

LETTER TO SHAREHOLDERS

Matsumoto Yushi-Seiyaku Co., Ltd., has been growing since its establishment in 1939, thanks to the friendly support of our customers. All of our workforce understand the roles of our products, most of which are used behind the scenes of industries, and have always been concentrating on research and study with their best effort. Now we are confident that we have gained the steady reputation, “Matsumoto, the excellent producer of surface active agents.”

Our products are widely employed in various fields including not only textile industries but also non-textile industries, such as automobiles, precision instruments, civil engineering, construction, rubber, plastics, cosmetics, toiletries and agriculture.

We are trying to get in closer business relationship with our customers for grasping their needs more precisely for quicker response.

We gained the certificates of ISO 9001, a quality management standard in 1995 and ISO 14001, an environmental management standard, in 1998. We are concentrating on the optimization of our quality and environmental management systems for satisfying our customers' requirement. We are retaining challenging spirit as a company of venture management for contributing to society.

In this accounting year, Matsumoto Yushi-Seiyaku Co.,Ltd. and its subsidiary (the Group) got results as follows;

The Group managed to achieve ¥25,339 million sales (7.9% increase), and ¥2,080 million of operating income (9.4% increase). The Group achieved ¥1,751 million of net income (0.2% decrease).

The nation's economy was going well , at the end of this year, due to the growth of economy of the BRICs and the wide economic recovery from the capital investment through general consumption. On the other side, gaps among industries widened because of the rising prices of the raw materials due to high prices of the crude oil.

The textile industries, which are our important sales field, are aggressive in high valued products. The general purpose goods are dominantly supplied by China and India by means of mass production. The non-textile industries see more gaps among companies. In the surfactant business, we can not raise the price of products.

In order to cope with the foregoing domestic economy, our Group developed

high-quality and low-price products. To make sure of earning sales and profit, we worked all the sections closely, and endeavored to analyze the demand from consumer, to develop new products and to save costs of products.

The surfactant division managed to achieve ¥16,440 million sales (9.8% increase), and ¥1,330 million of operating income (18.2% increase), respectively.

In the anionic surfactant segment, though the synthetic fiber manufactures in Japan made a large products of the fibers for nonwoven fabric, the result was ¥3,058 million sales (3.5% decrease).

The nonionic surfactant gained ¥12,444 million sales (14.1% increase) thanks to the sales promotion of new solvents in China.

In the cationic and amphoteric surfactant category, the surfactant for acryl and wool had a hard fight in this year also, but the amphoteric surfactant use for toiletry got a growth. As a result, sales for the year stood at ¥938 million (5.4% increase).

The other divisions recorded ¥8,899 million of sales (4.4% increase), and ¥750 million of operating income (3.3% decrease).

For the high polymer and inorganic chemicals category, the sales of thermo-expansive microcapsules and some other construction materials increased. Sales for the year reached ¥8,899 million (4.4% increase) .

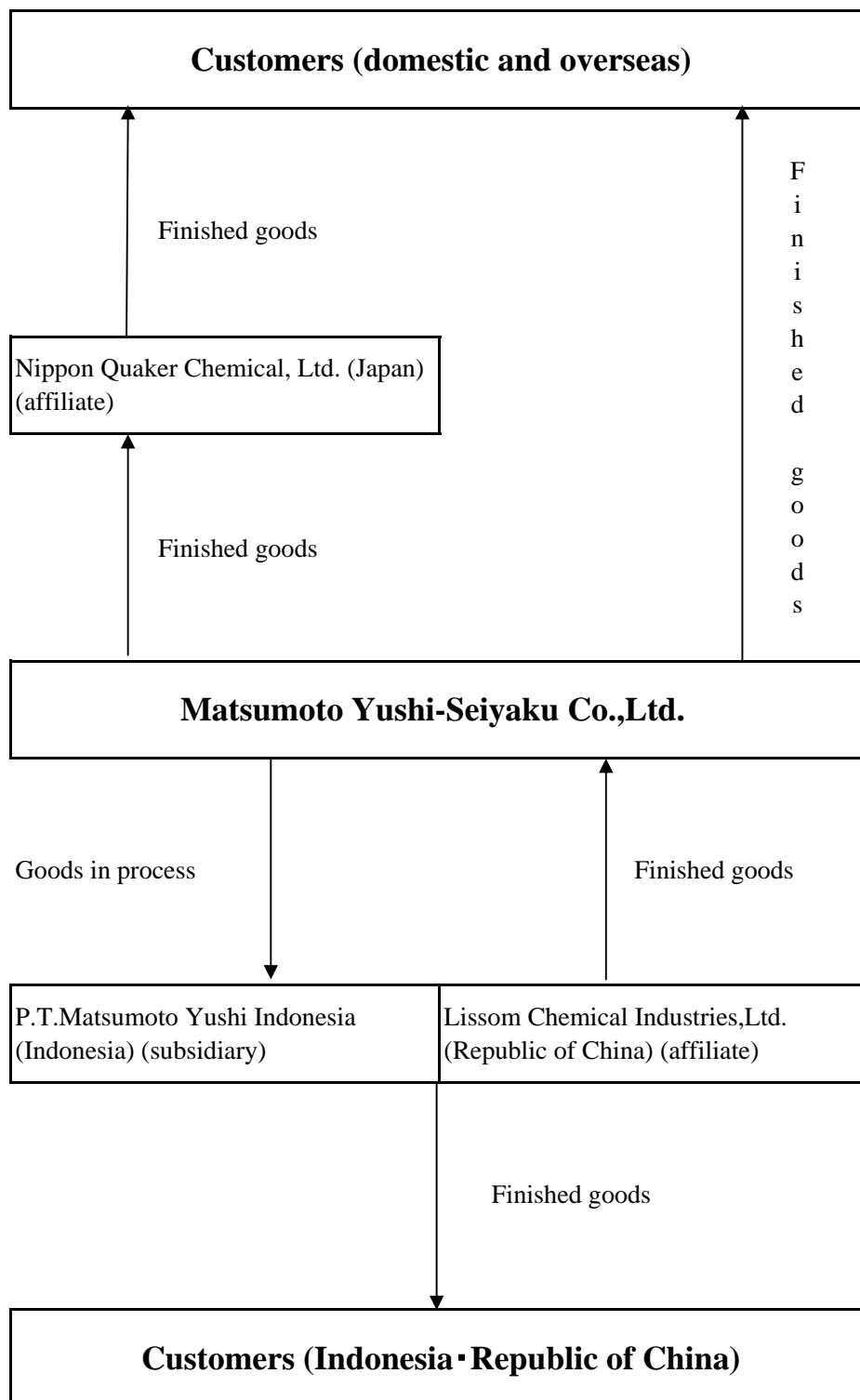
Geographically, the Group achieved in Japan sales of ¥24,740 million (8.8% increase) and the operating income in the amount of ¥2,001 million (17.0% increase).

