

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, 2010**  
**( Fiscal year ending March 31, 2011)**

August 6, 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: Toshio Yoshida, President

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

Scheduled date of submission of Shihanki-houkokusho: August 13, 2010

Scheduled date of payment of cash dividends: —

The additional materials of the Financial Results for the First Quarter: No

The briefing session of the Financial Results for the First Quarter: No

**1. Consolidated Financial Results for the Three Months Ended June 30, 2010**  
**(From April 1, 2010 to June 30, 2010)**

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, 2010	12,040	21.0	848	588.5	962	758.7	528	—
Three months ended June 30, 2009	9,954	-30.0	123	-86.6	112	-90.4	1	-99.7

	Earnings per Share basic	Earnings per share diluted
	JPY	JPY
Three months ended June 30, 2010	10.61	10.60
Three months ended June 30, 2009	0.03	0.03

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 June 30, 2010	50,293	28,085	55.8	563.42
As of March 31, 2010	50,549	27,500	54.4	551.67

Note: Shareholders' equity (JPY million) : As of June 30, 2010 28,079 As of March 31, 2010 27,494

**2. Cash dividends**

	Annual cash dividends per share				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	Year-end	Total
	JPY	JPY	JPY	JPY	JPY
FY2009	—	4.00	—	6.00	10.00
FY2010	—				
FY2010 (Forecast)		6.00	—	6.00	12.00

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

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### 3. Forecast for Consolidated Operating Results for the Fiscal Year Ending March 31, 2011 (From April 1, 2010 to March 31, 2011)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share Basic	
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%		JPY
FY2010 First-half	24,500	17.2	1,600	222.9	1,900	210.2	1,100	210.0		22.07
FY2010	48,500	5.8	2,600	57.1	3,100	57.2	1,850	46.2		37.12

Note: 1) Changes in the forecast for the consolidated operating results for the fiscal year ending March 31, 2011 : 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 three months ended June 30, 2010 : No
- (2) Adoption of simplified accounting methods : Yes
- (3) Changes in the significant accounting policies
- 1) Adoption of new accounting standard : Yes
  - 2) Others : No

(4) Number of common stocks

- 1) Number of common stocks issued at the end of period, including treasury stocks
- 2) Number of treasury stocks at the end of period
- 3) Average number of common stocks issued during period, excluding treasury stocks

FY2010 1st Quarter	60,140,945 shares	FY2009	65,140,945 shares
FY2010 1st Quarter	10,303,294 shares	FY2009	15,301,695 shares
FY2010 1st Quarter	49,838,462 shares	FY2009 1st Quarter	64,872,055 shares

Note: This Financial Results for the Three Months Ended June 30, 2010 was exempt from Quarterly review which was based on Financial Instruments and Exchange Law of Japan. As of the First Quarter disclosing, Quarterly review for the quarterly financial statements are under review.

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 First Quarter (As of June 30,2010)	Previous Fiscal Year (As of March 31,2010) (Condensed)
Assets		
Current assets		
Cash and deposits	6,450	6,158
Notes and accounts receivable-trade	10,471	11,165
Merchandise and finished goods	4,141	4,079
Work in process	733	724
Raw materials and supplies	1,394	1,351
Other	1,300	1,681
Allowance for doubtful accounts	-4	-4
Total current assets	24,486	25,156
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,409	7,352
Machinery, equipment and vehicles, net	4,738	4,840
Land	3,521	3,520
Other, net	896	774
Total property, plant and equipment	16,566	16,487
Intangible assets		
Total intangible assets	320	337
Investments and other assets		
Investment securities	4,385	4,064
Other	4,565	4,534
Allowance for doubtful accounts	-31	-31
Total investments and other assets	8,919	8,567
Total noncurrent assets	25,806	25,392
Total assets	50,293	50,549

(in millions of Yen)

