



Financial Announcement for Year Ended March 31, 2010

April 30, 2010

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) Operating Officer and General Manager of the Accounting and Finance Department (Name) Jun Suzuki TEL: (06) 6494-1534

Planned date for regular general meeting of shareholders June 25, 2010 Dividend payment start date June 28, 2010

Planned date for submission of financial statements June 25, 2010

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

1. Consolidated performance for year ended March 2010 (April 1, 2009 - March 31, 2010)

(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 2010	81,330	(10.9)	1,145	57.5	1,094	60.4	506	37.9
Year ended March 2009	91,329	(5.5)	727	(12.9)	682	10.3	366	140.0

	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 2010	8.11	-	2.1	1.7	1.4
Year ended March 2009	5.82	-	1.5	1.0	0.8

(For reference) Investment gain or loss under equity method Year ended March 2010 (38 million yen) Year ended March 2009 (39 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 2010	64,961	24,930	38.0	390.52
Year ended March 2009	66,805	24,621	36.5	391.05

(For reference) Shareholders' equity Year ended March 2010 24,683 million yen Year ended March 2009 24,373 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 2010	4,556	(1,821)	(848)	8,041
Year ended March 2009	3,168	(1,072)	(724)	6,155

2. Dividend payments

(Date of record)	Dividend per share					Total dividend (for year)	Dividend payout ratio (Consolidated)	Dividend ratio to net asset (Consolidated)
	End 1 st quarter	End 2 nd quarter	End 3 rd quarter	End of year	For the year			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 2009	-	-	-	7.00	7.00	436	120.3	1.8
Year ended March 2010	-	-	-	5.00	5.00	316	61.6	1.3
Year ending March 2011 (projection)	-	-	-	5.00	5.00		263.4	

3. Consolidated forecasts for year ending March 2011 (April 1, 2010 - March 31, 2011)

(% 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	36,000	(6.6)	(650)	-	(700)	-	(550)	-	(8.70)
Full-year results	80,000	(1.6)	600	(47.6)	400	(63.5)	120	(76.3)	1.90

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 in 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 "(7) Changes to the basis of presenting consolidated financial statements" on page 15.

(3) Number of shares outstanding (Ordinary stock)

1) Number of shares outstanding at end of year (including treasury stock)

Year ended March 2010	66,829,249 shares	Year ended March 2009	66,829,249 shares
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2) Number of treasury stock at end of year

Year ended March 2010	3,621,054 shares	Year ended March 2009	4,500,607 shares
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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 18.

(For reference) Outline of Company-specific business performance

1. Company-specific business performance for year ended March 2010 (April 1, 2009 – March 31, 2010)

(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 2010	50,412	(9.4)	953	138.3	997	113.6	457	290.0
Year ended March 2009	55,611	(3.7)	400	62.3	467	105.4	117	321.6

	Net income per share	Diluted net income per share
	yen	yen
Year ended March 2010	7.33	-
Year ended March 2009	1.86	-

(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 2010	56,022	20,315	36.3	321.41
Year ended March 2009	56,876	20,058	35.3	321.82

(For reference) Shareholders' equity Year ended March 2010 20,315 million yen Year ended March 2009 20,058 million yen

2. Company-specific business performance projection for year ending March 2011 (April 1, 2010 - March 31, 2011)

(% 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	23,000	(4.8)	(450)	-	(400)	-	(300)	-	(4.75)
Full-year results	50,000	(0.8)	130	(86.4)	120	(88.0)	20	(95.6)	0.32

Note: Explanation of the appropriate use of performance projections and other special instructions

These performance projections were prepared 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 these business performance projections, please refer to “1. Management performance” (1) on page 4.

1 Management performance

(1) Discussion and analysis of the management performance

During the consolidated fiscal year under review, conditions in the Japanese economy continued to be difficult, with the unemployment rate remaining high and a continued slump in capital expenditure despite signs of a recovery supported by increased exports. In the interior decoration industry, conditions in the management environment became even more difficult, with no sign of a bottoming out in falling volumes of commenced projects and continued low demand for interior finishing work.

It was in such conditions that the Toli Group implemented initiatives to improve the profitability of the business and increase growth potential based on the medium term business plan Change & Challenge 2011. As a result, sales during the consolidated fiscal year under review were 81,330 million yen (10.9% decrease YoY), ordinary income was 1,094 million yen (60.4% increase YoY) and net income was 506 million yen (37.9% increase YoY).

Business performance by segment for each business area was as follows.

<Vinyl chloride-based products business>

In vinyl chloride-based products business, hi-tech functional products performed well, including NONWAXLEUM, a vinyl floor sheet that requires no wax maintenance, and NS FLATY, a flat-surfaced nonslip vinyl floor sheet. However, with low demand from commercial facilities and falling sales in vinyl chloride-based tiles, net sales for vinyl chloride-based products during the consolidated fiscal year under review were 26,920 million yen (12.7% decrease YoY) and operating income was 1,439 million yen (31.5% decrease YoY).

<Textile products business>

In the textile products business, sales of rolled carpets to community facilities such as hotels fell YoY, but as a result of an expansion in demand for environmentally-friendly products there was growth in sales of GA-100G, a tiled carpet that conforms with green purchasing laws. Moreover, sales of GA-100EM, a new tiled carpet with Ecomark accreditation, continued to perform well after its release. With contract curtains sold to various medical, welfare and educational facilities also performing well, net sales for textile products business during the consolidated fiscal year under review were 26,447 million yen (6.1% decrease YoY) and operating income was 1,304 million yen (258.6% increase YoY).