In Indonesia, we sold as much as ¥866 million (15.9% decrease) and managed to get ¥81 million (57.6% decrease) on the operating income as a result.

We anticipate a tougher economic and business environment for the next year. Your management is firmly determined to take proactive leadership, as always, through aggressive resources reallocation, further registration of new customers, and enhanced sharing of information with the employees for reinforced awareness of business management.

NAOKI KIMURA
President

Holding Company Configuration and Highlights of Business



C O R P O R A T E G O V E R N A N C E

The Matsumoto Yushi-Seiyaku Group constantly endeavors to achieve the shareholders' maximum interest and the lasting stability of the Group under the management which strongly supports the law and the interest of stakeholders. We believe in an optimum scale of business for timely decisions as well as legal and social compliances.

The directors' meeting is held at least once a month to decide the basic policy and strategy of the Group. In the Group, directors, corporate auditors and the chiefs of department have a meeting once in a week. They check the compliance and the execution of business.

Comprising three Corporate Auditors, of which one is Outside Auditor, Corporate Auditors exchange views, deliberate, and decide on substantive issues relating to auditing. A standing statutory auditor attends other important meetings and watch the management.

Internal Auditing is a corporate function. A team is organized to audit when necessary. The Board of Corporate Auditors and the Independent Auditor may have meetings as need be to exchange opinions.

Seiryō Audit Corporation is contracted as an independent auditor to perform the financial audit in accord with the Company Code and Securities Law. The partners and their assistants of Seiryō Audit Corporation designated to perform the audit for fiscal 2007 were as follows.

Designated partners:

Kazuo Uno, CPA

Hiroshi Takahashi, CPA

Assistants:

The independent auditor forms a team of assistants for performance of the audit in accordance with its audit plan. The team mainly comprises certified public accountants, junior accountants, and others.

MATSUMOTO YUSHI-SEIYAKU CO., LTD**Selected Financial Data**

Years ended March 31

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Results for the year (millions of Yen): | | | | | |
| Net Sales | 25,339 | 23,493 | 22,892 | 22,352 | 22,813 |
| Cost of sales | 18,695 | 17,019 | 16,297 | 15,416 | 15,403 |
| Gross profit | 6,645 | 6,475 | 6,595 | 6,936 | 7,409 |
| Selling, general and administrative expenses | 4,565 | 4,574 | 4,613 | 4,598 | 4,574 |
| Operating income | 2,080 | 1,900 | 1,982 | 2,338 | 2,835 |
| Other income(expenses) | 874 | 1,053 | 518 | (340) | (1,515) |
| Income before income taxes and minority interests | 2,954 | 2,953 | 2,500 | 1,998 | 1,320 |
| Income taxes | | | | | |
| current | 1,165 | 1,157 | 902 | 978 | 519 |
| deferred | 15 | (17) | 57 | (197) | 29 |
| Minority interests in subsidiary | 23 | 60 | 1 | 84 | 52 |
| Net income | 1,751 | 1,753 | 1,540 | 1,133 | 721 |
| Acquisition of property, plant and equipment | 903 | 519 | 528 | 379 | 431 |
| Depreciation and amortization | 520 | 480 | 448 | 462 | 493 |
| | | | | | |
| Per share of common stock(Yen): | | | | | |
| Net income | 156.59 | 155.06 | 135.90 | 99.66 | 62.30 |
| Cash dividends | 55.00 | 50.00 | 45.00 | 40.00 | 35.00 |
| | | | | | |
| Year-end financial position(millions of Yen): | | | | | |
| Total current assets | 32,988 | 32,451 | 22,370 | 24,801 | 29,491 |
| Total investments and other assets | 13,560 | 13,453 | 19,690 | 16,698 | 9,757 |
| Total property, plant and equipment | 3,600 | 3,214 | 3,203 | 3,136 | 3,239 |
| Total current liabilities | 8,403 | 7,630 | 7,797 | 7,762 | 6,903 |
| Total long-term liabilities | 1,244 | 1,628 | 533 | 842 | 642 |
| Minority interests | 164 | 147 | 85 | 89 | 113 |
| Foreign currency translation adjustments | 95 | 168 | 184 | 186 | 81 |
| Total shareholders' equity | 40,501 | 39,713 | 36,848 | 35,942 | 34,828 |
| | | | | | |
| Other year-end data: | | | | | |
| Number of shares issued(thousands) | 11,282 | 11,282 | 11,282 | 11,282 | 11,282 |
| Number of shareholders | 600 | 594 | 610 | 680 | 698 |

MATSUMOTO YUSHI-SEIYAKU CO.,LTD. AND A SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2007 and 2006

| ASSETS | Millions of yen | | Thousands of U.S.dollars (Note 1) | |
|--|-----------------|-----------------|--------------------------------------|-------------------|
| | 2007 | 2006 | 2007 | 2006 |
| Current assets: | | | | |
| Cash and cash equivalents | ¥ 15,661 | ¥ 21,165 | \$ 132,718 | \$ 179,361 |
| Short-term investments (Note 3) | 5,840 | 1,262 | 49,492 | 10,695 |
| Notes and accounts receivable: | | | | |
| Trade | 6,284 | 5,132 | 53,258 | 43,492 |
| Associates | 1,669 | 1,540 | 14,147 | 13,049 |
| Other | 3 | 4 | 25 | 32 |
| | <u>7,957</u> | <u>6,676</u> | <u>67,430</u> | <u>56,573</u> |
| Inventories (Note 4) | 2,984 | 2,900 | 25,287 | 24,575 |
| Deferred income taxes (Note 9) | 447 | 394 | 3,785 | 3,339 |
| Other current assets | 100 | 55 | 849 | 463 |
| Total current assets | <u>32,988</u> | <u>32,451</u> | <u>279,561</u> | <u>275,006</u> |
| Property, plant and equipment : | | | | |
| Land | 539 | 536 | 4,571 | 4,545 |
| Building and structures | 4,185 | 3,943 | 35,466 | 33,419 |
| Machinery and equipment | 9,350 | 8,779 | 79,240 | 74,397 |
| Construction in progress | 59 | 51 | 497 | 431 |
| | <u>14,133</u> | <u>13,309</u> | <u>119,773</u> | <u>112,792</u> |
| Accumulated depreciation | <u>(10,533)</u> | <u>(10,095)</u> | <u>(89,261)</u> | <u>(85,553)</u> |
| | <u>3,600</u> | <u>3,214</u> | <u>30,513</u> | <u>27,239</u> |
| Investments and other assets: | | | | |
| Investments in affiliates (Note 12) | 463 | 495 | 3,922 | 4,194 |
| Investments in securities (Note 3) | 12,150 | 11,934 | 102,964 | 101,137 |
| Long-term loans, net of allowance for doubtful accounts | 357 | 448 | 3,022 | 3,794 |
| Other (Note 8) | 591 | 576 | 5,006 | 4,881 |
| | <u>13,560</u> | <u>13,453</u> | <u>114,913</u> | <u>114,006</u> |
| | <u>¥ 50,148</u> | <u>¥ 49,118</u> | <u>\$ 424,986</u> | <u>\$ 416,251</u> |

