

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT.
This is a translation of the original Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall take precedence.

Consolidated Financial Results for the Three Months Ended June 30, 2008 (Fiscal year ending March 31, 2009)

August 14, 2008

Stock exchanges: Tokyo

Head Office: Tokyo

Tel: +81 (3) 3258-3333

Company name: Japan Vilene Co., Ltd.

Listing Code number: 3514

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

Representative: Mitsuo Kanno, President

Contact Person: Keiji Abo, Director, Management & Finance Dept.

Submission of Shihanki-houkokusho: August 14, 2008

1. Consolidated Financial Results for the Three Months Ended June 30, 2008 (From April 1, 2008 to June 30, 2008)

Note: Amounts less than one million yen are rounded down, except for per share information.

(1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%
Three months ended June 30, 2008	14,217	-	919	-	1,170	-	633	-
Three months ended June 30, 2007	14,853	10.4	1,144	14.8	1,313	13.9	651	4.3

	Earnings per share Basic	Earnings per share Diluted
	JPY	JPY
Three months ended June 30, 2008	9.76	9.75
Three months ended June 30, 2007	10.04	10.03

Note: The percentages of changes for net sales, operating income, ordinary income and net income represent percentage increases or decreases from the results of the corresponding period of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Stockholders' equity ratio to total assets	Stockholders' equity per share
	JPY (million)	JPY (million)	%	JPY
As of June 30, 2008	54,467	35,748	65.1	545.97
As of June 30, 2007	55,788	36,789	65.4	561.81

Note: Shareholders' equity (JPY million) : As of June 30, 2008 35,437 As of March 31, 2008 36,467

2. Cash dividends

	Cash dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual
	JPY	JPY	JPY	JPY	JPY
FY2007	-	6.00	-	6.00	12.00
FY2008	-	-	-	-	-
FY2008 (Forecast)	-	6.00	-	6.00	12.00

Note: Changes in the forecast for the dividends payment : No

3. Forecast for Consolidated Operating Results for the Fiscal Year Ending March 31, 2009 (From April 1, 2008 to March 31, 2009)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share Basic
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY
FY2008 First-half	30,000	-	2,100	-	2,300	-	1,300	-	20.02
FY2008	60,000	1.7	4,000	3.4	4,500	2.7	2,600	6.8	40.05

Note: Changes in the forecast for the consolidated operating results for the fiscal year ending March 31, 2009 : No

4. Others

- (1) Changes in the scope of consolidation for significant subsidiaries during the three months ended June 30, 2008 : No
- (2) Adoption of simplified accounting methods : Yes
- (3) Changes in the significant accounting policies
- 1) Adoption of new accounting standard : Yes
 - 2) Others : Yes
- (4) Number of common stocks
- 1) Number of common stocks issued at the end of period, including treasury stocks
 - As of June 30, 2008 65,140,945 shares As of March 31, 2008 65,140,945 shares
 - 2) Number of treasury stocks at the end of period
 - As of June 30, 2008 234,203 shares As of March 31, 2008 230,096 shares
 - 3) Average number of common stocks issued during period, excluding treasury stocks
 - For the three months ended June 30, 2008 64,909,015 shares For the three months ended June 30, 2007 64,921,272 shares

Note: The above forecasts of future performance are based on information available to the Company at the present time and are subject to potential risks and uncertainty. Accordingly, the users should be aware that actual results may differ significantly from any expressed future performance herein due to various factors.

In the current fiscal year, the Company began applying the "Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard No.12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard Implementation Guidance No.14).

The Company's quarterly consolidated financial statements have been prepared pursuant to the "Regulations Concerning Terminology, Forms and Method for Preparing Quarterly Consolidated Financial Statements" (2007 Cabinet Ordinance No.64). The Company also applied the Supplementary Provision 7-1-5 under the "Amendment of Regulations Concerning Terminology, Forms and Method of Financial Statements" (2008 Cabinet Ordinance No.50, issued on August 7, 2008).

【Consolidated Financial Statements】

(1) Consolidated Balance Sheets

	(in millions of Yen)	
	Current 1st quarter (As of June 30, 2008)	Previous fiscal year (As of March 31, 2008) (Condensed)
Assets		
Current assets		
Cash and deposits	3,144	2,758
Notes and accounts receivable-trade	12,807	12,917
Merchandise and finished goods	4,789	4,338
Work in process	629	772
Raw materials and supplies	1,776	1,702
Other	1,653	2,167
Allowance for doubtful accounts	△ 13	△ 15
Total current assets	24,787	24,639
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	8,269	8,634
Machinery, equipment and vehicles, net	5,448	5,700
Land	4,100	4,136
Other, net	1,307	1,311
Total property, plant and equipment	19,125	19,782
Intangible assets		
Total intangible assets	432	443
Investments and other assets		
Investment securities	5,445	5,879
Other	4,715	5,083
Allowance for doubtful accounts	△ 39	△ 39
Total investments and other assets	10,121	10,922
Total noncurrent assets	29,679	31,149
Total assets	54,467	55,788

	(in millions of Yen)	
	Current 1st quarter (As of June 30, 2008)	Previous fiscal year (As of March 31, 2008) (Condensed)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	5,449	5,654
Short-term loans payable	5,113	4,339
Current portion of long-term loans payable	146	154
Income taxes payable	178	327
Provision for bonuses	485	1,025
Provision for directors' bonuses	29	102
Other	2,784	2,609
Total current liabilities	14,187	14,213
Noncurrent liabilities		
Long-term loans payable	648	753
Provision for retirement benefits	2,442	2,526
Provision for directors' retirement benefits	65	65
Other	1,374	1,439
Total noncurrent liabilities	4,530	4,785
Total liabilities	18,718	18,998
Net assets		
Shareholders' equity		
Capital stock	9,816	9,816
Capital surplus	7,493	7,493
Retained earnings	19,499	19,255
Treasury stock	△ 114	△ 112
Total shareholders' equity	36,694	36,452
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	318	212
Deferred gains or losses on hedges	△ 0	△ 1
Foreign currency translation adjustment	△ 1,575	△ 195
Total valuation and translation adjustments	△ 1,257	14
Subscription rights to shares	14	14
Minority interests	296	307
Total net assets	35,748	36,789
Total liabilities and net assets	54,467	55,788

(2) Consolidated Statement of Income

The Three Months Ended June 30, 2008

	(in millions of Yen)
	Three months ended June 30, 2008 (From April 1, 2008 to June 30, 2008)
Net sales	14,217
Cost of sales	11,029
Gross profit	3,188
Selling, general and administrative expenses	
Total selling, general and administrative expenses	2,269
Operating income	919
Non-operating income	
Dividends income	50
Equity in earnings of affiliates	50
Compensation income	100
Other	117
Total non-operating income	318
Non-operating expenses	
Interest expenses	24
Compensation expenses	30
Other	12
Total non-operating expenses	67
Ordinary income	1,170
Extraordinary income	
Gain on sales of noncurrent assets	13
Other	0
Total extraordinary income	13
Extraordinary loss	
Loss on retirement of noncurrent assets	21
Loss on valuation of inventories	56
Impairment loss	10
Total extraordinary losses	88
Income before income taxes and minority interests	1,095
Income taxes-current	174
Income taxes-deferred	284
Total income taxes	458
Minority interests in income	3
Net income	633