allowance for bonus payments	6,549	39,288
Interest and dividends received	(83,421)	(106,553)
Interest paid	10,743	49,722
Foreign exchange gain/loss	(34,053)	35,827
Loss from investment securities	—	498
Gain from sale of tangible fixed assets	(446,095)	(1,386)
Loss on sale/disposal of tangible fixed assets	31,618	49,073
Income from new industry subsidies	(23,696)	—
Income from subsidies	—	(33,492)
Allowance for overdue sales taxes of overseas subsidiaries	—	(9,721)
Overdue sales taxes of overseas subsidiaries	12,989	—
Increase/decrease in receivables	(2,602,441)	538,022
Increase/decrease in payables	930,677	(149,200)
Increase/decrease in inventories	(1,327,260)	(1,676,874)
Increase/decrease in accrued amount payable	112,570	(30,215)
Accrued expenses payable for transition to defined contribution pension plan	(118,250)	(99,017)
Increase/decrease in accrued enterprise tax	1,560	(3,114)
Increase/decrease in accrued consumption taxes	(13,741)	(29,017)
Increase/decrease in assets and liabilities	(900)	76,480
Bonuses to directors	(50,000)	—
Subtotal	5,070,319	6,860,421

(Thousands of yen)

Item	FY 2007	FY 2008
	( April 1, 2006 ) ( March 31, 2007 )	( April 1, 2007 ) ( March, 2008 )
	Amount	Amount
Interest and dividends received	77,804	104,492
Income from new industry subsidies	49,238	23,696
Corporate tax	(10,625)	(45,367)
Income taxes paid	(2,196,666)	(2,325,599)
Cash flow from operating activities	2,990,069	4,617,643
II Cash flow from investing activities		
Expenses from making fixed deposits	(1,000,000)	(500,000)
Proceeds from fixed deposits	—	500,000
Acquisition of marketable securities	—	(99,410)
Proceeds from sales of marketable securities	1,000,000	—
Purchases of tangible fixed assets	(3,758,809)	(6,046,212)
Proceeds from sale of tangible fixed assets	702,167	—
Purchases of investment securities	(2,806)	(3,147)
Spending for loans	(35,450)	(18,000)
Proceeds from collection of loans	20,072	30,142
Purchases of intangible fixed assets	(109,853)	(237,345)
Payment for long-term prepaid expenses	(19,006)	—
Purchases of other investments	(4,463)	(969)
Proceeds from sales of other investments	25,704	56
Cash flow from investing activities	(3,182,444)	(6,374,885)
III Cash flow from financing activities		
Net increase/decrease in short-term loans	(17,478)	288,659
Income from long-term borrowing	—	559,645
Expenses from repayment of long-term borrowing	(1,044)	(1,044)
Purchases or sale of treasury stock (net)	201,466	104,099
Dividend payable	(1,119,404)	(1,273,275)
Cash flow from financing activities	(936,459)	(321,916)
IV Effect of exchange rate changes on cash and cash equivalents	113,042	23,845
V Increase in cash and cash equivalents	(1,015,791)	(2,055,313)
VI Increase in cash and cash equivalents due to new consolidations	205,092	—
VII Cash and cash equivalent at the beginning of the term	12,595,832	11,785,133
VIII Cash and cash equivalents at the end of the term	11,785,133	9,729,819

**Non-Consolidated Financial Statement**

(1) Non-Consolidated Balance Sheet

(Thousands of yen)

