

Summary of Consolidated Financial Statements for the Fiscal Year Ended March 31, 2007

May 11, 2007

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan.

Nissin Food Products Co., Ltd.

Code number: 2897

Representative: Koki Ando, President

Contact: Takahisa Yanagida, Director,

General Manager of Financial Division

Scheduled date of general shareholders' meeting: June 28, 2007

Scheduled date of filing of securities report: June 28, 2007

Stock exchange listings: Tokyo, Osaka

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Scheduled date of start of dividend payment: June 29, 2007

(All amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2007 (Apr. 1, 2006—Mar. 31, 2007)

(1) Operating Results

(% figures represent year-on-year change ratios.)

	Net sales (¥ million)	Year-on -year change (%)	Operating Income (¥ million)	Year-on -year change (%)	Ordinary income (¥ million)	Year-on -year change (%)	Net income (¥ million)	Year-on -year change (%)
Fiscal 2007	358,238	11.4	33,734	5.5	37,843	(4.3)	18,968	23.3
Fiscal 2006	321,700	1.5	31,979	10.4	39,526	19.1	15,388	(7.4)

	Net income per share (primary) (¥)	Net income per share (diluted) (¥)	Return on equity (%)	Ordinary income/total assets (%)	Operating income/net sales (%)
Fiscal 2007	156.12	—	7.0	9.7	9.4
Fiscal 2006	125.09	—	5.9	10.9	9.9

Reference:

Equity in earnings of affiliates:

FY ended Mar. 31, 2007: ¥475 million

FY ended Mar. 31, 2006: ¥485 million

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Net assets per share (¥)
Fiscal 2007	410,407	288,476	68.7	2,304.40
Fiscal 2006	366,801	263,199	71.8	2,167.81

Reference:

Equity: FY ended Mar. 31, 2007: ¥281,751 million

FY ended Mar. 31, 2006: ¥— million

Note: Net assets for Fiscal 2006 does not include minority interests.

(3) Cash Flows

	Cash flows from operating activities (¥ million)	Cash flows from investing activities (¥ million)	Cash flows from financing activities (¥ million)	Cash and cash equivalents at end of year (¥ million)
Fiscal 2007	26,974	(4,770)	(7,421)	76,694
Fiscal 2006	26,635	(20,068)	(12,940)	61,570

2. Details of dividends

(Record date)	Cash dividend per share			Total annual dividend amount (¥ million)	Consolidated payout ratio (%)	Ratio of dividends to consolidated net assets (%)
	Interim (¥)	Year-end (¥)	Total (¥)			
Fiscal 2006	15.00	15.00	30.00	3,673	24.0	1.4
Fiscal 2007	35.00	15.00	50.00	6,083	32.0	2.2
Fiscal 2008 (Projects)	25.00	25.00	50.00		28.4	

3. Project of consolidated results for the fiscal year ending March 31, 2008 (Apr. 1, 2007—Mar. 31, 2008)

(% figures for the full fiscal year represent year-on-year change ratios, and those for the interim period represent ratios of changes from the corresponding period of the previous fiscal year.)

	Net sales (¥ million)	Year-on -year change (%)	Operating income (¥ million)	Year-on -year change (%)	Ordinary income (¥ million)	Year-on -year change (%)	Net income (¥ million)	Year-on -year change (%)	Net income per share (¥)
Interim period	197,000	29.2	13,000	(7.8)	15,000	(7.7)	8,500	(10.2)	69.52
Full fiscal year	407,000	13.6	31,000	(8.1)	35,000	(7.5)	21,500	13.3	175.85

4. Other

(1) Changes in principal subsidiaries during the fiscal year (changes in specified subsidiaries which resulted in changes in scope of consolidation): Yes

Newly included: 1 company (MYOJO FOODS Co., Ltd.)

Excluded: 0 company

(2) Changes in significant accounting, procedure, and presentation methods for consolidated financial statements (which should be reported in the notes to consolidated financial statements)

1) Changes derived from revisions of accounting standards: Yes

2) Changes other than 1): No

(3) The number of shares outstanding (ordinary stocks)

1) The number of shares outstanding as of the year-end (including treasury stocks)

March 31, 2007 127,463,685 shares

March 31, 2006 127,463,685 shares

2) The number of treasury stocks outstanding as of the year-end

March 31, 2007 5,197,203 shares

March 31, 2006 6,061,522 shares

Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2007 (Apr. 1, 2006—Mar. 31, 2007)

1) Operating results

(% figures represent year-on-year change ratios.)

