Financial Announcement for Year Ended March 31, 2008

May 9, 2008

Name	**TOLI Corporation**		Stock Exchange	Tokyo Securities Exchange and Osaka Securities Exchange; First Section
Code number	7971		URL	http://www.toli.co.jp
Representative of Company	(Position)	President and Representative Director	(Name) Kenji Kashihara	
Official responsible for any inquiry	(Position)	General Manager of Accounting and Finance Department	(Name) Jun Suzuki	TEL: (06)6494-1534
Planned date for regular general meeting of shareholders		June 27, 2008	Dividend payment start date	June 30, 2008
Planned date for submission of financial statements		June 27, 2008		

(Amounts of less than 1 million yen are rounded off)

1. Consolidated performance for year ended March 2008 (April 1, 2007 - March 31, 2008)

(1) Consolidated results (% shows change from previous term.)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2008	96,641	(4.3)	834	(62.1)	618	(70.9)	152	(90.6)
Year ended March 2007	100,936	4.7	2,200	(26.5)	2,128	(22.2)	1,619	3.5

	Net income per share	Diluted net income per share	Return on equity	Return on total asset	Operating profit on sales
	yen	yen	%	%	%
Year ended March 2008	2.40	-	0.6	0.8	0.9
Year ended March 2007	25.44	-	6.0	2.7	2.2

(For reference) investment gain or loss under equity method Year ended March 2008 (16 million yen) Year ended March 2007 29 million yen

(2) Consolidated assets

	Total assets	Net assets	Capital-to-asset ratio	Net asset per share
	million yen	million yen	%	yen
Year ended March 2008	70,198	25,769	36.4	402.76
Year ended March 2007	78,034	27,340	34.8	428.12

(For reference) Shareholders' equity Year ended March 2008 25,528 million yen Year ended March 2007 27,131 million yen

(3) State of consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Term-end balance of cash and cash equivalents
	million yen	million yen	million yen	million yen
Year ended March 2008	2,480	(866)	(1,231)	4,783
Year ended March 2007	1,501	(784)	(1,382)	4,398

2. Dividend payments

	Dividend per share			Total dividend (for year)	Dividend payout ratio (Consolidated)	Dividend ratio to net asset (Consolidated)
(Date of record)	End of midterm	End of year	For the year			
	yen	yen	yen	million yen	%	%
Year ended March 2007	-	7	7	443	27.5	1.6
Year ended March 2008	-	7	7	443	291.7	1.7
Year ended March 2009 (projection)	-	7	7	-	148.0	-

3. Consolidated forecasts for year ending March 2009 (April 1, 2008 - March 31, 2009)

(% shows change from previous year and change from same quarter in previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Interim	42,500	(6.9)	(600)	-	(700)	-	(850)	-	(13.41)
Full-year results	93,000	(3.8)	900	7.8	650	5.0	300	96.2	4.73

4. Other matters
   (1) Significant changes to subsidiaries during the current term (changes for a specified subsidiary accompanying a change in the scope of consolidation): None
   (2) Change in accounting principles, procedures, or statement methods, etc. pertaining to the presentation of consolidated financial statements (matters reported under the heading of "Changes to the basis of presenting consolidated financial statements")
      1) Changes accompanying revision to accounting standards, etc.: Yes
      2) Changes other than 1) above: None
      Note: For more details, please refer to "Changes to the basis of presenting consolidated financial statements" on page 16.

   (3) Number of shares outstanding (Ordinary stock)

1)	Number of shares outstanding at end of year (including treasury stock)	Year ended March 2008	66,829,249 shares	Year ended March 2007	66,829,249 shares
2)	Number of treasury stock at end of year	Year ended March 2008	3,447,202 shares	Year ended March 2007	3,454,779 shares

   Note: For the number of shares that forms the basis of calculation for net income per share (consolidated), please refer to the "Per share data" stated on page 23.

(For reference) Outline of Company-specific business performance

1. Company-specific business performance for year ended March 2008 (April 1, 2007 – March 31, 2008)
   (1) Company-specific management performance (% shows change from previous term.)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2008	57,764	(1.9)	246	(79.5)	227	(81.3)	27	(96.5)
Year ended March 2007	58,905	5.6	1,203	(44.5)	1,214	(41.4)	801	(35.0)

	Net income per share	Diluted net income per share
	yen	yen
Year ended March 2008	0.44	-
Year ended March 2007	12.58	-

   (2) Company-specific financial state

	Total assets	Net assets	Capital-to-asset ratio	Net asset per share
	million yen	million yen	%	yen
Year ended March 2008	58,592	21,360	36.5	337.01
Year ended March 2007	63,450	22,974	36.2	362.52

(For reference) Shareholders' equity Year ended March 2008 21,360 million yen Year ended March 2007 22,974 million yen

2. Company-specific business performance projection for year ending March 2009 (April 1, 2008 - March 31, 2009)

(% shows change from previous year and change from same quarter in previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Interim	25,700	(6.5)	(650)	-	(650)	-	(750)	-	(11.83)
Full-year results	55,800	(3.4)	250	1.4	200	(12.1)	30	7.9	0.47

* The performance projections were established based on the information available as of the time of writing, and actual business performance figures may differ from the projections due to various factors.
For matters pertaining to the business performance projections, please refer to page 4 of the attached document.

1 Management performance

(1) Discussion and analysis of the management performance

(Unit: million yen)

Item	Net sales	Ordinary income	Net income
Current term results	96,641	618	152
Previous term results	100,936	2,128	1,619
Change [Compared with previous term]	(4,295) [(4.3%)]	(1,509) [(70.9%)]	(1,466) [(90.6%)]

During the second half of the term under review, the Japanese economy remained unstable, as a result of factors such as turmoil in financial markets that stemmed from the U.S. subprime loan issue, the appreciation of crude oil prices and the sharp appreciation of the yen against the U.S. dollar, in spite of sustained moderate growth in the first half that resulted from strong exports and capital investment in the private sector. In the interior decoration industry, building construction starts decreased in the wake of the amended Building Standards Law. Meanwhile, sustaining the trend from the previous term, materials costs continued to climb, producing a tougher operating environment for the Company. In response, the TOLI Group took steps to achieve priority targets established under the medium-term business plan, "GROW UP 2008," and worked to increase earnings capabilities in business operations and to enhance corporate value.

As a result, net sales came to 96,641 million yen (a 4.3% year-on-year decrease), reflecting the harsher conditions in the construction materials market. In terms of earnings, the Company sought to secure profit with a comprehensive rationalization of manufacturing processes and measures aimed at raising efficiency in all operations. However, these steps fell short of sufficiently absorbing the increase in materials procurement costs. As a consequence, ordinary income amounted to 618 million yen (a 70.9% year-on-year decrease) and net income totaled 152 million yen (a 90.6% year-on-year decrease).

Shown below is the business performance according to segment for each business area.

(Unit: million yen)

	Net sales			Operating income		
	Current term	Previous term	Change	Current term	Previous term	Change
Vinyl chloride-based products business	31,713	34,684	(2,970)	1,809	3,089	(1,280)
Textile products business	30,507	31,715	(1,208)	263	254	8
Other businesses	34,420	34,536	(115)	311	430	(118)
Total	96,641	100,936	(4,295)	2,384	3,774	(1,390)
Elimination	-	-	-	(1,549)	(1,574)	24
Total	96,641	100,936	(4,295)	834	2,200	(1,365)

Vinyl chloride-based products business

Net sales for the Company's vinyl chloride-based products increased, thanks to their adoption for a range of interior spaces, including medical facilities, offices and educational facilities. The Looselay series of vinyl floor tiles, which offer construction ease and high functions, contributed to this result with expanded color variations. The NS series of slip-resistant vinyl sheet flooring for open corridors also performed well, as a result of strong demand for new apartments. In August 2007, the Company improved or eliminated five print tile varieties in the TERA series and the MER series, and LINOTESTA, a core composition tile. We took this action after experiencing a decline in demand for vinyl floor tiles in commercial facilities caused by the diversification of flooring adopted for stores.

As a result of the developments described above, net sales for vinyl chloride-based products decreased 8.6% from the previous term, to 31,713 million yen, and operating income came to 1,809 million yen (compared with 3,089 million yen for the previous term).

