

Consolidated Financial Statement
for the year ended March 31,2007

Sansei Yusoki Co., Ltd

Consolidated Balance Sheets

	As of March 31 2006		As of March 31 2007	
	Unit 1000 Yen	(%)	Unit 1000 Yen	(%)
ASSETS				
Current assets				
Cash on hand and in banks		7,093,023		7,926,654
Trade notes and accounts receivables		3,405,793		4,559,244
Marketable securities		1,875,802		1,778,925
Inventories		1,111,759		1,043,031
Deferred tax assets		309,394		231,080
Other current assets		366,030		42,076
Allowance for doubtful accounts		6,573		5,682
Total current assets		14,155,231	51.9	15,575,330
Fixed assets				
Tangible fixed assets				
Buildings and structures	2,926,531		2,928,498	
Accumulated depreciation	1,178,370	1,748,161	1,266,016	1,662,481
Machinery and equipment	895,285		891,646	
Accumulated depreciation	650,494	244,791	677,385	214,261
Land		2,722,602		2,745,757
Construction in progress		29,536		230,079
Other tangible fixed assets	672,027		510,174	
Accumulated depreciation	397,605	274,422	390,373	119,801
Total tangible fixed assets		5,019,514	18.4	4,972,382
Intangible fixed assets		166,592	0.6	96,752
Investments and advances				
Investments in securities		5,198,958		6,211,133
Long-term loans receivable		54,471		50,708
Deferred tax assets		297,717		259,333
Other assets		2,376,330		1,731,060
Allowance for doubtful accounts		16,919		15,185
Total investments and advances		7,910,559	29.1	8,237,049
Total fixed assets		13,096,665	48.1	13,306,184
Total assets		27,251,897	100.0	28,881,514

Sanseiyusoki Co.,Ltd

	As of March 31 2006		As of March 31 2007	
	Unit 1000 Yen	(%)	Unit 1000 Yen	(%)
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Notes and accounts payable	790,755		1,706,883	
Accrued income taxes	137,596		449,810	
Advances received	967,408		813,656	
Accrued bonuses for employees	315,441		275,833	
Accrued bonuses for directors	—		20,000	
Provision for losses on contracts	—		75,304	
Other current liabilities	472,225		376,982	
Total current liabilities	2,683,427	9.9	3,718,472	12.9
Fixed liabilities				
Long-term accounts payable	610,997		557,297	
Accrued retirement benefits	702,306		715,647	
Other fixed liabilities	410,137		380,761	
Total fixed liabilities	1,723,442	6.3	1,653,706	5.7
Total liabilities	4,406,870	16.2	5,372,178	18.6
Shareholders' equity				
Common stock				
Authorized-39,000,000 shares				
Issued-19,332,057 shares	3,251,279	11.9	3,251,279	11.3
Capital surplus	2,989,057	11.0	2,989,057	10.4
Retained earnings	14,425,317	52.9	15,089,229	52.2
Treasury stock at cost	46,449	0.2	57,655	0.2
Net unrealized gains on securities	858,152	3.2	802,515	2.7
Minority interest	1,367,669	5.0	1,434,910	5.0
Total shareholders' equity	22,845,026	83.8	23,509,335	81.4
Total liabilities and shareholders' equity	27,251,897	100.0	28,881,514	100.0

Consolidated Statements of Income

	As of March 31 2006		As of March 31 2007			
	Unit 1000 Yen	(%)	Unit 1000 Yen	(%)		
Net sales		13,341,690	100.0		13,117,420	100.0
Cost of sales		10,298,339	77.2		9,659,649	73.6
Selling, general and administrative expenses		2,048,622	15.3		2,030,711	15.5
Operating income		994,728	7.5		1,427,059	10.9
Other income						
Interest and dividend income	56,574				73,865	
Other	128,861	185,436	1.4	76,357	150,224	1.1
Other expenses						
Interest expense	1,941				1,504	
Other	9,129	11,071	0.1	6,309	7,815	0.0
Ordinary profit		1,169,092	8.8		1,569,468	12.0
Extraordinary profit						
Gain on sales of fixed assets	11,012					
Profit on transfer of business					213,644	
Gain on sale of investments in securities	218,722				7,102	
Reversal of allowance for doubtful receivables	1,576				2,624	
Profit from initiation fee on withdrawal	—				19,350	
Other	—	231,310	1.7	1,000	243,721	1.8
Extraordinary expenses						
Loss on sale of fixed assets	12,042				1,831	
Loss on disposal of fixed assets	11,793				321	
Write-down of investment securities	499				—	
Loss on sale of membership	54,774				—	
Payment for employees' early retirement programs	178,690				—	
Other	28,350	286,150	2.1	23,666	25,819	0.2
Income before income taxes and minority		1,114,251	8.4		1,787,371	13.6
Current	340,290				560,584	
Deferred	185,539	525,829	4.0	133,453	694,038	5.3
Minority interests in net income of consolidated subsidiaries		112,098	0.8		85,546	0.6
Net income		476,323	3.6		1,007,785	7.7