	Net sales (¥ million)	Year-on -year change (%)	Operating Income (¥ million)	Year-on -year change (%)	Ordinary income (¥ million)	Year-on -year change (%)	Net income (¥ million)	Year-on -year change (%)
Fiscal 2007	236,938	(2.9)	31,425	15.6	34,739	3.4	18,337	14.5
Fiscal 2006	244,063	(1.2)	27,194	6.3	33,585	13.6	16,020	13.3

	Net income per share (primary) (¥)	Net income per share (diluted) (¥)
Fiscal 2007	150.93	—
Fiscal 2006	130.23	—

2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Net assets per share (¥)
Fiscal 2007	336,091	261,565	77.8	2,139.30
Fiscal 2006	319,095	244,392	76.6	2,012.48

Reference:

Equity: FY ended Mar. 31, 2007: ¥261,565 million

FY ended Mar. 31, 2006: ¥— million

2. Project of non-consolidated results for the fiscal year ending March 31, 2008 (Apr. 1, 2007—Mar. 31, 2008)

(% figures for the full fiscal year represent year-on-year change ratios, and those for the interim period represent ratios of changes from the corresponding period of the previous fiscal year.)

	Net sales (¥ million)	Year-on -year change (%)	Operating income (¥ million)	Year-on -year change (%)	Ordinary income (¥ million)	Year-on -year change (%)	Net income (¥ million)	Year-on -year change (%)	Net income per share (¥)
Interim period	117,500	5.5	11,500	(11.9)	13,000	(12.6)	8,500	(0.7)	69.52
Full fiscal year	244,000	3.0	27,000	(14.1)	30,500	(12.2)	20,500	11.8	167.67

* Notes for proper use of the project and other remarks

This project contains forward-looking statements based on estimates made as of the day of release of these materials. Actual results may differ depending on a number of factors including but not limited to potential risks and uncertainties. For the assumptions and other issues related to the above project please refer to page 5 of the attached materials.

1. Operating Results and Financial Position

(1) Analysis of Operating Results

During the fiscal year under review, the Japanese economy showed signs that the effects from improvements in corporate profits and employment were spreading to the lagging consumer spending. We saw a gradual recovery of consumer spending, which had been sluggish until the previous fiscal year. The environment was finally right for breaking away from prolonged deflation, and the economy was on the road to moderate but stable growth.

The domestic instant noodle industry, however, was faced with a changing customer structure, such as the decrease in the number of young users as the birth rate declines and the population ages. It also faced discount sales conducted by the retail businesses and a severe competition with neighboring business sectors. Each instant noodle manufacturer tried hard to stay ahead by raising its market share through efforts to develop and launch new products that better meet customer needs.

By making the basis of its business policy safe and reliable products that gain trust from consumers, Nissin Food Products Co., Ltd. (“the Company”) dedicated all-out efforts to ensure the safety of materials used in its products through its own systems to inspect residual pesticides and chemicals contained in animal products. During the current fiscal year, to better meet diversifying customer needs, the Company acquired MYOJO FOODS Co., Ltd. (“MYOJO FOODS”) and included it among its consolidated subsidiaries, thereby becoming better able to supply attractive products to satisfy broader customer needs, both in Japan and overseas. On top of this, the Company launched an environment-friendly refill product dubbed “*Cup Noodle Refill*”—introducing new style and food scene.

On the sales front, the Company focused on its mainstay products, such as *Cup Noodle*, which marked its 35th anniversary, and *Nissin-no-Dombei* and *Nissin Yakisoba U.F.O.*, both marking their 30th anniversaries. There was some downward sales pressure from factors that included a warm winter and a sales strategy to maintain and enhance the Nissin brand value. Despite this, the Company saw increased domestic sales of pillow-type instant noodles and cup-type instant noodles with the inclusion of MYOJO FOODS in consolidation. In the North American market, sales in of premium-priced *CHOW MEIN* and the *Souper Meal* series were driven higher by customers' strong support throughout the year.

In chilled and frozen foods, sales of a frozen foods company in North America was a key negative factor, however, the Company saw increased sales in chilled noodle products *Nissin Yakiudon*, easy-to-prepare, microwave-and-serve products *Reito Nissin Spa O*, and premium-grade ingredient products *Reito Nissin GooTa*. The Company registered increased sales in chilled and frozen foods, driven in part by the sales of products of MYOJO FOODS, which joined the Company as a consolidated subsidiary starting from the current fiscal year.

In the other business segment, *Ciscorn Big* cereal and *Pilkul*, a lactobacillus drink approved “Food for Specified Health Use,” continued their strong sales. In addition, this segment saw increased sales driven by a food service business that newly started from the current year.

