



Summary of Consolidated Financial Results for the First Half ended September 30, 2007

October 30, 2007

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 Planned date of the release of the interim consolidated financial report: December 21, 2007
 Planned date of beginning payment of dividends: November 30, 2007

(Figures are rounded off to the nearest 1 million yen)

1. Business Results for the First Half ended September 30, 2007

(April 1, 2007 through September 30, 2007)

(1) Operating Results

(% change from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2007	101,800	2.7	2,518	(38.3)	2,409	(45.6)	364	(73.5)
September 30, 2006	99,129	1.2	4,082	157.5	4,426	65.9	1,375	17.6
March 31, 2007	202,240	-	7,940	-	9,062	-	2,896	-

	Net income per share	Net income per share (Diluted)
	Yen	Yen
September 30, 2007	3.79	-
September 30, 2006	14.32	-
March 31, 2007	30.16	-

Note: Equity in earnings of non-consolidated subsidiaries and affiliates:

September 30, 2007: 4 million yen, September 30, 2006: 69 million yen, March 31, 2007: 136 million yen

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
September 30, 2007	269,740	195,072	72.3	2,030.98
September 30, 2006	265,657	194,594	73.3	2,026.53
March 31, 2007	262,640	195,862	74.6	2,039.77

Note: Shareholders' equity:

September 30, 2007: 195,072 million yen, September 30, 2006: 194,594 million yen, March 31, 2007: 195,862 million yen

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2007	7,007	(3,291)	(1,450)	38,840
September 30, 2006	3,174	(375)	(22,120)	25,400
March 31, 2007	12,854	2,273	(23,346)	36,683

2. Dividend

Period	Dividend per share		
	Interim	Year-end	Full year
	Yen	Yen	Yen
March 31, 2007	10.00	10.00	20.00
March 31, 2008 (Actual)	10.00	-	20.00
March 31, 2008 (Forecast)	-	10.00	-

3. Business Forecast for the year ending March 31, 2008 (April 1, 2007 through March 31, 2008)
 (% change from the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
March 31, 2008	210,000	3.8	4,500	(43.3)	4,800	(47.0)	1,500	(48.2)	15.62

4. Other

- (1) Transfer of significant subsidiary during the period (transfer of a certain subsidiary resulting in a change in the scope of consolidation) : None
- (2) Changes in accounting principles/procedures, representation methods in the preparation of interim consolidated financial statements (changes in significant items that form the basis for the preparation of interim consolidated financial statements)
 - 1) Changes as a result of revision of accounting standards : Yes
 - 2) Changes other than 1) : None
- (3) Number of shares issued and outstanding (common stock)
 - 1) Number of shares issued and outstanding at end of period (including treasury stock) :
 September 30, 2007: 99,532,133 shares, September 30, 2006: 99,532,133 shares, March 31, 2007: 99,532,133 shares
 - 2) Number of shares of treasury stock at end of period :
 September 30, 2007: 3,483,745 shares, September 30, 2006: 3,509,044 shares, March 31, 2007: 3,510,623 shares

*** Explanation regarding the appropriate use of forecasts of business results and other special instructions**

The forecast of consolidated results for the year ending March 31, 2008 was changed from those disclosed on April 26, 2007.

Forecasts of business results and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable. Actual business results may differ significantly due to a variety of factors. For further information on the abovementioned forecast preconditions and other related matters, please see page 3, "1. Business Performance (1) Analysis of Business Performance."

1. Business Performance

(1) Analysis of Business Performance

1) Overview

(Unless otherwise stated, all comparisons are with operating results in the previous year, from April 1, 2006 to September 30, 2006.)

In the interim period, business conditions in the United States were sluggish due to a slowdown in housing investment and weak consumer spending, while in Europe, growth in capital investment and consumer spending supported solid economic conditions. In Asia, exports were firm, and China maintained a high growth rates. Asian economies followed a course of expansion. In Japan, meanwhile, business conditions were slack as exports to the United States weakened and consumer spending was flat.

The Maxell Group's operating environment, which was marked by declining product prices and rising raw materials costs, was challenging.

