

July 31, 2007

## Brief First-Quarter Consolidated Financial Report for the Year Ending March 31, 2008

Listed company name: Ariake Japan Co., Ltd.  
 Code No.: 2815  
 Listing Exchanges: Tokyo, 1st Section  
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(Amounts under one thousand yen have been rounded down.)

### 1. Outline of Financial and Operating Results up to the First Quarter of FY2008 (April 1, 2007 to June 30, 2007)

#### (1) Outline of Operating Results

\* Percentage figures represent changes from previous year.

	Net sales		Operating income		Ordinary income		Net income	
	MY	%	MY	%	MY	%	MY	%
First quarter of FY2008	5,320	4.2	962	(28.3)	990	(27.7)	628	(26.8)
First quarter of FY2007	5,106	4.8	1,341	(1.1)	1,370	(1.2)	858	(0.9)
FY2007	22,449	—	5,466	—	5,300	—	3,110	—

	Net income per share	Net income per share/diluted
	Yen	Yen
First quarter of FY2008	19.53	—
First quarter of FY2007	26.18	—
FY2007	95.50	—

#### (2) Outline of Financial Results

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	MY	MY	%	Yen
First quarter of FY2008	52,103	43,156	82.4	1,336.03
First quarter of FY2007	47,511	42,120	88.3	1,285.00
FY2007	50,827	43,396	85.0	1,339.05

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents at term end
	MY	MY	MY	MY
First quarter of FY2008	544	(1,625)	949	12,796
First quarter of FY2007	226	(2,551)	(496)	17,499
FY2007	3,213	(10,384)	(921)	12,928

## 2. Dividends

The Company does not pay dividends at the end of the first quarter.

As for dividend forecasts, there have been no changes in FY2008 ending in March dividend forecasts for the first half and full fiscal year that were announced on May 16, 2007.

Record date	Dividend per share		
	End of 1st half	Year-end	Annual
FY2007	Yen 15.00	Yen 15.00	Yen 30.00
FY2008	—	—	—
FY2008 (projection)	15.00	15.00	30.00

## 3. Forecast for consolidated business results for FY2008 (April 1, 2007 to March 31, 2008) [Reference]

\* Percentage figures represent changes from previous year.

	Net sales		Operating income		Ordinary income		Net income		Net income per share	
	MY	%	MY	%	MY	%	MY	%	Yen	
Interim	11,650	13.8	2,253	(15.5)	2,361	(12.9)	1,368	(16.6)		42.39
Full-year	24,450	8.9	4,515	(17.4)	4,745	(10.5)	2,749	(11.6)		85.21

## 4. Others

(1) Significant changes in scope of consolidation: No

(2) Adoption of concise accounting method: Yes

(3) Changes in accounting methods from most recent consolidated fiscal year: No

Notes: See attached page3 "【Qualitative Information / Financial Statements】 4. Others".

### \* Explanation about the proper use of financial projections and other important notes

Since forecast described above have been made based on information available as of the date of announcement, actual results may be different from these forecast due to various factors.

## **【Qualitative Information / Financial Statements】**

### **1. Qualitative information on consolidated business results**

During the first quarter (April 1, 2007 - June 30, 2007), although there was no change in the upward trend in corporate performances lead by the private sector, costs rose on various fronts due to a rise in crude oil prices, and the Japanese economy slowly recovered.

In the food industry, business conditions were severe on several fronts including “food safety” scandals, more diversified consumer needs, and fiercer competition within the industry.

Under these conditions, as a leading manufacturer in the field of natural seasonings, the Group worked to expand its existing businesses and develop new ones, established a thorough quality and safety-hygiene control system, focused on “food safety” and “high quality,” and the whole group was devoted to increasing profits so as to achieve stable growth.

We completed construction of a new plant on the land adjacent to the No.2 Kyushu Plant in April 2007, and have launched operation. This capital investment included the introduction of new technology to meet all customer needs and greatly expanded production capability, including the replacement of the No.1 Kyushu Plant.