	Current First Quarter (As of June 30,2010)	Previous Fiscal Year (As of March 31,2010) (Condensed)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	4,099	4,240
Short-term loans payable	5,005	5,082
Current portion of long-term loans payable	165	150
Income taxes payable	28	351
Provision for bonuses	347	908
Provision for directors' bonuses	19	54
Other	2,541	2,427
Total current liabilities	12,206	13,215
Noncurrent liabilities		
Long-term loans payable	6,194	6,230
Provision for retirement benefits	2,232	2,204
Provision for directors' retirement benefits	11	11
Provision for contingent loss	83	83
Asset retirement obligations	148	—
Other	1,331	1,303
Total noncurrent liabilities	10,001	9,832
Total liabilities	22,208	23,048
<b>Net assets</b>		
Shareholders' equity		
Capital stock	9,816	9,816
Capital surplus	7,492	7,492
Retained earnings	17,724	19,504
Treasury stock	-4,539	-6,741
Total shareholders' equity	30,493	30,071
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	146	147
Deferred gains or losses on hedges	- 0	- 0
Foreign currency translation adjustment	-2,559	-2,723
Total valuation and translation adjustments	-2,414	-2,576
Subscription rights to shares	5	5
Total net assets	28,085	27,500
Total liabilities and net assets	50,293	50,549

## (2) Consolidated Statement of Income

The Three Months Ended June 30, 2010

(in millions of Yen)

	Three months ended June 30, 2009 (From April 1, 2009 To June 30, 2009)	Three months ended June 30, 2010 (From April 1, 2010 To June 30, 2010)
Net sales	9,954	12,040
Cost of sales	7,922	9,169
Gross profit	2,031	2,870
Selling, general and administrative expenses		
Total selling, general and administrative expenses	1,908	2,021
Operating income	123	848
Non-operating income		
Dividends income	30	54
Equity in earnings of affiliates	—	78
Subsidy income	36	—
Other	35	28
Total non-operating income	103	162
Non-operating expenses		
Interest expenses	30	24
Equity in losses of affiliates	63	—
Foreign exchange losses	9	10
Other	10	13
Total non-operating expenses	114	48
Ordinary income	112	962
Extraordinary income		
Reversal of allowance for doubtful accounts	18	—
Gain on sales of noncurrent assets	—	11
Other	—	0
Total extraordinary income	18	11
Extraordinary loss		
Loss on retirement of noncurrent assets	3	1
Loss on sales of subsidiaries' stocks	12	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	18
Impairment loss	22	—
Other	—	0
Total extraordinary losses	38	19
Income before income taxes and minority interests	92	954
Income taxes-current	6	153
Income taxes-deferred	80	273
Total income taxes	86	426
Income before minority interests	—	528
Minority interests in income	4	—
Net income	1	528

**(3) Consolidated Statement of Cash Flows**

(in millions of Yen)

	Three months ended June 30, 2009 (From April 1, 2009 To June 30, 2009)	Three months ended June 30, 2010 (From April 1, 2010 To June 30, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	92	954
Depreciation and amortization	629	571
Impairment loss	22	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	18
Increase (decrease) in allowance for doubtful accounts	-17	-0
Increase (decrease) in provision for bonuses	-284	-561
Increase (decrease) in provision for directors' bonuses	-45	-35
Increase (decrease) in provision for retirement benefits	-19	27
Increase (decrease) in provision for directors' retirement benefits	-33	0
Loss (gain) on sales and retirement of noncurrent assets	3	-9
Loss (gain) on sales of subsidiaries' stocks	12	—
Interest and dividends income	-40	-59
Interest expenses	30	24
Equity in (earnings) losses of affiliates, net of dividends	63	-78
Decrease (increase) in notes and accounts receivable-trade	-241	708
Decrease (increase) in inventories	377	-105
Increase (decrease) in notes and accounts payable-trade	123	-149
Other, net	181	224
Subtotal	853	1,530
Interest and dividends income received	26	59
Interest expenses paid	-9	-16
Income taxes paid	-9	-496
Net cash provided by (used in) operating activities	861	1,076
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-838	-392
Proceeds from sales of property, plant and equipment	—	13
Purchase of intangible assets	-20	-14
Purchase of investment securities	-5	-6
Payments of loans receivable	-117	—
Collection of loans receivable	6	—
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	37	—
Other, net	7	5
Net cash provided by (used in) investing activities	-931	-394
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-6	-77
Repayment of long-term loans payable	-35	-26
Purchase of treasury stock	-1	-0
Cash dividends paid	-389	-299
Net cash provided by (used in) financing activities	-432	-403
Effect of exchange rate change on cash and cash equivalents	34	14
Net increase (decrease) in cash and cash equivalents	-467	292
Cash and cash equivalents at beginning of period	7,301	6,158
Cash and cash equivalents at end of period	6,834	6,450