

## Summary of Consolidated Financial Statements for the Interim Period Ended Sept. 30, 2007

October 31, 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

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Scheduled date of filing of interim securities report: Dec. 20, 2007    Scheduled date of start of dividend payment: Dec. 3, 2007

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

### 1. Consolidated Financial Results for the Interim Period Ended Sept. 30, 2007 (Apr. 1, 2007–Sept. 30, 2007)

#### (1) Operating Results

(% figures represent changes from the previous interim period.)

	Net sales (¥ million)	%	Operating income (¥ million)	%	Ordinary income (¥ million)	%
Interim period ended Sept. 30, 2007	189,734	24.4	11,320	(19.7)	14,496	(10.8)
Interim period ended Sept. 30, 2006	152,466	1.5	14,105	11.8	16,257	(5.0)
Fiscal year ended Mar. 31, 2007	358,238	—	33,734	—	37,843	—

	Net income (¥ million)	%	Net income per share (primary) (¥)	Net income per share (diluted) (¥)
Interim period ended Sept. 30, 2007	5,478	(42.1)	44.81	—
Interim period ended Sept. 30, 2006	9,468	74.7	77.98	—
Fiscal year ended Mar. 31, 2007	18,968	—	156.12	—

Reference:

Equity in earnings of affiliates:

Interim period ended Sept. 30, 2007: ¥694 million

Interim period ended Sept. 30, 2006: ¥275 million

Fiscal year ended Mar. 31, 2007: ¥475 million

#### (2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Net assets per share (¥)
As of Sept. 30, 2007	407,339	291,745	69.9	2,330.83
As of Sept. 30, 2006	363,995	275,930	74.1	2,220.29
As of Mar. 31, 2007	410,407	288,476	68.7	2,304.40

Reference:

Equity: Interim period ended Sept. 30, 2007: ¥284,971 million

Interim period ended Sept. 30, 2006: ¥269,606 million

Fiscal year ended Mar. 31, 2007: ¥281,751 million

#### (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 period (¥ million)
Interim period ended Sept. 30, 2007	8,790	(15,185)	(2,137)	68,817
Interim period ended Sept. 30, 2006	8,563	(11,359)	(1,785)	56,949
Fiscal year ended Mar. 31, 2007	26,974	(4,770)	(7,421)	76,694

### 2. Details of Dividends

(Record date)	Cash dividend per share		
	Interim (¥)	Year-end (¥)	Total (¥)
Fiscal 2007	35.00	15.00	50.00
Fiscal 2008 (Forecasts)	25.00	25.00	50.00

### 3. Forecasts of Consolidated Results for the Fiscal Year Ending Mar. 31, 2008 (Apr. 1, 2007–Mar. 31, 2008)

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

	Net sales (¥ million)	%	Operating income (¥ million)	%	Ordinary income (¥ million)	%	Net income (¥ million)	%	Net income per share (¥)
Fiscal year ending Mar. 31, 2008	394,000	10.0	26,500	(21.4)	31,000	(18.1)	13,500	(28.8)	110.42

#### 4. Other

- (1) Changes in principal subsidiaries during the interim period (changes in specified subsidiaries which resulted in changes in scope of consolidation): No
- (2) Changes in significant accounting, procedure, and presentation methods for consolidated financial statements (which should be reported in the notes to interim 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 end of the period (including treasury stocks)
- |                                     |                    |
|-------------------------------------|--------------------|
| Interim period ended Sept. 30, 2007 | 127,463,685 shares |
| Interim period ended Sept. 30, 2006 | 127,463,685 shares |
| Fiscal year ended Mar. 31, 2007     | 127,463,685 shares |
- 2) The number of treasury stocks outstanding as of the end of the period
- |                                     |                  |
|-------------------------------------|------------------|
| Interim period ended Sept. 30, 2007 | 5,201,862 shares |
| Interim period ended Sept. 30, 2006 | 6,035,179 shares |
| Fiscal year ended Mar. 31, 2007     | 5,197,203 shares |

Reference: Summary of non-consolidated financial results

#### 1. Non-consolidated Financial Results for the Interim Period Ended Sept. 30, 2007 (Apr. 1, 2007–Sept. 30, 2007)

##### 1) Operating Results

(% figures represent changes from the previous interim period.)

