

Consolidated Financial Results for the Year Ended March 31, 2007

May 10, 2007

Listed company name : Sysmex Corporation
 Code : 6869
 Listed stock exchanges : Tokyo Stock Exchange
 Osaka Securities Exchange
 Head office : 1-5-1 Wakinohama-kaigandori, Chuo-ku, Kobe
 Company representative : Hisashi Ietsugu, President and CEO
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 Date of shareholders' meeting : June 22, 2007
 Starting date of dividend payment : June 25, 2007
 Filing date of financial statement report : June 22, 2007

1. Results for the Year Ended March 31, 2007

(1) Operating results

(Millions of Yen)

	Net Sales		Operating income		Ordinary income		Net income	
FY2006	101,041	15.0%	12,714	18.6%	13,577	13.3%	9,008	21.4%
FY2005	87,887	14.2%	10,723	17.8%	11,981	21.4%	7,422	29.5%

	Net income per share(Yen)	Diluted net income per share(Yen)	Return on Equity	Ordinary income to total assets	Operating income to net sales
FY2006	179.63	177.97	13.4%	14.4%	12.6%
FY2005	145.48	143.77	12.5%	14.5%	12.2%

Note:

- Equity in earnings or loss of investees : 29 millions of yen for FY2006 and 25 millions of yen for FY2005
- Percentage figures in the above tables indicate increase/decrease over the corresponding period of previous year.

(2) Financial position

(Millions of Yen)

	Total assets	Net assets	Equity Ratio	Net assets per share(Yen)
FY2006	101,225	72,396	70.5%	1,410.99
FY2005	87,446	62,646	71.6%	1,251.81

Note:

- Net worth: 71,344 millions of yen for FY2006 and 62,646 millions of yen for FY2005.
- Net assets for FY2005 does not include Minority interests. In addition, Net worth is the same as Shareholders' equity for FY2005, while Net worth for FY2006 consists of Shareholders' equity and Valuation and translation adjustments.

(3) Cash flows

(Millions of Yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Total Cash and Cash Equivalents at end of term
FY2006	10,085	-6,630	-457	12,714
FY2005	8,275	-7,858	-1,190	9,416

2. Dividend

	Dividend per share			Total dividend payment amount (millions of Yen)	Pay-out Ratio (consolidated)	Dividend to net assets (consolidated)
	Interim (Yen)	Year-end (Yen)	Annual (Yen)			
FY2005	20.00	16.00	36.00	1,297	17.9%	2.2%
FY2006	16.00	20.00	36.00	1,816	20.0%	2.7%
FY2007 (Forecast)	20.00	20.00	40.00	-	20.8%	-

Note:

Pay-out Ratio(consolidated) for FY2005 and Dividend to net assets(consolidated) for FY2005 are retroactively adjusted for Two-for-one stock split in 2005.

3. Business Forecast for the Year Ended March 31, 2008

(Millions of Yen)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share(Yen)
Semi-Annual	53,000	11.6%	6,800	10.9%	7,000	7.0%	4,500	8.4%	88.35
Annual	112,000	10.8%	15,000	18.0%	15,300	12.7%	9,800	8.8%	192.40

Note:

- The above estimates are based on information available to the Company on the date of the report's announcement. Due to unforeseen circumstances, however, actual results may differ from such estimates.*
- Percentage figures in the above tables indicate increase/decrease over the corresponding period of previous year.*

4. Other Information

(1) Changes in scope of consolidation: Consolidated subsidiaries (2 additions).

(2) Changes of the method of accounting policies: Yes

(3) Numbers of shares outstanding(Ordinary Shares)

Number of shares outstanding at the end of the periods (including treasury stock): 50,654,596 shares for FY2006 and 50,005,596 shares for FY2005.

Number of treasury stock at the end of the periods: 91,217 shares for FY2006 and 88,560 shares for FY2005.

1. Financial performance

(1) Performance analysis

① Summary of financial performance during FY2006

<Consolidated result>

(unit: million yen)

	FY2006	FY2005	Increase	Ratio of increase
Sales	101,041	87,887	13,153	15.0%
Operating income	12,714	10,723	1,991	18.6%
Ordinary income	13,577	11,981	1,596	13.3%
Net income	9,008	7,422	1,585	21.4%

Japanese economy has made gentle growth during this fiscal year (April 2006 till March 2007) with situation such as increase of investment at industrial economy and decrease of unemployment index; though domestic consumption has not made a firm growth. US economy has been continuing its growth during the period led from domestic consuming with suitable situation of employment although growth of property finance has stalled with bad debt growth at mortgage finance; European economy has made a steady growth in region; Asian economy has made a growth as well led by high growth region such as China and India.

At Japanese healthcare industry, government policy for reduction of healthcare expense hits recession of its industry; developed countries such as US or EU region is on reduction of healthcare expenditure as well; policies for enrichment of healthcare infrastructure cooperating with high growth of economy has been continued at emerging countries such as Asian countries or China on the other hand.

