# Financial Results for Year Ended March 31, 2008

May 14, 2008

| | | | |
|---|---|---|---|
| Company Name | Ahresty Corporation | Stock Exchange Listing | TSE Second Section |
| Code Number | 5852 | URL http://www.ahresty.co.jp | |
| Representative | President & CEO | Arata Takahashi | |
| Contact for inquiries | General Manager of Accounting Department | Kunitoshi Hinuma | TEL 03-5332-6001 |

Planned date for regular general meeting of shareholders June 24, 2008
Planned date for start of dividend payments June 9, 2008
Planned date for Submission of securities report June 24, 2008

(Amounts of less than 1 million yen are rounded off)

1. Consolidated performance for year ended March 2008 (April 1, 2007 - March 31, 2008)

(1) Consolidated operating results (% shows change from previous term)

| | Sales | | Operating income | | Recurring income | | Net income | |
|---|---|---|---|---|---|---|---|---|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| Year ended March 2008 | 129,362 | 5.4 | 5,821 | (26.7) | 6,185 | (22.0) | 3,363 | (55.3) |
| Year ended March 2007 | 122,761 | 20.8 | 7,944 | 32.2 | 7,934 | 39.2 | 7,528 | 98.3 |

| | Net income per share | Fully diluted net income per share | Return on equity | Return on total asset | Operating profit on sales |
|---|---|---|---|---|---|
| | yen | yen | % | % | % |
| Year ended March 2008 | 154.66 | 154.56 | 7.5 | 6.0 | 4.5 |
| Year ended March 2007 | 351.15 | 351.11 | 19.2 | 8.6 | 6.5 |

(For reference) Investment gain or loss under equity method

Year ended March 2008: — million yen Year ended March 2007: 146 million yen

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|---|---|---|---|---|
| | million yen | million yen | % | yen |
| Year ended March 2008 | 101,894 | 45,299 | 44.4 | 2,081.01 |
| Year ended March 2007 | 103,974 | 44,596 | 42.9 | 2,049.46 |

(For reference) Shareholders' equity

Year ended March 2008: 45,250 million yen Year ended March 2007: 44,567 million yen

(3) State of consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Term-end balance of cash and cash equivalents |
|---|---|---|---|---|
| | million yen | million yen | million yen | million yen |
| Year ended March 2008 | 13,004 | (15,655) | 2,565 | 3,877 |
| Year ended March 2007 | 10,497 | (8,878) | (1,600) | 4,185 |

2. Dividend payments

| | Dividend per share | | | Total dividend (for year) | Dividend payout ratio (consolidated) | Dividend ratio to net asset (consolidated) |
|---|---|---|---|---|---|---|
| (Date of record) | End of midterm | End of year | For the year | | | |
| | yen | yen | yen | million yen | % | % |
| Year ended March 2007 | 9.00 | 14.00 | 23.00 | 500 | 6.5 | 1.2 |
| Year ended March 2008 | 9.00 | 14.00 | 23.00 | 500 | 14.9 | 1.1 |
| Year ending March 2009 (projection) | 11.00 | 12.00 | 23.00 | – | 15.2 | – |

3. Consolidated forecasts for year ending March 2009 (April 1, 2008 – March 31, 2009)

(% shows change from previous year and from previous interim term)

| | Sales | | Operating income | | Recurring income | | Net income | | Net income per share |
|---|---|---|---|---|---|---|---|---|---|
| | million yen | % | million yen | % | million yen | % | million yen | % | yen |
| Midterm | 63,000 | (1.6) | 2,100 | (33.1) | 2,300 | (31.1) | 1,350 | (17.3) | 62.08 |
| Full year | 134,000 | 3.6 | 5,200 | (10.7) | 5,500 | (11.1) | 3,300 | (1.9) | 151.76 |

4. Other matters

(1) Significant changes to subsidiaries during the current term (changes for a specified subsidiary accompanying a change in the scope of consolidation): None

(2) Change in accounting principles, procedures, or statement methods, etc. pertaining to the presentation of consolidated financial statements (matters reported under the heading of "Changes to the basis of presenting consolidated financial statements")

(i) Changes accompanying revision to accounting standards, etc.: Yes

(ii) Changes other than (i) above: None

(3) Number of shares outstanding (common stock)

(i) Number of shares outstanding at end of year (including treasury stock)

Year ended March 2008: 21,778,220 shares　　Year ended March 2007: 20,660,670 shares

(ii) Number of treasury stock at end of year

Year ended March 2008: 33,558 shares　　Year ended March 2007: 32,313 shares

(For reference) Outline of non-consolidated performance

1. Non-consolidated performance for year ended March 2008 (April 1, 2007 – March 31, 2008)

(1) Non-consolidated operating results　　(% shows change from previous term)

| | Sales | | Operating income | | Recurring income | | Net income | |
|---|---|---|---|---|---|---|---|---|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| Year ended March 2008 | 109,175 | 7.2 | 3,526 | (10.6) | 4,093 | (17.9) | 3,026 | (53.7) |
| Year ended March 2007 | 101,870 | 16.6 | 3,945 | 38.5 | 4,988 | 89.3 | 6,529 | 229.0 |

| | Net income per share | Fully diluted net income per share |
|---|---|---|
| | yen | yen |
| Year ended March 2008 | 139.16 | 139.07 |
| Year ended March 2007 | 304.19 | 304.15 |

(2) Non-consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|---|---|---|---|---|
| | million yen | million yen | % | yen |
| Year ended March 2008 | 82,777 | 34,474 | 41.6 | 1,583.15 |
| Year ended March 2007 | 80,660 | 33,041 | 40.9 | 1,518.06 |

(For reference) Shareholders' equity

Year ended March 2008: 34,425 million yen　　Year ended March 2007: 33,011 million yen

2. Non-consolidated forecasts for year ending March 2009 (April 1, 2008 – March 31, 2009)

(% shows change from previous year and from previous interim term)

| | Sales | | Operating income | | Recurring income | | Net income | | Net income per share |
|---|---|---|---|---|---|---|---|---|---|
| | million yen | % | million yen | % | million yen | % | million yen | % | yen |
| Midterm | 52,500 | 0.3 | 1,250 | (21.7) | 1,250 | (26.2) | 700 | (48.4) | 32.19 |
| Full year | 110,000 | 0.8 | 3,200 | (9.3) | 3,300 | (19.4) | 1,950 | (35.6) | 89.68 |

The above forecasts are established based on information available at the time of creating the document and include uncertain factors. Actual business results may differ from the forecasts due to changes in business conditions, etc.

## 1. Results of Operations

### (1) Analysis of operating results

(Operating results)

The Japanese economy sustained its recovery during the fiscal year under review, backed by strong exports, especially to emerging economies that continued to enjoy robust growth. However, with narrowing profit ratios associated with soaring raw material prices, corporate earnings began to fall, and capital expenditure slowed. Employment conditions continued to improve, but the improvement was halted in the second half of the fiscal year. Although personal spending increased modestly, the environment surrounding consumption became difficult. The U.S. economy slowed because of the expansion of the sub-prime mortgage crisis. Asian economies, led by China, continued to expand.

