

# Financial Results for FY2007

(April 1, 2006 through March 31, 2007)

English Translation of the Original Japanese-Language Document



MEMBERSHIP  
May 14, 2007

|   |   |
|---|---|
| Company name  | : Isuzu Motors Ltd.   |
| Stock exchange on which the shares are listed             | : Tokyo Stock Exchange in Japan   |
| Code number   | : 7202  |
| Location of the head office                               | : 6-26-1 Minami-oi, Shinagawa, Tokyo  |
| URL   | : <a href="http://www.isuzu.co.jp/world/investor/index.html">http://www.isuzu.co.jp/world/investor/index.html</a> |
| Representative  | : Yoshinori Ida, President  |
| Contact   | : Hirotohi Koyama, General manager,<br>General Affairs & HR Department Tel. (03) 5471 - 1141                      |
| Scheduled Date for General Shareholders' Meeting          | : June 28, 2007   |
| Expected Starting Date for Distribution of Cash Dividends | : June 29, 2007   |
| Scheduled Date for Submission of Annual Securities Report | : June 28, 2007   |

(Amounts are rounded down to the nearest millions of Yen.)

## 1. Consolidated Financial Highlights (April 1, 2006 through March 31, 2007)

### <1> Consolidated Financial Results

(% indicates increase/decrease from previous term.)

|        | Net Sales        |     | Operating Income |      | Ordinary Income  |      | Net Income       |       |
|--------|------------------|-----|------------------|------|------------------|------|------------------|-------|
|        | Yens in Millions | %   | Yens in Millions | %    | Yens in Millions | %    | Yens in Millions | %     |
| FY2007 | 1,662,925        | 5.1 | 106,980          | 18.0 | 114,697          | 22.2 | 92,394           | 56.7  |
| FY2006 | 1,581,857        | 5.9 | 90,661           | 4.0  | 93,843           | 2.5  | 58,956           | △ 1.8 |

|        | Net Income per Share | Net Income per Share after Dilution of Potential Stock | Ratio of Net Income to Shareholders' Equity | Ratio of Ordinary Income to Total Assets | Ratio of Operating Income to Net Sales |
|--------|----------------------|--|---|--|--|
|        | Yen                  | Yen  | %   | %  | %                                      |
| FY2007 | 64.83                | 51.54  | 31.5  | 9.6                                      | 6.4                                    |
| FY2006 | 48.75                | 31.67  | 29.3  | 8.1                                      | 5.7                                    |

Note: Equity Income from Affiliated Companies

FY2007 12,340 Yens in Millions  
FY2006 10,673 Yens in Millions

### <2> Consolidated Financial Position

|        | Total Assets     | Net Assets       | Shareholders' Equity Ratio | Net Assets per Share |
|--------|------------------|------------------|----------------------------|----------------------|
|        | Yens in Millions | Yens in Millions | %                          | Yen                  |
| FY2007 | 1,232,181        | 389,061          | 27.8                       | 177.68               |
| FY2006 | 1,168,697        | 244,350          | 20.9                       | 152.05               |

Note: Total Amount of Shareholders' Equity

FY2007 342,042 Yens in Millions  
FY2006 - Yens in Millions

### <3> Consolidated Cash Flows

|        | Cash Flows from Operating Activities | Cash Flows from Investing Activities | Cash Flows from Financing Activities | Cash and Cash Equivalents at the End of the Term |
|--------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|        | Yens in Millions                     | Yens in Millions                     | Yens in Millions                     | Yens in Millions                                 |
| FY2007 | 114,478                              | △ 33,760                             | △ 49,128                             | 140,363  |
| FY2006 | 82,448                               | △ 21,080                             | △ 97,493                             | 106,495  |

## 2. Cash Dividends

|                   | Dividend per Share |         |             |          |       | Total Amount of Cash Dividends | Dividend Payout Ratio (Consolidated) | Dividend on Equity (Consolidated) |
|-------------------|--------------------|---------|-------------|----------|-------|--------------------------------|--------------------------------------|-----------------------------------|
|                   | 1st Quarter        | Interim | 3rd Quarter | Year-End | Total |                                |                                      |                                   |
|                   | Yen                | Yen     | Yen         | Yen      | Yen   | Yens in Millions               | %                                    | %                                 |
| FY2006            | -                  | -       | -           | 3.00     | 3.00  | 3,420                          | 6.2                                  | 2.6                               |
| FY2007            | -                  | -       | -           | 4.00     | 4.00  | 6,782                          | 6.2                                  | 2.4                               |
| FY2008 (Forecast) | -                  | -       | -           | 5.00     | 5.00  |                                | 10.8                                 |                                   |

Note: Please refer to Page 3 for details on the dividends to Preferred Stock.

## 3. Consolidated Forecast for FY2008 (April 1, 2007 through March 31, 2008)

(% indicates increase/decrease from previous term/1st half period.)

|          | Net Sales        |       | Operating Income |        | Ordinary Income  |        | Net Income       |        | Net Income per Share |
|----------|------------------|-------|------------------|--------|------------------|--------|------------------|--------|----------------------|
|          | Yens in Millions | %     | Yens in Millions | %      | Yens in Millions | %      | Yens in Millions | %      | Yen                  |
| Interim  | 810,000          | △ 1.8 | 44,000           | △ 23.6 | 46,000           | △ 26.7 | 35,000           | △ 36.8 | 20.25                |
| Year-End | 1,650,000        | △ 0.8 | 100,000          | △ 6.5  | 105,000          | △ 8.5  | 80,000           | △ 13.4 | 46.28                |

4. Others

<1> Change in the Scope of Principal Subsidiaries : None

<2> Adoption of New Accounting Standards, Principles and Presentation for Consolidation

Adoption due to Revision of Accounting Standards : Adopted  
 Adoption due to Factors Other than Revision of Accounting Standards : Adopted

<3> Number of Shares Issued (Common Stock)

Number of Shares Issued and Outstanding at the End of the Term (Inclusive of Treasury Stock) FY2007 1,696,845,339 Shares  
 FY2006 1,141,289,786 Shares  
 Number of Treasury Stock at the End of the Term FY2007 1,492,689 Shares  
 FY2006 1,258,960 Shares

Note: Please refer to page 13 on the number of shares as the basis for calculating "Net Income per share(consolidated)".

(Reference) Non-consolidated Financial Results

1. Non-consolidated Financial Highlights (April 1, 2006 through March 31, 2007)

<1> Non-consolidated Financial Results

(% indicates increase/decrease from previous term.)

|        | Net Sales        |     | Operating Income |        | Ordinary Income  |      | Net Income       |      |
|--------|------------------|-----|------------------|--------|------------------|------|------------------|------|
|        | Yens in Millions | %   | Yens in Millions | %      | Yens in Millions | %    | Yens in Millions | %    |
| FY2007 | 973,884          | 6.1 | 61,491           | 14.9   | 68,273           | 6.4  | 68,325           | 47.0 |
| FY2006 | 917,895          | 4.3 | 53,506           | △ 11.7 | 64,149           | 19.0 | 46,476           | 72.0 |

|        | Net Income per Share | Net Income per Share after Dilution of Potential Stock |
|--------|----------------------|--|
|        | Yen                  | Yen  |
| FY2007 | 47.87                | 38.10  |
| FY2006 | 38.31                | 24.96  |

<2> Non-consolidated Financial Position

|        | Total Assets     | Net Assets       | Ratio of Shareholders' Equity | Net Assets per Share |
|--------|------------------|------------------|-------------------------------|----------------------|
|        | Yens in Millions | Yens in Millions | %                             | Yen                  |
| FY2007 | 899,783          | 292,807          | 32.5                          | 148.62               |
| FY2006 | 867,698          | 231,289          | 26.7                          | 140.56               |