Upon abovementioned circumstance, we at SYSMEX group have kept strategies 1: reinforcement of product lineup, 2: penetration of business area and 3: enhancement of R&D elements. Strategy of reinforcement of product lineup led us to launch Automated Coagulation Analyzer CS-2000i, Automated Urine cell Analyzer UF-1000i and Automated Blood cell Analyzer XE-5000. As for penetration of business field, we launched SYSMEX entity such as establishment of SYSMEX South Africa since May 2006, Merge of Swiss distributor to SYSMEX affiliate. As for enhancement of R&D elements, we have kept investment for "Techno Park" to concentrate core technology fundamentals; we concluded settlement of alliance for co-development and sales with Affymetrix Inc, market leader of DNA microarray based on United States of America.

We had made 37,872 million yen sales (6.9% increases from previous fiscal year) at Japanese market, led from implementation of large hematology robotics in Japanese major commercial laboratory, introduction of new product lineup and sales promotion with IT products. At overseas market, we accumulated 63,168 million yen (20.4% increases from previous fiscal year) which is led from reinforcement of sales promotional activities for commercial laboratories and mid-small hospital market for increase of acknowledgement of SYSMEX brand and enrichment of market share in Americas region; we invested our recourse to strengthen customer support network, also launched RD-100i: gene amplification analyzer as first instrument in Life Science business, created promotional and scientific presence in European region. Also we continued enrichment of product lineup and continued bundle sales with full product line up in China and Asian Pacific region. Through these activities, consolidated sales reached 101,041 million Yen, 15.0% increase from previous fiscal year. Amounts and indices for profit were as follows: operating income was 12,714 million yen, 18.6% increase; ordinary income was 13,577 million yen, 13.3% increase, net income was 9,008 million yen, 21.4% increase. (All percentage indices present increase from previous fiscal year.)

② Regional segment information

<Regional income affiliates' performance>

(unit: million yen)

		FY 2006	FY 2005	Increase or decrease	Change ratio
Japan	Sales	39,395	36,760	2,635	7.2%
	Operating income	7,431	6,483	947	14.6%
Americas	Sales	19,158	15,620	3,537	22.6%
	Operating income	593	214	378	176.4%
Europe	Sales	31,584	25,368	6,216	24.5%
	Operating income	3,547	3,013	533	17.7%
China	Sales	6,848	6,403	444	6.9%
	Operating income	781	612	169	27.6%
Asian Pacific	Sales	4,053	3,734	318	8.5%
	Operating income	332	360	△27	△7.7%

Note: Sales amount presents external sales

<Japan>

Sales amount was 39,395 million yen (7.2% increased from previous fiscal year). Sales made a growth in Hematology, Coagulation, POC: Point of care and Industrial products; although market growth is stagnated. Growth is from success of large amount deal with hematology products, new product launch such as Automated Coagulation Analyzer CS-2000i, bundle sales with IT products.

Operating income was 7,431 million yen (14.6% increased from previous fiscal year). This increase is from export toward group subsidiaries; sales increase extinguished impact of growth of Selling General and Administrative expense.

<Americas>

Sales amount was 19,158 million yen (22.6% increased from previous fiscal year). Sales made a growth in Hematology, Coagulation and Urinalysis. Growth is from success of brand management and penetration of sales opportunities.

Operating income was 593 million yen (176.4% increased from previous fiscal year); large increase of profitability.

<Europe>

Sales amount was 31,584 million yen (24.5% increased from previous fiscal year). Sales made a growth in Hematology, Coagulation and Urinalysis due to enhancement of sales force, promotional activity of ICS: Integrated Concept Solution and distribution of new business territory.

Operating income was 3,547 million yen (17.7% increased from previous fiscal year); sales increase extinguished impact of growth of Selling General and Administrative expense.

<China>

Sales amount was 6,848 million yen (6.9% increased from previous fiscal year). Sales made a growth in Hematology and Coagulation due to sales increase of Automated Hematology analyzer XS series, growth of reagent sales from increase of install base.

Operating income was 781 million yen (27.6% increased from previous fiscal year); increase of reagent sales provided increase of profitability

<Asian Pacific>

Sales amount was 4,053 million yen (8.5% increased from previous fiscal year). Sales made a growth in Hematology, Coagulation and Urinalysis, through enhancement of product lineup.

Operating income was 332 million yen (7.7% decreased from previous fiscal year) due to increase of Selling General and Administrative expense for establishment of new facility and representative office.

③ Status of Research and Development efforts

We at SYSMEX Group target R&D objectives as “Provide high technology value-added testing to optimize and to standardize medical services which manage preventive medicines”. We aim to contribute improvement of QOL: quality of life, lifetime extension and efficiency of medical services through sustainability of growth and profitability by enhancement of core-technology and R&D structure.