Furthermore, the French subsidiary and Belgium subsidiary have almost finished work on two plants, and after conducting test runs and making adjustments to equipment, operations will be launched in early Fall. Similarly, the expansion of facilities at the Chinese subsidiary is also expected to come on line in early fall after a test run.

As a result of all of these efforts, the Group and Company were able to record the following earnings for the first quarter (April 1, 2007 - June 30, 2007).

Net sales for the Company (Ariake Japan Co., Ltd.) rose 1.0% year on year since sales for the restaurant industry related operations rose, compensating for the stagnant sales growth in the prepared food and instant noodle sectors, and this was due to aggressive efforts to expand sales under harsh business conditions.

On the other hand, consolidated net sales rose 4.2% year on year, supported mainly by an increase in sales at overseas subsidiaries. Although this is 1.1% less than initially forecast, it has not affected forecasts for the full fiscal year.

As for ordinary income, the Company strived to reduce expenses but because of an increase in depreciation expenses (around 260 million yen) accompanying the expansion of the No.2 Kyushu Plant and an increase in overseas office expenses (around 40 million yen), it fell 23.4% (298 million yen) year on year to 973 million yen.

In addition, consolidated ordinary income declined 27.7% (380 million yen) year on year to 990 million yen because of growth in various expenses and an increase in construction expenses at the two European subsidiaries. This is 5.0% less than initial forecasts, but there is still the possibility of a rebound in ordinary income for the full fiscal year through management efforts.

Net income for the Company declined 16.8% year on year to 622 million yen, and consolidated net income shrank 26.8% to 628 million yen.

### **2. Qualitative information on consolidated financial condition**

As a result of an increase in fixed assets due mainly to capital investments, total assets grew 1,275 million yen, compared to the end of the previous consolidated fiscal year, to 52,103 million yen.

On the other hand, liabilities rose 1,515 million, compared to the end of the previous consolidated fiscal year, to 8,946 million yen, and this was chiefly because of an increase in borrowing by affiliated companies.

In addition, net assets declined 239 million yen, compared to the end of the previous consolidated fiscal year, to 43,156 million yen primarily as a result of the acquisition of treasury stocks.

As for cash flows from operating activities, there was net inflow of 544 million yen, which was predominately because of profits from a healthy business operation.

Regarding cash flows from investing activities, there was a net outflow of 1,625 million yen, and this was chiefly the result of an increase in fixed assets accompanying capital investments.

For cash flows from financing activities, there was a net inflow of 949 million yen due substantially to an increase in borrowing by overseas subsidiaries.

As result, the closing balance of cash and cash equivalents for the first quarter was 12,796 million yen.

### **3. Qualitative information on forecast for consolidated business result**

Business results for the first quarter were generally in line with forecasts. Therefore, there have been no changes in the Company's forecasts for the full fiscal year announced on May 16, 2007.

### **4. Others**

#### **(1) Significant changes in scope of consolidation**

There were no significant changes in scope of consolidation

#### **(2) Adoption of concise accounting method**

A concise accounting method has been adopted for calculation of income tax.

#### **(3) Changes in accounting methods from most recent consolidated fiscal year**

There were no significant changes in accounting methods from most recent consolidated fiscal year

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets (Summary)

(In thousand yen, %)

