

Consolidated Balance Sheets

As of June 30,2007,2006 and December 31,2006

Assets	Millions of Yen			Thousands of U.S.Dollars
	2006.6.30	2006.12.31	2007.6.30	(1US\$=¥123.26) 2007.6.30
Current assets:				
Cash on hand and in banks	¥4,800	¥4,852	¥1,714	\$13,905
Notes and accounts receivable	7,696	7,162	7,401	60,051
	12,496	12,015	9,116	73,957
Less: allowance for doubtful accounts	(12)	(13)	(12)	(102)
	12,484	12,001	9,103	73,855
Inventories	5,765	6,239	6,092	49,425
Deferred tax assets - current	20	13	143	1,163
Other current assets	410	589	462	3,753
Total current assets	18,681	18,844	15,801	128,198
Property,Plant and equipment:				
Land	2,855	2,960	3,056	24,799
Property,Plant and equipment - At cost	30,265	31,744	33,419	271,131
Construction in progress	499	840	499	4,051
	33,621	35,546	36,975	299,981
Less: accumulated depreciation	(19,806)	(21,019)	(22,147)	(179,682)
Total property,plant and equipment	13,814	14,526	14,828	120,299
Intangible assets	130	128	125	1,019
Investments and other assets:				
Investments in securities	605	246	238	1,932
Long-term loans	433	455	400	3,251
Deferred tax assets	7	7	7	58
Other investments	968	962	938	7,610
	2,014	1,672	1,584	12,853
Less: allowance for doubtful accounts	(3)	(3)	(3)	(28)
Total investments and other assets	2,010	1,668	1,580	12,825
Total assets	¥34,637	¥35,168	¥32,336	\$262,342

Consolidated Balance Sheets

As of June 30,2007,2006 and December 31,2006

Liabilities and Net assets	Millions of Yen			Thousands of
	2006.6.30	2006.12.31	2007.6.30	U.S.Dollars
				(1US\$=¥123.26)
				2007.6.30
Current liabilities:				
Notes and accounts payable	¥6,626	¥7,953	¥6,551	\$53,153
Short-term loans	6,389	7,150	4,289	34,803
Current-portion of long-term debt	3,517	3,602	3,607	29,264
Income taxes payable	31	55	39	323
Notes payable for facilities	752	301	267	2,168
Other current liabilities	1,858	1,285	1,838	14,914
Total current liabilities	<u>19,176</u>	<u>20,349</u>	<u>16,594</u>	<u>134,628</u>
Long-term liabilities:				
Long-term loans	6,767	5,511	5,649	45,836
Deferred tax liabilities - fixed	348	251	295	2,395
Deferred tax liabilities for revaluation	265	265	265	2,149
Reserve for retirement benefits	2,019	1,954	1,888	15,321
Reserve for directors' retirement benefits	92	81	51	416
Other long-term liabilities	51	44	30	244
Total long-term liabilities	<u>9,543</u>	<u>8,107</u>	<u>8,180</u>	<u>66,364</u>
Net assets:				
Owners' equity:				
Paid-in capital	3,508	3,508	3,508	28,466
Capital surplus	2,009	2,009	1,979	16,059
Earned surplus	(853)	(217)	302	2,453
Treasury stock	(2)	(3)	(3)	(26)
Total owners' equity	<u>4,662</u>	<u>5,297</u>	<u>5,787</u>	<u>46,952</u>
Valuation and translation adjustments:				
Net unrealized holding gains on securities	182	18	12	100
Deferred gains or losses on hedges	(8)	(2)	(2)	(22)
Land revaluation excess	397	397	397	3,224
Foreign currency translation adjustments	(276)	(51)	232	1,889
Total valuation and translation adjustments	<u>293</u>	<u>362</u>	<u>640</u>	<u>5,193</u>
Minority interests	<u>961</u>	<u>1,051</u>	<u>1,134</u>	<u>9,203</u>
Total net assets	<u>5,918</u>	<u>6,711</u>	<u>7,562</u>	<u>61,350</u>
Total liabilities and net assets	<u>¥34,637</u>	<u>¥35,168</u>	<u>¥32,336</u>	<u>\$262,342</u>