Textile products business

In the carpet business, net sales were down from the previous year for our roll carpets, although our tiled carpets performed well, thanks primarily to demand for new and renewed offices in metropolitan areas and other markets. The VARY series of tiled carpets released in October 2006 with new specifications received the 2007 Good Design Award, a reflection of their highly acclaimed originality. (TOLI received the award for the third consecutive year, the first company to do so in the carpet industry. The Company had won the award with its graphic tiled carpet SOKOITARI in 2005 and TOLI MTE tiled carpet in 2006.) In the curtain business, our elure 2007-2009 entirely washable TOLI curtains, which boast flameproof, lightproof and odor elimination functions and are designed with “pleasant and comfortable living” as a concept, went on sale in July 2007. However, our net curtain sales fell from the year-ago period, as preferences for inexpensive products strengthened among users, and housing starts declined with the revised Building Standards Law.

As a result of the developments described above, net sales for the textile products business decreased 3.8% compared with the previous term, to 30,507 million yen, and operating income came to 263 million yen (compared with 254 million yen for the previous term).

Other businesses

In the wallpaper material products business, our certified noninflammable papers enjoyed higher net sales, supported by a stronger building safety orientation. The environmental wallpaper series, which have a large number of products offering functions such as odor elimination and moisture absorption and desorption, and which take advantage of the texture of natural materials, also performed strongly. However, a decline in housing starts that accompanied the revisions to the Building Standards Law began to produce adverse effects on the housing market in the second half of the term under review. In the market for stores, offices and welfare facilities, REAL DECO, our woodgrain-finish wallpapers that create a sense of calmness and elegance in target space, achieved better results in both quantity and amount compared with the previous year, with their varied product mix.

Nonetheless, net sales for other businesses slipped 0.3% year-on year to 34,420 million yen, and operating income came to 311 million yen (compared with 430 million yen for the previous term), reflecting smaller net sales for flooring adhesives and products bought by our sales subsidiaries.

(Outlook for the next term)

Turning to consider the economic outlook, the Japanese economy is set to decelerate further, given such concerns as a slowdown of the U.S. economy, the continued appreciation of the yen and the sustained highs of crude oil prices. Issues confronting the interior decoration industry include the effects of a further rise in materials cost and a decline in housing starts because of the amended Building Standards Law. In this environment, the Company plans to steadily implement action plans based on the three key strategic themes set out in the Company’s medium-term business plan, GROW UP 2008. By improving our sales capability, development capability and organizational power through these efforts, the Group will strive to bolster its earning capacity.

Taking the above factors into consideration, we expect consolidated net sales of 93,000 million yen, consolidated operating income of 900 million yen, consolidated ordinary income of 650 million yen and consolidated net income of 300 million yen for the next full term (fiscal year ending March 31, 2009).

(2) Discussion and analysis of the financial situation

1) State of assets, liabilities and net assets

Assets at the end of the term under review came to 70,198 million yen, 7,835 million yen less than their level at the end of the previous term, reflecting factors such as a decrease in accounts receivable and a fall in the market value of shares held as investment securities.

Liabilities at the end of the term under review totaled 44,428 million yen, 6,264 million yen less than their level at the end of the previous term. This reflected factors such as a decline in accounts payable and a drop in interest-bearing debt.

Net assets at the end of the term under review were 25,769 million yen, 1,571 million yen less than their level at the end of the previous term, owning primarily to a decrease in the unrealized gain on securities.

2) State of cash flows

Cash generated by operating activities in the term under review reached 2,480 million yen (compared with 1,501 million yen for the previous term). A fall in income tax payments and other factors produced this result, offsetting a decrease in income before income taxes.

Cash used in investing activities was 866 million yen (compared with a cash outflow of 784 million yen for the previous term). This result reflected an increase in expenditure for the acquisition of investment securities and a decrease in the gain on the disposal of such securities.

Cash used for financing activities was 1,231 million yen (compared with a cash outflow of 1,382 million yen for previous term). The outflow grew because of an increase in income from long-term borrowings, in spite of increased outlays for the redemption of convertible bonds.

As a result of the above, the term-end balance of cash and cash equivalents on a consolidated basis, including 3 million yen added as a result of new consolidation, increased 385 million yen to 4,783 million yen (compared with 4,398 million yen for the previous term).

Cash flow indexes for the Group are shown below.

	Year ended March 2005	Year ended March 2006	Year ended March 2007	Year ended March 2008
Capital-to-asset ratio (%)	32.0	35.1	34.8	36.4
Capital-to-asset ratio on market value basis (%)	26.9	36.0	27.7	16.8
Cash flow-to-interest-bearing debt ratio (year)	4.2	4.1	8.4	4.7
Interest coverage ratio	14.3	16.6	8.8	13.0

Note: Capital-to-asset ratio: Shareholders' equity / Total assets
Capital-to-asset ratio on market value basis: Market capitalization for stock / Total assets
Cash flow-to-interest-bearing debt ratio: Interest-bearing debts / Cash flows from operating activities
Interest coverage ratio: Cash flows from operating activities / Interest payment

1. Each of the indexes above was calculated based on the financial data on a consolidated basis.
2. Market capitalization for stock was calculated as follows: Term-end closing price for shares x Term-end number of shares outstanding (after deduction for treasury stock).
3. For the Cash flows from operating activities, the data for cash flows from operating activities as stated in the Consolidated statements of cash flows was used. Interest bearing debt covers all types of debt with interest payment among the debt stated in the Consolidated balance sheet. For interest payments, the data for interest paid as shown in the Consolidated statements of cash flows was used.

(3) Basic policy regarding dividend payment, and dividend payments for the current term and next term

With respect to dividend payments, TOLI understands that returning profits to its shareholders is an important mission, and its basic policy is to continue paying dividends using a stable approach. To this end, we believe that we need to bolster and stabilize our operating foundations over the long term. The Company decides the amounts and frequency of its dividend payments by taking into consideration the overall management environment with a medium- and long-term outlook, as well as considering the Company's financial situation for each fiscal term. Decision-making bodies for the Company with respect to term-end dividends and interim dividends are the general meetings of shareholders and the Board of Directors, respectively.

For the fiscal year under review, we plan to pay a term-end dividend of ¥7 per share. For the next term also, we plan to pay a term-end dividend of ¥7 per share.

2 The TOLI Group

Disclosure is omitted, as no important change has taken place in the Schematic Diagram of Operations (Businesses) and the Status of Affiliates presented in the most recent securities report (submitted on June 28, 2007).

The following changes and the like were made to Group companies during the consolidated fiscal year under review.

1 GRACE CARPET LIMITED changed its status from an equity method affiliate to a consolidated subsidiary in line with its increased importance during the consolidated fiscal year under review.

2 Otsuka TOLI Carpet Co., Ltd., a company in the textile products business that manufactured and processed carpets, completed its liquidation in August 2007 and was therefore excluded from the scope of consolidation.

3 Management policy

(1) Basic management policy

The TOLI Group operates based on the following three management principles: "We will contribute to improving lifestyles and culture through our interior decoration business;" "Customer-first thinking is our code of conduct;" and "We seek to become the leader in the total interior business." With "Everything is for the customer" as our action guideline, we aim to provide products and services that can bring quality to every kind of residential, commercial and other space that people encounter in their daily lives, including houses and residential buildings, office buildings, schools, medical and welfare facilities and commercial facilities. Through these activities, we seek to continually raise our corporate value. We will strictly observe all laws and ordinances, and we will always conduct ourselves as a good corporate citizen, fulfilling our responsibility toward society, for example by preserving the global environment. Our goal is to be a corporate group that society will trust, with great expectations.

(2) Operating targets

The management goal for the TOLI Group is to be a true leader in the interior decoration industry, and to earn the trust and support of our customers. To achieve this goal, we will improve operational efficiency throughout the Group, to bolster our earnings foundations and to increase asset efficiency. This will enable us to maintain consistent earnings and maximize shareholder value. Our target management benchmarks are consolidated operating profit on sales of 5% or more and consolidated ROA (return on asset) of 6% or more.

(3) The Company's medium-term business management strategy

The TOLI Group is currently in the process of implementing GROW UP 2008, a medium-term business plan that covers the fiscal years from 2006 until 2008. Based on this plan, the Group will unite in executing the strategies under the following three key strategic themes as activities aimed at achieving its medium- and long-term management benchmarks.

1) Bolstering sales capability:

We will clearly allocate specific roles to the Company and the sales companies in the Group, carrying out action programs based on the sales strategies for each of the categorized areas. Through these activities, we will strive to not only reinforce our profit base on the contract market, a traditional area of strength for the Group, but also to maximize the Group's sales strength in the small-lot order market, by further drawing on our unique characteristics.