Account	Term	First Quarter of FY2007	First Quarter of FY2008	Changes		(Reference) FY2007
		Amount	Amount	Amount	Ratio	Amount
(Assets)						
I. Current assets						
1. Cash and time deposits		17,499,550	12,796,217	(4,703,333)		12,928,393
2. Notes and accounts receivable		4,476,794	4,957,246	480,451		5,033,634
3. Inventories		3,360,968	3,493,639	132,671		3,198,661
4. Deferred tax assets		176,962	124,596	(52,366)		124,596
5. Other current assets		414,081	699,910	285,828		672,109
6. Allowance for doubtful accounts		(3,659)	(10,267)	(6,607)		(9,525)
Total current assets		25,924,699	22,061,343	(3,863,356)	(14.9)	21,947,868
II. Fixed assets						
1. Tangible fixed assets						
(1) Buildings and structures		5,280,964	9,260,639	3,979,674		5,117,983
(2) Machines, devices, and delivery equipment		2,908,669	6,314,441	3,405,771		2,646,245
(3) Land		4,547,788	4,567,488	19,699		4,568,269
(4) Construction in progress		4,794,861	6,098,333	1,303,472		12,565,234
(5) Other fixed assets		101,324	123,282	21,958		106,922
Total tangible fixed assets		17,633,609	26,364,186	8,730,576	49.5	25,004,655
2. Intangible fixed assets						
3. Investments and other assets						
(1) Investments in securities		2,307,575	1,869,359	(438,216)		2,064,574
(2) Long-term loans		74,466	57,113	(17,352)		58,470
(3) Deferred tax assets		20,649	—	(20,649)		—
(4) Investments in real estates		566,524	568,531	2,007		570,156
(5) Other investments		772,611	1,049,828	277,216		1,042,111
(6) Allowance for doubtful accounts		(8,413)	(254)	8,159		(254)
Total investments and other assets		3,733,414	3,544,579	(188,835)	(5.1)	3,735,060
Total fixed assets		21,587,030	30,041,847	8,454,817	39.2	28,879,654
Total assets		47,511,729	52,103,190	4,591,460	9.7	50,827,522

Note: Amounts under one thousand yen have been rounded down.

(In thousand yen, %)

Account	Term	First Quarter of FY2007	First Quarter of FY2008	Changes		(Reference) FY2007
		Amount	Amount	Amount	Ratio	Amount
(Liabilities)						
I. Current liabilities						
1.	Notes and accounts payable	1,568,440	1,725,621	157,180		1,651,945
2.	Short-term loans payable	148,747	3,069,130	2,920,382		1,397,154
3.	Income taxes payable	509,134	404,084	(105,049)		899,302
4.	Allowance for employee bonuses	148,795	164,232	15,437		166,410
5.	Allowance for directors' bonuses	—	52,300	52,300		52,300
6.	Other current liabilities	2,214,263	2,597,212	382,948		2,225,118
	Total current liabilities	4,589,381	8,012,580	3,423,198	74.6	6,392,230
II. Long-term liabilities						
1.	Allowance for employee retirement benefits	582,605	601,148	18,542		605,346
2.	Other long-term liabilities	219,630	332,670	113,040		433,609
	Total long-term liabilities	802,235	933,818	131,583	16.4	1,038,955
	Total liabilities	5,391,617	8,946,399	3,554,782	65.9	7,431,186
(Net assets)						
I. Shareholders' equity						
1.	Common stock	7,095,096	7,095,096	—		7,095,096
2.	Capital surplus	7,833,869	7,833,869	—		7,833,869
3.	Retained earnings	26,720,827	28,625,701	1,904,874		28,481,472
4.	Treasury stocks	(110,454)	(1,535,773)	(1,425,319)		(1,284,247)
	Total shareholders' equity	41,539,338	42,018,893	479,554	1.2	42,126,189
II. Unrealized gains and adjustments						
1.	Unrealized gains on other securities	358,008	99,671	(258,337)		217,960
2.	Deferred gains on hedges	128,777	280,295	151,517		280,295
3.	Adjustment account for foreign currency exchange	(64,890)	557,940	622,831		577,703
	Total unrealized gains and adjustments	421,895	937,906	516,011	122.3	1,075,959
III. Minority interest						
	Total net assets	158,878	199,990	41,112	25.9	194,187
	Total net assets	42,120,112	43,156,790	1,036,678	2.5	43,396,336
	Total liabilities and net assets	47,511,729	52,103,190	4,591,460	9.7	50,827,522

Note: Amounts under one thousand yen have been rounded down.