Consolidated Statements of Income

For the interim period ended June 30,2006,2007 and years ended December 31,2006

	Millions of Yen			Thousands of U.S.Dollars
	Jan'06-Jun'06	Jan'06-Dec'06	Jan'07-Jun'07	(1US\$=¥123.26) Jan'07-Jun'07
Net sales	¥17,793	¥37,273	¥18,482	\$149,944
Cost of sales	15,266	31,935	15,492	125,688
Gross profit	2,526	5,337	2,989	24,256
Selling,general and administrative expenses	2,264	4,470	2,188	17,755
Operating income	262	867	801	6,500
Non-operating income:				
Interest income	15	33	23	187
Foreign exchange gains	5	125	95	778
Other	54	116	57	463
	75	275	176	1,430
Non-operating expenses:				
Interest expenses	224	467	243	1,972
Equity in losses of affiliated company	49	49	74	600
Stock issuance expenses	145	145	-	-
Other	70	164	79	646
	489	826	396	3,219
Ordinary income(loss)	(151)	316	580	4,712
Extraordinary gains:				
Gain on sale of fixed assets	2	2	2	21
Gain on sale of investments in securities	-	253	-	-
Reversal of reserve for directors' retirement benefits	-	4	-	-
	2	261	2	21
Extraordinary losses:				
Loss on disposal of inventories	17	26	-	-
Loss on sale or disposal of fixed assets	1	15	47	386
Impairment loss	230	231	59	484
	249	273	107	870
Income(loss) before income taxes	(398)	303	476	3,863
Income taxes - Current	14	35	16	137
Income taxes - Deferred	6	27	(81)	(663)
Minority interests in income of consolidated subsidiaries	25	50	21	172
Net income(loss)	¥(446)	¥189	¥519	\$4,216
		Yen		U.S.Dollars
Per share:				
Net income(loss)	¥(13.50)	¥5.12	¥12.49	\$0.10
Weighted average number of shares	33,029,753	36,985,528	41,599,302	

Consolidated Statements of Changes in Net Assets

For the interim period ended June 30,2007 (January 1, 2007 - June 30, 2007)

(Millions of Yen)

	Owners' equity					Valuation and translation adjustments					Minority interests	Total net assets
	Paid-in capital	Capital surplus	Earned surplus	Treasury stock	Total owners' equity	Net unrealized holding gains on securities	Deferred gains or losses on hedges	Land revaluation excess	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of December 31,2006	¥3,508	¥2,009	¥(217)	¥(3)	¥5,297	¥18	¥(2)	¥397	¥(51)	¥362	¥1,051	¥6,711
Changes of items during the interim period												
Dividends from surplus		(30)			(30)							(30)
Net income			519		519							519
Purchase of treasury stock				(0)	(0)							(0)
Net changes of items other than owners' equity						(6)	(0)	-	284	277	82	360
Total changes of items during the interim period	-	(30)	519	(0)	489	(6)	(0)	-	284	277	82	850
Balance as of June 30,2007	¥3,508	¥1,979	¥302	¥(3)	¥5,787	¥12	¥(2)	¥397	¥232	¥640	¥1,134	¥7,562

(Thousands of U.S.Dollars (1US\$=¥123.26))

	Owners' equity					Valuation and translation adjustments					Minority interests	Total net assets
	Paid-in capital	Capital surplus	Earned surplus	Treasury stock	Total owners' equity	Net unrealized holding gains on securities	Deferred gains or losses on hedges	Land revaluation excess	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of December 31,2006	\$28,466	\$16,302	\$(1,763)	\$(25)	\$42,980	\$152	\$(21)	\$3,224	\$(416)	\$2,938	\$8,530	\$54,450
Changes of items during the interim period												
Dividends from surplus		(243)			(243)							(243)
Net income			4,216		4,216							4,216
Purchase of treasury stock				(1)	(1)							(1)
Net changes of items other than owners' equity						(51)	(0)	-	2,306	2,254	673	2,927
Total changes of items during the interim period	-	(243)	4,216	(1)	3,971	(51)	(0)	-	2,306	2,254	673	6,899
Balance as of June 30,2007	\$28,466	\$16,059	\$2,453	\$(26)	\$46,952	\$100	\$(22)	\$3,224	\$1,889	\$5,193	\$9,203	\$61,350