| LIABILITIES AND SHAREHOLDERS' EQUITY | Millions of yen | | Thousands of U.S. dollars (Note 1) | |
|---|-----------------|-----------------|---------------------------------------|-------------------|
| | 2007 | 2006 | 2007 | 2006 |
| Current liabilities: | | | | |
| Short-term bank loans (Note 5) | ¥ 900 | ¥ 900 | \$ 7,627 | \$ 7,627 |
| Accounts payable: | | | | |
| Trade | 4,988 | 4,479 | 42,274 | 37,954 |
| Associates | 563 | 321 | 4,773 | 2,719 |
| Other | 1,060 | 889 | 8,982 | 7,533 |
| Accrued income taxes (Note 9) | 512 | 678 | 4,339 | 5,742 |
| Accrued bonuses to employees | 341 | 343 | 2,887 | 2,910 |
| Accrued bonuses to officers | 21 | — | 178 | — |
| Other current liabilities | 18 | 21 | 150 | 175 |
| Total current liabilities | <u>8,403</u> | <u>7,630</u> | <u>71,211</u> | <u>64,660</u> |
| Long-term debt (Note 5) | 100 | 100 | 847 | 847 |
| Accrued severance indemnities(Note 6) | 302 | 335 | 2,559 | 2,841 |
| Deferred income taxes (Note 9) | 761 | 1,115 | 6,447 | 9,452 |
| Other liabilities | 81 | 77 | 689 | 657 |
| Total long-term liabilities | <u>1,244</u> | <u>1,628</u> | <u>10,542</u> | <u>13,797</u> |
| Total liabilities | <u>9,647</u> | <u>9,258</u> | <u>81,753</u> | <u>78,457</u> |
| Contingencies (Note 7) | | | | |
| Net assets (Note 2(p)): | | | | |
| Shareholders' equity | | | | |
| Common stock | | | | |
| Authorized 21,000,000 shares | | | | |
| Issued 2006- 11,281,629 shares | 6,090 | 6,090 | 51,610 | 51,610 |
| Capital surplus | 6,518 | 6,518 | 55,235 | 55,235 |
| Retained earnings | 26,940 | 25,767 | 228,301 | 218,364 |
| Less, treasury stock, at cost: | <u>(278)</u> | <u>(273)</u> | <u>(2,357)</u> | <u>(2,309)</u> |
| Total Shareholders' equity | <u>39,269</u> | <u>38,102</u> | <u>332,789</u> | <u>322,899</u> |
| Valuation and translation adjustments | | | | |
| Unrealized gain (loss) on other securities | 1,164 | 1,779 | 9,863 | 15,074 |
| Foreign currency translation adjustments | (95) | (168) | (809) | (1,424) |
| Total Valuation and translation adjustments | <u>1,068</u> | <u>1,611</u> | <u>9,054</u> | <u>13,651</u> |
| Minority interests | 164 | 147 | 1,389 | 1,245 |
| Total net assets | <u>40,501</u> | <u>39,713</u> | <u>343,233</u> | <u>336,550</u> |
| | <u>¥ 50,148</u> | <u>¥ 49,118</u> | <u>\$ 424,986</u> | <u>\$ 416,251</u> |

MATSUMOTO YUSHI-SEIYAKU CO.,LTD AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED MARCH 31, 2007 and 2006

| | Millions of yen | | Thousands of U.S. dollars (Note 1) | |
|---|-----------------|----------|---------------------------------------|------------|
| | 2007 | 2006 | 2007 | 2006 |
| | | | | |
| Net sales(Note 10,11) | ¥ 25,339 | ¥ 23,493 | \$ 214,739 | \$ 199,096 |
| Cost of sales(Note 10) | 18,695 | 17,019 | 158,429 | 144,225 |
| Gross profit | 6,645 | 6,475 | 56,310 | 54,871 |
| Selling, general and administrative expenses (Note 10) | 4,565 | 4,574 | 38,685 | 38,766 |
| Operating income | 2,080 | 1,900 | 17,626 | 16,105 |
| Other income (expenses): | | | | |
| Interest and dividend income | 487 | 367 | 4,127 | 3,112 |
| Interest expenses | (11) | (30) | (93) | (252) |
| Equity in earnings of affiliates | 75 | 2 | 636 | 20 |
| Foreign exchange profit (loss) | (4) | 1,146 | (31) | 9,714 |
| Profit (Loss) on securities sold | 205 | (573) | 1,733 | (4,854) |
| Loss from revaluation of securities | (61) | — | (517) | — |
| Impairment losses | — | (14) | — | (117) |
| Other, net | 183 | 153 | 1,555 | 1,299 |
| Income before income taxes and minority interests | 2,954 | 2,953 | 25,037 | 25,026 |
| Income taxes (Note 9): | | | | |
| Current | 1,165 | 1,157 | 9,874 | 9,801 |
| Deferred | 15 | (17) | 125 | (140) |
| | 1,180 | 1,140 | 9,999 | 9,661 |
| Income before minority interests | 1,774 | 1,813 | 15,037 | 15,365 |
| Minority interests in subsidiary | (23) | (60) | (199) | (506) |
| Net income | ¥ 1,751 | ¥ 1,753 | \$ 14,838 | \$ 14,860 |

| | Yen | | U.S. dollars (Note 1) | |
|--------------------------|----------|----------|--------------------------|----------|
| | 2007 | 2006 | 2007 | 2006 |
| | | | | |
| Net income per share: | | | | |
| Basic | ¥ 156.59 | ¥ 155.06 | \$ 1.327 | \$ 1.314 |
| Cash dividends per share | 55.00 | 50.00 | 0.466 | 0.424 |

The accompanying notes are an integral part of these statements.

