

2006 Annual Report

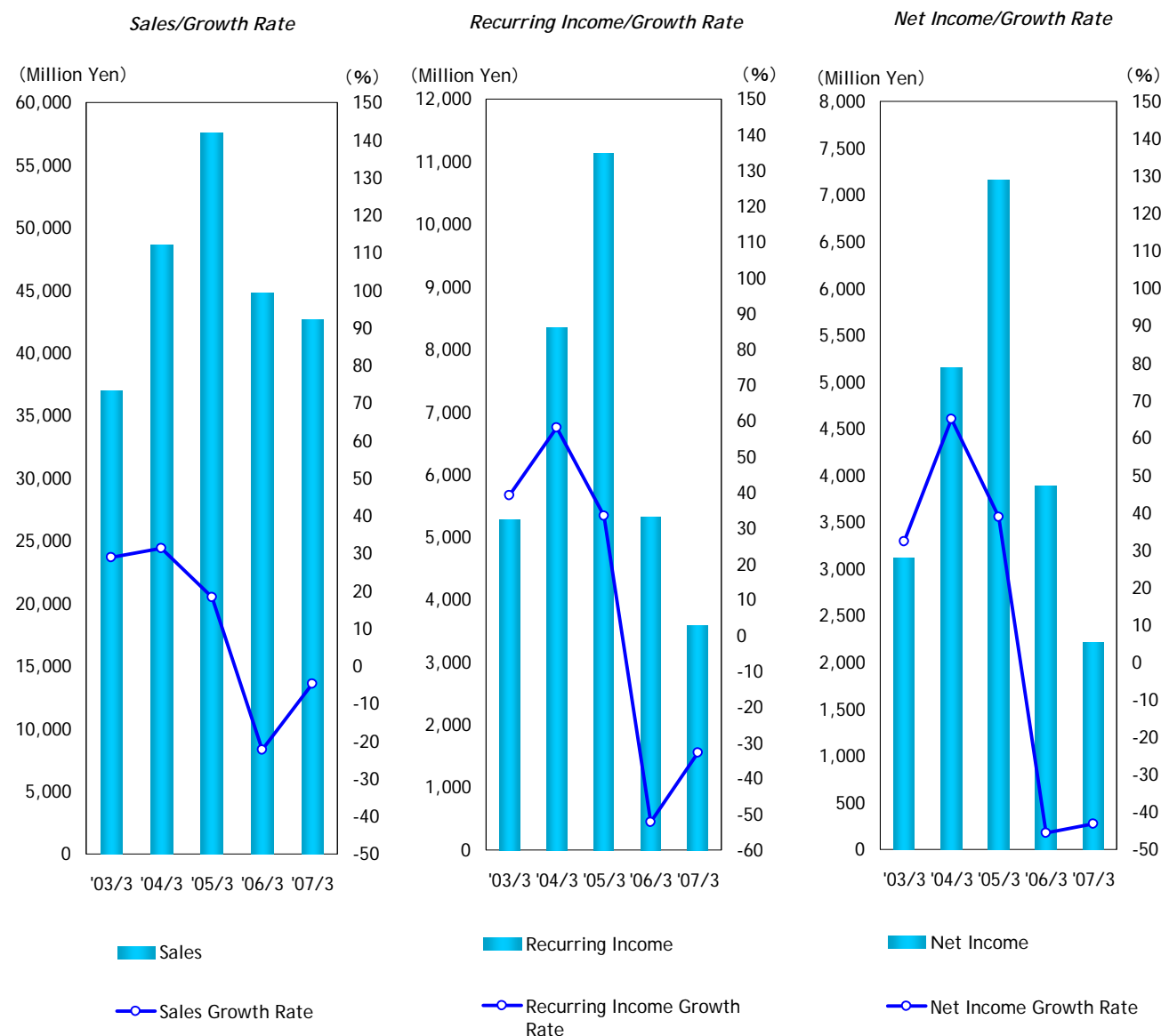
*Arisawa*

Move fast Change faster  
Challenge 600

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## Consolidated Performance



Fiscal Year Ended	'03/3	'04/3	'05/3	'06/3	'07/3
Sales(Million Yen)	37,004	48,629	57,552	44,759	42,652
Sales Growth Rate(%)	28.9	31.4	18.3	-22.2	-4.7
Operating Income(Million Yen)	4,435	7,532	9,873	3,828	2,743
Operating Profit Growth Rate(%)	39.9	69.8	31.1	-61.2	-28.3
Recurring Income(Million Yen)	5,276	8,345	11,132	5,320	3,580
Recurring Income Growth Rate(%)	39.2	58.2	33.4	-52.2	-32.7
Net Income(Million Yen)	3,119	5,150	7,156	3,892	2,213
Net Income Growth Rate(%)	32.3	65.1	38.9	-45.6	-43.1
Gross Profit(%)	21.6	23.3	24.3	16.4	14.1
SG & A Ratio(%)	9.6	7.8	7.1	7.8	7.6