In this setting, the Company's net sales in the interim period were up 2.7% year on year, to 101,800 million yen. In earnings, due to such factors as lower prices for information storage media products, the Company recorded decreases of 38.3% in operating income, to 2,518 million yen, 45.6% in ordinary income, to 2,409 million yen and 73.5% in net income, to 364 million yen. Net income per share was 3.79 yen.

The average foreign currency exchange rates in the interim period were: US\$1=119 yen and €1=163 yen. Business results by segment were as follows.

Information Storage Media

In optical discs, recordable DVDs sales were up by increasing shipment volumes, but sales from CD-R discs and other products declined. Overall, optical disc sales were flat. In computer tapes, the Company launched the new LTO Ultrium4 data cartridge, and shipment volumes of high-storage-capacity products, centered on the LTO Ultrium3 data cartridge, increased. As a result, sales were up year on year. In audio tapes and video tapes, sales decreased substantially because of market contraction. As a result, the Information Storage Media segment's net sales declined 4.1%, to 54,969 million yen. Meanwhile, operating income was down 59.0%, to 1,411 million yen, due to falling product prices.

* Linear Tape-Open, LTO, and Ultrium are trademarks of Hewlett Packard, IBM, and Quantum Corporation in the United States, other countries.

Battery

In rechargeable batteries, sales were up on account of a significant increase in shipments of high-capacity prismatic lithium ion rechargeable batteries for cellular phones and portable devices. In primary batteries, sales rose due to growth in sales of high-value-added micro batteries, such as heat-resistant, coin-type lithium manganese dioxide batteries, offsetting a decrease in shipment volumes of alkaline dry batteries. As a result, the Battery segment's net sales were up 20.3%, to 27,061 million yen. Operating income rose 86.3%, to 1,615 million yen, due to increased sales of high-value-added primary batteries and rechargeable batteries.

Material-Device-Electronic Appliance

In materials and devices, sales were down slightly. Optical components performed favorably, including pickup lenses for optical disc drives and mini camera lens units with high-resolution picture quality and advanced functions for cellular phones. However, sales from RFID systems for the amusement industry edged down, and functional material sales were affected by sluggish demand for multifunctional optical films. Electronic appliance sales rose. As a result, the Material-Device-Electronic Appliance segment's net sales increased 2.3%, to 19,770 million yen. Operating profitability improved in materials and devices, but declined in electronic appliances. Consequently, the operating loss increased by 285 million yen, to 508 million yen.

For net sales by region, capital expenditure, depreciation, and R&D expenses in the interim period, please see the supplementary information on page 5.

2) Outlook

Due to the sub-prime loan problem, there is cause for concern about a slowdown in the U.S. economy, and the Maxell Group anticipates higher raw materials costs and lower product prices stemming from intensified market competition, principally in information storage media. Future conditions in the Maxell Group's operating environment remain difficult to forecast.

In this setting, the Maxell Group's projections for the year ending March 2008 are net sales of 210,000 million yen, operating income of 4,500 million yen, ordinary income of 4,800 million yen, and net income of 1,500 million yen. These projections are based on average foreign exchange rates of US\$1=117 yen and €1=156 yen. Please refer to page 5 for projections of business results by segment.

3) Supplementary information

Consolidated Financial Results and Forecast

(Millions of yen)

	1H/FY2006	1H/FY2007	Change* (%)	Forecast of FY2007	Change* (%)
Net sales	99,129	101,800	2.7	210,000	3.8
Operating income	4,082	2,518	(38.3)	4,500	(43.3)
Ordinary income	4,426	2,409	(45.6)	4,800	(47.0)
Net income	1,375	364	(73.5)	1,500	(48.2)
Exchange rate (\$1=)	115 yen	119 yen		117 yen	
(€1=)	147 yen	163 yen		156 yen	

