

Summary of Financial Statements for the Year Ended March 31, 2009

April 28, 2009

Name of listed company: Axell Corporation Stock Exchange: Tokyo
 Code #: 6730 URL: <http://www.axell.co.jp/>
 Representative (Post): Yuzuru Sasaki (President)
 Inquiries (Post): Nobuhiro Sendai (Director) Phone: (03) 5298-1670
 Scheduled date of shareholders' meeting: June 21, 2009
 Scheduled date of release of Securities Report: June 22, 2009
 Scheduled date of dividend payment: June 22, 2009

(Figures are rounded down to the nearest million yen.)

1. Business Results for Fiscal Year 2008 (April 1, 2008 to March 31, 2009)

(1) Operating results (Percentage figures indicate the rate of year-on-year increase(decrease).)

	Net sales		Operating income		Ordinary profit		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY 2008	15,417	11.8	6,147	3.0	6,168	2.8	3,800	4.7
FY 2007	13,794	74.4	5,969	52.2	5,998	52.4	3,629	51.8

	Basic net income per share	Diluted net income per share	Net income/ Shareholders' equity	Ordinary profit/ Total assets	Operating income/ Net sales
	yen	yen	%	%	%
FY 2008	30,387.47	30,326.41	33.8	44.1	39.9
FY 2007	28,993.53	28,807.23	36.8	49.5	43.3

(Reference) Equity in earnings (losses) of non-consolidated subsidiaries and affiliates: --- million yen (FY 2008); --- million yen (FY 2007)

(2) Financial position

	Total assets	Net assets	Shareholders' equity/Total assets	Net assets per share
	millions of yen	millions of yen	%	yen
End of FY 2008	13,960	11,734	84.1	94,663.15
End of FY 2007	14,049	10,770	76.7	85,819.65

(Reference) Equity capital 11,734 million yen (FY 2008); 10,770 million yen (FY 2007)

(3) Status of cash flows

	Operating cash flow	Investment cash flow	Financing cash flow	Cash and cash equivalent at end of year
	millions of yen	millions of yen	millions of yen	millions of yen
FY 2008	4,168	(306)	(2,791)	11,796
FY 2007	4,611	(187)	(1,737)	10,726

2. Dividend payments

(Record date)	Dividend per share					Total dividend cost (Full-year)	Dividend payout ratio	Dividend/ Net assets
	1Q-end	2Q-end	3Q-end	Year-end	Full-year			
	yen	yen	yen	yen	yen	millions of yen	%	%
FY 2007	--	5,000.00	--	9,500.00	14,500.00	1,816	50.0	18.5
FY 2008	--	7,500.00	--	8,500.00	16,000.00	1,996	52.7	17.7
FY 2009 (Projection)	--	8,000.00	--	8,000.00	16,000.00		52.1	

(Note) Year-end dividend for FY 2008 consists of 7,500 yen of ordinary dividend and 1,000 yen of commemorative dividend.

3. Forecast Results for FY 2009 (April 1, 2009 to March 31, 2010)

(Percentage figures indicate the rate of year-on-year increase(decrease).)

	Net sales		Operating income		Ordinary profit		Net income		Net income per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
1st Half	7,960	6.2	3,190	1.1	3,195	0.7	1,975	1.9	15,712.01
Full Year	16,020	3.9	6,240	1.5	6,250	1.3	3,860	1.6	30,708.03

4. Others

(1) Changes to significant accounting policies

1) Changes accompanying the revision of accounting standards, etc.: Yes

2) Changes other than 1) above: None

(Note) For details, please refer to *Significant Accounting Policies* on page 15 and *Changes in Accounting Policy* on page 16.

(2) Number of shares issued (common shares)

1) The number of shares issued at end of year (including treasury stock)

125,700 shares (FY 2008); 125,700 shares (FY 2007)

2) The number of shares of treasury stock at end of year

1,740 shares (FY 2008); 204 shares (FY 2007)

(Note) For the number of shares used as the basis for the calculation of net income per share, please refer to *Per Share Information* on page 30.

* Explanation of appropriate use of results forecasts, other matters of note:

The above forecasts are based on information available as at the date of publication of this document and contain a number of uncertainties. Actual results may differ significantly from these forecasts due to a wide range of factors.

For matters regarding the above forecasts, please refer to page 3 of the Attached Materials.

1. Business Results

(1) Analysis of business results

1) Business results for fiscal year 2008

During fiscal 2008, the Japanese economy was under an unprecedented recession where a wide range of companies, including core industries that serve as the driving force of the country's economy, suffered a decline in profitability, while the economic slowdown stemming from global financial instability and exchange rate fluctuations leading to a sharp appreciation of the yen became apparent.

Amid such economic environment, the electrical machinery industry, to which the Company belongs, also experienced a severe downturn in the midst of slowing consumption demand due to stagnant performance of domestic industries and slackening consumer confidence.

In the amusement device market (Note 1), the primary market for the Company's business, there has been a concern as to the impact of these severe economic conditions on the manufacturing trends of amusement devices, including pachinko machines. In the amusement device market as a whole, the trend toward contraction of the pachislot machines market under the effects of the regulatory revisions concerning amusement devices in the previous year became conspicuous in fiscal 2008, which likely led to the significant drop in production during the year.

Under such circumstances, the Company concentrated its efforts on expanding its business in the amusement device market by promoting the sale of various products, such as "AG301" graphics-rendering LSI (Note 2) for larger LCDs equipped on amusement devices (including pachinko machines), sound-generating LSI (Note 3), LED (Note 4) driver LSI products and memory-module (Note 5) products.

During fiscal 2008, thanks to the robust production trend of pachinko machines with large, built-in LCDs, sales of graphics-rendering LSI products, the Company's major product category, showed favourable progress. Meanwhile, sales of other products for amusement devices decreased compared to the previous fiscal year, due to the contracting demand trend of the manufacturers using the Company's products during the year.

With respect to the embedded system market (Note 6), production of embedded systems including industrial equipment phased down from the sluggish condition to the stagnant condition in conjunction with the severe trend of the overall economy. Faced with this environment, the Company promoted sales activities to retain existing customers and explore new customers. The volume of products sold nevertheless decreased compared to the previous fiscal year.

Looking at manufacturing cost for fiscal 2008, although gross margin ratio decreased by 1.5 points due to a shift in the product sales portfolio, the absolute amount of gross profit increased. In addition, the ratio of selling, general and administrative expenses to gross profit increased as R&D expenditures expanded as a result of the favorable progress in development of next-generation LSI products for amusement devices. Nevertheless, the Company reported increased sales and ordinary profit for the 10th consecutive term as the increase in selling, general and administrative expenses was absorbed by the increase in net sales and gross profit.

As a result, for fiscal 2008, the Company recorded net sales of 15,417 million yen (up 11.8% year-on-year), operating income of 6,147 million yen (up 3.0% year-on-year), ordinary profit of 6,168 million yen (up 2.8% year-on-year), and net income of 3,800 million yen (up 4.7% year-on-year).

(Note 1) The term "amusement device market" refers to the market relating to the manufacture of pachinko and pachislot machines, etc.

(Note 2) "Graphics-rendering LSI" refers to LSIs that enable graphics to be shown on LCDs and other display devices.

(Note 3) "Sound-generating LSI" refers to LSIs designed to reproduce digital sound data.

(Note 4) "LED" is an acronym for "Light Emitting Diode." It refers to semiconductor elements that emit light when electricity is applied.

(Note 5) "Memory-module" refers to the portion of the graphics-rendering circuit board that stores visual data.

(Note 6) "Embedded system market" refers to "the market relating to the manufacture of embedded systems as broadly defined, excluding amusement devices."