As a result, consolidated net sales for the current fiscal year came to ¥358,238 million, up 11.4% from the previous fiscal year, with MYOJYO FOODS which jointed the Company as a consolidated subsidiary contributing significantly to the Company's sales. Operating income increased 5.5% to ¥33,734 million, mainly due to a decrease in retirement benefit expenses. Ordinary income dropped to ¥37,843 million, down 4.3 % from

the previous fiscal year, due to a decline in non-operating income, such as gain on sales of marketable securities. Net income, however, soared to ¥18,968 million, increased 23.3% from the previous fiscal year, reflecting a large decrease in loss on impairment of fixed assets.

(Consolidated basis; ¥ million)

	Net sales	Operating income	Ordinary income	Net income
Fiscal 2007	358,238	33,734	37,843	18,968
Fiscal 2006	321,700	31,979	39,526	15,388
Year-on-year change (%)	11.4	5.5	(4.3)	23.3

Information by Business Segment

Net sales by category

Category	Consolidated net sales (¥ million)	Year-on-year change (%)
Pillow-type instant noodles	57,871	18.3
Cup-type instant noodles	226,315	10.5
Chilled and frozen foods	41,281	1.4
Instant noodle and associated business	325,467	10.5
Other business	32,770	20.5
Total	358,238	11.4

1) Instant Noodle and Associated Business

- Pillow-type Instant Noodles

During the fiscal year under review, domestic sales of mainstay products such as *Chicken Ramen* and *Nissin-no-Ramenyasari* declined from the previous term. However, additions of products created by the newly-consolidated MYOJO FOODS to the Company's product line, such as *CHARUMERA* and *CHUKAZANMAI* contributed significantly to an increase in domestic sales. In addition, sales of existing products were strong in overseas markets, especially in the U.S. As a result, net sales of the pillow-type instant noodle category soared 18.3% from the previous term, to ¥57,871 million.

- Cup-type Instant Noodles

In the domestic market, the summer seasonal sales of spicy versions of *Cup Noodle*, *Nissin-no-Dombei* and *Nissin Yakisoba U.F.O.* to mark their anniversaries were well-received by customers. However, the sales of existing mainstay products declined as a sales strategy to maintain and enhance brand values.

In such a business climate, *Nissin Menshokunin* non-fried noodles and *Nissin Deka-O*, which features a larger serving of noodles, continued to record strong sales throughout the year. Also, *Nissin Yasai Soup Noodle*, the low-calorie product launched during the current fiscal year, received strong support from health- and diet-conscious consumers, and sales remained consistently high. MYOJO FOODS' *IPPEI-CHAN*, *IPPEI-CHAN YOMISE NO YAKISOBA* and *MOCHI! TO WAN-TAN MEN* also boosted domestic sales.

In overseas markets, especially in North America, the Company saw a large increase in sales of premium-priced products, such as *CHOW MEIN* and *Souper Meal*.

As a result, the aggregate net sales of cup-type instant noodles grew by 10.5% from the previous year, to ¥226,315 million.

- Chilled and Frozen Foods

Among chilled foods, the Japanese style *Nissin Yakiudon* and *Nissin-no-Donbei* both contributed to an increase in sales. These two products and added sales from MYOJO FOODS' products brought aggregate net sales to ¥16,129 million, a 16.8% increase over the previous year.

In frozen foods, *Reito Nissin Spa-O*, easy-to-prepare microwave-and-serve products and *Reito Nissin GooTa*, products featuring high-grade ingredients, showed strong sales throughout the current fiscal year. Products from newly consolidated MYOJO FOODS also contributed to aggregate net sales. However affected by a decline in overseas sales due to the sales of the Company's frozen food subsidiary in North America, the aggregate net sales for this segment dropped 6.6% from the previous fiscal year, to ¥25,152 million.

As a result, the aggregate net sales of chilled and frozen foods grew to ¥41,281 million, increased 1.4% from the previous fiscal year.

The total net sales of instant noodle and associated business increased by 10.5% from the previous fiscal year, to ¥325,467 million, and operating income rose 7.5% from the previous fiscal year, to ¥32,352 million.

2) Other Business

Ciscorn BIG cereal and *Pilkul*, a lactobacillus drink officially approved as a "Food for Specified Health Use," continued strong sales from the previous fiscal year. Along with this, an addition of food service business from the current fiscal year brought the aggregate net sales in this segment to ¥32,770 million, up 20.5% from the previous fiscal year, and operating income of this segment rose by 19.1% from the previous fiscal year, to ¥2,251 million.

Outlook for the Fiscal Year Ending March 31, 2008

The Nissin Food Products Group, as a food manufacturer, considers it a part of its mission to fully observe laws and regulations and supply customers with its safe and reliable foods. To do this, the Group continues to strictly inspect the safety and purity of foods and materials at both the Food Safety Research Institute and Nissin Shanghai Food Safety Research Institute.