	Net sales (¥ million)	%	Operating income (¥ million)	%	Ordinary income (¥ million)	%
Interim period ended Sept. 30, 2007	108,896	(2.2)	9,973	(23.6)	12,144	(18.3)
Interim period ended Sept. 30, 2006	111,391	(2.7)	13,049	25.7	14,871	3.8
Fiscal year ended Mar. 31, 2007	236,938	—	31,425	—	34,739	—

	Net income (¥ million)	%	Net income per share (primary) (¥)
Interim period ended Sept. 30, 2007	303	(96.5)	2.48
Interim period ended Sept. 30, 2006	8,561	37.9	70.51
Fiscal year ended Mar. 31, 2007	18,337	—	150.93

##### 2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Net assets per share (¥)
As of Sept. 30, 2007	326,941	258,261	79.0	2,112.37
As of Sept. 30, 2006	317,420	250,117	78.8	2,059.79
As of Mar. 31, 2007	336,091	261,565	77.8	2,139.30

Reference:

Equity: Interim period ended Sept. 30, 2007: ¥258,261 million      Interim period ended Sept. 30, 2006: ¥250,117 million  
Fiscal year ended Mar. 31, 2007: ¥261,565 million

#### 2. Forecasts of Non-consolidated Results for the Fiscal Year Ending Mar. 31, 2008 (Apr. 1, 2007—Mar. 31, 2008)

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

	Net sales (¥ million)	%	Operating income (¥ million)	%	Ordinary income (¥ million)	%	Net income (¥ million)	%	Net income per share (¥)
Fiscal year ending Mar. 31, 2008	235,000	(0.8)	25,000	(20.4)	29,000	(16.5)	10,000	(45.5)	81.79

#### \* Notes for proper use of the forecasts and other remarks

These forecasts contain 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 forecasts please refer to page 5 of the attached materials.

# 1. Operating Results and Financial Position

## (1) Analysis of Operating Results

During the interim period under review, the Japanese economy experienced a mild but continuous recovery, supported by booming exports. This was accompanied by high corporate profits and robust personal consumption, although business capital investment in part evidenced a slow down. Looking at prices in general, rising raw material prices, mainly due to soaring crude oil prices, had a notable influence on business-to-business transactions, which are now anticipated to gradually affect consumer prices.

The instant noodle industry, already faced with a structural issue of declining numbers of young users due to a lower birth rate and aging population, was challenged by rising raw material costs, pressures from retail businesses for discount sales and intense competition from rival products, and thus the sales environment of this industry has become more severe than ever. Instant noodle companies have almost reached the limit of their abilities to absorb cost increases, and many have started to shift the burden to consumers through price adjustments.

Throughout the period under review, Nissin Food Products Co., Ltd. (“the Company”) promoted sales initiatives aimed at satisfying a broader range of consumer needs and stimulating the market demand. Among the initiatives, the Company’s mainstay product brands of Cup Noodle, Nissin-no-Donbei and Nissin Yākisoba U.F.O. introduced limited autumn seasonal versions with mushrooms, which have been well received by the market to date. Also, the new product lines of Nissin Spa-O Microwave Type, Nissin Chin series and Nissin Yākisoba U.F.O. NEXT GENERATION Mixed Yākisoba, all of which are microwave-and-serve products, met the needs of users demanding for easy-to-cook noodles with the texture of just-boiled fresh noodles. Chicken Ramen, the Company’s mainstay pillow-type instant noodle series introduced a new variation called Nissin Yāki-Chicken, which is prepared in a frying pan. It quickly showed signs of market acceptance.

In the Other business segment, Pilkul lactobacillus drink, Ciscorn Big cereal and the newly launched food service business continued to produce steady growth.

Consolidated net sales for the interim period under review were ¥189,734 million, posting a sizable increase of 24.4% compared to the same period of the previous fiscal year. The growth was largely contributed by MYOJO FOODS CO., LTD., which joined the Nissin Group as a consolidated subsidiary in the previous fiscal year. However, due to a one-time increase in expenses related to retirement benefits, domestic sales below target and increases in raw material prices, consolidated operating income dropped by 19.7% to ¥11,320 million. Consolidated ordinary income, as well, decreased to ¥14,496 million, down 10.8% from the same period of the previous fiscal year. Adding in extraordinary losses recorded by Nissin Foods (U.S.A.) Co., Inc., consolidated net income for the interim period recorded a 42.1% year-on-year decline to ¥5,478 million.

(Consolidated basis; ¥ million)

	Net sales	Operating income	Ordinary income	Net income
Interim period ended September 30, 2007	189,734	11,320	14,496	5,478
Interim period ended September 30, 2006	152,466	14,105	16,257	9,468
Year-on-year change (%)	24.4	(19.7)	(10.8)	(42.1)

## Information by Business Segment

Net sales by category

Category	Consolidated net sales (¥ million)	Year-on-year change (%)
Pillow-type instant noodles	32,255	41.9
Cup-type instant noodles	115,624	20.7
Chilled and frozen foods	22,211	9.7
Instant noodle and associated business	170,090	22.6
Other business	19,643	43.5
Total	189,734	24.4

### 1) Instant Noodle and Associated Business

#### - Pillow-type Instant Noodles

During the interim period under review, net sales of pillow-type instant noodles soared by 41.9% to ¥32,255 million, largely due to sales of Chicken Ramen, 5-pack CHARUMERA Collection Shoyu-Tonkotsu and the new product Nissin Yaki-Chicken.