In this environment, the Group increased domestic and overseas sales, and bolstered facilities in Japan and in other countries. Therefore, operational results for this fiscal year were sales of ¥129,362 million (up 5.4% from the previous fiscal year), operating income of ¥5,821 million (down 26.7% from the previous fiscal year), recurring income of ¥6,185 million (down 22.0% from the previous fiscal year), and net income of ¥3,363 million (down 55.3% from the previous fiscal year).

Operating results by business segment are as follows:

In the Die Casting Business, sales reached ¥116,625 million (up 6.5% year on year), backed by an increase in exports to emerging countries, offsetting a decline in automobile unit sales associated with weaker domestic sales by automakers, our main customers, and the effect of the sub-prime mortgage crisis in North America. Operating income was ¥5,019 million (down 30.1%), primarily attributable to a rise in depreciation expenses following amendments to taxation legislation, which outweighed our efforts to cut selling expenses and other costs.

In the Aluminum Business, sales were ¥7,700 million (falling 1.4%). Although shipments of secondary alloy ingots to the key auto industry were solid, shipments to the non-auto sector registered sluggish growth from the third quarter, reflecting inventory adjustments and weaker demand. Operating income was ¥395 million (declining 9.4%), as reductions in manufacturing costs attributable to improve productivity were more than offset by rises in heavy oil and raw material costs.

In the Proprietary Products Business, sales fell to ¥5,036 million (down 7.2%). New building starts were delayed following the amendment to the Building Standards Law in June last year. Capital expenditure in the semiconductor segment failed to grow as expected. Operating income was ¥409 million (falling 13.5%), partly because of the effect of intensifying price competition, which offset the management of profit ratios.

Operating results by geographic segment are as follows:

(i) Japan

Exports of our mainstay automotive parts rose, backed by strong demand in emerging markets, even as unit sales of automobiles slowed in the major markets of Japan and North America. As a result, sales were ¥111,572 million (up 7.1%). Operating income was ¥5,729 million (down 13.5%), reflecting an increase in depreciation expenses associated with the tax amendments.

(ii) North America

Sales were ¥13,627 million (falling 14.4%), attributable to a decline in sales to Japanese manufacturers, our main customers, in a slowing economy troubled by sub-prime lending concerns. Operating income fell to ¥269 million (down 81.4%) as a result of investment in anticipation of the start of operation of Ahresty Mexicana, S.A. de C.V., a subsidiary in Mexico.

(iii) Other areas

Sales were ¥4,162 million (rising 53.5%), reflecting the contribution of the start of full operation of the production base in China (Guangzhou Ahresty Casting Co., Ltd.), which was expanded in the previous fiscal year. Operating income rose to ¥331 million (up 152.2%), partly thanks to initiatives to improve productivity in association with the higher sales.

(Out look for Fiscal year ended March 2009)

Consolidated basis (Millions of Yen)

| | Sales | Operating Income | Recurring Income | Net Income |
|---|---|---|---|---|
| For the year ended March 2009 | 134,000 | 5,200 | 5,500 | 3,300 |
| For the year ended March 2008 | 129,362 | 5,821 | 6,185 | 3,363 |
| Increase/decrease | 4,637 | (621) | (685) | (63) |
| Rate of increase/decrease | 3.6% | (10.7%) | (11.1%) | (1.9%) |

Overall, uncertainties remain given concerns affecting Japanese and overseas economies, including trends in crude oil prices and raw material costs, as well as exchange rate fluctuations. In this environment, we expect demand from auto manufacturers and automotive parts manufacturers, our main customers, to rise globally, although the rate of growth will slow. In contrast, income will be reduced by higher depreciation expenses associated with the tax amendments.

In the environment, sales are projected to be ¥134,000 million (up 3.6% year on year). We expect sales in the Aluminum Business and Proprietary Products Business to remain level, while sales in the Die Casting Business will continue to rise. Sales in the Die Casting Business are affected by material (ingot) costs. We estimate the influence will decrease ¥2,000 million from the previous year.

Operating income and recurring income are expected to become ¥5,200 million (down 10.7%) and ¥5,500 million (down 11.1%) respectively. Positive factors including a production increase associated with a rise in orders in the Die Casting Business and manufacturing cost reduction activities will be more than offset by an increase in depreciation expenses (¥700 million) following a tax revision. As a consequence, net income is expected to fall to ¥3,300 million (down 1.9%).

The consolidated forecasts are calculated based on the following exchange rates: ¥105 against the US dollar, ¥14.5 against the renminbi and ¥10 against the peso.

(2) Analysis of financial position

(i) Assets, liabilities and net assets

Assets fell ¥2,079 million from the previous fiscal year, to ¥101,894 million. Major increases included ¥2,986 million in tangible fixed assets arising from capital expenditure, mainly in die casting plants overseas. The primary decreases were ¥2,509 million in trade notes and accounts receivable, ¥1,939 million in investments in securities, and ¥489 million in cash and time deposits.

Liabilities declined ¥2,782 million, to ¥56,594 million. Principal increases included ¥2,685 million in interest-bearing debt, including loans. Major falls were ¥1,839 million in notes payable for equipment, ¥1,343 million in notes and accounts payable, ¥1,157 million in deferred tax liabilities, and ¥682 million in income taxes payable.

Net assets increased ¥703 million, to ¥45,299 million. The main rise was net income of ¥3,363 million. The principal decreases included the difference on revaluation of other marketable securities of ¥1,162 million, foreign currency translation adjustments of ¥1,015 million, and dividends paid of ¥500 million. As a result, the equity ratio rose from 42.9% to 44.4%.

(ii) Cash flows

(Cash flows from operating activities)

Net cash provided from operating activities rose ¥2,507 million from the previous fiscal year, to ¥13,004 million. The main factors were income before taxes of ¥5,792 million, depreciation of ¥10,146 million and corporate tax payments of ¥3,381 million.

(Cash flows from investing activities)

Net cash used for investing activities rose ¥6,776 million to ¥15,655 million. Revenues including ¥1,369 million on the sale of tangible fixed assets were more than offset by expenses, including ¥17,096 million for the acquisition of tangible fixed assets.

(Cash flows from financing activities)

Net cash provided from financing activities was ¥2,565 million (¥1,600 million was used in the previous fiscal year). The main factor was an increase in interest-bearing debt, including loans, of ¥3,118 million. Dividend payments were ¥498 million.

As a consequence, cash and cash equivalents at the end of the fiscal year became ¥3,877 million.

Transition of index related to cash flows

| | Fiscal year ended March 2004 | Fiscal year ended March 2005 | Fiscal year ended March 2006 | Fiscal year ended March 2007 | Fiscal year ended March 2008 |
|---|---|---|---|---|---|
| Equity Ratio (%) | 30.7 | 32.2 | 41.8 | 42.9 | 44.4 |
| Market Capitalization Equity Ratio (%) | 26.5 | 49.9 | 76.6 | 66.7 | 28.5 |
| Liabilities with Interest to Cash Flows (%) | 206.6 | 154.5 | 140.4 | 112.0 | 111.1 |
| Interest Coverage Ratio | 23.9 | 30.5 | 37.3 | 29.3 | 39.3 |

Equity ratio: Shareholders' equity / Total assets

Market value-based equity ratio: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows.

Interest coverage ratio: Cash flows / Interest paid.

