

# Condensed Consolidated Financial Information

for the First Quarter of the FY 2008  
(April 1, 2008 through June 30, 2008)

SANYO CHEMICAL INDUSTRIES, LTD.

URL <http://www.sanyo-chemical.co.jp>

## **Cautionary Statement with Respect to Forward-Looking Statement**

This financial information contains forward-looking statements that are based on Sanyo Chemical Group's current plans, strategies and results. These forward-looking statements were formulated by managers based on currently-available information, but actual results may vary significantly depending on the economic environment where Sanyo Chemical Group conduct its business, competitive conditions, changes in the states of product development, relevant laws and regulations, and fluctuations in the currency exchange rate. Moreover, the factors that can affect these forward-looking statements are not limited to those listed here.

The following summary of the business results that Sanyo Chemical Group submitted Tokyo & Osaka Stock Exchange is unaudited and for reference only.

Ticker code : 4471

# Consolidated Financial Highlights

## Results of Operations

	1Q-FY 2008		1Q-FY 2007	
	Millions of Yen	Change	Millions of Yen	Change
Net sales	<b>¥34,492</b>	—	¥31,667	9.3%
Operating income	<b>975</b>	—	1,477	(3.2%)
Ordinary income	<b>1,127</b>	—	1,987	5.7%
Net income	<b>577</b>	—	1,031	16.9%

	1Q-FY 2008	1Q-FY 2007
	Yen	Yen
Net income per share	<b>¥5.24</b>	¥9.35
Net income per share, diluted	<b>¥4.85</b>	¥8.65

## Financial Condition

	1Q-FY 2008	FY 2007
	Millions of Yen	Millions of Yen
Total assets	<b>¥147,181</b>	¥148,717
Net assets	<b>86,414</b>	87,555
Shareholders' equity ratio	<b>57.2%</b>	57.2%
Net assets per share : Yen	<b>762.41</b>	770.38
Shareholders' equity	<b>84,132</b>	85,016

## Cash Dividend

	FY 2007	FY 2008 (Forecast)
	Yen	Yen
Cash dividend per share		
1Q (as of June 30)	—	—
2Q (as of Sept. 30)	<b>7.50</b>	7.50
3Q (as of Dec. 31)	—	—
4Q (as of March 31)	<b>7.50</b>	7.50
Total	<b>15.00</b>	15.00

## Forecast

	1st Half-FY 2008		FY 2008	
	Millions of Yen	Change	Millions of Yen	Change
Net sales	<b>¥68,000</b>	—	<b>¥146,000</b>	8.0%
Operating income	<b>¥2,100</b>	—	<b>¥6,000</b>	13.3%
Ordinary income	<b>2,700</b>	—	<b>7,000</b>	19.9%
Net income	<b>1,500</b>	—	<b>4,100</b>	183.5%
Net income per share : Yen	<b>¥13.59</b>	—	<b>¥37.15</b>	—

### Notes:

1. Amounts are rounded down to the nearest million.
2. The percentage change is year-on-year change compared with the same period of the previous fiscal year.
3. The computations of net income per share of common stock are based on the weighted average number of shares outstanding during each period.

**Basis for preparation of quarterly financial statements**

- (1) Changes in scope of consolidation: not applicable
- (2) Employment of simplified accounting method and special accounting method for the preparation of quarterly financial statements: Yes  
Note: For the details, please refer to "4. Other Matters" appearing on page 6 of the "Commentaries on Business Performance and Financial Position of the First Quarter of Fiscal 2008"
- (3) Changes to accounting standards and special methods for the preparation of quarterly financial statements (Changes in the items included in the preparation of quarterly financial statements)
  - a. Revisions to accounting standards: Yes
  - b. Changes other than those mentioned in the preceding item: NoneNote: For the details, please refer to "4. Other Matters" appearing on page 6 of the "Commentaries on Business Performance and Financial Position of the First Quarter of Fiscal 2008"
- (4) Number of shares issued (Ordinary shares of common stock)
  - a. Number of shares issued at the end of the period (including treasury shares)  
End of first quarter (June 30, 2008): 117,673,760 shares  
End of previous period (March 31, 2008): 117,673,760 shares
  - b. Treasury shares at the end of the period  
End of first quarter (June 30, 2008): 7,323,516 shares  
End of previous period (March 31, 2008): 7,318,348 shares
  - c. Average number of shares (first quarter)  
Reporting first quarter (ended June 30, 2008): 110,353,675 shares  
Previous first quarter (ended June 30, 2007): 110,371,165 shares