#### - Cup-type Instant Noodles

As for Cup Noodle, sales decreased slightly as a result of the Company's continued sales strategy of maintaining brand value rather than pursuing sales volume by means of discounts. On the other hand, for cup-type yakisoba series, the demand for which usually booms from early spring to early summer, the Company ran aggressive advertising and sales promotion campaigns, to record brisk sales in Nissin Yakisoba U.F.O. and other products. Among existing products, the mainstay products Nissin Yakisoba U.F.O. BIG and IPPEI-CHAN YOMISE NO YAKISOBA Big Version Extra boosted the sales increase. New products also launched well and added their contribution on the sales. Such new products include Nissin Yakisoba U.F.O. Seafood Yakisoba with plentiful seafood ingredients and an original, salt-flavored sauce, and Nissin Yakisoba U.F.O. NEXT GENERATION Mixed Yakisoba, which cooks in a microwave oven and without boiling and draining water. In the ramen category, Nissin Menshokunin, which features non-fried noodles with the texture of just-boiled fresh noodles, continued to grow, with strong demand from consumers.

In contrast to the booming yakisoba category, however, the soup noodle category in general, including Nissin-no-Donbei, saw sluggish sales, affected by record-breaking high temperatures in summer.

As a result, the aggregate net sales of cup-type instant noodles grew by 20.7% from the same period of the previous fiscal year to ¥115,624 million.

#### - Chilled and Frozen Foods

Among chilled foods, sales promotion campaigns were initiated for the mainstay products Nissin Yakisoba and Hiyashi Chuka during summer, to reinforce their product values and profitability. Initiatives were also taken to reinforce the product lines with higher added value, such as Nantsuttei. Including sales of newly launched chilled cooked noodle products, the aggregate net sales of the chilled foods category jumped to ¥10,652 million, a 40.3% rise from the same period of the previous fiscal year.

In frozen foods, Reito Nissin Spa-O Premiere Dinner: Carbonara with thick and rich cheese and Reito Nissin Spa-O Premiere Dinner: Tomato sauce with shrimp and eggplant, both higher-value added products introduced as dinner meals, were well received by consumers. However, the aggregate net sales of frozen foods category

dropped by 8.7% to ¥11,558 million.

As a result, the aggregate net sales of chilled and frozen foods increased by 9.7% to ¥22,211 million from the same period of the previous fiscal year.

Aggregating all these factors, net sales of instant noodle and associated business posted a 22.6% increase on the same period of the previous fiscal year to ¥170,090 million. On the other hand, operating income of this business decreased by 23.3% to ¥10,311 million.

## **2) Other Business**

Pilkul lactobacillus drink and Ciscorn Big cereal constantly produced strong sales. The newly launched food service business has, as well, contributed to the sales increase of this business segment. The aggregate net sales of other business soared by 43.5% to ¥19,643 million from the same period of the previous fiscal year. Operating income also increased to ¥1,526 million, an 81.6% jump year on year.

## **Forecast for the Fiscal Year Ending Mar. 31, 2008**

Although there are some uncertainties over concerns of slowdown in the U.S. economy, the Japanese economy is expected to continue its slow but steady recovery, driven by an anticipated increase in domestic capital investment.

Under this business climate, the Company will consistently make food safety its first priority as a responsible food manufacturer. Nissin Foods will not only promote sales of its mainstay products, trusty long-time sales leaders, Chicken Ramen, Cup Noodle and CHARUMERA, but also endeavor to develop new products that exactly meet the needs of consumers.

The forecast for operating results in the full fiscal year ending March 31, 2008, has been revised from the initial forecast to reflect stagnant domestic sales in the first half of the fiscal year as well as an anticipated temporary drop in sales volume due to price adjustments for instant noodles. Net sales for the fiscal year are now projected to be ¥394.0 billion, a 10.0% increase on the previous fiscal year. Operating income is anticipated to drop by 21.4% year on year to ¥26.5 billion and ordinary income by 18.1% to ¥31.0 billion, due not only to weak domestic sales, but also to steep rises in raw material prices resulting in cost increases. The forecast for net income was also revised to ¥13.5 billion, a 28.8% decrease year on year, a figure that includes extraordinary losses recorded by Nissin Foods (U.S.A.) Co., Inc.

