

## Non-Consolidated Balance Sheets

As of June 30,2008,2007 and December 31,2007

Assets	Millions of Yen			Thousands of U.S.Dollars (1US\$=¥106.42)
	2007.6.30	2007.12.31	2008.6.30	2008.6.30
<b>Current assets:</b>				
Cash on hand and in banks	¥1,056	¥874	¥1,273	\$11,967
Notes and accounts receivable -				
Outside customers	3,887	4,219	4,216	39,622
Subsidiary companies and affiliated companies	3,933	4,337	4,440	41,728
Non-trade accounts	374	176	216	2,036
	<u>9,252</u>	<u>9,607</u>	<u>10,147</u>	<u>95,356</u>
Less: allowance for doubtful accounts	-	(95)	(98)	(926)
	<u>9,252</u>	<u>9,511</u>	<u>10,049</u>	<u>94,429</u>
Inventories	2,567	2,987	3,015	28,338
Deferred tax assets - current	131	187	170	1,603
Other current assets	564	421	507	4,773
Total current assets	<u>12,516</u>	<u>13,108</u>	<u>13,743</u>	<u>129,144</u>
<b>Property,Plant and equipment:</b>				
Buildings and structures	5,091	5,132	5,322	50,011
Machinery and equipment	5,327	5,630	5,834	54,826
Vehicles	44	42	45	425
Tools and furniture	1,824	1,820	1,836	17,254
Construction in progress	353	256	488	4,589
Land	2,009	1,996	1,997	18,769
	<u>14,650</u>	<u>14,878</u>	<u>15,524</u>	<u>145,876</u>
Less: accumulated depreciation	(7,445)	(7,690)	(7,960)	(74,800)
Total property,plant and equipment	<u>7,204</u>	<u>7,188</u>	<u>7,563</u>	<u>71,075</u>
<b>Intangible fixed assets</b>	10	14	27	257
<b>Investments and other assets:</b>				
Investments in subsidiary companies and affiliated companies	2,431	2,388	2,388	22,442
Long-term loan to subsidiary companies and affiliated companies	4,659	4,613	4,253	39,964
Deferred tax assets	-	129	128	1,204
Other investments	1,128	1,257	1,228	11,542
	<u>8,219</u>	<u>8,388</u>	<u>7,997</u>	<u>75,154</u>
Less: allowance for investments losses	(576)	(576)	(576)	(5,419)
Less: allowance for doubtful accounts	(1,268)	(1,197)	(992)	(9,326)
Total investments and other assets	<u>6,374</u>	<u>6,614</u>	<u>6,428</u>	<u>60,408</u>
<b>Total assets</b>	<u>¥26,105</u>	<u>¥26,926</u>	<u>¥27,763</u>	<u>\$260,886</u>

<b>Liabilities and Net assets</b>	Millions of Yen			Thousands of U.S.Dollars (1US\$=¥106.42)
	2007.6.30	2007.12.31	2008.6.30	2008.6.30
<b>Current liabilities:</b>				
Short-term loans	¥2,382	¥1,691	¥1,064	\$10,000
Current-portion of long-term debt	2,958	3,300	3,596	33,795
Notes and accounts payable -				
Outside suppliers	4,775	5,769	5,945	55,868
Subsidiary companies and affiliated companies	1,896	2,070	2,074	19,496
Income taxes payable	23	55	81	766
Other current liabilities	1,494	1,181	1,696	15,937
Total current liabilities	<u>13,531</u>	<u>14,069</u>	<u>14,458</u>	<u>135,864</u>
<b>Long-term liabilities:</b>				
Long-term loans	5,315	4,854	5,217	49,028
Reserve for retirement benefits	1,510	1,452	1,417	13,322
Reserve for directors' retirement benefits	51	54	61	575
Deferred tax liabilities for revaluation	265	259	259	2,438
Deferred tax liabilities - fixed	8	-	-	-
Other long-term liabilities	1	1	1	9
Total long-term liabilities	<u>7,151</u>	<u>6,622</u>	<u>6,957</u>	<u>65,373</u>
<b>Net assets:</b>				
<b>Owners' equity:</b>				
Paid-in capital	3,508	3,508	3,508	32,971
Capital surplus				
Capital legal reserve	496	496	496	4,661
Other capital surplus	1,483	1,483	1,328	12,484
Total capital surplus	<u>1,979</u>	<u>1,979</u>	<u>1,824</u>	<u>17,146</u>
Earned surplus				
Earned legal reserve	381	381	381	3,580
Other earned surplus				
Earned surplus brought forward	(851)	(15)	260	2,447
Total earned surplus	<u>(470)</u>	<u>365</u>	<u>641</u>	<u>6,027</u>
Treasury stock	(3)	(3)	(3)	(34)
Total owners' equity	<u>5,014</u>	<u>5,850</u>	<u>5,971</u>	<u>56,111</u>
<b>Valuation and translation adjustments:</b>				
Net unrealized holding gains on securities	12	(5)	(12)	(120)
Deferred gains or losses on hedges	(2)	-	-	-
Land revaluation excess	397	389	389	3,658
Total valuation and translation adjustments	<u>407</u>	<u>383</u>	<u>376</u>	<u>3,537</u>
Total net assets	<u>5,422</u>	<u>6,234</u>	<u>6,347</u>	<u>59,648</u>
Total liabilities and net assets	<u>¥26,105</u>	<u>¥26,926</u>	<u>¥27,763</u>	<u>\$260,886</u>

ELNA CO.,LTD.

