

**Japan Vilene Company, Ltd. and Subsidiaries**

**Consolidated Balance Sheets**  
**March 31, 2008 and 2007**

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)	LIABILITIES AND EQUITY	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2008	2007	2008		2008	2007	2008
<b>CURRENT ASSETS:</b>				<b>CURRENT LIABILITIES:</b>			
Cash and cash equivalents	¥ 2,739	¥ 4,118	\$ 27,390	Short-term bank loans (Note 8)	¥ 4,340	¥ 4,231	\$ 43,400
Time deposits	19	23	190	Current portion of long-term debt (Note 8)	154	2,206	1,540
Notes and accounts receivable (Note 15):				Notes and accounts payable (Note 15):			
Trade notes	3,584	4,231	35,840	Trade notes	1,089	1,561	10,890
Trade accounts	9,333	9,643	93,330	Trade accounts	4,566	4,811	45,660
Allowance for doubtful receivables	(16)	(14)	(160)	Other	1,355	1,459	13,550
Inventories (Note 4)	6,813	6,645	68,130	Income taxes payable (Note 9)	327	552	3,270
Deferred tax assets (Note 9)	768	756	7,680	Accrued expenses and other current liabilities	2,383	2,615	23,830
Prepaid expenses and other current assets (Note 15)	1,400	1,320	14,000				
<b>Total current assets</b>	<b>24,640</b>	<b>26,722</b>	<b>246,400</b>	<b>Total current liabilities</b>	<b>14,214</b>	<b>17,435</b>	<b>142,140</b>
<b>PROPERTY, PLANT AND EQUIPMENT (Notes 5, 6 and 8)</b>	<b>67,664</b>	<b>65,952</b>	<b>676,640</b>	<b>LONG-TERM LIABILITIES:</b>			
Accumulated depreciation	(47,881)	(46,374)	(478,810)	Long-term debt (Note 8)	754	941	7,540
<b>Net property, plant and equipment</b>	<b>19,783</b>	<b>19,578</b>	<b>197,830</b>	Liability for retirement benefits (Note 10)	2,592	3,144	25,920
<b>INVESTMENTS AND OTHER ASSETS:</b>				Deferred tax liabilities (Note 9)	554	513	5,540
Investment securities (Note 3)	1,066	1,100	10,660	Long-term guarantee deposited	610	487	6,100
Investments in and advances to associated companies	6,798	7,177	67,980	Other	275	326	2,750
Guarantee deposits	1,046	1,047	10,460	<b>Total long-term liabilities</b>	<b>4,785</b>	<b>5,411</b>	<b>47,850</b>
Deferred tax assets (Note 9)	1,024	1,221	10,240	<b>COMMITMENTS AND CONTINGENT LIABILITIES</b>			
Other assets	1,432	1,515	14,320	(Notes 7, 12, 15 and 17)			
<b>Total investments and other assets</b>	<b>11,366</b>	<b>12,060</b>	<b>113,660</b>	<b>EQUITY (Notes 11, 13 and 19):</b>			
				Common stock—authorized, 152,713,000 shares; issued, 65,140,945 shares in 2008 and 2007	9,816	9,816	98,160
				Capital surplus	7,494	7,495	74,940
				Stock acquisition rights	15	17	150
				Retained earnings	19,256	17,601	192,560
				Unrealized gain on available-for-sale securities	212	242	2,120
				Deferred loss on derivatives under hedge accounting	(2)		(20)
				Foreign currency translation adjustments	(196)	155	(1,960)
				Treasury stock—at cost, 230,096 shares in 2008 and 218,286 shares in 2007	(113)	(104)	(1,130)
				<b>Total</b>	<b>36,482</b>	<b>35,222</b>	<b>364,820</b>
				Minority interests	308	292	3,080
				<b>Total equity</b>	<b>36,790</b>	<b>35,514</b>	<b>367,900</b>
<b>TOTAL</b>	<b>¥ 55,789</b>	<b>¥ 58,360</b>	<b>\$ 557,890</b>	<b>TOTAL</b>	<b>¥ 55,789</b>	<b>¥ 58,360</b>	<b>\$ 557,890</b>

See notes to consolidated financial statements.