Exchange rates for the major currencies relevant to the above forecasts for results of overseas subsidiaries were ¥115 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 as of September 30, 2007 stood at ¥407,339 million, a ¥3,067 million decrease from the previous fiscal year-end reflecting a decrease in accounts receivable—trade.

Consolidated liabilities decreased by ¥6,336 million from the previous fiscal year-end to ¥115,594 million. This decrease is mainly due to a decrease in accounts payable—trade, and a decrease in accrued income taxes

reflecting tax payments.

Consolidated net assets, including minority interests, increased by ¥3,269 million from the previous fiscal year-end to ¥291,745 million. The major increasing factor was net income of ¥5,478 million posted, while decreasing factors include ¥1,833 million cash dividend payment.

The equity ratio improved to 69.9% from 68.7% at the previous fiscal year-end.

## Cash Flows

Cash and cash equivalents as of September 30, 2007 decreased by ¥7,877 million from the previous fiscal year-end, to ¥68,817 million. Details are presented below:

### - Cash Flows from Operating Activities

Net cash provided by operating activities resulted in an increase of ¥226 million from the same period of the previous fiscal year to ¥8,790 million. Although there were cash outflow factors such as a decrease in net income before taxes and minority interests and a decrease in trade notes and accounts payable, cash inflow factors, including larger increase in accrued retirement benefits to employees and a decrease in trade notes and accounts receivable, compensated for the effect of the higher outflows.

### - Cash Flows from Investing Activities

Net cash used in investing activities rose by ¥3,826 million from the same period of the previous fiscal year to ¥15,185 million. This increase was largely attributed by an increase in payment for purchases of investments in securities due to purchases of bonds in order to realize efficient fund management. Also contributing, was the decrease in proceeds from sales and redemption of marketable securities.

### - Cash Flows from Financing Activities

Net cash used in financing activities increased by ¥352 million from the same period of the previous fiscal year to ¥2,137 million. Major factors of this increase include repayment of long-term debt and decreases in treasury stock.

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

		Interim Period ended Sept. 30, 2005	Year ended Mar. 31, 2006	Interim Period ended Sept. 30, 2006	Year ended Mar. 31, 2007	Interim Period ended Sept. 30, 2007
Equity ratio	(%)	74.8	71.8	74.1	68.7	69.9
Equity ratio based on market capitalization	(%)	104.0	120.5	125.4	128.7	123.1
Debt repayment period	(years)	—	0.1	—	0.2	—
Interest coverage ratio	(times)	104.7	653.5	390.7	557.9	308.7

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 on the (interim) consolidated statements of cash flows.
- \* Interest-bearing liabilities are all liabilities stated on the (interim) consolidated balance sheets on which interest is paid.

### **(3) Basic Policy on the Distribution of Profits and Projected Dividends for the Fiscal Year Ending Mar. 31, 2008**

With 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 basis policy, return profits to the shareholders on a continued and stable basis, while keeping in mind its consolidated operating results and future capital requirements.

Based upon the aforementioned policy, the Company will endeavor to continue paying dividends to shareholders on a stable basis, with the prospect of a 30% consolidated payout ratio.

At the Board of Directors' meeting held on October 31, 2007, the Board of Directors approved the payment of an interim cash dividend of ¥25 per ordinary share.

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.

## **2. Management Policies**

Detailed disclosure is omitted, since there was no significant change to the explanation disclosed in Summary of Consolidated Financial Statements for the Fiscal Year Ended March 31, 2007 (disclosed on May 11, 2007).

The aforementioned Summary of Consolidated Financial Statements can be found at the following URLs:

(The Company's home page)

<http://www.nissinfoods.co.jp/tanshin/>

(Tokyo Stock Exchange home page (listed company information search))

<http://www.tse.or.jp/listing/compsearch/index.html>

### 3. Interim Consolidated Financial Statements

#### (1) Interim Consolidated Balance Sheets

(Millions of Yen)