2) Forecast for fiscal year 2009 (*)

As to the outlook for the Japanese economy in fiscal 2009, the Company predicts that uncertainty over the future will remain with the country's unstable political situation, as there are concerns that negative factors on economic recovery such as slowdown in the performance of exporting industries, deterioration in production and employment conditions, and contraction in

capital investment, will continue amidst the simultaneous recession in the world's major economies.

In the electrical machinery industry, which the Company belongs, the situation is likely to remain severe as various demand indicators are predicted to remain sluggish due to deterioration in employment conditions and personal income levels as a result of the above negative factors on the economy.

Meanwhile, in the amusement device market, which is the main market for the Company's business, even though the potential impact of domestic economic trend is a cause of concern for the market as a whole, the Company predicts that the production trend for pachinko machines will remain relatively solid, with volumes generally similar to that of fiscal 2008. With respect to the production trend for pachislot machines, the Company expects that the production volume in fiscal 2009 will be similar to that of fiscal 2008, in which the regulatory revisions concerning amusement devices in the previous year likely slowed production to a significant extent.

Under such circumstances, the Company will concentrate its efforts on promoting the changeover to "AG301," which accounted for 88% of the sales volume of our graphics-rendering LSI products during fiscal 2008, and expanding the market share of our LED driver LSI products and memory-module products for amusement devices. In addition, the Company aims to expand its business scale by putting its energies on promoting "AG333" LSI, in which the graphics-rendering, sound-generating, and LED driver functions are integrated and which is scheduled for mass production in fiscal 2009. In addition, for graphics-rendering LSI products for the embedded system market, which is currently facing extremely severe conditions, the Company will continue its sales activities steadily while waiting for recovery in the market demand for embedded systems in general.

Based on these assumptions and policies, the Company forecasts net sales of 16,020 million yen (up 3.9% year-on-year), operating income of 6,240 million yen (up 1.5% year-on-year), ordinary profit of 6,250 million yen (up 1.3% year-on-year), and net income of 3,860 million yen (up 1.6% year-on-year).

(*) All forward-looking statements contained herein are based on information available as of the date of publication of this document and subject to a number of risk factors and uncertainties as described herein. Please be aware that actual results may differ significantly from these forecasts due to a wide range of factors.

3) Achievement status of targeted management indicators

Currently, the Company has set its management benchmarks of achieving an increase in revenue on the scale of 1 billion yen per year and the promotion of business activities that will enable the attainment of 30% or more in the ratio of ordinary profit to net sales.

In terms of achieving an increase in revenue of 1 billion yen per year, instead of aiming for this target on a yearly basis, the Company intends to achieve this increase based on the average net sales taken from a number of consecutive years.

The following table represents the Company's growth since fiscal year 2004:

	(Unit: millions of yen)				
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Net sales	7,345	7,611	7,911	13,794	15,417
Amount of year-on-year increase	1,954	265	300	5,882	1,623

The total of amount of increase in net sales from the previous fiscal year for the past five years is, as the table indicates, 10,026 million yen. Net sales for fiscal 2008 increased by more than 1,000 million yen compared to the previous year for reasons mentioned in "1. Business Results (1) Analysis of Business Results 1) Business results for fiscal year 2008" above.

As for the promotion of business activities that will enable the attainment of 30% or more in the ratio of ordinary profit to net sales, the Company intends to attain this goal each fiscal year. The Company bases its management on the fundamental policy of building a sound profit structure through an efficiency-oriented organization and the continuous expansion of operations. And the Company believes that its commitment to this fundamental policy has resulted in the current ordinary profit ratio.

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Ratio of ordinary profit to net sales	44.6%	49.6%	49.8 %	43.5 %	40.0%

This management indicator of achieving 30% or more in ordinary profit ratio also serves as a major indicator when selecting the appropriate markets for the Company's new product development. The Company uses this indicator by not entering a particular market, when it is judged that the market would continuously and drastically lower the Company's profit ratio.

(2) Analysis of financial position

1) Status of assets, liabilities and net assets

Total assets as of the end of fiscal 2008 stood at 13,960 million yen, down 89 million yen (0.6%) compared to the end of the previous fiscal year. The difference mainly consists of the increase in cash and deposits (1,068 million yen), finished goods (314 million yen) and tangible and intangible fixed assets (197 million yen) and the decrease in trade receivables (1,628 million yen) and investment securities (70 million yen).

Total liabilities as of the end of fiscal 2008 stood at 2,226 million yen, down 1,053 million yen (32.1%) compared to the end of the previous fiscal year. The difference mainly consists of the decrease in trade accounts payable (657 million yen) and accrued income taxes (558 million yen).

Net assets as of the end of fiscal 2008 stood at 11,734 million yen, up 964 million yen (9.0%) compared to the end of the previous fiscal year. The difference mainly consists of the increase in general reserve (1,400 million yen) and the acquisition and disposal of treasury stock (555 million yen).

2) Status of cash flows

Cash and cash equivalents (hereinafter, "Funds") as of the end of fiscal 2008 stood at 11,796 million yen, up 1,070 million yen compared to the end of the previous fiscal year with net income before income taxes of 6,168 million yen (up 2.9% year-on-year) more than offsetting the increase in inventories, the payment of income taxes and dividends and other factors.

(Cash flows from operating activities)

Funds provided by operating activities as of the end of fiscal 2008 amounted to 4,168 million yen.

This was mainly attributable to net income before income taxes (6,168 million yen), the decrease in trade receivables (1,628 million yen), the decrease in trade accounts payable (657 million yen) and the payment of income taxes (2,912 million yen).

(Cash flows from investing activities)

Funds used in investing activities as of the end of fiscal 2008 amounted to 306 million yen.

This was mainly attributable to the acquisition of tangible fixed assets (97 million yen) and the acquisition of intangible fixed assets (209 million yen).

(Cash flows from financing activities)

Funds used in financing activities as of the end of fiscal 2008 amounted to 2,791 million yen.

This was mainly attributable to the payment of dividends (2,131 million yen) and the acquisition of treasury stock (716 million yen).

(Cash flow-related indicators)

	FY 2005	FY 2006	FY 2007	FY 2008
Ratio of shareholders' equity to total assets (%)	86.1	88.0	76.7	84.1
Ratio of market capitalization to total assets (%)	649.9	436.2	321.6	294.8
Ratio of interest-bearing liabilities to cash flow (%)	--	--	--	--
Interest coverage ratio (%)	--	--	--	--

Ratio of shareholders' equity to total assets: Shareholders' equity / total assets

Ratio of market capitalization to total assets: Market capitalization of stock / total assets

Ratio of interest-bearing liabilities to cash flow: Interest-bearing liabilities / cash flow

Interest coverage ratio: Cash flow / interest expense

(Note 1) The market capitalization of stock was calculated based on the number of shares issued and outstanding.

(Note 2) Operating cash flow is used for "cash flow" in the above calculations.

(Note 3) "Interest-bearing liabilities" in the above calculation refers to all liabilities recorded on the balance sheet for which the Company pays interests.

3) Outlook on the financial position for the FY2009 (*)

Significant matters that may impact the financial position of the Company in the FY 2009 are as follows:

- (i) The Company intends to record a net income of 3,860 million yen during the FY 2009
 - (ii) 2,059 million yen in dividend payment is scheduled for the FY 2009, which includes year-end dividend payout for the FY 2008 and the interim dividend payout for the FY 2009.
- (*) Please refer to the (*) of the 2) Forecast for the FY 2009 on page 3.