At IVD business unit, we added new product lineup which are with higher capability. We launched new automated coagulation products: CS-2000i and CS-2100i which are with higher throughput with new detect technology. New hematology product, Automated hematology analyzer XE-5000 enabled to body fluid analysis in 2 minutes, usually tested with microscopy test around 60 minutes. New urine cell analyzer UF-1000i obtained higher sensitivity for bacteria which provides more efficient evidence for diagnosis of UTI: Urinary tract infection. At immunology, we are under development for new product lineup with Chemiluminescent Enzyme Immunity Analysis Technology.

We have been developing Life Science technology which is for Cancer diagnosis and Relapse prognosis. We reached first sales for Gene amplification detector RD-100i and its reagents in Europe region as a fruit of our R&D of Life Science, based on technology of Cancer Lymph Node Metastasis Rapid Diagnosis and Chemo Sensitivity Prediction. This analyzer enables to detect breast cancer within 30 minutes; and this rapidness will make medical field to diagnose during operation for breast cancer. This technology contributes reduction of side effect caused by mutilation of lymph node as well as reduction of recurrence risk. Also we are under development of core technology of relapse prognosis such as Minimal-Invasive Measurement Technology and Disease simulation.

R&D investment during this fiscal year was 9,026 million Yen (8.9% of consolidated sales amount).

④ Forecast for fiscal year 2007

<Consolidated financial statement forecast>

(unit: million yen)

	FY2007	FY2006	Increase or decrease	Increase ratio
Net sales	112,000	101,041	10,958	10.8%
Operating income	15,000	12,714	2,285	18.0%
Ordinary income	15,300	13,577	1,722	12.7%
Net Income	9,800	9,008	791	8.8%

Macro economy through next fiscal year is prospected to continue a fair condition; though there are considerable invisibility such as continuance of US economy growth and fluctuating price of crude oil. Health service restructuring in developed countries may affect against organic growth of healthcare industry.

We execute new mid-term plan since April 2007(during 3 fiscal years) and it contains the following action plan.

At IVD business unit, we execute local strategy by regions for sustainable growth and enhancement of profitability for Hematology business. At Americas region, we penetrate business field such as IHN: Integrated healthcare network or Commercial laboratory network. We strengthen sales force and customer service network at Europe and Asian Pacific region. We launch new product lineup in Immunology and Clinical chemistry, we will distribute them to Asian market as well as Japanese market.

We invest Life Science business for fundamental technology, sales and support organization, brand acknowledgement and product lineup in order to become our second core business.

We set objective for financial performance during fiscal year 2007 as:

Sales: 112,000(10.8% increase), Operating income: 15,000(18.0% increase)ordinary income: 15,300(12.7% increase), Net income: 9,800(8.8% increase)(all amounts are in million yen, indices in percentage are comparison with amount of FY2006 result).

(2) Financial condition analysis

① Total asset and shareholders equity

(unit: million yen)

	FY2007	FY2006	Increase or decrease	Increase ratio
Total asset	101,225	87,446	13,778	15.8%
Net asset	72,396	62,646	—	—
Equity ratio	70.5%	71.6%	—	—

Amount of Total asset was 101,225 increased 13,778 from previous fiscal year end balance. Major movement was as follows; all amounts are in million Yen:

Increase of Current asset: 11,268 which includes;

Increase of Cash and cash equivalents: 3,308;

Increase of Notes and account receivable: 5,764;

Increase of Inventory: 1,271;

Increase of Tangible fixed asset: 2,335 due to increase of building and structure, construction in progress;

Increase of Intangible fixed asset: 481 due to increase of goodwill;

Decrease of Other fixed asset: 307 due to decrease of investment in securities.

Amount of Liabilities was 28,829 increased 4,889 from previous fiscal year end balance. Major movement was as follows:

Increase of Notes and account payable: 1,862;

Increase of Deferred tax liability: 579;

Increase of Accrued expense: 572.

Amount of net asset was 72,396 increased 8,888 from previous fiscal year end balance (note: previous fiscal year end balance is as 63,507, sum of Stockholders' equity and Minority interests) due to increase of Retained earning: 7,244.

Equity ratio was 70.5%, 1.1 percent decreased from previous fiscal year end: 71.6%.

② Cash flows

<Summary of Cash flow statement>

(unit: million yen)

	FY 2006	FY 2005	Increase or decrease
Cash flows from operating activities	10,085	8,275	1,810
Cash flows from investing activities	△6,630	△7,858	1,228
Cash flows from financing activities	△457	△1,190	732
Total cash and cash equivalents at the end of term	12,714	9,416	3,298

Balance of cash and cash equivalents (hereinafter: Cash) was 12,714 million Yen; Summary of each activity during this period is as follows all amounts are in million yen:

[Cash Flow from Operating Activities]

Cash which is earned by operating activities was 10,085 (1,810 more than previous fiscal year's period), due to increase of income before taxes (13,768, 1,865 more than previous fiscal year's period), increase of notes and account receivables trade: 4,392 however decrease of notes and accounts payable trade: 690.