Note: Amounts less than one million yen are omitted

The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

## Parent's Performance

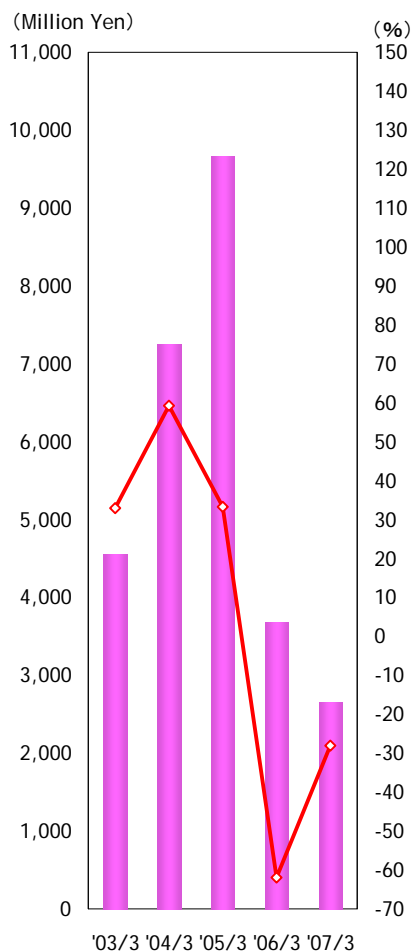
Sales/Growth Rate



■ Sales

◆ Sales Growth Rate

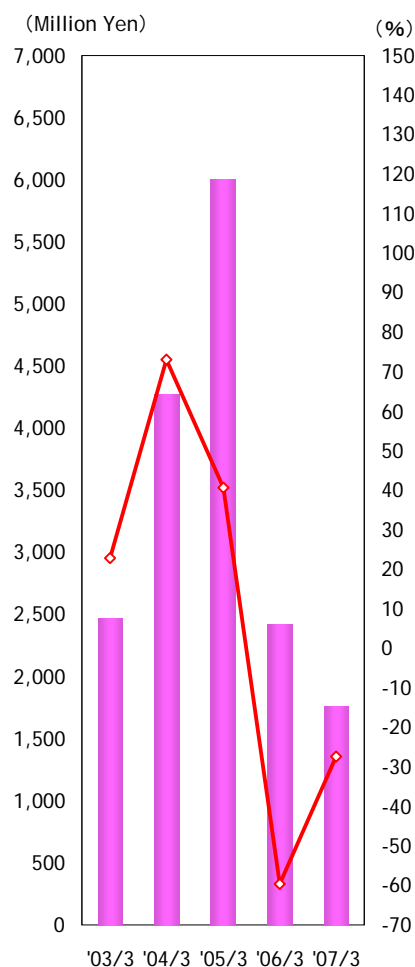
Recurring Income/Growth Rate



■ Recurring Income

◆ Recurring Income Growth Rate

Net Income/Growth Rate



■ Net Income

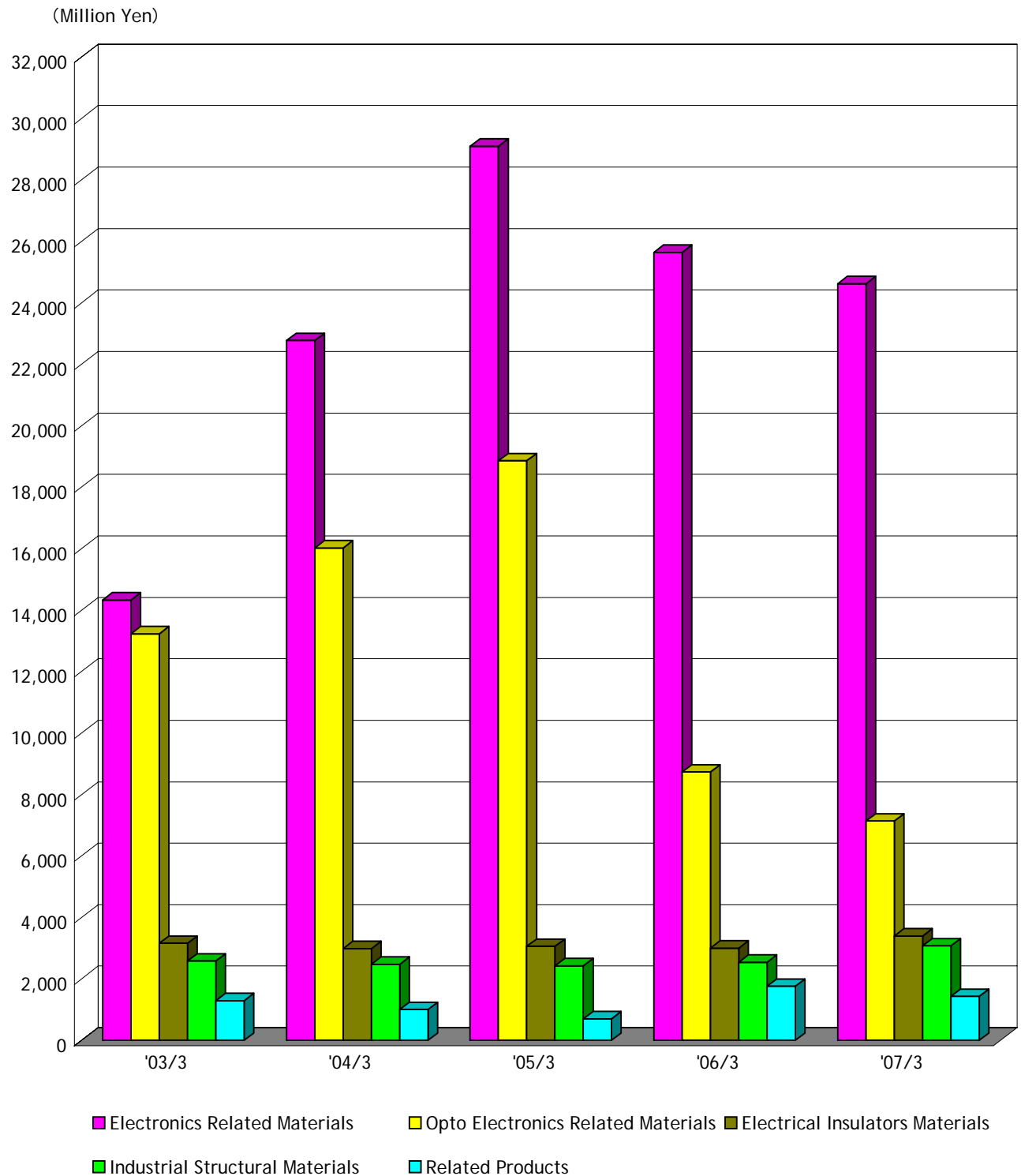
◆ Net Income Growth Rate

Fiscal Year Ended	'03/3	'04/3	'05/3	'06/3	'07/3
Sales(Million Yen)	34,594	45,267	54,149	41,696	39,672
Sales Growth Rate(%)	32.7	30.8	19.6	-23	-4.9
Operating Income(Million Yen)	4,382	6,980	9,072	2,982	1,770
Operating Profit Growth Rate(%)	41.7	59.3	30	-67.1	-40.6
Recurring Income(Million Yen)	4,552	7,252	9,658	3,676	2,644
Recurring Income Growth Rate(%)	32.9	59.3	33.2	-61.9	-28.1
Net Income(Million Yen)	2,469	4,271	6,003	2,419	1,756
Net Income Growth Rate(%)	22.9	73	40.6	-59.7	-27.4
Gross Profit(%)	21.2	22.9	23.8	15.1	12.3
SG & A Ratio(%)	8.6	7.5	7.1	7.9	7.9

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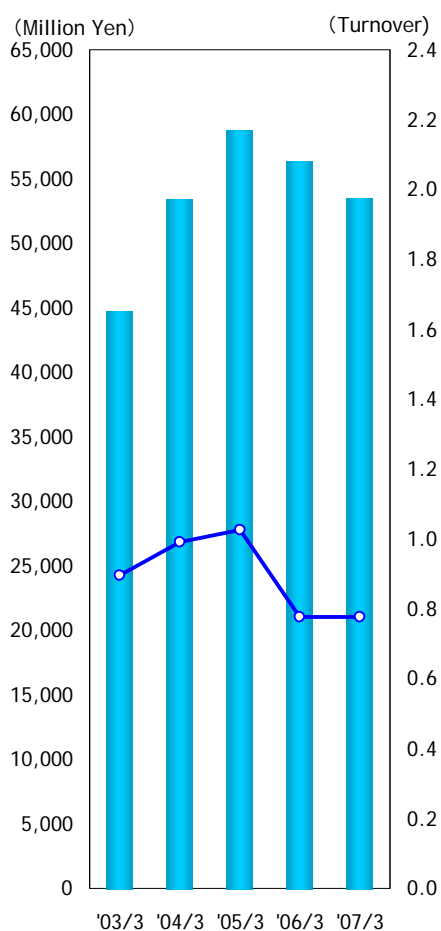
## Parent's Sales Breakdown by Segments



