

## ELNA CO.,LTD.

Non-Consolidated Balance Sheets  
As of December 31,2009 and 2008

Assets	Millions of Yen		Thousands of U.S.Dollars (1US\$=¥92.10)
	2008	2009	2009
<b>Current assets:</b>			
Cash on hand and in banks	¥706	¥1,024	\$11,127
Notes and accounts receivable-trade			
Outside customers	3,812	3,618	39,291
Subsidiaries and affiliates	2,308	2,060	22,375
Non-trade accounts	187	178	1,939
	<u>7,015</u>	<u>6,882</u>	<u>74,733</u>
Less: allowance for doubtful accounts	(33)	(52)	(564)
	<u>6,982</u>	<u>6,830</u>	<u>74,169</u>
Inventories	2,730	2,258	24,525
Prepaid expenses	18	22	249
Short-term loan receivable to a subsidiary	460	790	8,577
Deferred tax assets	80	80	868
Other current assets	65	40	443
Total current assets	<u>10,337</u>	<u>10,023</u>	<u>108,834</u>
<b>Property,plant and equipment:</b>			
Buildings and structures	5,355	5,736	62,288
Machinery and equipment	5,925	6,394	69,427
Vehicles	35	35	388
Tools, furniture and fixtures	1,854	1,923	20,888
Construction in progress	799	20	227
Lease assets	-	26	289
Land	2,021	2,021	21,950
	<u>15,992</u>	<u>16,159</u>	<u>175,458</u>
Less: accumulated depreciation	(8,272)	(9,165)	(99,517)
Total property,plant and equipment	<u>7,719</u>	<u>6,994</u>	<u>75,941</u>
<b>Intangible fixed assets:</b>			
Right of using facilities	8	8	90
Patent right	4	3	40
Software	16	12	135
Total intangible fixed assets	<u>29</u>	<u>24</u>	<u>267</u>
<b>Investments and other assets:</b>			
Investments securities	164	165	1,799
Stocks of subsidiaries and an affiliate	1,910	1,402	15,230
Long-term loan to subsidiaries and an affiliate	4,477	3,949	42,887
Long-term loan receivable to employees	2	6	66
Long-term other receivable to an affiliate	1,689	1,529	16,605
Deferred tax assets	2	-	-
Other investments	53	89	970
	<u>8,300</u>	<u>7,143</u>	<u>77,560</u>
Less: allowance for investment loss	(98)	(88)	(955)
Less: allowance for doubtful accounts	(3,020)	(2,733)	(29,674)
Total investments and other assets	<u>5,182</u>	<u>4,322</u>	<u>46,930</u>
Total assets	<u>¥23,267</u>	<u>¥21,364</u>	<u>\$231,973</u>

ELNA CO.,LTD.

Non-Consolidated Balance Sheets  
As of December 31,2009 and 2008

	Millions of Yen		Thousands of U.S.Dollars (1US\$= ¥92.10)
	2008	2009	2009
<b>Liabilities and Net assets</b>			
<b>Current liabilities:</b>			
Short-term loans payable	¥1,810	¥1,378	\$14,971
Current portion of long-term loans payable	3,566	3,348	36,355
Lease obligations	-	4	50
Notes and accounts payable-trade			
Outside suppliers	5,101	4,359	47,331
Subsidiaries and affiliates	1,307	1,180	12,812
Notes payable-facilities	513	46	509
Accrued liabilities	32	5	64
	<u>12,331</u>	<u>10,324</u>	<u>112,095</u>
Accrued expenses	453	328	3,570
Income taxes payable	-	20	226
Deposits received	62	23	258
Other	-	69	758
Total current liabilities	<u>12,847</u>	<u>10,767</u>	<u>116,908</u>
<b>Long-term liabilities:</b>			
Long-term loans payable	4,838	5,596	60,764
Lease obligations	-	19	210
Reserve for retirement benefits	1,393	1,370	14,883
Reserve for directors' retirement benefits	64	60	661
Deferred tax liabilities for land revaluation	259	259	2,818
Other long-term liabilities	1	1	10
Total long-term liabilities	<u>6,556</u>	<u>7,308</u>	<u>79,348</u>
<b>Net assets:</b>			
<b>Shareholders' equity:</b>			
Capital stock	3,508	3,508	38,097
Capital surplus			
Legal capital surplus	496	496	5,386
Other capital surplus	1,328	-	-
Total capital surplus	<u>1,824</u>	<u>496</u>	<u>5,386</u>
Retained earnings			
Legal retained earnings	381	381	4,137
Other retained earnings			
Retained earnings brought forward	<u>(2,234)</u>	<u>(1,471)</u>	<u>(15,976)</u>
Total retained earnings	<u>(1,852)</u>	<u>(1,090)</u>	<u>(11,839)</u>
Treasury stock	<u>(3)</u>	<u>(3)</u>	<u>(42)</u>
Total shareholders' equity	<u>3,476</u>	<u>2,910</u>	<u>31,602</u>
<b>Valuation and translation adjustments:</b>			
Net unrealized (losses)gains on securities	(3)	(10)	(113)
Revaluation reserve for land	389	389	4,227
Total valuation and translation adjustments:	<u>386</u>	<u>378</u>	<u>4,113</u>
Total net assets	<u>3,862</u>	<u>3,289</u>	<u>35,716</u>
Total liabilities and net assets	<u>¥23,267</u>	<u>¥21,364</u>	<u>\$231,973</u>