* % change from the previous year

Sales and Operating Income by Segment

	1H/FY2006		1H/FY2007		Change* (%)	Forecast of FY2007		Change* (%)
	Millions of yen	Composition (%)	Millions of yen	Composition (%)		Millions of yen	Composition (%)	
Net sales	99,129	100	101,800	100	2.7	210,000	100	3.8
Information Storage Media	57,315	58	54,969	54	(4.1)	106,000	50	(9.2)
Battery	22,491	23	27,061	27	20.3	56,000	27	19.0
Material-Device- Electronic Appliance	19,323	19	19,770	19	2.3	48,000	23	24.6
Operating income	4,082	100	2,518	100	(38.3)	4,500	100	(43.3)
Information Storage Media	3,438	84	1,411	56	(59.0)	2,200	49	(66.5)
Battery	867	21	1,615	64	86.3	3,100	69	34.5
Material-Device- Electronic Appliance	(223)	-	(508)	-	-	(800)	-	-

* % change from the previous year

Overseas sales

	1H/FY2006		1H/FY2007		Change* (%)
	Millions of yen	Composition (%)	Millions of yen	Composition (%)	
Overseas sales	63,936	64	68,273	67	6.8
America	30,085	30	28,894	28	(4.0)
Europe	16,913	17	18,557	18	9.7
Asia and other	16,938	17	20,822	21	22.9
Domestic sales	35,193	36	33,527	33	(4.7)
Total	99,129	100	101,800	100	2.7

* % change from the previous year

Capital expenditure, Depreciation, R&D expenses

(Millions of yen)

	1H/FY2006	1H/FY2007	Change* (%)	Forecast of FY2007	Change* (%)
Capital expenditure	6,168	6,774	9.8	18,000	58.2
Depreciation	4,705	5,083	8.0	12,000	22.5
R&D expenses	4,367	4,595	5.2	10,000	16.3

* % change from the previous year

(2) Analysis of Financial Position

Overview

Cash and cash equivalents at the end of the interim period stood at 38,840 million yen, up 2,157 million yen from the end of the previous fiscal year. That increase was attributable to net cash provided by operating activities of 7,007 million yen, which offset net cash used investing activities of 3,291 million yen and net cash used in financing activities of 1,450 million yen. Respective cash flows were as follows.

Cash Flows from Operating Activities

Net cash provided by operating activities amounted to 7,007 million yen, which was mainly associated with capital inflows from income before income taxes of 1,503 million yen, depreciation of 5,083 million yen and trade notes and accounts payables of 1,848 million yen, and inventories of 1,525 million yen that absorbed capital outflows.

Cash Flows from Investing Activities

Net cash used by investing activities amounted to 3,291 million yen, which was primarily the result of capital outflows related to purchase of tangible fixed assets of 6,036 million yen and acquisition of Slientec Corporation's shares of 11,047 million yen that counteracted capital inflows of 14,233 million yen associated with proceeds from sales of marketable securities and proceeds from sales of investment securities.

Cash Flows from Financing Activities

Net cash used in financing activities was 1,450 million yen, which was mainly due to capital outflows associated with dividends paid to shareholders of 960 million yen.

Trends in the Maxell Group's cash flow indices are as follows:

	9/2005	3/2006	9/2006	3/2007	9/2007
Shareholders' equity rate (%)	67.0	67.5	73.3	74.6	72.3
Shareholders' equity rate at market value (%)	48.3	65.3	55.4	59.0	44.2
Cash flow versus interest-bearing debt rate (year)	2.6	1.7	2.0	1.0	1.1
Interest coverage ratio	13.3	19.8	6.8	20.7	32.1

Shareholders' equity ratio: shareholders' equity/total assets

Shareholders' equity ratio at market value: market capitalization/total assets

Cash flow versus interest-bearing debt rate: interest-bearing debt/operating cash flow

Interest coverage ratio: operating cash flow/interest payment

Note:

* All indices are calculated on a consolidated basis.

* Market capitalization is the final share price multiplied by the number of shares issued and outstanding at the end /of the period.

* Operating cash flow is cash flows from operating activities in consolidated statements of cash flows. Interest-bearing debt is all interest-bearing debt in consolidated balance sheets. Interest payments are payments of interest in consolidated statements of cash flows.