(3) Basic policy for profit sharing and dividends for Fiscal Year 2008 and Fiscal Year 2009

1) Basic policy for profit sharing and dividends for fiscal year 2008

The Company recognizes that returning profits to shareholders is an important management task. Essentially, the Company adopts a dividend payout ratio-oriented policy and determines the amount of dividends based on financial performance and subject to adjustments reflecting a comprehensive range of factors, including the amount of retained earnings that is deemed necessary from the standpoint of ongoing business plans and other considerations. Currently the Company's targeted dividend payout ratio is 50%. For fiscal 2008, a dividend for commemorating the listing on the Tokyo Stock Exchange, Second Section (1,000 yen per share) is added.

Based on the above policy and the addition of commemorative dividend, the amount of full-year dividend per share for fiscal 2008 will be 16,000 yen (consisting of 7,500 yen of interim dividend and 8,500 yen of year-end dividend), resulting in a dividend payout ratio of 52.7%.

2) Dividend projection for fiscal year 2009 (*)

The Company expects to pay 16,000 yen per share for fiscal 2009 (of which 8,000 yen will be paid as interim dividend). This projected dividend amount has been determined by weighing a comprehensive range of factors, including the business forecast for fiscal 2009, ongoing business plans and the amount of retained earnings, and based on the Company's targeted dividend payout ratio of 50% and in consideration of the proposed amount of dividend for fiscal 2008.

(*) Please refer to the (*) of the "2) Forecast for fiscal year 2009" on page 3.

(4) Risk factors

Disclosure is omitted, as none of the potential risk items recognized in the most recent securities report (submitted on June 23, 2008) and the correction report thereof (submitted on November 10, 2008) have become manifest and require prompt communication.

2. Corporate Group Overview

Disclosure is omitted, as there have been no significant changes in *the Operations Diagram (Description of business)* and *Overview of Affiliates* of the most recent securities report (submitted on June 23, 2008) and the correction report thereof (submitted on November 10, 2008).

3. Management Policy

(1) Basic management policy of the Company

Disclosure is omitted, as there have been no significant changes in the information disclosed in the *Summary of Financial Statements for the Year Ended March 31, 2007* (released on April 26, 2007).

The aforementioned *Summary of Financial Statements* can be found at the following URL:
(The Company's website)
<http://www.axell.co.jp/>

(2) The Company's medium- to long-term management strategies

1) Medium-to long-term strategies for the amusement device market

The Company recognizes the amusement device market as our most important market. Full-scale mass production of the AG301 graphics-rendering LSI, the core item of our products for amusement devices, has commenced since the beginning of fiscal 2008. AG301 was released in quick response to the trend in the market toward pachinko machines with large, built-in LCD devices, and accounted for 88% of the total sales volume of our graphics-rendering LSI products for the year.

According to our analysis, the production of amusement devices during fiscal 2008 seems to have significantly declined, mainly as a result of the decline in the production of pachislot machines. However, thanks to the strong sales of AG301, the Company sold 2.42 million units of graphics-rendering LSI products, marking an increase of 120,000 units compared to the previous fiscal year.

In fiscal 2009, the Company intends to boost the sales volume further by commencing the mass-production of "AG333" LSI, in which the graphics-rendering, sound-generating, and LED driver functions are integrated.

In line with the launch of AG333, the Company will also promote efforts to expand the market share of our sound-generating LSI products and to increase the sales volume of our LED driver LSI products. Our medium-term strategy is to expand the horizon of our business by offering a wide range of semiconductor products which are critical in improving amusement qualities of amusement devices such as graphics, sound, and LEDs and by providing a highly advantageous environment for developing these functions.

Moreover, the Company has solid product development capabilities with which it can satisfy customer needs on increasingly enhanced LSI functions, and the design and development of LSI products that are positioned as successor products of AG333, the next-generation multi-functional LSI, is going well. The Company also focuses on strategic recruiting activities to maintain appropriate product development capabilities from a long-term perspective.

2) Medium- to long-term strategies for the embedded system market

The Company has also been focusing on the development of graphics-rendering LSI products for information and control displays of embedded systems. Currently, the Company engages in the development and sale of "AG-9" series graphics-rendering LSI products, which enable high-resolution graphics on the displays of standard embedded systems, and is promoting its sales activities to further expand the sales volume of these products. The Company is also developing, in conjunction with Intel Corporation, a graphics-rendering LSI for personal computer-based systems, which are the mainstream systems for embedded systems equipped with an LCD, and hopes to accelerate its activities in the embedded system market.

As described above, while pursuing its market share expansion strategy with multi-functional LSI products and product diversification strategy for the amusement device market, the core market for its business, the Company is also committed to accelerate its activities in the embedded system market. The medium- to long-term management strategies of the Company

consist of these ongoing efforts for sustainable expansion of its business scale and realization of more stable management.

(3) Issues to be addressed

Disclosure is omitted as there have been no significant changes in the information disclosed in the *Summary of Financial Statements for the Year Ended March 31, 2008* (released on April 24, 2008).

The aforementioned *Summary of Financial Statements* can be found at the following URL:

(The Company's website)

<http://www.axell.co.jp/>

4. Financial Statements

(1) Non-consolidated balance sheet

(Unit: millions of yen)

	FY 2007 (As of March 31, 2008)	FY 2008 (As of March 31, 2009)
(Assets)		
Current assets		
Cash and deposits	6,729	7,797
Accounts receivable-trade	2,314	686
Marketable securities	3,997	3,998
Finished goods	154	--
Merchandise and finished goods	--	469
Supplies	2	--
Raw materials and supplies	--	1
Advances paid	0	--
Prepaid expenses	57	72
Deferred tax assets	153	149
Others	19	21
Total current assets	13,429	13,198
Fixed assets		
Tangible fixed assets		
Buildings	95	116
Accumulated depreciation	(31)	(37)
Buildings, net	64	78
Tools, furniture and fixtures	407	542
Accumulated depreciation	(245)	(323)
Tools, furniture and fixtures, net	161	218
Total tangible fixed assets	226	296
Intangible fixed assets		
Patents	39	39
Trademarks	3	3
Software	94	221
Total intangible fixed assets	137	263
Investments and other assets		
Investment securities	128	57
Long-term prepaid expenses	14	3
Lease and guarantee deposits	70	70
Deferred tax assets	23	48
Others	20	20
Total investment and other assets	257	201
Total fixed assets	620	761
Total assets	14,049	13,960

(Unit: millions of yen)

	FY 2007 (As of March 31, 2008)	FY 2008 (As of March 31, 2009)
(Liabilities)		
Current liabilities		
Accounts payable-trade	916	259
Accounts payable-other	397	653
Accrued expenses payable	29	52
Income taxes payable	1,709	1,151
Consumption taxes payable	150	57
Deposits received	55	52
Allowance for directors' and corporate auditors' bonuses	20	--
Total current liabilities	3,279	2,226
Total liabilities	3,279	2,226
(Net assets)		
Shareholders' equity		
Capital stock	1,018	1,018
Additional paid-in capital		
Capital reserve	861	861
Total additional paid-in capital	861	861
Retained earnings		
Retained earnings reserve	1	1
Other retained earnings		
General reserve	5,600	7,000
Retained earnings carried forward	3,319	3,481
Total retained earnings	8,920	10,482
Treasury stock	(67)	(623)
Total shareholders' equity	10,733	11,739
Valuation and translation adjustments		
Unrealized gains or loss on other securities	36	(5)
Total valuation and translation adjustments	36	(5)
Total net assets	10,770	11,734
Total liabilities and net assets	14,049	13,960

(2) Non-consolidated statement of income

(Unit: millions of yen)

