

**Consolidated Financial Results for the Six Months Ended September 30, 2011**  
**( Fiscal year ending March 31, 2012 )**

November 10, 2011  
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

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Scheduled date of submission of Shihanki-houkokusho: November 11, 2011

Scheduled date of payment of cash dividends: December 8, 2011

The additional materials of the Financial Results for the Second Quarter: Yes

The briefing session of the Financial Results for the Second Quarter: Yes ( for institutional investors and analysts )

**1. Consolidated Financial Results for the Six Months Ended September 30, 2011**  
**(From April 1, 2011 to September 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 Second Quarter)

	Net sales		Operating income		Ordinary income		Net income	
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%
Six months ended September 30, 2011	20,698	-14.6	299	-82.6	912	-62.5	637	-57.2
Six months ended September 30, 2010	24,228	15.9	1,722	247.7	2,431	296.9	1,490	320.2

Note: Comprehensive income (JPY million): Six months ended September 30, 2011 741(-22.0%) Six months ended September 30, 2010 951(-%)

	Net income per share basic	Net income per share diluted
	JPY	JPY
Six months ended September 30, 2011	12.80	12.79
Six months ended September 30, 2010	29.91	29.90

**(2) Consolidated financial position**

	Total assets	Net assets	Shareholders' equity ratio to total assets
	JPY (million)	JPY (million)	%
As of September 30, 2011	50,003	28,720	57.4
As of March 31, 2011	50,416	28,327	56.2

Note: Shareholders' equity (JPY million) : As of September 30, 2011 28,716 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	—	7.00	—	—	—
FY2011 (Forecast)	—	—	—	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)

	Net sales		Operating income		Ordinary income		Net income		Net income per share basic
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY
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: No

#### **4. Others**

(1) Changes in the scope of consolidation for significant subsidiaries during the six months ended September 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
- 2) Number of treasury stocks at the end of period
- 3) Average number of common stocks issued during period, excluding treasury stocks

FY2011 2nd Quarter	60,140,945 shares	FY2010	60,140,945 shares
FY2011 2nd Quarter	10,305,891 shares	FY2010	10,304,007 shares
FY2011 2nd Quarter	49,836,150 shares	FY2010 2nd Quarter	49,840,104 shares

Note: This Financial Results for the Six Months Ended September 30, 2011 was exempt from Quarterly review which was based on Financial Instruments and Exchange Law of Japan. As of the Second 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 Second Quarter (As of September 30, 2011)
Assets		
Current assets		
Cash and deposits	8,034	6,763
Notes and accounts receivable-trade	9,555	9,550
Merchandise and finished goods	4,130	4,215
Work in process	607	673
Raw materials and supplies	1,399	1,434
Other	1,551	1,405
Allowance for doubtful accounts	-4	-3
Total current assets	25,275	24,039
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,053	7,061
Machinery, equipment and vehicles, net	4,112	4,822
Land	3,230	3,229
Other, net	1,937	1,594
Total property, plant and equipment	16,333	16,706
Intangible assets	289	314
Investments and other assets		
Investment securities	4,050	4,131
Other	4,481	4,826
Allowance for doubtful accounts	-14	-14
Total investments and other assets	8,517	8,943
Total noncurrent assets	25,140	25,963
Total assets	50,416	50,003

(in millions of Yen)

	Previous Fiscal Year (As of March 31, 2011)	Current Second Quarter (As of September 30, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,290	3,644
Short-term loans payable	4,948	3,548
Current portion of long-term loans payable	3,223	3,223
Income taxes payable	67	59
Provision for bonuses	813	628
Provision for directors' bonuses	90	37
Provision for head office transfer cost	36	88
Asset retirement obligations	44	30
Other	2,732	2,202
Total current liabilities	15,247	13,462
Noncurrent liabilities		
Long-term loans payable	2,943	3,824
Provision for retirement benefits	2,369	2,431
Provision for directors' retirement benefits	12	13
Provision for contingent loss	83	83
Asset retirement obligations	118	119
Other	1,313	1,348
Total noncurrent liabilities	6,840	7,819
Total liabilities	22,088	21,282
Net assets		
Shareholders' equity		
Capital stock	9,816	9,816
Capital surplus	7,492	7,492
Retained earnings	19,078	19,367
Treasury stock	-4,539	-4,539
Total shareholders' equity	31,848	32,136
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	128	184
Deferred gains or losses on hedges	-1	-1
Foreign currency translation adjustment	-3,651	-3,603
Total accumulated other comprehensive income	-3,524	-3,420
Subscription rights to shares	4	4
Total net assets	28,327	28,720
Total liabilities and net assets	50,416	50,003

**(2) Consolidated Statements of Income**

(in millions of Yen)

	Six months ended September 30, 2010 (From April 1, 2010 to September 30, 2010)	Six months ended September 30, 2011 (From April 1, 2011 to September 30, 2011)
Net sales	24,228	20,698
Cost of sales	18,501	16,465
Gross profit	5,727	4,233
Selling, general and administrative expenses	4,004	3,933
Operating income	1,722	299
Non-operating income		
Dividends income	56	81
Equity in earnings of affiliates	696	558
Other	52	48
Total non-operating income	805	689
Non-operating expenses		
Interest expenses	47	41
Compensation expenses	—	16
Other	49	17
Total non-operating expenses	96	76
Ordinary income	2,431	912
Extraordinary income		
Gain on sales of noncurrent assets	14	0
Other	0	—
Total extraordinary income	14	0
Extraordinary loss		
Loss on retirement of noncurrent assets	15	3
Loss on valuation of investment securities	—	55
Loss on adjustment for changes of accounting standard for asset retirement obligations	18	—
Impairment loss	178	—
Head office transfer cost	—	51
Other	0	—
Total extraordinary losses	212	110
Income before income taxes and minority interests	2,234	801
Income taxes-current	625	152
Income taxes-deferred	117	11
Total income taxes	743	163
Income before minority interests	1,490	637
Net income	1,490	637

**(3) Consolidated Statements of Comprehensive Income**

(in millions of Yen)

	Six months ended September 30, 2010 (From April 1, 2010 to September 30, 2010)	Six months ended September 30, 2011 (From April 1, 2011 to September 30, 2011)
Income before minority interests	1,490	637
Other comprehensive income		
Valuation difference on available-for-sale securities	-22	56
Deferred gains or losses on hedges	0	—
Foreign currency translation adjustment	-252	-69
Share of other comprehensive income of associates accounted for using equity method	-265	117
Total other comprehensive income	-539	104
Comprehensive income	951	741
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	951	741
Comprehensive income attributable to minority interests	—	—