**Disclaimer**

1. No changes have been made to full-term earnings projections released on April 30, 2008. Forward-looking statements are based on information available at the time of writing, and actual results may differ substantially from our estimates.
2. From the reporting quarter, we have applied Business Accounting Standard No. 12 (Accounting Standards for the Preparation of Quarterly Financial Statements) and Application Guidelines for Accounting Standard No. 14 (Application Guidelines for Accounting Standards for the Preparation of Quarterly Financial Statements). In addition, our quarterly financial statements have been prepared in accordance with current regulations governing the preparation of consolidated quarterly financial statements.

# Commentaries on Business Performance and Financial Position of the First Quarter of FY 2008

## **(1) Business Performance: Operating Environment**

During the first quarter (April 1 through June 30, 2008), the Japanese economy showed further signs of deceleration, reflecting the recessionary trend in the USA, which was triggered by the subprime loan problem. Surging raw material and fuel costs have also been a significant contributing factor.

Business conditions remained difficult in the chemical industry due to the continued surging trend in the price of naphtha, the primary raw material for petrochemicals.

Net sales in the first quarter of FY 2008 increased briskly by 8.9% from the same period of the previous fiscal year to ¥34,492 million. However, operating income decreased by 34.0% to ¥975 million, and ordinary income decreased by 43.3% to ¥1,127 million. This was because the sales increase, a revision of product prices and cost reductions were not sufficient to cover surging raw material and fuel costs.

Net income decreased by 44.0% to ¥577 million, due in part to the posting of ¥180 million in on the loss on devaluation of investments in securities.

Sales by product group were as follows.

### **Surfactants**

Sales of industrial surfactants increased because sales of detergent base with superior biodegradability were substantially increased with high valuation among customers and a revision of product prices in response to surging raw material and fuel costs as well as the steady sales growth of polyethylene glycol.

In the area of surfactants for textiles, sales increased for agents used in textile manufacturing processes for industrial materials such as carbon fibers, airbags and seat belts for automobiles due to demand for these products. However, sales for textile agents for clothing remained sluggish due to a protracted decrease in demand in Japan.

As a result, total net sales in this product group increased by 8.2% from the same period of the previous fiscal year to ¥6,079 million.

### **Polyurethane Chemicals**

Sales of raw materials for polyurethane foam increased supported by the new launch of raw materials for high-performance polyurethane foam as well as a revision of product prices in response to surging raw material and fuel costs.

In the area of polyurethane resins, sales increased substantially due to continued strong sales growth both in Japan and overseas in sales of thermoplastic polyurethane beads (TUB) for the interior parts of automobiles. Demand for waterborne resins for automobile paints was also steady both in Japan and overseas.

As a result, total net sales in this product group increased by 9.2% from the same period of the previous fiscal year to ¥8,770 million.

### **Lipophilic high-molecular agents**

Sales of copier-related products were sluggish because sales of toner resins for pulverized toners remained unchanged from the same period of the previous fiscal year and anticipation of product model changes resulted in sluggish sales of polyester beads (PEB) used as a core component of polymerization toners.

Sales of lubricating oils and machining-related products increased substantially due to a revision of product prices in response to surging raw material and fuel costs, in addition to brisk demand for lubricating oil additives for automobile transmissions.

Sales of coating and adhesive-related products increased supported by a growth of brisk demand for adhesives for medical equipment and binders for fiberglass.

As a result, total net sales in this product group increased by 7.5% from the same period of the previous fiscal year to ¥7,259 million.

### **Hydrophilic high-molecular agents**

Sales of superabsorbent polymers increased due to steady demand for hygiene use materials including disposable diapers both in Japan and overseas,

Sales of water treatment products increased briskly due to a revision of product prices in response to surging raw material and fuel costs and the sales expansion of cationic polymer flocculants.

As a result, total net sales in this product group increased by 7.8% from the same period of the previous fiscal year to ¥7,720 million.

### **Specialty products**

In the area of polymer modifier-related products, sales increased steadily because sales of resin modifiers for automobile paints in overseas increased briskly, although sales of permanent antistatic agents used in packaging materials for electronic components remained unchanged.

In the area of electric/electronic-related products, sales increased briskly supported by a strong demand for silicon wafer processing agents in Japan and overseas, and a growth of demand for electrolytes for aluminum electrolytic capacitors for digital home appliances.

