

Summary of Consolidated Financial Statements for the Fiscal Year Ended March 31, 2008

May 13, 2008

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 general shareholders' meeting: June 27, 2008

Scheduled date of start of dividend payment: June 30, 2008

Scheduled date of filing of securities report: June 27, 2008

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2008 (Apr. 1, 2007—Mar. 31, 2008)

(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 2008	385,469	7.6	27,671	(18.0)	32,798	(13.3)	13,591	(28.3)
Fiscal 2007	358,238	11.4	33,734	5.5	37,843	(4.3)	18,968	23.3

	Net income per share (primary) (¥)	Net income per share (diluted) (¥)	Return on equity (%)	Ordinary income/total assets (%)	Operating income/net sales (%)
Fiscal 2008	111.17	—	4.8	8.2	7.2
Fiscal 2007	156.12	—	7.0	9.7	9.4

Reference:

Equity in earnings of affiliates:

FY ended Mar. 31, 2008: ¥1,201 million

FY ended Mar. 31, 2007: ¥475 million

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Net assets per share (¥)
Fiscal 2008	392,694	288,844	71.9	2,310.36
Fiscal 2007	410,407	288,476	68.7	2,304.40

Reference:

Equity: FY ended Mar. 31, 2008: ¥282,466 million

FY 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 year (¥ million)
Fiscal 2008	25,875	(16,600)	(6,827)	78,774
Fiscal 2007	26,974	(4,770)	(7,421)	76,694

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 2007	35.00	15.00	50.00	6,083	32.0	2.2
Fiscal 2008	25.00	25.00	50.00	6,113	45.0	2.2
Fiscal 2009 (Projects)	25.00	25.00	50.00		34.0	

3. Project of consolidated results for the fiscal year ending March 31, 2009 (Apr. 1, 2008—Mar. 31, 2009)

(% figures for the full fiscal year represent year-on-year change ratios, and those for the half-year 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 (¥)
Half- year period	194,000	2.2	8,500	(24.9)	10,500	(27.6)	5,500	0.4	44.99
Full fiscal year	398,000	3.3	20,000	(27.7)	25,500	(22.3)	18,000	32.4	147.23

4. Other

- (1) Changes in principal subsidiaries during the fiscal year (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 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, 2008 | 127,463,685 shares |
| March 31, 2007 | 127,463,685 shares |
- 2) The number of treasury stocks outstanding as of the year-end
- | | |
|----------------|------------------|
| March 31, 2008 | 5,202,867 shares |
| March 31, 2007 | 5,197,203 shares |

Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2008 (Apr. 1, 2007—Mar. 31, 2008)

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 2008	228,216	(3.7)	26,478	(15.7)	30,293	(12.8)	8,004	(56.3)
Fiscal 2007	236,938	(2.9)	31,425	15.6	34,739	3.4	18,337	14.5

	Net income per share (primary) (¥)	Net income per share (diluted) (¥)
Fiscal 2008	65.47	—
Fiscal 2007	150.93	—

2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Net assets per share (¥)
Fiscal 2008	322,642	258,366	80.1	2,113.24
Fiscal 2007	336,091	261,565	77.8	2,139.30

Reference:

Equity: FY ended Mar. 31, 2008: ¥258,366 million

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

2. Project of non-consolidated results for the fiscal year ending March 31, 2009 (Apr. 1, 2008—Mar. 31, 2009)

(% figures for the half-year 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 (¥)
Half- year period	113,000	3.8	7,500	(24.8)	9,000	(25.9)	4,000	—	32.72
Full fiscal year	—	—	—	—	—	—	—	—	—

Note: The Company plans to shift to a pure holding company structure as of October 1, 2008. Therefore, project of non-consolidated results for fiscal 2009 extends only through the first half of the year.

* 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 pace of Japan's economic recovery began to slow. The deceleration was enhanced by inflationary pressures from soaring prices of crude oil, wheat and other primary industrial products, as well as by declining imports by the United States in the wake of its subprime mortgage problems.

In addition, the instant noodle industry continues to face a number of chronic challenges, among them, fewer young customers due to the declined birth rates, an aging population, intense competition from neighboring business sectors, and strong pressure to discount from the retail industry. In the face of this business environment, instant noodle manufacturers are making strenuous efforts to develop and launch new products that better meet consumers' needs, in order to raise its market share.