	FY 2007 (From April 1, 2007 to March 31, 2008)	FY 2008 (From April 1, 2008 to March 31, 2009)
Net sales	13,794	15,417
Cost of sales		
Finished goods inventory, beginning of year	19	154
Finished goods purchased during term	5,710	6,780
Total	5,730	6,934
Finished goods inventory, end of year	154	469
Cost of finished goods sold	5,575	6,465
Gross profit	8,218	8,952
Selling, general and administrative expenses	^(*) 2,248	^(*) 2,804
Operating income	5,969	6,147
Non-operating income		
Interest income	--	8
Interest income from securities	22	19
Dividends income	6	2
Miscellaneous income	2	2
Total non-operating income	31	33
Non-operating expenses		
Expenses for sale or issuance of shares	0	0
Expenses for purchase of treasury stock	2	3
Loss on retirement of fixed assets	--	8
Miscellaneous losses	0	0
Total non-operating expenses	2	12
Ordinary profit	5,998	6,168
Extraordinary gains		
Gain on sale of investment securities	0	--
Total extraordinary gains	0	--
Extraordinary losses		
Loss on retirement of fixed assets	2	--
Total extraordinary losses	2	--
Income before income taxes	5,996	6,168
Income taxes - current	2,467	2,361
Income taxes - deferred	(100)	6
Total income taxes	2,367	2,368
Net income	3,629	3,800

(3) Non-consolidated statement of change in shareholders' equity

(Unit: millions of yen)

	FY 2007 (From April 1, 2007 to March 31, 2008)	FY 2008 (From April 1, 2008 to March 31, 2009)
Shareholders' equity		
Capital stock		
Balance at beginning of year	1,018	1,018
Changes during year		
Total changes during year	--	--
Balance at end of year	1,018	1,018
Additional paid-in capital		
Capital reserve		
Balance at beginning of year	861	861
Changes during year		
Total changes during year	--	--
Balance at end of year	861	861
Total additional paid-in capital		
Balance at beginning of year	861	861
Changes during year		
Total changes during year	--	--
Balance at end of year	861	861
Retained earnings		
Retained earnings reserve		
Balance at beginning of year	1	1
Changes during year		
Total changes during year	--	--
Balance at end of year	1	1
Other retained earnings		
General reserve		
Balance at beginning of year	4,300	5,600
Changes during year		
Provision of general reserve	1,300	1,400
Total changes during year	1,300	1,400
Balance at end of year	5,600	7,000
Retained earnings brought forward		
Balance at beginning of year	2,662	3,319
Changes during year		
Dividends from retained earnings	(1,130)	(2,134)
Provision of general reserve	(1,300)	(1,400)
Net income	3,629	3,800
Disposal of treasury stock	(210)	(104)
Retirement of treasury stock	(331)	--
Total changes during year	656	161
Balance at end of year	3,319	3,481

(Unit: millions of yen)

	FY 2007 (From April 1, 2007 to March 31, 2008)	FY 2008 (From April 1, 2008 to March 31, 2009)
Total retained earnings		
Balance at beginning of year	6,963	8,920
Changes during year		
Dividends from retained earnings	(1,130)	(2,134)
Provision of general reserve	--	--
Net income	3,629	3,800
Disposal of treasury stock	(210)	(104)
Retirement of treasury stock	(331)	--
Total changes during year	1,956	1,561
Balance at end of year	8,920	10,482
Treasury stock		
Balance at beginning of year	--	(67)
Changes during year		
Acquisition of treasury stock	(662)	(716)
Disposal of treasury stock	263	160
Retirement of treasury stock	331	--
Total changes during year	(67)	(555)
Balance at end of year	(67)	(623)
Treasury stock		
Balance at beginning of year	8,844	10,733
Changes during year		
Dividends from retained earnings	(1,130)	(2,134)
Net income	3,629	3,800
Acquisition of treasury stock	(662)	(716)
Disposal of treasury stock	52	56
Retirement of treasury stock	--	--
Total changes during year	1,889	1,005
Balance at end of year	10,733	11,739
Valuation and translation adjustments		
Unrealized gains or loss on other securities		
Balance at beginning of year	103	36
Changes during year		
Net changes in items other than shareholders' equity during year	(66)	(41)
Total changes during year	(66)	(41)
Balance at end of year	36	(5)
Total valuation and translation adjustments		
Balance at beginning of year	103	36
Changes during year		
Net changes in items other than shareholders' equity during year	(66)	(41)
Total changes during year	(66)	(41)
Balance at end of year	36	(5)
Total net assets		
Balance at beginning of year	8,947	10,770
Changes during year		
Dividends from retained earnings	(1,130)	(2,134)
Net income	3,629	3,800
Acquisition of treasury stock	(662)	(716)
Disposal of treasury stock	52	56
Net changes in items other than shareholders' equity during year	(66)	(41)
Total changes during year	1,822	964
Balance at end of year	10,770	11,734

(4) Non-consolidated statement of cash flows

(Unit: millions of yen)

	FY 2007 (From April 1, 2007 to March 31, 2008)	FY 2008 (From April 1, 2008 to March 31, 2009)
Cash flows from operating activities		
Net income before income taxes	5,996	6,168
Depreciation	135	187
Amortization of long-term prepaid expenses	17	11
Increase (decrease) in allowance for directors' and corporate auditors' bonuses	20	--
Interest and dividends income	(6)	(10)
Interest income from securities	(22)	(19)
Loss on retirement of tangible fixed assets	2	8
Loss (gain) on sale of investment securities	(0)	--
Decrease (increase) in trade accounts receivable	(1,019)	1,628
Decrease (increase) in inventories	(134)	(310)
Decrease (increase) in other current assets	(5)	(18)
Increase (decrease) in trade accounts payable	683	(657)
Increase (decrease) in other current liabilities	373	160
Increase (decrease) in consumption taxes payable	106	(93)
Others	--	(3)
Subtotal	6,145	7,050
Interest and dividends received	29	30
Income taxes paid	(1,563)	(2,912)
Net cash provided by (used in) operating activities	4,611	4,168
Cash flows from investing activities		
Payments for acquisition of tangible fixed assets	(104)	(97)
Payments for acquisition of intangible fixed assets	(75)	(209)
Proceeds from sales of investment securities	1	--
Others	(9)	(0)
Net cash provided by (used in) investing activities	(187)	(306)
Cash flows from financing activities		
Proceeds from disposal of treasury stock	52	56
Expenditures for acquisition of treasury stock	(662)	(716)
Dividends paid	(1,128)	(2,131)
Net cash provided by (used in) financing activities	(1,737)	(2,791)
Increase (decrease) in cash and cash equivalents	2,686	1,070
Increase (decrease) in cash and cash equivalents at beginning of year	8,040	10,726
Increase (decrease) in cash and cash equivalents at end of year	^(*) 10,726	^(*) 11,796