Consolidated Statements of Changes in Net Assets

For the interim period ended June 30,2006 (January 1, 2006 - June 30, 2006)

(Millions of Yen)

	Owners' equity					Valuation and translation adjustments					Minority interests	Total net assets
	Paid-in capital	Capital surplus	Earned surplus	Treasury stock	Total owners' equity	Net unrealized holding gains on securities	Deferred gains or losses on hedges	Land revaluation excess	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of December 31,2005	¥2,008	¥1,435	¥(1,419)	¥(2)	¥2,022	¥177	-	¥483	¥(298)	¥362	¥933	¥3,318
Changes of items during the interim period												
Issue of new shares	1,500	1,500			3,000							3,000
Transfer of capital surplus		(926)	926		-							-
Net income(loss)			(446)		(446)							(446)
Reversal of land revaluation excess			86		86			(86)		(86)		-
Purchase of treasury stock				(0)	(0)							(0)
Net changes of items other than owners' equity						4	(8)	-	21	17	28	46
Total changes of items during the interim period	1,500	573	565	(0)	2,639	4	(8)	(86)	21	(68)	28	2,599
Balance as of June 30,2006	¥3,508	¥2,009	¥(853)	¥(2)	¥4,662	¥182	¥(8)	¥397	¥(276)	¥293	¥961	¥5,918

For the years ended December 31,2006 (January 1, 2006 - December 31, 2006)

(Millions of Yen)

	Owners' equity					Valuation and translation adjustments					Minority interests	Total net assets
	Paid-in capital	Capital surplus	Earned surplus	Treasury stock	Total owners' equity	Net unrealized holding gains on securities	Deferred gains or losses on hedges	Land revaluation excess	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of December 31,2005	¥2,008	¥1,435	¥(1,419)	¥(2)	¥2,022	¥177	-	¥483	¥(298)	¥362	¥933	¥3,318
Changes of items during the fiscal year												
Issue of new shares	1,500	1,500			3,000							3,000
Transfer of capital surplus		(926)	926		-							-
Net income			189		189							189
Reversal of land revaluation excess			86		86			(86)		(86)		-
Purchase of treasury stock				(0)	(0)							(0)
Net changes of items other than owners' equity						(158)	(2)	-	247	85	118	204
Total changes of items during the fiscal year	1,500	573	1,201	(0)	3,275	(158)	(2)	(86)	247	(0)	118	3,393
Balance as of December 31,2006	¥3,508	¥2,009	¥(217)	¥(3)	¥5,297	¥18	¥(2)	¥397	¥(51)	¥362	¥1,051	¥6,711