(3) Basic Policy on Distribution of Earnings and Dividends for Fiscal year 2007

The Company's basic aim is to return profits to shareholders on an ongoing basis and in a stable and appropriate manner. Specifically, the Company's basic dividend policy is to pay dividends that reflect business results, in light of a comprehensive consideration of various factors including financial position and forward-looking investment.

The Company regards the purchase of treasury stock as an effective means of returning profits to its shareholders and will respond appropriately in light of share price trends and financial position.

Regarding the dividend for the fiscal year 2007, the Company plans an interim dividend and a year-end dividend of 10.00 yen, giving a full-year dividend of 20.00 yen, continuously from the previous fiscal year.

2. Management Policies

(1) Basic Management Policy

At Hitachi Maxell Group, our overriding management philosophy is to further the realization of a founding spirit that calls for promoting harmony and concord, working with heart and soul, and being of service to society. Accordingly, we encourage pride in our achievements as a Maxell Group and develop outstanding original technologies and products to benefit society. Because we are fully aware that companies are members of society, we aim to be a good corporate citizen. Therefore, we rigorously ensure our conduct is equitable and transparent. Moreover, we work hard to create a truly rich society by seeking harmony with the environment and contributing actively to society. Also, we strive to increase corporate value through management that reflects the standpoints of our shareholders, investors, customers, employees, and other stakeholders.

(2) Management Targets and Medium-to-Long-Term Company Strategies

In April 2006, the Maxell Group prepared a medium-term business plan, based on the themes of Innovation and Speed, Selection and Concentration, and Revolutionizing Our Mind-Set, which sets out as business targets net sales of 250,000 million yen, operating income of 15,000 million yen, and ROE of 5% or higher in the fiscal year ending March 2009. In the fiscal year 2006, the Maxell Group advanced selection and concentration through investment for increased production of strategic products with high growth potential, such as optical components and functional materials. At the same time, the Company rigorously sought cost reductions through original Maxell Process Innovation initiatives. However, the Company faces increasingly severe business conditions due to intensified price competition for mainstay products, hikes in raw material costs, and changes in supply and demand. In April 2007, therefore, the Company has reviewed its medium-term business plan with a view to establishing a high-earning operational structure and drastically improving business results from a medium-to-long-term perspective.

Changes to the medium-term business plan released in April 2006 are as follows.

Management Vision: Breakthrough to New Horizons Added as a Long-Term Vision

In addition to the existing medium-term mission of Change for Growth, the Company added a new long-term vision: Breakthrough to New Horizons. This long-term vision refers to taking on the challenges of seeking fresh possibilities in new technologies, product areas and corporate structures. Mindful of this vision, the Company will accelerate reforming its business portfolio for enhancing profitability and new growth as a medium – term mission.

Management Targets: Reform Business Portfolio by the Fiscal Year Ending March 2011, Aim for 6% Operating Income Margin

Going forward, the Company will concentrate the deployment of management resources on three businesses chosen for priority strengthening as areas that promise high growth potential and profitability: batteries, optical components, and functional materials. Using original technologies, the Company will further differentiate itself from other companies and realize products that are even more high-value-added. In mainstay Information Storage Media operations, the Company will enhance profitability by restructuring operations through the marketing of new products and cost reduction initiatives.

The Maxell Group has designated the coming three years ending March 2010 as a period of aggressive investment in which it will undertake prior development of next-generation products and invest to increase production of strategic products. Also, keeping in mind corporate acquisitions such as making Slientec Corporation its subsidiary on September 2007, the Company will accelerate the reweighting of its business portfolio to establish a highly profitable operational structure.

By the fiscal year ending March 2011, the Company aims to expand the Battery and Material-Device-Electronic Appliance segments as businesses for priority strengthening so that each accounts for 30% of net sales. By then, the Maxell Group aims to achieve an operating income margin of 6%.

(3) Issues the Company Should Address

Other issues that the Maxell Group should address in order to implement its medium-to-long-term strategies are as follows.