## (2) Consolidated Statements of Income (Summary)

(In thousand yen, %)

Account	Term	First Quarter of FY2007	First Quarter of FY2008	Changes		(Reference) FY2007
		Amount	Amount	Amount	Ratio	Amount
I. Net sales		5,106,506	5,320,082	213,576	4.2	22,449,081
II. Cost of sales		2,913,755	3,375,475	461,720	15.8	13,104,269
Gross profit		2,192,750	1,944,606	(248,144)	(11.3)	9,344,812
III. Selling, general and administrative expenses		851,123	982,324	131,201	15.4	3,878,654
Operating income		1,341,627	962,282	(379,345)	(28.3)	5,466,157
IV. Non-operating income		63,721	114,504	50,782	79.7	163,947
Interest and dividends received		29,165	35,473	6,308		38,147
V. Non-operating expenses		34,524	86,093	51,569	149.4	329,642
Interest paid and discounts		2,199	10,565	8,366		17,224
Ordinary income		1,370,824	990,692	(380,131)	(27.7)	5,300,462
VI. Extraordinary income		620	—	(620)	—	29,421
VII. Extraordinary losses		3,740	892	(2,847)	(76.1)	69,446
Income before income tax		1,367,705	989,800	(377,904)	(27.6)	5,260,436
Income, inhabitant and business taxes		503,731	356,403	(147,327)	(29.2)	2,089,588
Adjustments for income and other taxes		—	—	—	—	34,577
Minority interest		5,773	5,216	(557)	(9.7)	25,552
Net income		858,200	628,179	(230,020)	(26.8)	3,110,718

Note: Amounts under one thousand yen have been rounded down.

## (3) Consolidated Statements of Changes in Shareholders' Equity (Summary)

First Quarter of FY2007 (April 1, 2006 to June 30, 2006)

(In thousand yen)

	Shareholders' equity					Unrealized gains and adjustments	Minority interest	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stocks	Total shareholder's equity			
Balance as of March 31, 2006	7,095,096	7,833,869	26,405,408	(109,089)	41,225,284	339,117	152,228	41,716,630
Changes for the first quarter								
Dividend from retained earnings (Note 1)			(491,681)		(491,681)			(491,681)
Bonuses for directors (Note 2)			(51,100)		(51,100)			(51,100)
Net income for the first quarter			858,200		858,200			858,200
Acquisition of treasury stocks				(1,365)	(1,365)			(1,365)
Disposal of treasury stocks								
Net changes in items other than those in shareholders' equity						82,778	6,650	89,428
Total changes for the first quarter	—	—	315,418	(1,365)	314,053	82,778	6,650	403,482
Balance as of June 30, 2006	7,095,096	7,833,869	26,720,827	(110,454)	41,539,338	421,895	158,878	42,120,112

First Quarter of FY2008 (April 1, 2007 to June 30, 2007)

(In thousand yen)

	Shareholders' equity					Unrealized gains and adjustments	Minority interest	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stocks	Total shareholder's equity			
Balance as of March 31, 2007	7,095,096	7,833,869	28,481,472	(1,284,247)	42,126,189	1,075,959	194,187	43,396,336
Changes for the first quarter								
Dividend from retained earnings (Note 3)			(483,950)		(483,950)			(483,950)
Net income for the first quarter			628,179		628,179			628,179
Acquisition of treasury stocks				(251,526)	(251,526)			(251,526)
Disposal of treasury stocks					—			—
Net changes in items other than those in shareholders' equity					—	(138,052)	5,803	(132,249)
Total changes for the first quarter	—	—	144,229	(251,526)	(107,296)	(138,052)	5,803	(239,545)
Balance as of June 30, 2007	7,095,096	7,833,869	28,625,701	(1,535,773)	42,018,893	937,906	199,990	43,156,790

【Reference】 FY2007 (April 1, 2006 to March 31, 2007)

(In thousand yen)

	Shareholders' equity					Unrealized gains and adjustments	Minority interest	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stocks	Total shareholder's equity			
Balance as of March 31, 2006	7,095,096	7,833,869	26,405,408	(109,089)	41,225,284	339,117	152,228	41,716,630
Changes during FY2007								
Dividend from retained earnings (Note 1)			(983,352)		(983,352)			(983,352)
Bonuses for directors (Note 2)			(51,100)		(51,100)			(51,100)
Net income			3,110,718		3,110,718			3,110,718
Acquisition of treasury stocks				(1,176,174)	(1,176,174)			(1,176,174)
Disposal of treasury stocks			(202)	1,015	813			813
Net changes in items other than those in shareholders' equity					—	736,841	41,959	778,801
Total changes during FY2007	—	—	2,076,063	(1,175,158)	900,904	736,841	41,959	1,679,706
Balance as of March 31, 2007	7,095,096	7,833,869	28,481,472	(1,284,247)	42,126,189	1,075,959	194,187	43,396,336