Notes regarding going concern assumption

N/A

Significant accounting policies

Item	FY 2007 (From April 1, 2007 to March 31, 2008)	FY 2008 (From April 1, 2008 to March 31, 2009)
1. Valuation standards and valuation methods of securities	<p>Other securities</p> <p>(1) Other securities with market value The market value method is applied, based on the market value as of the fiscal-end. The entire positive or negative valuation difference from the purchase price is booked directly as net assets, and the cost of securities sold is calculated using the moving-average method.</p> <p>(2) Other securities without market value Stated at cost using the moving average method.</p>	<p>Other securities</p> <p>(1) Other securities with market value Same as the column on the left.</p> <p>(2) Other securities without market value Same as the column on the left.</p>
2. Valuation standards and valuation methods of inventories	<p>(1) Finished goods Stated at cost using the periodic average method.</p> <p>(2) Supplies Stated at cost using the last purchase price method.</p>	<p>(1) Finished goods Stated at cost using the periodic average method (balance sheet amount is calculated by writing down the book value of assets which decreased in profitability).</p> <p>(2) Supplies Stated at cost using the last purchase price method (balance sheet amount is calculated by writing down the book value of assets which decreased in profitability). (Change in accounting policy) From FY 2008, "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, issued on July 5, 2006) has been applied. In line with the application, "loss on retirement of inventories," which was recorded under "extraordinary losses" upon temporary occurrence in FY 2007, is included in "cost of sales." The impact of the above change on earnings is immaterial.</p>
3. Depreciation method of fixed assets	<p>(1) Tangible fixed assets Declining balance method. The useful lives of the assets are as follows: Buildings: 3-15 yrs Tools, appliances and fixtures: 2-20 yrs</p> <p>(Change in accounting policy) In line with the revision of the Corporation Tax Act, depreciation of tangible fixed assets acquired on or after April 1, 2007 are accounted for in accordance with the revised Corporation Tax Act. The impact of this change on earnings is immaterial. (Supplementary information) In line with the revision of the Corporation Tax Act, depreciation of assets acquired on or before March 31, 2007 is accounted for in accordance with a depreciation method based on the Corporation Tax Act before the revision, in which when the value of the asset reached 5% of acquisition value under the depreciation method pursuant to the Corporation Tax Act before the revision, the difference between the amount equivalent to 5% of the acquisition value and memorandum value is amortized in equal installments over five years from the following fiscal year and included in depreciation expense. The impact of this change on earnings is immaterial.</p>	<p>(1) Tangible fixed assets (excluding lease assets) Declining balance method (however, the straight-line method for buildings [excluding accompanying facilities]). The useful lives of the assets are as follows: Buildings: 3-15 yrs Tools, appliances and fixtures: 2-20 yrs</p>

Item	FY 2007 (From April 1, 2007 to March 31, 2008)	FY 2008 (From April 1, 2008 to March 31, 2009)
	(2) Intangible fixed assets Patents Straight-line depreciation over 8 yr period Trademark Straight-line depreciation over 10 yr period Software Software for internal use is amortized on a straight-line basis based on its estimated useful life of 3-5 yrs).	(2) Intangible fixed assets (excluding lease assets) Patents Same as on the column on the left Trademark Same as the column on the left Software Same as the column on the left
		(3) Lease assets The straight-line method, substituting the lease term for the useful life, assuming no residual value. With respect to financial leases other than those in which the title of the leased property transfers to the lessee, those which commenced on or before March 31, 2008 are accounted for using the method applicable to ordinary rental transactions.
4. Accounting of deferred tax assets	Expenses for sale or issuance of shares Recognized in full at time of expenditure.	Same as on the column on the left.
5. Accounting standards for allowances	Allowance for directors' and corporate auditors' bonuses In order to provide for payment of performance-based remunerations (bonuses) to directors, the expected payment amount is recorded.	--
6. Accounting of leases	Finance leases transactions that do not transfer ownership to the lessees are accounted for under standards similar to regular leasing transactions.	--
7. The range of cash within the statements of cash flows	Cash within the statements of cash flows include cash at hand, demand deposits and short-term investments that are easily converted into cash, with little risk of fluctuation in value and reach maturity within 3 months from acquisition.	Same as on the column on the left.
8. Other significant matters underlying the preparation of financial statements	Accounting of consumption taxes All transactions are recorded net of consumption taxes.	Same as on the column on the left.

Changes in accounting policies

FY 2007 (From April 1, 2007 to March 31, 2008)	FY 2008 (From April 1, 2008 to March 31, 2009)
	(Accounting standard for lease transactions) Finance leases other than those in which the title of the leased property transfers to the lessee were accounted for using the method applicable to ordinary rental transactions. However, from FY 2008, "Accounting Standard for Lease Transactions" (ASBJ Statement No.13; issued on June 17, 1993 revised on March 30, 2007) and "Guidance of Financial Accounting Standard for Lease Transactions" (ASBJ Guidance No.16; issued on January 18, 1994 and revised on March 30, 2007) have been applied and said leases transactions are accounted for using the method applicable to ordinary sales transactions. Financial leases other than those in which the title of the leased property transfers to the lessee which commenced prior to the first year of said application continue to be accounted for using the method applicable to ordinary rental transactions. This change has no impact on earnings.

Notes:

(Non-consolidated balance sheet)

FY 2007 (From April 1, 2007 to March 31, 2008)

N/A

FY 2008 (From April 1, 2008 to March 31, 2009)

N/A

(Non-consolidated statement of income)

FY 2007 (From April 1, 2007 to March 31, 2008)	FY 2008 (From April 1, 2008 to March 31, 2009)																		
<p>*1. The major components of selling, general and administrative expenses are approximately 25% selling expenses and 75% general and administrative expenses. The major components and amounts are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Compensation to directors and corporate auditors</td> <td style="text-align: right;">141 million yen</td> </tr> <tr> <td>Salary and bonuses</td> <td style="text-align: right;">300 million yen</td> </tr> <tr> <td>Provision of allowance for directors' and corporate auditors' bonuses</td> <td style="text-align: right;">20 million yen</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">39 million yen</td> </tr> <tr> <td>Research and development expenses</td> <td style="text-align: right;">1,220 million yen</td> </tr> </table> <p>*2. Total amount of research and development expenses Research and development expenses included in general and administrative expenses 1,220 million yen</p>	Compensation to directors and corporate auditors	141 million yen	Salary and bonuses	300 million yen	Provision of allowance for directors' and corporate auditors' bonuses	20 million yen	Depreciation	39 million yen	Research and development expenses	1,220 million yen	<p>*1. The major components of selling, general and administrative expenses are approximately 27% selling expenses and 73% general and administrative expenses. The major components and amounts are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Compensation to directors and corporate auditors</td> <td style="text-align: right;">173 million yen</td> </tr> <tr> <td>Salary and bonuses</td> <td style="text-align: right;">293 million yen</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">44 million yen</td> </tr> <tr> <td>Research and development expenses</td> <td style="text-align: right;">1,708 million yen</td> </tr> </table> <p>*2. Total amount of research and development expenses Research and development expenses included in general and administrative expenses 1,708 million yen</p>	Compensation to directors and corporate auditors	173 million yen	Salary and bonuses	293 million yen	Depreciation	44 million yen	Research and development expenses	1,708 million yen
Compensation to directors and corporate auditors	141 million yen																		
Salary and bonuses	300 million yen																		
Provision of allowance for directors' and corporate auditors' bonuses	20 million yen																		
Depreciation	39 million yen																		
Research and development expenses	1,220 million yen																		
Compensation to directors and corporate auditors	173 million yen																		
Salary and bonuses	293 million yen																		
Depreciation	44 million yen																		
Research and development expenses	1,708 million yen																		

(Non-consolidated statement of change in net assets)

FY 2007 (From April 1, 2007 to March 31, 2008)

1. Type and total number of shares issued and type and the number of shares of treasury stock

	Number of shares at beginning of year (shares)	Increase during year (shares)	Decrease during year (shares)	Number of shares at end of year (shares)
Type of shares issued				
Common stock (Note 1)	126,700	--	1,000	125,700
Total	126,700	--	1,000	125,700
Type of shares of treasury stock				
Common stock (Notes 2 & 3)	--	2,000	1,796	204
Total	--	2,000	1,796	204

Notes

- As a result of the retirement of treasury stock, the number of shares decreased by 1,000 shares in September 2007 for a total of 125,700 shares issued.
- As a result of the purchase of treasury stocks by the resolution of the Board of Directors, the number of shares of treasury stock increased by 1,265 shares in May 2007 and 735 shares in June 2007.
- As a result of the exercise of stock options, the number of shares of treasury stock decreased by 48 shares in August 2007, 60 shares in September 2007, 100 shares in December 2007, 144 shares in January 2008, 356 shares in February 2008 and 88 shares in March 2008, and as a result of the retirement of treasury stock, the number of shares of treasury stock decreased by 1,000 shares in September 2007 to a total of 204 shares of treasury stock.