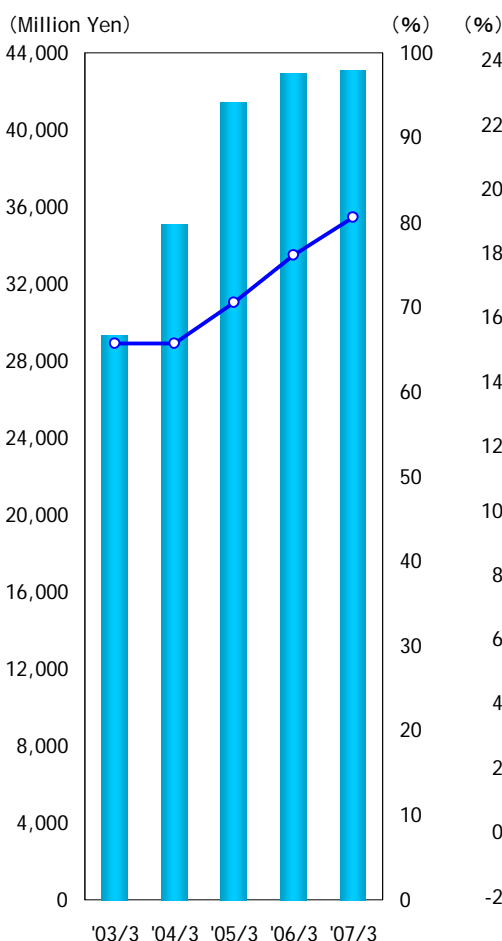
Fiscal Year Ended	'03/3	'04/3	'05/3	'06/3	'07/3
Electronics Related Materials	14,329	22,772	29,096	25,640	24,626
Opto Electronics Related Materials	13,228	16,023	18,858	8,736	7,137
Electrical Insulators Materials	3,163	2,990	3,064	3,008	3,399
Industrial Structural Materials	2,581	2,479	2,428	2,546	3,077
Related Products	1,293	1,003	703	1,766	1,433
<b>Total</b>	<b>34,594</b>	<b>45,267</b>	<b>54,149</b>	<b>41,696</b>	<b>39,672</b>

## Consolidated Shareholders' Equity/Return on Shareholders' Equity

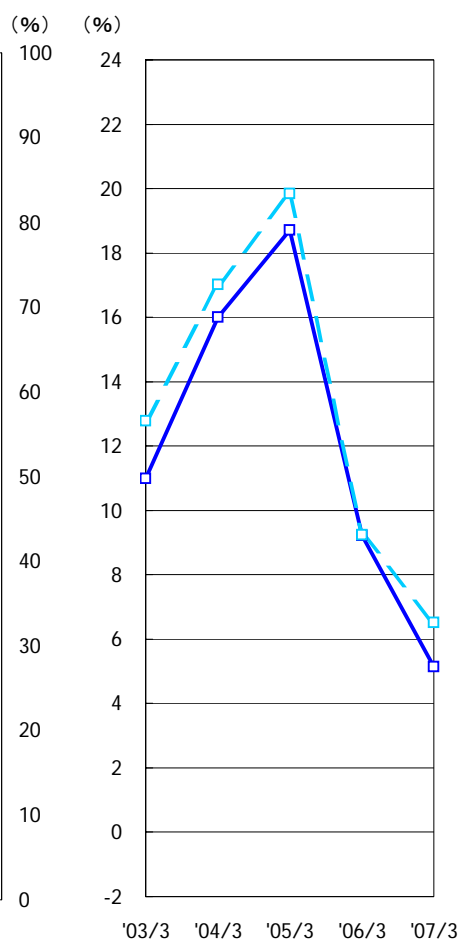
*Total Liabilities and Net Worth/  
Turnover Ratio of Total  
Liabilities and Net Worth*



*Shareholders' Equity/  
Shareholders' Equity to Total Assets*



*Return on Equity/Operating Profit Ratio  
of Total Liabilities and Net Worth*



■ Total Liabilities and Net Worth

■ Shareholders' Equity

—□— Return on Equity

—○— Turnover Ratio of Total Liabilities and Net Worth

—○— Shareholders' Equity to Total Assets

—□— Operating Profit Ratio of Total Liabilities and Net Worth

Fiscal Year Ended	'03/3	'04/3	'05/3	'06/3	'07/3
Total Liabilities and Net Worth(Million Yen)	44,712	53,410	58,768	56,385	53,443
Turnover Ratio of Total Liabilities and Net Worth	0.90	0.99	1.03	0.78	0.78
Operating Profit Ratio of Total Liabilities and Net Worth(%)	12.8	17.0	19.8	9.2	6.5
Shareholders' Equity(Million Yen)	29,314	35,101	41,431	42,927	43,117
Shareholders' Equity to Total Assets(%)	65.7	65.7	70.5	76.1	80.6
Return on Equity(%)	11.0	16.0	18.7	9.2	5.1

Note: Turnover Ratio of Total Liabilities and Net Worth = Net Sales/Total Liabilities and Net Worth(Mid-term Average)

Operating Profit Ratio of Total Liabilities and Net Worth = Ordinary Income/Total Liabilities and Net Worth (Mid-term Average)X100

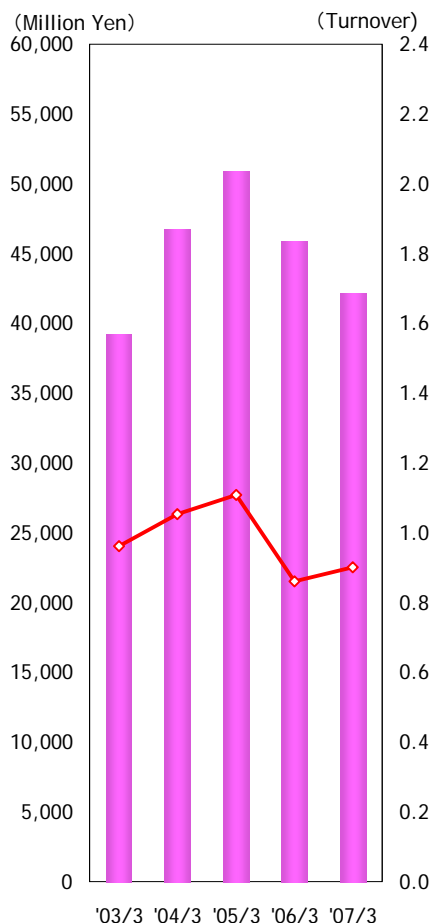
Shareholders' Equity to Total Assets=Shareholders' Equity(Term End)/Total Liabilities and Net Worth(Term End)X100

