

HISAKA WORKS, LTD.
NON CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
For the years ended March 31, 2008 and 2007

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Revenues:	¥	¥	\$
Net sales	29,191	24,895	291,356
Interest and dividends income	484	548	4,831
Gain on sales of investment securities	114	304	1,137
Gain on settlement of pension fund	65	—	650
Others	40	120	399
	<u>29,894</u>	<u>25,867</u>	<u>298,373</u>
Costs and expenses:			
Cost of sales	21,156	18,115	211,159
Selling, general and administrative expenses	3,416	3,091	34,095
Interest expenses	20	27	200
Loss on devaluation of investment securities	459	—	4,581
Loss on sales of securities	28	—	279
Loss on disposal of fixed assets	894	479	8,923
Others	15	17	150
	<u>25,988</u>	<u>21,729</u>	<u>259,387</u>
Income before income taxes	3,906	4,138	38,986
Income taxes:			
Current	1,582	1,777	15,790
Deferred	81	(75)	809
Net income	<u>2,243</u>	<u>2,436</u>	<u>22,387</u>
Retained earnings:			
Balance at beginning of year	5,546	3,733	55,355
Deduct:			
Cash dividends	(943)	(575)	(9,412)
Bonuses for directors and corporate auditors	(—)	(48)	(—)
Transfer to voluntary reserves	(—)	(—)	(—)
Retirement of treasury stock	(—)	(—)	(—)
Balance at end of year	<u>¥ 6,846</u>	<u>¥ 5,546</u>	<u>\$ 68,330</u>
	Yen		U.S. Dollars
Net income per share	¥ 68.97	¥ 79.90	\$ 0.69
Cash dividends per share	30.00	24.00	0.30
Weighted average number of shares of outstanding(thousand)	32,522	30,486	