Notes:

1. Dividend from retained earnings of 491,681 thousand yen and interim dividend of 491,671 thousand yen as appropriation of surplus at the regular general meeting of shareholders in June, 2006.
2. The items as appropriation of surplus at the regular general meeting of shareholders in June, 2006.
3. Dividend from retained earnings as appropriation of surplus at the regular general meeting of shareholders in June, 2006.

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

(In thousand yen)

Account	Term	First Quarter of FY2007	First Quarter of FY2008	(Reference) FY2007
		Amount	Amount	Amount
<b>I. Cash flows from operating activities</b>				
Income before income tax		1,367,705	989,800	5,260,436
Depreciation and amortization		233,142	491,527	973,019
Interest and dividends received		(29,165)	(35,473)	(38,147)
Interest paid		2,199	10,565	17,224
Increase or decrease in accounts receivable-trade		240,850	74,402	(274,430)
Increase in inventories		(190,209)	(297,603)	4,440
Increase or decrease in trade payables		(8,384)	78,498	44,067
Payout of bonuses to directors		(51,100)	—	(51,100)
Others		(90,103)	17,946	(276,847)
Subtotal		1,474,934	1,329,663	5,658,662
Interest and dividend income received		29,165	35,473	38,147
Interest expenses paid		(2,199)	(10,565)	(17,224)
Income tax and other taxes paid		(1,275,551)	(810,122)	(2,466,181)
Cash flows provided by operating activities		226,348	544,449	3,213,404
<b>II. Cash flows from investing activities</b>				
Payments for acquisition of tangible fixed assets		(1,956,400)	(1,617,405)	(9,909,347)
Payments for acquisition of investment in securities		—	(1,579)	(17,838)
Payment for purchase of shares of subsidiaries		(595,702)	—	(595,702)
Proceeds from collection of loans receivable		1,713	1,476	20,149
Proceeds from subsidy		—	—	220,981
Others		(797)	(7,757)	(102,823)
Cash flows used in investing activities		(2,551,186)	(1,625,266)	(10,384,580)
<b>III. Cash flows from financing activities</b>				
Net decrease in short-term loans payable		(29,136)	1,651,042	1,217,147
Payment for acquisition of treasury stocks		(1,365)	(251,526)	(1,176,174)
Payments for dividends		(465,654)	(450,317)	(983,346)
Others		—	—	20,813
Cash flows provided by (used in) financing activities		(496,156)	949,199	(921,559)
IV. Conversion differential of cash and cash equivalents		(14,911)	(558)	685,671
V. Increase or decrease in cash and cash equivalents		(2,835,906)	(132,176)	(7,407,064)
VI. Balance of cash and cash equivalents at beginning of term		20,335,457	12,928,393	20,335,457
VII. Balance of cash and cash equivalents at the end of term		17,499,550	12,796,217	12,928,393

Note: Amounts under one thousand yen have been rounded down.



#### 4. Information by Segment

(Segment information by business)

First quarter of FY2007 (April 1, 2006 to June 30, 2006) and first quarter of FY2008 (April 1, 2007 to June 30, 2007)

Production, sales, operating income, and assets for the natural seasoning business segment accounted for more than 90% of total segment net sales, operating income, and total segment assets; therefore, segment information by business has been omitted.

(Segment information by region)

First quarter of FY2007 (April 1, 2006 to June 30, 2006)

(In thousand yen)

	Japan	Other regions	Total	Elimination or corporate	Consolidated
Net sales					
(1) External sales	4,637,183	469,322	5,106,506	—	5,106,506
(2) Internal sales to other segments or transfers	18,684	306,775	325,460	(325,460)	—
Total	4,655,868	776,097	5,431,966	(325,460)	5,106,506
Operating expenses	3,430,282	660,698	4,090,980	(326,101)	3,764,878
Operating income	1,225,586	115,399	1,340,985	641	1,341,627

Notes 1 Country and regional categories are based on similarities in economic activity.