Return on Equity = Net Income/Shareholders' Equity(Mid-term Average)X100

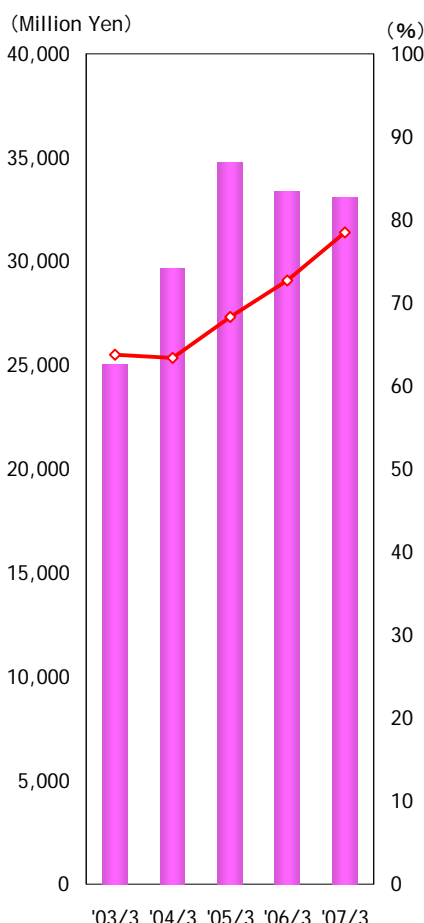
The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

## Parent's Shareholders' Equity/Return on Shareholders' Equity

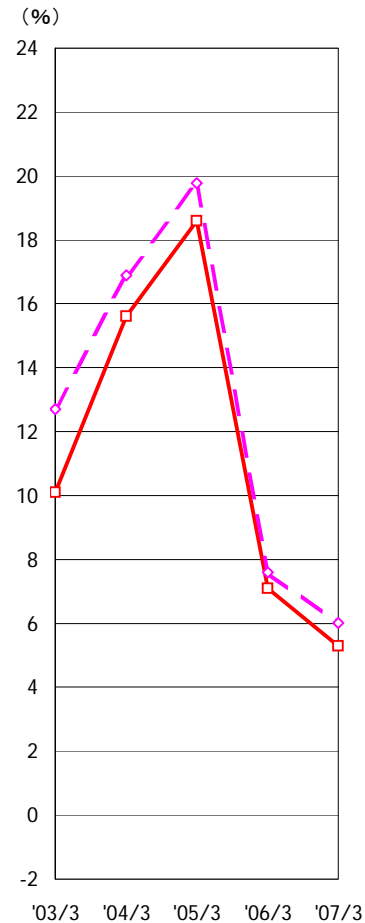
*Total Liabilities and Net Worth/  
Turnover Ratio of Total Liabilities  
and Net Worth*



*Shareholders' Equity/  
Shareholders' Equity to Total Assets*



*Return on Equity/Operating Profit Ratio  
of Total Liabilities and Net Worth*



■ Total Liabilities and Net Worth

■ Shareholders' Equity

—□— Return on Equity

—◇— Turnover Ratio of Total Liabilities and Net Worth

—◇— Shareholders' Equity to Total Assets

—◇— Operating Profit Ratio of Total Liabilities and Net Worth

Fiscal Year Ended	'03/3	'04/3	'05/3	'06/3	'07/3
Total Liabilities and Net Worth(Million Yen)	39,185	46,744	50,937	45,884	42,102
Turnover Ratio of Total Liabilities and Net Worth	0.96	1.05	1.11	0.86	0.90
Operating Profit Ratio of Total Liabilities and Net Worth(%)	12.7	16.9	19.8	7.6	6.0
Shareholders' Equity(Million Yen)	25,015	29,636	34,796	33,370	33,094
Shareholders' Equity to Total Assets(%)	63.8	63.4	68.3	72.7	78.5
Return on Equity(%)	10.1	15.6	18.6	7.1	5.3
Number of Shares Outstanding at Term End(thousand)	26,793	29,880	33,088	35,472	34,991

Note: Turnover Ratio of Total Liabilities and Net Worth = Net Sales/Total Liabilities and Net Worth(Mid-term Average)

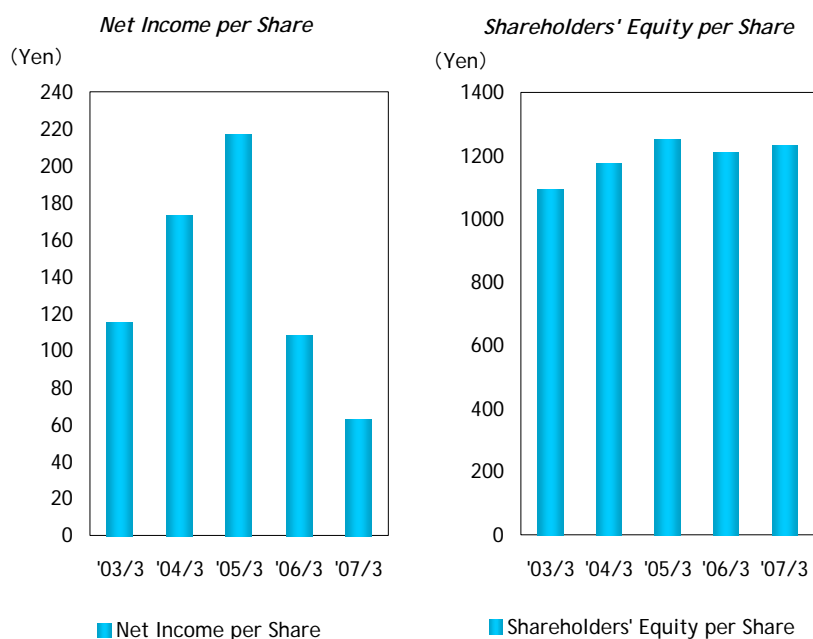
Operating Profit Ratio of Total Liabilities and Net Worth = Ordinary Income/Total Liabilities and Net Worth (Mid-term Average)X100

Shareholders' Equity to Total Assets=Shareholders' Equity(Term End)/Total Liabilities and Net Worth(Term End)X100

Return on Equity = Net Income/Shareholders' Equity(Mid-term Average)X100

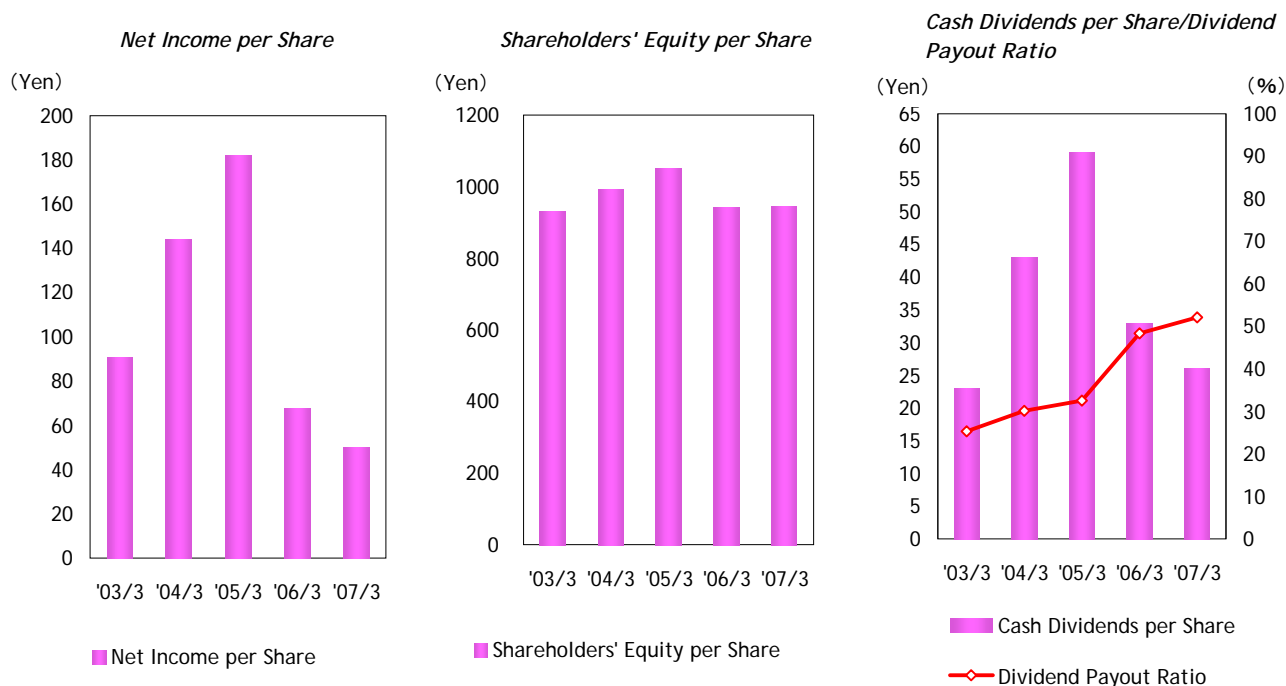
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## Consolidated Per Share Data