	As of Sept. 30, 2006		As of Sept. 30, 2007		As of Mar. 31, 2007		Increase (decrease)
		%		%		%	
<b>ASSETS</b>							
<b>I Current assets</b>	<b>150,450</b>	<b>41.3</b>	<b>149,583</b>	<b>36.7</b>	<b>159,540</b>	<b>38.9</b>	<b>(9,956)</b>
Cash and deposits	51,735		68,418		61,688		
Notes and accounts receivable—trade	36,472		49,318		53,358		
Marketable securities	41,915		7,268		21,617		
Inventories	13,301		15,479		14,489		
Deferred income taxes	5,087		5,647		6,128		
Other current assets	2,149		3,636		2,517		
Less: Allowance for doubtful receivables	(210)		(184)		(258)		
<b>II Fixed assets</b>	<b>213,544</b>	<b>58.7</b>	<b>257,756</b>	<b>63.3</b>	<b>250,867</b>	<b>61.1</b>	<b>6,889</b>
<b>Property, plant and equipment:</b>	<b>66,700</b>	<b>18.3</b>	<b>92,944</b>	<b>22.8</b>	<b>93,633</b>	<b>22.8</b>	<b>(689)</b>
Building and structures	24,397		30,410		29,317		
Machinery, equipment and vehicles	13,958		16,095		16,287		
Tools and fixtures	1,374		1,619		1,740		
Land	25,865		43,859		43,834		
Construction in progress	519		342		1,836		
Other	585		616		616		
<b>Intangible fixed assets:</b>	<b>598</b>	<b>0.2</b>	<b>4,681</b>	<b>1.2</b>	<b>5,022</b>	<b>1.2</b>	<b>(341)</b>
Goodwill	—		4,115		4,352		
Other	598		565		670		
<b>Investments and other assets:</b>	<b>146,245</b>	<b>40.2</b>	<b>160,130</b>	<b>39.3</b>	<b>152,210</b>	<b>37.1</b>	<b>7,919</b>
Investments in securities	129,657		145,256		137,143		
Other investments	9,788		8,770		8,507		
Long-term loans	487		179		487		
Deferred income taxes	280		280		270		
Other assets	6,040		5,687		5,850		
Less: Allowance for doubtful receivables	(9)		(45)		(48)		
<b>Total assets</b>	<b>363,995</b>	<b>100.0</b>	<b>407,339</b>	<b>100.0</b>	<b>410,407</b>	<b>100.0</b>	<b>(3,067)</b>

(Millions of Yen)

	As of Sept. 30, 2006		As of Sept. 30, 2007		As of Mar. 31, 2007		Increase (decrease)
		%		%		%	
<b>LIABILITIES</b>							
<b>I Current liabilities</b>	<b>71,493</b>	<b>19.6</b>	<b>89,533</b>	<b>22.0</b>	<b>95,837</b>	<b>23.3</b>	<b>(6,304)</b>
Notes and accounts payable—trade	34,127		41,453		43,324		
Short-term borrowings	2,917		3,778		3,791		
Accrued payables	20,308		24,615		26,545		
Accrued income taxes	3,272		4,255		7,890		
Other current liabilities	10,867		15,429		14,285		
<b>II Long-term liabilities</b>	<b>16,571</b>	<b>4.6</b>	<b>26,061</b>	<b>6.4</b>	<b>26,093</b>	<b>6.4</b>	<b>(32)</b>
Deferred income taxes	—		10,855		10,560		
Deferred income taxes on land revaluation	3,510		3,510		3,510		
Accrued retirement benefits to employees	9,175		8,866		8,946		
Accrued retirement benefits to directors and statutory auditors	1,871		2,134		2,263		
Other long-term liabilities	2,013		693		811		
<b>Total liabilities</b>	<b>88,065</b>	<b>24.2</b>	<b>115,594</b>	<b>28.4</b>	<b>121,931</b>	<b>29.7</b>	<b>(6,336)</b>
<b>NET ASSETS</b>							
<b>I Shareholders' equity</b>	<b>268,400</b>	<b>73.7</b>	<b>280,747</b>	<b>68.9</b>	<b>277,111</b>	<b>67.5</b>	<b>3,636</b>
Common stock	25,122	6.9	25,122	6.2	25,122	6.1	—
Capital surplus	48,416	13.3	49,754	12.2	49,754	12.1	0
Retained earnings	211,487	58.1	220,209	54.0	216,553	52.8	3,656
Less: treasury stock, at cost	(16,626)	(4.6)	(14,338)	(3.5)	(14,318)	(3.5)	(20)
<b>II Valuation and translation adjustments</b>	<b>1,206</b>	<b>0.4</b>	<b>4,223</b>	<b>1.0</b>	<b>4,639</b>	<b>1.2</b>	<b>(416)</b>
Net unrealized holding gain on securities	8,936	2.5	9,026	2.2	10,921	2.7	(1,894)
Land revaluation reserve	(7,568)	(2.1)	(7,532)	(1.9)	(7,532)	(1.8)	—
Translation adjustments	(161)	(0.0)	2,729	0.7	1,251	0.3	1,478
<b>III Minority interests</b>	<b>6,323</b>	<b>1.7</b>	<b>6,774</b>	<b>1.7</b>	<b>6,724</b>	<b>1.6</b>	<b>49</b>
<b>Total net assets</b>	<b>275,930</b>	<b>75.8</b>	<b>291,745</b>	<b>71.6</b>	<b>288,476</b>	<b>70.3</b>	<b>3,269</b>
<b>Total liabilities and net assets</b>	<b>363,995</b>	<b>100.0</b>	<b>407,339</b>	<b>100.0</b>	<b>410,407</b>	<b>100.0</b>	<b>(3,067)</b>