Nissin Food Products Co., Ltd. ("the Company") and its group ("the Group"), as food manufacturers, consider the first priority of business to be the supply of safe and reliable foods to customers. In recent times the news has featured food-safety related incidents involving other manufacturers that threaten the trust of consumers toward food products in general. Amid the public's general sense of crisis on this matter, the Company strongly continues to work to ensure the safety of raw materials through its own inspection systems, which are capable of detecting residual pesticides and chemicals contained in animal products.

Reviewing sales performance for fiscal 2008, the Company experienced a slight downtrend in the fourth quarter, under the influence of a retail price revision necessitated by rising raw material prices and in line with a sales strategy that emphasizes Nissin brand value. However, overall sales were driven by pillow-type instant noodles, such as our long-time seller the *Chicken Ramen* series which will mark its 50th anniversary this year, as well as the *MYOJO CHARUMERA COLLECTION* series. Cup-type instant noodles also made a contribution to sales, especially the newly-launched and popular, *Milk Seafood Noodle* in the *Cup Noodle* series, and the Nissin value cup *Soup Noodle*. Moreover, new-category products, such as the microwavable noodle products *Nissin Chin* series and the premium frozen products *Reito Nissin Spa-O Premier Dinner* series marked steady sales growth. Cooked and chilled noodles and the food service business also contributed to overall sales growth.

As a result, consolidated net sales increased to ¥385,469 million for fiscal 2008, a 7.6% increase on the previous fiscal year, largely contributed by MYOJO FOODS CO., LTD. ("MYOJO FOODS"), which was consolidated for the whole fiscal year. However, mainly due to a smaller negative actuarial difference for retirement benefits and rises in raw material prices, operating income, ordinary income and net income decreased by 18.0%, 13.3% and 28.3% to ¥27,671 million, ¥32,798 million and ¥13,591 million, respectively, from the previous fiscal year.

(Consolidated basis; ¥ million)

	Net sales	Operating income	Ordinary income	Net income
Fiscal 2008	385,469	27,671	32,798	13,591
Fiscal 2007	358,238	33,734	37,843	18,968
Year-on-year change (%)	7.6	(18.0)	(13.3)	(28.3)

Information by Business Segment

Net sales by category

Category	Consolidated net sales (¥ million)	Year-on-year change (%)
Pillow-type instant noodles	64,915	12.2
Cup-type instant noodles	237,536	5.0
Chilled and frozen foods	44,369	7.5
Instant noodle and associated business	346,821	6.6
Other business	38,648	17.9
Total	385,469	7.6

1) Instant Noodle and Associated Business

- Pillow-type Instant Noodles

Among pillow-type instant noodles in Japan, the 50-year-old classic, *Chicken Ramen* series, as well as the *MYOJO CHARUMERA COLLECTION* series showed strong sales, although sales of *Nissin-no-Ramen-ya-san* series declined. The aggregate net sales of pillow-type instant noodles in the domestic market increased, mainly due to the full-year consolidation of the sales of MYOJO FOODS. In overseas markets, steady sales were recorded, notably for existing products in the U.S.

As a result, overall net sales of pillow-type instant noodles amounted to ¥64,915 million, a 12.2% increase from the previous fiscal year.

- Cup-type Instant Noodles

A new product, *Milk Seafood Noodle* was introduced to the market, following reports of a spreading practice among consumers to use hot milk instead of water to prepare *Nissin Seafood Noodle*. Although this new product was a remarkable hit, overall sales of the *Cup Noodle* series declined. Looking at cup yakisoba products, the *MYOJO IPPEI-CHAN YOMISE NO YAKISOBA* series maintained steady sales. However, reflecting the general stagnation in sales of Japanese-style instant noodles, sales of the *Nissin-no-Donbei* series declined. On the other hand, the retail price revision in January 2008 stimulated consumer preference for “open-price” products, and, as a result, sales of *Soup Noodles* and other Nissin value cup open-price products rose sharply. Also, the new category products such as the microwavable noodle products *Nissin Chin* series and the *Nissin Range Spa-O* series were favorably received by consumers demanding easy-to-cook instant noodles with rich, fresh-cooked flavor.

In overseas markets, the premium-priced cup-type noodle products *CHOW MEIN* and *Souper Meal* in North America achieved consistently strong sales performance.

