

Japan Vilene Company, Ltd. and Subsidiaries

Consolidated Statements of Income Years Ended March 31, 2007 and 2006

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 1)
	<u>2007</u>	<u>2006</u>	<u>2007</u>
NET SALES (Notes 15 and 18)	¥ 56,314	¥ 51,865	\$ 477,237
COST OF SALES (Notes 5, 7, 10, 15, 16 and 18)	<u>43,736</u>	<u>39,860</u>	<u>370,644</u>
Gross profit	12,578	12,005	106,593
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Notes 5, 7, 10, 16 and 18)	<u>8,813</u>	<u>8,894</u>	<u>74,686</u>
Operating income (Note 18)	<u>3,765</u>	<u>3,111</u>	<u>31,907</u>
OTHER INCOME (EXPENSES):			
Interest and dividend income	71	40	602
Interest expense	(146)	(129)	(1,237)
Gain on sales of investment securities (Note 3)	2	73	17
Loss on write-down of investment securities	(5)		(42)
Equity in earnings of associated companies	880	833	7,457
Loss on disposal of property, plant and equipment	(57)	(160)	(483)
Foreign exchange gain	31	107	262
Loss on impairment of long-lived assets (Note 6)		(110)	
Other—net	<u>53</u>	<u>61</u>	<u>449</u>
Other income—net	<u>829</u>	<u>715</u>	<u>7,025</u>
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	<u>4,594</u>	<u>3,826</u>	<u>38,932</u>
INCOME TAXES (Note 9):			
Current	1,349	956	11,432
Deferred	<u>315</u>	<u>342</u>	<u>2,669</u>
Total income taxes	<u>1,664</u>	<u>1,298</u>	<u>14,101</u>
INCOME BEFORE MINORITY INTERESTS	2,930	2,528	24,831
MINORITY INTERESTS	<u>(24)</u>	<u>(33)</u>	<u>(204)</u>
NET INCOME	<u>¥ 2,906</u>	<u>¥ 2,495</u>	<u>\$ 24,627</u>

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	<u>2007</u>	<u>2006</u>	<u>2007</u>
PER SHARE AMOUNTS (Note 14):			
Net income	¥ 44.76	¥ 37.70	\$ 0.38
Diluted net income	44.73	37.67	0.38
Cash dividends applicable to the year	12.00	10.00	0.10

See notes to consolidated financial statements.