(Note) 1. Each indicator is calculated based on consolidated figures.

2. Market capitalization is calculated based on the number of shares issued excluding treasury stock.

3. Cash flows mean cash provided by cash provided from operating activities.

4. Interest-bearing debt denotes all liabilities bearing interest recorded in the consolidated balance sheet.

(3) Basic policy on profit distribution

The Company views the continuing increase of corporate value as the most important return to shareholders. The Company's basic policy on dividends is to provide appropriate returns while bolstering the financial structure and the management base for business development in the medium and long terms. We pay dividends, taking into consideration the amount of investment necessary for medium- and long-term growth, the payout ratio, and consolidated results.

In principle, we pay a dividend twice a year (interim dividend and year-end dividend). The Board of Directors determines a dividend.

Based on the above policy, we decided to pay ¥23 per share (including an interim dividend of ¥9) for the fiscal year.

The Company's Articles of Incorporation stipulate that the Company can pay an interim dividend (the record date is September 30) under Article 454, paragraph 5 of the Corporate Code and that the Board of Directors can determine a dividend by resolution under Article 459, paragraph 1. In giving the Board of Directors the authority to determine a dividend, the Company intends to adopt a flexible approach to distributing profits to shareholders.

For the next term, we plan to pay an annual dividend of ¥23 (an interim dividend of ¥11 and a year-end dividend of ¥12).

## 2. Overview of Corporate Group

The Group consists of the Company and 18 subsidiaries and engages in three businesses: the Die Casting Business, Aluminum Business and Proprietary Products Business.

The overview of each business and the positions of the Company and subsidiaries in each business are described below.

Note that the three businesses listed below are classified the same as in the section on information by business segment listed in the notes to “4. Consolidated Financial Statements”.

### (1) Die Casting Business

Primary products include die castings, permanent mold castings and die casting dies, primarily for automobiles and motorcycles.

Die cast products progress through a number of steps before reaching the customer, from product design (including melt filling and strength analyses), die production to trial and mass production (die casting, machining, etc). Most affiliated group companies are involved with the Die Casting Business, either handling a part of the die cast manufacturing process or providing the equipment used in this process.

(i) Die Castings

Domestically, our company manufactures and sells die castings, and subsidiaries including Ahresty Tochigi, Ahresty Kumamoto, Ahresty Yamagata and one other subsidiary manufacture die castings. Outside of Japan, Ahresty Wilmington Corporation in the US and Guangzhou Ahresty Casting Co., Ltd. in China manufacture and sell die castings. Ahresty Mexicana, S.A. de C.V., a subsidiary in Mexico, started to manufacture and sell die castings in August 2007. And Ahresty India Private Limited, a subsidiary in India, are planned to begin to manufacture and sell die castings in autumn 2008 respectively. Our company outsources the machining and assembly of die castings to the aforesaid companies as well as to subsidiary Tokai Seiko Co., Ltd.

(ii) Permanent Mold Castings

Toyohashi plant of our company manufactures and sells permanent mold castings.

(iii) Die Casting Dies

In addition to our company handling die design and sales, domestic subsidiaries including Ahresty Die Mold Hamamatsu Corporation, Ahresty Die Mold Tochigi Corporation and Ahresty Die Mold Kumamoto Corporation manufacture die casting dies. Outside of Japan, Thai Ahresty Engineering Co., Ltd. handles a part of die design. Thai Ahresty Die Co., Ltd., Ahresty Taiwan Die Mold Corporation, and Ahresty Precision Die Mold (Guangzhou) Co., Ltd. manufacture and sell die casting dies.

(iv) Die Cast Peripherals

Ahresty Techno Service Corporation manufactures and sells die cooling parts and such.

### (2) Aluminum Business

Primary products include aluminum alloy ingots for die casting and aluminum alloy ingots for casting.

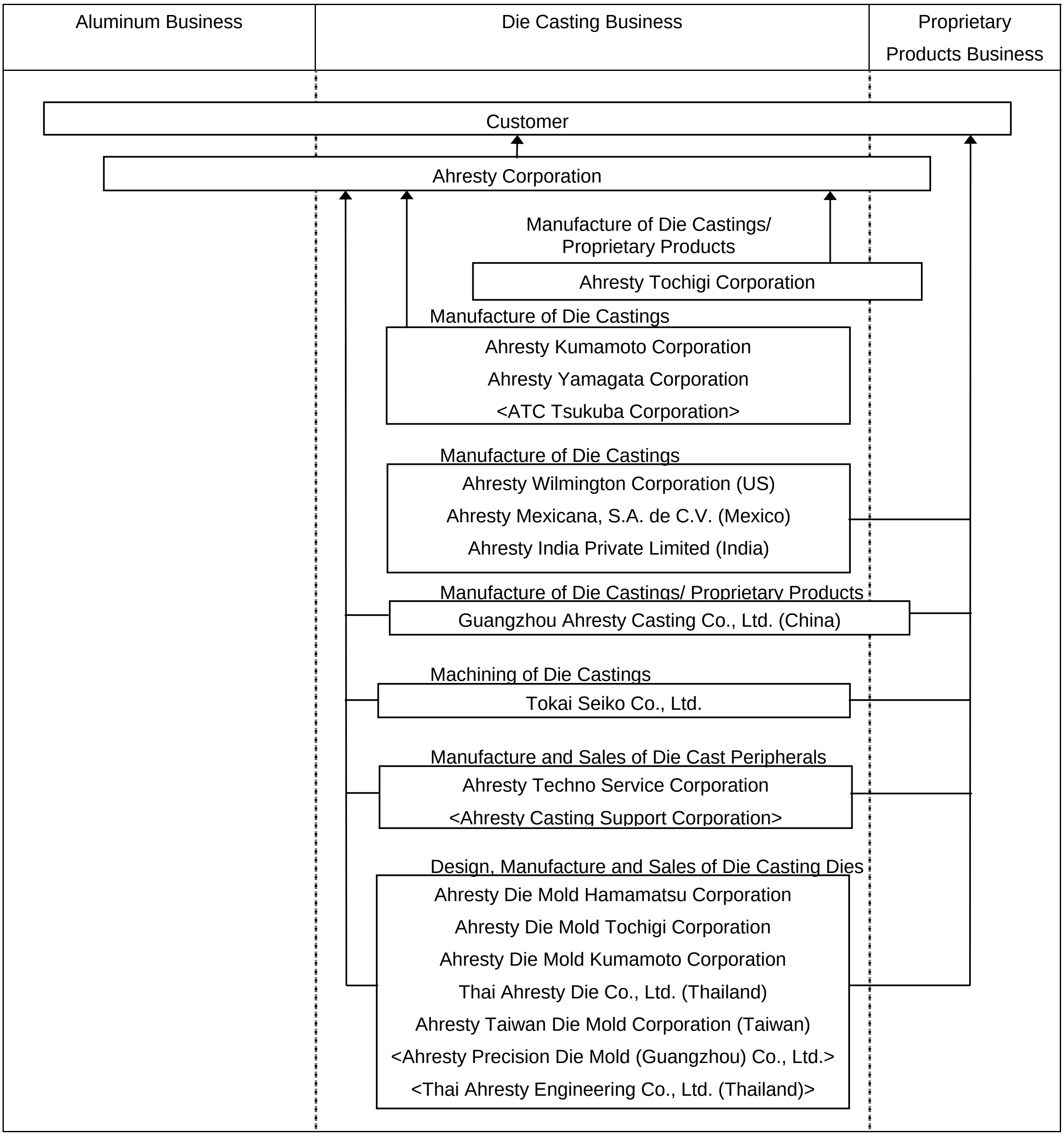
Our company handles manufacturing and sales activities.