Note: Total Amount of Shareholders' Equity FY2007 292,807 Yens in Millions  
 FY2006 - Yens in Millions

2. Non-consolidated Forecast of FY2008 (April 1, 2007 through March 31, 2008)

(% indicates increase/decrease from previous term.)

|          | Net Sales        |       | Operating Income |        | Ordinary Income  |        | Net Income       |        | Net Income per Share |
|----------|------------------|-------|------------------|--------|------------------|--------|------------------|--------|----------------------|
|          | Yens in Millions | %     | Yens in Millions | %      | Yens in Millions | %      | Yens in Millions | %      | Yen                  |
| Interim  | 475,000          | △ 4.1 | 24,000           | △ 33.3 | 27,000           | △ 31.6 | 25,000           | △ 30.5 | 14.46                |
| Year-End | 950,000          | △ 2.5 | 54,000           | △ 12.2 | 55,000           | △ 19.4 | 52,000           | △ 23.9 | 30.08                |

※Explanation on the usage of the financial projection and others

The financial projection is calculated based on the information available presently. There are possibilities that the actual financial result would differ largely due to the variation of important factors.

Dividend Paid to Classified Stocks

Details on dividend paid to classified stocks are as follows:

Class 1 Preferred Stock

|        | Dividend per Share |         |             |          |       | Total Amount of Dividend Paid for the Term |
|--------|--------------------|---------|-------------|----------|-------|--|
|        | 1st Quarter        | Interim | 3rd Quarter | Year-End | Total |  |
|        | Yen                | Yen     | Yen         | Yen      | Yen   | Yens in Millions                           |
| FY2006 | -                  | -       | -           | 6.944    | 6.944 | 260  |
| FY2007 | -                  | -       | -           | -        | -     | -  |

Class 3 Preferred Stock

|                      | Dividend per Share |         |             |          |        | Total Amount of Dividend Paid for the Term |
|----------------------|--------------------|---------|-------------|----------|--------|--|
|                      | 1st Quarter        | Interim | 3rd Quarter | Year-End | Total  |  |
|                      | Yen                | Yen     | Yen         | Yen      | Yen    | Yens in Millions                           |
| FY2006               | -                  | -       | -           | 12.944   | 12.944 | 323  |
| FY2007               | -                  | -       | -           | 14.104   | 14.104 | 352  |
| FY2008<br>(Forecast) | -                  | -       | -           | -        | -      |  |

Class 4 Preferred Stock

|                      | Dividend per Share |         |             |          |        | Total Amount of Dividend Paid for the Term |
|----------------------|--------------------|---------|-------------|----------|--------|--|
|                      | 1st Quarter        | Interim | 3rd Quarter | Year-End | Total  |  |
|                      | Yen                | Yen     | Yen         | Yen      | Yen    | Yens in Millions                           |
| FY2006               | -                  | -       | -           | 16.944   | 16.944 | 423  |
| FY2007               | -                  | -       | -           | 18.104   | 18.104 | 452  |
| FY2008<br>(Forecast) | -                  | -       | -           | -        | -      |  |

## CONSOLIDATED INCOME STATEMENT

(Yens in millions)

|   | Current Term<br>FY2007 | Previous Term<br>FY2006 | Change          |
|---|------------------------|-------------------------|-----------------|
| <b>Net sales</b>  | <b>1,662,925</b>       | <b>1,581,857</b>        | <b>81,067</b>   |
| <b>Cost of sales</b>  | <b>1,413,402</b>       | <b>1,347,861</b>        | <b>65,541</b>   |
| <b>GROSS PROFIT</b>   | <b>249,523</b>         | <b>233,996</b>          | <b>15,526</b>   |
| <b>Selling, general and administrative expenses</b>   | <b>142,542</b>         | <b>143,334</b>          | <b>(792)</b>    |
| <b>OPERATING INCOME</b>   | <b>106,980</b>         | <b>90,661</b>           | <b>16,318</b>   |
| <b>Non-operating incomes</b>  | <b>20,762</b>          | <b>18,361</b>           | <b>2,401</b>    |
| Interest and dividend income  | 3,980                  | 3,129                   | 851             |
| Amortization of consolidated adjustment account   | -                      | 384                     | (384)           |
| Amortization of goodwill  | 250                    | -                       | 250             |
| Equity income from affiliated companies   | 12,340                 | 10,673                  | 1,667           |
| Others  | 4,190                  | 4,174                   | 16              |
| <b>Non-operating expenses</b>   | <b>13,046</b>          | <b>15,180</b>           | <b>(2,133)</b>  |
| Interest expense  | 8,391                  | 10,551                  | (2,159)         |
| Others  | 4,654                  | 4,628                   | 25              |
| <b>ORDINARY INCOME</b>  | <b>114,697</b>         | <b>93,843</b>           | <b>20,853</b>   |
| <b>Extraordinary gains</b>  | <b>6,215</b>           | <b>13,443</b>           | <b>(7,228)</b>  |
| Gain on sale on property, plant & equipment   | 1,327                  | 4,383                   | (3,056)         |
| Gain on sale of investment securities   | 108                    | 212                     | (103)           |
| Adjustment cost on the joint venture in North America   | -                      | 4,897                   | (4,897)         |
| Gain on dissolution of employee pension fund  | 685                    | 1,391                   | (706)           |
| Gain on the transfer to the Government of the substitutional portion of employee pension fund liabilities | 2,531                  | -                       | 2,531           |
| Others  | 1,561                  | 2,558                   | (996)           |
| <b>Extraordinary losses</b>   | <b>13,428</b>          | <b>27,661</b>           | <b>(14,232)</b> |
| Loss on disposal of property, plant & equipment   | 5,642                  | 8,311                   | (2,668)         |
| Unrealized holding loss on non-consolidated subsidiaries & affiliates                                     | 1,094                  | 1,079                   | 14              |
| Loss on sale of investment securities   | 367                    | 8                       | 359             |
| Loss on restructuring of domestic subsidiaries & affiliates   | -                      | 933                     | (933)           |
| Special warranty expense  | -                      | 3,247                   | (3,247)         |
| Loss on impairment of property, plant & equipment   | 1,000                  | 2,600                   | (1,599)         |
| Dismantlement and other cost on former Kawasaki Plant   | 1,534                  | 5,257                   | (3,723)         |
| Others  | 3,789                  | 6,224                   | (2,435)         |
| <b>INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS</b>  | <b>107,483</b>         | <b>79,625</b>           | <b>27,857</b>   |
| <b>Income taxes (current)</b>   | <b>14,260</b>          | <b>12,891</b>           | <b>1,368</b>    |
| <b>Income taxes (deferred)</b>  | <b>(6,441)</b>         | <b>2,555</b>            | <b>(8,996)</b>  |
| <b>Minority interest</b>  | <b>7,270</b>           | <b>5,222</b>            | <b>2,048</b>    |
| <b>NET INCOME</b>   | <b>92,394</b>          | <b>58,956</b>           | <b>33,437</b>   |

Note: Amounts are rounded down to the nearest millions of Yen.