2) Improve frontline capabilities for technological development:

TOLI plans to focus its management resources on the development of new technologies in the vinyl chloride-based products business and the tiled carpet business, both core businesses for the Company, to develop next-generation products and products with a high value-added component that distinguishes them from other products. The Company will also step up collaborative activities across its businesses, including sheet flooring, carpets, curtains and wallpaper materials, capitalizing on its strengths as a comprehensive interior decoration manufacturer. A major aim with this initiative is to strengthen its strategic marketing functions.

3) Raise group-wide business management efficiency:

To establish powerful and resilient management characteristics, the Group will take steps to reinforce and bolster the efficiency of indirect departments across the Group; enhancing the competitiveness of the carpet business; reorganizing the curtain business; and establishing new logistics strategies, among other measures. By pursuing individual financial strategies based on the mid-term business target, the Group aims to achieve and maintain optimum structures and conditions on a Group-wide basis, and to increased the speed of the decision-making processes based on the most timely and useful information. We will strive to raise the Company's earning capacity through these measures.

To effectively execute the key strategies described above, the Company will aim to reinforce the organizational basis of business management, from the perspectives focusing on the system for fostering and developing talent, better information-handling and planning capability, and the corporate governance structure.

(4) Challenges that the Company should address

The TOLI Group has adopted GROW UP 2008, its medium-term business plan, and has been taking steps to achieve its key strategic goals. As a comprehensive interior decoration manufacturer and an industry leader, the Group is well aware of its mission in society and its responsibilities. We will strive to offer a rich lineup of products to satisfy wide-ranging needs, and we will actively implement sales promotion measures, so that we can make useful suggestions on more pleasant and enjoyable lifestyles to customers. By steadily executing the medium-term business plan, we aim to overcome the challenges that stem from uncertainties in the business environment, which include the rising costs of key materials resulting from high crude oil prices, and intensifying competition. We believe that a significant challenge for us is to bolster the foundations of our business to establish more powerful and resilient structures, and to accelerate the pace of growth. Specifically, in December 2006, TOLI took over the carpet business from Mitsubishi Rayon Carpet Co., Ltd. (presently known as MCP Co., Ltd.), and integrated the company's manufacturing base in Yoro-gun, Gifu Prefecture (MRM Gifu Company,Limited) into TOLI Group operations. The Company also set up a joint venture marketing company (DIA・CARPET CO., LTD.; Head office: Minato-ku, Tokyo) with Mitsubishi Rayon Carpet Co., Ltd. The venture has already commenced sales. The Company seeks to develop attractive products by blending the expertise and technologies of the joint-venture partners. The Company will also seek to establish an efficient production organization that draws on economies of scale, and will aim to rapidly increase sales by raising its capacity to supply products, to enhance the earnings capability of its operations. Effective April 1, 2008, the Company changed the name of MRM Gifu Company, Limited to Gifu TOLI Co., Ltd. and the name of Shiga TOLI Carpet Co., Ltd., a carpet manufacturing base for the Group, to Shiga TOLI Co., Ltd., with an improvement in collective Group strength and the expansion of areas of operation as its objectives.

The TOLI Group recognizes that achievement and maintenance of adequacy in all operations including accounting is another important management issue. As one of its measures for achieving and sustaining this condition, the Group developed an internal control system for financial reports in response to the Financial Instruments and Exchange Law, enforced in April 2008. By operating this system unfailingly, the Group seeks to improve the reliability of its financial reports, increase the efficiency and clarity of its business administration, and strengthen its governance organization.

(5) Other important matters for corporate management :

No corresponding item exists.

4 Consolidated financial statements

(1) Consolidated Balance Sheets

Item	Note number	Previous consolidated fiscal year (March 31, 2007) Amount (million yen)	Ratio (%)	Current consolidated fiscal year (March 31, 2008) Amount (million yen)	Ratio (%)	Change Amount (million yen)
Assets						
I Current assets						
1 Cash and deposits		3,651		4,032		380
2 Notes and accounts receivable	*7	31,243		27,607		(3,635)
3 Securities		858		763		(95)
4 Inventories		9,082		9,272		190
5 Deferred tax assets		780		1,035		255
6 Other current assets		2,752		666		(2,085)
Allowance for doubtful receivables		(168)		(208)		(40)
Total current assets		48,200	61.8	43,171	61.5	(5,029)
II Fixed assets						
(1) Tangible fixed assets	*1					
1 Buildings and structures	*2	5,964		5,821		(142)
2 Machinery and vehicles		3,069		2,923		(145)
3 Equipment		438		364		(74)
4 Land	*2	8,739		8,728		(11)
5 Construction in progress		79		193		114
(Total tangible fixed assets)		18,290	23.4	18,031	25.7	(259)
(2) Intangible assets						
1 Goodwill		239		184		(54)
2 Software		1,511		1,088		(422)
3 Other intangible assets		65		64		(0)
(Total intangible assets)		1,815	2.3	1,337	1.9	(477)
(3) Investments and other assets						
1 Marketable securities and other investment securities	*3	6,975		4,492		(2,482)
2 Long-term loans receivable		412		298		(114)
3 Deferred tax assets		563		1,115		551
4 Other assets	*3	2,665		2,207		(457)
Allowance for doubtful receivables		(890)		(455)		434
(Total investments and other assets)		9,727	12.5	7,658	10.9	(2,068)
Total fixed assets		29,833	38.2	27,027	38.5	(2,806)
Total assets		78,034	100.0	70,198	100.0	(7,835)

Item	Note number	Previous consolidated fiscal year (March 31, 2007) Amount (million yen)	Ratio (%)	Current consolidated fiscal year (March 31, 2008) Amount (million yen)	Ratio (%)	Change Amount (million yen)
Liabilities						
I Current liabilities						
1 Notes and accounts payable		29,201		24,992		(4,209)
2 Short-term borrowings		600		300		(300)
3 Current portion of long-term debt		3,145		2,100		(1,045)
4 Bonds for redemption within current year		1,000		-		(1,000)
5 Accrued corporation taxes		414		200		(214)
6 Accrued expenses		1,707		1,424		(282)
7 Reserve for bonus payable		794		641		(152)
8 Reserve for bonuses payable to members of the board and corporate auditors		14		2		(12)
9 Other current liabilities		781		767		(13)
Total current liabilities		37,658	48.3	30,428	43.4	(7,229)
II Fixed liabilities						
1 Long-term borrowings		6,200		7,700		1,500
2 Reserve for retirement allowance		4,866		4,409		(456)
3 Reserve for severance indemnities to directors and corporate auditors		325		262		(62)
4 Guarantee deposits received		1,604		1,611		7
5 Deferred tax liabilities		1		1		(0)
6 Other fixed liabilities		37		15		(22)
Total fixed liabilities		13,035	16.7	13,999	19.9	964
Total liabilities		50,693	65.0	44,428	63.3	(6,264)
Net assets						
I Shareholders' equity						
1 Paid in Capital		6,855	8.8	6,855	9.8	-
2 Capital surplus		6,468	8.3	6,488	9.2	19
3 Earned Surplus		12,077	15.5	11,787	16.8	(290)
4 Treasury stock		(911)	(1.2)	(863)	(1.2)	48
Total shareholders' equity		24,490	31.4	24,268	34.6	(222)
II Unrealized gain (loss) and translation gain (loss)						
1 Unrealized gain (loss) on securities		2,624	3.4	1,241	1.8	(1,382)
2 Equity adjustment from foreign currency translation		16	0.0	17	0.0	1
Total unrealized gain (loss) and translation gain (loss)		2,640	3.4	1,259	1.8	(1,381)
III Minority interests in consolidated subsidiaries		209	0.2	241	0.3	32
Total net assets		27,340	35.0	25,769	36.7	(1,571)
Total liabilities and net assets		78,034	100.0	70,198	100.0	(7,835)

