

ELNA CO.,LTD.

Non-Consolidated Balance Sheets  
As of December 31,2007 and 2006

Assets	Millions of Yen		Thousands of U.S.Dollars (1US\$= ¥ 114.15)
	2006	2007	2007
<b>Current assets:</b>			
Cash on hand and in banks	¥4,312	¥874	\$7,663
Notes and accounts receivable -			
Outside customers	4,145	4,219	36,962
Subsidiary companies and affiliated companies	3,695	4,337	37,999
Non-trade accounts	354	176	1,544
	<u>12,508</u>	<u>9,607</u>	<u>84,169</u>
Less: allowance for doubtful accounts	-	(95)	(840)
	<u>12,508</u>	<u>9,511</u>	<u>83,328</u>
Inventories	2,503	2,987	26,174
Prepaid expenses	16	19	174
Advance payment	368	-	-
short-term loan to subsidiary company	492	340	2,978
Consumption tax refund	109	52	458
Deferred tax assets - current	-	187	1,638
Other current assets	114	9	81
	<u>16,111</u>	<u>13,108</u>	<u>114,835</u>
<b>Property,Plant and equipment:</b>			
Buildings and structures	4,939	5,132	44,963
Machinery and equipment	4,786	5,630	49,327
Vehicles	47	42	370
Tools and furniture	1,761	1,820	15,948
Construction in progress	683	256	2,244
Land	2,009	1,996	17,488
	<u>14,228</u>	<u>14,878</u>	<u>130,343</u>
Less: accumulated depreciation	(7,093)	(7,690)	(67,370)
Total property,plant and equipment	<u>7,135</u>	<u>7,188</u>	<u>62,973</u>
<b>Intangible fixed assets:</b>			
Right for using facilities	11	9	86
Software	-	4	42
Total Intangible fixed assets	<u>11</u>	<u>14</u>	<u>129</u>
<b>Investments and other assets:</b>			
Investments in securities	246	209	1,839
Stocks of affiliates	3,413	2,388	20,923
Long-term loan to subsidiary companies and affiliated company	4,093	4,613	40,417
Long-term loan to employees	2	3	30
Long-term prepaid expenses	40	20	175
Long-term other receivable to affiliated company	794	964	8,449
Deferred tax assets	-	129	1,133
Other investments	81	59	519
	<u>8,672</u>	<u>8,388</u>	<u>73,488</u>
Less: allowance for investments losses	(576)	(576)	(5,052)
Less: allowance for doubtful accounts	(1,064)	(1,197)	(10,490)
Total investments and other assets	<u>7,031</u>	<u>6,614</u>	<u>57,944</u>
	<u>¥30,290</u>	<u>¥26,926</u>	<u>\$235,883</u>

ELNA CO.,LTD.

Non-Consolidated Balance Sheets  
As of December 31,2007 and 2006

<b>Liabilities and Net assets</b>	Millions of Yen		Thousands of U.S.Dollars (1US\$= ¥ 114.15)
	2006	2007	2007
<b>Current liabilities:</b>			
Short-term loans payable	¥5,191	¥1,691	\$14,818
Current-portion of long-term loans payable	2,978	3,300	28,911
Notes and accounts payable -			
Outside suppliers	5,981	5,769	50,542
Subsidiary companies and affiliated companies	2,062	2,070	18,135
Notes payable for facilities	301	274	2,408
Accrued liabilities	55	44	391
	<u>16,570</u>	<u>13,150</u>	<u>115,207</u>
Accrued expenses	712	797	6,990
Income taxes payable	35	55	489
Deposits received	35	64	563
Total current liabilities	<u>17,354</u>	<u>14,069</u>	<u>123,251</u>
<b>Long-term liabilities:</b>			
Long-term loans payable	4,955	4,854	42,529
Reserve for retirement benefits	1,529	1,452	12,726
Reserve for directors' retirement benefits	81	54	480
Deferred tax liabilities for revaluation	265	259	2,273
Deferred tax liabilities - fixed -	12	-	-
Other long-term liabilities	1	1	8
Total long-term liabilities	<u>6,844</u>	<u>6,622</u>	<u>58,019</u>
<b>Net assets:</b>			
<b>Owners' equity:</b>			
Paid-in capital	3,508	3,508	30,738
Capital surplus			
Capital legal reserve	1,621	496	4,346
Other capital surplus	388	1,483	12,994
Total capital surplus	<u>2,009</u>	<u>1,979</u>	<u>17,341</u>
Earned surplus			
Earned legal reserve	381	381	3,338
Other earned surplus			
Earned surplus brought forward	(218)	(15)	(134)
Total earned surplus	<u>162</u>	<u>365</u>	<u>3,203</u>
Treasury stock	(3)	(3)	(30)
Total owners' equity	<u>5,677</u>	<u>5,850</u>	<u>51,252</u>
<b>Valuation and translation adjustments:</b>			
Net unrealized holding gains on securities	18	(5)	(50)
Deferred gains or losses on hedges	(2)	-	-
Land revaluation excess	397	389	3,410
Total valuation and translation adjustments:	<u>413</u>	<u>383</u>	<u>3,360</u>
Total net assets	<u>6,091</u>	<u>6,234</u>	<u>54,612</u>
Total liabilities and net assets	<u>¥30,290</u>	<u>¥26,926</u>	<u>\$235,883</u>