MATSUMOTO YUSHI-SEIYAKU CO.,LTD AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED MARCH 31, 2007 and 2006

Millions of yen

| | Number of shares issued (thousands) | Shareholders' equity | | | | Valuation and translation adjustments | | Minority interests | Total net assets |
|---|-------------------------------------|----------------------|-----------------|-------------------|----------------|--|--|--------------------|------------------|
| | | Common stock | Capital surplus | Retained earnings | Treasury stock | Unrealized gain (loss) on other securities | Foreign currency translation adjustments | | |
| Balance at April 1, 2005 | 11,282 | 6,090 | 6,518 | 24,536 | (261) | 149 | (184) | 85 | 36,932 |
| Cash dividends | | | | (503) | | | | | (503) |
| Net income for the year | | | | 1,753 | | | | | 1,753 |
| Bonuses to directors and corporate auditors | | | | (19) | | | | | (19) |
| Purchase of treasury stock | | | | | (12) | | | | (12) |
| Net change of items other than shareholders' equity | | | | | | 1,630 | 16 | 62 | 1,709 |
| Balance at March 31, 2006 | 11,282 | 6,090 | 6,518 | 25,767 | (273) | 1,779 | (168) | 147 | 39,860 |
| Cash dividends | | | | (559) | | | | | (559) |
| Net income for the year | | | | 1,751 | | | | | 1,751 |
| Bonuses to directors and corporate auditors | | | | (19) | | | | | (19) |
| Purchase of treasury stock | | | | | (6) | | | | (6) |
| Net change of items other than shareholders' equity | | | | | | (615) | 73 | 17 | (525) |
| Balance at March 31, 2007 | <u>11,282</u> | <u>¥ 6,090</u> | <u>¥ 6,518</u> | <u>¥ 26,940</u> | <u>¥ (278)</u> | <u>¥ 1,164</u> | <u>¥ (95)</u> | <u>¥ 164</u> | <u>¥ 40,501</u> |

Thousands of U.S. dollars (Note 1)

| | Shareholders' equity | | | | Valuation and translation adjustments | | Minority interests | Total net assets |
|---|----------------------|------------------|-------------------|-------------------|--|--|--------------------|-------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Unrealized gain (loss) on other securities | Foreign currency translation adjustments | | |
| Balance at April 1, 2005 | \$ 51,610 | \$ 55,235 | \$ 207,934 | \$ (2,209) | \$ 1,260 | \$ (1,562) | \$ 718 | \$ 312,987 |
| Cash dividends | | | (4,266) | | | | | (4,266) |
| Net income for the year | | | 14,860 | | | | | 14,860 |
| Bonuses to directors and corporate auditors | | | (164) | | | | | (164) |
| Purchase of treasury stock | | | | (100) | | | | (100) |
| Net change of items other than shareholders' equity | | | | | | | | |
| Balance at March 31, 2006 | \$ 51,610 | \$ 55,235 | \$ 218,364 | \$ (2,309) | \$ 15,074 | \$ (1,424) | \$ 1,245 | \$ 337,795 |
| Cash dividends | | | (4,738) | | | | | (4,738) |
| Net income for the year | | | 14,838 | | | | | 14,838 |
| Bonuses to directors and corporate auditors | | | (163) | | | | | (163) |
| Purchase of treasury stock | | | | (47) | | | | (47) |
| Net change of items other than shareholders' equity | | | | | | | | |
| Balance at March 31, 2007 | <u>\$ 51,610</u> | <u>\$ 55,235</u> | <u>\$ 228,301</u> | <u>\$ (2,357)</u> | <u>\$ 9,863</u> | <u>\$ (809)</u> | <u>\$ 1,389</u> | <u>\$ 343,233</u> |

The accompanying notes are an integral part of these statements.

MATSUMOTO YUSHI-SEIYAKU CO.,LTD AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2007 and 2006

| | Millions of yen | | Thousands of U.S. dollars | |
|--|-----------------|----------|---------------------------|------------|
| | | | (Note 1) | |
| | 2007 | 2006 | 2007 | 2006 |
| Cash flows from operating activities: | | | | |
| Net income before income taxes and minority interests | ¥ 2,954 | ¥ 2,953 | \$ 25,037 | \$ 25,026 |
| Adjustments for: | | | | |
| Depreciation and amortization | 520 | 480 | 4,409 | 4,065 |
| Impairment losses | — | 14 | — | 117 |
| Loss(gain) on sales and disposal of property, plant and equipment | 6 | 8 | 47 | 71 |
| Loss(gain) on sale and evaluation of securities and other assets | (144) | 573 | (1,216) | 4,854 |
| Allowance for doubtful accounts | 2 | (3) | 15 | (24) |
| Equity in earnings of affiliates | (75) | (2) | (636) | (20) |
| Accrued severance indemnities | (33) | (21) | (282) | (176) |
| Accrued bonuses to employee | (3) | (13) | (23) | (113) |
| Accrued bonuses to officers | 21 | — | 178 | — |
| Interest and dividend income | (487) | (367) | (4,127) | (3,112) |
| Interest expenses | 11 | 30 | 93 | 252 |
| Foreign exchange (profit) loss | 5 | (1,157) | 39 | (9,805) |
| Decrease(Increase) in notes and accounts receivable | (1,192) | (102) | (10,100) | (862) |
| Decrease(Increase) in inventories | (60) | 97 | (509) | 821 |
| Increase(Decrease) in accounts payable | 736 | 118 | 6,241 | 998 |
| Increase (Decrease) in accrued consumption tax | (2) | 27 | (14) | 227 |
| Other,net | 158 | 8 | 1,341 | 70 |
| Sub total | 2,418 | 2,642 | 20,493 | 22,390 |
| Interest and dividend income received | 473 | 362 | 4,007 | 3,064 |
| Interest expenses paid | (11) | (31) | (92) | (262) |
| Income taxes paid | (1,335) | (936) | (11,311) | (7,936) |
| Net cash provided by operating activities | 1,545 | 2,036 | 13,097 | 17,257 |
| Cash flows from investing activities: | | | | |
| Proceeds from maturity of time deposits | (5,010) | 110 | (42,458) | 932 |
| Receipt from sale of short-term investments | 300 | 226 | 2,542 | 1,912 |
| Payments for purchase of property, plant and equipment | (903) | (519) | (7,650) | (4,402) |
| Receipt from sale of investments in securities | 2,442 | 9,517 | 20,694 | 80,653 |
| Payments for purchase of investments in securities | (3,341) | (1,742) | (28,313) | (14,763) |
| Decrease(Increase)of long-term loans receivable | 92 | 4 | 782 | 31 |
| Other,net | (12) | 2 | (103) | 19 |
| Net cash provided by (used in) investing activities | (6,432) | 7,597 | (54,505) | 64,383 |
| Cash flows from financing activities: | | | | |
| Increase(Decrease) in short-term bank loans, net | — | (361) | — | (3,056) |
| Proceeds from long-term debt | — | 100 | — | 847 |
| Repayment of long-term debt | — | (100) | — | (847) |
| Cash dividends paid | (559) | (503) | (4,738) | (4,266) |
| Purchase of treasury stock | (6) | (12) | (47) | (100) |
| Net cash used in financing activities | (565) | (876) | (4,786) | (7,422) |
| Effect of exchange rate changes on cash and cash equivalents | (53) | 1,105 | (449) | 9,364 |
| Net increase (decrease) in cash and cash equivalents | (5,504) | 9,863 | (46,642) | 83,582 |
| Cash and cash equivalents at beginning of year | 21,165 | 11,302 | 179,361 | 95,779 |
| Cash and cash equivalents at end of year | ¥ 15,661 | ¥ 21,165 | \$ 132,718 | \$ 179,361 |

The accompanying notes are an integral part of these statements.