(2) Consolidated Statements of Income

Item		Note number	Previous consolidated fiscal year (From April 1, 2006 until March 31, 2007) Amount (million yen)		Ratio (%)	Current consolidated fiscal year (From April 1, 2007 until March 31, 2008) Amount (million yen)		Ratio (%)	Change Amount (million yen)	
I	Net sales			100,936	100.0		96,641	100.0		(4,295)
II	Cost of sales			74,775	74.1		72,040	74.5		(2,734)
	Gross profit			26,161	25.9		24,601	25.5		(1,560)
III	Selling and administrative expenses			23,960	23.7		23,766	24.6		(194)
	Operating income			2,200	2.2		834	0.9		(1,365)
IV	Non-operating income									
1	Interest income		21			27			5	
2	Dividend income		55			69			13	
3	Equity in earnings of subsidiary		29			-			(29)	
4	Other income		428	535	0.5	330	426	0.4	(98)	(108)
V	Non-operating expenses									
1	Interest expense		173			192			19	
2	Loss on equity method investment		-			16			16	
3	Other expenses		434	607	0.6	433	642	0.7	(0)	35
	Ordinary income			2,128	2.1		618	0.6		(1,509)
VI	Extraordinary income									
1	Gain on sale of fixed assets	*1	3			9			5	
2	Gain on sale of investment securities		264			-			(264)	
3	Adjustment for allowance for doubtful receivables		44	312	0.3	2	11	0.0	(42)	(300)
VII	Extraordinary loss									
1	Loss on sale of fixed assets	*2	2			12			10	
2	Loss on disposal of fixed assets	*3	43			50			7	
3	Write-down of investment securities	*6	84			150			66	
4	Write-down of membership, etc.	*4	32			-			(32)	
5	Loss from bad debts		22			4			(18)	
6	Loss on business restructuring	*5	235	420	0.4	-	219	0.2	(235)	(201)
	Income before income taxes			2,019	2.0		411	0.4		(1,608)
	Corporation tax, local inhabitants taxes, and enterprise taxes		541			171			(370)	
	Prior period adjustment		(70)			-			70	
	Prior period refund		(25)			-			25	
	Deferred corporation tax		(40)	404	0.4	96	267	0.2	137	(136)
	Minority interests in consolidated subsidiaries (brackets denote losses)			(4)	(0.0)		(9)	(0.0)		(4)
	Net income			1,619	1.6		152	0.2		(1,466)

(3) Consolidated Statement of Changes in Shareholders' Equity, etc.
Previous consolidated fiscal year (from April 1, 2006 until March 31, 2007)

	Shareholders' equity				
	Paid in Capital	Capital surplus	Earned Surplus	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006 (million yen)	6,855	6,468	10,932	(756)	23,500
Change in amount during consolidated fiscal year					
Dividend payment from retained earnings (Note)			(447)		(447)
Bonuses to directors and corporate auditors (Note)			(27)		(27)
Net income			1,619		1,619
Purchases of treasury stock				(155)	(155)
Disposal of treasury stock		0		0	0
Changes in items other than treasury stock during consolidated fiscal year (Net amount)					
Total amount of changes during consolidated fiscal year (million yen)	-	0	1,145	(155)	990
Balance as of March 31, 2007 (million yen)	6,855	6,468	12,077	(911)	24,490

	Unrealized gain (loss) on securities and equity adjustment from currency translation, etc.			Minority interests	Total net assets
	Unrealized gain (loss) on securities	Equity adjustment from foreign currency translation	Total unrealized gain (loss) on securities and equity adjustment from currency translation, etc.		
Balance as of March 31, 2006 (million yen)	3,699	7	3,707	205	27,413
Change in amount during consolidated fiscal year					
Dividend payment from retained earnings (Note)					(447)
Bonuses to directors and corporate auditors (Note)					(27)
Net income					1,619
Purchases of treasury stock					(155)
Disposal of treasury stock					0
Changes in items other than treasury stock during consolidated fiscal year (Net amount)	(1,074)	8	(1,066)	3	(1,062)
Total amount of changes during consolidated fiscal year (million yen)	(1,074)	8	(1,066)	3	(72)
Balance as of March 31, 2007 (million yen)	2,624	16	2,640	209	27,340

Note: Items for appropriation of income approved at the regular general meeting of shareholders held in June 2006

Current consolidated fiscal year (From April 1, 2007 until March 31, 2008)

	Shareholders' equity				
	Paid in Capital	Capital surplus	Earned Surplus	Treasury stock	Total shareholders' equity
Balance as of March 31, 2007 (million yen)	6,855	6,468	12,077	(911)	24,490
Change in amount during consolidated fiscal year					
Dividend payment from retained earnings			(443)		(443)
Net income			152		152
Purchases of treasury stock				(168)	(168)
Disposal of treasury stock		19		216	236
Changes in items other than treasury stock during consolidated fiscal year (Net amount)					
Total amount of changes during consolidated fiscal year (million yen)	-	19	(290)	48	(222)
Balance as of March 31, 2008 (million yen)	6,855	6,488	11,787	(863)	24,268

	Unrealized gain (loss) on securities and equity adjustment from currency translation, etc.			Minority interests	Total net assets
	Unrealized gain (loss) on securities	Equity adjustment from foreign currency translation	Total unrealized gain (loss) on securities and equity adjustment from currency translation, etc.		
Balance as of March 31, 2007 (million yen)	2,624	16	2,640	209	27,340
Change in amount during consolidated fiscal year					
Dividend payment from retained earnings					(443)
Net income					152
Purchases of treasury stock					(168)
Disposal of treasury stock					236
Changes in items other than treasury stock during consolidated fiscal year (Net amount)	(1,382)	1	(1,381)	32	(1,348)
Total amount of changes during consolidated fiscal year (million yen)	(1,382)	1	(1,381)	32	(1,571)
Balance as of March 31, 2008 (million yen)	1,241	17	1,259	241	25,769

(4) Consolidated Statements of Cash Flows

Item	Note number	Previous consolidated fiscal year (From April 1, 2006 until March 31, 2007) Amount (million yen)	Current consolidated fiscal year (From April 1, 2007 until March 31, 2008) Amount (million yen)	Change Amount (million yen)
I Cash flows from operating activities				
Income before income taxes		2,019	411	(1,608)
Depreciation and amortization		1,777	1,928	151
Goodwill amortization		30	46	15
Loss on disposal of fixed assets		43	50	7
Gain or loss on sale of fixed assets (brackets denote a gain)		(1)	3	5
Gain or loss on sale of investment securities (brackets denote a gain)		(264)	-	264
Write-down of investment securities		84	150	66
Change in allowance for doubtful receivables (brackets denote a decrease)		(257)	(394)	(136)
Change in reserve for retirement allowance (brackets denote a decrease)		(491)	(456)	34
Change in reserve for severance indemnities to directors and corporate auditors (brackets denote a decrease)		30	(62)	(93)
Equity in earnings or loss of subsidiary or affiliated company (brackets denote a gain)		(29)	16	46
Interest and dividend income		(77)	(96)	(19)
Interest expense		173	192	19
Change in trade receivables (brackets denote an increase)		(1,639)	3,809	5,448
Change in beneficiary right on trust (brackets denote an increase)		978	-	(978)
Change in inventories (brackets denote an increase)		(1,321)	(7)	1,314
Change in trade payables (brackets denote a decrease)		2,270	(2,637)	(4,907)
Other		277	(462)	(740)
Sub total		3,604	2,492	(1,112)
Interest and dividend received		77	96	19
Interest paid		(170)	(190)	(19)
Surcharge paid		(267)	-	267
Income taxes paid		(1,741)	82	1,823
Cash flows from operating activities		1,501	2,480	978
II Cash flows from investing activities				
Payments into time deposits (over three months)		(110)	(12)	97
Payments from time deposits (over three months)		1	12	11
Acquisition of tangible fixed assets		(770)	(673)	97
Proceeds of tangible fixed assets		53	73	20
Acquisition of intangible fixed assets		(582)	(93)	488
Acquisition of investment securities		(126)	(241)	(114)
Proceeds from sale of investment securities		407	0	(407)
Increase in loans		(431)	(20)	410
Income from loan collection		596	98	(497)
Proceeds from acquisition of stock of new consolidated subsidiary		54	-	(54)
Other		123	(10)	(134)
Cash flows from investing activities		(784)	(866)	(82)
III Cash flows from financing activities				
Net repayment in short-term borrowings		(525)	(300)	225
Extension of long-term debt		2,900	3,600	700
Repayment of long-term debt		(2,663)	(3,145)	(481)
Redemption of convertible bond		(500)	(1,000)	(500)
Proceeds and payments from sale and acquisition of treasury stock		(155)	(167)	(12)
Income from sale of treasury stock		-	235	235
Expenditure on refund to minority shareholders		-	(4)	(4)
Income from payment by minority shareholders		10	-	(10)
Dividends paid		(447)	(443)	3
Dividends, etc. paid to minority shareholders		(1)	(6)	(5)
Cash flows from financing activities		(1,382)	(1,231)	150
IV Change in cash and cash equivalents		(664)	382	1,046
V Cash and cash equivalents at beginning of year		5,062	4,398	(664)
VI Increase in cash and cash equivalents due to new consolidation		-	3	3
VII Cash and cash equivalents at end of year		4,398	4,783	385