As a result, total net sales of cup-type instant noodles increased by 5.0% from the previous fiscal year, to ¥237,536 million.

- Chilled and Frozen Foods

Among chilled foods, sales of the mainstay product *Nissin Yakisoba* declined slightly, as a result of our sales strategy, which emphasized product value and profitability. However, sales of MYOJO FOODS' cooked-and-chilled noodles were consolidated for the full fiscal year, which led to an increase in this segment's sales.

In the frozen food category, products with higher added-value, such as the *Reito Nissin Spa-O Premier Dinner* series, were well-received by customers seeking easy-to-cook products with home-cooked taste, and sales were strong. However, net sales of the segment as a whole declined.

As a result, aggregate net sales of the chilled and frozen foods segment increased by 7.5% from the previous fiscal year to ¥44,369 million.

Combining all above, the total net sales of instant noodle and associated business marked a 6.6% year-on-year increase to ¥346,821 million. However, operating income of the segment dropped by 21.6% to ¥25,374 million.

2) Other Business

Since a lactobacillus drink *Pilkul* and the breakfast cereal *Ciscorn BIG* continued to record stable sales and, with the contribution to the food service business to the segment, aggregate net sales of other business increased by 17.9% from the previous fiscal year to ¥38,648 million. Operating income rose by 14.6% to ¥2,579 million.

Outlook for the Fiscal Year Ending March 31, 2009

This year, the Nissin Food Products Group will celebrate the 50th anniversary of its foundation. By shifting our corporate structure to a pure holding company, as scheduled for October 1, 2008, the Group will reinforce each of our diversified brands, and promote independent growth of each operating company.

Under the aforementioned policy, the Group will contribute to society and the global environment by pursuing various possibilities for food enjoyment creating tastiness with a sense of imagination, and satisfying people with the joy and delight of food.

The Group will also aim to become a food-culture creator, able to realize the possibilities from bringing together various power of food in new ways, to expand the taste values of individuals by introducing new dimensions and levels of flavor and experience.

Moreover, in order to fulfill our mission of providing safe and reliable products, the Group will even more diligently inspect the safety of our products and raw materials at both the Food Safety Research Institute in Japan and FOOD SAFETY EVALUATION & RESEARCH INSTITUTE CO., LTD. in Shanghai, China.

To promote sales growth, the Group will aggressively launch new products that meet the diverse needs of both customers and retailers, lead by the mainstay brand values of safety and reliability demonstrated by our long-term best selling products, such as *Chicken Ramen*, *Cup Noodle*, *Nissin-no-Donbei*, *Nissin Yakisoba U.F.O.*, and *MYOJO CHARUMERA*.

In overseas markets, the Group will carry out our global strategy to provide tastiness and delight to people of all countries and regions, as the pioneer inventor of instant noodles, which were created in Japan and now are spreading all over the world.

Sales are expected to grow in the instant noodle and associated business, especially for cup-type instant noodles and chilled and frozen foods in Japan, and cup-type instant noodles in North America and Hong Kong. The projected net sales for fiscal 2009 are ¥398,000 million, a 3.3% year-on-year increase. Operating income is expected to decline 27.7% to ¥20,000 million, with ordinary income falling 22.3% to ¥25,500 million. Net income is forecast to climb 32.4% to ¥18,000 million.

Projected exchange rates for the major currencies relevant to the results of overseas subsidiaries in fiscal 2009 are ¥114 to US\$1.00, ¥15 to HK\$1.00 and ¥16 to 1.00 RMB.

(2) Analysis of Financial Position

Assets, Liabilities and Net Assets

Consolidated total assets decreased by ¥17,712 million from the previous fiscal year to ¥392,694 million. This is mainly due to a decrease in trade accounts receivable.

Consolidated total liabilities also decreased by ¥18,080 million from the previous fiscal year to ¥103,850 million. The major factors for the decline were decreases in trade accounts payable and other payables.

Net assets, including minority interests, edged up by ¥367 million from the previous fiscal year to ¥288,844 million. Retained earnings increased by ¥8,716 million, mainly due to postings from net income, but, on the other hand net unrealized net unrealized gain on securities held decreased by ¥7,331 million.

The equity ratio improved to 71.9%, from 68.7% of the previous year.