### (3) Proprietary Products Business

Primary products include free access floors (duplex floor for building).

Our company handles installation and sales of products while Ahresty Tochigi Corporation and Guangzhou Ahresty Casting Co., Ltd. handle manufacturing of floor panels and its accessories.

A business flowchart is shown below.




Notes

1. Companies in < > are unconsolidated subsidiaries and affiliates not under the equity method; all other companies are consolidated subsidiaries.
2. Companies not in ( ) are domestic companies.
3. Arrows in the diagram indicate main products and labor flow.
4. Ahresty Light Metal Corporation was merged with the Company on October 1, 2007 and has become a division of the Toyohashi Plant. Ahresty Casting Support Corporation was dissolved on October 3, 2007. Tokai Seiko Co., Ltd. and Hamamatsu Mecatec Corporation were merged with each other on January 1, 2008. Ahresty Techno Service Corporation, CS Fuso Co., Ltd., and Tenryu Metal Industry Co., Ltd. merged with one another on January 1, 2008. Ahresty Die Mold Corporation was split up on January 4, 2008, and Ahresty Die Mold Kumamoto Corporation was spun off. Ahresty Die Mold Corporation was renamed Ahresty Die Mold Tochigi Corporation on the date of the spin off.

## 3. Management Policies

(1) Basic management policies

Our corporate name of “AHRESTY” is a phonetic representation of the letters R, S and T which stand for Research, Service and Technology. Research means continuous development and research into new technologies, markets and sales approaches. Service means careful, satisfying service rendered through warm personal interaction. Technology means the technology to produce hardware and software which are truly useful and beneficial to society. These three concepts have intricate links between each other in which they depend on each other and become refined and improved through interaction. We have incorporated the sum total of Research, Service and Technology (abbreviation “RST”) into our corporate philosophy and have named our company "Ahresty Corporation".

The “Ahresty Ten Year Vision” devised anew in 2005 is founded on the goal of “We aim to be “the most trusted company in the industry” by our stakeholders”. To become “a company that is trusted” by the five elements that form an interlocking relationship – customers, shareholders/investors, employees, business partners and society – we devised concrete guidelines and methods to define our policies. Based on this 10-year vision, we devised more concrete measures and goals in our Medium-Term Management Policy (0810 3-Year Ahresty Policy), and expanded this to department policy. In this way, we are pursuing company-wide policy management activities.

(2) Target management indicators

Our company’s long-term management direction is indicated in “Ahresty 10-Year Vision”, and concrete targets for management indicators are defined in medium-term management policies. In order to become a company with investing value, we have defined target values for sales, the ratio of operating income to sales, return on assets (ROA) and return on equity (ROE) to attempt to increase corporate value on a continual basis. (These values for 2010 to sales: ¥160 billion, the ratio of operating income to sales: 5.5 %, ROA: 4.5 %, ROE: 10.0 %.)

(3) Medium-To-Long-Term Management Strategies

In our core Die Casting Business, the majority of demand is from the auto industry, which is expanding global production. In addition, increasing quantities of aluminum die casting parts are sold as weight saving parts as part of the emphasis on environmental conservation. In these circumstances, we expect demand to rise over the medium to long term, despite concern about a temporary decline caused by the sub-prime mortgage crisis and other factors. In the Aluminum Business, demand comes primarily from the same industry and is similarly expected to increase. In the Proprietary Products Business, we do not expect a significant increase in demand for clean rooms in semiconductor plans and other facilities, but we do expect robust demand overall. Since the Die Casting Business accounts for the majority of our operations, we expect overall demand for our businesses to increase in the medium to long term. At the same time, however, the competitive environment in quality and prices will remain difficult. In response, we plan to adopt a proactive management stance to achieve the business objectives included in the Ten Year Vision and 0810 Three-Year Ahresty Policy.

(Die Casting Business)

To achieve our long-term policy of becoming a company that anticipates the needs of its customers and that truly values its investors, we have developed two major medium-term policies: evolving as a global company and enhancing the capabilities of our plants.

・Evolving as a global company

The Group manufactures die-cast products in the United States, China, Mexico, and India. We expect overseas production to account for a growing percentage of our overall output. To achieve further growth and evolution, we aim to bolster our global corporate structure by developing our business, our design and development, and our quality systems around the world and by recruiting and training the human resources we need to support these systems.

・Bolstering plant capabilities

The Group will narrow the gaps among production facilities that exist in cost savings and quality improvement. We will build an optimal production system that will give each plant the same high level of productivity.

(Aluminum Business)

To become “a company walking hand-in-hand with society”, this business feels obligated to take part in building a recycling-based society. As demand for aluminum continues to increase, by fulfilling our duty to society through our recycling business, we aim to expand the aluminum recycling business and increase revenue, and are considering the addition of overseas production sites.

(Proprietary Products Business)
Amid intensifying competition with domestic and international rivals in the Proprietary Products Business, we will seek to lower costs, for instance by integrating the production of the aluminum die cast flooring MOVAFLOR for clean rooms and by using production facilities overseas. We will also focus on high-margin business. With these initiatives, and with higher overseas sales, we aim to expand our business and improve earnings.

(4) Operational issues
The following issues are being addressed by the company.
(Risk management)
Under a Basic Policy on Internal Control System Improvement adopted at a meeting of the Board of Directors held on May 11, 2006, we reviewed and improved the Group's overall compliance system as the basis for our internal control system and developed a basic framework for risk management based on the identification and evaluation of risks. To continue to improve the effectiveness of the Group's internal control system, we will develop the control environment, assess risks continuously based on the basic framework of risk management, avoid the occurrence of risks, and minimize the effects of risks if they occur. In particular, we will develop and implement a business continuity plan (BCP) and promote business continuity management (BCM).

(Group optimization)
To achieve the Company's long-term vision, we put growing weight on global development. Our challenges in promoting global development were to review the systems for supporting the establishment of production bases in terms of quality, cost, delivery and development (not only domestic support systems but also systems for support from existing production bases), cooperation among existing bases, the domestic production system and other areas, and to optimize the entire Group. To address these challenges, we restructured our domestic production structure (including mergers and liquidations of subsidiaries). We will continue to take measures based on the Group optimization policy.