## ELNA CO.,LTD.

Non-Consolidated Statements of Income  
For the years ended December 31,2009 and 2008

	Millions of Yen		Thousands of U.S.Dollars (1US\$=¥92.10)
	2008	2009	2009
Net sales	¥33,574	¥23,478	\$254,926
Cost of sales	29,810	21,355	231,877
Gross profit	3,764	2,122	23,048
Selling,general and administrative expenses	2,939	2,180	23,676
Operating income(loss)	824	(57)	(627)
Non-operating income:			
Interest and dividend income	167	249	2,708
Rent income	86	128	1,399
Material supplying income	11	16	178
Other	8	22	248
	273	417	4,534
Non-operating expenses:			
Interest expenses	245	255	2,769
Depreciation of assets for rent	81	125	1,359
Foreign exchange loss	474	3	35
Other	185	221	2,404
	986	605	6,569
Ordinary income(loss)	111	(245)	(2,662)
Extraordinary income:			
Reversal of allowance for doubtful accounts	39	306	3,322
	39	306	3,322
Extraordinary losses:			
Loss on disposal of inventories	102	-	-
Loss on valuation of inventories	-	45	497
Loss on sale or disposal of fixed assets	13	2	25
Loss on valuation of investment securities	55	-	-
Loss on valuation of stocks of subsidiaries	-	496	5,395
Loss on litigation	148	-	-
Special retirement expenses	-	39	430
Provision of allowance for doubtful accounts	1,799	-	-
	2,119	584	6,350
Income(loss) before income taxes	(1,967)	(524)	(5,689)
Income taxes - Current	18	41	455
Income taxes - Deferred	232	-	-
Net income(loss)	¥2,218	¥566	(\$6,145)
		Yen	U.S.Dollars
Per share:			
Net income (loss)	(¥53.33)	(¥13.60)	(\$0.14)
Cash dividends	-	-	-
Weighted average number of shares	41,596,885	41,595,525	

Non-Consolidated Statements of Changes in Net Assets  
For the years ended December 31,2009 ( January 1, 2009 - December 31, 2009 )

(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 31,2008	¥3,508	¥496	¥1,328	¥1,824	¥381	¥(2,234)	¥(1,852)	¥(3)	¥3,476
Changes of items during the fiscal year									
Transfer of other capital surplus to retained earnings brought forward			(1,328)	(1,328)		1,328	1,328		-
Net income(loss)						(566)	(566)		(566)
Purchase of treasury stock								(0)	(0)
Net changes of items other than shareholders' equity									
Total changes of items during the fiscal year	-	-	(1,328)	(1,328)	-	762	762	(0)	(566)
Balance as of December 31,2009	¥3,508	¥496	-	¥496	¥381	¥(1,471)	¥(1,090)	¥(3)	¥2,910

	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 31,2008	¥(3)	¥389	¥386	¥3,862
Changes of items during the fiscal year				
Transfer of other capital surplus to retained earnings brought forward				-
Net income(loss)				(566)
Purchase of treasury stock				(0)
Net changes of items other than shareholders' equity	(7)	-	(7)	(7)
Total changes of items during the fiscal year	(7)	-	(7)	(573)
Balance as of December 31,2009	¥(10)	¥389	¥378	¥3,289

Non-Consolidated Statements of Changes in Net Assets  
For the years ended December 31,2009 ( January 1, 2009 - December 31, 2009 )

(Thousands of U.S.Dollars (1US\$=¥92.10))

	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 31,2008	\$38,097	\$5,386	\$14,425	\$19,811	\$4,137	\$(24,256)	\$(20,118)	\$(41)	\$37,749
Changes of items during the fiscal year									
Transfer of other capital surplus to retained earnings brought forward			(14,425)	(14,425)		14,425	14,425		-
Net income(loss)						(6,145)	(6,145)		(6,145)
Purchase of treasury stock								(1)	(1)
Net changes of items other than shareholders' equity									
Total changes of items during the fiscal year	-	-	(14,425)	(14,425)	-	8,279	8,279	(1)	(6,146)
Balance as of December 31,2009	\$38,097	\$5,386	-	\$5,386	\$4,137	\$(15,976)	\$(11,839)	\$(42)	\$31,602

	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 31,2008	\$(33)	\$4,227	\$4,193	\$41,943
Changes of items during the fiscal year				
Transfer of other capital surplus to retained earnings brought forward				-
Net income(loss)				(6,145)
Purchase of treasury stock				(1)
Net changes of items other than shareholders' equity	(80)	-	(80)	(80)
Total changes of items during the fiscal year	(80)	-	(80)	(6,227)
Balance as of December 31,2009	\$(113)	\$4,227	\$4,113	\$35,716

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