On the sales front, the Group will launch new products that meet diversifying needs of both customers and retailers, and do all possible to cultivate new customers by setting as its key sales pillars long-time best selling products such as *Chicken Ramen*, *Cup Noodle*, *Nissin-no-Dombei*, *Nissin Yakisoba U.F.O.*, and *CHARUMERA*.

In the overseas market, the Group, as a pioneer inventor of instant noodles, will endeavor to cultivate sales channels in North America and China that both provide a tremendous potential for its products and increase its market share in the industry.

Regarding the outlook for operating results in the next fiscal year, consolidated net sales of the Group are projected to reach ¥407,000 million, a 13.6% increase from the current fiscal year. Operating income is projected to come in at ¥31,000 million, a 8.1% drop from the current fiscal year, and ordinary income as well to decline by 7.5% from the current fiscal year, to ¥35,000 million, due chiefly to a decrease in negative actuarial difference in retirement benefit expenses. The net income for the next fiscal year is projected to come in at ¥21,500 million, a 13.3% increase from the current fiscal year, reflecting a decrease in extraordinary losses.

Projected exchange rates for the major currencies relevant to the results of overseas subsidiaries are ¥119 to US\$1.00, ¥15 to HK\$1.00, and ¥15 to 1 Yuan.

(2) Analysis of Financial Position

Assets, Liabilities and Net Assets

Consolidated total assets increased by ¥43,606 million from the previous fiscal year, to ¥410,407 million. The main factor behind this was that MYOJO FOODS Co., Ltd. (“MYOJO FOODS”) joined the Group as a consolidate subsidiary, thereby boosting the amounts of cash and deposits, accounts receivable-trade, and tangible fixed assets.

Consolidated liabilities increased by ¥24,864 million from the previous fiscal year, to ¥121,931 million. Again, largest contributing factor was the consolidation of MYOJO FOODS, which increased the level of accounts receivable-trade and accrued payables.

Net assets, including minority interests, increased by ¥18,742 million from the previous fiscal year, to ¥288,476 million. The main factor for this was net income of ¥18,968 million posted, while net assets decreased by ¥6,070 million following the dividends to shareholders.

As a result, the equity ratio declined to 68.7% from 71.8% in the previous fiscal year.

Cash Flows

Cash and cash equivalents as of March 31, 2007 grew by ¥15,124 million from the previous fiscal year, to ¥76,694 million. Details are presented below:

- Cash Flows from Operating Activities

Net cash provided by operating activities grew by ¥338 million from the previous fiscal year, to ¥26,974 million. This increase was attributed chiefly to (1) an increase in net income before taxes and minority interests, (2) a decrease in loss on impairment of fixed assets, (3) a decrease in payment of retirement benefits to directors and statutory auditors, and (4) an increase in trade notes and accounts receivable.

- Cash Flows from Investing Activities

Investing activities resulted in net cash outflow of ¥4,770 million, a ¥15,297 million decrease from the previous fiscal year. The major reasons for this decrease were that the Company sold part of its holdings of marketable securities to procure funds to acquire MYOJO FOODS through its take over bid, and there was a decrease in the purchase of marketable securities.

- Cash Flows from Financing Activities

Net cash used in financing activities decreased by ¥5,518 million from the previous fiscal year, to ¥7,421 million. The main factor behind this decrease was absence of repurchase of treasury stocks through market as there was in the previous fiscal year, which resulted in a decrease in repurchase of treasury stocks less sales.

Trends in the Company's cash flow indicators are as follows:

		Fiscal year ended Mar. 31, 2004	Fiscal year ended Mar. 31, 2005	Fiscal year ended Mar. 31, 2006	Fiscal year ended Mar. 31, 2007
Equity ratio	(%)	71.1	71.5	71.8	68.7
Equity ratio based on market capitalization	(%)	95.4	95.9	120.5	128.7
Debt repayment period	(years)	0.2	0.1	0.1	0.2
Interest coverage ratio	(times)	412.6	688.7	653.5	557.9

Notes:

Equity ratio = (Net assets – Minority interests)/Total assets

Equity ratio based on market capitalization = Market capitalization/Total assets

Debt repayment period = Interest-bearing liabilities/Net cash provided by operating activities

Interest coverage ratio = Net cash provided by operating activities/Interest expenses

* All indicators are calculated on a consolidated basis.

* Market capitalization is calculated by multiplying the closing share price at the end of the period by the total number of shares outstanding at the end of the period (excluding treasury stock).