MATSUMOTO YUSHI-SEIYAKU CO.,LTD. AND A SUBSIDIARY

Notes to Financial Statements Years Ended March 31, 2007 and 2006

1. Basis of Presenting Consolidated Financial Statements

Matsumoto Yushi-Seiyaku Co.,Ltd.(the "Company") maintains its accounts and records in accordance with the provisions set forth in the Company Code of Japan(the "Code") and the Securities and Exchange Law and in conformity with accounting principles and practices generally accepted in Japan, which are different from the accounting and disclosure requirements of International Accounting Standards. Such differences include those relating to inventory valuation at the lower of cost or market value.

The Company's overseas subsidiary maintains its accounts and records in conformity with generally accepted accounting principles and practices prevailing in its country of domicile.

The accompanying consolidated financial statements are prepared based on the consolidated financial statements of the Company and its subsidiary (the "Group") which were filed with the Director of Kanto Local Finance Bureau as required by the Securities and Exchange Law.

In preparing the accompanying consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of the reader, using the approximate exchange rate at March 31, 2007, which was ¥118 to U.S.\$1.00. These translations for convenience should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. Summary of Significant Accounting Policies

(a)Consolidation Principles

The consolidated financial statements include the accounts of the Company's subsidiary. All significant inter-company transactions and accounts are eliminated.

Investments in affiliates are accounted for by the equity method whereby the Group includes in net income its share of income or losses of these companies, and records its investments at cost adjusted for its share of income, losses or dividends received.

Generally, companies that are owned more than 50% fall under the category of subsidiaries and companies that are owned 20% or more but not more than 50% fall under the category of affiliates, respectively.

However, companies that are owned 40% to 50% may also fall under the category of subsidiaries and companies that are owned 15% or more but not more than 20% may also fall under the category of affiliates, respectively, if the Company substantially controls the investees' management or has significant influence and relationship with the investees.

(b)Translation of Foreign Currencies

Foreign currency receivables and payables are translated into Japanese yen at the exchange rates in effect on the balance sheet date, and translation gains or losses are charged to income in the year incurred.

Assets, liabilities, revenue and expenses of overseas subsidiary are translated into Japanese yen at the exchange rates in effect on balance sheet date and shareholders' equity is translated into Japanese yen at historical rates. Differences arising from translation are presented as "Minority interests" and "Foreign currency translation adjustments" in the accompanying consolidated balance sheets.

(c)Consolidated Statement of Cash Flows

For the purposes of cash flow statements, cash and cash equivalents comprise cash on hand, deposits held at call with banks, net of overdrafts and all highly liquid investments with maturities of three months or less.

(d)Short-term Investments and Investments in Securities

In accordance with the Accounting Standards for Financial Instrument, securities should be classified into four categories: trading securities, held-to-maturities securities, equity investments in affiliates and other securities. Equity and debt securities are classified as other securities.

Marketable equity and debt securities are stated at fair value with unrealized gains and losses, net of applicable income taxes, reported as a separate component of shareholders' equity. Gains and losses are credited or charged to income when realized, with cost determined by the weighted average method.

However, if the fair value falls below 50% of cost and if there is no prospect of recovery, the unrealized losses have to be charged to income.

(e)Inventories

Finished products, work in process and purchased merchandise are stated at cost determined by the weighted average method. Raw materials are stated at the lower of weighted average cost or market value. Supplies and containers are stated at the most recent purchase prices.

The Company recorded loss on reduction of inventory amounting to ¥20 million (U.S.\$172 thousand), ¥7million (U.S.\$63 thousand) in the fiscal year ended on March 31, 2007 and 2006, respectively.

(f)Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is principally computed by the declining-balance method based on the estimated useful lives of the respective assets same as determined by Japanese Income Tax Law.

Costs of maintenance, repairs and minor renewals are charged to expenses in the year incurred, although major renewals and improvements are capitalized.

Effective April 1, 1998, the Company adopted the straight line method of depreciation for buildings, which, previously, had been depreciated by the declining-balance method. This change was made owing to revision of Japanese Income Tax Law.

(g)Intangible Assets

Amortization of intangible assets is computed by the straight-line method. Computer software is recorded as intangible assets as per the Securities and Exchange Law in Japan.

(h)Accrued Severance Indemnities

In accordance with the Accounting Standards for Retirement Benefit accrued severance indemnities are provided based on the amount of projected benefit obligation reduced by pension

plan assets at fair value at the end of the period.

Employees' retirement benefits, covering employees of the Company, are provided through unfunded lump-sum benefit plans and funded noncontributory pension plans. Under the plans, eligible employees are entitled, under most circumstances, to severance payments based on compensation at the time of severance and year of service.

The Company records such accrued severance indemnities as at March 31. Yet its subsidiary does not record such accrued severance indemnities.

Actuarial losses shall be amortized over five years beginning with the next year.

(i) Research and Development and Computer Software

Research and development expenditure is charged to income when incurred.

Expenditure relating to computer software developed for internal use is charged to income when incurred. When it contributes to the generation of income or to future cost savings, such expenditure is capitalized as an asset and is amortized using the straight-line method over its estimated useful life, namely, 5 years.

(j) Allowance for Doubtful Accounts

In accordance with the Accounting Standards for Financial Instruments, allowance for doubtful accounts is provided by actual bad debt expense ratio to normal receivables and by specific examination of collectibility to bad debt.

(k) Consumption Tax

The consumption tax is imposed at the flat rate of 5% on the Company's sales to customers and purchases of goods and services. The consumption tax thus withheld on sales and paid on purchases by the Company is not included in the amounts of revenue and expense items. Under the consumption tax law, the tax paid on purchases can generally be deducted from the tax withheld.

(l) Accrued Bonuses to Employees

As a general practice in Japan, bonuses are normally payable to employees in early summer and early winter covering the first and second half of the year, respectively. The Company records such accrued bonus liabilities as at March 31. Yet its subsidiary does not record such accrued bonuses liabilities.

(m) Accrued Bonuses to Officers

The Company records accrued bonus liabilities to officers as at March 31. Yet its subsidiary does not record such accrued bonus liabilities.

Change in accounting policy

Effective the period ended March 31, 2007, the Company adopted the Accounting Standards Board of Japan (ASBJ) "Accounting Standard for Directors' Bonus" (ASBJ Statement No. 4, November 29, 2005). As a result, operating income and income before income tax and minority interests decreased by ¥21 million (U.S.\$185 thousand). The effect on the segment information was immaterial.