Cash Flows

Cash and cash equivalents as of March 31, 2008 increased by ¥2,079 million from the previous fiscal year to ¥78,774 million. Details are presented below:

- Cash Flows from Operating Activities

Net cash provided by operating activities decreased by ¥1,098 million from the previous fiscal year to ¥25,875 million. Major cash in-flow factors included a year-on-year increase in accrued retirement benefits to employees and a decrease in trade notes and accounts receivable. Cash out-flow factors, on the other hand, included a decrease in income before income taxes and minority interests and decreases in payables.

- Cash Flows from Investing Activities

Net cash used in investing activities amounted to ¥16,600 million, a rise of ¥11,830 million from the previous fiscal year. This increase was largely due to an increase in payments for purchases of investments in securities due to net purchases of bonds to secure efficiency in surplus fund management, as well as an increase in payments for purchases of property, plant and equipment and other for large-scale capital expenditures, such as the Company's introduction of equipment to make paper container for *Cup Noodle* and MYOJO FOODS' construction of a new factory.

- Cash Flows from Financing Activities

Net cash used in financing activities dropped by ¥594 million from the previous fiscal year to ¥6,827 million, mainly due to a decrease in cash dividends paid.

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

		Fiscal year ended Mar. 31, 2005	Fiscal year ended Mar. 31, 2006	Fiscal year ended Mar. 31, 2007	Fiscal year ended Mar. 31, 2008
Equity ratio	(%)	71.5	71.8	68.7	71.9
Equity ratio based on market capitalization	(%)	95.9	120.5	128.7	104.6
Net cash interest-bearing liabilities ratio	(years)	0.1	0.1	0.2	0.1
Interest coverage ratio	(times)	688.7	653.5	557.9	430.6

Notes:

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

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

Net cash interest-bearing liabilities ratio = 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 on the number of shares outstanding as of the year-end (excluding treasury stocks) the 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 is, as reported, net cash provided by operating activities 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, 2008 and fiscal year ending March 31, 2009

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.

As regards the use of retained funds, the Company will retain earnings in order to make needed capital investments, research and development investments, and mergers and acquisitions in an effort to further increase its corporate value. The Company will also strive to invest surplus funds effectively, bearing in mind possible investment risks.

Based upon the aforementioned policy, the Company will endeavor to continue to pay dividends to shareholders on a stable basis, in accordance with our guideline of a 30% consolidated payout ratio.

For the year ended March 31, 2008, the Company has paid an interim dividend of ¥25 per share, and plans to pay the year-end dividend of ¥25 per share, bringing the annual dividend amount as ¥50 per share. As a result, the consolidated payout ratio for the fiscal 2008 will be 45.0%.

For the year ending March 31, 2009, the Company anticipates paying an annual ordinary dividend of ¥50 per share, including an interim dividend of ¥25 per share.

2. Management Policies

(1) Basic Management Policy

The Nissin Food Products Group will celebrate the 50th anniversary of its foundation in 2008. In directing ourselves toward the next 50 years, under our founding philosophies of “Peace will come to the world when the people have enough to eat,” “Eating smart will enhance beauty and health,” and “The creation of food will serve society,” the Company will pursue various possibilities of “diets” and create tastiness with dreams, with the Group principle “EARTH FOOD CREATOR.” The Company will also contribute to our society and global environment by satisfying people with joy and delight of food. Moreover, as a comprehensive food manufacturer, the Company will always endeavor to create and nurture the top brand in each business category (such as foods, chilled and frozen foods, confectionery, beverages, and food service business), aiming at being a “branding corporation” formed as an aggregate of top brands, and to build a more solid management base, in order to secure and enhance corporate value and the commensurate return for shareholders.

(2) Medium- to Long- Term Management Strategies

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

Japan has a rapidly graying society, and the number of young people, who are the main target population for our products, is declining due to a low birth rate in Japan. At the same time, consumers’ tastes are diversifying. In that context, it is our immense benefit that the Company has succeeded in its full-lineup product strategy. Taking that strategy further, we will develop products with higher added value along with products that have strong appeal to health-conscious customers.

In a strategic measure to increase our sales capabilities, the Company will promote “Top Management by Product Category” to flexibly address changes in consumer values through tailored category management conducted in close collaboration with distributors.