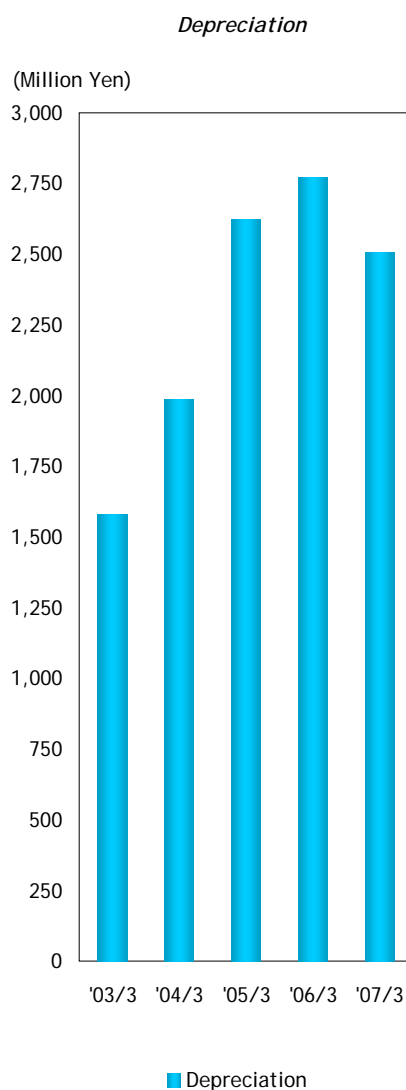
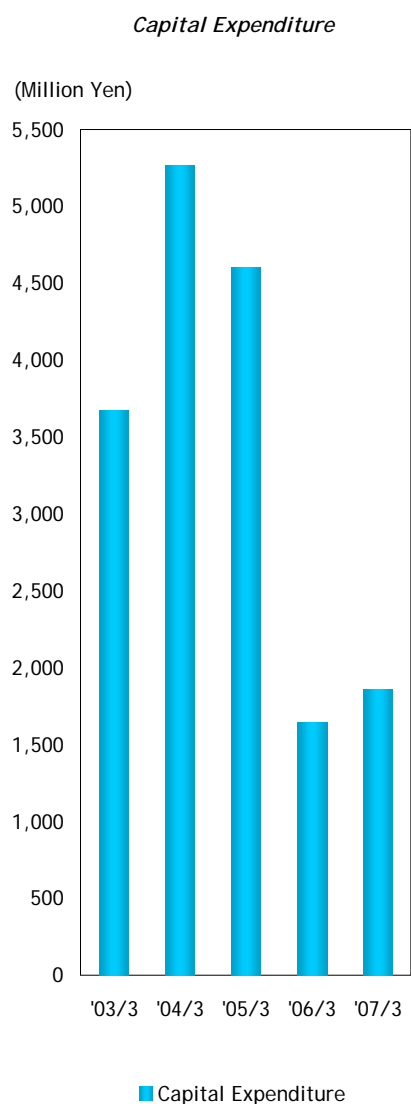
Fiscal Year Ended	'03/3	'04/3	'05/3	'06/3	'07/3
Net Income per Share(Yen)	115.15	173.17	216.83	108.06	62.83
Shareholders' Equity per Share(Yen)	1092.69	1174.57	1251.92	1209.94	1231.45

## Parent's Per Share Data



Fiscal Year Ended	'03/3	'04/3	'05/3	'06/3	'07/3
Net Income per Share(Yen)	90.87	143.73	182.11	67.31	49.86
Shareholders' Equity per Share(Yen)	932.23	991.84	1051.65	940.76	945.02
Cash Dividends per Share(Yen)	23	43	59	33	26
Dividend Payout Ratio(%)	25.3	30.1	32.5	48.4	52.1