(5) Basis of presenting consolidated financial statements

1 Matters related to the scope of consolidation

(1) The number of consolidated subsidiaries is 14
Main consolidated subsidiaries
LIC Co., Ltd., Shiga TOLI Carpet Co., Ltd., KIRONY Co., Ltd., HOKKAIDO TOLI Corporation, Toli Warehouse and Distribution Company, Limited, TOLI INTERIAKIKAKU Corporation, Hiroka TOLI Floor Co., Ltd., GRACE CARPET LIMITED, Santen TOLI Co., Ltd., DIA･CARPET CO., LTD. and MRM Gifu Company, Limited
GRACE CARPET LIMITED changed its status from an equity method affiliate to a consolidated subsidiary in line with its increased importance during the consolidated fiscal year under review.
Otsuka TOLI Carpet Co., Ltd. was excluded from the scope of consolidation following completion of its liquidation during the consolidated fiscal year under review.

(2) Names of main non-consolidated subsidiaries, etc.
Main non-consolidated subsidiaries
Japan Reform System Co., Ltd. , Hokkaido TOLI Sewing Co., Ltd., Interior System Support Co., Ltd.
(The reason for the exclusion from consolidation)
These non-consolidated subsidiaries have been excluded from consolidation because they have no material effect on the consolidated financial statements due to the small size of their operations, in light of their total assets, net sales and net profit or loss (the amount corresponding to equity), etc.

2 Matters concerning the application of equity method

(1) Number of non-consolidated subsidiaries with equity method applied: one company
Company name: Works Co., Ltd.

(2) Number of affiliated companies with equity method applied: two companies
Company name: True Heart Co., Ltd., CHANGZHOU LIBERTY TOLI BUILDING MATERIAL COMPANY LIMITED

(3) Non-consolidated subsidiaries not under the equity method (Japan Reform System Co., Ltd., Hokkaido TOLI Sewing Co., Ltd., and others) and affiliated companies (Naigai Carpet Kako Co., Ltd., TOLI Hiroshima Sewing Co., Ltd. and others) have been excluded from the scope of application of the equity method, because of their negligible effects on net profit or loss (the amount corresponding to equity) and retained earnings (the amount corresponding to equity), and because they have no material effect on the overall results.

3 Matter pertaining to the fiscal years of consolidated subsidiaries
The closing date of the fiscal year of each of the consolidated subsidiaries matches the consolidated closing date of the fiscal year.

4 Accounting policies

(1) Valuation standards and method for important assets

1) Securities
Other Securities
Securities with
market value
Market value method based on the market price on the last day of the consolidated fiscal year, etc. (variance from valuation is processed as a component of net assets, and cost of securities sold is calculated using the moving average method.)
Securities without market value
Moving average cost method

2) Inventories
Mainly periodic average cost method

3) Derivatives
Market value method

(2) Depreciation method for important depreciable assets

1) Tangible fixed assets

The fixed rate method is mainly applied. However, for buildings acquired after April 1, 1998 (excluding equipment attached to buildings), the fixed amount method is applied.

The effective lives of buildings and structures are three to 65 years. The effective lives for machinery and vehicles are seven to 15 years.

2) Intangible assets

The fixed amount method is applied. However, for software (used by the Company), the fixed amount method based on an estimated useful life of five years is applied.

(3) Basis for calculating allowances

1) Allowance for doubtful receivables

In anticipation of potential loan losses, the Company posts non-recoverable amounts based on the loan loss ratio for general debts and in consideration of the collectability of specific debts including possible bad debts.

2) Allowance for bonus payable

A reserve for bonuses payable is recorded based on the estimated amount of bonuses to employees.

3) Reserve for bonuses payable to directors and corporate auditors

To prepare for bonus payments to directors, a reserve is recorded on the basis of estimated payments in the consolidated fiscal year under review.

4) Reserve for retirement allowance

A reserve for retirement allowance is recorded based on the estimated retirement benefit obligations and pension assets at the end of the fiscal year. Past service liabilities and actuarial differences are recorded as expenses based on the fixed amount method for certain years within the employees' average remaining periods (mainly 10 years) at the time of the occurrence from the current fiscal year and following fiscal year respectively.

5) Reserve for severance indemnities to directors and corporate auditors

To prepare for payments of severance indemnities to directors, executive officers and others, the submitting company and its consolidated subsidiaries LIC Co., Ltd, HOKKAIDO TOLI Corporation, DIA・CARPET CO., LTD and TECHNO KAMEI CORPORATION record the amounts of the required payments at the end of the consolidated fiscal year under review based on their respective internal regulations.

The reserve for severance indemnities to executive officers (amounting to 61 million yen in the consolidated fiscal year under review) had been included in "accrued expenses" until the previous consolidated fiscal year. Starting in the consolidated fiscal year under review, the reserve is included in "reserve for severance indemnities to directors and corporate auditors" in consideration of past payments and the like.

The reserve included in "accrued expenses" amounted to 49 million yen in the previous consolidated fiscal year.

(4) Standards for translating assets or liabilities in foreign currencies into yen-denominated assets and liabilities

Monetary assets and liabilities denominated in foreign currencies are translated into yen-denominated assets and liabilities based on the spot exchange rate at the closing day. Translation differences are recorded as gains or losses.

(5) Accounting of lease transactions

The same accounting method applied to ordinary lease transactions is applied to finance lease transactions except those where the ownership of property is considered to be transferred to the lessee.

(6) Hedge accounting method

1) Hedge accounting method

Deferred hedge accounting is applied. Preferential procedures are employed for interest swap transactions satisfying requirements for preferential procedures.

2) Hedging instruments and hedging targets

Hedging instruments	Interest rate swap, Commodities derivatives
Hedging targets	Borrowing interest, Raw materials

3) Hedging policy

The Company hedges interest rate risks and raw material price fluctuation risks under the Derivatives Management Regulations. The Company has a policy of not engaging in derivatives transactions for the purpose of trading or speculation.

4) Method of valuating the effectiveness of hedging
The Company evaluates the relationships between price fluctuations of the hedging targets and market fluctuations of hedging instruments and the effectiveness of hedging by using statistical methods including regression analysis. Since interest rate swaps meet the requirements for preferential procedures, the Company omits the evaluation of their effectiveness.

(7) Accounting of consumption tax etc.
The tax exclusion method is employed.

5 Matters related to the evaluation of consolidated subsidiaries' assets and liabilities
The Company evaluates the fair values of the whole assets and liabilities of the consolidated subsidiaries.

6 Matters pertaining to the amortization of goodwill
Goodwill is amortized equally over five years.

7 Scope of funds in consolidated statements of cash flows
Funds consist of cash on hand, deposits that can be withdrawn as needed, and easily convertible short-term investments that mature within three months of the trading day for which there are only small risks of price fluctuations.

(6) Change in the basis of presenting consolidated financial statements

(Change in accounting policies)
Following the revision of the Corporation Tax Law, the method for depreciating tangible fixed assets acquired on or after April 1, 2007 has changed to the method based on the revised Corporation Tax Law, starting in the consolidated fiscal year under review.
The change caused gross margin to decrease by 20 million yen, and operating income, ordinary income and income before income taxes to fall by 28 million yen.
An impact on segment information is described the segment information section.

(Additional information)
Following the revision of the Corporation Tax Law, the difference between the amount corresponding to 5% of the acquisition value and the memorandum value is depreciated in a straight line over five years, and this depreciation is recorded as depreciation expenses for tangible fixed assets acquired on or before March 31, 2007, starting in the consolidated fiscal year following the fiscal year in which depreciation using the method based on the pre-revision Corporation Tax Law reaches 5% of the acquisition value.
The change caused the gross margin to decrease by 125 million yen, operating income to drop by 149 million yen, and ordinary income and income before income taxes to decline by 150 million yen.
An impact on segment information is described the segment information section.

