

## Japan Vilene Company, Ltd. and Consolidated Subsidiaries

### Consolidated Statements of Income Years Ended March 31, 2006 and 2005

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 1)
	<u>2006</u>	<u>2005</u>	<u>2006</u>
NET SALES (Notes 15 and 18)	¥ 51,865	¥ 49,364	\$ 443,291
COST OF SALES (Notes 5, 7, 10, 15, 16 and 18)	<u>39,860</u>	<u>37,681</u>	<u>340,684</u>
Gross profit	12,005	11,683	102,607
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Notes 5, 7, 10, 16 and 18)	<u>8,894</u>	<u>8,924</u>	<u>76,017</u>
Operating income (Note 18)	<u>3,111</u>	<u>2,759</u>	<u>26,590</u>
OTHER INCOME (EXPENSES):			
Interest and dividend income (Note 15)	40	71	342
Interest expense	(129)	(157)	(1,103)
Gain on sales of investment securities (Note 3)	73	80	624
Equity in earnings of associated companies	833	793	7,120
Loss on disposal of property, plant and equipment	(160)	(150)	(1,368)
Foreign exchange gain	107	21	914
Loss from termination of joint venture		(130)	
Loss on impairment of long-lived assets (Note 6)	(110)		(940)
Other—net (Note 15)	<u>61</u>	<u>12</u>	<u>522</u>
Other income—net	<u>715</u>	<u>540</u>	<u>6,111</u>
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	<u>3,826</u>	<u>3,299</u>	<u>32,701</u>
INCOME TAXES (Note 9):			
Current	956	778	8,171
Deferred	<u>342</u>	<u>120</u>	<u>2,923</u>
Total income taxes	<u>1,298</u>	<u>898</u>	<u>11,094</u>
INCOME BEFORE MINORITY INTERESTS	2,528	2,401	21,607
MINORITY INTERESTS	<u>(33)</u>	<u>(22)</u>	<u>(282)</u>
NET INCOME	<u>¥ 2,495</u>	<u>¥ 2,379</u>	<u>\$ 21,325</u>

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	Japanese Yen		U.S. Dollars
	<u>2006</u>	<u>2005</u>	<u>2006</u>
PER SHARE AMOUNTS (Note 14):			
Net income	¥ 37.70	¥ 36.13	\$ 0.32
Diluted net income	37.67	36.09	0.32
Cash dividends applicable to the year	10.00	7.00	0.09

See notes to consolidated financial statements.