We also consider it vital to further strengthen the foundation of our mainstay products such as *Chicken Ramen*, *MYOJO CHARUMERA* and *Cup Noodle*, as well as to fully utilize the technology we have developed thus far. We will endeavor to develop and improve our products by attracting customers through their inherent value, creating new demand for our products while establishing a clear path toward our sustainable growth, and generate stable cash in-flows over the long term.

2) Increased efforts to foster new core business segments

The Company will create new value to match customer expectations, achieving this goal by mapping out a product strategy designed around the key words “food and health,” developing new pleasure-giving foods in the confectionery, lactic drinks and food service businesses, and by enhancing our competitiveness by strengthening all value chains. We will also strengthen our intra-group collaboration in the areas of product development, manufacturing and sales. We aim to develop innovative products and realize advanced business operations. And, we will strive to build a business organization that holds a clear competitive advantage over rivals.

In addition, the Company will reinforce its business base by positioning the health foods business as a new priority segment.

3) Expansion of overseas operations

In overseas markets, the Company will carry out a global strategy to provide tastiness and delight to people of all countries and regions, as the pioneer inventor of instant noodles. We will continuously reexamine any and all aspects of our business management, including business structure, product mix, and human resource allocation, in order to strengthen ourselves as a business entity, in an effort to become a comprehensive food manufacturer, not only in Japan, but throughout the world. At the same time, the Company will promote global procurement of 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, the Company will strive to reinforce our business foundation and raise profitability through growth of both the Nissin brand and its local brands, with our know-how of manufacturing as our competence.

4) Strengthening of cost competitiveness

With the awareness that producing customer-satisfying goods at lower cost is essential to corporate competitiveness, the Company will carry out an extensive review of systems and functions in all areas of product development, procurement, production and sales, and take any measures for further streamlining and efficiency, while ensuring group-wide penetration of profit-oriented management.

(3) Company Initiatives

1) Increased efforts to ensure safety and reliability of foods

As a food products manufacturer, the Company believes that it is our mission to strictly and thoroughly comply with laws and regulations, as well as to provide customers safe and reliable products. To build and maintain top-flight quality control, the Company has established the Food Safety Research Institute as a specialized organization that carries out strict food safety inspections. FOOD SAFETY EVALUATION & RESEARCH INSTITUTE CO., LTD. established in Shanghai is another such organization, where the safety of all food materials procured from within China is being inspected rapidly and thoroughly.

Applying the international CODEX (Codex Alimentarius) food standards, the Company, as a pioneer creator of the worldwide instant noodle industry, is convinced that the key words for the next development stage of the food industry will be “a strategy for safety and reliability of foods” in pursue of “tastiness ensured by safety and reliability” and “tastiness ensured by trustworthiness”. In addition, all of the Company's domestic plants as well as the Food Safety Research Institute have obtained ISO9001 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 environment, the Company remains committed to corporate activities with preservation of the environment and conservation of natural resources always in mind, so that we co-exist with nature. Certain of our plants in Japan and overseas have obtained ISO14001 certification of their environmental management systems. In addition, the Company has adopted an environmental accounting system to grasp and disclose domestic 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, 2007		March 31, 2008		
ASSETS		%		%	
I Current assets	159,540	38.9	157,633	40.1	(1,907)
Cash and deposits	61,688		66,739		
Notes and accounts receivable-trade	53,358		41,410		
Marketable securities	21,617		27,230		
Inventories	14,489		14,674		
Deferred income taxes	6,128		4,860		
Other current assets	2,517		3,276		
Less: Allowance for doubtful receivables	(258)		(560)		
II Fixed assets	250,867	61.1	235,061	59.9	(15,805)
Tangible fixed assets:	93,633	22.8	93,802	23.9	169
Building and structures	29,317		29,196		
Machinery, equipment and vehicles	16,287		17,675		
Tools and fixtures	1,740		1,449		
Land	43,834		43,810		
Construction in progress	1,836		1,054		
Other	616		616		
Intangible fixed assets	5,022	1.2	4,321	1.1	(701)
Goodwill	4,352		3,863		
Other	670		457		
Investments and other assets:	152,210	37.1	136,937	34.9	(15,272)
Investments in securities	137,143		123,099		
Other investments	8,507		8,369		
Long-term loans	487		269		
Deferred income taxes	270		502		
Other assets	5,850		4,742		
Less: Allowance for doubtful receivables	(48)		(45)		
Total assets	410,407	100.0	392,694	100.0	(17,712)