2 Main countries and regions outside of Japan

Other regions: U.S., China, Taiwan, France, Belgium

First quarter of FY2008 (April 1, 2007 to June 30, 2007)

(In thousand yen)

	Japan	Other regions	Total	Elimination or corporate	Consolidated
Net sales					
(1) External sales	4,736,771	583,311	5,320,082	—	5,320,082
(2) Internal sales to other segments or transfers	14,351	303,190	317,542	(317,542)	—
Total	4,751,123	886,501	5,637,624	(317,542)	5,320,082
Operating expenses	3,912,097	816,767	4,728,865	(371,064)	4,357,800
Operating income	839,025	69,733	908,759	53,522	962,282

Notes 1 Country and regional categories are based on similarities in economic activity.

2 Main countries and regions outside of Japan

Other regions: U.S., China, Taiwan, France, Belgium

【Reference】 FY2007 (April 1, 2006 to March 31, 2007)

(In thousand yen)

	Japan	Other regions	Total	Elimination or corporate	Consolidated
Net sales					
(1) External sales	20,180,317	2,268,763	22,449,081	—	22,449,081
(2) Internal sales to other segments or transfers	56,359	1,354,321	1,410,681	(1,410,681)	—
Total	20,236,677	3,623,085	23,859,763	(1,410,681)	22,449,081
Operating expenses	15,301,993	3,179,385	18,481,378	(1,498,454)	16,982,923
Operating income	4,934,684	443,700	5,378,384	87,772	5,466,157

Notes 1 Country and regional categories are based on similarities in economic activity.

2 Main countries and regions outside of Japan

Other regions: U.S., China, Taiwan, France, Belgium

## 6. Non-consolidated Financial Statements

### (1) Non-consolidated Balance Sheets (Summary)

(In thousand yen, %)

Account	Term	First Quarter of FY2007	First Quarter of FY2008	Changes		(Reference) FY2007
		Amount	Amount	Amount	Ratio	Amount
(Assets)						
I. Current assets						
1.	Cash and time deposits	16,296,470	11,625,950	(4,670,520)		12,432,356
2.	Notes receivable	640,551	616,504	(24,047)		598,200
3.	Accounts receivable	3,457,634	3,873,935	416,300		3,980,838
4.	Inventories	2,910,282	2,971,038	60,756		2,733,709
5.	Other current assets	475,537	720,688	245,151		806,987
6.	Allowance for doubtful accounts	(3,072)	(9,507)	(6,435)		(8,757)
	Total current assets	23,777,404	19,798,610	(3,978,793)	(16.7)	20,543,335
II. Fixed assets						
1. Tangible fixed assets						
(1)	Buildings and structures	4,190,402	7,947,879	3,757,477		3,997,339
(2)	Machines, devices, and delivery equipment	2,045,399	5,424,508	3,379,108		1,788,379
(3)	Land	3,914,970	3,914,970	—		3,914,970
(4)	Other fixed assets	3,668,152	522,447	(3,145,704)		8,132,197
	Total tangible fixed assets	13,818,924	17,809,806	3,990,881	28.9	17,832,887
2.	Intangible fixed assets	16,107	21,014	4,907	30.5	22,245
3. Investments and other assets						
(1)	Investments in securities	2,306,075	1,867,859	(438,216)		2,063,074
(2)	Shares of affiliated companies	5,054,185	5,094,185	40,000		5,094,185
(3)	Long-term loans of affiliated companies	76,355	79,732	3,377		79,732
(4)	Investments in real estates	566,524	568,531	2,007		570,156
(5)	Other investments	1,257,201	1,437,349	180,148		1,425,118
(6)	Allowance for doubtful accounts	(8,413)	(254)	8,159		(254)
	Total investments and other assets	9,251,929	9,047,404	(204,524)	(2.2)	9,232,013
	Total fixed assets	23,086,962	26,878,225	3,791,263	16.4	27,087,147
	Total assets	46,864,366	46,676,836	(187,530)	(0.4)	47,630,482

Note: Amounts under one thousand yen have been rounded down.