## CONSOLIDATED BALANCE SHEET

(Yens in millions)

|  | Current Term<br>FY2007 | Previous Term<br>FY2006 | Change         |
|--|------------------------|-------------------------|----------------|
| <b>[ASSETS]</b>                        |                        |                         |                |
| <b>CURRENT ASSETS</b>                  | <b>605,221</b>         | <b>554,141</b>          | <b>51,080</b>  |
| Cash and cash deposits                 | 134,136                | 108,642                 | 25,494         |
| Trade notes and accounts receivable    | 272,154                | 252,441                 | 19,713         |
| Inventories                            | 133,083                | 137,754                 | (4,671)        |
| Deferred tax assets                    | 34,312                 | 27,632                  | 6,680          |
| Others                                 | 34,481                 | 31,063                  | 3,418          |
| Allowance for doubtful accounts        | (2,947)                | (3,393)                 | 445            |
| <b>NON-CURRENT ASSETS</b>              | <b>626,960</b>         | <b>614,556</b>          | <b>12,404</b>  |
| <b>Property, plant &amp; equipment</b> | <b>490,495</b>         | <b>474,264</b>          | <b>16,231</b>  |
| Buildings and structures               | 101,541                | 100,741                 | 800            |
| Machinery, equipment and vehicles      | 88,876                 | 72,749                  | 16,126         |
| Land                                   | 270,884                | 267,687                 | 3,197          |
| Construction in progress               | 13,556                 | 18,365                  | (4,808)        |
| Others                                 | 15,636                 | 14,719                  | 916            |
| <b>Intangible assets</b>               | <b>9,672</b>           | <b>9,177</b>            | <b>495</b>     |
| Others                                 | 9,672                  | 9,177                   | 495            |
| <b>Investments &amp; other assets</b>  | <b>126,791</b>         | <b>131,114</b>          | <b>(4,322)</b> |
| Investment securities                  | 105,241                | 95,229                  | 10,012         |
| Long-term loans receivable             | 4,155                  | 15,404                  | (11,249)       |
| Deferred tax assets                    | 7,358                  | 6,369                   | 989            |
| Others                                 | 20,109                 | 29,218                  | (9,108)        |
| Allowance for doubtful accounts        | (10,073)               | (15,107)                | 5,033          |
| <b>TOTAL ASSETS</b>                    | <b>1,232,181</b>       | <b>1,168,697</b>        | <b>63,484</b>  |

Note: Amounts are rounded down to the nearest millions of Yen.

## CONSOLIDATED BALANCE SHEET

(Yens in millions)

|   | Current Term<br>FY2007 | Previous Term<br>FY2006 | Change             |
|---|------------------------|-------------------------|--------------------|
| <b>[LIABILITIES]</b>  |                        |                         |                    |
| <b>CURRENT LIABILITIES</b>  | <b>486,249</b>         | <b>497,260</b>          | <b>(11,010)</b>    |
| Trade notes and accounts payable  | 309,713                | 297,370                 | 12,343             |
| Short-term borrowings   | 75,154                 | 91,971                  | (16,817)           |
| Current portion of bonds  | 3,410                  | -                       | 3,410              |
| Deferred income tax   | 7,921                  | 10,933                  | (3,011)            |
| Accrued expenses  | 47,956                 | 48,946                  | (990)              |
| Accrued bonus costs   | 13,604                 | 12,225                  | 1,378              |
| Provisions for warranty costs   | 3,696                  | 4,345                   | (648)              |
| Deposits received   | 2,738                  | 3,768                   | (1,030)            |
| Others  | 22,053                 | 27,698                  | (5,645)            |
| <b>NON-CURRENT LIABILITIES</b>  | <b>356,869</b>         | <b>400,269</b>          | <b>(43,399)</b>    |
| Bonds   | 50,000                 | 52,870                  | (2,870)            |
| Long-term borrowings  | 168,663                | 204,818                 | (36,154)           |
| Deferred tax liabilities  | 9,545                  | 9,455                   | 89                 |
| Deferred tax liabilities on revaluation reserve for land                        | 55,827                 | 55,827                  | -                  |
| Accrued retirement benefits   | 57,320                 | 62,257                  | (4,936)            |
| Long-term deposits received   | 1,470                  | 2,046                   | (576)              |
| Goodwill  | 1,077                  | -                       | 1,077              |
| Consolidated adjustment account   | -                      | 848                     | (848)              |
| Others  | 12,965                 | 12,144                  | 820                |
| <b>TOTAL LIABILITIES</b>  | <b>843,119</b>         | <b>897,529</b>          | <b>(54,409)</b>    |
| <b>[MINORITY INTEREST]</b>  |                        |                         |                    |
| Minority interest   | -                      | 26,816                  | (26,816)           |
| <b>[SHAREHOLDERS' EQUITY]</b>   |                        |                         |                    |
| Common stock  | -                      | 40,644                  | (40,644)           |
| Capital surplus   | -                      | 50,427                  | (50,427)           |
| Retained earnings   | -                      | 68,689                  | (68,689)           |
| Unrealized holding gain and loss on land revaluation                            | -                      | 74,138                  | (74,138)           |
| Unrealized holding gain on securities   | -                      | 15,014                  | (15,014)           |
| Foreign currency translation adjustments  | -                      | (4,334)                 | 4,334              |
| Treasury stock  | -                      | (229)                   | 229                |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>   | <b>-</b>               | <b>244,350</b>          | <b>(244,350)</b>   |
| <b>TOTAL LIABILITIES &amp; MINORITY INTEREST<br/>&amp; SHAREHOLDERS' EQUITY</b> | <b>-</b>               | <b>1,168,697</b>        | <b>(1,168,697)</b> |
| <b>[NET ASSETS]</b>   |                        |                         |                    |
| <b>SHAREHOLDERS' EQUITY</b>   | <b>247,205</b>         | <b>-</b>                | <b>247,205</b>     |
| Common stock  | 40,644                 | -                       | 40,644             |
| Capital surplus   | 50,427                 | -                       | 50,427             |
| Retained earnings   | 156,467                | -                       | 156,467            |
| Treasury stock  | (334)                  | -                       | (334)              |
| <b>VALUATION,<br/>FOREIGN CURRENCY TRANSLATION AND OTHER ADJUSTMENTS</b>        | <b>94,837</b>          | <b>-</b>                | <b>94,837</b>      |
| Unrealized holding gain and loss on securities                                  | 12,319                 | -                       | 12,319             |
| Unrealized gain and loss from hedging activities                                | 39                     | -                       | 39                 |
| Unrealized holding gain and loss on land revaluation                            | 73,981                 | -                       | 73,981             |
| Foreign currency translation adjustments  | 8,498                  | -                       | 8,498              |
| <b>MINORITY INTEREST</b>  | <b>47,018</b>          | <b>-</b>                | <b>47,018</b>      |
| <b>TOTAL NET ASSETS</b>   | <b>389,061</b>         | <b>-</b>                | <b>389,061</b>     |
| <b>TOTAL LIABILITIES &amp; NET ASSETS</b>                                       | <b>1,232,181</b>       | <b>-</b>                | <b>1,232,181</b>   |

Note: Amounts are rounded down to the nearest millions of Yen.

## CONSOLIDATED STATEMENT OF CAPITAL SURPLUS AND RETAINED EARNINGS

(Yens in millions)

|   | Previous Term<br>FY2006 |
|---|-------------------------|
| <b>( Capital Surplus )</b>  |                         |
| <b>I Capital surplus at beginning of period</b>   | <b>42,435</b>           |
| <b>II Increase in capital surplus</b>   | <b>7,991</b>            |
| Exercise of stock acquisition right   | 7,972                   |
| Gain on disposal of treasury stocks   | 18                      |
| <b>III Decrease in capital surplus</b>  | <b>-</b>                |
| <b>IV Capital surplus at end of period</b>  | <b>50,427</b>           |
| <b>( Retained earnings )</b>  |                         |
| <b>I Retained earnings at beginning of period</b>                                       | <b>10,460</b>           |
| <b>II Increase in retained earnings</b>   | <b>61,683</b>           |
| Increase of retained earnings caused<br>by companies newly applied to the equity method | 2,726                   |
| Net income  | 58,956                  |
| <b>III Decrease in retained earnings</b>  | <b>3,453</b>            |
| Decrease of retained earnings caused<br>by companies excluded from the equity method    | 150                     |
| Dividend  | 2,614                   |
| Reversal of<br>unrealized holding gain and loss on land revaluation                     | 688                     |
| <b>IV Retained earnings at end of period</b>  | <b>68,689</b>           |

Note: Amounts are rounded down to the nearest millions of Yen.