Non-Consolidated Statements of Income

For the interim period ended June 30,2008,2007 and years ended December 31,2007

	Millions of Yen			Thousands of U.S.Dollars
	Jan'07-Jun'07	Jan'07-Dec'07	Jan'08-Jun'08	(1US\$=¥106.42) Jan'08-Jun'08
Net sales	¥15,796	¥33,781	¥17,561	\$165,019
Cost of sales	13,868	29,598	15,642	146,990
Gross profit	1,928	4,183	1,918	18,028
Selling,General and administrative expenses	1,684	3,156	1,487	13,973
Operating income	244	1,026	431	4,055
Non-operating income:				
Interest and dividend income	63	282	63	595
Foreign exchange gains	69	-	-	-
Other	56	102	52	489
	190	385	115	1,084
Non-operating expenses:				
Interest expenses	152	283	120	1,131
Foreign exchange losses	-	84	144	1,357
Other	48	109	123	1,157
	200	476	387	3,645
Ordinary income	233	935	159	1,495
Extraordinary gains:				
Gain on sales of fixed assets	-	4	-	-
Gain on sales of stocks of affiliates	-	54	-	-
Reversal of allowance for doubtful accounts	-	-	217	2,039
	-	59	217	2,039
Extraordinary losses:				
Loss on sales or disposal of fixed assets	8	14	7	72
Loss on valuation of stocks of affiliates	981	981	-	-
	989	996	7	72
Income(loss) before income taxes	(756)	(1)	368	3,462
Income taxes - Current	7	121	70	659
Income taxes - Deferred	(131)	(318)	22	210
Net income(Loss)	¥(632)	¥194	¥275	\$2,591
		Yen		U.S.Dollars
Per share:				
Net income(Loss)	¥(15.21)	¥4.68	¥6.63	\$0.06
Weighted average number of shares	41,599,302	41,598,906	41,597,268	

## Non-Consolidated Statements of Changes in Net Assets

For the interim period ended June 30,2008 ( January 1, 2008 - June 30, 2008 )

(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 31,2007	¥3,508	¥496	¥1,483	¥1,979	¥381	¥(15)	¥365	¥(3)	¥5,850
Changes of items during the interim period									
Dividends from surplus			(154)	(154)					(154)
Net income						275	275		275
Purchase of treasury stock								(0)	(0)
Net changes of items other than owner's equity									
Total changes of items during the interim period	-	-	(154)	(154)	-	275	275	(0)	120
Balance as of June 30,2008	¥3,508	¥496	¥1,328	¥1,824	¥381	¥260	¥641	¥(3)	¥5,971

	Valuation and translation adjustments			Total net assets
	Net unrealized holding gains on securities	Land revaluation excess	Total valuation and translation adjustments	
Balance as of December 31,2007	¥(5)	389	¥383	¥6,234
Changes of items during the interim period				
Dividends from surplus				(154)
Net income				275
Purchase of treasury stock				(0)
Net changes of items other than owner's equity	(7)	-	(7)	(7)
Total changes of items during the interim period	(7)	-	(7)	113
Balance as of June 30,2008	¥(12)	¥389	¥376	¥6,347

## Non-Consolidated Statements of Changes in Net Assets

For the interim period ended June 30,2008 ( January 1, 2008 - June 30, 2008 )

(Thousands of U.S.Dollars (1US\$=¥106. 42))

	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	Total earned surplus		
Balance as of December 31,2007	\$32,971	\$4,661	\$13,938	\$18,600	\$3,580	\$(144)	\$3,436	\$(33)	\$54,975
Changes of items during the interim period									
Dividends from surplus			(1,454)	(1,454)					(1,454)
Net income						2,591	2,591		2,591
Purchase of treasury stock								(1)	(1)
Net changes of items other than owner's equity									
Total changes of items during the interim period	-	-	(1,454)	(1,454)	-	2,591	2,591	(1)	1,135
Balance as of June 30,2008	\$32,971	\$4,661	\$12,484	\$17,146	\$3,580	\$2,447	\$6,027	\$(34)	\$56,111

	Valuation and translation adjustments			Total net assets
	Net unrealized holding gains on securities	Land revaluation excess	Total valuation and translation adjustments	
Balance as of December 31,2007	\$(53)	\$3,658	\$3,604	\$58,579
Changes of items during the interim period				
Dividends from surplus				(1,454)
Net income				2,591
Purchase of treasury stock				(1)
Net changes of items other than owner's equity	(66)	-	(66)	(66)
Total changes of items during the interim period	(66)	-	(66)	1,069
Balance as of June 30,2008	\$(120)	\$3,658	\$3,537	\$59,648

## Non-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								
	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	Total earned surplus		
						Earned surplus brought forward			
Balance as of December 31,2006	¥3,508	¥1,621	¥388	¥2,009	¥381	¥(218)	¥162	¥(3)	¥5,677
Changes of items during the interim period									
Transfer of capital surplus		(1,125)	1,125	-					-
Dividends from surplus			(30)	(30)					(30)
Net loss						(632)	(632)		(632)
Purchase of treasury stock								(0)	(0)
Net changes of items other than owner's equity									
Total changes of items during the interim period	-	(1,125)	1,095	(30)	-	(632)	(632)	(0)	(662)
Balance as of June 30,2007	¥3,508	¥496	¥1,483	¥1,979	¥381	¥(851)	¥(470)	¥(3)	¥5,014

	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 interim period					
Transfer of capital surplus					-
Dividends from surplus					(30)
Net loss					(632)
Purchase of treasury stock					(0)
Net changes of items other than owner's equity	(6)	(0)	-	(6)	(6)
Total changes of items during the interim period	(6)	(0)	-	(6)	(669)
Balance as of June 30,2007	¥12	¥(2)	¥397	¥407	¥5,422

## 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 surplus		(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 surplus					-
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