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## Consolidated Financial Results for the Nine Months Ended December 31, 2009 (Fiscal year ending March 31, 2010)

February 10, 2010

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 12, 2010

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2009 (From April 1, 2009 to December 31, 2009)

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, 2009	33,136	-17.2	1,310	-35.6	1,583	-37.9	1,030	-2.6
Nine months ended December 31, 2008	40,037	-	2,035	-	2,548	-	1,057	-

	Earnings per share Basic		Earnings per share Diluted	
	JPY	JPY	JPY	JPY
Nine months ended December 31, 2009	15.88		15.87	
Nine months ended December 31, 2008	16.30		16.29	

Note: The percentages of changes represent rate of 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, 2009	53,048	33,636	63.4	518.19
As of March 31, 2009	52,619	33,824	63.7	516.33

Note: Shareholders' equity (JPY million) : As of December 31, 2009 33,631 As of March 31, 2009 33,496

### 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
FY2008	-	6.00	-	6.00	12.00
FY2009	-	4.00	-		
FY2009 (Forecast)				4.00	8.00

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

### 3. Forecast for Consolidated Operating Results for the Fiscal Year Ending March 31, 2010 (From April 1, 2009 to March 31, 2010)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share Basic	
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY	JPY
FY2009	45,200	-10.0	1,600	20.8	1,920	0.8	1,200	78.5	19.53	

Note: 1) Changes in the forecast for the consolidated operating results for the fiscal year ending March 31, 2010 : Yes

2) The percentages of changes represent rate of increases or decreases from the results of the corresponding period of the previous fiscal year.

#### **4. Others**

- (1) Changes in the scope of consolidation for significant subsidiaries during the nine months ended December 31, 2009 : No
- (2) Adoption of simplified accounting methods : Yes
- (3) Changes in the significant accounting policies
- 1) Adoption of new accounting standard : No
  - 2) Others : No
- (4) Number of common stocks
- 1) Number of common stocks issued at the end of period, including treasury stocks
    - As of December 31, 2009 65,140,945 shares As of March 31, 2009 65,140,945 shares
  - 2) Number of treasury stocks at the end of period
    - As of December 31, 2009 239,506 shares As of March 31, 2009 266,606 shares
  - 3) Average number of common stocks issued during period, excluding treasury stocks
    - For the nine months ended December 31, 2009 64,889,995 shares For the nine months ended December 31, 2008 64,898,707 shares

Note: As the Company announced it on January 20, 2010, the Company undertook a share buyback, leading to 14,999,605 shares increase in treasury stock. Consequently, the forecast of Earnings per share Basic is calculated using the number that adjusts the increased shares.

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.

## 【Consolidated Financial Statements】

### (1) Consolidated Balance Sheets

(in millions of Yen)

	Current Third Quarter (As of December 31,2009)	Previous Fiscal Year (As of March 31,2009) (Condensed)
<b>Assets</b>		
Current assets		
Cash and deposits	8,784	7,320
Notes and accounts receivable-trade	10,902	8,901
Merchandise and finished goods	3,973	4,664
Work in process	776	605
Raw materials and supplies	1,520	1,651
Other	1,425	2,050
Allowance for doubtful accounts	-4	-4
Total current assets	27,378	25,189
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,405	7,878
Machinery, equipment and vehicles, net	5,101	5,519
Land	3,516	4,076
Other, net	804	1,007
Total property, plant and equipment	16,827	18,482
Intangible assets		
Total intangible assets	359	369
Investments and other assets		
Investment securities	3,963	3,912
Other	4,550	4,715
Allowance for doubtful accounts	-32	-50
Total investments and other assets	8,481	8,577
Total noncurrent assets	25,669	27,430
Total assets	53,048	52,619

(in millions of Yen)

	Current Third Quarter (As of December 31,2009)	Previous Fiscal Year (As of March 31,2009) (Condensed)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	4,740	3,162
Short-term loans payable	5,081	5,366
Current portion of long-term loans payable	107	147
Income taxes payable	54	29
Provision for bonuses	348	592
Provision for directors' bonuses	27	64
Other	2,224	2,296
Total current liabilities	12,583	11,660
Noncurrent liabilities		
Long-term loans payable	3,289	3,416
Provision for retirement benefits	2,154	2,182
Provision for directors' retirement benefits	16	67
Provision for contingent loss	83	83
Other	1,284	1,385
Total noncurrent liabilities	6,827	7,135
Total liabilities	19,411	18,795
<b>Net assets</b>		
Shareholders' equity		
Capital stock	9,816	9,816
Capital surplus	7,492	7,493
Retained earnings	19,269	19,148
Treasury stock	-115	-128
Total shareholders' equity	36,462	36,329
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	88	94
Deferred gains or losses on hedges	-1	-1
Foreign currency translation adjustment	-2,917	-2,925
Total valuation and translation adjustments	-2,831	-2,833
Subscription rights to shares	5	14
Minority interests	-	312
Total net assets	33,636	33,824
Total liabilities and net assets	53,048	52,619

## (2) Consolidated Statement of Income

The Nine Months Ended December 31, 2009

(in millions of Yen)

	Nine months ended December 31, 2008 (From April 1,2008 To December 31,2008)	Nine months ended December 31, 2009 (From April 1,2009 To December 31,2009)
Net sales	40,037	33,136
Cost of sales	31,520	26,035
Gross profit	8,517	7,101
Selling, general and administrative expenses		
Total selling, general and administrative expenses	6,481	5,790
Operating income	2,035	1,310
Non-operating income		
Dividends income	71	40
Equity in earnings of affiliates	331	200
Compensation income	100	-
Other	158	150
Total non-operating income	661	391
Non-operating expenses		
Interest expenses	73	79
Compensation expenses	37	-
Other	37	39
Total non-operating expenses	148	118
Ordinary income	2,548	1,583
Extraordinary income		
Reversal of allowance for doubtful accounts	-	18
Gain on sales of noncurrent assets	20	21
Gain on sales of investment securities	17	-
Other	2	-
Total extraordinary income	39	40
Extraordinary loss		
Loss on retirement of noncurrent assets	62	29
Loss on valuation of inventories	56	-
Impairment loss	250	22
Provision for contingent loss	83	-
Other	4	12
Total extraordinary losses	457	64
Income before income taxes and minority interests	2,131	1,560
Income taxes-current	505	263
Income taxes-deferred	551	261
Total income taxes	1,056	525
Minority interests in income	16	4
Net income	1,057	1,030