Strengthening the Cultivation of Personnel

The Company regards the effective utilization of personnel within the organization as one of the highest priority issues in corporate management. In response to changes in the management environment, the Company will deploy personnel efficiently and use them effectively. At the same time, the Company will establish an equitable and transparent personnel evaluation system, globalize the Company's organization and personnel, and aim to create an energetic, lively company.

Corporate Management with Awareness of Corporate Social Responsibility

The Company regards enhancing corporate value through awareness of corporate social responsibility to be one of the highest priority issues in corporate management. The Maxell Group aims to earn the trust of all stakeholders. To that end, the Company will pursue environmental management that seeks to preserve the environment and construct a sustainable resource-recycling society as well as actively benefiting society with a view to existing in harmony with local communities. At the same time, the Company will strengthen risk management systems and develop internal control systems through strict compliance management.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Description	As of September 30, 2007		As of September 30, 2006		As of March 31, 2007	
	Amount	Composition	Amount	Composition	Amount	Composition
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Current assets	134,517	49.9	115,445	43.5	116,300	44.3
Cash and deposits	12,537		7,995		11,086	
Trade notes and accounts receivables	43,605		40,641		40,109	
Marketable securities	10,893		16,350		6,847	
Inventories	29,474		29,109		26,762	
Deferred tax assets	5,022		7,377		4,377	
Cash pooling deposits	25,836		-		21,890	
Other current assets	7,679		14,590		5,592	
Allowance for doubtful accounts	(529)		(617)		(363)	
Fixed assets	135,223	50.1	150,212	56.5	146,340	55.7
Tangible fixed assets	95,650	35.4	81,276	30.6	81,647	31.1
Buildings and structures	24,192		23,365		23,307	
Machinery and equipment	23,000		18,752		19,865	
Land	42,976		31,999		32,004	
Construction in progress	2,062		3,576		2,993	
Other fixed assets	3,420		3,584		3,478	
Intangible fixed assets	2,380	0.9	1,679	0.6	1,568	0.6
Investments and other fixed assets	37,193	13.8	67,257	25.3	63,125	24.0
Investment securities	32,345		60,168		53,709	
Deferred tax assets	2,829		9,277		7,645	
Other investments	2,037		2,147		1,786	
Allowance for doubtful accounts	(18)		(4,335)		(15)	
Total assets	269,740	100.0	265,657	100.0	262,640	100.0

Description	As of September 30, 2007		As of September 30, 2006		As of March 31, 2007	
	Amount	Composition	Amount	Composition	Amount	Composition
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Current liabilities	54,730	20.3	50,164	18.9	46,260	17.6
Trade notes and accounts payables	22,394		17,870		19,322	
Short-term bank loans	4,302		1,789		1,571	
Accounts payable	4,557		5,118		5,338	
Accrued expenses	19,568		21,216		17,003	
Accrued income taxes	1,281		1,622		851	
Other current liabilities	2,628		2,549		2,175	
Long-term liabilities	19,938	7.4	20,899	7.8	20,518	7.8
Bonds	10,000		10,000		10,000	
Allowance for retirement benefits	9,054		9,252		9,251	
Allowance for directors' retirement bonus	496		518		599	
Other long-term liabilities	388		1,129		668	
Total liabilities	74,668	27.7	71,063	26.7	66,778	25.4
Shareholders' equity	198,693	73.7	198,693	74.8	199,251	75.9
Common stock	12,203	4.5	12,203	4.6	12,203	4.7
Capital surplus	22,327	8.3	22,327	8.4	22,327	8.5
Retained earnings	169,120	62.7	169,155	63.7	169,716	64.6
Cost of treasury stock	(4,957)	(1.8)	(4,992)	(1.9)	(4,995)	(1.9)
Total valuation and translation adjustments	(3,621)	(1.4)	(4,099)	(1.5)	(3,389)	(1.3)
Net unrealized holding gain (loss) on securities	(1,519)	(0.6)	(1,588)	(0.6)	(1,396)	(0.5)
Gain (loss) on deferred hedge transactions	-	-	(226)	(0.1)	(139)	(0.1)
Foreign currency translation adjustments	(2,102)	(0.8)	(2,285)	(0.8)	(1,854)	(0.7)
Total net assets	195,072	72.3	194,594	73.3	195,862	74.6
Total liabilities and net assets	269,740	100.0	265,657	100.0	262,640	100.0