Consolidated Statements of Cash Flows

	As of March 31 2006	As of March 31 2007
	Unit 1000 Yen	Unit 1000 Yen
Operating activities		
Income before income taxes and minority interest	1,114,251	1,787,371
Depreciation and amortization	271,154	228,236
Decrease in accrued retirement benefits for employees	109,339	13,340
long-term accrued amount payable	8,371	53,700
Increase in Allowance for doubtful accounts	9,419	2,624
interest and dividend income	56,574	73,866
interest cost	1,941	1,504
Gain on sale of marketable securities	4,708	4,041
Write-down of investment securities	499	
Gain on sale of investments in securities	218,722	7,102
Gain on sale of property and equipment	11,012	
Loss on sale of property and equipment	12,000	
Loss on disposal of property and equipment	11,793	321
Loss on sale of intangible fixed assets		1,831
Loss on retirement of materials		2,666
Profit from initiation fee on withdrawal		19,350
Write-down of membership	28,350	21,000
Loss on sale of membership	54,774	
Profit on transfer of business		213,644
Notes and accounts receivable	1,632,336	1,153,450
Inventories	175,314	23,852
Notes and accounts payable	1,473,601	916,128
Increase in advance receipt	609,167	153,752
Other, net	240,286	484,253
Bonuses paid to directors	75,300	74,300
Sub total	1,834,193	1,724,676
interest and dividend income	57,929	75,221
Interest expense	1,941	1,504
Payment for income taxes	1,045,412	16,590
Net cash provided by operating activities	844,769	1,814,983
Investing activities		
Increase in time deposits	1,334,095	749,099
Decrease in time deposits	609,090	834,095
Payments for purchase of securities	148	999,028
Proceeds from sale of securities	120,343	1,069,212
Profit from initiation fee on withdrawal		20,000
Purchases of investments in securities	1,128,311	1,779,811
Payments for additional acquisition of consolidated subsidiaries' stock	4,770	
Proceeds from sales of investments in securities	502,858	510,311
Payment for purchase of property and equipment	1,913,710	542,118
Proceeds from sales of property and equipment	33,649	
Acquisition of intangible fixed assets	28,199	60,705
Payments for loans receivable	43,226	12,350
Collections on loans	31,942	13,257
Proceeds from sale of securities transfer of bus		806,083
Other, net	255	
Net cash used in investing activities	3,154,323	890,154
Financing activities		
Increase in short-term loans, net	5,000	
Purchase of treasury stock	8,871	11,206
Cash dividends paid	406,451	294,167
Net cash provided by financing activities	420,322	305,374
Net increase in cash and cash equivalents	2,729,876	619,454
Cash and cash equivalents at beginning of the year	9,716,483	6,986,606
cash and cash equivalents at end of the year	6,986,606	7,606,061

Consolidated Statements of Shareholders' Equity

(Unit 1000 Yen)

	Common stock	Capital surplus	Retained earnings	Treasury stock
Balance at March 31,2006	3,251,279	2,989,057	14,425,317	46,449
Cash dividends			269,574	
Bonuses to directors			74,300	
Net income			1,007,785	
Treasury stock acquired				11,206
Balance at March 31,2007	3,251,279	2,989,057	15,089,229	57,655

	Net unrealized gains on securities	Total of valuation and translation adjustments	Minority interest in consolidated subsidiaries	Total shareholders' equity
Balance at March 31,2006	858,152	858,152	1,367,669	22,845,026
Cash dividends				269,574
Bonuses to directors				74,300
Net income				1,007,785
Treasury stock acquired				11,206
Change in net unrealized gains on securities	55,636	55,636		55,636
Minority interest in consolidated subsidiaries			67,240	67,240
Balance at March 31,2007	802,515	802,515	1,434,910	23,509,335