Item	FY2007		FY2008		Year-on-year change
	(As of March 31, 2007)		(As of March 31, 2008)		
	Amount	Percentage	Amount	Percentage	Increase/decrease
<b>ASSETS</b>		%		%	
<b>I. Current assets</b>					
1. Cash and deposits	8,693,855		3,926,024		
2. Notes receivable	3,601,842		2,905,290		
3. Accounts receivable	8,867,866		8,924,260		
4. Marketable securities	1,500,000		3,216,557		
5. Merchandise	812		8,061		
6. Products	1,619,360		1,988,725		
7. Raw materials	1,346,666		1,903,326		
8. Work in process	815,370		865,200		
9. Stored goods	136,623		194,547		
10. Prepaid expenses	12,492		15,457		
11. Deferred tax assets	423,824		359,952		
12. Short-term loans receivable	170,598		486,054		
13. Others	170,179		248,387		
Allowance for doubtful accounts	(35,000)		(6,000)		
Total current assets	27,324,495	55.0	25,035,845	49.8	(2,288,650)
<b>II. Fixed Assets</b>					
1. Tangible fixed assets					
(1) Buildings	10,610,698		11,756,194		
Accumulated depreciation	5,016,194	5,594,503	5,369,202	6,386,991	
(2) Structures	1,025,295		1,176,533		
Accumulated depreciation	699,068	326,227	750,376	426,157	
(3) Machinery and equipment	14,034,051		16,208,707		
Accumulated depreciation	10,902,913	3,131,138	11,694,273	4,514,433	
(4) Vehicles	102,093		114,695		
Accumulated depreciation	83,477	18,616	87,848	26,847	
(5) Tools, furniture, and fixtures	6,176,697		6,772,813		
Accumulated depreciation	4,109,897	2,066,800	4,723,870	2,048,943	
(6) Land					
(7) Construction in progress					
Total tangible fixed assets	14,919,004	30.1	17,412,104	34.6	2,493,100
2. Intangible fixed assets					
(1) Leasehold rights	23,187		23,187		
(2) Software	170,412		191,614		
(3) Software suspense account	42,696		159,802		
(4) Telephone subscription rights	8,314		8,314		
(5) Others	14,221		8,531		
Total intangible fixed assets	258,831	0.5	391,451	0.8	132,619
3. Investments and other assets					
(1) Investment in securities	530,471		314,478		
(2) Stock of affiliated companies	3,294,083		2,949,083		
(3) Long-term loans receivable	453		262		
(4) Long-term loans receivable from employees	2,064		2,640		
(5) Long-term loans receivable from affiliated companies	901,090		598,397		
(6) Deferred tax assets	17,204		671,987		
(7) Long-term savings	2,250,000		2,750,000		
(8) Memberships, etc.	30,465		30,465		
(9) Others	132,550		119,415		
Allowance for doubtful accounts	(8,500)		(8,400)		
Total of investment and other assets	7,149,881	14.4	7,428,330	14.8	278,449
Total fixed assets	22,327,717	45.0	25,231,886	50.2	2,904,169
Total assets	49,652,212	100.0	50,267,732	100.0	615,519

## (1) Non-Consolidated Balance Sheet

(Thousands of yen)

Item	FY2007		FY2008		Year-on-year change
	(As of March 31, 2007)		(As of March 31, 2008)		
	Amount	Percentage	Amount	Percentage	Increase/decrease
<b>LIABILITIES</b>		%		%	
<b>I. Current liabilities</b>					
1. Notes payable	978,043		964,385		
2. Accounts payable	4,011,284		3,828,468		
3. Accrued amount payable	934,681		797,111		
4. Accrued expenses	141,110		158,240		
5. Corporate tax payable	1,208,328		682,000		
6. Allowance for bonus payments	528,360		566,938		
7. Notes payable for facilities	370,151		531,417		
8. Accrued amount payable for facilities acquisition	1,618,950		854,908		
9. Others	47,196		84,695		
Total current liabilities	9,838,108	19.8	8,468,166	16.8	(1,369,942)
<b>II. Fixed liabilities</b>					
1. Allowance for employee's retirement benefits	89,569		89,851		
2. Allowance for affiliated company business	—		643,600		
Total fixed liabilities	89,569	0.2	733,452	1.5	643,882
Total liabilities	9,927,678	20.0	9,201,618	18.3	(726,059)
<b>NET ASSETS</b>					
<b>I. Shareholders equity contact</b>					
1. Capital stock	4,753,438	9.6	4,753,438	9.5	—
2. Capital surplus					
(1) Legal reserve for capital surplus	5,038,501		5,038,501		
(2) Other capital surplus	23,689		31,547		
Total capital surplus	5,062,190	10.2	5,070,049	10.1	7,858
3. Retained earnings					
(1) Legal reserve for retained earnings	362,596		362,596		
(2) Other retained earnings					
General Reserve	25,500,000		27,000,000		
Retained earnings carried forward	5,281,239		5,137,992		
Total retained earnings	31,143,835	62.7	32,500,588	64.6	1,356,752
4. Treasury stock	(1,445,632)	(2.9)	(1,349,390)	(2.7)	96,241
Total shareholders' equity	39,513,833	79.6	40,974,685	81.5	1,460,851
<b>II. Gain or loss on valuation and translation</b>					
1. Gain or loss on valuation of other securities	210,701	0.4	80,372	0.2	(130,328)
Total gain or loss on valuation and translation	210,701	0.4	80,372	0.2	(130,328)
<b>III. Stock acquisition rights</b>					
Total net assets	39,724,534	80.0	41,066,113	81.7	1,341,579
Total liabilities and net assets	49,652,212	100.0	50,267,732	100.0	615,519