(2) Consolidated Statements of Income

Description	April 1, 2007 through September 30, 2007		April 1, 2006 through September 30, 2006		April 1, 2006 through March 31, 2007	
	Amount	Composition	Amount	Composition	Amount	Composition
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Net sales	101,800	100.0	99,129	100.0	202,240	100.0
Cost of sales	71,291	70.0	68,116	68.7	139,664	69.1
Gross profit	30,509	30.0	31,013	31.3	62,576	30.9
Selling, general and administrative expenses	27,991	27.5	26,931	27.2	54,636	27.0
Operating income	2,518	2.5	4,082	4.1	7,940	3.9
Non-operating income	1,659	1.6	1,748	1.8	3,654	1.8
Interest and dividend income	846		983		1,882	
Equity in earnings of non-consolidated subsidiaries and affiliates	-		69		136	
Miscellaneous income	813		696		1,636	
Non-operating expenses	1,768	1.7	1,404	1.4	2,532	1.2
Interest expenses	408		376		597	
Miscellaneous expenses	1,360		1,028		1,935	
Ordinary income	2,409	2.4	4,426	4.5	9,062	4.5
Extraordinary gains	472	0.5	12	0.0	1,942	1.0
Gain on sales of fixed assets	237		12		290	
Gain on sales of investment securities	174		-		-	
Other	61		-		1,652	
Extraordinary losses	1,378	1.4	1,035	1.0	1,919	1.0
Loss on disposal of fixed assets	642		428		731	
Impairment loss of long-lived assets	405		15		15	
Loss on revaluation of investment securities	331		592		1,148	
Other	-		-		25	
Income before income taxes	1,503	1.5	3,403	3.5	9,085	4.5
Income taxes - current	690	0.7	1,112	1.1	831	0.4
Income taxes - deferred	449	0.4	916	1.0	5,358	2.7
Net income	364	0.4	1,375	1.4	2,896	1.4

(3) Consolidated Statements of Changes in Net Assets
April 1, 2007 through September 30, 2007

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Cost of treasury stock	Total shareholders' equity
Balance at March 31, 2007	12,203	22,327	169,716	(4,995)	199,251
Changes during the interim period					
Decrease in retained earnings	-	-	(960)	-	(960)
Interim net income	-	-	364	-	364
Acquisition of treasury stock	-	-	-	(1)	(1)
Retirement of treasury stock	-	(0)	-	39	39
Total changes during the interim period	-	(0)	(596)	38	(558)
Balance at September 30, 2007	12,203	22,327	169,120	(4,957)	198,693

	Valuation and translation adjustments				Total net assets
	Net unrealized holding gain (loss) on securities	Gain (loss) on deferred hedge transactions	Foreign currency translation adjustments	Total valuation and translation adjustments	
Balance at March 31, 2007	(1,396)	(139)	(1,854)	(3,389)	195,862
Changes during the interim period					
Decrease in retained earnings	-	-	-	-	(960)
Interim net income	-	-	-	-	364
Acquisition of treasury stock	-	-	-	-	(1)
Retirement of treasury stock	-	-	-	-	39
Net changes during the interim period of non-shareholders' equity items	(123)	139	(248)	(232)	(232)
Total changes during the interim period	(123)	139	(248)	(232)	(790)
Balance at September 30, 2007	(1,519)	-	(2,102)	(3,621)	195,072

April 1, 2006 through September 30, 2006

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Cost of treasury stock	Total shareholders' equity
Balance at March 31, 2006	12,203	22,325	168,726	(5,024)	198,230
Changes during the interim period					
Decrease in retained earnings	-	-	(912)	-	(912)
Directors' bouns by appropriation of retained earnings	-	-	(34)	-	(34)
Interim net income	-	-	1,375	-	1,375
Acquisition of treasury stock	-	-	-	(1)	(1)
Retirement of treasury stock	-	2	-	33	35
Total changes during the interim period	-	2	429	32	463
Balance at September 30, 2006	12,203	22,327	169,155	(4,992)	198,693

