

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The six months ended September 30, 2007 and 2006

TAKASAGO INTERNATIONAL CORPORATION

Financial Highlights for the Interim Period (April 1,2007/2006-September 30,2007/2006)

	Yen in millions		Percent change 2007/2006	U.S.dollars
	2007	2006		in thousands 2007
Net Sales	¥62,113	¥55,156	+12.6	\$538,107
Net Income	3,266	2,796	+16.8	\$28,302
Total Assets	131,969	123,342		\$1,143,283
Total Net Asset	57,276	51,057		\$496,199

	Yen		U.S.dollars
	2007	2006	2007
Net income per share	32.52	¥27.83	\$0.28

Note 1. U.S.dollar amounts have been translated, for convenience only, at the rate of JPY115.43 per 1 U.S. dollar,
the exchange rate prevailing on September 30, 2007

2. Amounts are rounded down to millions of yen and thousands of U.S. dollars.

TAKASAGO INTERNATIONAL CORPORATION
INTERIM CONSOLIDATED BALANCE SHEET

September 30, 2007 and 2006

ASSETS	Yen in millions		U.S.dollars	LIABILITIES AND SHAREHOLDERS' EQUITY	Yen in millions		U.S.dollars
	2007	2006	in thousands 2007		2007	2006	in thousands 2007
Current assets:				Current liabilities:			
Cash and cash equivalents	¥9,134	¥7,338	\$79,134	Bank loans	¥20,663	¥22,296	\$179,009
Notes and accounts receivable, trade:				Current portion of long-term debt	4,116	3,525	35,662
Notes and accounts receivable	27,143	24,041	235,153	Notes and accounts payable, trade	16,177	13,094	140,153
Allowance for doubtful accounts	(186)	(141)	(1,619)	Accrued income taxes	1,491	1,498	12,924
	26,956	23,900	233,534	Accrued expenses and other current liabilities	8,165	7,791	70,737
Inventories	32,643	29,789	282,800	Total current liabilities	50,614	48,207	438,487
Other current assets	2,668	2,435	23,121	Long-term liabilities:			
Total current assets	71,404	63,464	618,592	Long-term debt	12,879	11,501	111,577
Property, plant and equipment:				Retirement allowance	8,538	8,763	73,970
Land	5,405	5,306	46,826	Other	2,660	3,813	23,049
Buildings and structures	45,010	42,748	389,937	Total long-term liabilities	24,078	24,078	208,596
Machinery and equipment	52,203	49,775	452,256	Total net asset			
Construction in progress	1,382	617	11,980	Common stock			
	104,002	98,447	901,001	Authorized — 300,000,000 shares			
Less: Accumulated depreciation	(64,567)	(60,425)	(559,369)	Issued and outstanding — 100,761,988 shares	9,248	9,248	80,122
Total Property, plant and equipment:	39,434	38,021	341,632	Paid-in capital in excess of par value	8,357	8,357	72,406
Investments and other assets:				Retained earnings	29,576	25,025	256,232
Investments in securities	18,668	19,886	161,733	Treasury stock, at cost	(136)	(111)	(1,185)
Other	1,407	1,433	12,194	Shareholders' equity	47,046	42,520	407,576
Total investments and other assets	20,076	21,320	173,927	Unrealized gain on securities	7,608	8,516	65,914
Other assets:	1,054	536	9,131	Foreign currency translation adjustment	1,806	(704)	15,651
TOTAL ASSETS	¥131,969	¥123,342	\$1,143,283	Adjustment for valuation, foreign currency translation and others	9,415	7,812	81,565
				Minority interests	814	725	7,056
				Total net asset	57,276	51,057	496,199
				TOTAL LIABILITIES AND TOTAL NET ASSET	¥131,969	¥123,342	\$1,143,283