## CONSOLIDATED STATEMENT OF NET ASSETS

(From April 1, 2006 to March 31, 2007)

(Yens in millions)

|  | Shareholders' Equity |                 |                   |                |                            |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
|  | Common stock         | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| As of March 31, 2006   | <b>40,644</b>        | <b>50,427</b>   | <b>68,689</b>     | <b>(229)</b>   | <b>159,532</b>             |
| Change of the period   |                      |                 |                   |                |                            |
| Cash dividends ※   |                      |                 | (4,428)           |                | (4,428)                    |
| Reversal of unrealized holding gain and loss on land revaluation |                      |                 | 156               |                | 156                        |
| Net income   |                      |                 | 92,394            |                | 92,394                     |
| Acquisition of treasury stock                                    |                      |                 |                   | (104)          | (104)                      |
| Changes in the scope of consolidation                            |                      |                 | (371)             |                | (371)                      |
| Changes in the scope of equity method                            |                      |                 | 26                |                | 26                         |
| Net changes on items other than shareholders' equity             |                      |                 |                   |                |                            |
| Total change of the period                                       | -                    | -               | 87,777            | (104)          | 87,672                     |
| As of March 31, 2007   | <b>40,644</b>        | <b>50,427</b>   | <b>156,467</b>    | <b>(334)</b>   | <b>247,205</b>             |

|  | Valuation, foreign currency translation adjustments & other |  |  |  |   | Minority interest | Total net assets |
|--|---|--|--|--|---|-------------------|------------------|
|  | Unrealized holding gain and loss on securities              | Unrealized gain and loss from hedging activities | Unrealized holding gain and loss on land revaluation | Foreign currency translation adjustments | Total valuation, foreign currency translation adjustments & other |                   |                  |
| As of March 31, 2006   | <b>15,014</b>   | -  | <b>74,138</b>  | <b>(4,334)</b>                           | <b>84,818</b>   | <b>26,816</b>     | <b>271,167</b>   |
| Change of the period   |   |  |  |  |   |                   |                  |
| Cash dividends ※   |   |  |  |  |   |                   | (4,428)          |
| Reversal of unrealized holding gain and loss on land revaluation |   |  |  |  |   |                   | 156              |
| Net income   |   |  |  |  |   |                   | 92,394           |
| Acquisition of treasury stock                                    |   |  |  |  |   |                   | (104)            |
| Changes in the scope of consolidation                            |   |  |  |  |   |                   | (371)            |
| Changes in the scope of equity method                            |   |  |  |  |   |                   | 26               |
| Net changes on items other than shareholders' equity             | (2,694)   | 39   | (157)  | 12,832                                   | 10,019  | 20,201            | 30,221           |
| Total change of the period                                       | (2,694)   | 39   | (157)  | 12,832                                   | 10,019  | 20,201            | 117,894          |
| As of March 31, 2007   | <b>12,319</b>   | <b>39</b>  | <b>73,981</b>  | <b>8,498</b>                             | <b>94,837</b>   | <b>47,018</b>     | <b>389,061</b>   |

※ This was the distribution of profits based on the general shareholders meeting held in June, 2006.

Note: Amounts are rounded down to the nearest millions of Yen.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Yens in millions)

|  | Current Term<br>FY2007 | Previous Term<br>FY2006 | Change          |
|--|------------------------|-------------------------|-----------------|
| <b>I Cash Flows from Operating Activities</b>                              |                        |                         |                 |
| Income before income taxes and minority interests                          | 107,483                | 79,625                  | 27,857          |
| Depreciation and amortization  | 28,173                 | 25,057                  | 3,115           |
| Amortization of consolidated adjustment account                            | -                      | (384)                   | 384             |
| Amortization of goodwill   | (250)                  | -                       | (250)           |
| Equity loss (gain) of unconsolidated subsidiaries and affiliates           | (12,340)               | (10,673)                | (1,667)         |
| Increase (decrease) in accrued retirement benefits                         | (5,081)                | 708                     | (5,790)         |
| Increase (decrease) in provisions for warranty costs                       | (648)                  | 1,533                   | (2,181)         |
| Increase (decrease) in accrued bonus costs                                 | 1,474                  | 1,660                   | (186)           |
| Increase (decrease) in allowance for doubtful accounts                     | (1,006)                | (2,029)                 | 1,023           |
| Interest and dividend income   | (3,980)                | (3,129)                 | (851)           |
| Interest expense   | 8,391                  | 10,551                  | (2,159)         |
| Gain on sale of property, plant and equipment                              | (1,327)                | (4,383)                 | 3,056           |
| Loss on disposal of property, plant and equipment                          | 5,642                  | 8,311                   | (2,668)         |
| Loss (gain) on sale of investment securities                               | 260                    | (203)                   | 463             |
| Loss on impairment of property, plant and equipment                        | 1,000                  | 2,600                   | (1,599)         |
| Other extraordinary losses   | 1,029                  | 826                     | 203             |
| Decrease (increase) in trade notes and accounts receivable                 | (2,506)                | 8,338                   | (10,844)        |
| Decrease (increase) in inventories   | 2,969                  | (11,321)                | 14,291          |
| Decrease (increase) in other current assets                                | 6,924                  | 563                     | 6,360           |
| Increase (decrease) in trade notes and accounts payable                    | (630)                  | 8,359                   | (8,990)         |
| Increase (decrease) in accrued expenses                                    | (4,586)                | 2,545                   | (7,132)         |
| Increase (decrease) in deposits received                                   | (1,607)                | (8,148)                 | 6,540           |
| Increase (decrease) in other liabilities                                   | (465)                  | (8,804)                 | 8,339           |
| Others   | 37                     | (24)                    | 62              |
| (Subtotal)   | 128,954                | 101,577                 | 27,377          |
| Cash received from interest and dividends                                  | 11,292                 | 5,243                   | 6,049           |
| Cash paid for interest   | (8,401)                | (10,369)                | 1,967           |
| Cash paid for income taxes   | (17,367)               | (14,002)                | (3,365)         |
| Net Cash Provided by Operating Activities                                  | <b>114,478</b>         | <b>82,448</b>           | <b>32,029</b>   |
| <b>II Cash Flows from Investing Activities</b>                             |                        |                         |                 |
| Payments for investment securities   | (3,745)                | (9,717)                 | 5,971           |
| Proceeds from sale of investment securities                                | 1,146                  | 960                     | 185             |
| Payments for property, plant and equipment                                 | (49,340)               | (36,306)                | (13,034)        |
| Proceeds from sales of property, plant and equipment                       | 3,662                  | 15,797                  | (12,134)        |
| Payments for long-term loans   | (451)                  | (4,958)                 | 4,507           |
| Proceeds from long-term loans  | 6,507                  | 3,045                   | 3,462           |
| Decrease (increase) in short-term loans receivable                         | (26)                   | 3,497                   | (3,523)         |
| Decrease (increase) in lease credit held by foreign financial subsidiaries | -                      | 16                      | (16)            |
| Decrease (increase) in fixed deposits                                      | 1,560                  | 1,957                   | (397)           |
| Proceeds from the transfer of investment                                   | -                      | 5,607                   | (5,607)         |
| Others   | 6,925                  | (980)                   | 7,906           |
| Net Cash Provided by (Used in) Investing Activities                        | <b>(33,760)</b>        | <b>(21,080)</b>         | <b>(12,680)</b> |
| <b>III Cash Flows from Financing Activities</b>                            |                        |                         |                 |
| Increase (decrease) in short-term borrowings                               | (16,655)               | (58,056)                | 41,400          |
| Proceeds from long-term borrowings   | 17,100                 | 38,008                  | (20,908)        |
| Payments for long-term borrowings  | (54,834)               | (75,464)                | 20,630          |
| Increase (decrease) in bonds   | -                      | 40,000                  | (40,000)        |
| Increase (decrease) in bonds with warrant attached                         | -                      | (40,000)                | 40,000          |
| Proceeds from minority shareholders  | 11,750                 | 1,172                   | 10,577          |
| Payments for acquisition of treasury stock                                 | (102)                  | (71)                    | (30)            |
| Cash dividends paid by parent company                                      | (4,411)                | (2,602)                 | (1,808)         |
| Cash dividends paid to minority shareholders                               | (1,975)                | -                       | (1,975)         |
| Others   | -                      | (478)                   | 478             |
| Net Cash Provided by (Used in) Financing Activities                        | <b>(49,128)</b>        | <b>(97,493)</b>         | <b>48,364</b>   |
| <b>IV Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>     | <b>2,512</b>           | <b>4,544</b>            | <b>(2,031)</b>  |
| <b>V Increase in Cash and Cash Equivalents</b>                             | <b>34,101</b>          | <b>(31,581)</b>         | <b>65,682</b>   |
| <b>VI Cash and Cash Equivalents at the Beginning of the Term</b>           | <b>106,495</b>         | <b>135,252</b>          | <b>(28,757)</b> |
| <b>VII Increase(Decrease) due to Changes in the Scope of Consolidation</b> | <b>(233)</b>           | <b>2,823</b>            | <b>(3,056)</b>  |
| <b>VIII Cash and Cash Equivalents at the End of the Term</b>               | <b>140,363</b>         | <b>106,495</b>          | <b>33,868</b>   |