(7) Notes related to consolidated financial statements
(Notes related to consolidated balance sheets)

Previous consolidated fiscal year (March 31, 2007)	Current consolidated fiscal year (March 31, 2008)
*1 Total depreciation for tangible fixed assets 31,237 million yen	*1 Total depreciation for tangible fixed assets 32,910 million yen
*2 Pledged assets Consolidated subsidiaries' land (book value of 266 million yen at the term end) and buildings (book value of 123 million yen at the term end) are pledged as a joint mortgage of 26 companies of the Mishima Sawazi Industrial Park Cooperative for borrowings of 700 million yen of the cooperative.	*2 Pledged assets Consolidated subsidiaries' land (book value of 266 million yen at the term end) and buildings (book value of 115 million yen at the term end) are pledged as a joint mortgage of 25 companies of the Mishima Sawazi Industrial Park Cooperative for borrowings of 544 million yen of the cooperative.
*3 Investment securities and other investments in non-consolidated subsidiaries and affiliates are as follows: Investment securities (shares) 641 million yen Other (investments) 190 million yen	*3 Investment securities and other investments in non-consolidated subsidiaries and affiliates are as follows: Investment securities (shares) 340 million yen Other (investments) 183 million yen
4 Debt guarantee (1) The Company guarantees the following liabilities on purchases of the following company: Kyushu KIRONY Co., Ltd. 1 million yen (2) The Company guarantees the following lease obligations of the following company: Kingrun M.I.D Co., Ltd. 1 million yen In addition to the above, consolidated subsidiaries co-sign a loan of 600 million yen owed by the Mishima Sawazi Industrial Park Cooperative jointly with 26 companies of the cooperative.	4 Debt guarantee Consolidated subsidiaries co-sign a loan of 600 million yen owed by the Mishima Sawazi Industrial Park Cooperative jointly with 25 companies of the cooperative.
5 Obligation to buy back in association of liquidation of loans 650 million yen	5 Obligation to buy back in association of liquidation of loans 668 million yen
6 Discounted notes receivable Discounted notes receivable 44 million yen	6 Discounted notes receivable Discounted notes receivable 42 million yen
*7 Notes due at the end of the fiscal year Notes due at the end of the fiscal year are settled on the date of bill clearing. Since the last day of the fiscal year fell on a bank holiday, the following notes due at the end of the fiscal year are included in the term-end balance: Notes receivable 1,002 million yen Notes payable 512 million yen	—

(Notes on the consolidated statements of income)

Previous consolidated fiscal year (From April 1, 2006 until March 31, 2007)	Current consolidated fiscal year (From April 1, 2007 until March 31, 2008)
*1 The gain on sale of fixed assets consists of a gain on sale of land of 2 million yen and a gain on sale of machinery and vehicles of 1 million yen.	*1 The gain on sale of fixed assets consists of a gain on sale of machinery and vehicles of 9 million yen.
*2 The loss on sale of fixed assets is a loss on sale of machinery and vehicles of 2 million yen.	*2 The loss on sale of fixed assets includes a loss on the sale of buildings and structures of 2 million yen, a loss on the sale of machinery and vehicles of 4 million yen and a loss on the sale of land, etc. of 6 million yen.
*3 The loss on disposal of fixed assets includes a loss on disposal of machinery and vehicles of 29 million yen and a loss on disposal of tools and equipment of 14 million yen.	*3 The loss on disposal of fixed assets includes a loss on the disposal of buildings and structures of 9 million yen, a loss on the disposal of machinery and vehicles of 7 million yen and a loss on the removal cost of 28 million yen.
*4 The write-down of membership, etc. includes a provision for doubtful accounts of 20 million yen.	―
*5 The loss on business restructuring includes a loss on the disposal of inventories of 75 million yen that accompanied the liquidation of KIRONY Co., Ltd. (in Minato-ku, Tokyo) and a loss of 160 million yen that accompanied the reconstruction of the businesses of TECHNO KAMEI CORPORATION.	―
―	*6 The write-down of investment securities includes a write-down of shares in affiliates of 5 million yen.

(Matters related to the Statement of Changes in Shareholders' Equity)

Previous consolidated fiscal year (from April 1, 2006 to March 31, 2007)

1 Matters pertaining to the type and total number of stocks issued, and the type and number of treasury stocks

Type of stock	Number of shares at the end of previous consolidated fiscal year (shares)	Increase in the number of shares (shares)	Decrease in the number of shares (shares)	Number of shares at the end of current consolidated fiscal year (shares)
Stock issued				
Common stock	66,829,249	-	-	66,829,249
Total	66,829,249	-	-	66,829,249
Treasury stock				
Common stock	2,953,450	503,205	1,876	3,454,779
Total	2,953,450	503,205	1,876	3,454,779

(Summary of changes)

A breakdown of an increase in the number of treasury common shares is as follows.

Increase due to acquisition in the market based on resolution of the Board of Directors: 487,000 shares

Increase due to request for acquisition of shares less than unit stock: 16,205 shares

A breakdown of the decrease in the number of treasury common shares is as follows.

Decrease due to request for further purchase of shares less than unit stock: 1,876 shares

2 Matters pertaining to dividends

(1) Dividend payment

Relevant resolution	Type of stock	Total dividends (million yen)	Dividend per share (yen)	Date of record	Effective from
Regular general meeting of shareholders held on June 29, 2006	Common stock	447	7.00	March 31, 2006	June 30, 2006

(2) The dividends for which the date of record falls in current consolidated fiscal year, but for which the date on which the relevant resolution takes effect is in the next consolidated fiscal year

Relevant resolution	Type of stock	Dividend funds	Total dividends (million yen)	Dividend per share (yen)	Date of record	Effective from
Regular general meeting of shareholders held on June 28, 2007	Common stock	Retained earnings	443	7.00	March 31, 2007	June 29, 2007

Current consolidated fiscal year (From April 1, 2007 until March 31, 2008)

1 Matters pertaining to the type and total number of stocks issued, and the type and number of treasury stocks

Type of stock	Number of shares at the end of previous consolidated fiscal year (shares)	Increase in the number of shares (shares)	Decrease in the number of shares (shares)	Number of shares at the end of current consolidated fiscal year (shares)
Stock issued				
Common stock	66,829,249	-	-	66,829,249
Total	66,829,249	-	-	66,829,249
Treasury stock				
Common stock	3,454,779	813,952	821,529	3,447,202
Total	3,454,779	813,952	821,529	3,447,202

(Summary of changes)

A breakdown of an increase in the number of treasury common shares is as follows.

Increase due to acquisition in the market based on resolution of the Board of Directors: 800,000 shares

Increase due to request for acquisition of shares less than unit stock: 13,952 shares

A breakdown of the decrease in the number of treasury common shares is as follows.

Decrease due to private placement by resolution of the Board of Directors: 818,000 shares

Decrease due to request for further purchase of shares less than unit stock: 3,529 shares

2 Matters pertaining to dividends

(1) Dividend payment

Relevant resolution	Type of stock	Total dividends (million yen)	Dividend per share (yen)	Date of record	Effective from
Regular general meeting of shareholders held on June 28, 2007	Common stock	443	7.00	March 31, 2007	June 29, 2007

(2) The dividends for which the date of record falls in current consolidated fiscal year, but for which the date on which the relevant resolution takes effect is in the next consolidated fiscal year

Relevant resolution	Type of stock	Dividend funds	Total dividends (million yen)	Dividend per share (yen)	Date of record	Effective from
Regular general meeting of shareholders held on June 27, 2008	Common stock	Retained earnings	443	7.00	March 31, 2008	June 30, 2008

(Matters related to the Consolidated Statements of Cash Flows)

Previous consolidated fiscal year (From April 1, 2006 until March 31, 2007)		Current consolidated fiscal year (From April 1, 2007 until March 31, 2008)	
The relationship between cash and cash equivalents at the end of term and the itemized amount stated in Consolidated Balance Sheets		The relationship between cash and cash equivalents at the end of term and the itemized amount stated in Consolidated Balance Sheets	
Cash and deposit accounts	3,651 million yen	Cash and deposit accounts	4,032 million yen
Time deposits over 3 months	(112 million yen)	Time deposits over 3 months	(12 million yen)
Securities accounts (MMF, etc.)	858 million yen	Securities accounts (MMF, etc.)	763 million yen
Cash and cash equivalents	4,398 million yen	Cash and cash equivalents	4,783 million yen

(Segment Information)