* Net cash provided by operating activities is, as reported, of the consolidated statements of cash flows.

* Interest-bearing liabilities are all liabilities stated on the consolidated balance sheets on which interest is paid.

(3) Basic Policy on the distribution of profits and projected dividends for the fiscal year ended March 31, 2007 and fiscal year ended March 31, 2008

With the awareness that strengthening the Group's profitability, increasing its corporate value and appropriately distributing the earned profits to shareholders are the most important issues for management, the Company will, as a basic policy, return profits to the shareholders on a continued and stable basis, while keeping in mind its consolidated operating results and future capital requirements.

Regarding the use of retained funds, the Company will prepare for capital investment, R&D investment, and M&A in an effort to further increase its corporate value. It will strive to invest surplus funds effectively, bearing in mind possible investment risks.

Based upon the aforementioned policy, the Company will endeavor to pay a dividend on a stable basis to the shareholders, with the prospect of a 30% consolidated pay-out ratio.

The Company plans to pay a year-end dividend of ¥15 per share for the current fiscal year, thereby bringing the annual amount of its dividend to ¥50 per share including the interim dividend of ¥35 per share (including a ¥20 commemorative dividend). As a result, the pay-out ratio for the current fiscal year is estimated at 32.0%.

The prospect of an annual ordinary dividend per share for the next fiscal year is ¥50 (including the interim dividend of ¥25 per share), which means a ¥20 increase per share for the ordinary dividend.

2. Management Policies

(1) Basic Management Policy

Under its founding philosophy of “Peace will come to the world when the people have enough to eat,” the Company regards bringing enjoyment to people’s lives through the creation and development of new foods as a corporate mission. As the company that invented instant noodles, the Company will continue to develop products and technologies that offer satisfaction to the people of all countries and regions. The Company contributes to people’s health with its customer-focused marketing policies. Moreover, the Company is working to continue to seek commensurate returns for shareholders as well as prudently improving its corporate value while building a solid management base from which to further strengthen brand strategies in a global competitive framework.

(2) Medium- to Long- Term Management Strategies

1) Expansion of instant noodle business and vitalization of the market

The number of young people, who are the main target population for our products, is declining due to the reduced birth rate and rapid aging within Japanese society. At the same time, consumer tastes are diversifying. In that context, the Company built up a major advantage through its full-lineup product strategy. To adjust to these trends, the Company is developing products with higher added value and products that appeal strongly to the health-lifestyle consumer segment.

As a potentially powerful new refinement of its sales strategy, the Company will promote “top management by product category” through which it seeks to quickly address changes in consumer values through tailored category management conducted in close collaboration with distributors.

It is important to us to put this business on a strongly sustainable growth path that can generate stable and long-term cash flows. Our strategy is to strengthen the foundation of its mainstay products such as *Chicken Ramen*, *CHARUMERA*, and *Cup Noodle*, fully utilize the technology we have developed until today, continue to develop and improve our products to raise their value in the eyes of customers and create new markets based on continuing research and development.

2) Increased efforts to foster new core business segments

With “food and health” as the key theme, the Company will map out a product strategy designed to develop new pleasure-giving foods in the confectionery and lactic drinks, or the food service business. We will enhance competitiveness by strengthening all value chains and create higher value to match customer expectations. In addition, the Company will strengthen intra-group collaboration in the areas of product development, manufacturing and sales, develop innovative products and realize advanced business operations, and strive to build a business organization seeking a competitive advantage over rivals.

Also, in order to realize a proposal of health foods beyond the existing business segments, the Company will establish a health food business section, with health foods positioned as a new important segment it should explore from now, and strengthen its business basis.

3) Expansion of overseas operations

The Company's strategy for markets beyond Japan is to bring happiness and great-tasting food to people in every country and region as the original creator of instant noodles. In this we are lucky to find that, although created in Japan, instant noodles have become an international food. While keeping a watchful eye on any and all aspects of management including business structure, product mix and human resource allocation, the Company will turn itself into a strong and creative comprehensive noodle maker throughout the world. At the same time, the company will promote global procurement of ingredients and raw materials, using its overseas network to purchase higher-quality raw materials at lower prices. In China, which continues to grow as the world's largest instant noodle market, by capitalizing on its know-how of manufacturing, the Company plans to strengthen its business basis and raise its profitability by growth of both the Nissin brand and its local brands.

4) Strengthening of cost competitiveness

With the awareness that producing customer-satisfying goods at lower cost is a staple of corporate competitiveness, the Company will carry out an extensive review of systems and functions in all areas of development, purchase, production and sales as part of further streamlining and efficiency-seeking efforts, while ensuring company-wide penetration of profit-oriented management.

