

Japan Vilene Company, Ltd. and Subsidiaries

**Consolidated Statements of Changes in Equity
Years Ended March 31, 2007 and 2006**

	Thousands Outstanding Number of Shares of Common Stock	Millions of Japanese Yen									
		Common Stock	Capital Surplus	Stock Acquisition Rights	Retained Earnings	Unrealized Gain on Available-for-sale Securities	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests	Total Equity
BALANCE, APRIL 1, 2005	64,932	¥ 9,816	¥ 7,413		¥ 13,667	¥ 132	¥ (1,402)	¥ (72)	¥ 29,554		¥ 29,554
Net income					2,495				2,495		2,495
Cash dividends, ¥8 per share					(520)				(520)		(520)
Bonuses to directors					(38)				(38)		(38)
Disposal of treasury stock	41		1					13	14		14
Repurchase of treasury stock	(41)							(33)	(33)		(33)
Increase resulting from merger			83						83		83
Decrease resulting from merger					(83)				(83)		(83)
Net increase in unrealized gain on available-for-sale securities						71			71		71
Net change in foreign currency translation adjustments							1,195		1,195		1,195
BALANCE, MARCH 31, 2006	64,932	9,816	7,497		15,521	203	(207)	(92)	32,738		32,738
Reclassified balance as of March 31, 2006 (Note 2)										¥ 289	289
Net income					2,906				2,906		2,906
Cash dividends, ¥12 per share					(779)				(779)		(779)
Bonuses to directors					(47)				(47)		(47)
Disposal of treasury stock	15		(2)					5	3		3
Repurchase of treasury stock	(24)							(17)	(17)		(17)
Net change in the year				¥17		39	362		418	3	421
BALANCE, MARCH 31, 2007	<u>64,923</u>	<u>¥ 9,816</u>	<u>¥ 7,495</u>	<u>¥17</u>	<u>¥ 17,601</u>	<u>¥ 242</u>	<u>¥ 155</u>	<u>¥ (104)</u>	<u>¥ 35,222</u>	<u>¥ 292</u>	<u>¥ 35,514</u>

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Years Ended March 31, 2007 and 2006**

	Thousands of U.S. Dollars (Note 1)									
	Common Stock	Capital Surplus	Stock Acquisition Rights	Retained Earnings	Unrealized Gain on Available-for-sale Securities	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests	Total Equity
BALANCE, MARCH 31, 2006	\$ 83,186	\$ 63,534		\$ 131,534	\$ 1,720	\$ (1,754)	\$ (780)	\$ 277,440		\$ 277,440
Reclassified balance as of March 31, 2006 (Note 2)									\$ 2,449	2,449
Net income				24,627				24,627		24,627
Cash dividends, \$0.10 per share				(6,601)				(6,601)		(6,601)
Bonuses to directors				(399)				(399)		(399)
Disposal of treasury stock		(17)					43	26		26
Repurchase of treasury stock							(144)	(144)		(144)
Net change in the year			\$ 144		331	3,067		3,542	26	3,568
BALANCE, MARCH 31, 2007	<u>\$ 83,186</u>	<u>\$ 63,517</u>	<u>\$ 144</u>	<u>\$ 149,161</u>	<u>\$ 2,051</u>	<u>\$ 1,313</u>	<u>\$ (881)</u>	<u>\$ 298,491</u>	<u>\$ 2,475</u>	<u>\$ 300,966</u>

See notes to consolidated financial statements.