Note: Amounts are rounded down to the nearest millions of Yen.

<Geographical Segment Information>

Current Term (April 1, 2006 through March 31, 2007)

(Yens in millions)

|                               | Japan     | North America | Asia    | Other  | Total     | Eliminations | Consolidated |
|-------------------------------|-----------|---------------|---------|--------|-----------|--------------|--------------|
| Sales and Operating income    |           |               |         |        |           |              |              |
| Total sales                   |           |               |         |        |           |              |              |
| Sales to third parties        | 1,034,727 | 161,294       | 429,751 | 37,152 | 1,662,925 | -            | 1,662,925    |
| Interarea sales and transfers | 167,645   | 7,429         | 44,795  | 1,746  | 221,617   | (221,617)    | -            |
| Total sales                   | 1,202,372 | 168,723       | 474,546 | 38,899 | 1,884,542 | (221,617)    | 1,662,925    |
| Operating expenses            | 1,123,885 | 163,742       | 452,434 | 37,416 | 1,777,479 | (221,534)    | 1,555,944    |
| Operating incomes             | 78,487    | 4,981         | 22,112  | 1,482  | 107,063   | (82)         | 106,980      |
| Assets                        | 989,356   | 66,259        | 171,965 | 16,755 | 1,244,337 | (12,156)     | 1,232,181    |

Previous Term (April 1, 2005 through March 31, 2006)

(Yens in millions)

|                               | Japan     | North America | Asia    | Other  | Total     | Eliminations | Consolidated |
|-------------------------------|-----------|---------------|---------|--------|-----------|--------------|--------------|
| Sales and Operating income    |           |               |         |        |           |              |              |
| Total sales                   |           |               |         |        |           |              |              |
| Sales to third parties        | 967,149   | 165,309       | 413,259 | 36,138 | 1,581,857 | -            | 1,581,857    |
| Interarea sales and transfers | 150,704   | 6,951         | 33,321  | 696    | 191,673   | (191,673)    | -            |
| Total sales                   | 1,117,853 | 172,260       | 446,581 | 36,834 | 1,773,531 | (191,673)    | 1,581,857    |
| Operating expenses            | 1,054,511 | 166,841       | 425,944 | 35,364 | 1,682,661 | (191,466)    | 1,491,195    |
| Operating incomes             | 63,342    | 5,419         | 20,637  | 1,470  | 90,869    | (207)        | 90,661       |
| Assets                        | 960,741   | 67,577        | 139,143 | 14,682 | 1,182,146 | (13,449)     | 1,168,697    |

1. This segmentation is based on the geographical area.
2. Major countries or areas included
  - (1) North America---USA
  - (2) Asia---Singapore, China, Philippines, Thailand
  - (3) Other---Australia
3. Amounts are rounded down to the nearest millions of Yen.

<Overseas Sales>

Current Term (April 1, 2006 through March 31, 2007)

(Yens in millions)

|  | North America | Asia      | Other     | Total     |
|--|---------------|-----------|-----------|-----------|
| 1 Overseas sales                           | 175,379       | 456,408   | 336,506   | 968,294   |
| 2 Consolidated sales                       | -             | -         | -         | 1,662,925 |
| 3 Overseas sales<br>per Consolidated sales | %<br>10.5     | %<br>27.4 | %<br>20.2 | %<br>58.2 |

Previous Term (April 1, 2005 through March 31, 2006)

(Yens in millions)

|  | North America | Asia      | Other     | Total     |
|--|---------------|-----------|-----------|-----------|
| 1 Overseas sales                           | 183,143       | 442,181   | 271,539   | 896,864   |
| 2 Consolidated sales                       | -             | -         | -         | 1,581,857 |
| 3 Overseas sales<br>per Consolidated sales | %<br>11.6     | %<br>28.0 | %<br>17.2 | %<br>56.7 |

1. This segmentation is based on the geographical area.
2. Major countries or areas included
  - (1) North America---USA
  - (2) Asia---China, Thailand, Indonesia, Philippines
  - (3) Other---UK, Germany, Spain, Chile, South Africa, Australia
3. Overseas sales are sales to all countries and areas excluding Japan  
made by the parent company and consolidated subsidiaries.
4. Amounts are rounded down to the nearest millions of Yen.

<Information on Net per Share (Consolidated)>

|  | FY2007               | FY2006               |
|--|----------------------|----------------------|
| Net Assets per Share                                   | 177.68 Yen           | 152.05 Yen           |
| Net Income per Share                                   | 64.83 Yen            | 48.75 Yen            |
| Net Income per Share After Dilution of Potential Stock | 51.54 Yen            | 31.67 Yen            |
| (Basis of Calculation)                                 |                      |                      |
| Net Assets per Share                                   | Yens in Millions     | Yens in Millions     |
| Total Net Assets (※Total Shareholders' Equity)         | 389,061              | 244,350 ※            |
| Amounts Excluded from Calculation                      | 87,823               | 71,007               |
| (Capital Attributable to Preferred Stock)              | ( 40,000 )           | ( 70,000 )           |
| (Minority Interest)                                    | ( 47,018 )           | ( - )                |
| (Dividend Paid to Preferred Stock Shareholders)        | ( 805 )              | ( 1,007 )            |
| Numerator Used for Calculation                         | 301,237              | 173,343              |
| Net Income per Share                                   | Yens in Millions     | Yens in Millions     |
| Net Income   | 92,394               | 58,956               |
| Profit not Attributable to Common Stock                | 352                  | 584                  |
| (Preferred Dividend as the Distribution of Profits)    | ( 352 )              | ( 584 )              |
| Profit Attributable to Common Stock                    | 92,041               | 58,372               |
| Average Number of Stocks Issued                        | 1,419,786,903 Shares | 1,197,449,768 Shares |
| (Common Stock)   | ( 1,371,125,102 )    | ( 1,130,109,701 )    |
| (Class 4 Preferred Stock)                              | ( 48,661,800 )       | ( 67,340,067 )       |
| Net Income per Share After Dilution of Potential Stock | Yens in Millions     | Yens in Millions     |
| Adjustments to Net Income                              | 352                  | 584                  |
| (Preferred Dividend as Distribution of Profits)        | ( 352 )              | ( 584 )              |
| Number of Common Stocks Increased                      | 373,023,966 Shares   | 663,970,535 Shares   |
| (Convertible Stocks with Future Conversion Dates)      | ( 48,661,800 )       | ( 622,895,623 )      |
| (Convertible Stocks Converted During the Period)       | ( 324,362,166 )      | ( - )                |
| (Bonds with Warrant Attached)                          | ( - )                | ( 41,074,912 )       |