(3) Company Initiatives

1) Increased efforts to ensure safety and reliability of foods

As a manufacturer of food products, the Company complies strictly and thoroughly with laws and regulations, and believes that its mission is to provide safe and reliable products to customers. As a quality control system, the Company has established the Food Safety Research Institute as a specialized organization that carries out strict food safety inspections. Nissin Food Safety Research Institute established in Shanghai is another such company, where the safety of all food materials procured from within China is being inspected rapidly.

Applying the international CODEX (Codex Alimentarius) food standards, the Company is convinced that the next pursuit within the food industry will be for "safety and reliability of foods in pursuit of greater deliciousness ensured by a sense of security and greater deliciousness ensured by reliability." Moreover, all of the Company's domestic plants as well as the Food Safety Research Institute have obtained ISO 9001 certification of their quality assurance systems, and quality management systems based on ISO 9001 are being established at overseas plants.

2) Efforts to address the environmental issue

With respect to issues of the environmental, the Company remains committed to corporate activities with environmental preservation and conservation of natural resources in mind so that it can co-exist with nature. Its 19 plants in Japan and abroad have obtained ISO 14001 certification which proves that the Company complies with the international guidelines for environmental management systems. In addition, it adopts an environmental accounting system, with all its data publicly disclosed, so as to grasp environmental preservation costs on a quantity basis.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of		As of		Increase (decrease)
	March 31, 2006		March 31, 2007		
ASSETS		%		%	
I Current assets	160,496	43.8	159,540	38.9	(955)
Cash and deposits	45,116		61,688		
Notes and accounts receivable-trade	37,654		53,358		
Marketable securities	56,994		21,617		
Inventories	12,708		14,489		
Deferred income taxes	6,389		6,128		
Other current assets	1,890		2,517		
Less: Allowance for doubtful receivables	(258)		(258)		
II Fixed assets	206,305	56.2	250,867	61.1	44,561
Tangible fixed assets:	69,019	18.8	93,633	22.8	24,614
Building and structures	25,608		29,317		
Machinery, equipment and vehicles	14,848		16,287		
Tools and fixtures	1,375		1,740		
Land	25,881		43,834		
Construction in progress	720		1,836		
Other	585		616		
Intangible fixed assets	445	0.1	5,022	1.2	4,577
Goodwill	—		4,352		
Other	445		670		
Investments and other assets:	136,840	37.3	152,210	37.1	15,369
Investments in securities	120,493		137,143		
Other investments	10,043		8,507		
Long-term loans	180		487		
Deferred income taxes	275		270		
Other assets	6,015		5,850		
Less: Allowance for doubtful receivables	(168)		(48)		
Total assets	366,801	100.0	410,407	100.0	43,606

	As of March 31, 2006		As of March 31, 2007		Increase (decrease)
LIABILITIES		%		%	
I Current liabilities	78,091	21.3	95,837	23.3	17,745
Notes and accounts payable-trade	34,666		43,324		
Short-term borrowings	2,853		3,791		
Accrued payables	19,068		26,545		
Accrued income taxes	8,186		7,890		
Other current liabilities	13,316		14,285		
II Long-term liabilities	18,975	5.1	26,093	6.4	7,118
Deferred tax liabilities	—		10,560		
Deferred income taxes on land revaluation	3,510		3,510		
Accrued retirement benefits to employees	11,660		8,946		
Accrued retirement benefits to directors and statutory auditors	1,799		2,263		
Other long-term liabilities	2,004		811		
Total liabilities	97,066	26.4	121,931	29.7	24,864
MINORITY INTERESTS					
Minority interests	6,535	1.8	—	—	—
SHAREHOLDERS' EQUITY					
I Common stock	25,122	6.9	—	—	—
II Capital surplus	48,385	13.2	—	—	—
III Retained earnings	203,797	55.6	—	—	—
IV Land revaluation reserve	(7,568)	(2.1)	—	—	—
V Net unrealized holding gain on securities	9,899	2.7	—	—	—
VI Translation adjustments	242	0.1	—	—	—
VII Less: treasury stock, at cost	(16,679)	(4.6)	—	—	—
Total shareholder's equity	263,199	71.8	—	—	—
Total liabilities, minority interests and shareholders' equity	366,801	100.0	—	—	—
NET ASSETS					
I Shareholders' equity	—	—	277,111	67.5	—
Common stock	—	—	25,122	6.1	—
Capital surplus	—	—	49,754	12.1	—
Retained earnings	—	—	216,553	52.8	—
Less: treasury stock, at cost	—	—	(14,318)	(3.5)	—
II Valuation and translation adjustment	—	—	4,639	1.2	—
Net unrealized holding gain on securities	—	—	10,921	2.7	—
Land revaluation reserve	—	—	(7,532)	(1.8)	—
Translation adjustments	—	—	1,251	0.3	—
III Minority interests	—	—	6,724	1.6	—
Total net assets	—	—	288,476	70.3	—
Total liabilities and net assets	—	—	410,407	100.0	—

