

ELNA CO.,LTD.

Non-Consolidated Balance Sheets
As of December 31,2008 and 2007

Assets	Millions of Yen		Thousands of U.S.Dollars (1US\$=¥91.03)
	2007	2008	2008
Current assets:			
Cash on hand and in banks	¥874	¥706	\$7,764
Notes and accounts receivable-trade			
Outside customers	4,219	3,812	41,878
Subsidiaries and affiliates	4,337	2,308	25,364
Non-trade accounts	176	187	2,060
	<u>9,607</u>	<u>7,015</u>	<u>77,067</u>
Less: allowance for doubtful accounts	(95)	(33)	(362)
	<u>9,511</u>	<u>6,982</u>	<u>76,704</u>
Inventories	2,987	2,730	29,999
Prepaid expenses	19	18	202
Short-term loan receivable to a subsidiary	340	460	5,053
Consumption tax refund	52	-	-
Deferred tax assets	187	80	878
Other current assets	9	65	717
Total current assets	<u>13,108</u>	<u>10,337</u>	<u>113,556</u>
Property,Plant and equipment:			
Buildings and structures	5,132	5,355	58,830
Machinery and equipment	5,630	5,925	65,091
Vehicles	42	35	392
Tools, furniture and fixtures	1,820	1,854	20,376
Construction in progress	256	799	8,780
Land	1,996	2,021	22,208
	<u>14,878</u>	<u>15,992</u>	<u>175,680</u>
Less: accumulated depreciation	(7,690)	(8,272)	(90,875)
Total property,plant and equipment	<u>7,188</u>	<u>7,719</u>	<u>84,804</u>
Intangible fixed assets:			
Right of using facilities	9	8	91
Patent right	-	4	47
Software	4	16	180
Total intangible fixed assets	<u>14</u>	<u>29</u>	<u>319</u>
Investments and other assets:			
Investments securities	209	164	1,812
Stocks of subsidiaries	2,388	1,910	20,982
Long-term loan to subsidiaries and an affiliate	4,613	4,477	49,181
Long-term loan receivable to employees	3	2	29
Long-term prepaid expenses	20	-	-
Long-term other receivable to an affiliate	964	1,689	18,561
Deferred tax assets	129	2	22
Other investments	59	53	592
	<u>8,388</u>	<u>8,300</u>	<u>91,183</u>
Less: allowance for investment loss	(576)	(98)	(1,081)
Less: allowance for doubtful accounts	(1,197)	(3,020)	(33,175)
Total investments and other assets	<u>6,614</u>	<u>5,182</u>	<u>56,926</u>
Total assets	<u>¥26,926</u>	<u>¥23,267</u>	<u>\$255,606</u>

ELNA CO.,LTD.

Non-Consolidated Balance Sheets
As of December 31,2008 and 2007

Liabilities and Net assets	<u>Millions of Yen</u>		<u>Thousands of U.S.Dollars (1US\$= ¥91.03)</u>
	2007	2008	2008
Current liabilities:			
Short-term loans payable	¥1,691	¥1,810	\$19,886
Current portion of long-term loans payable	3,300	3,566	39,180
Notes and accounts payable-trade			
Outside suppliers	5,769	5,101	56,043
Subsidiaries and affiliates	2,070	1,307	14,366
Notes payable-facilities	274	513	5,636
Accrued liabilities	44	32	356
	<u>13,150</u>	<u>12,331</u>	<u>135,470</u>
Accrued expenses	797	453	4,981
Income taxes payable	55	-	-
Deposits received	64	62	688
Total current liabilities	<u>14,069</u>	<u>12,847</u>	<u>141,140</u>
Long-term liabilities:			
Long-term loans payable	4,854	4,838	53,148
Reserve for retirement benefits	1,452	1,393	15,307
Reserve for directors' retirement benefits	54	64	712
Deferred tax liabilities for land revaluation	259	259	2,851
Other long-term liabilities	1	1	10
Total long-term liabilities	<u>6,622</u>	<u>6,556</u>	<u>72,030</u>
Net assets:			
Shareholders' equity:			
Capital stock	3,508	3,508	38,545
Capital surplus			
Legal capital surplus	496	496	5,450
Other capital surplus	1,483	1,328	14,594
Total capital surplus	<u>1,979</u>	<u>1,824</u>	<u>20,044</u>
Retained earnings			
Legal retained earnings	381	381	4,186
Other retained earnings			
Retained earnings brought forward	(15)	(2,234)	(24,541)
Total retained earnings	<u>365</u>	<u>(1,852)</u>	<u>(20,355)</u>
Treasury stock	(3)	(3)	(41)
Total shareholders' equity	<u>5,850</u>	<u>3,476</u>	<u>38,193</u>
Valuation and translation adjustments:			
Net unrealized (losses)gains on securities	(5)	(3)	(33)
Revaluation reserve for land	389	389	4,276
Total valuation and translation adjustments:	<u>383</u>	<u>386</u>	<u>4,242</u>
Total net assets	<u>6,234</u>	<u>3,862</u>	<u>42,436</u>
Total liabilities and net assets	<u>¥26,926</u>	<u>¥23,267</u>	<u>\$255,606</u>

ELNA CO.,LTD.