[Cash Flow from Investing Activities]

Cash which is spent for investing activities was 6,630 (1,228 more than previous fiscal year's period) mainly due to acquisition of tangible fixed assets (4,628, 1,167 less than previous fiscal year's period) and income of sales of securities (304, not occurred in previous fiscal year's period).

[Cash Flow from Financing Activities]

Cash which is earned by financing activities was 457 (732 less than previous fiscal year's period) mainly due to increase of dividend paid (1,603, 480 more than previous fiscal year's period) and income from issue of stocks for Stock option.

<Cash Flow indices>

(unit: million yen)

	FY2006	FY2005	FY2004	FY2003	FY2002
Shareholders' Equity ratio (%)	70.5	71.6	72.3	71.0	65.2
Shareholders' Equity ratio at market price (%)	214.2	293.4	196.7	93.6	73.0
Years for debt redemption	6.6	8.4	9.8	44.9	194.4
Interest coverage ratio	362.2	486.8	308.6	108.1	29.0

*Shareholders' Equity ratio: Shareholders' Equity/ Total assets

(Shareholders' Equity =Net assets - share warrant - minority interests)

*Shareholders' Equity at Market Price: Share Aggregate Market Value/Total Assets

*Years for Debt Redemption: Balance of Interest-Bearing Liabilities/Cash Flow from Operating Activities (No description in an interim period)

*Interest Coverage Ratio: Cash Flow from Operating Activities/Interest Payments

(1) Indices are calculated with consolidated financial figures.

(2) Total Market Value of shares is calculated as term-end price multiplied with total number of shares issued as of the term-end.

- (3) Cash Flow from Operating Activities is referred from the cash flow statement summary.
(4) Balance of Interest-Bearing Liabilities is as Liabilities with interest in Consolidated Balance Sheet.
(5) Interest Payments is as amount of interest paid Consolidated Cash Flow Statement.

(3) Policy of dividend, dividend of this fiscal year and forecast of following fiscal year

We have been indicating a policy of stockholders' equity to balance both investment for sustainable growth and contribution toward shareholders. Upon this policy we raise strategy to keep dividend payout ratio as approximately 20% on consolidated financial performance.

Per abovementioned policy, we are projecting to declare dividend as 20 yen per share to 40th annual shareholders meeting. Annual dividend per share will be 36 yen per share; dividend payout ratio will be 20.0%. This dividend plan will be 10 yen more than that of previous fiscal year if numbers of share issued is converted after share split.

Also we are planning FY2007's dividend as 40 yen per share, (20 yen for both half fiscal year and fiscal year end); currently we are planning to maintain dividend issue twice in a fiscal year.

(4) Potential risk against SYSMEX business

The following statement is for information of potential risk which may cause a severe impact for our business.

① Overseas sales performance

We are consolidating financial statement in Yen bases; Our consolidated financial performance may cause impact from foreign currency evaluation or devaluation. Following tables are trend of sales amount and its ratio by region.

(unit: million yen)

	FY2003	FY2004	FY2005	FY2006
Americas	9,182 (13.9%)	13,633 (17.7%)	15,762 (17.9%)	19,227 (19.0%)
Europe	17,628 (26.7%)	21,234 (27.6%)	25,437 (29.0%)	31,659 (31.3%)
China	4,066 (6.2%)	4,824 (6.3%)	6,411 (7.3%)	6,848 (6.8%)
Asian Pacific	3,308 (5.0%)	3,835 (5.0%)	4,857 (5.5%)	5,432 (5.4%)
Overseas Sales	34,185 (51.8%)	43,527 (56.6%)	52,469 (59.7%)	63,168 (62.5%)
Consolidated sales	65,970 (100.0%)	76,934 (100.0%)	87,887 (100.0%)	101,041 (100.0%)

② Impact of healthcare spending policies by government

Japanese government is under performing to optimize healthcare spending to match circumstances of social structure and medical technologies. Our financial performance in Japanese market may cause reform of healthcare spending.