## (2) Non-Consolidated Statement of Income

(Thousands of yen)

Item	FY 2007			FY 2008			Year-on-year change
	April 1, 2006 March 31, 2007			April 1, 2007 March 31, 2008			
	Amount		Percentage	Amount		Percentage	
I Net sales			%			%	
1. Sales of merchandise	1,414,330			1,634,907			
2. Sales of finished goods	30,726,586	32,140,916	100.0	33,715,029	35,349,937	100.0	3,209,020
II Cost of sales							
1. Cost of merchidises sold							
(1) Merchandise inventory at the beginning of the term	8,517			812			
(2) Purchases of merchandises for the term	1,325,906			1,557,377			
Total	1,334,423			1,558,190			
(3) Transfer from other accounts	—			450			
(4) Merchandise inventory at the end of the term	812			8,061			
Total	1,333,611			1,549,678			
2. Cost of finished goods sold							
(1) Finished goods inventory at the beginning of the term	1,322,501			1,619,360			
(2) Purchases of finished goods for the term	1,120,067			1,212,582			
(3) Production cost for finished goods for the term	19,438,364			22,228,362			
Total	21,880,932			25,060,305			
(4) Transfer from other accounts	10,869			13,066			
(5) Finished goods inventory at the end of the term	1,619,360			1,988,725			
Cost of finished sold	20,250,702	21,584,313	67.2	23,058,513	24,608,192	69.6	3,023,878
Gross profit on sales		10,556,603	32.8		10,741,744	30.4	185,141
III Selling, general and administrative expenses							
1. Carriage charges	942,100			1,037,466			
2. Sales commissions	259,208			221,608			
3. Advertising expenses	55,099			51,156			
4. Directors' remuneration	210,507			172,670			
5. Employee's salaries and bonuses	1,207,809			1,407,947			
6. Provision for allowance for employee4 bonuses	248,704			239,644			
7. Employees' retirement benefit expenses	61,926			55,930			
8. Legal welfare expenses	226,624			229,842			
9. Welfare expenses	52,000			65,798			
10. Education and recruiting expenses	118,880			104,238			
11. Rental expenses	87,586			94,163			
12. Tax and public charges	42,707			38,828			
13. Supplies expenses	531,203			544,731			
14. Travel and transportation expenses	138,894			140,588			
15. Telecommunication expenses	26,773			31,447			
16. Social expenses	11,448			11,281			
17. Depreciation cost	767,581			1,106,757			
18. Commissions paid	236,393			259,963			
19. Others	417,463	5,642,913	17.5	436,518	6,250,584	17.7	607,671
Operating income		4,913,689	15.3		4,491,160	12.7	(422,529)
IV Non-operating income							
1. Interest received	75,508			90,231			
2. Dividents received	76,819			72,314			
3. Sales commission received	62,866			89,234			
4. Profit from waste disposal	14,779			20,346			
5. Lease fee	—			35,452			
6. Foreign exchange profit/loss	24,141			—			
7. Others	39,633	293,749	0.9	42,282	349,861	1.0	56,112

## (2) Non-Consolidated Statement of Income

(Thousands of yen)

Item	FY 2007 [ April 1, 2006 March 31, 2007 ]		FY 2008 [ April 1, 2007 March 31, 2008 ]		Year-on-year change
	Amount	Percentage	Amount	Percentage	
V Non-operating expenses					
1. Commissions for intermediary services	—		40,396		
2. Listing expenses	19,301		—		
3. Depreciation cost	6,310		73,823		
4. Others	3,342	28,954	4,267	118,487	0.3
Ordinary income		5,178,485		4,722,534	13.4
VI Extraordinary income					
1. Gain from correcting gains/losses from previous term	7,931		22,716		
2. Gains from membership sales	—		29,000		
3. New industry subsidies	23,696		—		
4. Additional subsidies	—		33,492		
5. Bankruptcy dividends	5,117	36,744	—	85,209	0.2
VII Extraordinary loss					
1. Loss from correcting gains/losses from previous term	9,232		54,563		
2. Loss from retirement of fixed assets	31,505		48,891		
3. Loss from sale of fixed assets	113		—		
4. Loss in value of associated company shares	—		344,999		
5. Effective progress for associate companies.	—		643,600		
6. Loss in value of current investment shares	—		498		
7. Others	1,172	42,023	—	1,092,553	3.1
Net income before taxes		5,173,205		3,715,190	10.5
Corporate tax, inhabitant tax, and business tax	1,902,244		1,587,140		
Corporate tax adjustment	(3,792)	1,898,451	(501,978)	1,085,162	3.1
Net income		3,274,754		2,630,028	7.4