	As of March 31, 2007		As of March 31, 2008		Increase (decrease)
LIABILITIES		%		%	
I Current liabilities	95,837	23.3	80,934	20.6	(14,903)
Notes and accounts payable-trade	43,324		38,045		
Short-term borrowings	3,791		2,353		
Accrued payables	26,545		20,308		
Accrued income taxes	7,890		6,822		
Other current liabilities	14,285		13,404		
II Long-term liabilities	26,093	6.4	22,916	5.8	(3,176)
Deferred tax liabilities	10,560		7,761		
Deferred income taxes on land revaluation	3,510		3,510		
Accrued retirement benefits to employees	8,946		8,642		
Accrued retirement benefits to directors and statutory auditors	2,263		2,348		
Other long-term liabilities	811		653		
Total liabilities	121,931	29.7	103,850	26.4	(18,080)
NET ASSETS					
I Shareholders' equity	277,111	67.5	285,803	72.8	8,692
Common stock	25,122	6.1	25,122	6.4	—
Capital surplus	49,754	12.1	49,754	12.7	0
Retained earnings	216,553	52.8	225,269	57.4	8,716
Less: treasury stock, at cost	(14,318)	(3.5)	(14,342)	(3.7)	(24)
II Valuation and translation adjustment	4,639	1.2	(3,337)	(0.9)	(7,977)
Net unrealized holding gain on securities	10,921	2.7	3,589	0.9	(7,331)
Land revaluation reserve	(7,532)	(1.8)	(7,532)	(1.9)	—
Translation adjustments	1,251	0.3	605	0.1	(645)
III Minority interests	6,724	1.6	6,377	1.7	(347)
Total net assets	288,476	70.3	288,844	73.6	367
Total liabilities and net assets	410,407	100.0	392,694	100.0	(17,712)

(2) Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2007		Year ended March 31, 2008		Increase (decrease)
		%		%	
I Net sales	358,238	100.0	385,469	100.0	27,231
II Cost of sales	175,296	48.9	195,664	50.7	20,368
Gross profit	182,941	51.1	189,805	49.3	6,863
III Selling general and administrative expenses	149,207	41.7	162,133	42.1	12,926
Operating income	33,734	9.4	27,671	7.2	(6,063)
IV Non-operating income	4,598	1.3	5,850	1.5	1,251
Interest income	1,498		1,774		
Divided income	1,613		1,729		
Gain on sales of marketable securities	103		154		
Equity in earnings of affiliates	475		1,201		
Other non-operating income	907		990		
V Non-operating expenses	490	0.1	723	0.2	232
Interest expenses	48		60		
Loss on sales of securities	38		—		
Foreign currency exchange loss	89		401		
Other non-operating expenses	313		261		
Ordinary income	37,843	10.6	32,798	8.5	(5,044)
VI Extraordinary gains	785	0.2	204	0.1	(580)
Gains on sales of fixed assets	29		9		
Gains on sales of investments in securities	572		2		
Gains on liquidation of an affiliate	182		174		
Other extraordinary gains	0		18		
VII Extraordinary losses	5,050	1.4	5,314	1.4	263
Loss on sales of fixed assets	7		10		
Loss on disposal of fixed assets	379		578		
Loss on impairment of fixed assets	1,129		2,370		
Loss on devaluation of investments in securities	7		1,180		
Loss on revaluation of investments	1,378		—		
Loss on devaluation of investments in affiliates	390		9		
Loss on sale of shares of a subsidiary	318		—		
Expenses for voluntary recall of products	—		627		
Expense for a company-held funeral	301		—		
Other extraordinary losses	1,135		536		
Income before income taxes and minority interests	33,578	9.4	27,688	7.2	(5,889)
Current income taxes	11,018	3.1	11,026	2.9	8
Deferred income taxes	3,528	1.0	3,251	0.8	(276)
Minority interests in earnings (loss) of consolidated subsidiaries	62	0.0	(181)	(0.0)	(243)
Net income	18,968	5.3	13,591	3.5	(5,377)

(3) 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.