	Valuation and translation adjustments				Total net assets
	Net unrealized holding gain (loss) on securities	Gain (loss) on deferred hedge transactions	Foreign currency translation adjustments	Total valuation and translation adjustments	
Balance at March 31, 2006	(1,661)	-	(3,361)	(5,022)	193,208
Changes during the interim period					
Decrease in retained earnings	-	-	-	-	(912)
Directors' bouns by appropriation of retained earnings	-	-	-	-	(34)
Interim net income	-	-	-	-	1,375
Acquisition of treasury stock	-	-	-	-	(1)
Retirement of treasury stock	-	-	-	-	35
Net changes during the interim period of non-shareholders' equity items	73	(226)	1,076	923	923
Total changes during the interim period	73	(226)	1,076	923	1,386
Balance at September 30, 2006	(1,588)	(226)	(2,285)	(4,099)	194,594

April 1, 2006 through March 31, 2007

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Cost of treasury stock	Total shareholders' equity
Balance at March 31, 2006	12,203	22,325	168,726	(5,024)	198,230
Changes during the fiscal 2006					
Decrease in retained earnings	-	-	(1,872)	-	(1,872)
Directors' bonus by appropriation of retained earnings	-	-	(34)	-	(34)
Net income	-	-	2,896	-	2,896
Acquisition of treasury stock	-	-	-	(4)	(4)
Retirement of treasury stock	-	2	-	33	35
Total changes during the fiscal 2006	-	2	990	29	1,021
Balance at March 31, 2007	12,203	22,327	169,716	(4,995)	199,251

	Valuation and translation adjustments				Total net assets
	Net unrealized holding gain (loss) on securities	Gain (loss) on deferred hedge transactions	Foreign currency translation adjustments	Total valuation and translation adjustments	
Balance at March 31, 2006	(1,661)	-	(3,361)	(5,022)	193,208
Changes during the fiscal 2006					
Decrease in retained earnings	-	-	-	-	(1,872)
Directors' bonus by appropriation of retained earnings	-	-	-	-	(34)
Net income	-	-	-	-	2,896
Acquisition of treasury stock	-	-	-	-	(4)
Retirement of treasury stock	-	-	-	-	35
Net changes during the fiscal 2006 of non-shareholders' equity items	265	(139)	1,507	1,633	1,633
Total changes during the fiscal 2006	265	(139)	1,507	1,633	2,654
Balance at March 31, 2007	(1,396)	(139)	(1,854)	(3,389)	195,862