## ELNA CO.,LTD.

Non-Consolidated Statements of Income  
For the years ended December 31,2007 and 2006

	Millions of Yen		Thousands of U.S.Dollars (1US\$= ¥ 114.15)
	2006	2007	2007
Net sales	¥33,458	¥33,781	\$295,941
Cost of sales	30,061	29,598	259,292
Gross profit	3,396	4,183	36,649
Selling,General and administrative expenses	3,362	3,156	27,653
Operating income	34	1,026	8,995
Non-operating income:			
Interest and dividend income	360	282	2,473
Income from rent & leasehold	70	81	717
Material supplying income	4	5	46
Foreign exchange gains	21	-	-
Other	18	15	137
	476	385	3,374
Non-operating expenses:			
Interest expenses	257	283	2,479
Stock issuance expenses	145	-	-
Foreign exchange losses	-	84	737
Other	126	109	955
	529	476	4,172
Ordinary income (loss)	(18)	935	8,198
Extraordinary gains:			
Gain on sales of property,plant and equipment	2	4	39
Gain on sales of investments in securities	253	-	-
Gain on sales of stocks of affiliates	-	54	479
Reversal of accrued retirement benefits to directors	4	-	-
	260	59	518
Extraordinary losses:			
Loss on sales or disposal of fixed assets	13	14	127
Impairment loss	160	-	-
Loss on valuation of stocks of affiliates	-	981	8,600
	174	996	8,728
Income (loss) before income taxes	67	(1)	(11)
Income taxes - Current	15	121	1,067
Income taxes - Deferred	(24)	(318)	(2,786)
Net income	¥76	¥194	\$1,707
		Yen	U.S.Dollars
Per share:			
Net income	¥2.07	¥4.68	\$0.04
Cash dividends	-	-	-
Weighted average number of shares	36,985,528	41,598,906	

## Non-Consolidated Statements of Changes in Net Assets

For the years ended December 31,2007 ( January 1, 2007 - December 31, 2007 )

(Millions of Yen)

	Owners' equity								
	Paid-in capital	Capital surplus			Earned surplus			Treasury stock	Total owners' equity
		Capital legal reserve	Other capital surplus	Total capital surplus	Earned legal reserve	Other earned surplus Earned surplus brought forward	Total earned surplus		
Balance as of December 31,2006	¥3,508	¥1,621	¥388	¥2,009	¥381	¥(218)	¥162	¥(3)	¥5,677
Changes of items during the fiscal year									
Transfer of capital legal reserve		(1,125)	1,125	-					-
Dividends from surplus			(30)	(30)					(30)
Net income						194	194		194
Reversal of land revaluation excess						8	8		8
Purchase of treasury stock								(0)	(0)
Net changes of items other than owner's equity									
Total changes of items during the fiscal year	-	(1,125)	1,095	(30)	-	203	203	(0)	172
Balance as of December 31,2007	¥3,508	¥496	¥1,483	¥1,979	¥381	¥(15)	¥365	¥(3)	¥5,850