(2) Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2006		Year ended March 31, 2007		Increase (decrease)
		%		%	
I Net sales	321,700	100.0	358,238	100.0	36,537
II Cost of sales	158,209	49.2	175,296	48.9	17,087
Gross profit	163,491	50.8	182,941	51.1	19,450
III Selling general and administrative expenses	131,512	40.9	149,207	41.7	17,694
Operating income	31,979	9.9	33,734	9.4	1,755
IV Non-operating income	7,853	2.5	4,598	1.3	(3,254)
Interest income	1,741		1,498		
Divided income	1,324		1,613		
Gain on sales of marketable securities	3,072		103		
Equity in earnings of affiliates	485		475		
Foreign currency exchange gain	625		—		
Other non-operating income	604		907		
V Non-operating expenses	307	0.1	490	0.1	183
Interest expenses	40		48		
Loss on sales of securities	188		38		
Foreign currency exchange loss	—		89		
Other non-operating expenses	78		313		
Ordinary income	39,526	12.3	37,843	10.6	(1,682)
VI Extraordinary gains	343	0.1	785	0.2	441
Gains on sales of fixed assets	7		29		
Gains on sales of investments in securities	193		572		
Gains on liquidation of an affiliate	51		182		
Reversal of allowance for doubtful receivables	67		—		
Other extraordinary gains	23		0		
VII Extraordinary losses	10,057	3.1	5,050	1.4	(5,007)
Loss on sales of fixed assets	9		7		
Loss on disposal of fixed assets	279		379		
Loss on impairment of fixed assets	5,631		1,129		
Loss on devaluation of investments in securities	424		7		
Loss on revaluation of investments	2,556		1,378		
Loss on devaluation of investments in affiliates	772		390		
Loss on sale of shares of a subsidiary	—		318		
Expense for a company-held funeral	—		301		
Bad debt expenses	2		—		
Other extraordinary losses	381		1,135		
Income before income taxes and minority interests	29,811	9.3	33,578	9.4	3,766
Current income taxes	11,568	3.6	11,018	3.1	(550)
Deferred income taxes	2,900	0.9	3,528	1.0	628
Minority interests in earnings (loss) of consolidated subsidiaries	(45)	(0.0)	62	0.0	108
Net income	15,388	4.8	18,968	5.3	3,579

(3) Consolidated Statement of Capital Surplus and Retained Earnings, and Consolidated Statement of Changes in Net Assets

Consolidated Statement of Capital Surplus and Retained Earnings

	Year ended March 31, 2006
Category	(Millions of Yen)
CAPITAL SURPLUS	
I Capital surplus at the beginning of the year	48,370
II Increase in capital surplus	15
Merger reserve	15
Gain on disposal of treasury stock	0
III Capital surplus at the end of the year	48,385
RETAINED EARNINGS	
I Retained earnings at the beginning of the year	193,926
II Increase in retained earnings	15,450
Net income	15,388
Reversal of land revaluation reserve due to the adjustment to deferred tax assets	62
III Decrease in retained earnings	5,579
Cash dividends paid	5,552
Bonuses to directors	27
IV Retained earnings at the end of the year	203,797

Consolidated Statement of Changes in Net Assets
Year ended Mar. 31, 2007 (Apr. 1, 2006—March 31, 2007)

(Millions of yen)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance as of Mar. 31, 2006	25,122	48,385	203,797	(16,679)	260,626
Increase (decrease) during the year					
Dividends from surplus (Note)			(1,820)		(1,820)
Dividends from surplus			(4,249)		(4,249)
Bonuses to directors (Note)			(22)		(22)
Net income			18,968		18,968
Purchase of treasury stock				(3)	(3)
Disposal of treasury stock		31		54	85
Decrease of treasury stock due to share exchange		1,337		2,310	3,648
Reversal of land revaluation reserve			(35)		(35)
Increase resulting from initial consolidation of a subsidiary			88		88
Decrease resulting from initial consolidation of a subsidiary			(24)		(24)
Other decrease in retained earnings			(148)		(148)
Net increase (decrease) during the year except those included in shareholders' equity					—
Total increase (decrease) during the year	—	1,368	12,755	2,360	16,485
Balance as of Mar. 31, 2007	25,122	49,754	216,553	(14,318)	277,111