1. Average Number of Shares Issued and Outstanding at the End of Each Period

|   | FY2007        | FY2006        |
|---|---------------|---------------|
| Common Stock<br>(excluding Treasury Stock)    | shares        | shares        |
| Consolidated                                  | 1,371,125,102 | 1,130,109,701 |
| Non-consolidated                              | 1,371,411,766 | 1,130,497,966 |
| Preferred Stock<br>(excluding Treasury Stock) |               |               |
| Class 1 Preferred Stock                       | 21,894,446    | 37,500,000    |
| Class 3 Preferred Stock                       | 25,000,000    | 25,000,000    |
| Class 4 Preferred Stock                       | 25,000,000    | 25,000,000    |

2. Number of Shares Issued and Outstanding at the End of Each Period

|   | FY2007        | FY2006        |
|---|---------------|---------------|
| Common Stock<br>(excluding Treasury Stock)    | shares        | shares        |
| Consolidated                                  | 1,695,352,650 | 1,140,030,826 |
| Non-consolidated                              | 1,695,643,917 | 1,140,306,872 |
| Preferred Stock<br>(excluding Treasury Stock) |               |               |
| Class 1 Preferred Stock                       | -             | 37,500,000    |
| Class 3 Preferred Stock                       | 25,000,000    | 25,000,000    |
| Class 4 Preferred Stock                       | 25,000,000    | 25,000,000    |

Note: Details on Number of Shares Issued from Exercise of Stock Acquisition Right are as follows:

|   | ( Stock Type ) | ( Number of Shares Issued ) | ( Increased Amount of Capital ) |
|---|----------------|-----------------------------|---------------------------------|
| Common Stock Issued from<br>Exercise of Stock Acquisition Right<br>of Class 1 Preferred Stock | Common Stock   | 555,555,553 shares          | — yen                           |

3. Calculation for Indexes

○ Consolidated Financial Results of FY2007

• Net Income per Share

$$\frac{(\text{Net Income}) - (\text{Profit not Attributable to Common Stock Shareholders})}{(\text{Average number of stocks issued}) + (\text{Number of Common Stocks Increased calculated by If-Converted Method of Conversion Type Participative Stock}) - (\text{Average Number of Common Stocks for Treasury})}$$

• Net Income per Share after Dilution of Potential Stock

$$\frac{(\text{Net Income}) - (\text{Profit not Attributable to Common Stock Shareholders}) + (\text{Adjustments to Net Income})}{(\text{Average number of shares issued}) + (\text{Number of Common Stocks Increased calculated by If-Converted Method of Conversion Type Participative Stock}) + (\text{Number of Common Stocks Increased calculated by If-Converted Method of Conversion Type Stock with Future Conversion Dates}) - (\text{Average Number of Common Stocks Held for Treasury})}$$

• Net Assets per Share

$$\frac{(\text{Net Assets}) - (\text{Number of Preferred Stocks Issued at the End of the Period}) \times (\text{Issued Price}) - (\text{Total Amount of Dividends Paid to Preferred Stock Shareholders}) - (\text{Amount of Minority Interest})}{(\text{Number of Shares Issued at the End of the Period}) - (\text{Number of Common Stocks for Treasury at the End of the Period})}$$

○ Forecast for FY2008

• Net Income per Share (Total for the Period)

(Forecast for Net Income)

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(Number of Common Stock Issued at the End of the Period) + (Number of Common Stocks Increased calculated by If-Converted Method of Conversion Type Participative Stock) - (Number of Common Stocks for Treasury at the End of the Period)

Note: Conversion Type Participative Stock applies to Class 4 Preferred Stock.

Conversion Type Stock with Future Conversion Dates applies to Class 1 and 3 Preferred Stocks.

The number of stocks increased based on the if-converted method are calculated on the assumption that the stocks were converted at the beginning of the period.

Futhermore, "(Profit not Attributable to Common Stock Shareholders)" used for calculation of for FY2007 applies to Preferred Dividends Class 1 and 3 Preferred Stocks.

## NON-CONSOLIDATED INCOME STATEMENT

(Yens in millions)

|  | Current Term<br>FY2007 | Previous Term<br>FY2006 | Change          |
|--|------------------------|-------------------------|-----------------|
| <b>Net sales</b>   | <b>973,884</b>         | <b>917,895</b>          | <b>55,988</b>   |
| <b>Cost of sales</b>   | <b>813,229</b>         | <b>753,078</b>          | <b>60,150</b>   |
| <b>GROSS PROFIT</b>  | <b>160,654</b>         | <b>164,816</b>          | <b>(4,162)</b>  |
| <b>Selling, general and administrative expenses</b>                      | <b>99,163</b>          | <b>111,309</b>          | <b>(12,146)</b> |
| <b>OPERATING INCOME</b>  | <b>61,491</b>          | <b>53,506</b>           | <b>7,984</b>    |
| <b>Non-operating incomes</b>   | <b>15,684</b>          | <b>19,850</b>           | <b>(4,166)</b>  |
| Interest and dividend income   | 14,150                 | 18,369                  | (4,219)         |
| Others   | 1,533                  | 1,481                   | 52              |
| <b>Non-operating expenses</b>  | <b>8,901</b>           | <b>9,208</b>            | <b>(306)</b>    |
| Interest expense   | 5,931                  | 6,144                   | (212)           |
| Others   | 2,970                  | 3,064                   | (93)            |
| <b>ORDINARY INCOME</b>   | <b>68,273</b>          | <b>64,149</b>           | <b>4,123</b>    |
| <b>Extraordinary gains</b>   | <b>8,552</b>           | <b>6,184</b>            | <b>2,367</b>    |
| Gain on sale on property, plant & equipment                              | 6                      | 100                     | (93)            |
| Gain on sale of investment securities                                    | 8,542                  | 285                     | 8,256           |
| Adjustment cost on the joint venture in North America                    | -                      | 4,897                   | (4,897)         |
| Others   | 3                      | 900                     | (897)           |
| <b>Extraordinary losses</b>  | <b>7,714</b>           | <b>23,212</b>           | <b>(15,497)</b> |
| Loss on disposal of property, plant and equipment                        | 3,158                  | 4,974                   | (1,816)         |
| Unrealized holding loss on<br>non-consolidated subsidiaries & affiliates | 744                    | 1,249                   | (504)           |
| Loss on restructuring of domestic subsidiaries & affiliates              | -                      | 4,649                   | (4,649)         |
| Dismantlement and other cost on former Kawasaki Plant                    | 1,534                  | 5,257                   | (3,723)         |
| Special warranty expense   | -                      | 3,247                   | (3,247)         |
| Loss on impairment of property, plant & equipment                        | 887                    | 1,014                   | (126)           |
| Others   | 1,389                  | 2,819                   | (1,429)         |
| <b>INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS</b>                 | <b>69,111</b>          | <b>47,122</b>           | <b>21,989</b>   |
| <b>Income taxes (current)</b>  | <b>1,471</b>           | <b>1,508</b>            | <b>(36)</b>     |
| <b>Income taxes (deferred)</b>   | <b>(686)</b>           | <b>(862)</b>            | <b>176</b>      |
| <b>NET INCOME</b>  | <b>68,325</b>          | <b>46,476</b>           | <b>21,849</b>   |
| Inappropriate retained earnings brought forward                          | -                      | 10,522                  | -               |
| Pulled down amount related to land revaluation                           | -                      | (708)                   | -               |
| <b>INAPPROPRIATE RETAINED EARNINGS</b>                                   | <b>-</b>               | <b>56,291</b>           | <b>-</b>        |

Note: Amounts are rounded down to the nearest millions of Yen.