## ４. Consolidated Financial Statements

(1) Consolidated Balance Sheets

| Classification | Previous consolidated fiscal year (March 31, 2007) Amount (¥ millions) | | (%) | Current consolidated fiscal year (March 31, 2008) Amount (¥ millions) | | (%) |
|---|---|---|---|---|---|---|
| (Assets) | | | | | | |
| I Current assets | | | | | | |
| 1. Cash and time deposits | | 4,451 | | | 3,962 | |
| 2. Trade notes and accounts receivable | | 32,684 | | | 30,174 | |
| 3. Merchandise | | 28 | | | 21 | |
| 4. Products | | 2,930 | | | 3,290 | |
| 5. Raw materials | | 2,393 | | | 2,645 | |
| 6. Partly finished goods | | 4,669 | | | 4,452 | |
| 7. Inventories | | 651 | | | 696 | |
| 8. Advances | | 47 | | | 39 | |
| 9. Pre-paid expenses | | 147 | | | 92 | |
| 10. Deferred tax assets | | 1,077 | | | 903 | |
| 11. Short-term loans | | 2 | | | 1 | |
| 12. Accounts receivable | | 550 | | | 315 | |
| 13. Income taxes and other taxes receivable | | 147 | | | 280 | |
| 14. Consumption tax receivable | | 176 | | | 230 | |
| 15. Other current assets | | 138 | | | 297 | |
| Allowance for doubtful accounts | | (9) | | | (14) | |
| Total current assets | | 50,087 | 48.2 | | 47,391 | 46.5 |

| | Previous consolidated fiscal year (March 31, 2007) | | | Current consolidated fiscal year (March 31, 2008) | | |
|---|---|---|---|---|---|---|
| Classification | Amount (¥ millions) | | (%) | Amount (¥ millions) | | (%) |
| **II** Fixed assets | | | | | | |
| 1．Tangible fixed assets | | | | | | |
| (1) Buildings and structures | 18,086 | | | 18,695 | | |
| Accumulated depreciation | 9,283 | 8,803 | | 9,550 | 9,145 | |
| (2) Machinery and delivery equipment | 58,352 | | | 60,904 | | |
| Accumulated depreciation | 38,549 | 19,802 | | 40,329 | 20,574 | |
| (3) Tools, equipment, and furniture | 20,533 | | | 24,001 | | |
| Accumulated depreciation | 16,135 | 4,398 | | 19,295 | 4,705 | |
| (4) Land | | 6,367 | | | 6,078 | |
| (5) Construction in progress | | 4,410 | | | 6,264 | |
| Total tangible fixed assets | | 43,782 | 42.1 | | 46,768 | 45.9 |
| 2．Intangible fixed assets | | | | | | |
| (1) Goodwill | | 455 | | | 297 | |
| (2) Other | | 566 | | | 579 | |
| Total intangible fixed assets | | 1,021 | 1.0 | | 877 | 0.9 |
| 3．Investments and other assets | | | | | | |
| (1) Investments in securities | | 7,974 | | | 6,034 | |
| (2) Long-term loans | | 2 | | | 1 | |
| (3) Capital investments | | 0 | | | 0 | |
| (4) Long-term prepaid loans | | 24 | | | 14 | |
| (5) Deferred tax assets | | 305 | | | 351 | |
| (6) Other | | 795 | | | 474 | |
| Allowance for doubtful accounts | | (19) | | | (20) | |
| Total Investments and Other Assets | | 9,082 | 8.7 | | 6,857 | 6.7 |
| Total fixed assets | | 53,886 | 51.8 | | 54,503 | 53.5 |
| Total assets | | 103,974 | 100.0 | | 101,894 | 100.0 |

| | Previous consolidated fiscal year (March 31, 2007) | | | Current consolidated fiscal year (March 31, 2008) | | |
|---|---|---|---|---|---|---|
| Classification | Amount (¥ millions) | | (%) | Amount (¥ millions) | | (%) |
| (Liabilities) | | | | | | |
| I Current liabilities | | | | | | |
| 1. Notes and accounts payable | | 28,321 | | | 26,977 | |
| 2. Short-term loans | | 4,299 | | | 5,514 | |
| 3. Current portion of long-term loans | | 3,846 | | | 3,411 | |
| 4. Current portion of bonds | | 300 | | | 700 | |
| 5. Accrued expenses | | 1,800 | | | 1,589 | |
| 6. Accrued income taxes | | 1,796 | | | 1,113 | |
| 7. Accrued consumption taxes | | 173 | | | 384 | |
| 8. Bonus allowances | | 1,316 | | | 1,474 | |
| 9. Directors' bonus allowances | | 52 | | | 42 | |
| 10. Facilities-related bills payable | | 2,661 | | | 821 | |
| 11. Other current liabilities | | 2,955 | | | 2,259 | |
| Total current liabilities | | 47,523 | 45.7 | | 44,288 | 43.4 |
| II Long-term liabilities | | | | | | |
| 1. Corporate bonds | | 700 | | | – | |
| 2. Long-term loans | | 2,612 | | | 4,818 | |
| 3. Deferred tax liabilities | | 4,290 | | | 3,132 | |
| 4. Allowances for employees' retirement benefits | | 2,552 | | | 3,168 | |
| 5. Allowances for directors' retirement benefits | | 219 | | | 196 | |
| 6. Long-term accrued payments | | 36 | | | 34 | |
| 7. Negative goodwill | | 1,351 | | | 903 | |
| 8. Other long-term liabilities | | 91 | | | 52 | |
| Total long-term liabilities | | 11,854 | 11.4 | | 12,306 | 12.1 |
| Total liabilities | | 59,377 | 57.1 | | 56,594 | 55.5 |

| | Previous consolidated fiscal year (March 31, 2007) | | Current consolidated fiscal year (March 31, 2008) | |
|---|---|---|---|---|
| Classification | Amount (¥ millions) | (%) | Amount (¥ millions) | (%) |
| (Net assets) | | | | |
| I Shareholders' equity | | | | |
| 1. Common stock | 5,117 | 4.9 | 5,117 | 5.1 |
| 2. Additional paid-in capital | 8,359 | 8.1 | 8,361 | 8.2 |
| 3. Retained earnings | 28,208 | 27.1 | 31,072 | 30.5 |
| 4. Treasury stock | (53) | (0.0) | (57) | (0.1) |
| Total shareholders' equity | 41,632 | 40.1 | 44,494 | 43.7 |
| II Revaluation / Translation differences | | | | |
| 1. Difference on revaluation of other marketable securities | 3,045 | 2.9 | 1,883 | 1.8 |
| 2. Foreign currency translation adjustments | (111) | (0.1) | (1,126) | (1.1) |
| Total revaluation / translation differences | 2,934 | 2.8 | 756 | 0.7 |
| III Share warrants | 29 | 0.0 | 49 | 0.1 |
| Total net assets | 44,596 | 42.9 | 45,299 | 44.5 |
| Total liabilities and net assets | 103,974 | 100.0 | 101,894 | 100.0 |

