

Consolidated Balance Sheets

September 30, 2006

	Millions of yen	Thousands of U.S.dollars
	2006	2006
ASSETS		
Current assets:		
Cash	¥ 60,747	\$ 515,244
Time deposits	587	4,981
Short-term investments	58	490
Notes and accounts receivable:		
Trade	221,338	1,877,336
Unconsolidated subsidiaries and affiliates	10,807	91,666
Other	16,440	139,440
	248,585	2,108,442
Allowance for doubtful accounts	(1,376)	(11,672)
	247,209	2,096,770
Inventories	113,614	963,643
Deferred tax assets	13,353	113,260
Other current assets	5,873	49,812
Total current assets	441,441	3,744,200
Investments and advances:		
Investments in securities	63,133	535,474
Investments in and advances to unconsolidated subsidiaries and affiliates	26,775	227,101
	89,908	762,575
Property, plant and equipment:		
Buildings and structures	188,019	1,594,735
Machinery and equipment	655,955	5,563,651
	843,974	7,158,386
Accumulated depreciation	(594,039)	(5,038,499)
	249,935	2,119,887
Land	51,969	440,789
Construction in progress	20,226	171,556
	322,130	2,732,232
Deferred tax assets	11,634	98,680
Other assets	11,379	96,517
Total assets	¥ 876,492	\$ 7,434,204

	Millions of yen	Thousands of U.S.dollars
	2006	2006
LIABILITIES AND NET ASSETS		
Current liabilities:		
Short-term loans	¥ 72,087	\$ 611,429
Current portion of long-term debt	23,736	201,324
Notes and accounts payable:		
Trade	175,278	1,486,664
Unconsolidated subsidiaries and affiliates	11,455	97,157
Construction	15,812	134,115
Other	12,337	104,641
	214,882	1,822,577
Income tax payable	10,778	91,413
Accrued expenses	37,396	317,188
Other current liabilities	10,626	90,126
Total current liabilities	369,505	3,134,057
Long-term debt	111,105	942,370
Accrued indemnities from retirement benefit plan	60,938	516,860
Accrued severance indemnities for members of the board of directors and corporate auditors	1,673	14,192
Deferred tax liabilities	2,825	23,963
Other liabilities	1,224	10,385
Total liabilities	547,270	4,641,827
Net assets:		
Shareholders' equity		
Common stock		
Authorized	1,200,000 thousand shares	
Issued	319,749 thousand shares	
	36,045	305,725
Capital surplus	98,693	837,093
Retained earnings	159,399	1,351,985
Less: Treasury shares	(306)	(2,595)
Evaluation and conversion difference		
Unrealized gain on other securities	25,676	217,774
Translation adjustments on foreign currency financial statements	(4,421)	(37,500)
Minority interests in consolidated subsidiaries	14,136	119,895
Total net assets	329,222	2,792,377
Total liabilities and net assets	¥ 876,492	\$ 7,434,204

Conversion rate: ¥117.90 per U.S. dollar

Consolidated Statement of Income and Retained Earnings

for the six months ended September 30, 2006

	Millions of yen	Thousands of U.S.dollars
	2006	2006
Net sales	¥ 504,513	\$ 4,279,164
Cost of sales	415,582	3,524,870
Gross profit	88,931	754,294
Selling, general and administrative expenses	57,176	484,952
Operating income	31,755	269,342
Other income (expenses):		
Interest and dividend income	1,091	9,253
Interest expenses	(1,699)	(14,409)
Foreign currency exchange gain, net	572	4,851
Loss on sales or disposal of property, plant and equipment, net	(504)	(4,280)
Equity in earnings of unconsolidated subsidiaries and affiliates	72	614
Other, net	(326)	(2,763)
	(794)	(6,734)
Income before income taxes and items listed below	30,961	262,608
Income taxes	9,755	82,741
Income taxes-deferred	788	6,684
Minority interests in net income of consolidated subsidiaries	(798)	(6,772)
Net income	19,620	166,411
Consolidated retained earnings:		
Balance at beginning of the year	144,244	1,223,447
Net decrease due to the change in scope of consolidation	(1,070)	(9,079)
Cash dividends	(2,873)	(24,365)
Bonuses to directors and corporate auditors	(522)	(4,429)
Balance at end of the year	¥ 159,399	\$ 1,351,985
Per share:	yen	U.S.dollars
Net income	¥ 61.43	\$ 0.52
Cash dividends	9.00	0.08
Weighted average number of common shares outstanding (thousands)	319,749	319,749