Among other products, sales of epoxy resins for iron reinforcing joints increased.

As a result, total net sales in this product group increased by 15.4% from the same period of the previous fiscal year to ¥4,198 million.

#### **Note:**

We have made year-on-year comparisons in this section. However, there are differences in the accounting standards employed in the reporting first quarter and the first quarter of the previous fiscal year. Changes in accounting standards prevent us from performing a year-on-year comparison in the strict sense of the term. For further details see page 6, "4. Other Matters" (Item 3).

## **(2) Financial Condition**

The Company's financial position at the end of the quarter under review was as follows.

Total assets declined by ¥1,536 million from the previous term-end, to ¥147,181 million on a consolidated basis. The equity ratio (net assets after deduction of minority interests, as a percentage of total assets) remained at the previous term-end level of 57.2%.

During the reporting quarter, cash and cash equivalents declined by ¥2,709 million from the previous term-end, to end the quarter at ¥8,773 million.

Cash flow movements, and the factors influencing them, in the quarter are as follows.

#### Cash Flows from Operating Activities

Net cash from operating activities totaled ¥26 million. The main cash inflows were income before income taxes and minority interests of ¥986 million and depreciation and amortization amounting to ¥1,892 million. These cash inflows outweighed outflows consisting of an increase in inventories of ¥1,299 million resulting from sales growth and income tax paid of ¥599 million.

#### Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥1,973 million, due mainly to payments for acquisition of property, plant and equipment totaling ¥1,570 million.

#### Cash Flows from Financing Activities

Net cash used in financing activities totaled ¥833 million, mainly reflecting ¥793 million in dividend payments.

## **(3) Earnings Forecasts (Consolidated Basis)**

The Company has made no change to its interim and full-term earnings forecasts released on April 30, 2008 (consolidated basis). During the quarter under review, we achieved 51% of our first-half sales target, 46% of our operating income target, 42% of our ordinary income target, and 39% of our net income target.

The posting of unrealized losses on investment securities in the reporting first quarter has resulted in a low level of net income for the term. However, we expect this to have no significant impact on our earnings performance for the fiscal 2008 first-half and full-term periods. For this reason, we have not undertaken a downward revision in our earnings forecasts.

#### **(4) Other Matters**

##### **1 Significant changes affecting subsidiaries during the period under review (changes in the scope of consolidation)**

Nothing to report

##### **2 Employment of simplified accounting method and the special accounting method for the preparation of quarterly financial statements**

Regarding tax expenses, we have prepared rational estimates of the effective tax rate after the application of tax-effect accounting on income before income taxes for the current full-term period (which includes the reporting first-quarter). Income taxes for the first quarter have been calculated by multiplying income before income taxes for the reporting quarter by the said effective tax rate. Amounts corresponding to deferred income taxes are included in the income tax amount.

##### **3 Changes in the methods used for preparation of quarterly financial statements**

From the reporting quarter, we have applied Business Accounting Standard No. 12 (Accounting Standards for the Preparation of Quarterly Financial Statements) and Application Guidelines for Accounting Standard No. 14 (Application Guidelines for Accounting Standards for the Preparation of Quarterly Financial Statements). In addition, our quarterly financial statements have been prepared in accordance with "Regulations governing the preparation of consolidated quarterly financial statements."

# Consolidated Financial Statements

## Consolidated Balance Sheets (Assets)

	1 Q-FY 2008 as of June 30, 2008	Reference : FY 2007 as of March 31, 2008
	Millions of Yen	Millions of Yen
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and time deposits	8,773	11,482
Notes and accounts receivable-trade	39,294	38,932
Securities	100	100
Finished goods	11,078	10,353
Semi-finished goods	4,148	3,808
Raw materials	3,740	3,439
Work in process	224	538
Deferred income taxes	1,142	1,152
Other current assets	2,086	1,231
Allowance for doubtful accounts	(30)	(29)
Total current assets	70,558	71,008
<b>Fixed assets</b>		
Property, plant and equipment, at cost		
Buildings and structures	13,730	14,037
Machinery and vehicles	22,840	24,121
Land	7,700	7,808
Construction in progress	4,799	3,621
Other property, plant and equipment	1,847	2,000
Property, plant and equipment, net	50,918	51,589
Intangible assets		
Software	455	484
Goodwill	495	548
Other intangible assets	177	191
Intangible assets, net	1,129	1,224
Investments and other assets		
Investments in securities	22,910	22,632
Long-term loans receivable	11	17
Deferred income taxes	600	1,035
Other investments and other assets	1,110	1,266
Allowance for doubtful accounts	(57)	(57)
Total investments and other assets	24,575	24,894
Total fixed assets	76,623	77,709
<b>Total assets</b>	<b>147,181</b>	<b>148,717</b>