## Consolidated Capital Expenditure

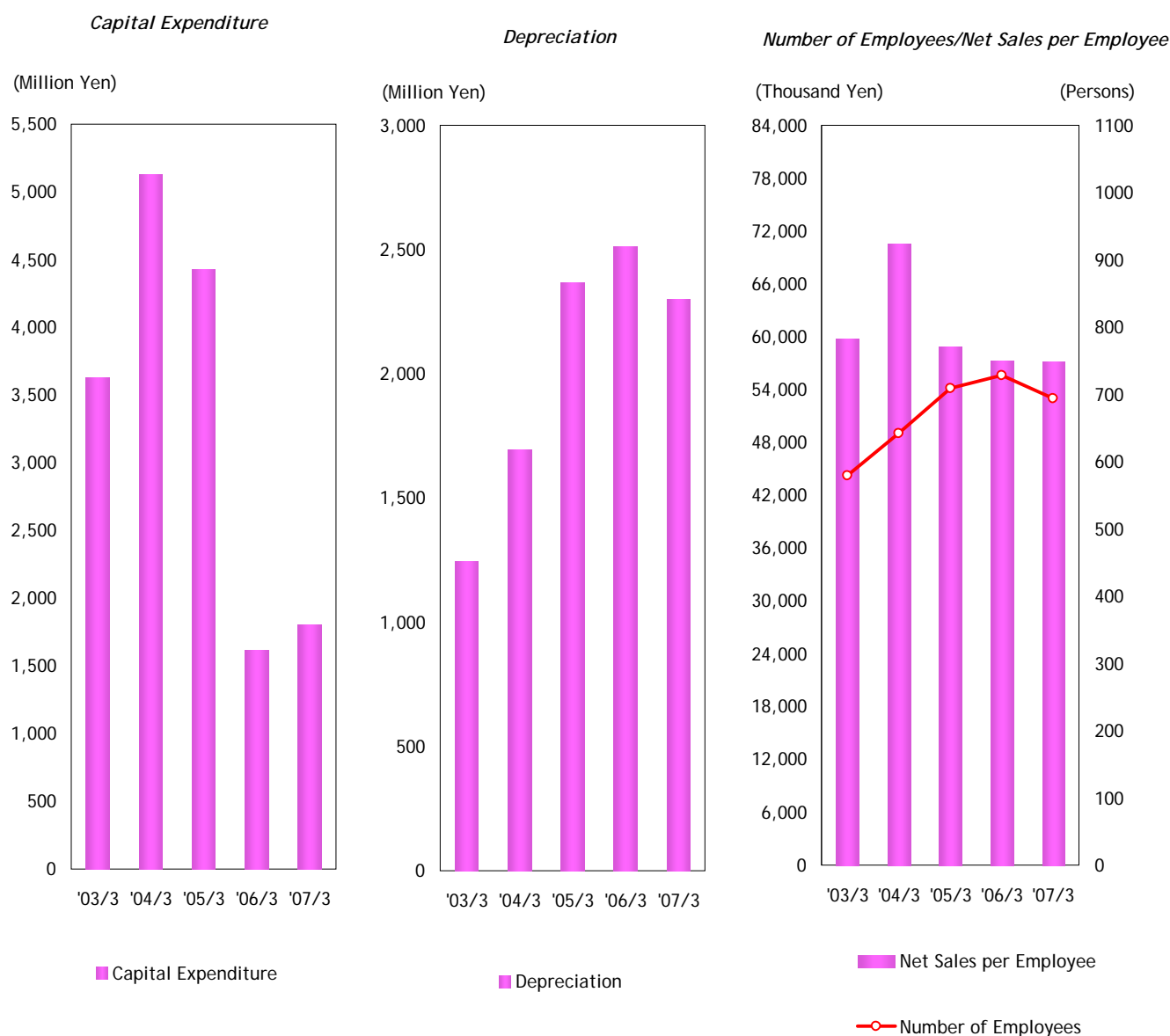


Fiscal Year Ended	'03/3	'04/3	'05/3	'06/3	'07/3
Capital Expenditure(Million Yen)	3,671	5,267	4,599	1,641	1,861
Depreciation(Million Yen)	1,578	1,989	2,621	2,771	2,507
Inventory Turnover Period(Days)	38.5	36.0	40.2	61.1	60.0
Interest Coverage	316.8	1402.7	5,079.5	1,796.0	1,716.1

Note: Inventory Turnover Period(Days)=(Average Inventory/Net Sales)X365

The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

## Parent's Capital Expenditure



Fiscal Year Ended	'03/3	'04/3	'05/3	'06/3	'07/3
Capital Expenditure(Million Yen)	3,630	5,130	4,428	1,615	1,806
Depreciation(Million Yen)	1,244	1,692	2,366	2,511	2,300
Inventory Turnover Period(Days)	26.7	29.0	34.3	55.1	51.7
Interest Coverage	1298.7	2307.9	2307.9	2805.3	1130.1
Number of Employees(including part time employees)	579	642	709	728	694
Net Sales per Employee(including part time employees)(Thousand Yen)	59,748	70,509	58,810	57,275	57,164
Labor Productivity(\ Thousands)	19,480	25,939	28,179	16,461	17,046
Labor's Relative Share(%)	45.3	43.7	37.3	43.4	44.6

Note: Inventory Turnover Period(Days)=(Average Inventory/Net Sales)X365

Labor Productivity=Value Added/Number of Employees

The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

## Consolidated Balance Sheet

(Million Yen)

Fiscal Year Ended		'03/3	'04/3	'05/3	'06/3	'07/3
<b>Assets</b>	<b>Current Assets</b>	23,631	28,006	29,647	25,625	22,679
	Cash and Time Deposits	9,597	9,937	8,656	6,569	5,343
	Notes and Accounts Receivable, Trade	8,698	11,078	12,390	10,138	9,685
	Securities	160	160	-	-	-
	Inventories	4,233	5,368	7,295	7,700	6,331
	Deferred Tax Assets	590	1,078	566	278	334
	Other Current Assets	369	403	757	990	1,037
	Allowance for Doubtful Receivables	-18	-21	-17	-50	-51
	<b>Fixed Assets</b>	21,081	25,404	29,121	30,760	30,764
	<b>(Tangible Fixed Assets)</b>	13,185	16,435	18,343	16,908	16,152
	Buildings and Structures	5,056	5,867	7,299	7,474	7,194
	Machinery, Equipment and Automotive Equipment	4,245	6,279	7,218	6,869	6,538
	Tools, Furnitures, Fixtures	194	220	239	257	279
	Land	1,567	1,567	1,551	1,550	1,551
	Construction in Progress	2,123	2,501	2,036	758	590
	<b>(Intangible Fixed Assets)</b>	61	154	125	96	124
	<b>(Investments and Other Assets)</b>	7,831	8,813	10,653	13,756	14,488
	Investments in Securities	7,217	8,409	9,991	13,346	14,028
	Long-Term Loans	64	75	292	296	466
	Deferred Tax Assets	358	157	104	50	49
	Other Investments	216	191	292	231	203
Allowance for Doubtful Receivables	-25	-21	-26	-167	-258	
<b>Total Assets</b>	<b>44,712</b>	<b>53,410</b>	<b>58,768</b>	<b>56,385</b>	<b>53,443</b>	
<b>負債の部 Liabilities</b>	<b>Current Liabilities</b>	14,886	17,903	16,837	12,975	9,786
	Notes and Accounts Payable, Trade	8,430	10,233	11,278	9,916	7,160
	Short-Term Loan Payables	646	196	196	194	190
	Accrued Income Taxes	1,623	2,262	1,782	822	379
	Deferred Tax Liabilities	0	0	0	0	0
	Reserve for Bonuses	1,093	1,853	1,049	788	458
	Other Current Liabilities	3,093	3,356	2,532	1,255	1,599
	<b>Long-Term Liabilities</b>	511	405	500	483	540
	Long-Term Debt	31	10	4	-	-
	Deferred Tax Liabilities	-	83	205	345	426
	Severance and Retirement Benefits	291	154	36	38	37
	Reserve for Officers' Retirement Bonuses	169	136	-	-	-
	Consolidated Adjustments	5	4	3	-	-
	Other Long-Term Liabilities	14	15	252	100	77
<b>Total Liabilities</b>	<b>15,398</b>	<b>18,308</b>	<b>17,337</b>	<b>13,458</b>	<b>10,326</b>	
<b>Minority Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>資本の部 Shareholders' Equity</b>	<b>Common Stock</b>	6,378	6,802	7,023	7,101	7,117
	Additional Paid-in Capital	5,491	5,914	6,135	6,214	6,229
	<b>Consolidated Surplus</b>	17,437	21,931	27,798	30,882	31,917
	Net Unrealized holding gains on Securities available for Sales	71	550	615	1,076	921
	Cumulative Translation Adjustments	-42	-37	-18	98	115
	Treasury Stock	-22	-60	-122	-2,444	-3,210
	Cost from Issue of New Bonds	-	-	-	-	28
	<b>Total Shareholders' Equity</b>	<b>29,314</b>	<b>35,101</b>	<b>41,431</b>	<b>42,927</b>	<b>43,117</b>
	<b>Total Liabilities, Minority Interest and Shareholders' Equity</b>	<b>44,712</b>	<b>53,410</b>	<b>58,768</b>	<b>56,385</b>	<b>53,443</b>