## NON-CONSOLIDATED BALANCE SHEET

(Yens in millions)

|  | Current Term<br>FY2007 | Previous Term<br>FY2006 | Change          |
|--|------------------------|-------------------------|-----------------|
| <b>[ASSETS]</b>                                      |                        |                         |                 |
| <b>CURRENT ASSETS</b>                                | <b>350,148</b>         | <b>308,651</b>          | <b>41,496</b>   |
| Cash and cash equivalents                            | 87,857                 | 49,704                  | 38,153          |
| Trade notes receivable                               | 658                    | 906                     | (247)           |
| Accounts receivable                                  | 154,316                | 149,309                 | 5,006           |
| Finished products                                    | 34,946                 | 42,711                  | (7,764)         |
| Productive material                                  | 9,039                  | 9,305                   | (266)           |
| Work in progress                                     | 6,243                  | 5,388                   | 854             |
| Supplies   | 6,708                  | 5,749                   | 958             |
| Advance accounts                                     | 2,017                  | 2,236                   | (219)           |
| Prepaid expense                                      | 1,121                  | 1,064                   | 56              |
| Deferred tax assets                                  | 29,620                 | 28,961                  | 658             |
| Short-term loans                                     | 8,815                  | 7,906                   | 908             |
| Short-term loans to employees                        | 8                      | 23                      | (15)            |
| Other accounts receivable                            | 10,433                 | 6,290                   | 4,143           |
| Others   | 1,218                  | 1,443                   | (225)           |
| Allowance for doubtful accounts                      | (2,857)                | (2,351)                 | (505)           |
| <b>NON-CURRENT ASSETS</b>                            | <b>549,634</b>         | <b>559,047</b>          | <b>(9,412)</b>  |
| <b>Property, plant &amp; equipment</b>               | <b>323,446</b>         | <b>313,414</b>          | <b>10,031</b>   |
| Buildings  | 42,976                 | 43,871                  | (895)           |
| Structures   | 7,636                  | 7,893                   | (257)           |
| Machinery & equipment                                | 51,759                 | 42,469                  | 9,290           |
| Vehicles   | 443                    | 441                     | 2               |
| Tools, furniture and fixtures                        | 10,422                 | 9,931                   | 490             |
| Land   | 199,643                | 193,582                 | 6,060           |
| Construction in progress                             | 10,564                 | 15,223                  | (4,659)         |
| <b>Intangible assets</b>                             | <b>6,876</b>           | <b>5,798</b>            | <b>1,078</b>    |
| Right of using gas and electricity facilities        | 4                      | 5                       | (1)             |
| Software   | 6,820                  | 5,738                   | 1,082           |
| Others   | 51                     | 53                      | (2)             |
| <b>Investments &amp; other assets</b>                | <b>219,311</b>         | <b>239,834</b>          | <b>(20,522)</b> |
| Investment securities                                | 30,857                 | 33,834                  | (2,976)         |
| Securities investment in subsidiaries and affiliates | 119,030                | 120,010                 | (980)           |
| Investment   | 394                    | 393                     | 1               |
| Investment in subsidiaries and affiliates            | 8,719                  | 9,400                   | (680)           |
| Long-term loans                                      | 2                      | 22                      | (20)            |
| Long-term loans to employees                         | 28                     | 38                      | (10)            |
| Long-term loans to subsidiaries and affiliates       | 84,786                 | 101,924                 | (17,137)        |
| Long-term prepaid expense                            | 827                    | 569                     | 258             |
| Others   | 4,536                  | 12,007                  | (7,470)         |
| Allowance for doubtful accounts                      | (29,872)               | (35,645)                | 5,773           |
| Provision for unrealized loss in securities          | -                      | (2,722)                 | 2,722           |
| <b>TOTAL ASSETS</b>                                  | <b>899,783</b>         | <b>867,698</b>          | <b>32,084</b>   |

Note: Amounts are rounded down to the nearest millions of Yen.

## NON-CONSOLIDATED BALANCE SHEET

(Yens in millions)

|   | Current Term<br>FY2007 | Previous Term<br>FY2006 | Change           |
|---|------------------------|-------------------------|------------------|
| <b>[LIABILITIES]</b>  |                        |                         |                  |
| <b>CURRENT LIABILITIES</b>  | <b>293,700</b>         | <b>293,075</b>          | <b>624</b>       |
| Trade notes payable   | 22,143                 | 27,044                  | (4,900)          |
| Accounts payable  | 152,588                | 141,008                 | 11,580           |
| Current portion of bonds  | 46,919                 | 46,529                  | 389              |
| Other accounts payable  | 7,852                  | 8,173                   | (320)            |
| Deferred income tax   | 65                     | 1,247                   | (1,181)          |
| Accrued expenses  | 42,195                 | 47,165                  | (4,970)          |
| Advances received   | 179                    | 360                     | (180)            |
| Deposits received   | 10,057                 | 10,126                  | (68)             |
| Deferred revenue  | 3                      | 70                      | (66)             |
| Provisions for warranty costs   | 3,696                  | 4,345                   | (648)            |
| Accrued bonus costs   | 7,861                  | 6,771                   | 1,090            |
| Construction related trade notes payable  | 137                    | 84                      | 53               |
| Others  | -                      | 150                     | (150)            |
| <b>NON-CURRENT LIABILITIES</b>  | <b>313,275</b>         | <b>343,333</b>          | <b>(30,058)</b>  |
| Bonds   | 50,000                 | 50,000                  | -                |
| Long-term borrowings  | 163,455                | 193,374                 | (29,919)         |
| Accrued retirement benefits   | 36,186                 | 35,656                  | 529              |
| Deferred tax liabilities  | 5,154                  | 6,105                   | (951)            |
| Deferred tax liabilities related to land revaluation                            | 54,320                 | 54,320                  | -                |
| Warranty deposit  | 634                    | 676                     | (42)             |
| Warranty deposit from affiliates  | 3,524                  | 3,200                   | 324              |
| <b>TOTAL LIABILITIES</b>  | <b>606,975</b>         | <b>636,409</b>          | <b>(29,434)</b>  |
| <b>[SHAREHOLDERS' EQUITY]</b>   |                        |                         |                  |
| <b>Common stock</b>   | -                      | <b>40,644</b>           | <b>(40,644)</b>  |
| <b>Capital surplus</b>  | -                      | <b>49,855</b>           | <b>(49,855)</b>  |
| Capital Reserve   | -                      | 49,855                  | (49,855)         |
| <b>Retained earnings</b>  | -                      | <b>56,291</b>           | <b>(56,291)</b>  |
| Inappropriate retained earnings for the period                                  | -                      | 56,291                  | (56,291)         |
| <b>Unrealized holding gain and loss on land revaluation</b>                     | -                      | <b>70,789</b>           | <b>(70,789)</b>  |
| <b>Unrealized holding gain on securities</b>                                    | -                      | <b>13,899</b>           | <b>(13,899)</b>  |
| <b>Treasury stock</b>   | -                      | <b>(190)</b>            | <b>190</b>       |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>   |                        | <b>231,289</b>          | <b>(231,289)</b> |
| <b>TOTAL LIABILITIES &amp; MINORITY INTEREST<br/>&amp; SHAREHOLDERS' EQUITY</b> |                        | <b>867,698</b>          | <b>(867,698)</b> |
| <b>[NET ASSETS]</b>   |                        |                         |                  |
| <b>SHAREHOLDERS' EQUITY</b>   | <b>210,323</b>         | -                       | <b>210,323</b>   |
| <b>Common stock</b>   | <b>40,644</b>          | -                       | <b>40,644</b>    |
| <b>Capital surplus</b>  | <b>49,855</b>          | -                       | <b>49,855</b>    |
| Capital reserve   | 49,855                 | -                       | 49,855           |
| <b>Retained earnings</b>  | <b>120,114</b>         | -                       | <b>120,114</b>   |
| Other retained earnings   | 120,114                | -                       | 120,114          |
| Inappropriate retained earnings   | 120,114                | -                       | 120,114          |
| <b>Treasury stock</b>   | <b>(291)</b>           | -                       | <b>(291)</b>     |
| <b>VALUATION,<br/>FOREIGN CURRENCY TRANSLATION AND OTHER ADJUSTMENTS</b>        | <b>82,484</b>          | -                       | <b>82,484</b>    |
| Unrealized holding gain on securities   | 11,583                 | -                       | 11,583           |
| Unrealized gain and loss from hedging activities                                | 39                     | -                       | 39               |
| Unrealized holding gain and loss on land revaluation                            | 70,862                 | -                       | 70,862           |
| <b>TOTAL NET ASSETS</b>   | <b>292,807</b>         | -                       | <b>292,807</b>   |
| <b>TOTAL LIABILITIES &amp; NET ASSETS</b>                                       | <b>899,783</b>         | -                       | <b>899,783</b>   |

