

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT.
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Consolidated Financial Results for the Nine Months Ended December 31, 2008 (Fiscal year ending March 31, 2009)

February 10, 2009

Stock exchange: 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: February 13, 2009

1. Consolidated Financial Results for the Nine Months Ended December 31, 2008 (From April 1, 2008 to December 31, 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)	%
Nine months ended December 31, 2008	40,037	-	2,035	-	2,548	-	1,057	-
Nine months ended December 31, 2007	44,726	7.0	3,221	9.0	3,723	0.9	2,115	-10.1

	Earnings per share Basic		Earnings per share Diluted	
	JPY	JPY	JPY	JPY
Nine months ended December 31, 2008	16.30		16.29	
Nine months ended December 31, 2007	32.58		32.56	

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	Shareholders' equity ratio to total assets	Shareholders' equity per share
	JPY (million)	JPY (million)	%	JPY
As of December 31, 2008	53,776	35,599	65.6	543.67
As of March 31, 2008	55,788	36,789	65.4	561.81

Note: Shareholders' equity (JPY million) : As of December 31, 2008 35,274 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	-	6.00	-	-	
FY2008 (Forecast)	-	-	-	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	JPY
FY2008	50,900	-13.8	1,300	-66.4	1,800	-58.9	600	-75.4	9.24	

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 nine months ended December 31, 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 December 31, 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 December 31, 2008 258,755 shares As of March 31, 2008 230,096 shares
 - 3) Average number of common stocks issued during period, excluding treasury stocks
 - For the nine months ended December 31, 2008 64,898,707 shares For the nine months ended December 31, 2007 64,920,800 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 3rd quarter (As of December 31, 2008)	Previous fiscal year (As of March 31, 2008) (Condensed)
Assets		
Current assets		
Cash and deposits	4,025	2,758
Notes and accounts receivable-trade	11,211	12,917
Merchandise and finished goods	5,295	4,338
Work in process	686	772
Raw materials and supplies	1,893	1,702
Other	1,814	2,167
Allowance for doubtful accounts	△ 11	△ 15
Total current assets	24,914	24,639
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	8,208	8,634
Machinery, equipment and vehicles, net	5,154	5,700
Land	4,099	4,136
Other, net	1,575	1,311
Total property, plant and equipment	19,037	19,782
Intangible assets		
Total intangible assets	370	443
Investments and other assets		
Investment securities	4,573	5,879
Other	4,912	5,083
Allowance for doubtful accounts	△ 33	△ 39
Total investments and other assets	9,452	10,922
Total noncurrent assets	28,861	31,149
Total assets	53,776	55,788

(in millions of Yen)

	Current 3rd quarter (As of December 31, 2008)	Previous fiscal year (As of March 31, 2008) (Condensed)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,953	5,654
Short-term loans payable	5,257	4,339
Current portion of long-term loans payable	707	154
Income taxes payable	151	327
Provision for bonuses	266	1,025
Provision for directors' bonuses	46	102
Other	2,947	2,609
Total current liabilities	14,331	14,213
Noncurrent liabilities		
Long-term loans payable	5	753
Provision for retirement benefits	2,249	2,526
Provision for directors' retirement benefits	67	65
Provision for contingent loss	83	-
Other	1,440	1,439
Total noncurrent liabilities	3,845	4,785
Total liabilities	18,177	18,998
Net assets		
Shareholders' equity		
Capital stock	9,816	9,816
Capital surplus	7,493	7,493
Retained earnings	19,534	19,255
Treasury stock	△ 125	△ 112
Total shareholders' equity	36,718	36,452
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	158	212
Deferred gains or losses on hedges	△ 2	△ 1
Foreign currency translation adjustment	△ 1,600	△ 195
Total valuation and translation adjustments	△ 1,444	14
Subscription rights to shares	14	14
Minority interests	309	307
Total net assets	35,599	36,789
Total liabilities and net assets	53,776	55,788

(2) Consolidated Statement of Income

The Nine Months Ended December 31, 2008

	(in millions of Yen)
	Nine months ended December 31, 2008 (From April 1, 2008 to December 31, 2008)
Net sales	40,037
Cost of sales	31,520
Gross profit	8,517
Selling, general and administrative expenses	
Total selling, general and administrative expenses	6,481
Operating income	2,035
Non-operating income	
Dividends income	71
Equity in earnings of affiliates	331
Compensation income	100
Other	158
Total non-operating income	661
Non-operating expenses	
Interest expenses	73
Compensation expenses	37
Other	37
Total non-operating expenses	148
Ordinary income	2,548
Extraordinary income	
Gain on sales of noncurrent assets	20
Gain on sales of investment securities	17
Other	2
Total extraordinary income	39
Extraordinary loss	
Loss on retirement of noncurrent assets	62
Loss on valuation of inventories	56
Impairment loss	250
Provision for contingent loss	83
Other	4
Total extraordinary losses	457
Income before income taxes and minority interests	2,131
Income taxes-current	505
Income taxes-deferred	551
Total income taxes	1,056
Minority interests in income	16
Net income	1,057