(注)財務諸表等の一部改正に伴い、改正後の表示区分に組替えてあります。

Note: The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

(注)記載金額は、百万円未満を切り捨てて表示してあります。

Note: Amounts Less than one million yen are omitted

## Consolidated Income Statement

(Million Yen)

Fiscal Year Ended	'03/3	'04/3	'05/3	'06/3	'07/3
Net Sales	37,004	48,629	57,552	44,759	42,652
Cost of Sales	29,024	37,293	43,571	37,433	36,655
Gross Profit	7,980	11,336	13,981	7,326	5,997
Selling, General and Administrative Expenses	3,544	3,803	4,108	3,498	3,254
<b>Operating Income</b>	<b>4,435</b>	<b>7,532</b>	<b>9,873</b>	<b>3,828</b>	<b>2,743</b>
Non-Operating Income	1,168	1,276	1,398	1,869	1,097
Interest and Dividend Income	70	69	66	84	60
Other Non-Operating Income	1,098	1,207	1,332	1,785	1,037
Non-Operating Expenses	327	463	139	377	260
Interest Expenses	15	5	2	2	2
Other Non-Operating Expenses	312	458	137	375	258
<b>Ordinary Income</b>	<b>5,276</b>	<b>8,345</b>	<b>11,132</b>	<b>5,320</b>	<b>3,580</b>
Extraordinary Income	18	156	141	700	579
Extraordinary Losses	352	337	18	656	756
Income Before Income Taxes	4,941	8,164	11,255	5,364	3,403
Corporation Tax . Inhabitant Tax and Business Taxes	2,350	3,528	3,456	1,302	1,059
Provision for Income Taxes—Deferred	-523	-515	643	170	131
Minority Stockholder Income	-4	0	0	0	0
<b>Net Income</b>	<b>3,119</b>	<b>5,150</b>	<b>7,156</b>	<b>3,892</b>	<b>2,213</b>

Note: The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

Note: Amounts Less than one million yen are omitted

## Consolidated Cash Flows Statement

(Million Yen)

Fiscal Year Ended	'03/3	'04/3	'05/3	'06/3	'07/3
<b>Cash Flows from Operating Activities</b>					
Income before Income Taxes	4,941	8,164	11,256	5,365	3,403
Depreciation	1,577	1,988	2,620	2,772	2,533
Amortization of Excess of Investments Cost Over Equity in Net Assets of Consolidated Subsidiaries	-	-1	-1	-	-
Equity in Earnings of Unconsolidated Subsidiaries and Affiliates	-878	-897	-994	-1,298	-704
Gain on Sale of Investments in Securities	-	-156	-40	-570	-514
Loss on Sale of Investments in Securities	-	-	-	36	-
Gain on Sale of Properties	-18	0	-67	-2	-17
Loss on Sale of Properties	-	-	-	0	1
Fixed assets tax refund	-	-	-33	-	-
Cost from Issue of New Bonds	1	7	4	3	1
Loss on Disposal of Tangible Fixed Assets	29	34	6	338	111
Loss on Write-Down of Investments in Securities	97	303	1	168	51
Golf-course-membership depreciation loss	-	-	10	-	-
Exchange Loss(Gain)	154	98	-9	-60	18
(Decrease) Increase in Reserve for Officers' Retirement Bonuses	19	-32	3	-	-
Increase in Reserve for Bonuses	464	760	-804	-263	-329
Decrease in Reserve for Retirement Allowances	143	-137	-118	1	0
Decrease in Allowance for Doubtful Receivables	-5	-1	0	207	91
Interest and Dividend Income	-70	-69	-66	-84	-60
Interest Expenses	15	5	1	2	2
(Increase) Decrease in Receivables	-711	-2,370	-1,342	2,260	453
(Increase) Decrease in Inventories	-692	-1,134	-1,926	-405	1,369
(Decrease) Increase in Purchase Liabilities	2,586	1,803	1,043	-1,362	-2,756
(Decrease) Increase in Accrued Consumption Taxes	97	25	139	-325	127
(Increase) Decrease in Other Assets	46	2	-268	-290	-193
Increase in Other Liabilities	138	236	-275	-184	-94
Bonuses of Directors and Statutory Auditors	-32	-40	-5	-8	-8
<b>Subtotal</b>	<b>7,905</b>	<b>8,590</b>	<b>9,133</b>	<b>6,301</b>	<b>3,485</b>
Interest and Dividend Received	120	250	330	402	625
Interest Paid	-14	-5	-1	-2	-2
Income Taxes Paid	-1,228	-2,901	-4,026	-2,230	-1,490
<b>TOTAL</b>	<b>6,783</b>	<b>5,934</b>	<b>5,436</b>	<b>4,471</b>	<b>2,618</b>
<b>Cash Flows from Investing Activities</b>					
Payments for Received Time Deposits	-3,898	-5,770	-2,150	-2,950	-1,235
Proceeds from Purchase Time Deposits	1,452	4,099	5,124	4,310	1,210
Payments for Purchase of Investments in Securities	-2,537	-5,212	-5,018	-2,579	-1,551
Proceeds from Sales of Property, Plant and Equipment	191	0	97	9	34
Payments for Purchase of Investments in Securities	-782	-491	-1,098	-1,181	-1,199
Proceeds from Sales of Investments in Securities	-	621	222	1,133	830
Payments for Loans	-81	-250	-276	-185	-83
Proceeds from Recovery of Loans	301	191	107	349	91
Other	-26	-103	-2	-4	-69
<b>TOTAL</b>	<b>-5,381</b>	<b>-6,914</b>	<b>-2,994</b>	<b>-1,098</b>	<b>-1,972</b>
<b>Cash Flows from Financing Activities</b>					
Decrease in Short-Term Loans	-347	-432	-	-	-
Borrowings of Long-Term Debt	-	-	-	-	-
Repayments of Long-Term Borrowings	-36	-39	-6	-6	-4
Proceeds from Issue of Bonds	114	840	436	154	31
Payments for Purchase of Treasury Stock and Proceeds from Sale	-20	-38	-61	-2,322	-766
Cash Dividends	-510	-615	-1,283	-1,949	-1,169
<b>TOTAL</b>	<b>-799</b>	<b>-285</b>	<b>-914</b>	<b>-4,123</b>	<b>-1,908</b>
Translation difference of Cash and Cash Equivalents	-52	-3	5	15	10
Changes in Cash and Cash Equivalents	550	-1,269	1,532	-735	-1,251
Cash and Cash Equivalents at Beginning of Year	5,251	5,773	4,503	6,036	5,309
Cash of New Consolidated Subsidiaries and Cash and Cash Equivalents at Beginning of Year	11	-	-	-	-
Cash of Removing Consolidated Subsidiaries and Cash and Cash Equivalents at Mid-Term of Year	-40	-	-	-	-
Changes in Cash and Cash Equivalents	-	-	-	7	-
Cash and Cash Equivalents at End of Year	5,773	4,503	6,036	5,309	4,058