(2) Consolidated Income Statements

| Classification | Previous consolidated fiscal year (April 1, 2006 through March 31, 2007) Amount (¥ millions) | | (%) | Current consolidated fiscal year (April 1, 2007 through March 31, 2008) Amount (¥ millions) | | (%) |
|---|---|---|---|---|---|---|
| I Sales | | 122,761 | 100.0 | | 129,362 | 100.0 |
| II Cost of goods sold | | 105,648 | 86.1 | | 113,165 | 87.5 |
| Gross Profit | | 17,112 | 13.9 | | 16,196 | 12.5 |
| III Selling, general and administrative expenses | | | | | | |
| 1. Transportation expenses | 2,065 | | | 2,486 | | |
| 2. Salaries and bonuses | 2,161 | | | 2,312 | | |
| 3. Retirement and severance expenses | 272 | | | 263 | | |
| 4. Provision for bonuses | 245 | | | 304 | | |
| 5. Provision for bonuses for directors | 52 | | | 42 | | |
| 6. Provision for retirement benefits for directors | 2 | | | 4 | | |
| 7. Allowance for depreciation | 115 | | | 187 | | |
| 8. Research and development expenses | 1,154 | | | 1,271 | | |
| 9. Provision for allowance for doubtful accounts | 23 | | | 19 | | |
| 10. Other expenses | 3,074 | 9,168 | 7.4 | 3,484 | 10,375 | 8.0 |
| Operating income | | 7,944 | 6.5 | | 5,821 | 4.5 |
| IV Non-operating income | | | | | | |
| 1. Interest income | 16 | | | 24 | | |
| 2. Dividends received | 229 | | | 179 | | |
| 3. Amortization of negative goodwill | 398 | | | 448 | | |
| 4. Income on investments in equity method affiliates | 146 | | | – | | |
| 5. Rental income | 50 | | | 59 | | |
| 6. Compensation for dies | 89 | | | – | | |
| 7. Other | 196 | 1,126 | 0.9 | 217 | 928 | 0.7 |
| V Non-operating expenses | | | | | | |
| 1. Interest expenses | 308 | | | 332 | | |
| 2. Expenses from processing returned goods due to manufacturing defects | 351 | | | – | | |
| 3. Loss on disposal of inventories | 203 | | | 143 | | |
| 4. Other | 272 | 1,137 | 0.9 | 89 | 564 | 0.4 |
| Recurring income | | 7,934 | 6.5 | | 6,185 | 4.8 |

| | Previous consolidated fiscal year (April 1, 2006 through March 31, 2007) | | | Current consolidated fiscal year (April 1, 2007 through March 31, 2008) | | |
|---|---|---|---|---|---|---|
| Classification | Amount (¥ millions) | | (%) | Amount (¥ millions) | | (%) |
| **VI** Extraordinary gains | | | | | | |
| 1. Gain on the sale of fixed assets | 4,339 | | | 596 | | |
| 2. Gain on the sale of investments in securities | 0 | | | 12 | | |
| 3. Gain of the sale of stock of affiliates | 297 | | | 59 | | |
| 4. Revenue of government subsidies | 24 | | | – | | |
| 5. Gain on insurance adjustment | – | | | 0 | | |
| 6. Other | 8 | 4,670 | 3.8 | 0 | 669 | 0.5 |
| **VII** Extraordinary losses | | | | | | |
| 1. Loss on the sale of fixed assets | 203 | | | 218 | | |
| 2. Loss from the write-down of securities | – | | | 0 | | |
| 3. Retirement and severance benefits | 4 | | | 1 | | |
| 4. Impairment loss | 104 | | | 14 | | |
| 5. Advanced depreciation deduction of fixed assets | 18 | | | – | | |
| 6. Product compensation cost | – | | | 600 | | |
| 7. Accident benefits | – | | | 165 | | |
| 8. Other | – | 331 | 0.3 | 60 | 1,061 | 0.8 |
| Income before income taxes and others | | 12,274 | 10.0 | | 5,792 | 4.5 |
| Income taxes and enterprise taxes | 3,053 | | | 2,557 | | |
| Deferred income taxes | 1,612 | 4,666 | 3.8 | (127) | 2,429 | 1.9 |
| Gain (loss) on minority interests in consolidated subsidiaries | | 79 | 0.1 | | – | – |
| Net income | | 7,528 | 6.1 | | 3,363 | 2.6 |

(3) Statement of Changes in Consolidated Shareholders' Equity

For the consolidated fiscal year under review (April 1, 2006 through March 31, 2007) (Millions of Yen)

| | Shareholders' equity | | | | |
|---|---|---|---|---|---|
| | Common stock | Additional paid-in capital | Retained earnings | Treasury stock | Total shareholders' equity |
| Balances at March 31, 2006 | 5,117 | 5,065 | 21,477 | (54) | 31,606 |
| Changes | | | | | |
| Increase in additional paid-in capital due to stock swap | | 3,235 | | | 3,235 |
| Dividends paid (Note) | | | (371) | | (371) |
| Dividends paid | | | (195) | | (195) |
| Directors' bonus (Note) | | | (35) | | (35) |
| Net income | | | 7,528 | | 7,528 |
| Purchase of Treasury stock | | | | (8) | (8) |
| Disposal of Treasury stock | | 58 | | 8 | 66 |
| Change in the scope of consolidation or accountability based on the equity method | | | (194) | 1 | (193) |
| Changes (net) in non-shareholders' equity item | | | | | |
| Total changes | – | 3,293 | 6,731 | 0 | 10,026 |
| Balances at March 31, 2007 | 5,117 | 8,359 | 28,208 | (53) | 41,632 |

| | Revaluation / translation differences | | | Share warrants | Minority interest in consolidated subsidiaries | Total net assets |
|---|---|---|---|---|---|---|
| | Difference on revaluation of other marketable securities | Foreign currency translation adjustments | Total revaluation / translation differences | | | |
| Balances at March 31, 2006 | 2,725 | (432) | 2,293 | – | 101 | 34,002 |
| Changes | | | | | | |
| Increase in additional paid-in capital due to stock swap | | | | | | 3,235 |
| Dividends paid (Note) | | | | | | (371) |
| Dividends paid | | | | | | (195) |
| Directors' bonus (Note) | | | | | | (35) |
| Net income | | | | | | 7,528 |
| Purchase of Treasury stock | | | | | | (8) |
| Disposal of Treasury stock | | | | | | 66 |
| Change in the scope of consolidation or accountability based on the equity method | | | | | | (193) |
| Changes (net) in non-shareholders' equity item | 319 | 321 | 640 | 29 | (101) | 568 |
| Total changes | 319 | 321 | 640 | 29 | (101) | 10,594 |
| Balances at March 31, 2007 | 3,045 | (111) | 2,934 | 29 | – | 44,596 |

(Note) Appropriation of retained earnings at General shareholders' meeting

For the consolidated fiscal year under review (April 1, 2007 through March 31, 2008) (Millions of Yen)

| | Shareholders' equity | | | | |
|---|---|---|---|---|---|
| | Common stock | Additional paid-in capital | Retained earnings | Treasury stock | Total shareholders' equity |
| Balances at March 31, 2007 | 5,117 | 8,359 | 28,208 | (53) | 41,632 |
| Changes | | | | | |
| Dividends paid | | | (500) | | (500) |
| Net income | | | 3,363 | | 3,363 |
| Purchase of Treasury stock | | | | (6) | (6) |
| Disposal of Treasury stock | | 2 | | 2 | 4 |
| Changes (net) in non-shareholders' equity item | | | | | |
| Total changes | – | 2 | 2,863 | (4) | 2,861 |
| Balances at March 31, 2008 | 5,117 | 8,361 | 31,072 | (57) | 44,494 |

| | Revaluation / translation differences | | | Share warrants | Total net assets |
|---|---|---|---|---|---|
| | Difference on revaluation of other marketable securities | Foreign currency translation adjustments | Total revaluation / translation differences | | |
| Balances at March 31, 2007 | 3,045 | (111) | 2,934 | 29 | 44,596 |
| Changes | | | | | |
| Dividends paid | | | | | (500) |
| Net income | | | | | 3,363 |
| Purchase of Treasury stock | | | | | (6) |
| Disposal of Treasury stock | | | | | 4 |
| Changes (net) in non-shareholders' equity item | (1,162) | (1,015) | (2,177) | 19 | (2,158) |
| Total changes | (1,162) | (1,015) | (2,177) | 19 | 703 |
| Balances at March 31, 2008 | 1,883 | (1,126) | 756 | 49 | 45,299 |

