

Japan Vilene Company, Ltd. and Subsidiaries

Consolidated Statements of Income Years Ended March 31, 2008 and 2007

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2008	2007	2008
NET SALES (Notes 15 and 18)	¥ 59,021	¥ 56,314	\$ 590,210
COST OF SALES (Notes 5, 7, 10, 15, 16 and 18)	<u>46,249</u>	<u>43,736</u>	<u>462,490</u>
Gross profit	12,772	12,578	127,720
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Notes 5, 7, 10, 16 and 18)	<u>8,903</u>	<u>8,813</u>	<u>89,030</u>
Operating income (Note 18)	<u>3,869</u>	<u>3,765</u>	<u>38,690</u>
OTHER INCOME (EXPENSES):			
Interest and dividend income	91	71	910
Interest expense	(149)	(146)	(1,490)
Gain on sales of investment securities (Note 3)		2	
Loss on write-down of investment securities		(5)	
Equity in earnings of associated companies	634	880	6,340
Loss on disposal of property, plant and equipment	(74)	(57)	(740)
Foreign exchange loss (gain)	(111)	31	(1,110)
Loss on impairment of long-lived assets (Note 6)	(281)		(2,810)
Other—net	<u>178</u>	<u>53</u>	<u>1,780</u>
Other income—net	<u>288</u>	<u>829</u>	<u>2,880</u>
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	<u>4,157</u>	<u>4,594</u>	<u>41,570</u>
INCOME TAXES (Note 9):			
Current	1,440	1,349	14,400
Deferred	<u>253</u>	<u>315</u>	<u>2,530</u>
Total income taxes	<u>1,693</u>	<u>1,664</u>	<u>16,930</u>
INCOME BEFORE MINORITY INTERESTS	2,464	2,930	24,640
MINORITY INTERESTS	<u>(30)</u>	<u>(24)</u>	<u>(300)</u>
NET INCOME	<u>¥ 2,434</u>	<u>¥ 2,906</u>	<u>\$ 24,340</u>

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	Yen		U.S. Dollars
	<u>2008</u>	<u>2007</u>	<u>2008</u>
PER SHARE AMOUNTS (Note 14):			
Net income	¥ 37.50	¥ 44.76	\$ 0.38
Diluted net income	37.46	44.73	0.37
Cash dividends applicable to the year	12.00	12.00	0.12

See notes to consolidated financial statements.