Note: Amounts are rounded down to the nearest millions of Yen.

## NON-CONSOLIDATED STATEMENT OF NET ASSETS

(From April 1, 2006 to March 31, 2007)

(Yens in millions)

|  | Shareholders' Equity |                 |                       |  |                         |                |                            |
|--|----------------------|-----------------|-----------------------|--|-------------------------|----------------|----------------------------|
|  | Common stock         | Capital surplus |                       | Retained Earnings  |                         | Treasury stock | Total shareholders' equity |
|  |                      | Capital reserve | Total capital surplus | Other retained earnings<br>Inappropriate retained earnings | Total retained earnings |                |                            |
| As of March 31, 2006   | <b>40,644</b>        | <b>49,855</b>   | <b>49,855</b>         | <b>56,291</b>  | <b>56,291</b>           | <b>(190)</b>   | <b>146,600</b>             |
| Change of the period   |                      |                 |                       |  |                         |                |                            |
| Cash dividends ※   |                      |                 |                       | (4,428)  | (4,428)                 |                | (4,428)                    |
| Reversal of unrealized holding gain and loss on land revaluation |                      |                 |                       | (73)   | (73)                    |                | (73)                       |
| Net income   |                      |                 |                       | 68,325   | 68,325                  |                | 68,325                     |
| Acquisition of treasury stock                                    |                      |                 |                       |  |                         | (101)          | (101)                      |
| Net changes on items other than shareholders' equity             |                      |                 |                       |  |                         |                |                            |
| Total change of the period                                       | -                    | -               | -                     | 63,823   | 63,823                  | (101)          | 63,722                     |
| As of March 31, 2007   | <b>40,644</b>        | <b>49,855</b>   | <b>49,855</b>         | <b>120,114</b>   | <b>120,114</b>          | <b>(291)</b>   | <b>210,323</b>             |

|  | Valuation, foreign currency translation adjustments & other |  |  |   | Total net assets |
|--|---|--|--|---|------------------|
|  | Unrealized holding gain and loss on securities              | Unrealized gain and loss from hedging activities | Unrealized holding gain and loss on land revaluation | Total valuation, foreign currency translation adjustments & other |                  |
| As of March 31, 2006   | <b>13,899</b>   | -  | <b>70,789</b>  | <b>84,688</b>   | <b>231,289</b>   |
| Change of the period   |   |  |  |   |                  |
| Cash dividends ※   |   |  |  |   | (4,428)          |
| Reversal of unrealized holding gain and loss on land revaluation |   |  |  |   | (73)             |
| Net income   |   |  |  |   | 68,325           |
| Acquisition of treasury stock                                    |   |  |  |   | (101)            |
| Net changes on items other than shareholders' equity             | (2,316)   | 39   | 73   | (2,203)   | (2,277)          |
| Total change of the period                                       | (2,316)   | 39   | 73   | (2,203)   | 61,518           |
| As of March 31, 2007   | <b>11,583</b>   | <b>39</b>  | <b>70,862</b>  | <b>82,484</b>   | <b>292,807</b>   |

※ This was the distribution of profits based on the general shareholders meeting held in June, 2006.

Note: Amounts are rounded down to the nearest millions of Yen.

<Information on Net per Share (Non-consolidated)>

|  | FY2007               | FY2006               |
|--|----------------------|----------------------|
| Net Assets per Share                                   | 148.62 Yen           | 140.56 Yen           |
| Net Income per Share                                   | 47.87 Yen            | 38.31 Yen            |
| Net Income per Share After Dilution of Potential Stock | 38.10 Yen            | 24.96 Yen            |
| (Basis of Calculation)                                 |                      |                      |
| Net Assets per Share                                   | Yens in Millions     | Yens in Millions     |
| Total Net Assets (※Total Shareholders' Equity)         | 292,807              | 231,289 ※            |
| Amounts Excluded from Calculation                      | 40,805               | 71,007               |
| (Capital Attributable to Preferred Stock)              | ( 40,000 )           | ( 70,000 )           |
| (Dividend Paid to Preferred Stock Shareholders)        | ( 805 )              | ( 1,007 )            |
| Numerator Used for Calculation                         | 252,002              | 160,281              |
| Net Income per Share                                   | Yens in Millions     | Yens in Millions     |
| Net Income   | 68,325               | 46,476               |
| Profit not Attributable to Common Stock                | 352                  | 584                  |
| (Preferred Dividend as the Distribution of Profits)    | ( 352 )              | ( 584 )              |
| Profit Attributable to Common Stock                    | 67,973               | 45,892               |
| Average Number of Stocks Issued                        | 1,420,073,566 Shares | 1,197,838,034 Shares |
| (Common Stock)   | ( 1,371,411,766 )    | ( 1,130,497,966 )    |
| (Class 4 Preferred Stock)                              | ( 48,661,800 )       | ( 67,340,067 )       |
| Net Income per Share After Dilution of Potential Stock | Yens in Millions     | Yens in Millions     |
| Adjustments to Net Income                              | 352                  | 584                  |
| (Preferred Dividend as Distribution of Profits)        | ( 352 )              | ( 584 )              |
| Number of Common Stocks Increased                      | 373,023,966 Shares   | 663,970,535 Shares   |
| (Convertible Stocks with Future Conversion Dates)      | ( 48,661,800 )       | ( 622,895,623 )      |
| (Convertible Stocks Converted During the Period)       | ( 324,362,166 )      | ( - )                |
| (Bonds with Warrant Attached)                          | ( - )                | ( 41,074,912 )       |