

IV. Consolidated Interim Financial Statements

1. Consolidated Interim Balance Sheets

| | Interim 2007 (Ended June 30, 2007) | | Interim 2008 (Ended June 30, 2008) | | Fiscal 2007 (Ended December 31, 2007) | |
|-------------------------------------|---------------------------------------|--------------------|---------------------------------------|--------------------|--|--------------------|
| | Millions of yen | Share of total (%) | Millions of yen | Share of total (%) | Millions of yen | Share of Total (%) |
| Assets | | | | | | |
| Current assets | 120,846 | 49.0 | 107,139 | 41.6 | 127,019 | 45.5 |
| Cash and time deposits | 24,813 | | 22,114 | | 32,647 | |
| Trade notes and accounts receivable | 59,872 | | 53,398 | | 61,786 | |
| Short-term investments | 1,019 | | 173 | | 923 | |
| Inventories | 29,587 | | 28,068 | | 27,837 | |
| Deferred tax assets | 3,445 | | 2,419 | | 2,762 | |
| Other | 3,974 | | 1,881 | | 2,057 | |
| Allowance for doubtful accounts | (1,866) | | (916) | | (995) | |
| Fixed assets | 126,005 | 51.0 | 150,383 | 58.4 | 152,127 | 54.5 |
| Property, plant and equipment | 64,398 | 26.1 | 63,268 | 24.6 | 64,345 | 23.1 |
| Buildings and structures | 21,515 | | 20,565 | | 20,812 | |
| Machinery and equipment | 20,061 | | 17,777 | | 19,883 | |
| Land | 18,870 | | 18,723 | | 18,823 | |
| Construction in progress | 868 | | 3,456 | | 1,825 | |
| Other | 3,081 | | 2,745 | | 3,000 | |
| Intangible assets | 8,815 | 3.5 | 34,996 | 13.6 | 37,193 | 13.3 |
| Goodwill | 962 | | 833 | | 898 | |
| Trademarks, etc. | 7,853 | | 34,162 | | 36,295 | |
| Investments and other assets | 52,791 | 21.4 | 52,118 | 20.2 | 50,589 | 18.1 |
| Investment securities | 28,044 | | 23,628 | | 25,057 | |
| Long-term loans receivable | 283 | | 213 | | 257 | |
| Prepaid pension cost | 12,888 | | 16,061 | | 13,954 | |
| Deferred tax assets | 10,647 | | 11,035 | | 10,093 | |
| Other | 1,090 | | 1,278 | | 1,360 | |
| Allowance for doubtful accounts | (162) | | (100) | | (135) | |
| Total assets | 246,851 | 100.0 | 257,522 | 100.0 | 279,147 | 100.0 |

| | Interim 2007 (Ended June 30, 2007) | | Interim 2008 (Ended June 30, 2008) | | Fiscal 2007 (Ended December 31, 2007) | |
|--|---------------------------------------|--------------------|---------------------------------------|--------------------|--|--------------------|
| | Millions of yen | Share of total (%) | Millions of yen | Share of total (%) | Millions of yen | Share of total (%) |
| Liabilities | | | | | | |
| Current liabilities | 97,805 | 39.6 | 78,942 | 30.7 | 96,084 | 34.4 |
| Trade notes and accounts payable | 50,193 | | 34,388 | | 44,499 | |
| Short-term loans payable | 5,922 | | 5,380 | | 5,463 | |
| Current portion of long-term debt | — | | 2,300 | | 1,150 | |
| Other payables and accrued expenses | 32,732 | | 31,302 | | 35,127 | |
| Accrued income taxes | 1,125 | | 1,321 | | 1,509 | |
| Allowance for returns | 909 | | 1,150 | | 1,191 | |
| Allowance for sales promotion expenses | 763 | | 384 | | 278 | |
| Allowance for bonuses to directors | 71 | | 85 | | 132 | |
| Other | 6,087 | | 2,630 | | 6,731 | |
| Long-term liabilities | 42,131 | 17.1 | 73,687 | 28.6 | 75,522 | 27.1 |
| Long-term debt | 13,551 | | 46,200 | | 47,397 | |
| Accrued employee retirement benefits | 22,979 | | 22,346 | | 22,893 | |
| Accrued director retirement allowances | 543 | | 326 | | 464 | |
| Other | 5,057 | | 4,814 | | 4,766 | |
| Total liabilities | 139,937 | 56.7 | 152,630 | 59.3 | 171,607 | 61.5 |
| Net assets | | | | | | |
| Shareholders' equity | 97,276 | 39.4 | 99,860 | 38.8 | 99,556 | 35.7 |
| Common stock | 34,433 | 13.9 | 34,433 | 13.4 | 34,433 | 12.3 |
| Capital surplus | 31,503 | 12.8 | 31,499 | 12.2 | 31,505 | 11.3 |
| Retained earnings | 47,135 | 19.1 | 49,509 | 19.2 | 49,344 | 17.7 |
| Treasury stock | (15,796) | (6.4) | (15,582) | (6.0) | (15,727) | (5.6) |
| Valuation and translation adjustments | 5,606 | 2.3 | 1,684 | 0.6 | 4,014 | 1.4 |
| Unrealized holding gain on other securities | 4,560 | 1.9 | 2,408 | 0.9 | 3,524 | 1.3 |
| Deferred losses on hedges | (1) | (0.0) | 23 | 0.0 | (10) | (0.0) |
| Foreign currency translation adjustments | 1,047 | 0.4 | (748) | (0.3) | 500 | 0.1 |
| Stock Acquisition Rights | 24 | 0.0 | 73 | 0.0 | 74 | 0.0 |
| Minority interest in consolidated subsidiaries | 4,008 | 1.6 | 3,274 | 1.3 | 3,894 | 1.4 |
| Total net assets | 106,914 | 43.3 | 104,891 | 40.7 | 107,540 | 38.5 |
| Total liabilities and net assets | 246,851 | 100.0 | 257,522 | 100.0 | 279,147 | 100.0 |