## (2) Interim Consolidated Statements of Income

(Millions of Yen)

	Interim period ended Sept. 30, 2006		Interim period ended Sept. 30, 2007		Increase (decrease)	Fiscal year ended Mar. 31, 2007	
		%		%			%
<b>I Net sales</b>	152,466	100.0	189,734	100.0	37,268	358,238	100.0
<b>II Cost of sales</b>	75,597	49.6	95,745	50.5	20,148	175,296	48.9
<b>Gross profit</b>	76,869	50.4	93,989	49.5	17,120	182,941	51.1
<b>III Selling, general and administrative expenses</b>	62,763	41.1	82,668	43.5	19,904	149,207	41.7
<b>Operating income</b>	14,105	9.3	11,320	6.0	(2,784)	33,734	9.4
<b>IV Non-operating income</b>	2,355	1.5	3,289	1.7	934	4,598	1.3
Interest income	642		806			1,498	
Divided income	1,136		1,067			1,613	
Gain on sales of marketable securities	50		0			103	
Equity in earnings of affiliates	275		694			475	
Foreign currency exchange gain	—		151			—	
Other non-operating income	250		569			907	
<b>V Non-operating expenses</b>	203	0.1	113	0.1	(89)	490	0.1
Interest expenses	21		28			48	
Foreign currency exchange loss	116		—			89	
Other non-operating expenses	64		85			352	
<b>Ordinary income</b>	16,257	10.7	14,496	7.6	(1,760)	37,843	10.6
<b>VI Extraordinary gains</b>	82	0.1	202	0.1	119	785	0.2
Gain on sales of fixed assets	15		5			29	
Gain on sales of investments in securities	61		—			572	
Gain on liquidation of an affiliate	—		174			182	
Reversal of allowance for doubtful receivables	5		4			—	
Other extraordinary gains	—		18			0	
<b>VII Extraordinary losses</b>	1,461	1.0	2,850	1.5	1,389	5,050	1.4
Loss on sales of fixed assets	2		2			7	
Loss on disposal of fixed assets	111		442			379	
Loss on impairment of fixed assets	400		1,643			1,129	
Loss on devaluation of investments in affiliates	381		—			390	
Loss on sale of shares of a subsidiary	318		—			318	
Expenses for voluntary recall of products	—		739			—	
Other extraordinary losses	246		23			2,823	
<b>Income before income taxes and minority interests</b>	14,878	9.8	11,848	6.2	(3,029)	33,578	9.4
<b>Current income taxes</b>	3,276	2.2	4,373	2.3	1,096	11,018	3.1
<b>Deferred income taxes</b>	1,960	1.3	2,057	1.1	97	3,528	1.0
<b>Minority interests in earnings (loss) of consolidated subsidiaries</b>	173	0.1	(60)	(0.1)	(233)	62	0.0
<b>Net income</b>	9,468	6.2	5,478	2.9	(3,990)	18,968	5.3

### (3) Interim Consolidated Statement of Changes in Net Assets

Interim Period Ended Sept. 30, 2006 (Apr. 1, 2006–Sept. 30, 2006)

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
<b>Balance as of Mar. 31, 2006</b>	<b>25,122</b>	<b>48,385</b>	<b>203,797</b>	<b>(16,679)</b>	<b>260,626</b>
<b>Increase (decrease) during the period</b>					
Dividends from surplus (Note)			(1,820)		(1,820)
Bonuses to directors (Note)			(22)		(22)
Net income			9,468		9,468
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		30		53	84
Increase resulting from initial consolidation of a subsidiary			88		88
Decrease resulting from initial consolidation of a subsidiary			(24)		(24)
Net increase (decrease) during the period except those included in shareholders' equity					—
<b>Total increase (decrease) during the period</b>	<b>—</b>	<b>30</b>	<b>7,689</b>	<b>52</b>	<b>7,773</b>
<b>Balance as of Sept. 30, 2006</b>	<b>25,122</b>	<b>48,416</b>	<b>211,487</b>	<b>(16,626)</b>	<b>268,400</b>