Year ended Mar. 31, 2008 (Apr. 1, 2007—March 31, 2008)

(Millions of yen)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance as of Mar. 31, 2007	25,122	49,754	216,553	(14,318)	277,111
Increase (decrease) during the year					
Dividends from surplus			(4,890)		(4,890)
Net income			13,591		13,591
Purchase of treasury stock				(25)	(25)
Disposal of treasury stock		0		1	2
Other increase in retained earnings			15		15
Net increase (decrease) during the year except those included in shareholders' equity					—
Total increase (decrease) during the year	—	0	8,716	(24)	8,692
Balance as of Mar. 31, 2008	25,122	49,754	225,269	(14,342)	285,803

	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, 2007	10,921	(7,532)	1,251	4,639	6,724	288,476
Increase (decrease) during the year						
Dividends from surplus						(4,890)
Net income						13,591
Purchase of treasury stock						(25)
Disposal of treasury stock						2
Other increase in retained earnings						15
Net increase (decrease) during the year except those included in shareholders' equity	(7,331)	—	(645)	(7,977)	(347)	(8,324)
Total increase (decrease) during the year	(7,331)	—	(645)	(7,977)	(347)	367
Balance as of Mar. 31, 2008	3,589	(7,532)	605	(3,337)	6,377	288,844

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2007	Year ended March 31, 2008	Increase (decrease)
I Cash flows from operating activities			
Income before income taxes and minority interests	33,578	27,688	
Depreciation and amortization	6,187	7,526	
Loss on impairment of fixed assets	1,129	2,370	
Increase (decrease) in allowance for doubtful receivables	(173)	301	
(Decrease) in accrued retirement benefits to employees	(5,533)	(50)	
Increase in accrued retirement benefits to directors and statutory auditors	464	85	
Interest and dividend income	(3,112)	(3,504)	
Interest expenses	48	60	
Foreign currency exchange (gain) loss	(84)	19	
Equity in earnings of affiliates	(475)	(1,201)	
Loss on disposal and sales of property, plant and equipment	357	580	
(Gain) on sales of marketable securities and investments in securities and others	(319)	(156)	
Loss on valuation of marketable securities and investments in securities and others	1,846	1,252	
(Increase) decrease in trade notes and accounts receivable	(1,746)	11,679	
(Increase) decrease in inventories	(223)	288	
(Decrease) in trade notes and accounts payable	(38)	(5,179)	
Increase (decrease) in accrued payables	1,981	(5,138)	
(Decrease) in accrued consumption tax	(182)	—	
Bonus to directors paid	(22)	—	
Other, net	1,371	(2,114)	
Subtotal	35,053	34,506	(546)
Interest and dividends received	3,170	3,541	
Interest paid	(44)	(60)	
Income taxes paid	(11,205)	(12,112)	
Net cash provided by operating activities	26,974	25,875	(1,098)
II Cash flows from investing activities			
Increase in time deposits	(7,000)	(2,065)	
Proceeds from redemption of time deposits	7,738	1,056	
Payment for purchases of marketable securities	(4,990)	(2,499)	
Proceeds from sales and redemption of marketable securities	43,808	5,234	
Payment for purchases of property, plant and equipment and others	(5,539)	(9,572)	
Proceeds from sales property, plant and equipment and others	16	80	
Payment for purchases of investments in securities	(27,145)	(34,584)	
Proceeds from sales and redemption of investments in securities	12,252	25,478	
Payment for purchases of additional shares of consolidated subsidiaries and others	(23,763)	—	
Expenditure of loans receivable	(156)	(101)	
Collection of loans receivable	10	373	
Net cash used in investing activities	(4,770)	(16,600)	(11,830)
III Cash flows from financing activities			
Proceeds from short-term borrowings	433	303	
Repayment of short-term borrowings	(989)	(1,761)	
Repayment of long-term debt	(306)	(413)	
Net (increase) of treasury stocks	205	(23)	
Cash dividends paid	(6,070)	(4,890)	
Cash dividends paid to minority shareholders	(693)	(42)	
Net cash used in financing activities	(7,421)	(6,827)	594
IV Effect of exchange rate changes on cash and cash equivalents	91	(367)	(459)
V Net increase (decrease) in cash and cash equivalents	14,873	2,079	(12,794)
VI Cash and cash equivalents at beginning of the year	61,570	76,694	15,124
VII Increase in cash and cash equivalents arising from initial consolidation of subsidiaries	251	—	(251)
VIII Cash and cash equivalents at end of the year	76,694	78,774	2,079