## Consolidated Balance Sheets (Liabilities and Net Assets)

	1Q-FY 2008 as of June 30, 2008	Reference : FY 2007 as of March 31, 2008
	Millions of Yen	Millions of Yen
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	26,740	26,986
Short-term loans	2,024	1,867
Current portion of long-term debt	1,084	980
Accrued income taxes	533	587
Accrued bonuses to employees	722	1,703
Accrued bonuses to directors and corporate auditors	19	60
Notes payable-other	2,744	2,310
Other current liabilities	6,458	5,219
Total current liabilities	40,328	39,715
<b>Long-term liabilities</b>		
Unsecured convertible bonds	10,000	10,000
Long-term debt	3,695	4,275
Deferred income taxes	-	108
Accrued retirement benefits for employees	5,007	5,113
Accrued retirement benefits for directors and corporate auditors	827	1,123
Other liabilities	907	824
Total long-term liabilities	20,438	21,446
<b>Total liabilities</b>	<b>60,766</b>	<b>61,161</b>
<b>Net assets</b>		
Shareholders' equity		
Common stock	13,051	13,051
Capital surplus	12,198	12,198
Retained earnings	61,492	61,742
Treasury stock, at cost	(5,673)	(5,670)
Total shareholders' equity	81,068	81,321
Valuation and translation adjustments		
Unrealized gains on other securities	3,972	3,340
Translation adjustments	(908)	353
Total valuation and translation adjustments	3,063	3,694
Minority interests	2,282	2,539
Total net assets	86,414	87,555
<b>Total liabilities and net assets</b>	<b>147,181</b>	<b>148,717</b>

## Consolidated Statements of Income

	1Q-FY 2008 April 2008 through June, 2008 Millions of Yen
<b>Net sales</b>	<b>34,492</b>
Cost of sales	<b>28,794</b>
<b>Gross profit</b>	<b>5,698</b>
Selling, general and administrative expenses	<b>4,722</b>
<b>Operating income</b>	<b>975</b>
Non-operating income	
Interest income	<b>22</b>
Dividend income	<b>164</b>
Equity in earnings of unconsolidated affiliates	<b>24</b>
Rent income of real estate	<b>89</b>
Other	<b>38</b>
Total non-operating income	<b>339</b>
Non-operating expenses	
Interest expense	<b>86</b>
Exchange (loss) gain, net	<b>52</b>
Other	<b>47</b>
Total non-operating expenses	<b>187</b>
<b>Ordinary income</b>	<b>1,127</b>
Extraordinary expenses	
Loss on disposal of property, plant and equipment	<b>28</b>
Loss on devaluation of investments in securities	<b>108</b>
Other	<b>3</b>
Total extraordinary expenses	<b>140</b>
<b>Income before income taxes and minority interests</b>	<b>986</b>
<b>Income taxes</b>	<b>419</b>
<b>Minority interests</b>	<b>(10)</b>
<b>Net income</b>	<b>577</b>

## Consolidated Statements of Cash Flows

	1Q-FY 2008 April 2008 through June 2008 Millions of Yen
<b>Operating Activities</b>	
Income before income taxes and minority interests	986
Depreciation and amortization	1,892
Loss on disposal of property, plant and equipment	28
Amortization of difference between investment costs and equity in net assets acquired	52
Increase (decrease) in allowance for doubtful accounts	0
Increase (decrease) in accrued bonuses to employees	(980)
Increase (decrease) in accrued retirement benefits for employees	(106)
Increase (decrease) in accrued retirement benefits for directors and corporate auditors	(295)
Increase (decrease) in accrued bonuses to directors and corporate auditors	(40)
Interest and dividend income	(187)
Interest expense	86
Equity in losses (earnings) of unconsolidated affiliates	(24)
Decrease (Increase) in devaluation of investments in securities	108
Non-operating income or expenses	(50)
Decrease (increase) in notes and accounts receivable	(637)
Decrease (increase) in inventories	(1,299)
Decrease (increase) in other assets net	(621)
Increase (decrease) in notes and accounts payable	168
Increase (decrease) in consumption taxes payable	16
Increase (decrease) in other liabilities	1,168
<b>Subtotal</b>	<b>266</b>
Interest and cash dividend income received	351
Interest expense paid	(84)
Other	91
Income taxes paid	(599)
<b>Net cash provided by operating activities</b>	<b>26</b>
<b>Investing activities</b>	
Purchases of property, plant and equipment	(1,570)
Gains from sales of property, plant and equipment	0
Acquisition of investments in securities	(98)
Disbursements for loans	(220)
Payments received on loans	6
Other	(90)
<b>Net cash used in investing activities</b>	<b>(1,973)</b>