	Valuation and translation adjustments				Total net assets
	Net unrealized holding gains on securities	Deferred gains or losses on hedges	Land revaluation excess	Total valuation and translation adjustments	
Balance as of December 31,2006	¥18	¥(2)	¥397	¥413	¥6,091
Changes of items during the fiscal year					
Transfer of capital legal reserve					-
Dividends from surplus					(30)
Net income					194
Reversal of land revaluation excess			(8)	(8)	-
Purchase of treasury stock					(0)
Net changes of items other than owner's equity	(24)	2	-	(21)	(21)
Total changes of items during the fiscal year	(24)	2	(8)	(30)	142
Balance as of December 31,2007	¥(5)	-	¥389	¥383	¥6,234

## Non-Consolidated Statements of Changes in Net Assets

For the years ended December 31,2007 ( January 1, 2007 - December 31, 2007 )

(Thousands of U.S.Dollars (1US\$=¥114.15))

	Owners' equity								
	Paid-in capital	Capital surplus			Earned surplus			Treasury stock	Total owners' equity
		Capital legal reserve	Other capital surplus	Total capital surplus	Earned legal reserve	Other earned surplus Earned surplus brought forward	Total earned surplus		
Balance as of December 31,2006	\$30,738	\$14,201	\$3,402	\$17,603	\$3,338	\$(1,913)	\$1,424	\$(27)	\$49,739
Changes of items during the fiscal year									
Transfer of capital legal reserve		(9,855)	9,855	-					-
Dividends from surplus			(262)	(262)					(262)
Net income						1,707	1,707		1,707
Reversal of land revaluation excess						71	71		71
Purchase of treasury stock								(3)	(3)
Net changes of items other than owner's equity									
Total changes of items during the fiscal year	-	(9,855)	9,592	(262)	-	1,778	1,778	(3)	1,512
Balance as of December 31,2007	\$30,738	\$4,346	\$12,994	\$17,341	\$3,338	\$(134)	\$3,203	\$(30)	\$51,252

	Valuation and translation adjustments				Total net assets
	Net unrealized holding gains on securities	Deferred gains or losses on hedges	Land revaluation excess	Total valuation and translation adjustments	
Balance as of December 31,2006	\$164	\$(22)	\$3,482	\$3,624	\$53,364
Changes of items during the fiscal year					
Transfer of capital legal reserve					-
Dividends from surplus					(262)
Net income					1,707
Reversal of land revaluation excess			(71)	(71)	-
Purchase of treasury stock					(3)
Net changes of items other than owner's equity	(214)	22	-	(192)	(192)
Total changes of items during the fiscal year	(214)	22	(71)	(263)	1,248
Balance as of December 31,2007	\$(50)	-	\$3,410	\$3,360	\$54,612

## Non-Consolidated Statement of Changes in Net Assets

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

(Millions of Yen)

	Owners' equity									
	Paid-in capital	Capital surplus			Earned surplus				Treasury stock	Total owners' equity
		Capital legal reserve	Other capital surplus	Total capital surplus	Earned legal reserve	Other earned surplus				
						Reserve for loss from overseas investment	Earned surplus brought forward	Total earned surplus		
Balance as of December 31,2005	2,008	121	1,314	1,435	381	11	(1,318)	(926)	(2)	2,515
Changes of items during the fiscal year										
Issue of new shares	1,500	1,500		1,500						3,000
Transfer of capital surplus			(926)	(926)			926	926		-
Reversal of reserve for loss from overseas investment						(11)	11	-		-
Net income							76	76		76
Reversal of land revaluation excess							86	86		86
Purchase of treasury stock									(0)	(0)
Net changes of items other than owner's equity										
Total changes of items during the fiscal year	1,500	1,500	(926)	573	-	(11)	1,099	1,088	(0)	3,162
Balance as of December 31,2006	3,508	1,621	388	2,009	381	-	(218)	162	(3)	5,677

	Valuation and translation adjustments				Total net assets
	Net unrealized holding gains on securities	Deferred gains or losses on hedges	Land revaluation excess	Total valuation and translation adjustments	
Balance as of December 31,2005	177	-	483	661	3,176
Changes of items during the fiscal year					
Issue of new shares					3,000
Transfer of capital surplus					-
Reversal of reserve for loss from overseas investment					-
Net income					76
Reversal of land revaluation excess			(86)	(86)	-
Purchase of treasury stock					(0)
Net changes of items other than owner's equity	(158)	(2)	-	(161)	(161)
Total changes of items during the fiscal year	(158)	(2)	(86)	(247)	2,914
Balance as of December 31,2006	18	(2)	397	413	6,091