2. Matters pertaining to dividends

(1) Dividend payout amounts

(Resolution)	Type of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Payment date
Ordinary General Shareholders' Meeting, June 17, 2007	Common stock	506	4,000	March 31, 2007	June 18, 2007
Board of Directors Meeting, October 25, 2007	Common stock	624	5,000	September 30, 2007	November 20, 2007

(2) Dividend payout amount of dividends with reference date in FY 2007 but effective date in FY 2008

(Resolution)	Type of shares	Total amount of dividends (millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Payment date
Ordinary General Shareholders' Meeting, June 21, 2008	Common stock	1,192	Retained earnings	9,500	March 31, 2008	June 23, 2008

FY 2008 (From April 1, 2008 to March 31, 2009)

1. Type and total number of shares issued and type and the number of shares of treasury stock

	Number of shares at beginning of year (shares)	Increase during year (shares)	Decrease during year (shares)	Number of shares at end of year (shares)
Type of shares issued				
Common stock	125,700	--	--	125,700
Total	125,700	--	--	125,700
Type of shares of treasury stock				
Common stock (Notes 1 & 2)	204	2,000	464	1,740
Total	204	2,000	464	1,740

(Notes)

- As a result of the purchase of treasury stocks by the resolution of the Board of Directors, the number of shares of treasury stock increased by 1,619 shares in December 2008 and 381 shares in January 2009
- As a result of the exercise of stock options, the number of shares of treasury stock decreased by 24 shares in July 2008, 172 shares in September 2008, 220 shares in January 2009, 24 shares in February 2009, and 24 shares in March 2009 to a total of 1,740 shares of treasury stocks.

2. Matters pertaining to dividends

(1) Dividend payout amounts

(Resolution)	Type of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Payment date
Ordinary General Shareholders' Meeting, June 21, 2008	Common stock	1,192	9,500	March 31, 2008	June 23, 2008
Board of Directors Meeting, October 27, 2008	Common stock	942	7,500	September 30, 2008	November 21, 2008

(2) Dividend payout amount of dividends with reference date in FY 2008 but effective date in FY 2009

(Resolution)	Type of shares	Total amount of dividends (millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Payment date
Ordinary General Shareholders' Meeting, June 21, 2009	Common stock	1,053	Retained earnings	8,500	March 31, 2009	June 22, 2009

(Non-consolidated statement of cash flows)

FY 2007 (From April 1, 2007 to March 31, 2008)	FY 2008 (From April 1, 2008 to March 31, 2009)
*1. Reconciliation between the fiscal year end balance of cash and cash equivalents and the amounts of the accounts shown in the balance sheet is as follows:	*1. Reconciliation between the fiscal year end balance of cash and cash equivalents and the amounts of the accounts and amounts shown in the balance sheet is as follows:
(As of March 31, 2008)	(As of March 31, 2009)
Cash and time deposits	Cash and time deposits
Securities	Securities
Cash and cash equivalents	Cash and cash equivalents

(Lease transactions)

FY 2007 (From April 1, 2007 to March 31, 2008)				FY 2008 (From April 1, 2008 to March 31, 2009)			
1. Finance lease transactions not entailing the transfer of ownership of lease property to the lessee				1. Financial lease transactions (lessee's side) With respect to financial leases other than those in which the title of the leased property transfers to the lessee, those which commenced on or before March 31, 2008 are accounted for using the method applicable to ordinary rental transactions. The details are as follows.			
(1) Amounts equivalent to acquisition cost, accumulated depreciation and year end closing balance				(1) Amounts equivalent to acquisition cost, accumulated depreciation and year end closing balance			
	Amount equivalent to acquisition cost (millions of yen)	Amount equivalent to accumulated depreciation (millions of yen)	Amount equivalent to year-end balance (millions of yen)		Amount equivalent to acquisition cost (millions of yen)	Amount equivalent to accumulated depreciation (millions of yen)	Amount equivalent to year-end balance (millions of yen)
Tools, furniture and fixtures	4	2	2	Tools, furniture and fixtures	4	3	1
Total	4	2	2	Total	4	3	1
(2) Amount equivalent to year-end closing balance of prepaid lease fees				(2) Amount equivalent to year-end closing balance of prepaid lease fees			
Due within 1 yr				0 million yen			
Due in more than 1 yr				1 million yen			
Total				2 million yen			
(3) Lease payments and amounts equivalent to depreciation and interest expense				(3) Lease payments and amounts equivalent to depreciation and interest expense			
Lease payment				1 million yen			
Amount equivalent to depreciation				1 million yen			
Amount equivalent to interest expense				0 million yen			
(4) Method used to calculate the amount equivalent to depreciation				(4) Method used to calculate the amount equivalent to depreciation			
Depreciation was calculated based on the straight-line method, substituting the lease term for the useful life, assuming no residual value.				Same as the column on the left.			
(5) Method used to calculate the amount equivalent to interest expense				(5) Method used to calculate the amount equivalent to interest expense			
The amount equivalent to interest expense was calculated by subtracting the amount equivalent to acquisition cost from the amount representing lease payment. The interest method was used to allot the resulting interest expense over the life of the lease.				Same as the column on the left.			
2. Operating lease transactions				2. Operating lease transactions			
Prepaid lease fees				Prepaid lease fees			
Due within 1 yr				154 million yen			
Due in more than 1 yr				308 million yen			
Total				462 million yen			
				Prepaid lease fees			
				Due within 1 yr			
				154 million yen			
				Due in more than 1 yr			
				154 million yen			
				Total			
				308 million yen			

(Securities)

FY 2007 (As of March 31, 2008)

1. Other securities with market value

	Type	Acquisition cost (millions of yen)	Amount on the balance sheet (millions of yen)	Difference (millions of yen)
Other securities whose amounts recorded on the balance sheet exceed their acquisition costs	(1) Stocks	66	128	61
	(2) Bonds and debentures			
	1) JGBs, municipal bonds, etc.	--	--	--
	2) Corporate debentures	--	--	--
	3) Others	--	--	--
	Subtotal	66	128	61
Other securities whose amounts recorded on the balance sheet do not exceed their acquisition costs	(1) Stocks	--	--	--
	(2) Bonds and debentures			
	1) JGBs, municipal bonds, etc.	3,997	3,997	(0)
	2) Corporate debentures	--	--	--
	3) Others	--	--	--
	Subtotal	3,997	3,997	(0)
	Total	4,063	4,125	61

2. Other securities sold during FY 2007

Disclosure is omitted as the total amount is insignificant in relation to the amount of gain (loss) on sale of securities.

3. Other securities and maturity dates and the future redemption amounts of held-to-maturity bonds

	Within 1 yr (millions of yen)	Over 1 yr, within 5 yrs (millions of yen)	Over 5 yrs, within 10 years (millions of yen)	Over 10 yrs (millions of yen)
(1) Bonds and debentures				
1) JGBs, municipal bonds, etc.	4,000	--	--	--
2) Corporate debentures	--	--	--	--
3) Others	--	--	--	--
Total	4,000	--	--	--

FY 2008 (As of March 31, 2009)

1. Other securities with market value

	Type	Acquisition cost (millions of yen)	Amount on the balance sheet (millions of yen)	Difference (millions of yen)
Other securities whose amounts recorded on the balance sheet exceed their acquisition costs	(1) Stocks	--	--	--
	(2) Bonds and debentures			
	1) JGBs, municipal bonds, etc.	--	--	--
	2) Corporate debentures	--	--	--
	3) Others	--	--	--
	(3) Others	--	--	--
	Subtotal	--	--	--
Other securities whose amounts recorded on the balance sheet do not exceed their acquisition costs	(1) Stocks	66	57	(8)
	(2) Bonds and debentures			
	1) JGBs, municipal bonds, etc.	3,998	3,998	(0)
	2) Corporate debentures	--	--	--
	3) Others	--	--	--
	(3) Others	--	--	--
	Subtotal	4,064	4,056	(8)
	Total	4,064	4,056	(8)

2. Other securities sold during the FY 2008

N/A

3. Other securities and maturity dates and the future redemption amounts of held-to-maturity bonds

	Within 1 yr (millions of yen)	Over 1 yr, within 5 yrs (millions of yen)	Over 5 yrs, within 10 years (millions of yen)	Over 10 yrs (millions of yen)
(1) Bonds and debentures	--	--	--	--
1) JGBs, municipal bonds, etc.	4,000	--	--	--
2) Corporate debentures	--	--	--	--
3) Others	--	--	--	--
Total	4,000	--	--	--

(Derivative transactions)

FY 2007 (From April 1, 2007 to March 31, 2008)

N/A (The Company does not engage in derivative transactions of any kind.)

