

Consolidated Financial Results for the Three Months Ended June 30, 2011
(Fiscal year ending March 31, 2012)

August 5, 2011

Stock exchange: Tokyo

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Company name: Japan Vilene Co., Ltd.

Listing Code number: 3514

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

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Scheduled date of submission of Shihanki-houkokusho: August 12, 2011

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, 2011
(From April 1, 2011 to June 30, 2011)

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

(1) Consolidated operating results

(% change from the previous First Quarter)

	Net sales		Operating income		Ordinary income		Net income	
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%
Three months ended June 30, 2011	10,332	-14.2	298	-64.9	484	-49.7	306	-42.0
Three months ended June 30, 2010	12,040	21.0	848	588.5	962	758.7	528	—

Note: Comprehensive income (JPY million): Three months ended June 30, 2011 589(-14.6%) Three months ended June 30, 2010 690(—%)

	Net income per share basic	Net income per share diluted
	JPY	JPY
Three months ended June 30, 2011	6.15	6.15
Three months ended June 30, 2010	10.61	10.60

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio to total assets
	JPY (million)	JPY (million)	%
As of June 30, 2011	50,390	28,568	56.7
As of March 31, 2011	50,416	28,327	56.2

Note: Shareholders' equity (JPY million) : As of June 30, 2011 28,564 As of March 31, 2011 28,323

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
FY2010	—	7.00	—	7.00	14.00
FY2011	—	—	—	—	—
FY2011 (Forecast)	—	7.00	—	7.00	14.00

Note: Changes in the forecast for the dividends payment since the latest announcement: No

3. Forecast for Consolidated Operating Results for the Fiscal Year Ending March 31, 2012 (From April 1, 2011 to March 31, 2012)

(% change from FY2010 First-half or FY2010)

	Net sales		Operating income		Ordinary income		Net income		Net income per share basic
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY
FY2011 First-half	20,700	-14.6	300	-82.6	1,000	-58.9	750	-49.7	15.05
FY2011	45,000	-2.1	1,500	-32.8	2,600	-22.3	1,800	-19.4	36.12

Note: Changes in the forecast for the consolidated operating results since the latest announcement: Yes

4. Others

(1) Changes in the scope of consolidation for significant subsidiaries during the three months ended June 30, 2011 : No

(2) Adoption of special accounting policies for quarterly financial statements : No

(3) Changes in accounting standard, accounting estimation change and error correction

- 1) Changes due to changes in accounting standard : No
- 2) Changes due to changes in accounting standard except 1) : No
- 3) Changes due to accounting estimation change : No
- 4) Error correction : No

(4) Number of common stocks

1) Number of common stocks issued at the end of period, including treasury stocks	FY2011 1st Quarter	60,140,945 shares	FY2010	60,140,945 shares
2) Number of treasury stocks at the end of period	FY2011 1st Quarter	10,304,778 shares	FY2010	10,304,007 shares
3) Average number of common stocks issued during period, excluding treasury stocks	FY2011 1st Quarter	49,836,418 shares	FY2010 1st Quarter	49,838,462 shares

Note: This Financial Results for the Three Months Ended June 30, 2011 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 has been completed.

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)

	Previous Fiscal Year (As of March 31, 2011)	Current First Quarter (As of June 30, 2011)
Assets		
Current assets		
Cash and deposits	8,034	7,690
Notes and accounts receivable-trade	9,555	9,242
Merchandise and finished goods	4,130	4,162
Work in process	607	663
Raw materials and supplies	1,399	1,441
Other	1,551	1,396
Allowance for doubtful accounts	-4	-3
Total current assets	<u>25,275</u>	<u>24,593</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,053	7,147
Machinery, equipment and vehicles, net	4,112	3,887
Land	3,230	3,233
Other, net	1,937	2,631
Total property, plant and equipment	<u>16,333</u>	<u>16,900</u>
Intangible assets	289	302
Investments and other assets		
Investment securities	4,050	3,818
Other	4,481	4,789
Allowance for doubtful accounts	-14	-14
Total investments and other assets	<u>8,517</u>	<u>8,593</u>
Total noncurrent assets	<u>25,140</u>	<u>25,796</u>
Total assets	<u>50,416</u>	<u>50,390</u>

(in millions of Yen)

	Previous Fiscal Year (As of March 31, 2011)	Current First Quarter (As of June 30, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,290	3,363
Short-term loans payable	4,948	5,049
Current portion of long-term loans payable	3,223	3,223
Income taxes payable	67	24
Provision for bonuses	813	341
Provision for directors' bonuses	90	18
Provision for head office transfer cost	36	36
Asset retirement obligations	44	30
Other	2,732	2,890
Total current liabilities	15,247	14,977
Noncurrent liabilities		
Long-term loans payable	2,943	2,911
Provision for retirement benefits	2,369	2,396
Provision for directors' retirement benefits	12	13
Provision for contingent loss	83	83
Asset retirement obligations	118	119
Other	1,313	1,320
Total noncurrent liabilities	6,840	6,844
Total liabilities	22,088	21,821
Net assets		
Shareholders' equity		
Capital stock	9,816	9,816
Capital surplus	7,492	7,492
Retained earnings	19,078	19,036
Treasury stock	-4,539	-4,539
Total shareholders' equity	31,848	31,805
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	128	149
Deferred gains or losses on hedges	-1	-1
Foreign currency translation adjustment	-3,651	-3,389
Total accumulated other comprehensive income	-3,524	-3,241
Subscription rights to shares	4	4
Total net assets	28,327	28,568
Total liabilities and net assets	50,416	50,390

(2) Consolidated Statements of Income

(in millions of Yen)

	Three months ended June 30, 2010 (From April 1, 2010 to June 30, 2010)	Three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011)
Net sales	12,040	10,332
Cost of sales	9,169	8,076
Gross profit	2,870	2,256
Selling, general and administrative expenses	2,021	1,958
Operating income	848	298
Non-operating income		
Dividends income	54	80
Equity in earnings of affiliates	78	123
Other	28	15
Total non-operating income	162	219
Non-operating expenses		
Interest expenses	24	22
Other	23	11
Total non-operating expenses	48	33
Ordinary income	962	484
Extraordinary income		
Gain on sales of noncurrent assets	11	0
Other	0	—
Total extraordinary income	11	0
Extraordinary loss		
Loss on retirement of noncurrent assets	1	2
Loss on adjustment for changes of accounting standard for asset retirement obligations	18	—
Other	0	0
Total extraordinary losses	19	3
Income before income taxes and minority interests	954	481
Income taxes-current	153	129
Income taxes-deferred	273	44
Total income taxes	426	174
Income before minority interests	528	306
Net income	528	306

(3) Consolidated Statements of Comprehensive Income

(in millions of Yen)

	Three months ended June 30, 2010 (From April 1, 2010 to June 30, 2010)	Three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011)
Income before minority interests	528	306
Other comprehensive income		
Valuation difference on available-for-sale securities	-1	21
Deferred gains or losses on hedges	-0	—
Foreign currency translation adjustment	59	96
Share of other comprehensive income of associates accounted for using equity method	103	165
Total other comprehensive income	162	282
Comprehensive income	690	589
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	690	589
Comprehensive income attributable to minority interests	—	—