(n) Income Taxes

Deferred tax assets and liabilities are determined based on the differences between financial statements and the tax bases of the assets and liabilities and are measured using the enacted

tax rates and laws which will be in effect when the differences are expected to be settled.

(o) Per Share Information

The computation of basic net income per share is based on net income available to common shareholders and the weighted average number of shares of common stock outstanding during each period. The average number of shares used in the computation was 11,181 thousand and 11,184 thousand for the periods ended March 31, 2007 and 2006, respectively.

Cash dividends per share shown in the statements of income are the amounts applicable to the respective years.

3. Short-term Investments and Investments in Securities

Short-term investment at March 31, 2007 and 2006 consisted of the following:

| | Millions of yen | | Thousands of U.S. dollars(Note 1) |
|----------------------|-----------------|----------------|--------------------------------------|
| | 2007 | 2006 | 2007 |
| Other securities: | | | |
| Bonds and debentures | ¥ - | ¥ 432 | \$ - |
| Time deposits | 5,840 | 830 | 49,492 |
| | <u>¥ 5,840</u> | <u>¥ 1,262</u> | <u>\$ 49,492</u> |

The following is a summary of other securities at March 31, 2007 and 2006 respectively:

| | Millions of yen | | | Book Value (Estimated fair value) |
|---|------------------------------|-------------------------------|---------------|---|
| | March 31, 2007 | | | |
| | Other securities | | | |
| Cost | Gross unrealized gains | Gross unrealized losses | | |
| Equity securities | ¥ 3,248 | ¥ 2,431 | ¥ (24) | ¥ 5,655 |
| Bonds and debentures | 229 | 3 | - | 232 |
| Other | 2,456 | 72 | - | 2,528 |
| | <u>¥ 5,933</u> | <u>¥ 2,506</u> | <u>¥ (24)</u> | <u>¥ 8,415</u> |
| Add: Securities without readily determinable fair value | | | | 3,735 |
| | | | | <u>¥ 12,150</u> |

| | Millions of yen | | | Book Value (Estimated fair value) |
|---|------------------------------|-------------------------------|---------------|---|
| | March 31, 2006 | | | |
| | Other securities | | | |
| Cost | Gross unrealized gains | Gross unrealized losses | | |
| Equity securities | ¥ 2,689 | ¥ 3,308 | ¥ (12) | ¥ 5,985 |
| Bonds and debentures | 300 | 132 | - | 432 |
| Other | 3,062 | 113 | - | 3,175 |
| | <u>¥ 6,051</u> | <u>¥ 3,553</u> | <u>¥ (12)</u> | <u>¥ 9,592</u> |
| Less: Short-term investments | | | | (432) |
| Add: Securities without readily determinable fair value | | | | 2,774 |
| | | | | <u>¥ 11,934</u> |

| Thousands of U.S.dollars(Note 1) | | | |
|--|------------------------------|-------------------------------|---|
| March 31, 2007 | | | |
| Other securities | | | |
| Cost | Gross unrealized gains | Gross unrealized losses | Book Value (Estimated fair value) |
| Equity securities | \$ 27,526 | \$ 20,602 | \$ (206) |
| Debt securities | 1,941 | 22 | - |
| Other | 20,817 | 612 | - |
| | <u>\$ 50,284</u> | <u>\$ 21,236</u> | <u>\$ (206)</u> |
| Add:Securities without readily determinable fair value | | | 31,650 |
| | | | <u>\$ 102,964</u> |

4. Inventories

Inventories at March 31, 2007 and 2006 comprise the following:

| | Millions of yen | | Thousands of U.S. dollars(Note 1) |
|----------------------------|-----------------|----------------|--------------------------------------|
| | 2007 | 2006 | 2007 |
| Finished goods | ¥ 1,659 | ¥ 1,516 | \$ 14,059 |
| Work in process | 376 | 289 | 3,186 |
| Raw materials and supplies | 949 | 1,095 | 8,042 |
| | <u>¥ 2,984</u> | <u>¥ 2,900</u> | <u>\$ 25,287</u> |

5. Short-term Bank Loans and Long-term Debt

The annual average interest rates applicable to short-term bank loans at March 31, 2007 is 1.22 %

Long-term debt at March 31, 2007 and 2006 consisted of the following respectively:

| | Millions of yen | | Thousands of U.S. dollars(Note 1) |
|--------------------------------------|-----------------|--------------|--------------------------------------|
| | 2007 | 2006 | 2007 |
| Loans from banks: | | | |
| Unsecured loans, maturing in 2009 | ¥ 100 | ¥ 100 | \$ 847 |
| Total | 100 | 100 | 847 |
| Less: current portion | - | - | - |
| Long-term debt, less current portion | <u>¥ 100</u> | <u>¥ 100</u> | <u>\$ 847</u> |

Aggregate annual maturities of long-term debt subsequent to March 31, 2007 are as follows:

| Year ending March 31 | Millions of yen | Thousands of U.S. dollars |
|----------------------|--------------------|------------------------------|
| <u>2009</u> | <u>¥ 100</u> | <u>\$ 847</u> |
| | <u>¥ 100</u> | <u>\$ 847</u> |

6. Accrued Severance Indemnities

The following tables set forth the changes in benefit obligation, and plan assets of the Company at March 31, 2007 and 2006 respectively:

Thousands of U.S.

| | Millions of yen | | dollars(Note 1) |
|---|-----------------|-----------|-----------------|
| | 2007 | 2006 | 2007 |
| Benefit obligation at end of years | ¥ (1,676) | ¥ (1,679) | \$ (14,203) |
| Fair value of plan assets at end of years | 1446 | 1,414 | 12,251 |
| Benefit obligation in excess of plan assets | (230) | (265) | (1,952) |
| Unrecognized actuarial loss | (72) | (70) | (607) |
| Accrued severance indemnities | ¥ (302) | ¥ (335) | ¥ (2,559) |

Benefit expenses of the Company included the following components for the year ended March 31, 2007 and 2006 respectively:

| | Millions of yen | | Thousands of U.S. dollars(Note 1) |
|--------------------------------|-----------------|-------|-----------------------------------|
| | 2007 | 2006 | 2007 |
| Service cost | ¥ 73 | ¥ 76 | \$ 617 |
| Interest cost | 29 | 29 | 245 |
| Expected return on plan assets | (49) | (46) | (419) |
| Amortization:Actuarial losses | 9 | 62 | 75 |
| Benefit expenses | ¥ 61 | ¥ 121 | \$ 518 |

Assumption used in the accounting for the defined benefit plans for the year ended March 31, 2007 and 2006 is as follows:

| | 2007 | 2006 |
|---|---------------------|---------------------|
| Method of attributing benefit to periods of service | straight-line basis | straight-line basis |
| Discount rate | 1.8% | 1.8% |
| Long-term rate of return on fund assets | 3.5% | 3.5% |
| Amortization period for actuarial losses | 5years | 5years |

7. Contingencies

The Group was contingently liable as guarantor of indebtedness of affiliates for ¥275 million (U.S.\$2,331thousand) and ¥300 million (U.S.\$2,542thousand) at March 31, 2007 and 2006 respectively.