③ Raw material supply

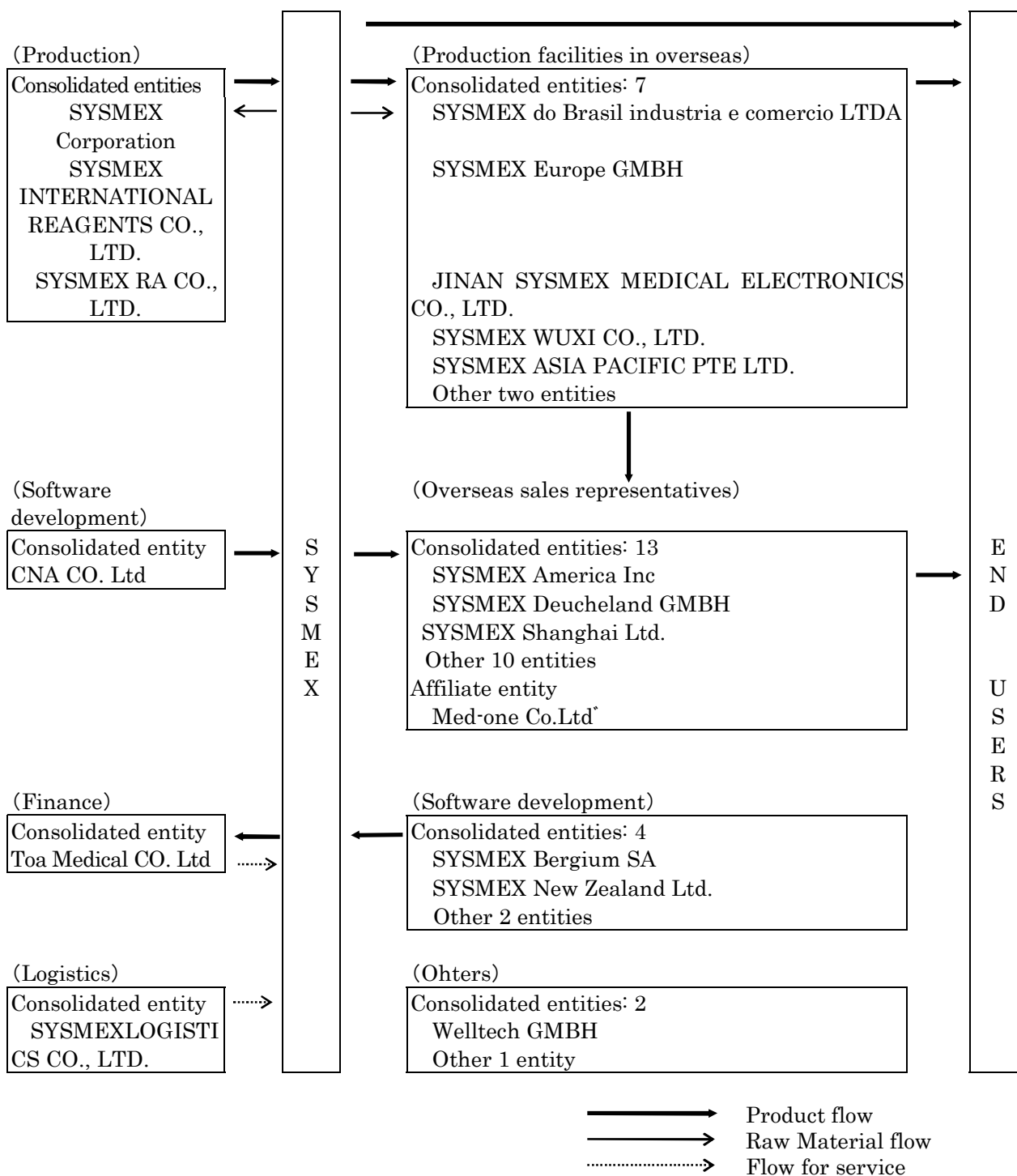
We are trading with approximately 350 suppliers in Japan and overseas. Discontinuity of supply which would be caused from suppliers' control such as quality defect or nonfulfilment may have severe impact against our sustainability. Against this future risk, we have established structure of supply chain management for raw materials for instruments. We have started to study for establishment of supply chain management of raw materials for reagents among headquarters and overseas subsidiaries.

2. SYSMEX group structure

SYSMEX group contains headquarters (SYSMEX Corporation), 32 subsidiaries and one affiliate company, our core business is healthcare industry which provides products for in-vitro diagnostics.

Headquarters has core function for Development, Production, Sales and service after sales, Japanese subsidiaries has function for part of development, manufacturing and leasing. At overseas 21 subsidiaries have function for reagents production and sales administration by territory, 4 subsidiaries have function for software development.

Following chart is summary for business chain in SYSMEX group.



SYSMEX International reagents Co. Ltd. is former International Reagent CO. Ltd, renamed since April1st 2006.

3. Corporate philosophy and strategy

(1) Corporate philosophy

We have established the Sysmex Way, corporate philosophy on April 1st 2007. Sysmex way is success from our “Three confidence” which is nominated since our foundation. In addition, in accordance with the Sysmex Way we have established "Our Core Behaviors" which states our promise to our diversity of stakeholders.

Sysmex Way	
【Mission】	Shaping the advancement of healthcare.
【Value】	We continue to create unique and innovative values, while building trust and confidence.
【Mind】	With passion and flexibility, we demonstrate our individual competence and unsurpassed teamwork

We are heading for social confidence in accordance with Sysmex Way.

(2) Target in mid-term plan

We set a target by the end of fiscal year 2009 to achieve Consolidates sales amount as 140 billion yen, consolidated ordinary income as 20.5 billion yen.

(3) Mid-term strategy and objectives

We at SYSMEX is heading to be unique global enterprise based on No.1 in global niche, Focus on Asia Focus on Life Science as fundamental strategy.