Consolidated Statement of Cash Flows

for the six months ended September 30, 2006

	Millions of yen	Thousands of U.S.dollars
	2006	2006
Cash flows from operating activities		
Income before income taxes	¥ 30,961	\$ 262,608
Depreciation and amortization	21,247	180,212
Equity in earnings of unconsolidated subsidiaries and affiliates	(72)	(614)
Notes and accounts receivable	(9,103)	(77,210)
Inventories	4,246	36,015
Notes and accounts payable	6,828	57,917
Bonuses to directors and corporate auditors	(590)	(5,007)
Payment of income taxes	(14,531)	(123,256)
Other, net	4,757	40,352
Net cash provided by operating activities	43,743	371,017
Cash flows from investing activities		
Decrease in time deposits	104	885
Increase in marketable securities	(3)	(31)
Purchases of property, plant and equipment	(32,623)	(276,702)
Proceeds from sales of property, plant and equipment	1,372	11,640
Increase in investments in securities	(3,170)	(26,888)
Decrease in loans receivable	216	1,833
Other, net	(71)	(601)
Net cash used in investing activities	(34,175)	(289,864)
Cash flows from financing activities		
Increase in short-term loans	2,208	18,729
Increase in long-term debt	1,921	16,290
Cash dividends	(3,011)	(25,535)
Other, net	(17)	(147)
Net cash provided by financing activities	1,101	9,337
Exchange difference of cash and cash equivalents	340	2,881
Net increase in cash and cash equivalents	11,009	93,371
Cash and cash equivalents at beginning of the year	49,548	420,255
Net increase due to the change in scope of consolidation	221	1,879
Cash and cash equivalents at end of the year	¥ 60,778	\$ 515,505

Nonconsolidated Balance Sheets

September 30, 2006

	Millions of yen	Thousands of U.S.dollars
	2006	2006
ASSETS		
Current assets:		
Cash	¥ 31,623	\$ 268,221
Notes and accounts receivable:		
Trade	101,251	858,790
Subsidiaries and affiliates	80,194	680,188
Other	7,299	61,903
	188,744	1,600,881
Allowance for doubtful accounts	(50)	(424)
	188,694	1,600,457
Inventories	41,177	349,250
Deferred tax assets	7,079	60,045
Other current assets	2,116	17,948
Total current assets	270,689	2,295,921
Investments and advances:		
Investments in securities	41,111	348,692
Investments in and advances to subsidiaries and affiliates	164,278	1,393,372
	205,389	1,742,064
Property, plant and equipment:		
Buildings and structures	108,857	923,301
Machinery and equipment	376,767	3,195,647
	485,624	4,118,948
Accumulated depreciation	(366,029)	(3,104,568)
	119,595	1,014,380
Land	38,503	326,571
Construction in progress	5,527	46,876
	163,625	1,387,827
Deferred tax assets	3,046	25,831
Other assets	6,185	52,461
Total assets	¥ 648,934	\$ 5,504,104

	Millions of yen	Thousands of U.S.dollars
	2006	2006
LIABILITIES AND NET ASSETS		
Current liabilities:		
Short-term loans	¥ 28,750	\$ 243,851
Current portion of long-term debt	20,000	169,635
Notes and accounts payable:		
Trade	97,101	823,585
Subsidiaries and affiliates	38,918	330,098
Construction	13,789	116,955
Other	4,598	38,998
	<u>154,406</u>	<u>1,309,636</u>
Income tax payable	6,036	51,193
Accrued expenses	6,528	55,368
Other current liabilities	16,595	140,755
Total current liabilities	<u>232,315</u>	<u>1,970,438</u>
Long-term debt	87,690	743,766
Accrued indemnities from retirement benefit plan	42,208	357,995
Accrued severance indemnities for members of the board of directors and corporate auditors	416	3,531
Total liabilities	<u>362,629</u>	<u>3,075,730</u>
Net assets:		
Shareholders' equity		
Common stock		
Authorized	1,200,000 thousand shares	
Issued	319,749 thousand shares	
	36,045	305,725
Capital surplus	98,686	837,032
Retained earnings	127,448	1,080,981
Less: Treasury shares	(278)	(2,356)
Evaluation and conversion difference		
Unrealized gain on other securities	24,404	206,992
Total net assets	<u>286,305</u>	<u>2,428,374</u>
Total liabilities and net assets	<u>¥ 648,934</u>	<u>\$ 5,504,104</u>

Conversion rate: ¥117.90 per U.S. dollar

Nonconsolidated Statement of Income

for the six months ended September 30, 2006

	Millions of yen	Thousands of U.S.dollars
	2006	2006
Net sales	¥ 305,855	\$ 2,594,190
Cost of sales	265,935	2,255,598
Gross profit	39,920	338,592
Selling, general and administrative expenses	25,306	214,638
Operating income	14,614	123,954
Other income (expenses):		
Interest and dividend income	2,477	21,013
Interest expenses	(487)	(4,133)
Foreign currency exchange gain, net	475	4,027
Loss on sales or disposal of property, plant and equipment, net	(338)	(2,871)
Other, net	467	3,960
	2,594	21,996
Income before income taxes	17,208	145,950
Income taxes	4,650	39,440
Income taxes-deferred	1,003	8,507
Net income	¥ 11,555	\$ 98,003
Per share:	yen	U.S.dollars
Net income	¥ 36.17	\$ 0.31
Cash dividends	9.00	0.08
Weighted average number of common shares outstanding (thousands)	319,749	319,749