8. Research and Development and Computer Software

Research and development expenditure charged to income was ¥1,123 million(U.S.\$9,521 thousand) and ¥1,232 million(U.S.\$10,444 thousand) for the year ended March 31, 2007 and 2006, respectively.

Capitalized expenditure for the development of computer software was as follows:

| | Millions of yen | | Thousands of U.S. dollars(Note 1) |
|------------------------------|-----------------|------|-----------------------------------|
| | 2007 | 2006 | 2007 |
| Balance of beginning of year | ¥ 11 | ¥ 7 | \$ 92 |
| Additions | 9 | 7 | 75 |
| Amortization | (4) | (3) | (33) |
| Balance at end of year | ¥ 16 | ¥ 11 | \$ 134 |

9. Income taxes

The Company is subject to several taxes based on income, which in the aggregate resulted in statutory tax rates of approximately 40.7% for the years ended March 31, 2007 and 2006. Foreign subsidiary is subject to income taxes of the country in which it operates.

The effective rate for the two years ended March 31, 2007 and 2006 differs from the Company's statutory tax rate for the following reasons:

| | 2007 | 2006 |
|---|-------------|-------------|
| Statutory tax rate | 40.7 | 40.7 |
| Permanently nondeductible expenses | 1.5 | 1.4 |
| Permanently nontaxable dividends received | (0.6) | (0.4) |
| Per capital levy of residents tax | 0.5 | 0.5 |
| Tax on undistributed profits | 0.6 | 1.4 |
| Difference of tax rate of overseas subsidiary | 0.1 | (0.6) |
| Tax credit on research and development | (3.4) | (4.2) |
| Other | 0.5 | (0.2) |
| Effective tax rate | <u>39.9</u> | <u>38.6</u> |

The significant components of deferred tax assets and deferred tax liabilities at March 31, 2007 and 2006 are presented below:

| | Millions of yen | | Thousands of U.S. dollars(Note 1) |
|--|-----------------|--------------|--------------------------------------|
| | 2007 | 2006 | 2007 |
| Gross deferred tax assets: | | | |
| Accrued severance indemnities | ¥ 123 | ¥ 136 | \$ 1,041 |
| Accrued employee bonuses | 138 | 140 | 1,172 |
| Accrued enterprise tax | 52 | 59 | 445 |
| Over-depreciation | - | 3 | - |
| Unrealized gains on inventories | 19 | 18 | 163 |
| Net unrealized holding losses on securities | 265 | 55 | 2,245 |
| Other | 98 | 88 | 822 |
| Total gross deferred tax assets | <u>695</u> | <u>499</u> | <u>5,888</u> |
| Gross deferred tax liabilities: | | | |
| Net unrealized holding profits on securities | (1,009) | 1,221 | (8,550) |
| Total gross deferred tax liabilities | <u>(1,009)</u> | <u>1,221</u> | <u>(8,550)</u> |
| Net deferred tax assets(liabilities) | <u>(314)</u> | <u>(721)</u> | <u>(2,662)</u> |

The Company is positive on the realizability of deferred tax assets. However, the ultimate realization of deferred tax assets is entirely dependent upon the generation of future taxable income in specific tax jurisdictions during the period in which those temporary differences become deductible.

10. Segment Information

Information about operations in industry segments, geographic segments and sales to foreign customers of the Group for the years ended March 31, 2007 and 2006, is as follows respectively:

(1) Industry Segments*a. Sales and Operating Income*

| Millions of yen | | | | | |
|--------------------|------------|---------|----------|----------------------------|--------------|
| 2007 | | | | | |
| | Surfactant | Other | Total | Eliminations/ Corporate | Consolidated |
| Sales to customers | ¥ 16,440 | ¥ 8,899 | ¥ 25,339 | ¥ - | ¥ 25,339 |
| Intersegment | - | - | - | - | - |
| Total sales | 16,440 | 8,899 | 25,339 | - | 25,339 |
| Operating expenses | 15,110 | 8,149 | 23,259 | - | 23,259 |
| Operating income | ¥ 1,330 | ¥ 750 | ¥ 2,080 | ¥ - | ¥ 2,080 |

| Millions of yen | | | | | |
|--------------------|------------|---------|----------|----------------------------|--------------|
| 2006 | | | | | |
| | Surfactant | Other | Total | Eliminations/ Corporate | Consolidated |
| Sales to customers | ¥ 14,967 | ¥ 8,526 | ¥ 23,493 | ¥ - | ¥ 23,493 |
| Intersegment | - | - | - | - | - |
| Total sales | 14,967 | 8,526 | 23,493 | - | 23,493 |
| Operating expenses | 13,842 | 7,751 | 21,593 | - | 21,593 |
| Operating income | ¥ 1,125 | ¥ 775 | ¥ 1,900 | ¥ - | ¥ 1,900 |

| Thousands of U.S.dollars | | | | | |
|--------------------------|------------|-----------|------------|----------------------------|--------------|
| 2007 | | | | | |
| | Surfactant | Other | Total | Eliminations/ Corporate | Consolidated |
| Sales to customers | \$ 139,322 | \$ 75,417 | \$ 214,739 | \$ - | \$ 214,739 |
| Intersegment | - | - | - | - | - |
| Total sales | 139,322 | 75,417 | 214,739 | - | 214,739 |
| Operating expenses | 128,052 | 69,061 | 197,113 | - | 197,113 |
| Operating income | \$ 11,270 | \$ 6,356 | \$ 17,626 | \$ - | \$ 17,626 |

b. Assets, Depreciation and Capital Expenditure

| Millions of yen | | | | | |
|---------------------|------------|---------|----------|----------------------------|--------------|
| 2007 | | | | | |
| | Surfactant | Other | Total | Eliminations/ Corporate | Consolidated |
| Assets | ¥ 15,249 | ¥ 8,218 | ¥ 23,467 | ¥ 26,681 | ¥ 50,148 |
| Depreciation | 336 | 184 | 520 | - | 520 |
| Capital expenditure | 599 | 313 | 912 | - | 912 |

| Millions of yen | | | | | |
|---------------------|------------|---------|----------|----------------------------|--------------|
| 2006 | | | | | |
| | Surfactant | Other | Total | Eliminations/ Corporate | Consolidated |
| Assets | ¥ 12,577 | ¥ 7,111 | ¥ 19,688 | ¥ 29,430 | ¥ 49,118 |
| Depreciation | 307 | 173 | 480 | - | 480 |
| Impairment losses | - | 14 | 14 | - | 14 |
| Capital expenditure | 341 | 185 | 526 | - | 526 |

Thousands of U.S.dollars

| | 2007 | | | | |
|---------------------|------------|-----------|------------|----------------------------|--------------|
| | Surfactant | Other | Total | Eliminations/ Corporate | Consolidated |
| Assets | \$ 129,231 | \$ 69,644 | \$ 198,875 | \$ 226,111 | \$ 424,986 |
| Depreciation | 2,849 | 1,560 | 4,409 | - | 4,409 |
| Capital expenditure | 5,076 | 2,649 | 7,725 | - | 7,725 |

Notes: Surfactant consists of Spinning lubricants for artificial fibers, Sizing lubricants for spun yarn weaving, Antistatic agents for spinning and finishing.
Other consists of Warp sizes for spun yarn weaving, Touch improvers.