Objectives for above fundamental strategy are as follows:

① Strengthen R&D function

We continue investment for R&D, such as establishment of “Techno-Park” for enhancement of our core-technologies; this investment will make our feature visible to be independent of Life Science business. Also this R&D enhancement enable to acceleration of both new product launch and practice of new technology use.

② Penetration by region

We have been managing world market by five regions: Japan, Americas, Europe, China and Asian Pacific. We are heading to become exclusive supplier in Hematology, Coagulation, also become a leading company in Urinalysis in all five regions.

We are heading to become a leading company in Asia (body of Japan, China and Asian pacific) as our home field.

We are heading to penetrate our business field through enrichment of technology, product lineup and sales force by alliance with partner companies or M&A.

③ ERP integration with standardization of group operation

We have started a project for ERP integration with standardization of group operation in order to penetrate efficiency of operation with implementation of standard of operation, as a resource of our growth.

④ Adaptation for environment requirement and strengthen risk management

We accelerate our activity for adaptation for environmental requirement and strengthen risk management in accordance with our new philosophy “Sysmex Way” and "Our Core Behaviors".

Disclaimer:

Forecast contains current data which is built with hypothesis, and may contain future risk and uncertain events. SYSMEX may revise this forecast in the future if necessary.

Consolidated Balance Sheet

(unit: millions of Yen)

Items	Period	Previous term (as of March 31,2006)		Current term (as of March 31,2007)	
		Amount	%	Amount	%
(Assets)					
Current assets					
Cash		9,485		12,793	
Notes and accounts receivable trade		26,145		31,910	
Marketable securities		28		41	
Inventories		15,291		16,563	
Deferred tax assets		2,540		3,668	
Prepaid expenses		614		788	
Short-term loans receivable		3		2	
Others		1,161		861	
Allowance for doubtful debts		-419		-508	
Current assets total		54,851	62.7	66,120	65.3
Fixed assets					
Tangible fixed assets					
Buildings and structures		15,872		17,145	
Accumulated depreciation		-8,316		-8,981	
Net buildings and structures		7,555		8,164	
Machinery, equipment and vehicles		5,781		6,270	
Accumulated depreciation		-4,036		-3,981	
Net machinery, equipment and vehicles		1,744		2,288	
Tools, furniture and fixtures		14,051		14,976	
Accumulated depreciation		-10,664		-11,189	
Net tools, furniture and fixtures		3,387		3,786	
Land		7,738		7,871	
Construction in progress		1,018		1,669	
Tangible fixed assets total		21,444	24.5	23,780	23.5
Intangible fixed assets					
Consolidation goodwill		217		475	
Software		2,921		3,052	
Others		105		197	
Intangible fixed assets total		3,244	3.7	3,726	3.7
Investments					
Investments in securities		3,988		3,004	
Long-term loans receivable		3		3	
Long-term prepaid expenses		110		179	
Investment real estate		2,173		2,136	
Prepaid pension cost		-		465	
Others		1,454		1,697	
Deferred tax assets		177		115	
Allowance for doubtful debts		-3		-3	
Investments total		7,905	9.1	7,598	7.5
Fixed assets total		32,594	37.3	35,104	34.7
Total assets		87,446	100.0	101,225	100.0

(Note) fractions of one million yen are rounded off

Consolidated Balance Sheet

(unit: million yen)

Items	Period	Previous term (as of March 31,2006)		Current term (as of March 31,2007)	
		Amount	%	Amount	%
(Liabilities)					
Current liabilities					
Notes and accounts payable trade		8,868		10,731	
Short-term loans payable		146		79	
Corporation taxes payable		2,664		3,244	
Deferred tax liabilities		3		3	
Accrued expenses		2,221		2,794	
Reserve for bonuses		2,057		2,403	
Reserve for bonuses to directors		—		163	
Reserve for product warranties		407		541	
Others		4,598		5,672	
Current liabilities total		20,967	24.0	25,634	25.3
Fixed liabilities					
Long-term loan payable		3		82	
Deferred tax liabilities		1,067		1,387	
Reserve for retirement benefits		162		143	
Reserve for directors' retirement benefits		284		264	
Others		1,454		1,317	
Fixed liabilities total		2,971	3.4	3,195	3.2
Total liabilities		23,939	27.4	28,829	28.5
(Minority interest)					
Minority interest		860	1.0	—	—
(Shareholders' equity)					
Capital stock		7,954	9.1	—	—
Capital surplus		11,184	12.8	—	—
Earned surplus		41,550	47.5	—	—
Unrealized gain or loss of investments in securities		1,234	1.4	—	—
Foreign currency translation adjustment		872	1.0	—	—
Treasury stock		-150	-0.2	—	—
Total shareholders' equity		62,646	71.6	—	—
Total liabilities, minority interest and shareholders' equity		87,446	100.0	—	—
(Net assets)					
Shareholders' equity					
Capital stock		—		8,501	
Capital surplus		—		11,731	
Earned surplus		—		48,794	
Treasury stock		—		-163	
Total shareholders' equity		—	—	68,864	68.0
Valuation and translation adjustments					
Unrealized gain or loss of investments in securities		—		805	
Foreign currency translation adjustment		—		1,674	
Total valuation and translation adjustments		—	—	2,480	2.5
Minority interests		—	—	1,051	1.0
Total Net assets		—	—	72,396	71.5
Total liabilities and net assets		—	—	101,225	100.0