	<b>1Q-FY 2008</b>
	April 2008
	through June 2008
	Millions of Yen
<b>Financing Activities</b>	
Proceeds from short-term loans	<b>1,567</b>
Repayment of short-term loans	<b>(1,261)</b>
Repayments of long-term debt	<b>(252)</b>
Proceeds from disposition of treasury stock	<b>0</b>
Purchase of treasury stock	<b>(3)</b>
Cash dividends paid	<b>(793)</b>
Cash dividends paid to minority shareholders of consolidated subsidiaries	<b>(90)</b>
Net cash provided by (used in) financing activities	<b>(833)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(73)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,854)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>11,482</b>
<b>Proceeds from purchase of newly consolidated subsidiaries</b>	<b>145</b>
<b>Cash and cash equivalents at the end of period</b>	<b>8,773</b>

From the reporting quarter, we have applied Business Accounting Standard No. 12 (Accounting Standards for the Preparation of Quarterly Financial Statements) and Application Guidelines for Accounting Standard No. 14 (Application Guidelines for Accounting Standards for the Preparation of Quarterly Financial Statements). In addition, our quarterly financial statements have been prepared in accordance with “Regulations governing the preparation of consolidated quarterly financial statements.”

#### 4 Premise of Going Concern

None

#### 5 Segment Information

##### a. Industry Segments

The main operations of the Company and its consolidated subsidiaries (the “Companies”) are manufacturing and distributing chemical products. The Companies’ operations by business segment for the first quarter are not disclosed since most of the products have common characteristics, manufacturing methods, and markets.

##### b. Geographic Segments

For the first quarter (From April 1, 2008 to June 30, 2008)

(Millions of yen)

	Japan	America	China	Other	Total
Sales					
(1) Sales to customers	30,515	1,277	2,269	430	34,492
(2) Sales from inter-segment transactions and transfers	1,165	3	64	-	1,233
Total	31,680	1,281	2,334	430	35,726
Operating income (loss)	1,116	(130)	(35)	(25)	924

	Eliminations or Corporate	Consolidated
Sales		
(1) Sales to customers	-	34,492
(2) Sales from inter-segment transactions and transfers	(1,233)	-
Total	(1,233)	34,492
Operating income	50	975

##### c. Sales to Foreign Customers

For the first quarter (From April 1, 2008 to June 30, 2008)

(Millions of yen)

	Asia	(of which, China)	America	Other	Total
I. Overseas sales	6,341	(3,331)	1,963	2,526	10,831
II. Consolidated sales	-	-	-	-	34,492
III. Overseas sales as a percentage of consolidated sales	18.4%	(9.7%)	5.7%	7.3%	31.4%

Notes:

1. The term “overseas sales” refers to sales of the parent company and its consolidated subsidiaries registered in countries and regions outside Japan.

2. Areas included in each country or region are determined based on their degree of proximity.

3. Main countries or regions included in each geographic segment

(1) Asia: Korea, China, Indonesia, India, and Thailand

(2) The Americas: U.S.A., Mexico, and Brazil

(3) Other: Australia, Europe, Russia, and the Middle East

#### 6 Significant Changes in Shareholders’ Equity

None

## Reference

### Consolidated Statements of Income

	1Q-FY 2007 April 2007 through June 2007 Millions of Yen
<b>Net sales</b>	<b>31,667</b>
Cost of sales	<b>25,567</b>
<b>Gross profit</b>	<b>6,100</b>
Selling, general and administrative expenses	<b>4,622</b>
<b>Operating income</b>	<b>1,477</b>
Non-operating income	<b>632</b>
Interest income	<b>36</b>
Dividend income	<b>148</b>
Equity in earnings of unconsolidated affiliates	<b>138</b>
Other	<b>309</b>
Non-operating expenses	<b>122</b>
Interest expense	<b>66</b>
Other	<b>55</b>
<b>Ordinary income</b>	<b>1,987</b>
<b>Extraordinary gain</b>	<b>2</b>
Gains from sales of property, plant and equipment	<b>2</b>
<b>Extraordinary expenses</b>	<b>32</b>
Loss on disposal of property, plant and equipment	<b>32</b>
<b>Income before income taxes and minority interests</b>	<b>1,957</b>
<b>Income taxes</b>	<b>760</b>
<b>Minority interests</b>	<b>164</b>
<b>Net income</b>	<b>1,031</b>

