

Consolidated Statements of Income

(Millions of yen)

| | Year ended March 31, 2007 | | Year ended March 31, 2008 | | Increase (Decrease) |
|--|------------------------------|-------------------|------------------------------|-------------------|------------------------|
| | Amount | % of Net sales | Amount | % of Net sales | |
| Net sales | 620,769 | 100.0 | 623,050 | 100.0 | 2,281 |
| Cost of sales | 436,548 | 70.3 | 453,255 | 72.7 | 16,707 |
| Gross income | 184,221 | 29.7 | 169,795 | 27.3 | (14,426) |
| Selling, general and administrative expenses | 136,147 | 22.0 | 132,042 | 21.2 | (4,105) |
| Operating income | 48,074 | 7.7 | 37,753 | 6.1 | (10,321) |
| Non-operating income | 4,420 | 0.7 | 5,941 | 0.9 | 1,521 |
| Interest and dividends income | 2,713 | | 2,882 | | 169 |
| Other | 1,707 | | 3,059 | | 1,352 |
| Non-operating expenses | 11,063 | 1.7 | 12,669 | 2.0 | 1,606 |
| Interest expense | 1,607 | | 1,380 | | (227) |
| Other | 9,456 | | 11,289 | | 1,833 |
| Ordinary income | 41,431 | 6.7 | 31,025 | 5.0 | (10,406) |
| Extraordinary gains | 2,202 | 0.4 | 4,197 | 0.6 | 1,995 |
| Gain on sales of fixed assets | 361 | | 3,638 | | 3,277 |
| Gain on sales of investment securities | 1,247 | | 17 | | (1,230) |
| Gain on sales of consolidated subsidiaries and affiliates | 231 | | | | (231) |
| Government grants | 360 | | 540 | | 180 |
| Other | 3 | | 2 | | (1) |
| Extraordinary losses | 2,250 | 0.4 | 11,334 | 1.8 | 9,084 |
| Loss on disposal and sales of fixed assets | 1,112 | | 1,368 | | 256 |
| Loss on devaluation of investment securities | 145 | | 591 | | 446 |
| Provision for accrued retirement benefits for directors and corporate auditors | 459 | | | | (459) |
| Loss on disposal of inventories | 295 | | | | (295) |
| Loss on dissolution of a consolidated subsidiary | | | 1,160 | | 1,160 |
| Loss on transfer of business | | | 7,922 | | 7,922 |
| Other | 239 | | 293 | | 54 |
| Income before income taxes and minority interests | 41,383 | 6.7 | 23,888 | 3.8 | (17,495) |
| Income taxes-current | 16,407 | 2.6 | 11,157 | 1.8 | (5,250) |
| Income taxes-deferred | (1,424) | (0.2) | 2,652 | 0.4 | 4,076 |
| Minority interests | (1,253) | (0.2) | 2,109 | 0.4 | 3,362 |
| Net income | 25,147 | 4.1 | 12,188 | 2.0 | (12,959) |