1 Business segment information

Previous consolidated fiscal year (from April 1, 2006 to March 31, 2007)

	Vinyl chloride products (million yen)	Textile products business (million yen)	Other businesses (million yen)	Total (million yen)	Elimination or Group-wide businesses (million yen)	Consolidated (million yen)
I Net sales						
(1) Net sales to external customers	34,684	31,715	34,536	100,936	-	100,936
(2) Internal sales or transfers among segments	-	-	-	-	(-)	-
Total net sales	34,684	31,715	34,536	100,936	(-)	100,936
Operating expenses	31,594	31,461	34,106	97,161	1,574	98,736
Operating income	3,089	254	430	3,774	(1,574)	2,200
II Assets, depreciation and capital expenditures						
Assets	23,107	24,123	17,004	64,235	13,798	78,034
Depreciation	671	342	235	1,248	559	1,807
Capital expenditures	609	482	177	1,270	17	1,287

Notes:
1. Business segments are determined based on units for sales aggregation.
2. Main products in each segment
   (1) Vinyl chloride products segment: Vinyl-chloride tiles and vinyl chloride sheets
   (2) Textile products business: Carpets, curtains
   (3) Other businesses: Wallpaper, adhesives, blinds, etc.
3. Of operating expenses for the fiscal year under review, unallocatable operating expenses included in the segment of elimination or Group-wide businesses were 1,574 million yen. They were mainly consisted of expenses related to the General Affairs and Personnel Department,, the Accounting Department, etc. of the head office of the submitting company.
4. Of assets for the fiscal year, Group-wide assets included in the elimination or Group-wide segment were 13,798 million yen. The main assets included excess funds (cash and securities), long-term investment funds (investment securities, etc.), and assets related to the administrative division of the submitting company.

Consolidated fiscal year under review (from April 1, 2007 to March 31, 2008)

	Vinyl chloride products (million yen)	Textile products business (million yen)	Other businesses (million yen)	Total (million yen)	Elimination or Group-wide businesses (million yen)	Consolidated (million yen)
I Net sales						
(1) Net sales to external customers	31,713	30,507	34,420	96,641	-	96,641
(2) Internal sales or transfers among segments	-	-	-	-	(-)	-
Total net sales	31,713	30,507	34,420	96,641	(-)	96,641
Operating expenses	29,904	30,243	34,109	94,257	1,549	95,806
Operating income	1,809	263	311	2,384	(1,549)	834
II Assets, depreciation and capital expenditures						
Assets	20,638	22,492	15,559	58,689	11,508	70,198
Depreciation	795	490	234	1,519	475	1,995
Capital expenditures	491	299	183	974	100	1,074

Notes:
1 Business segments are determined based on units for sales aggregation.
2 Main products in each segment
(1) Vinyl chloride products segment: Vinyl-chloride tiles and vinyl chloride sheets
(2) Textile products business: Carpets, curtains
(3) Other businesses: Wallpaper, adhesives, blinds, etc.
3 Of operating expenses for the fiscal year under review, unallocatable operating expenses included in the segment of elimination or Group-wide businesses were 1,549 million yen. They were mainly consisted of expenses related to the General Affairs and Personnel Department, the Accounting and Finance Department, etc. of the head office of the submitting company.
4 Of assets for the fiscal year, Group-wide assets included in the elimination or Group-wide segment were 11,508 million yen. The main assets included excess funds (cash and securities), long-term investment funds (investment securities, etc.), and assets related to the administrative division of the submitting company.
5 As stated in “change in accounting policies,” following the revision of the Corporation Tax Law, the method for depreciating tangible fixed assets acquired on or after April 1, 2007 has changed to the method based on the revised Corporation Tax Law, starting in the consolidated fiscal year under review.
The change caused operating expenses for the consolidated fiscal year under review to increase by 14 million yen for the vinyl chloride product business, by 11 million yen for the textile products business, by 2 million yen for other businesses and by less than 1 million yen for the total. The action also caused operating income for the consolidated fiscal year under review to decrease by the same amounts for these businesses and for the total.
6 As stated in “additional information,” following the revision of the Corporation Tax Law, the difference between an amount corresponding to 5% of the acquisition value and the memorandum value is depreciated in a straight line over five years, and the depreciation is recorded as depreciation expenses for tangible fixed assets acquired on or before March 31, 2007, starting in the consolidated fiscal year following the fiscal year in which depreciation using the method based on pre-revision Corporation Tax Law reaches 5% of the acquisition value.
The change caused operating expenses for the consolidated fiscal year under review to increase by 110 million yen for the vinyl chloride product business, by 32 million yen for the textile products business, by 4 million yen for other businesses and by 1 million yen for the total. The action also caused operating income for the consolidated fiscal year under review to decrease by the same amounts for these businesses and for the total.

2 Geographical segment information

Previous consolidated fiscal year (from April 1, 2006 to March 31, 2007)

Not applicable, since the submitting company did not have overseas branches or consolidated subsidiaries.

Consolidated fiscal year under review (from April 1, 2007 to March 31, 2008)

Not applicable, since the submitting company did not have overseas branches or consolidated subsidiaries.

3 Overseas sales

Previous consolidated fiscal year (from April 1, 2006 to March 31, 2007)

Description of overseas sales is omitted because they were less than 10% of consolidated sales.

Consolidated fiscal year under review (from April 1, 2007 to March 31, 2008)

Description of overseas sales is omitted because they were less than 10% of consolidated sales.

(Omission of disclosure)

Notes concerning lease transactions, related party transactions, tax effect accounting, securities, derivative transactions and retirement allowance are not disclosed, as little need is believed to exist for disclosure in a financial announcement document.

(Per-share data)

Previous consolidated fiscal year (From April 1, 2006 until March 31, 2007)		Current consolidated fiscal year (From April 1, 2007 until March 31, 2008)	
Net assets per share	428.12 yen	Net assets per share	402.76 yen
Net income per share	25.44 yen	Net income per share	2.40 yen

Notes: 1 Diluted net income per share is omitted because there was no potential dilution.

2 The basis for calculation of net income per share is as follows.

	Previous consolidated fiscal year (From April 1, 2006 until March 31, 2007)	Current consolidated fiscal year (From April 1, 2007 until March 31, 2008)
Net income per share		
Net income as stated in the Consolidated Statements of Income (million yen)	1,619	152
Net income pertaining to common stock (million yen)	1,619	152
Amount not belonging to common stockholders (million yen)	-	-
Average number of common stock shares during the period (thousands of shares)	63,683	63,734

(Important post-balance sheet events)

No corresponding item exists.

5 Company-specific financial statements

(1) Balance Sheets

Item	143rd term (March 31, 2007) Amount (million yen)		Ratio (%)	144th term (March 31, 2008) Amount (million yen)		Ratio (%)	Change Amount (million yen)	
Assets								
I Current assets								
1 Cash and deposits		1,729			2,361			632
2 Notes receivable		5,098			4,277			(820)
3 Accounts receivable		18,164			16,374			(1,789)
4 Securities		858			763			(95)
5 Inventories		7,844			7,808			(36)
6 Prepaid expenses		28			35			6
7 Accounts receivable		3,332			2,823			(509)
8 Short-term loans receivable		1,399			1,470			71
9 Deferred tax assets		501			772			270
10 Other current assets		47			45			(2)
Allowance for doubtful receivables		(93)			(156)			(63)
Total current assets		38,913	61.3		36,577	62.4		(2,335)
II Fixed assets								
(1) Tangible fixed assets								
1 Buildings		4,417			4,224			(192)
2 Structures		250			231			(19)
3 Machinery and vehicles		2,052			1,876			(175)
4 Equipment		340			273			(67)
5 Land		6,075			6,075			-
6 Construction in progress		57			145			88
(Total tangible fixed assets)		13,193	20.8		12,827	21.9		(366)
(2) Intangible assets								
1 Goodwill		233			180			(53)
2 Software		1,173			853			(319)
3 Other intangible assets		14			14			(0)
(Total intangible assets)		1,422	2.3		1,048	1.8		(373)
(3) Investments and other assets								
1 Investment securities		7,162			5,154			(2,007)
2 Long-term loans receivable		1,221			971			(250)
3 Long-term prepaid expenses		78			40			(37)
4 Deferred tax assets		332			852			519
5 Other investments		1,247			1,149			(98)
Allowance for doubtful receivables		(121)			(28)			92
(Total investments and other assets)		9,921	15.6		8,139	13.9		(1,781)
Total fixed assets		24,537	38.7		22,015	37.6		(2,522)
Total assets		63,450	100.0		58,592	100.0		(4,858)