## Consolidated Statements of Cash Flows

	1Q-FY 2007 April 2007 through June 2007 Millions of Yen
<b>Operating Activities</b>	
Income before income taxes and minority interests	1,957
Depreciation and amortization	1,938
Loss on disposal of property, plant and equipment	44
Amortization of difference between investment costs and equity in net assets acquired	(185)
Interest and dividend income	66
Interest expense	(138)
Equity in losses (earnings) of unconsolidated affiliates	759
Decrease (increase) in notes and accounts receivable	(23)
Decrease (increase) in inventories	(837)
Decrease (increase) in other assets net	497
Increase (decrease) in notes and accounts payable	861
Increase (decrease) in other liabilities	(1,464)
Subtotal	3,476
Interest and cash dividend income received	364
Interest expense paid	(70)
Income taxes paid	(869)
Other	74
Net cash provided by operating activities	2,975
<b>Investing activities</b>	
Purchases of property, plant and equipment	(2,930)
Acquisition of investments in securities	(1)
Disbursements for loans	(70)
Payments received on loans	3
Other	(50)
Net cash used in investing activities	(3,048)
<b>Financing Activities</b>	
Proceeds from short-term loans	1,151
Repayment of short-term loans	(815)
Proceeds from long-term debt	200
Purchase of treasury stock	(6)
Cash dividends paid	(800)
Others	(359)
Net cash provided by (used in) financing activities	(630)
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>147</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(556)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>15,287</b>
<b>Cash and cash equivalents at the end of period</b>	<b>14,730</b>

## Supplement Data

### Trend of Each Quarter Results

#### Consolidated

##### Previous Fiscal Year

(Millions of Yen)

	FY 2007				
	1Q	2Q	3Q	4Q	Total
	April 2007 through June 2007	July 2007 through Sept. 2007	Oct 2007 through Dec. 2007	Jan. 2008 through March 2008	April 2007 through March 2008
Net sales	31,667	31,443	35,707	36,396	135,214
Gross profit	6,100	5,566	6,267	6,217	24,151
Operating income	1,477	836	1,519	1,460	5,293
Ordinary income	1,987	900	1,564	1,383	5,836
Net income	1,031	(262)	887	(210)	1,446

##### Current Fiscal Year

(Millions of Yen)

	FY 2008	Reference: FY 2007	
	1Q	1Q	4Q
	April 2008 through June 2008	April 2007 through June 2007	Jan. 2008 through March 2008
Net sales	34,492	8.9%	(5.2%)
Gross profit	5,698	(6.6%)	(8.4%)
Operating income	975	(34.0%)	(33.2%)
Ordinary income	1,127	(43.3%)	(18.5%)
Net income	577	(44.0%)	—

#### Non-Consolidated

##### Previous Fiscal Year

(Millions of Yen)

	FY 2007				
	1Q	2Q	3Q	4Q	Total
	April 2007 through June 2007	July 2007 through Sept. 2007	Oct. 2007 through Dec. 2007	Jan. 2008 through March 2008	April 2007 through March 2008
Net sales	23,202	23,715	26,193	27,266	100,377
Gross profit	4,194	4,029	4,583	4,648	17,455
Operating income	707	477	1,091	1,149	3,425
Ordinary income	1,570	1,058	1,462	1,210	5,301
Net income	1,117	(252)	1,054	14	1,934

##### Current Fiscal Year

(Millions of Yen)

	FY 2008	Reference: FY 2007	
	1Q	1Q	4Q
	April 2008 through June 2008	April 2007 through June 2007	Jan. 2008 through March 2008
Net sales	25,747	11.0%	(5.6%)
Gross profit	4,271	1.8%	(8.1%)
Operating income	774	9.5%	(32.6%)
Ordinary income	1,396	(11.0%)	15.4%
Net income	899	(19.4%)	5,957.8%