	Valuation and translation adjustment				Minority interests	Total net assets
	Net unrealized holding gain on securities	Land revaluation reserve	Translation adjustments	Total valuation and translation adjustment		
Balance as of Mar. 31, 2006	9,899	(7,568)	242	2,572	6,535	269,734
Increase (decrease) during the year						
Dividends from surplus (Note)						(1,820)
Dividends from surplus						(4,249)
Bonuses to directors (Note)						(22)
Net income						18,968
Purchase of treasury stock						(3)
Disposal of treasury stock						85
Decrease of treasury stock due to share exchange						3,648
Reversal of land revaluation reserve						(35)
Increase resulting from initial consolidation of a subsidiary						88
Decrease resulting from initial consolidation of a subsidiary						(24)
Other decrease in retained earnings						(148)
Net increase (decrease) during the year except those included in shareholders' equity	1,022	35	1,009	2,067	189	2,256
Total increase (decrease) during the year	1,022	35	1,009	2,067	189	18,742
Balance as of Mar. 31, 2007	10,921	(7,532)	1,251	4,639	6,724	288,476

Note: This item was one of appropriation items of retained earnings which were approved at the general shareholders' meeting held in June 2006.

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2006	Year ended March 31, 2007	Increase (decrease)
I Cash flows from operating activities			
Income before income taxes and minority interests	29,811	33,578	
Depreciation and amortization	5,976	6,187	
Loss on impairment of fixed assets	5,631	1,129	
Increase (decrease) in allowance for doubtful receivables	(92)	(173)	
Increase (decrease) in accrued retirement benefits to employees	(2,144)	(5,533)	
Increase (decrease) in accrued retirement benefits to directors and statutory auditors	(3,717)	464	
Interest and dividend income	(3,065)	(3,112)	
Interest expenses	40	48	
Foreign currency exchange (gain) loss	(103)	(84)	
Equity in earnings of affiliates	(485)	(475)	
(Gain) loss on disposal and sales of property, plant and equipment	280	357	
(Gain) loss on sales of marketable securities and investments in securities and others	(3,078)	(319)	
(Gain) loss on valuation of marketable securities and investments in securities and others	3,790	1,846	
(Increase) decrease in trade notes and accounts receivable	2,051	(1,746)	
(Increase) decrease in inventories	322	(223)	
Increase (decrease) in trade notes and accounts payable	233	(38)	
Increase (decrease) in accrued payables	—	1,981	
Increase (decrease) in accrued consumption tax	155	(182)	
Bonus to directors paid	(27)	(22)	
Other, net	(644)	1,371	
Subtotal	34,937	35,053	115
Interest and dividends received	2,739	3,170	
Interest paid	(40)	(44)	
Income taxes paid	(11,000)	(11,205)	
Net cash provided by operating activities	26,635	26,974	338
II Cash flows from investing activities			
Increase in time deposits	(2,614)	(7,000)	
Proceeds from redemption of time deposits	—	7,738	
Payment for purchases of marketable securities	(31,064)	(4,990)	
Proceeds from sales and redemption of marketable securities	12,452	43,808	
Payment for purchases of property, plant and equipment and others	(3,124)	(5,539)	
Proceeds from sales property, plant and equipment and others	49	16	
Payment for purchases of investments in securities	(45,834)	(27,145)	
Proceeds from sales and redemption of investments in securities	50,033	12,252	
Payment for purchases of additional shares of consolidated subsidiaries and others	—	(23,763)	
Expenditure of loans receivable	(0)	(156)	
Collection of loans receivable	34	10	
Net cash used in investing activities	(20,068)	(4,770)	15,297
III Cash flows from financing activities			
Proceeds from short-term borrowings	839	433	
Repayment of short-term borrowings	(1,204)	(989)	
Repayment of long-term debt	(83)	(306)	
Net (increase) decrease of treasury stocks	(6,925)	205	
Cash dividends paid	(5,552)	(6,070)	
Cash dividends paid to minority shareholders	(13)	(693)	
Net cash used in financing activities	(12,940)	(7,421)	5,518
IV Effect of exchange rate changes on cash and cash equivalents	1,500	91	(1,409)
V Net increase (decrease) in cash and cash equivalents	(4,871)	14,873	19,745
VI Cash and cash equivalents at beginning of the year	66,326	61,570	(4,756)
VII Increase in cash and cash equivalents arising from initial consolidation of subsidiaries	109	251	141
VIII Increase in cash and cash equivalents resulting from merger of a consolidated subsidiary with an unconsolidated subsidiary	5	—	(5)
IX Cash and cash equivalents at end of the year	61,570	76,694	15,124