	Valuation and translation adjustments and others				Minority interests	Total net assets
	Net unrealized holding gain on securities	Land revaluation reserve	Translation adjustments	Total, valuation and translation adjustments		
<b>Balance as of Mar. 31, 2006</b>	<b>9,899</b>	<b>(7,568)</b>	<b>242</b>	<b>2,572</b>	<b>6,535</b>	<b>269,734</b>
<b>Increase (decrease) during the year</b>						
Dividends from surplus (Note)						(1,820)
Bonuses to directors (Note)						(22)
Net income						9,468
Purchase of treasury stock						(0)
Disposal of treasury stock						84
Increase resulting from initial consolidation of a subsidiary						88
Decrease resulting from initial consolidation of a subsidiary						(24)
Net increase (decrease) during the period except those included in shareholders' equity	(962)	—	(403)	(1,366)	(211)	(1,578)
<b>Total increase (decrease) during the period</b>	<b>(962)</b>	<b>—</b>	<b>(403)</b>	<b>(1,366)</b>	<b>(211)</b>	<b>6,195</b>
<b>Balance as of Sept. 30, 2006</b>	<b>8,936</b>	<b>(7,568)</b>	<b>(161)</b>	<b>1,206</b>	<b>6,323</b>	<b>275,930</b>

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

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
<b>Balance as of Mar. 31, 2007</b>	<b>25,122</b>	<b>49,754</b>	<b>216,553</b>	<b>(14,318)</b>	<b>277,111</b>
<b>Increase (decrease) during the period</b>					
Dividends from surplus			(1,833)		(1,833)
Net income			5,478		5,478
Purchase of treasury stock				(21)	(21)
Disposal of treasury stock		0		0	1
Other increase in retained earnings			12		12
Net increase (decrease) during the period except those included in shareholders' equity					—
<b>Total increase (decrease) during the period</b>	<b>—</b>	<b>0</b>	<b>3,656</b>	<b>(20)</b>	<b>3,636</b>
<b>Balance as of Sept. 30, 2007</b>	<b>25,122</b>	<b>49,754</b>	<b>220,209</b>	<b>(14,338)</b>	<b>280,747</b>

	Valuation and translation adjustments and others				Minority interests	Total net assets
	Net unrealized holding gain on securities	Land revaluation reserve	Translation adjustments	Total, valuation and translation adjustments		
<b>Balance as of Mar. 31, 2007</b>	<b>10,921</b>	<b>(7,532)</b>	<b>1,251</b>	<b>4,639</b>	<b>6,724</b>	<b>288,476</b>
<b>Increase (decrease) during the period</b>						
Dividends from surplus						(1,833)
Net income						5,478
Purchase of treasury stock						(21)
Disposal of treasury stock						1
Other increase in retained earnings						12
Net increase (decrease) during the period except those included in shareholders' equity	(1,894)	—	1,478	(416)	49	(367)
<b>Total increase (decrease) during the period</b>	<b>(1,894)</b>	<b>—</b>	<b>1,478</b>	<b>(416)</b>	<b>49</b>	<b>3,269</b>
<b>Balance as of Sept. 30, 2007</b>	<b>9,026</b>	<b>(7,532)</b>	<b>2,729</b>	<b>4,223</b>	<b>6,774</b>	<b>291,745</b>

Consolidated Statement of Changed in Net Assets  
Year Ended Mar. 31, 2007 (Apr. 1, 2006— Mar. 31, 2007)

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
<b>Balance as of Mar. 31, 2006</b>	<b>25,122</b>	<b>48,385</b>	<b>203,797</b>	<b>(16,679)</b>	<b>260,626</b>
<b>Increase (decrease) during the period</b>					
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					—
<b>Total increase (decrease) during the year</b>	<b>—</b>	<b>1,368</b>	<b>12,755</b>	<b>2,360</b>	<b>16,485</b>
<b>Balance as of Mar. 31, 2007</b>	<b>25,122</b>	<b>49,754</b>	<b>216,553</b>	<b>(14,318)</b>	<b>277,111</b>

	Valuation and translation adjustments and others				Minority interests	Total net assets
	Net unrealized holding gain on securities	Land revaluation reserve	Translation adjustments	Total, valuation and translation adjustments		
<b>Balance as of Mar. 31, 2006</b>	<b>9,899</b>	<b>(7,568)</b>	<b>242</b>	<b>2,572</b>	<b>6,535</b>	<b>269,734</b>
<b>Increase (decrease) during the period</b>						
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
<b>Total increase (decrease) during the year</b>	<b>1,022</b>	<b>35</b>	<b>1,009</b>	<b>2,067</b>	<b>189</b>	<b>18,742</b>
<b>Balance as of Mar. 31, 2007</b>	<b>10,921</b>	<b>(7,532)</b>	<b>1,251</b>	<b>4,639</b>	<b>6,724</b>	<b>288,476</b>