(4) Consolidated Statements of Cash Flows

| | Previous consolidated fiscal year (April 1, 2006 through March 31, 2007) | Current consolidated fiscal year (April 1, 2007 through March 31, 2008) |
|---|---|---|
| Classification | Amount (¥ millions) | Amount (¥ millions) |
| I Cash flows from operating activities | | |
| Income before income taxes | 12,274 | 5,792 |
| Depreciation and amortization | 7,364 | 10,146 |
| Impairment losses | 104 | 14 |
| Amortization of goodwill and negative goodwill | (242) | (290) |
| Increase/(decrease) in allowances for doubtful accounts | 20 | 5 |
| Increase/(decrease) in allowances for bonuses | (70) | 158 |
| Increase/(decrease) in allowances for directors' bonuses | 52 | (10) |
| Increase/(decrease) in allowances for employees' retirement benefits | (3) | 616 |
| Increase/(decrease) in allowances for directors' retirement benefits | (29) | (23) |
| Increase/(decrease) in prepaid pension expenses | (61) | 48 |
| Interest and dividend income | (246) | (204) |
| Interest expenses | 308 | 332 |
| Income from investments in equity method affiliates | (146) | – |
| Proceeds from sales of tangible fixed assets | (4,339) | (596) |
| Proceeds from sales of investment securities | (0) | (12) |
| Gain of the sale of stock of affiliates | (297) | (59) |
| Revenue of government subsidies | (24) | – |
| Losses from sales of tangible fixed assets | 203 | 216 |
| Advanced depreciation deduction of tangible fixed assets | 18 | – |
| Losses from revaluation of investment securities | – | 0 |
| (Increase)/decrease in notes and accounts receivable | (6,572) | 2,181 |
| (Increase)/decrease in inventories | (1,689) | (560) |
| Increase/(decrease) in notes and accounts payable | 5,354 | (1,211) |
| Increase/(decrease) in accrued consumption taxes and others | (47) | 156 |
| Bonus paid to directors | (35) | – |
| Other | 1,503 | (332) |
| Subtotal | 13,398 | 16,366 |

| | Previous consolidated fiscal year (April 1, 2006 through March 31, 2007) | Current consolidated fiscal year (April 1, 2007 through March 31, 2008) |
|---|---|---|
| Classification | Amount (¥ millions) | Amount (¥ millions) |
| Interest and dividends received | 249 | 212 |
| Interest paid | (358) | (331) |
| Income taxes paid | (2,820) | (3,381) |
| Income taxes refunded | 28 | 138 |
| Cash Flows from Operating Activities | 10,497 | 13,004 |
| II Cash flows from investing activities | | |
| Payment into time deposits | (232) | (185) |
| Proceeds from refund of time deposits | 407 | 358 |
| Expenditures from purchases of investment securities | (23) | (26) |
| Proceeds from sales of marketable securities | 0 | 13 |
| Expenditures from purchases of subsidiary shares | (401) | – |
| Proceeds from the acquisition of a subsidiary's stock accompanied by a change in the scope of consolidation | 364 | – |
| Expenditures from purchases of tangible fixed assets | (13,939) | (17,096) |
| Proceeds from sales of tangible fixed assets | 4,481 | 1,369 |
| Expenditures from loans | (1) | (54) |
| Proceeds from collection of loans | 4 | 54 |
| Other | 460 | (88) |
| Cash Flows from Investing Activities | (8,878) | (15,655) |

| | Previous consolidated fiscal year (April 1, 2006 through March 31, 2007) | Current consolidated fiscal year (April 1, 2007 through March 31, 2008） |
|---|---|---|
| Classification | Amount (¥ millions) | Amount (¥ millions) |
| **III** Cash flows from financing activities | | |
| Proceeds from short-term loans | 15,357 | 71,440 |
| Repayment of short-term loans | (15,219) | (70,065) |
| Proceeds from long-term debt | 175 | 6,451 |
| Repayment of long-term debt | (1,411) | (4,408) |
| Redemption of corporate bonds | – | (300) |
| Proceeds from sale of treasury stock | 107 | 0 |
| Payments for purchase of treasury stock | (8) | (6) |
| Dividends paid | (564) | (498) |
| Other | (35) | (47) |
| Cash Flows from Financing Activities | (1,600) | 2,565 |
| **IV** Effect of exchange rate changes on cash and cash equivalents | 98 | (223) |
| **V** Net increase/(decrease) in cash and cash equivalents | 116 | (308) |
| **VI** Cash and cash equivalents at beginning of year | 2,754 | 4,185 |
| **VII** Increase in cash and cash equivalents at consolidated subsidiaries | 1,315 | – |
| **VIII** Cash and cash equivalents at end of period | 4,185 | 3,877 |

Notes

(Segment Information)

## a. Business Segment Information

A breakdown of sales by business segment for the two most recent consolidated fiscal years is shown below.

Previous consolidated fiscal year (April 1, 2006 through March 31, 2007) (¥ millions)

| | Die Casting Business | Aluminum Business | Proprietary Products Business | Total | Eliminations and Corporate | Consolidated |
|---|---|---|---|---|---|---|
| I Sales and Operating Income(Loss) | | | | | | |
| Sales | | | | | | |
| (1) Customers | 109,528 | 7,806 | 5,426 | 122,761 | – | 122,761 |
| (2) Inter-segment | 157 | 1,483 | 0 | 1,640 | (1,640) | – |
| Total | 109,686 | 9,289 | 5,426 | 124,402 | (1,640) | 122,761 |
| Operating expenses | 102,503 | 8,853 | 4,952 | 116,309 | (1,492) | 114,816 |
| Operating income | 7,183 | 436 | 473 | 8,093 | (148) | 7,944 |
| II Total Assets, Depreciation and Amortization, and Capital Expenditures | | | | | | |
| Total Assets | 94,477 | 4,066 | 2,820 | 101,363 | 2,610 | 103,974 |
| Depreciation and Amortization | 7,266 | 64 | 33 | 7,364 | – | 7,364 |
| Impairment Loss | – | – | – | – | 104 | 104 |
| Capital Expenditures | 16,374 | 145 | 36 | 16,556 | – | 16,556 |

Current consolidated fiscal year (April 1, 2007 through March 31, 2008) (¥ millions)

| | Die Casting Business | Aluminum Business | Proprietary Products Business | Total | Eliminations and Corporate | Consolidated |
|---|---|---|---|---|---|---|
| I Sales and Operating Income(Loss) | | | | | | |
| Sales | | | | | | |
| (1) Customers | 116,625 | 7,700 | 5,036 | 129,362 | – | 129,362 |
| (2) Inter-segment | – | 2,443 | 1 | 2,445 | (2,445) | – |
| Total | 116,625 | 10,144 | 5,038 | 131,807 | (2,445) | 129,362 |
| Operating expenses | 111,606 | 9,748 | 4,628 | 125,983 | (2,442) | 123,540 |
| Operating income | 5,019 | 395 | 409 | 5,824 | (3) | 5,821 |
| II Total Assets, Depreciation and Amortization, and Capital Expenditures | | | | | | |
| Total Assets | 91,858 | 4,476 | 2,772 | 99,107 | 2,787 | 101,894 |
| Depreciation and Amortization | 9,993 | 94 | 57 | 10,146 | – | 10,146 |
| Impairment Loss | 14 | – | – | 14 | – | 14 |
| Capital Expenditures | 15,223 | 66 | 162 | 15,451 | – | 15,451 |

(Notes) 1. Business segments are classified based on internal classification.