FY 2008 (From April 1, 2008 to March 31, 2009)

N/A (The Company does not engage in derivative transactions of any kind.)

(Retirement benefits)

FY 2007 (From April 1, 2007 to March 31, 2008)

N/A (The Company does not have a retirement benefit plan.)

FY 2008 (From April 1, 2008 to March 31, 2009)

N/A (The Company does not have a retirement benefit plan.)

(Stock options, etc.)

FY 2007 (From April 1, 2007 to March 31, 2008)

Details, size and status of changes in stock options

(1) Summary of stock options

	2002 Stock Options (Note 1)	2003 Stock Options (Note 1)	2004 Stock Options (Note 1)
Category and number of grantees	5 Directors, 1 Corporate Auditor, 13 employees	4 Directors, 1 Corporate Auditor, 19 employees	4 Directors, 1 Corporate Auditor, 29 employees
Number of stock options by type of shares (Note 2)	2,264 shares of common stock	936 shares of common stock	738 shares of common stock
Grant date	August 1, 2002	August 1, 2003	August 2, 2004
Condition for vesting	(Note 3)	(Note 4)	(Note 4)
Period of service required for vesting (Note 5)	--	--	--
Exercise period	(Note 6)	(Note 7)	(Note 8)

	2005 Stock Options (Note 1)
Category and number of grantees	4 Directors, 35 employees
Number of stock options by type of shares (Note 2)	710 shares of common stock
Grant date	August 1, 2005
Condition for vesting	(Note 4)
Period of service required for vesting (Note 5)	--
Exercise period	(Note 9)

(Notes)

1. Stock options from 2002 to 2005 refer to new share subscription rights pursuant to the provisions of Articles 280-20 and 280-21 of the former Commercial Code.
2. Number of stock options have been converted and stated as number of shares.
The number of stock options takes into account the effect of the 2-for-1 stock split of May 20, 2003, the 2-for-1 stock split of May 20, 2004 and the 2-for-1 stock split of May 20, 2005.
3. The acquiree of the new share subscription rights are required to hold the position of the Director or employee of the Company or an affiliate of the Company at the time such rights are exercised; provided, however, that this shall not apply to cases where a Director or Corporate Auditor has retired at the expiration of his/her term of office, or an employee is terminated involuntarily, as stipulated in Article 23 of the Office Regulations, or the Board of Directors has exceptionally approved the survival of such rights.
4. The acquiree of the new share subscription rights are required to hold the position of the Director or employee of the Company or an affiliate of the Company at the time such rights are exercised; provided, however, that this shall not apply to cases where a Director or Corporate Auditor has retired at the expiration of his/her term of office, or the Board of Directors has exceptionally approved the survival of such rights.
5. The period of service subject to the grant of stock options has not been stipulated.
6. 1) During the period from June 21, 2004 to June 20, 2006, one half (1/2) of the allotted new share subscription rights may be exercised.
2) During the period from June 21, 2006 to June 20, 2008, all allotted new share subscription rights may be exercised.
7. 1) During the period from June 20, 2005 to June 19, 2007, one half (1/2) of the allotted new share subscription rights may be exercised.
2) During the period from June 20, 2007 to June 19, 2009, all allotted new share subscription rights may be exercised.
8. 1) During the period from June 18, 2006 to June 17, 2008, one half (1/2) of allotted new share subscription rights may be exercised.
2) During the period from June 18, 2008 to June 17, 2010, all allotted new share subscription rights may be exercised.
9. 1) During the period from June 19, 2007 to June 18, 2009, one half (1/2) of allotted new share subscription rights may be exercised.
2) During the period from June 19, 2009 to June 18, 2011, all allotted new share subscription rights may be exercised.

(2) Size and status of change in stock options

The following includes stock options existing during the FY 2008 (year ended March 31, 2009) and stock options have converted and stated as number of shares.

1) Number of stock options

	2002 Stock Options	2003 Stock Options	2004 Stock Options	2005 Stock Options
Before vesting (shares)				
Balance at beginning of year	--	456	357	710
Granted	--	--	--	--
Expired	--	--	--	--
Vested	--	456	--	355
Balance of rights yet to be vested	--	--	357	355
After vesting (shares)				
Balance at beginning of year	552	316	357	--
Granted	--	456	--	355
Exercised	552	244	--	--
Expired	--	--	--	--
Balance of rights yet to be exercised	--	528	357	355

2) Unit price information

	2002 Stock Options	2003 Stock Options	2004 Stock Options	2005 Stock Options
Exercise price (Note) (yen)	41,667	122,500	368,548	501,000
Average share price at time of exercise (yen)	320,958	306,745	--	--
Fair value of unit price (on grant date) (yen)	--	--	--	--

(Note)

The exercise prices stated above reflect the stock splits listed in (Note 2) of (1) *Summary of stock options* under *Details, size and status of changes in stock options*.

FY 2008 (From April 1, 2008 to March 31, 2009)

Details, size and status of changes in stock options

(1) Summary of stock options

	2003 Stock Options (Note 1)	2004 Stock Options (Note 1)	2005 Stock Options (Note 1)
Category and number of grantees	4 Directors, 1 Corporate Auditor, 19 employees	4 Directors, 1 Corporate Auditor, 29 employees	4 Directors, 35 employees
Number of stock options by type of shares (Note 2)	936 shares of common stock	738 shares of common stock	710 shares of common stock
Grant date	August 1, 2003	August 2, 2004	August 1, 2005
Condition for vesting	(Note 3)	(Note 3)	(Note 3)
Period of service required for vesting (Note 4)	--	--	--
Exercise period	(Note 5)	(Note 6)	(Note 7)

(Notes)

1. Stock options from 2003 to 2005 refer to new share subscription rights pursuant to the provisions of Articles 280-20 and 280-21 of the former Commercial Code.
2. Number of stock options have been converted and stated as number of shares.
The number of stock options takes into account the effect of the 2-for-1 stock split of May 20, 2004 and the 2-for-1 stock split of May 20, 2005.
3. The acquiree of the new share subscription rights are required to hold the position of Director or Corporate Auditor or employee of the Company or an affiliate of the Company at the time such rights are exercised; provided, however, that this shall not apply to cases where a Director or Corporate Auditor has retired at the expiration of his/her term of office, or the Board of Directors has exceptionally approved the survival of such rights.
4. The period of service subject to the grant of stock options has not been stipulated.
5. 1) During the period from June 20, 2005 to June 19, 2007, one half (1/2) of the allotted new share subscription rights may be exercised.
2) During the period from June 20, 2007 to June 19, 2009, all allotted new share subscription rights may be exercised.
6. 1) During the period from June 18, 2006 to June 17, 2008, one half (1/2) of allotted new share subscription rights may be exercised.
2) During the period from June 18, 2008 to June 17, 2010, all allotted new share subscription rights may be exercised.
7. 1) During the period from June 19, 2007 to June 18, 2009, one half (1/2) of allotted new share subscription rights may be exercised.
2) During the period from June 19, 2009 to June 18, 2011, all allotted new share subscription rights may be exercised.