(2)Geographic Segments

The domestic and foreign operations of the Group for the years ended March 31, 2007 and 2006 are summarized as follows:

| | Millions of yen | | | | |
|--------------------|-----------------|-----------|----------|----------------------------|--------------|
| | 2007 | | | | |
| | Japan | Indonesia | Total | Eliminations/ Corporate | Consolidated |
| Sales to customers | ¥ 24,522 | ¥ 817 | ¥ 25,339 | ¥ - | ¥ 25,339 |
| Intersegment | 218 | 49 | 267 | (267) | - |
| Total sales | 24,740 | 866 | 25,606 | (267) | 25,339 |
| Operating expenses | 22,739 | 785 | 23,524 | (265) | 23,259 |
| Operating income | ¥ 2,001 | ¥ 81 | ¥ 2,082 | ¥ (2) | ¥ 2,080 |
| Assets | ¥ 23,085 | ¥ 532 | ¥ 23,617 | ¥ 26,531 | ¥ 50,148 |

| | Millions of yen | | | | |
|--------------------|-----------------|-----------|----------|----------------------------|--------------|
| | 2006 | | | | |
| | Japan | Indonesia | Total | Eliminations/ Corporate | Consolidated |
| Sales to customers | ¥ 22,507 | ¥ 987 | ¥ 23,493 | ¥ - | ¥ 23,493 |
| Intersegment | 234 | 43 | 277 | (277) | - |
| Total sales | 22,741 | 1,030 | 23,770 | (277) | 23,493 |
| Operating expenses | 21,031 | 838 | 21,869 | (276) | 21,593 |
| Operating income | ¥ 1,710 | ¥ 192 | ¥ 1,901 | ¥ (1) | ¥ 1,900 |
| Assets | ¥ 19,290 | ¥ 600 | ¥ 19,890 | ¥ 29,227 | ¥ 49,118 |

| | Thousands of U.S.dollars | | | | |
|--------------------|--------------------------|-----------|------------|----------------------------|--------------|
| | 2007 | | | | |
| | Japan | Indonesia | Total | Eliminations/ Corporate | Consolidated |
| Sales to customers | \$ 207,810 | \$ 6,929 | \$ 214,739 | \$ - | \$ 214,739 |
| Intersegment | 1,848 | 411 | 2,259 | (2,259) | - |
| Total sales | 209,658 | 7,340 | 216,998 | (2,259) | 214,739 |
| Operating expenses | 192,704 | 6,652 | 199,356 | (2,243) | 197,113 |
| Operating income | \$ 16,954 | \$ 688 | \$ 17,642 | \$ (16) | \$ 17,626 |
| Assets | \$ 195,632 | \$ 4,510 | \$ 200,142 | \$ 224,844 | \$ 424,986 |

(3)Sales to Foreign Customers

Sales to foreign customers for the years ended March 31, 2007 and 2006 are as follows:

| | Millions of yen | | |
|--------------------------------|-----------------|---------|---------|
| | 2007 | | |
| | South-east Asia | Other | Total |
| Sales to foreign customers (A) | ¥ 8,627 | ¥ 1,173 | ¥ 9,800 |
| Total sales (B) | - | - | 25,339 |
| (A)/(B) | 34.0% | 4.6% | 38.6% |

| | Millions of yen | | |
|--------------------------------|-----------------|-------|---------|
| | 2006 | | |
| | South-east Asia | Other | Total |
| Sales to foreign customers (A) | ¥ 7,862 | ¥ 960 | ¥ 8,822 |
| Total sales (B) | - | - | 23,493 |
| (A)/(B) | 33.5% | 4.1% | 37.6% |

| | Thousands of U.S.dollars | | |
|--------------------------------|--------------------------|----------|-----------|
| | 2007 | | |
| | South-east Asia | Other | Total |
| Sales to foreign customers (A) | \$ 73,110 | \$ 9,944 | \$ 83,054 |
| Total sales (B) | - | - | 214,739 |
| (A)/(B) | 34.0% | 4.1% | 37.6% |

11. Related Party Transactions

Principal transactions between the Company and its affiliates for the years ended March 31, 2007 and 2006 are summarized as follows:

| | Millions of yen | | Thousands of U.S.dollars |
|------------------------------------|-----------------|-------|--------------------------|
| | 2007 | 2006 | 2007 |
| | ¥ | ¥ | \$ |
| Sales(Nippon Quaker Chemical,Ltd.) | 3,710 | 3,438 | 31,444 |

12. Subsidiary

The Company's subsidiary is as follows:

| Name | Ownership Interest | Country of Incorporation |
|-------------------------------|--------------------|--------------------------|
| P.T.Matsumoto-Yushi Indonesia | 49% | Indonesia |

13. Subsequent Event

The following appropriations of the Company's retained earnings in respect of the year ended March 31, 2007 were proposed by the Board of Directors and approved by the shareholders at the annual general meeting held on June 27, 2007:

| Appropriations | Millions of yen | Thousands of U.S.dollars |
|----------------------------------|-----------------|--------------------------|
| Cash dividends (¥55.0 per share) | ¥ 615 | \$ 5,211 |
| Total appropriations | ¥ 615 | \$ 5,211 |

14. Net income Per Share

| | Millions of yen | | Thousands of U.S dollars |
|--|-----------------|----------|-----------------------------|
| | 2007 | 2006 | 2007 |
| Net income | ¥ 1,751 | ¥ 1,753 | \$ 14,838 |
| Deduction | | | |
| Bonuses to directors and corporate auditors | - | 19 | - |
| Net income available to common shareholders | 1,751 | 1,734 | 14,838 |
| | Thousand Shares | | |
| | 2007 | 2006 | |
| The weighted average number of shares of common stock outstanding | 11,181 | 11,184 | |
| | yen | | U.S.dollars |
| | 2007 | 2006 | 2007 |
| Net income per share | ¥ 156.59 | ¥ 155.06 | \$ 1.33 |