(Note) fractions of one million yen are rounded off

Consolidated Statements of Income

(unit: millions of Yen)

Items	Period	Previous term		Current term	
		(as of March 31,2006)		(as of March 31,2007)	
		Amount	%	Amount	%
Sales		87,887	100.0	101,041	100.0
Cost of sales		36,739	41.8	43,497	43.0
Gross profit		51,148	58.2	57,543	57.0
Selling, general and administrative expenses		40,425	46.0	44,828	44.4
Operating income		10,723	12.2	12,714	12.6
Non-operating income					
Interest income		67		107	
dividends earned		34		41	
Royalties earned		48		48	
Income from investment real estate		395		393	
Equity in earnings of investees		25		29	
Exchange gain		828		374	
Others		158		190	
Non-operating income total		1,558	1.8	1,185	1.1
Non-operating expenses					
Interest expense		22		27	
Amortization of goodwill		6		—	
Cash discount		32		28	
Maintenance cost of investment real estate		197		169	
Others		43		97	
Non-operating expenses total		300	0.4	322	0.3
Ordinary income		11,981	13.6	13,577	13.4
Extraordinary income					
Extraordinary profits					
Gain on sales of investment securities		0		117	
Gains on sale of fixed assets		9		27	
Reversal of allowance for doubtful debts		42		42	
Reversal of reserve for directors' retirement benefits		1		—	
Investment income from change of equity		6		2	
Income from settlement		—		180	
Extraordinary profits total		59	0.1	370	0.4
Extraordinary losses					
Write-down of securities		6		38	
Loss on disposal of fixed assets		131		141	
Extraordinary losses total		138	0.2	180	0.2
Net income before income taxes and minority interest		11,902	13.5	13,768	13.6
Income taxes		5,010	5.7	5,139	5.1
Deferred income taxes		-561	-0.6	-424	-0.4
Minority interest		31	0.0	44	0.0
Net income		7,422	8.4	9,008	8.9

(Note) fractions of one million yen are rounded off

Consolidated Statements of Retained Earnings

(unit: millions of Yen)

Items	Period	Previous term (as of March 31,2006)		Current term (as of March 31,2007)	
(Capital Surplus)					
Capital Surplus at Beginning of period			11,182		—
Increase in Capital Surplus					
1. Inclusion from Issue of stocks		—		—	
2. Gain on Disposal of Treasury stocks		2	2	—	—
Capital Surplus at End of term			11,184		—
(Earned Surplus)					
Earned Surplus at Beginning of period			36,050		—
Increase in Earned Surplus					
Net Income for Current Period		7,422	7,422	—	—
Decrease in Earned Surplus					
Dividend Payments		1,123		—	
Bonuses to Directors (including auditors)		111 (15)		—	
Decrease due to fiscal year-end change for subsidiaries		687	1,923	—	—
Earned Surplus at End of term			41,550		—

(Note) fractions of one million yen are rounded off

Consolidated Statement of Changes in Net Assets

FY2006(from April 1 to March 31,2007)

(unit: millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at the end of previous period	7,954	11,184	41,550	-150	60,538
Changes of items during the period					
Issuance of stock	546	546			1,093
Dividends from appropriation of surplus			-798		-798
Dividends from retained earnings			-804		-804
Bonuses to Directors from appropriation of surplus			-159		-159
Net income			9,008		9,008
Repurchase of treasury stock				-12	-12
Disposal of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	546	546	7,244	-12	8,325
Balance at the end of the current period	8,501	11,731	48,794	-163	68,864

	Valuation and translation adjustments			Minority interests	Total Net assets
	Unrealized gain or loss of investments in securities	Foreign currency translation adjustment	Total Valuation and translation adjustments		
Balance at the end of previous period	1,234	872	2,107	860	63,507
Changes of items during the period					
Issuance of stock					1,093
Dividends from appropriation of surplus					-798
Dividends from retained earnings					-804
Bonuses to Directors from appropriation of surplus					-159
Net income					9,008
Repurchase of treasury stock					-12
Disposal of treasury stock					0
Net changes of items other than shareholders' equity	-429	802	372	190	563
Total changes of items during the period	-429	802	372	190	8,888
Balance at the end of the current period	805	1,674	2,480	1,051	72,396

(Note) fractions of one million yen are rounded off

Consolidated Statements of Cash Flows

(unit: millions of Yen)