(In thousand yen, %)

Account	Term	First Quarter of FY2007	First Quarter of FY2008	Changes		(Reference) FY2007
		Amount	Amount	Amount	Ratio	Amount
(Liabilities)						
I. Current liabilities						
1.	Notes payable	738,501	746,896	8,395		674,051
2.	Accounts payable	685,918	749,130	63,211		748,094
3.	Short-term loans payable	698,947	767,205	68,257		1,080,015
4.	Income taxes payable	541,261	403,287	(137,973)		897,032
5.	Allowance for employee bonuses	147,438	162,278	14,840		160,278
6.	Allowance for directors' bonuses	—	52,300	52,300		52,300
7.	Other current liabilities	1,423,271	1,012,993	(410,277)		918,673
	Total current liabilities	4,235,338	3,894,091	(341,246)	(8.1)	4,530,446
II. Long-term liabilities						
1.	Allowance for employee retirement benefits	582,605	601,148	18,542		605,346
2.	Deferred tax liabilities	120,155	16,187	(103,968)		98,391
	Total long-term liabilities	702,760	617,335	(85,425)	(12.2)	703,737
	Total liabilities	4,938,099	4,511,427	(426,672)	(8.6)	5,234,183
(Net assets)						
I. Shareholders' equity						
1.	Common stock	7,095,096	7,095,096	—		7,095,096
2.	Capital surplus	7,833,869	7,833,869	—		7,833,869
3.	Retained earnings	26,620,970	28,392,251	1,771,281		28,253,326
4.	Treasury stocks	(110,454)	(1,535,773)	(1,425,319)		(1,284,247)
	Total shareholders' equity	41,439,480	41,785,443	345,962	0.8	41,898,043
II. Unrealized gains and adjustments						
1.	Unrealized gains on other securities	358,008	99,671	(258,337)		217,960
2.	Deferred gains on hedges	128,777	280,295	151,517		280,295
	Total unrealized gains and adjustments	486,786	379,966	(106,820)	(21.9)	498,255
	Total net assets	41,926,267	42,165,409	239,142	0.6	42,396,298
	Total liabilities and net assets	46,864,366	46,676,836	(187,530)	(0.4)	47,630,482

## (2) Non-consolidated Statements of Income (Summary)

(In thousand yen, %)

Account	Term	First Quarter of FY2007	First Quarter of FY2008	Changes		(Reference) FY2007
		Amount	Amount	Amount	Ratio	Amount
I. Net sales		4,579,814	4,625,042	45,228	1.0	19,752,270
II. Cost of sales		2,630,136	2,933,571	303,435	11.5	11,547,858
Gross profit		1,949,677	1,691,470	(258,207)	(13.2)	8,204,411
III. Selling, general and administrative expenses		727,225	797,363	70,137	9.6	3,192,214
Operating income		1,222,452	894,107	(328,344)	(26.9)	5,012,197
IV. Non-operating income		61,410	114,632	53,221	86.7	157,361
Interest and dividends received		(28,064)	(34,966)	(6,901)		(35,482)
V. Non-operating expenses		11,811	34,893	23,082	195.4	223,797
Interest paid and discounts		—	—	—		—
Ordinary income		1,272,051	973,846	(298,205)	(23.4)	4,945,761
VI. Extraordinary income		—	—	—	—	28,639
VII. Extraordinary losses		3,721	892	(2,829)	(76.0)	68,849
Income before income tax		1,268,330	972,953	(295,376)	(23.3)	4,905,551
Income, inhabitant and business taxes		520,015	350,078	(169,937)	(32.7)	2,014,000
Adjustments for income and other taxes		—	—	—	—	19,006
Net Income		748,315	622,875	(125,439)	(16.8)	2,872,544

Note: Amounts under one thousand yen have been rounded down.