	143rd term (March 31, 2007)			144th term (March 31, 2008)			Change	
Item	Amount (million yen)		Ratio (%)	Amount (million yen)		Ratio (%)	Amount (million yen)	
Liabilities								
I Current liabilities								
1 Notes payable		3,431			3,190			(240)
2 Accounts payable		15,070			13,341			(1,728)
3 Short-term borrowings		600			300			(300)
4 Current portion of long-term debt		3,145			2,100			(1,045)
5 Bonds for redemption within current year		1,000			-			(1,000)
6 Arrears		393			509			115
7 Accrued income taxes		40			66			26
8 Accrued expenses		1,566			1,225			(341)
9 Allowance for bonus payable		347			302			(44)
10 Reserve for bonuses to directors and corporate auditors		11			-			(11)
11 Other current liabilities		2,956			3,338			382
Total current liabilities		28,562	45.0		24,375	41.6		(4,187)
II Fixed liabilities								
1 Long-term debt		6,200			7,700			1,500
2 Reserve for retirement allowance		3,870			3,416			(453)
3 Reserve for severance indemnities to directors and corporate auditors		252			178			(74)
4 Allowance for loss from investments		27			-			(27)
5 Guarantee deposits received		1,563			1,562			(1)
Total fixed liabilities		11,913	18.8		12,856	21.9		942
Total liabilities		40,476	63.8		37,232	63.5		(3,244)
Net assets								
I Shareholders' equity								
(1) Common stock		6,855	10.8		6,855	11.7		-
(2) Capital surplus								
1 Additional paid-in capital	1,789			1,789			-	
2 Other capital surplus	4,679			4,698			19	
Total capital surplus		6,468	10.2		6,488	11.1		19
(3) Retained earnings								
Other retained earnings								
General reserve	6,300			6,800			500	
Retained earnings carried forward	1,860			944			(915)	
Total retained earnings		8,160	12.9		7,744	13.2		(415)
(4) Treasury stock		(911)	(1.5)		(863)	(1.5)		48
Total shareholders' equity		20,573	32.4		20,226	34.5		(347)
II Unrealized gain (loss) and equity adjustment from currency translation								
Unrealized gain (loss) on securities		2,400	3.8		1,134	2.0		(1,266)
Total unrealized gain (loss) and equity adjustment from foreign currency translation		2,400	3.8		1,134	2.0		(1,266)
Total net assets		22,974	36.2		21,360	36.5		(1,613)
Total liabilities and net assets		63,450	100.0		58,592	100.0		(4,858)

(2) Statements of Income

		143rd term (From April 1, 2006 until March 31, 2007)			144thterm (From April 1, 2007 until March 31, 2008)			Change	
	Item	Amount (million yen)		Ratio (%)	Amount (million yen)		Ratio (%)	Amount (million yen)	
I	Net sales		58,905	100.0		57,764	100.0		(1,141)
II	Cost of sales		41,222	70.0		41,464	71.8		241
	Gross profit		17,683	30.0		16,300	28.2		(1,383)
III	Selling and administrative expenses		16,479	28.0		16,053	27.8		(425)
	Operating income		1,203	2.0		246	0.4		(957)
IV	Non-operating income								
	Interest income	39			52			13	
	Dividend income	164			179			14	
	Other non-operating income	326	530	0.9	313	545	1.0	(13)	14
V	Non-operating expenses								
	Interest expense	174			204			29	
	Other non-operating expenses	345	519	0.8	359	564	1.0	14	44
	Ordinary income		1,214	2.1		227	0.4		(986)
VI	Extraordinary income								
	Gain on sale of fixed assets	1			-			(1)	
	Gain on sale of investment securities	264			-			(264)	
	Adjustment for allowance for doubtful receivables	39			22			(16)	
	Reversal of reserve for investment loss	-			27			27	
	Gain on liquidation of affiliates	-	304	0.5	4	54	0.1	4	(249)
VII	Extraordinary loss								
	Loss on sale of fixed assets	-			3			3	
	Loss on disposal of fixed assets	29			28			(0)	
	Write-down of investment securities	82			144			61	
	Write-down of shares of affiliates	-			13			13	
	Write-down of membership, etc.	21			-			(21)	
	Loss from bad debts	22			-			(22)	
	Loss from assistance for reorganization of affiliated company	53	209	0.4	-	190	0.3	(53)	(18)
	Income before income taxes		1,309	2.2		91	0.2		(1,218)
	Corporation tax, local inhabitants taxes, and enterprise taxes	40			40			-	
	Prior period adjustment	(70)			-			70	
	Deferred corporation tax	538	508	0.8	24	64	0.1	(514)	(444)
	Net income		801	1.4		27	0.1		(773)

(3) Statement of Changes in Shareholders' Equity, etc.
143rd term (from April 1, 2006 to March 31, 2007)

	Shareholders' equity						
	Common stock	Capital surplus		Retained earnings		Treasury stock	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Other retained earnings			
				General reserve	Retained earnings carried forward		
Balance as of March 31, 2006 (million yen)	6,855	1,789	4,678	5,800	2,024	(756)	20,392
Change in amount during consolidated fiscal year							
Dividend payment from retained earnings (Note)					(447)		(447)
Bonuses to directors and corporate auditors (Note)					(18)		(18)
General reserve aggregate (Note)				500	(500)		
Net income					801		801
Purchases of treasury stock						(155)	(155)
Disposal of treasury stock			0			0	0
Changes in items other than treasury stock during consolidated fiscal year (Net amount)							
Total amount of changes during consolidated fiscal year (million yen)	-	-	0	500	(164)	(155)	180
Balance as of March 31, 2007 (million yen)	6,855	1,789	4,679	6,300	1,860	(911)	20,573

	Unrealized gain (loss) and equity adjustment from currency translation, etc.		Total net assets
	Unrealized gain (loss) on securities	Total of unrealized gain (loss) and equity adjustment from currency translation	
Balance as of March 31, 2006 (million yen)	3,380	3,380	23,773
Change in amount during consolidated fiscal year			
Dividend payment from retained earnings (Note)			(447)
Bonuses to directors and corporate auditors (Note)			(18)
General reserve aggregate (Note)			
Net income			801
Purchases of treasury stock			(155)
Disposal of treasury stock			0
Changes in items other than treasury stock during consolidated fiscal year (Net amount)	(980)	(980)	(980)
Total amount of changes during consolidated fiscal year (million yen)	(980)	(980)	(799)
Balance as of March 31, 2007 (million yen)	2,400	2,400	22,974

Note: Items for appropriation of income approved at the regular general meeting of shareholders held in June 2006

144th term (from April 1, 2007 to March 31, 2008)

	Shareholders' equity						
		Capital surplus		Retained earnings			
				Other retained earnings			
	Common stock	Additional paid-in capital	Other capital surplus	General reserve	Retained earnings carried forward	Treasury stock	Total shareholders' equity
Balance as of March 31, 2007 (million yen)	6,855	1,789	4,679	6,300	1,860	(911)	20,573
Change in amount during consolidated fiscal year							
Dividend payment from retained earnings					(443)		(443)
General reserve aggregate				500	(500)		
Net income					27		27
Purchases of treasury stock						(168)	(168)
Disposal of treasury stock			19			216	236
Changes in items other than treasury stock during consolidated fiscal year (Net amount)							
Total amount of changes during consolidated fiscal year (million yen)	-	-	19	500	(915)	48	(347)
Balance as of March 31, 2008 (million yen)	6,855	1,789	4,698	6,800	944	(863)	20,226

	Unrealized gain (loss) and equity adjustment from currency translation, etc.		
	Unrealized gain (loss) on securities	Total of unrealized gain (loss) and equity adjustment from currency translation	Total net assets
Balance as of March 31, 2007 (million yen)	2,400	2,400	22,974
Change in amount during consolidated fiscal year			
Dividend payment from retained earnings			(443)
General reserve aggregate			
Net income			27
Purchases of treasury stock			(168)
Disposal of treasury stock			236
Changes in items other than treasury stock during consolidated fiscal year (Net amount)	(1,266)	(1,266)	(1,266)
Total amount of changes during consolidated fiscal year (million yen)	(1,266)	(1,266)	(1,613)
Balance as of March 31, 2008 (million yen)	1,134	1,134	21,360