Items	Period	Previous term (as of March 31,2006)	Current term (as of March 31,2007)
Cash flows from operating activities			
Net income before income taxes and minority interest		11,902	13,768
Depreciation and amortization		3,592	4,008
Amortization of consolidation goodwill		33	7
Increase/decrease in reserve for bonuses		378	294
Increase/decrease in reserve for bonuses to directors		—	163
Increase/decrease in reserve for directors' retirement benefits		-14	-19
Increase/decrease in reserve for retirement benefits		-161	-24
Increase/decrease in Prepaid pension cost		—	-465
Increase/decrease in allowance for doubtful debts		21	46
Interest income and dividends earned		-102	-149
Interest expense		22	27
Equity in earnings/loss of investees		-25	-29
Gain/loss on sales of investment securities		-0	-117
Write-down of securities		6	38
Loss on disposal of fixed assets		131	141
Increase/decrease in notes and accounts receivable		-2,383	-4,392
Increase/decrease in inventories		-684	-297
Increase/decrease in notes and accounts payable		-753	690
Increase/decrease in consumption taxes payable/receivable		-165	160
Bonuses to directors		-111	-159
Others		698	934
Subtotal		12,383	14,627
Interest and dividends received		99	145
Interest paid		-16	-27
Corporation taxes paid		-4,191	-4,660
Cash flows from operating activities		8,275	10,085
Cash flows from investing activities			
Payments for funding of time deposit		-66	-40
Proceeds from refundment of time deposit		30	30
Payments for purchases of tangible fixed assets		-5,795	-4,628
Proceeds from sale on tangible fixed assets		—	73
Payments for purchases of intangible fixed assets		-1,421	-1,487
Payments for purchases of investment securities		-494	—
Proceeds on investment securities sold		0	304
Cash flow from equity investment in subsidiaries		—	-533
Payments for investments in real estates		-58	—
Others		-52	-349
Cash flows from investing activities		-7,858	-6,630
Cash flows from financing activities			
Net increase/decrease of short-term loans		-39	-118
Proceeds from long-term loans		—	191
Repayment of long-term loans		-19	-64
Proceeds from issuing stocks		—	1,093
Proceeds from minority shareholders on issuing stocks of subsidiaries		21	59
Payments for purchases of treasury stocks		-30	-12
Dividends paid		-1,123	-1,603
Dividend paid to minority shareholders		—	-3
Cash flows from financing activities		-1,190	-457
Translation adjustments on cash and cash equivalents		275	301
Increase/decrease in cash and cash equivalent		-498	3,298
Cash and cash equivalents at beginning of year		10,457	9,416
Decrease of Cash and cash equivalents due to fiscal year-end change for subsidiaries		-542	—
Cash and cash equivalents at end of year		9,416	12,714

(Note) fractions of one million yen are rounded off

Segment Information

1. Information about operations by geographic area Previous term(from April 1,2005 to March 31,2006)

(unit: millions of Yen)

	Japan	Americas	Europe	China	Asia Pacific	Total	Eliminations / Corporate	Consolidated
Sales and Operating income								
Sales								
Net Sales to outside customers	36,760	15,620	25,368	6,403	3,734	87,887	—	87,887
Interarea transfer	22,621	176	299	10	109	23,217	(23,217)	—
Total net sales	59,381	15,796	25,668	6,414	3,844	111,105	(23,217)	87,887
Operating expenses	52,898	15,581	22,654	5,801	3,483	100,420	(23,256)	77,164
Operating income	6,483	214	3,013	612	360	10,685	(-38)	10,723
Assets	68,546	7,953	14,555	4,376	2,996	98,427	(10,981)	87,446

Current term(from April 1,2006 to March 31,2007)

(unit: millions of Yen)

	Japan	Americas	Europe	China	Asia Pacific	Total	Eliminations / Corporate	Consolidated
Sales and Operating income								
Sales								
Net Sales to outside customers	39,395	19,158	31,584	6,848	4,053	101,041	—	101,041
Interarea transfer	25,532	215	428	13	147	26,338	(26,338)	—
Total net sales	64,928	19,373	32,013	6,862	4,201	127,379	(26,338)	101,041
Operating expenses	57,496	18,780	28,466	6,081	3,868	114,693	(26,366)	88,326
Operating income	7,431	593	3,547	781	332	12,686	(-28)	12,714
	77,131	10,299	19,102	5,543	3,543	115,620	(14,395)	101,225

2. Net Sales to Foreign Customers Previous term(from April 1,2005 to March 31,2006)

(unit: millions of Yen)

	Americas	Europe	China	Asia Pacific	Total
Net Sales to Foreign Customers	15,762	25,437	6,411	4,857	52,469
Consolidated Sales	—	—	—	—	87,887
The rate of net sales to foreign customers to consolidated sales	17.9%	29.0%	7.3%	5.5%	59.7%

Current term(from April 1,2006 to March 31,2007)

(unit: millions of Yen)

	Americas	Europe	China	Asia Pacific	Total
Net Sales to Foreign Customers	19,227	31,659	6,848	5,432	63,168
Consolidated Sales	—	—	—	—	101,041
The rate of net sales to foreign customers to consolidated sales	19.0%	31.3%	6.8%	5.4%	62.5%