Consolidated Statements of Cash Flows

For the interim period ended June 30,2006,2007 and years ended December 31,2006

	Millions of Yen			Thousands of U.S.Dollars (1US\$=¥123.26)
	Jan'06-Jun'06	Jan'06-Dec'06	Jan'07-Jun'07	Jan'07-Jun'07
Cash flows from operating activities:				
Income(loss) before income taxes	¥(398)	¥303	¥476	\$3,863
Depreciation	847	1,722	938	7,617
Impairment loss	230	231	59	484
Amortization of goodwill	5	11	5	47
Equity in losses of affiliated company	49	49	74	600
(decrease) in reserve for retirement benefits	(25)	(90)	(65)	(535)
(decrease) in reserve for directors' retirement benefits	(12)	(23)	(29)	(242)
Interest and dividend income	(20)	(38)	(26)	(211)
Interest expenses	224	467	243	1,972
Stock issuance expenses	145	145	-	-
Foreign exchange losses (gains)	(16)	4	23	187
Loss(gain) on sale or disposal of fixed assets	(1)	13	37	306
Gain on sale of investments in securities	-	(253)	-	-
(Increase)decrease in notes and accounts receivable	120	771	(103)	(839)
Decrease(increase) in inventories	(124)	(362)	376	3,053
(decrease) in notes and accounts payable	(1,301)	(193)	(1,585)	(12,862)
Other	409	(90)	601	4,881
Subtotal	132	2,666	1,026	8,324
Interest and dividend income received	20	38	26	211
Interest expenses paid	(222)	(465)	(247)	(2,011)
Income taxes paid	(24)	(31)	(29)	(236)
Net cash provided by(used in) operating activities	(94)	2,208	775	6,288
Cash flows from investing activities:				
Payments into time deposits	(3,300)	(3,300)	-	-
Proceeds from withdrawal of time deposits	-	-	3,000	24,338
Payments for purchase of investments in securities	(2)	(4)	(1)	(15)
Proceeds from sale of investments in securities	-	341	-	-
Payments for purchase of fixed assets	(886)	(2,675)	(862)	(6,994)
Proceeds from sale of fixed assets	4	13	10	81
Payments of long-term loans	-	-	(1)	(9)
Proceeds from collection of long-term loans	0	0	0	2
Other	9	7	21	173
Net cash provided by(used in) investing activities	(4,174)	(5,617)	2,166	17,577
Cash flows from financing activities:				
(decrease) in short-term loans	(3,009)	(2,444)	(3,038)	(24,648)
Proceeds from long-term loans	6,000	6,093	2,200	17,848
Repayments of long-term loans	(1,429)	(2,832)	(2,180)	(17,692)
Proceeds from issuance of common stock	2,854	2,854	-	-
Cash dividends paid	-	-	(30)	(243)
Cash dividends paid to minority shareholders	-	(11)	-	-
Other	(0)	(0)	(0)	(1)
Net cash (used in)provided by financing activities	4,415	3,658	(3,049)	(24,736)
Effect of exchange rate changes on cash and cash equivalents	(18)	(69)	(31)	(254)
Net (decrease)increase in cash and cash equivalents	128	180	(138)	(1,125)
Cash and cash equivalents at beginning of the year	1,203	1,203	1,384	11,234
Cash and cash equivalents at end of the year	¥1,332	¥1,384	¥1,246	\$10,109

Business Segment Information

For the interim period ended June 30,2007 (January 1, 2007 - June 30, 2007)

	Millions of Yen				Consolidated
	Capacitor	Printed circuit boards	Total	Elimination or corporate	
Sales :					
Outside customers	¥6,417	¥12,064	¥18,482	-	¥18,482
Intersegment	-	-	-	-	-
Total sales	6,417	12,064	18,482	-	18,482
Operating expenses	6,355	11,325	17,680	-	17,680
Operating income	¥62	¥738	¥801	-	¥801

	Thousands of U.S.Dollars (1US\$=¥123.26)				Consolidated
	Capacitor	Printed circuit boards	Total	Elimination or corporate	
Sales :					
Outside customers	\$52,066	\$97,877	\$149,944	-	\$149,944
Intersegment	-	-	-	-	-
Total sales	52,066	97,877	149,944	-	149,944
Operating expenses	51,557	91,886	143,443	-	143,443
Operating income	\$508	\$5,991	\$6,500	-	\$6,500

For the interim period ended June 30,2006 (January 1, 2006 - June 30, 2006)

	Millions of Yen				Consolidated
	Capacitor	Printed circuit boards	Total	Elimination or corporate	
Sales :					
Outside customers	¥6,818	¥10,974	¥17,793	-	¥17,793
Intersegment	-	-	-	-	-
Total sales	6,818	10,974	17,793	-	17,793
Operating expenses	7,153	10,391	17,545	(14)	17,531
Operating income(loss)	¥(334)	¥582	¥248	¥14	¥262

For the years ended December 31,2006 (January 1, 2006 - December 31, 2006)

	Millions of Yen				Consolidated
	Capacitor	Printed circuit boards	Total	Elimination or corporate	
Sales :					
Outside customers	¥13,674	¥23,598	¥37,273	-	¥37,273
Intersegment	-	-	-	-	-
Total sales	13,674	23,598	37,273	-	37,273
Operating expenses	13,988	22,417	36,406	-	36,406
Operating income(loss)	¥(314)	¥1,181	¥867	-	¥867