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	April 1, 2007 through	April 1, 2006 through	April 1, 2006 through
	September 30, 2007	September 30, 2006	March 31, 2007
	Amount	Amount	Amount
I Cash flows from operating activities			
Net profit before income taxes	1,503	3,403	9,085
Depreciation	5,083	4,705	9,792
Impairment loss of long-lived assets	405	15	15
Increase (decrease) in allowance for retirement benefits	(206)	6	(29)
Increase (decrease) in allowance for directors' retirement bonus	(163)	(105)	(24)
Increase (decrease) in allowance for doubtful accounts	(46)	8	(249)
Interest and dividend income	(846)	(983)	(1,882)
Interest expenses	408	376	597
Equity in earnings of non-consolidated subsidiaries and affiliates	-	(69)	(136)
Gain on sales of investment securities	(174)	-	-
Loss on revaluation of investment securities	331	592	1,148
Loss on disposal of fixed assets	642	428	731
Decrease (increase) in trade notes and accounts receivables	(671)	(181)	863
Decrease (increase) in inventories	(1,525)	(2,713)	(84)
Increase in trade notes and accounts payables	1,848	72	1,454
Increase (decrease) in accrued expenses	2,016	(161)	(4,500)
Payments of directors' bonus	-	(34)	(34)
Other	(1,980)	(1,276)	(3,106)
Subtotal	6,625	4,083	13,641
Proceeds from interest and dividend income	1,113	1,189	1,956
Payments of interest	(218)	(466)	(622)
Refund (payments) of income taxes	(513)	(1,632)	(2,121)
Net cash provided by (used in) operating activities	7,007	3,174	12,854
II Cash flows from investing activities			
Proceeds from sales of marketable securities	2,500	4,800	11,800
Purchase of tangible fixed assets	(6,036)	(4,718)	(10,566)
Proceeds from sales of tangible fixed assets	489	46	511
Purchase of investment securities	(23)	(5,535)	(5,568)
Proceeds from sales of investment securities	11,733	5,096	6,187
Payments for acquisition of investments in newly consolidated subsidiary	(11,047)	-	-
Proceeds from liquidation of non-consolidated subsidiary	-	-	83
Payments of loan receivables	(116)	(427)	(474)
Collections of loan receivables	46	430	454
Other	(837)	(67)	(154)
Net cash provided by (used in) investing activities	(3,291)	(375)	2,273
III Cash flows from financing activities			
Increase (decrease) in short-term debt	(528)	(155)	(418)
Expenditures for redemption of bonds	-	(20,000)	(20,000)
Dividends paid to shareholders	(960)	(912)	(1,872)
Expenditures of currency swap expiration	-	(1,087)	(1,087)
Purchase of treasury stock	(1)	(1)	(4)
Proceeds from sales of treasury stock	39	35	35
Net cash provided by (used in) financing activities	(1,450)	(22,120)	(23,346)
IV Effect of exchange rate changes on cash and cash equivalents	(109)	45	226
V Net increase (decrease) in cash and cash equivalents	2,157	(19,276)	(7,993)
VI Cash and cash equivalents at beginning of year	36,683	44,676	44,676
VII Cash and cash equivalents at end of period	38,840	25,400	36,683

4. Geographic Segment Information

April 1, 2007 through September 30, 2007

(Millions of yen)

	Japan	America	Europe	Asia and other	Total	Corporate (Elimination)	Consolidated total
Sales							
(1)Outside customers	37,472	34,682	18,316	11,330	101,800	-	101,800
(2)Intersegment transactions	35,987	141	5	4,906	41,039	(41,039)	-
Total sales	73,459	34,823	18,321	16,236	142,839	(41,039)	101,800
Operating expenses	71,718	34,213	18,225	15,974	140,130	(40,848)	99,282
Operating income	1,741	610	96	262	2,709	(191)	2,518

April 1, 2006 through September 30, 2006

(Millions of yen)

	Japan	America	Europe	Asia and other	Total	Corporate (Elimination)	Consolidated total
Sales							
(1)Outside customers	39,104	32,677	17,069	10,279	99,129	-	99,129
(2)Intersegment transactions	31,062	163	-	5,338	36,563	(36,563)	-
Total sales	70,166	32,840	17,069	15,617	135,692	(36,563)	99,129
Operating expenses	66,585	32,495	16,981	15,382	131,443	(36,396)	95,047
Operating income	3,581	345	88	235	4,249	(167)	4,082

April 1, 2006 through March 31, 2007

(Millions of yen)

	Japan	America	Europe	Asia and other	Total	Corporate (Elimination)	Consolidated total
Sales							
(1)Sales to third parties	78,908	66,742	36,107	20,483	202,240	-	202,240
(2) Intersegment sales	62,351	380	11	11,099	73,841	(73,841)	-
Total sales	141,259	67,122	36,118	31,582	276,081	(73,841)	202,240
Operating expenses	134,534	66,110	36,427	31,024	268,095	(73,795)	194,300
Operating income	6,725	1,012	(309)	558	7,986	(46)	7,940

Overseas sales

	America		Europe		Asia and other		Total		Consolidated total
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen
April 1, 2007 through September 30, 2007	28,894	28.4	18,557	18.2	20,822	20.5	68,273	67.1	101,800
April 1, 2006 through September 30, 2006	30,085	30.3	16,913	17.1	16,938	17.1	63,936	64.5	99,129
April 1, 2006 through March 31, 2007	61,688	30.5	35,778	17.7	32,470	16.0	129,936	64.2	202,240

Note: Overseas sales are the consolidated sales to other than Japan.