Non-Consolidated Statements of Income
For the years ended December 31,2008 and 2007

	Millions of Yen		Thousands of U.S.Dollars (1US\$= ¥91.03)
	2007	2008	2008
Net sales	¥33,781	¥33,574	\$368,830
Cost of sales	29,598	29,810	327,479
Gross profit	4,183	3,764	41,351
Selling,general and administrative expenses	3,156	2,939	32,291
Operating income	1,026	824	9,060
Non-operating income:			
Interest and dividend income	282	167	1,844
Rent income	81	86	947
Material supplying income	5	11	124
Other	15	8	91
	385	273	3,008
Non-operating expenses:			
Interest expenses	283	245	2,693
Foreign exchange loss	84	474	5,217
Other	109	266	2,927
	476	986	10,838
Ordinary income	935	111	1,230
Extraordinary income:			
Gain on sale of fixed assets	4	-	-
Gain on sale of stocks of a subsidiary	54	-	-
Reversal of allowance for doubtful accounts	-	39	434
	59	39	434
Extraordinary losses:			
Loss on disposal of inventories	-	102	1,129
Loss on sale or disposal of fixed assets	14	13	144
Loss on valuation of investment securities	-	55	610
Loss on valuation of stocks of a subsidiary	981	-	-
Loss on litigation	-	148	1,631
Provision of allowance for doubtful accounts	-	1,799	19,763
	996	2,119	23,279
Income(loss) before income taxes	(1)	(1,967)	(21,615)
Income taxes - Current	121	18	201
Income taxes - Deferred	(318)	232	2,555
Net income(loss)	¥194	(¥2,218)	(\$24,372)
		Yen	U.S.Dollars
Per share:			
Net income (loss)	¥4.68	(¥53.33)	(\$0.58)
Cash dividends	3.00	-	-
Weighted average number of shares	41,598,906	41,596,885	

Non-Consolidated Statements of Changes in Net Assets
For the years ended December 31,2008 (January 1, 2008 - December 31, 2008)

(Millions of Yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance as of December 31,2007	¥3,508	¥496	¥1,483	¥1,979	¥381	¥(15)	¥365	¥(3)	¥5,850
Changes of items during the fiscal year									
Dividends from surplus			(154)	(154)					(154)
Net income(loss)						(2,218)	(2,218)		(2,218)
Purchase of treasury stock								(0)	(0)
Net changes of items other than shareholders' equity									
Total changes of items during the fiscal year	-	-	(154)	(154)	-	(2,218)	(2,218)	(0)	(2,373)
Balance as of December 31,2008	¥3,508	¥496	¥1,328	¥1,824	¥381	¥(2,234)	¥(1,852)	¥(3)	¥3,476

	Valuation and translation adjustments			Total net assets
	Net unrealized (losses)gains on securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance as of December 31,2007	¥(5)	¥389	¥383	¥6,234
Changes of items during the fiscal year				
Dividends from surplus				(154)
Net income(loss)				(2,218)
Purchase of treasury stock				(0)
Net changes of items other than shareholders' equity	2	-	2	2
Total changes of items during the fiscal year	2	-	2	(2,371)
Balance as of December 31,2008	¥(3)	¥389	¥386	¥3,862

Non-Consolidated Statements of Changes in Net Assets
For the years ended December 31,2008 (January 1, 2008 - December 31, 2008)

(Thousands of U.S.Dollars (1US\$=¥91.03))

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance as of December 31,2007	\$38,545	\$5,450	\$16,295	\$21,745	\$4,186	\$(168)	\$4,017	\$(38)	\$64,269
Changes of items during the fiscal year									
Dividends from surplus			(1,700)	(1,700)					(1,700)
Net income(loss)						(24,372)	(24,372)		(24,372)
Purchase of treasury stock								(3)	(3)
Net changes of items other than shareholders' equity									
Total changes of items during the fiscal year	-	-	(1,700)	(1,700)	-	(24,372)	(24,372)	(3)	(26,075)
Balance as of December 31,2008	\$38,545	\$5,450	\$14,594	\$20,044	\$4,186	\$(24,541)	\$(20,355)	\$(41)	\$38,193

	Valuation and translation adjustments			Total net assets
	Net unrealized (losses)gains on securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance as of December 31,2007	\$(62)	\$4,276	\$4,213	\$68,483
Changes of items during the fiscal year				
Dividends from surplus				(1,700)
Net income(loss)				(24,372)
Purchase of treasury stock				(3)
Net changes of items other than shareholders' equity	29	-	29	29
Total changes of items during the fiscal year	29	-	29	(26,046)
Balance as of December 31,2008	\$(33)	\$4,276	\$4,242	\$42,436

Non-Consolidated Statements of Changes in Net Assets
For the years ended December 31,2007 (January 1, 2007 - December 31, 2007)

(Millions of Yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings		Treasury stock	Total shareholders' equity	
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward			Total retained earnings
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									
Reversal of legal 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 shareholders' 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 (losses)gains on securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance as of December 31,2006	¥18	¥(2)	¥397	¥413	¥6,091
Changes of items during the fiscal year					
Reversal of legal capital surplus					-
Dividends from surplus					(30)
Net income					194
Reversal of revaluation reserve for land			(8)	(8)	-
Purchase of treasury stock					(0)
Net changes of items other than shareholders' 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