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

Previous fiscal year (April 1, 2006 - March 31, 2007)

(Thousands of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Legal reserve of retained earnings	Retained earnings			Treasury stocks	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus		Other legal reserve of retained earnings		Total retained earnings		
						General reserve	Earned surplus carried forward			
Balance as of March 31, 2006	4,753,438	5,038,501	7,175	5,045,677	362,596	24,000,000	4,675,889	29,038,485	(1,630,584)	37,207,016
Changes during the previous fiscal year										
Dividend from surplus (Note)							(530,208)	(530,208)		(530,208)
Dividend from surplus							(589,196)	(589,196)		(589,196)
Directors' bonus (Note)							(50,000)	(50,000)		(50,000)
Net income							3,274,754	3,274,754		3,274,754
Acquisition of treasury stocks									(2,723)	(2,723)
Sales of treasury stocks			16,513	16,513					187,676	204,190
Special reserves						1,500,000	(1,500,000)	—		—
Changes to items other than shareholders' equity during the previous fiscal year (net)										
Overall change as compared to the previous fiscal year	—	—	16,513	16,513	—	1,500,000	605,349	2,105,349	184,952	2,306,816
Balance as of March 31, 2007	4,753,438	5,038,501	23,689	5,062,190	362,596	25,500,000	5,281,239	31,143,835	(1,445,632)	39,513,833

(Thousands of yen)

	Gain/Loss in valuation and translation		Total net assets
	Gain/loss in valuation of other securities	Foreign currency translation adjustment	
Balance as of March 31, 2006	230,067	230,067	37,437,083
Changes during the previous fiscal year			
Dividend from surplus (Note)			(530,208)
Dividend from surplus			(589,196)
Directors' bonus (Note)			(50,000)
Net income			3,274,754
Acquisition of treasury stocks			(2,723)
Sales of treasury stocks			204,190
Special reserves			—
Changes to items other than shareholders' equity during the previous fiscal year (net)	(19,366)	(19,366)	(19,366)
Total changes during the previous fiscal year	(19,366)	(19,366)	2,287,450
Balance as of March 31, 2007	210,701	210,701	39,724,534

Note: These earning appropriation items were approved at the ordinary general meeting of shareholders held in June 2006.

Changes during this fiscal year (April 1, 2007 - March 31, 2008)

(Thousands of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Legal reserve of retained earnings	Retained earnings			Treasury stocks	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus		Other legal reserve of retained earnings		Total retained earnings		
					General reserve	Eamed surplus carried forward				
Balance as of March 31, 2007	4,753,488	5,038,501	23,689	5,062,190	362,596	25,500,000	5,281,239	31,143,835	(1,445,632)	39,513,833
Change during the fiscal year										
Dividend from surplus							(1,273,275)	(1,273,275)		(1,273,275)
Net income							2,630,028	2,630,028		2,630,028
Acquisition of treasury stocks									(1,453)	(1,453)
Sales of treasury stocks			7,858	7,858					97,694	105,552
Increase in cash and cash equivalents						1,500,000	(1,500,000)	—		
Changes to items other than shareholders' equity during the fiscal year (net)										
Total changes during the fiscal year	—	—	7,858	7,858	—	1,500,000	(143,247)	1,356,752	96,241	1,460,851
Balance as of March 31, 2008	4,753,488	5,038,501	31,547	5,070,049	362,596	27,000,000	5,137,992	32,500,588	(1,349,390)	40,974,685

(Thousands of yen)

	Gain/lose		Stock acquisition rights	Total net assets
	Gain/lose on valuation of other securities	Foreign currency translation adjustment		
Balance as of March 31, 2007	210,701	210,701	—	39,724,534
Change during the fiscal year				
Dividend from surplus				(1,273,275)
Net income				2,630,028
Acquisition of treasury stocks				(1,453)
Sales of treasury stocks				105,552
Increase in cash and cash equivalents				—
Changes to items other than shareholders' equity during the fiscal year (net)	(130,328)	(130,328)	11,056	(119,272)
Total changes during the fiscal year	(130,328)	(130,328)	11,056	1,341,579
Balance as of March 31, 2008	80,372	80,372	11,056	41,066,113