(2) Size and status of change in stock options

The following includes stock options existing during the FY 2008 (year ended March 31, 2009) and stock options are converted and stated as number of shares.

1) Number of stock options

	2003 Stock Options	2004 Stock Options	2005 Stock Options
Before vesting (shares)			
Balance at beginning of year	--	357	355
Granted	--	--	--
Expired	--	--	--
Vested	--	357	--
Balance of rights yet to be vested	--	--	355
After vesting (shares)			
Balance at beginning of year	528	357	355
Granted	--	357	--
Exercised	464	--	--
Expired	--	24	20
Balance of rights yet to be exercised	64	690	335

2) Unit price information

	2003 Stock Options	2004 Stock Options	2005 Stock Options
Exercise price (Note) (yen)	122,500	368,548	501,000
Average share price at time of exercise (yen)	350,424	--	--
Fair value of unit price (on grant date) (yen)	--	--	--

(Note)

The exercise prices stated above reflect the stock splits listed in (Note 2) of (1) *Summary of stock options* under *Details, size and status of changes in stock options*.

(Tax effect accounting)

1. Breakdown of major factors leading to the occurrence of deferred tax assets and deferred tax liabilities

	FY 2007 (As of March 31, 2008)	FY 2008 (As of March 31, 2009)
	(millions of yen)	(millions of yen)
Deferred tax assets		
Evaluation boards not recorded in year-end inventory	8	--
Depreciation in excess of deductible amount	28	39
One-time depreciation of assets in excess of deductible amount	7	6
Accrued enterprise tax, currently not deductible	132	95
Non-deductible accrued business office tax	0	0
Allowance for bonuses in excess of tax limit	3	4
Experiment and research expenses, currently not deductible	--	48
Others	21	5
Total deferred tax assets	202	198
Deferred tax liabilities		
Unrealized gains (losses) on other securities	(25)	--
Total deferred tax liabilities	(25)	--
Net deferred tax assets	177	198

2. Breakdown of major items that caused a difference between the statutory tax rate and the effective tax rate after the application of tax effect accounting

The breakdown of major items that caused a difference between the statutory tax rate and the effective tax rate after the application of tax effect accounting for FY 2007 is omitted since such difference was less than 5%.

	FY 2008 (As of March 31, 2009)
Statutory tax rate	40.7%
(Adjustments)	
Entertainment and other miscellaneous nondeductible expenses	0.5%
Special deduction for experiment and research expenses	(2.8%)
Effective rate of income taxes after application of tax effect accounting	38.4%

(Equity in earnings (losses) of non-consolidated subsidiaries and affiliates)

FY 2007 (From April 1, 2007 to March 31 2008)

N/A

FY 2008 (From April 1, 2008 to March 31, 2009)

N/A

(Related parties)

FY 2007 (From April 1, 2007 to March 31 2008)

N/A

FY 2008 (From April 1, 2008 to March 31, 2009)

N/A

(Business combinations, etc.)

N/A

(Per share information)

FY 2007 (From April 1, 2007 to March 31, 2008)		FY 2008 (From April 1, 2008 to March 31, 2009)	
Net assets per share	85,819.65 yen	Net assets per share	94,663.15 yen
Net income per share	28,993.53 yen	Net income per share	30,387.47 yen
Net income per share after adjustment for potential dilution	28,807.23 yen	Net income per share after adjustment for potential dilution	30,326.41 yen

(Note) The basis of calculations of the net income per share and the net income per share after adjustment for potential dilution are as follows:

	FY 2007 (From April 1, 2007 to March 31, 2008)	FY 2008 (From April 1, 2008 to March 31, 2009)
Net income per share		
Net income (millions of yen)	3,629	3,800
Amount not attributable to common shareholders (millions of yen)	--	--
(Directors' and corporate auditors' bonuses in appropriation of earnings)	--	--
Net income on common stock (millions of yen)	3,629	3,800
Average number of shares of common stock during the period (shares)	125,175.79	125,075.46
Diluted net income per share		
Amount of adjustment to net income (millions of yen)	--	--
Increase in number of shares of common stock (shares)	809.5	251.8
(New share subscription rights)	(809.5)	(251.8)
Outline of residual shares not included in the calculation of diluted net income per share due to lack of effect of dilution	(1) New share subscriptions rights resolved at the Ordinary General Shareholders' Meeting held on June 17, 2004 and the Board of Directors Meeting held on July 30, 2004 (Number of new share subscription rights: 714) Common stock: 714 shares (As of March 31, 2008) (2) New share subscription rights resolved at the Ordinary General Shareholders' Meeting held on June 18, 2005 and the Board of Directors Meeting held on July 29, 2005 (Number of new share subscription rights: 710) Common shares: 710 shares (As of March 31, 2008)	(1) New share subscriptions rights resolved at the Ordinary General Shareholders' Meeting held on June 17, 2004 and the Board of Directors Meeting held on July 30, 2004 (Number of new share subscription rights: 690) Common stock: 690 shares (As of March 31, 2009) (2) New share subscription rights resolved at the Ordinary General Shareholders' Meeting held on June 18, 2005 and the Board of Directors Meeting held on July 29, 2005 (Number of new share subscription rights: 690) Common shares: 690 shares (As of March 31, 2009)

(Major subsequent events)

N/A

5. Others

(1) Changes to Directors and Corporate Auditors

N/A

(2) Others

1) Production

Production results for FY 2007 and FY 2008 are as follows:

(Unit: millions of yen)

	FY 2007 (From April 1, 2007 to March 31, 2008)	FY 2008 (From April 1, 2008 to March 31, 2009)
Application Specific Standard Products LSI (ASSP)	14,137	16,031
Application Specific Integrated Circuit LSI (ASIC)	9	0
Total	14,147	16,032

(Notes)

1. Amounts are according to sales price.
2. Above figures are stated net of consumption taxes.

2) Orders

Orders for FY 2007 and FY 2008 are as follows:

(Unit: millions of yen)

	FY 2007 (From April 1, 2007 to March 31, 2008)		FY 2008 (From April 1, 2008 to March 31, 2009)	
	Orders received	Outstanding orders	Orders received	Outstanding orders
Application Specific Standard Products LSI (ASSP)	14,195	3,620	15,834	4,037
Application Specific Integrated Circuit LSI (ASIC)	4	--	5	4
Total	14,200	3,620	15,839	4,041

(Notes)

1. Amounts are according to sales price.
2. Above figures are stated net of consumption taxes.

3) Sales

Sales during FY 2007 and FY 2008 are as follows:

(Unit: millions of yen)

	FY 2007 (From April 1, 2007 to March 31, 2008)	FY 2008 (From April 1, 2008 to March 31, 2009)
Application Specific Standard Products LSI (ASSP)	13,784	15,417
Application Specific Integrated Circuit LSI (ASIC)	9	0
Total	13,794	15,417

(Notes)

1. Above figures are stated net of consumption taxes.
2. Sales to the Company's main sales agent and the proportion of such sales to total sales are as follows:

Sales agent	FY 2007 (From April 1, 2007 to March 31, 2008)		FY 2008 (From April 1, 2008 to March 31, 2009)	
	Amount (millions of yen)	Percentage (%)	Amount (millions of yen)	Percentage (%)
Midoriya Electric Co., Ltd.	13,097	94.9	13,886	90.1

(Note) Above figures are stated net of consumption taxes.