Note: Amounts Less than one million yen are omitted

## Parent's Balance Sheet

(Million Yen)

Fiscal Year Ended		'03/3	'04/3	'05/3	'06/3	'07/3
<b>Assets</b>	<b>Current Assets</b>	21,175	25,356	26,731	22,615	19,117
	Cash and Time Deposits	8,747	8,977	7,504	5,450	3,777
	Notes Receivable, Trade	1,403	1,487	1,257	1,510	1,731
	Accounts Receivable, Trade	6,638	8,550	10,123	7,729	6,876
	Loans of Subsidiaries	549	942	-	-	-
	Securities	160	160	-	-	-
	Inventories	3,025	4,164	6,001	6,578	5,237
	Prepaid Expenses	21	26	199	567	450
	Deferred Tax Assets	493	939	470	182	244
	Other Current Assets	147	117	1,190	648	851
	Allowance for Doubtful Receivables	-8	-10	-13	-49	-49
	<b>Fixed Assets</b>	18,007	21,387	24,206	23,269	22,985
	<b>(Tangible Fixed Assets)</b>	12,627	15,813	17,629	16,245	15,500
	Buildings	4,536	5,304	6,603	6,736	6,469
	Structures	226	271	353	417	418
	Machinery and Equipment	4,143	6,099	6,978	6,667	6,340
	Vehicles and Automotive Equipment	13	22	43	37	42
	Tools, Furnitures, Fixtures	176	204	221	240	257
	Land	1,407	1,407	1,390	1,389	1,391
	Construction in Progress	2,123	2,502	2,038	759	583
	<b>(Intangible Fixed Assets)</b>	36	149	120	93	121
	<b>(Investments and Other Assets)</b>	5,339	5,420	6,453	6,931	7,364
	Investments in Securities	2,243	2,643	2,509	3,099	2,982
	Stocks of affiliated companies	1,974	1,935	2,982	3,219	3,881
	Investments	0	0	0	0	-
	Investments to affiliated companies	36	15	16	2	-
	Long-term loans	35	37	268	294	464
	Long-term loans to employees	8	19	5	2	2
	Long-term loans to affiliated companies	763	634	445	260	100
	Long-term prepaid expense	20	20	120	107	91
	Deferred Tax Assets	179	-	-	-	-
	Investments real estate	5	5	5	1	1
	Other Investments	91	131	116	115	100
	Allowance for doubtful accounts	-15	-19	-13	-168	-257
	<b>Total Assets</b>	<b>39,185</b>	<b>46,744</b>	<b>50,937</b>	<b>45,884</b>	<b>42,102</b>
<b>Liabilities</b>	<b>Current Liabilities</b>	13,762	16,763	15,687	12,071	8,600
	Notes Payable, Trade	4,262	4,474	5,169	5,272	3,919
	Accounts Payable, Trade	3,775	5,051	5,296	4,127	2,547
	Short-Term Loan Payables	210	190	190	190	190
	Accounts Payable, Other	963	1,211	1,006	575	605
	Accrued Income Taxes	1,530	2,112	1,666	663	143
	Expenses Unpaid	30	263	213	112	74
	Reserve for Bonuses	920	1,612	893	618	317
	Deposits Received	30	32	43	52	29
	Employee Savings Deposits	387	390	-	-	-
	Bills Payable for Plant and Equipment	1,650	1,410	1,175	433	754
	Other Current Liabilities	2	15	36	29	22
	<b>Long-Term Liabilities</b>	407	343	453	443	408
	Long-Term Debt	-	-	-	-	-
	Deferred Tax Liabilities	-	83	205	345	332
	Reserve for Retirement Allowances	228	109	-	-	-
	Reserve for Officers' Retirement Bonuses	166	136	-	-	-
	Other Long-Term Liabilities	12	13	248	98	76
	<b>Total Liabilities</b>	<b>14,170</b>	<b>17,107</b>	<b>16,140</b>	<b>12,514</b>	<b>9,008</b>
<b>Shareholders' Equity</b>	<b>Common Stock</b>	6,378	6,802	7,023	7,101	7,117
	Capital surplus	5,491	5,914	6,135	6,214	6,229
	Capital reserve	5,491	5,914	6,135	6,213	6,229
	<b>Earned surplus</b>	13,094	16,426	21,145	21,426	22,013
	Earned surplus reserve	748	748	748	748	748
	Voluntary reserve	9,312	11,012	12,709	16,352	18,354
	Dividends reserve	171	171	171	172	172
	Fixed asset depreciation reserve	2	2	1	46	51
	Reserve for special depreciation	9	8	6	4	1
	Other retained earnings	9,130	10,830	12,530	16,130	18,130
	<b>Unappropriated Retained Earnings</b>	3,031	4,665	7,687	4,326	2,911
	Unappropriated Retained Earnings	3,031	4,665	7,687	4,326	2,911
	Net Unrealized holding gains on Securities available for Sales	73	553	615	1,073	918
	Treasury Stock	-22	-60	-122	-2,444	-3,210
	新株予約権 Cost from Issue of New Bonds	-	-	-	-	27
	<b>Total Shareholders' Equity</b>	<b>25,015</b>	<b>29,636</b>	<b>34,796</b>	<b>33,370</b>	<b>33,094</b>
	<b>Total Liabilities and Shareholders' Equity</b>	<b>32,718</b>	<b>39,185</b>	<b>46,744</b>	<b>50,937</b>	<b>42,102</b>

Note: The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

Note: Amounts Less than one million yen are omitted

## Parent's Income Statement

(Million Yen)

Fiscal Year Ended	'03/3	'04/3	'05/3	'06/3	'07/3
<b>Net Sales</b>	34,594	45,267	54,149	41,696	39,672
Cost of Sales	27,243	34,896	41,246	35,423	34,775
Gross Profit	7,351	10,370	12,903	6,273	4,897
Selling, General and Administrative Expenses	2,968	3,389	3,830	3,291	3,127
<b>Operating Income</b>	<b>4,382</b>	<b>6,980</b>	<b>9,072</b>	<b>2,982</b>	<b>1,770</b>
Non-Operating Income	732	823	898	1,220	1,281
Interest and Dividend Income	145	266	347	505	731
Other Non-Operating Income	587	557	550	715	550
Non-Operating Expenses	562	551	312	526	407
Interest Expenses	3	3	1	1	1
Other Non-Operating Expenses	559	548	310	525	406
<b>Ordinary Income</b>	<b>4,552</b>	<b>7,252</b>	<b>9,658</b>	<b>3,676</b>	<b>2,644</b>
Extraordinary Income	19	155	141	700	577
Extraordinary Losses	330	336	15	807	744
Income Before Income Taxes	4,242	7,071	9,785	3,570	2,477
Corporation Tax . Inhabitant Tax and Business Taxes	2,204	3,309	3,233	1,033	689
Provision for Income Taxes—Deferred	-431	-508	548	118	32
<b>Net Income</b>	<b>2,469</b>	<b>4,271</b>	<b>6,003</b>	<b>2,419</b>	<b>1,756</b>

Note: The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

Note: Amounts Less than one million yen are omitted