2. Main products in each segment:

| | |
|---|---|
| (1) Die Casting Business | Auto parts, general engine parts, industrial machinery parts, dies etc. |
| (2) Aluminum Business | Aluminum alloy ingots |
| (3) Proprietary Products Business | Access floors and its accessories |

3. The following amounts and primary contents were incorporated into “Eliminations and Corporate”.

| | Previous consolidated fiscal year (¥ millions) | Current consolidated fiscal year (¥ millions) | Main Content |
|---|---|---|---|
| Eliminations including company-wide assets | 2,664 | 2,797 | Assets related to our company surplus capital (cash and time deposits, and investments in securities) and administration |

4. Change in accounting policy

(Previous consolidated fiscal term under review)

(Accounting policy relating to directors’ bonuses)

The Company adopts the Accounting Standard for Directors’ Bonus (Accounting Standards Board of Japan Statement No. 4 issued on November 29, 2005) from the fiscal year under review. In association with the change, operating expenses increased ¥51 million in the Die Casting Business, ¥0 million in the Aluminum Business, and ¥0 million in the Proprietary Products Business, and operating income declined by the same amounts.

(Accounting policy pertaining to stock options etc.)

The Company applies the Accounting Standard for Share-based Payment (ASBJ Statement No.8 issued on December 27, 2005) and the Implementation Guidance on the Accounting Standard for Share-based Payment (ASBJ Guidance No. 11 issued on May 31, 2006) from the term under review. Following the change, operating expenses rose ¥28 million in the Die Casting Business, ¥0 million in the Aluminum Business, and ¥0 million in the Proprietary Products Business, and operating income decreased by the same amounts.

(Current consolidated fiscal term under review)

Starting the fiscal year under review, the Company and its domestic consolidated subsidiaries depreciate the tangible fixed assets acquired after April 1, 2007 under the revised Corporation Tax Law. In association with the change, operating expenses increased ¥732 million in the Die Casting Business, ¥4 million in the Aluminum Business, and ¥1 million in the Proprietary Products Business, and operating income declined by the same amounts.

5. Additional information

(Current consolidated fiscal term under review)

In association with the revision of the Corporation Tax Law, the Company and its domestic consolidated subsidiaries depreciate equally over five years the difference between 5% of the acquisition cost and memorandum price of assets acquired before March 31, 2007 from the fiscal year following the one in which the depreciated value reached 5% of the acquisition cost under the Corporation Tax Law prior to the revision. Following the change, operating expenses rose ¥203 million in the Die Casting Business, ¥4 million in the Aluminum Business, and ¥3 million in the Proprietary Products Business, and operating income decreased by the same amounts.

b. Geographic Segment Information

Previous consolidated fiscal year (April 1, 2006 through March 31, 2007) (¥ millions)

| | Japan | North America | Other Areas | Total | Eliminations and Corporate | Consolidated |
|---|---|---|---|---|---|---|
| I Sales and Operating Income (Loss) | | | | | | |
| Sales | | | | | | |
| (1) Customers | 104,136 | 15,913 | 2,711 | 122,761 | – | 122,761 |
| (2) Inter-segment | 1,111 | 25 | 383 | 1,521 | (1,521) | – |
| Total | 105,247 | 15,938 | 3,095 | 124,282 | (1,521) | 122,761 |
| Operating expenses | 98,625 | 14,490 | 2,964 | 116,080 | (1,263) | 114,816 |
| Operating income | 6,622 | 1,448 | 131 | 8,202 | (257) | 7,944 |
| II Total Assets | 91,496 | 15,003 | 5,579 | 112,079 | (8,104) | 103,974 |

Current consolidated fiscal year (April 1, 2007 through March 31, 2008) (¥ millions)

| | Japan | North America | Other Areas | Total | Eliminations and Corporate | Consolidated |
|---|---|---|---|---|---|---|
| I Sales and Operating Income (Loss) | | | | | | |
| Sales | | | | | | |
| (1) Customers | 111,572 | 13,627 | 4,162 | 129,362 | – | 129,362 |
| (2) Inter-segment | 1,582 | 1 | 932 | 2,516 | (2,516) | – |
| Total | 113,155 | 13,628 | 5,094 | 131,878 | (2,516) | 129,362 |
| Operating expenses | 107,425 | 13,358 | 4,763 | 125,548 | (2,007) | 123,540 |
| Operating income | 5,729 | 269 | 331 | 6,330 | (508) | 5,821 |
| II Total Assets | 77,996 | 16,129 | 9,567 | 103,693 | (1,799) | 101,894 |

(Notes) 1. Countries and areas are classified according to geographic proximity.

2. Countries or areas in each main class: North America: USA and Mexico

Other areas: China, Taiwan, Thailand and India

3. Amounts and primary contents incorporated into "Eliminations and Corporate" are the same as those in Note 3 under “a. Business Segment Information”.

4. Change in accounting policy

(Previous consolidated fiscal term under review)

(Accounting policy relating to directors’ bonuses)

The Company adopts the Accounting Standard for Directors’ Bonus (Accounting Standards Board of Japan Statement No. 4 issued on November 29, 2005) from the fiscal year under review. In association with the change, operating expenses increased ¥52 million in Japan, and operating income declined by the same amounts.

(Accounting policy pertaining to stock options etc.)

The Company applies the Accounting Standard for Share-based Payment (ASBJ Statement No.8 issued on December 27, 2005) and the Implementation Guidance on the Accounting Standard for Share-based Payment (ASBJ Guidance No. 11 issued on May 31, 2006) from the term under review. Following the change, operating expenses rose ¥29 million in Japan, and operating income declined by the same amounts.

(Current consolidated fiscal term under review)

Starting the fiscal year under review, the Company and its domestic consolidated subsidiaries depreciate the tangible fixed assets acquired after April 1, 2007 under the revised Corporation Tax Law. In association with the change, operating expenses increased ¥738 million in Japan, and operating income declined by the same amounts.

5. Additional information

(Current consolidated fiscal term under review)

In association with the revision of the Corporation Tax Law, the Company and its domestic consolidated subsidiaries depreciate equally over five years the difference between 5% of the acquisition cost and memorandum price of assets acquired before March 31, 2007 from the fiscal year following the one in which the depreciated value reached 5% of the acquisition cost under the Corporation Tax Law prior to the revision. Following the change, operating expenses rose ¥211 million in Japan, and operating income decreased by the same amounts.