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

#### (4) Interim Consolidated Statements of Cash Flows

(Millions of yen)

	Interim period ended Sept. 30, 2006	Interim period ended Sept. 30, 2007	Increase (decrease)	Year ended March 31, 2007
<b>I Cash flows from operating activities</b>				
Income before income taxes and minority interests	14,878	11,848		33,578
Depreciation and amortization	2,622	3,644		6,187
Loss on impairment of fixed assets	400	1,643		1,129
(Decrease) in allowance for doubtful receivables	(205)	(82)		(173)
(Decrease) in accrued retirement benefits to employees	(2,475)	(75)		(5,533)
(Decrease) increase in accrued retirement benefits to directors and statutory auditors	72	(129)		464
Interest and dividend income	(1,778)	(1,874)		(3,112)
Interest expenses	21	28		48
Foreign currency exchange gain	(0)	(140)		(84)
Equity in earnings of affiliates	(275)	(694)		(475)
Loss on disposal and sales of property, plant and equipment and other	99	438		357
(Gain) loss on sales of marketable securities and investments in securities and other	206	—		(319)
Loss on valuation of marketable securities and investments in securities and other	59	9		1,846
Decrease (increase) in trade notes and accounts receivable	941	4,361		(1,746)
(Increase) in inventories	(1,207)	(834)		(223)
(Decrease) in trade notes and accounts payable	(550)	(2,062)		(38)
(Decrease) increase in accrued payables	—	(1,049)		1,981
(Decrease) in accrued consumption taxes	(552)	(254)		(182)
Bonuses to directors	(22)	—		(22)
Other, net	2,424	9		1,371
<b>Subtotal</b>	<b>14,658</b>	<b>14,785</b>	<b>127</b>	<b>35,053</b>
Interest and dividends received	2,108	2,073		3,170
Interest paid	(18)	(28)		(44)
Income taxes paid	(8,185)	(8,040)		(11,205)
<b>Net cash provided by operating activities</b>	<b>8,563</b>	<b>8,790</b>	<b>226</b>	<b>26,974</b>
<b>II Cash flows from investing activities</b>				
Decrease (increase) in time deposits	(1,655)	596		(7,000)
Proceeds from redemption of time deposits	—	—		7,738
Payments for purchases of marketable securities	(4,990)	(199)		(4,990)
Proceeds from sales and redemption of marketable securities	12,689	3,679		43,808
Payments for purchases of property, plant and equipment and other	(1,824)	(3,657)		(5,539)
Proceeds from sales of property, plant and equipment and other	23	35		16
Payments for purchases of investments in securities	(17,635)	(24,103)		(27,145)
Proceeds from sales and redemption of investments in securities	2,587	8,072		12,252
Payments for purchases of additional shares of consolidated subsidiaries	(400)	—		(23,763)
Increase of loans receivable	(154)	(5)		(156)
Collection of loans receivable	0	396		10
<b>Net cash used in investing activities</b>	<b>(11,359)</b>	<b>(15,185)</b>	<b>(3,826)</b>	<b>(4,770)</b>
<b>III Cash flows from financing activities</b>				
Proceeds from short-term borrowings	290	230		433
Repayment of short-term borrowings	(423)	(261)		(989)
Repayment of long-term debt	(20)	(234)		(306)
Net (increase) decrease in treasury stocks	207	(19)		205
Cash dividends paid	(1,820)	(1,833)		(6,070)
Cash dividends paid to minority shareholders	(20)	(17)		(693)
<b>Net cash used in financing activities</b>	<b>(1,785)</b>	<b>(2,137)</b>	<b>(352)</b>	<b>(7,421)</b>
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	<b>(290)</b>	<b>656</b>	<b>946</b>	<b>91</b>
<b>V Net increase (decrease) in cash and cash equivalents</b>	<b>(4,871)</b>	<b>(7,877)</b>	<b>(3,005)</b>	<b>14,873</b>
<b>VI Cash and cash equivalents at beginning of the period</b>	<b>61,570</b>	<b>76,694</b>	<b>15,124</b>	<b>61,570</b>
<b>VII Increase in cash and cash equivalents arising from initial consolidation of subsidiaries</b>	<b>251</b>	<b>—</b>	<b>(251)</b>	<b>251</b>
<b>VIII Cash and cash equivalents at end of the period</b>	<b>56,949</b>	<b>68,817</b>	<b>11,867</b>	<b>76,694</b>