<Other businesses>

In other business, REAL DECO, a wood grain effect finishing product, sold well after frequent use by commercial, medical and welfare facilities, but sales of general wall covering materials fell YoY. With purchased products sales and decorating project work also decreasing, net sales for other business during the consolidated fiscal year under review were 27,962 million yen (13.5% decrease YoY) and an operating loss of 90 million yen was recorded (compared with an operating loss of 231 million yen in the previous fiscal year).

(Outlook for the next term)

As for the outlook for the next term, conditions in the Japanese economy are expected to recover gradually against a background of improvement in the overseas economy, particularly in the newly-emerging economies. However, in the interior decoration industry, the volume of commenced projects is expected to remain low and a slump in demand for interior decoration work is expected to continue for the immediate future. With fears of a rise in the cost of raw materials brought on by runaway crude oil prices, difficult conditions are expected to continue.

In this business environment, the Toli Group will promote efforts based on the key strategies described in the medium term business plan, Change & Challenge 2011, strengthen business infrastructure and improve management efficiency.

Taking the above factors into consideration, we expect consolidated net sales of 80,000 million yen, consolidated operating income of 600 million yen, consolidated ordinary income of 400 million yen and consolidated net income of 120 million yen for the fiscal year ending March 31, 2011 (full term).

(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 64,961 million yen, 1,844 million yen less

than their level at the end of the previous term, reflecting factors such as a decrease in accounts receivable and inventory assets.

Liabilities at the end of the term under review totaled 40,030 million yen, 2,153 million yen less than their level at the end of the previous term. This reflected factors such as a decline in accounts payable.

Net assets at the end of the term under review were 24,930 million yen, 309 million yen higher than their level at the end of the previous term, owing to a decrease in treasury stock and an increase in unrealized gain on securities.

2) State of cash flows

Cash generated by operating activities in the term under review reached 4,556 million yen (compared with 3,168 million yen for the previous term). This increased in comparison to the previous term due to factors such as an increase in current net profit and a reduction in inventory assets.

Cash used in investing activities was 1,821 million yen (compared with an investing activities outflow of 1,072 million yen during the previous term). Despite a decline in expenditure on the acquisition of tangible fixed assets, increases in the acquisition of intangible fixed assets and investment securities led to a greater outflow than the previous term.

Cash used for financing activities was 848 million yen (compared with a cash outflow of 724 million yen for previous term). Outflows increased in comparison to the previous term due to a decrease in income from borrowings, despite income from the sale of treasury stock.

As a result of the above, the term-end balance of cash and cash equivalents on a consolidated basis increased 1,886 million yen to 8,041 million yen (compared with 6,155 million yen for the previous term).

Cash flow indices for the Group are shown below.

	Year ended March 2007	Year ended March 2008	Year ended March 2009	Year ended March 2010
Capital-to-asset ratio (%)	34.8	36.4	36.5	38.0
Capital-to-asset ratio on market value basis (%)	27.7	16.8	16.0	17.3
Cash flow-to-interest-bearing debt ratio (year)	8.4	4.7	3.7	2.6
Interest coverage ratio	8.8	13.0	15.2	21.9

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

- Each of the indexes above was calculated based on the financial data on a consolidated basis.
- 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).
- 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 5 yen per share. In regard to the dividend for the next term, we plan to pay a similar term end dividend of 5 yen 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 26, 2009).

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

(Exclusion)

With the liquidation of WORKS Co., Ltd. completed (formerly a nonconsolidated company with equity method applied), this company will be excluded from the scope of application for the equity method from the consolidated fiscal year under review.

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, bolster our earnings foundation and increase asset efficiency in order to achieve steady profits and maximize the share price.

With increasing uncertainty surrounding the future management environment, the management benchmarks set out in Change & Challenge 2011, the medium term management plan for fiscal 2009 to fiscal 2011, have been frozen for the time being, and we have decided to continue implementing the basic policy and strategies set out in the plan, as well as to implement additional measures aimed at strengthening the revenue base.

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

The Toli Group is currently promoting the medium term business plan for fiscal 2009 to fiscal 2011, “Change & Challenge 2011”. In this plan, while continuing to promote the measures to strengthen earnings capabilities that were undertaken in GROW UP 2008, the previous plan, the Group raises the 3 themes described below as its key strategies in order to acquire growth potential steadily, with a view to the future. We will execute measures and policies aimed at the achievement of these key indicators as a Group.

I. Residential market capture and business expansion

Toli will develop new goods and materials that fixed on the potential needs of people living in residential housing and others who supply such housing, including the home improvement market, which is expected to expand further in the future.

II. Strengthening of environmental response capabilities

Toli will focus on environmental responsiveness, currently indispensable in the management of business, to raise growth potential and profitability through the development of goods and services and fulfill our social responsibilities as a company.

III. Challenging in new areas

In order to look to the coming 5 or 10 years and cultivate new profit mainstays leading to the next generation, Toli will focus on research and development for tomorrow and take advantage of the Group’s technological power to take on the challenge of expanding into business areas that were not previously on its line of growth.

Furthermore, in promoting the key strategies described above, we will make thoroughgoing efforts towards the strengthening of our operating base founded on technology and to improve the efficiency of our sales organization and marketing activities. In addition, by advancing promotion technology, we will further increase the sales capabilities of the Group. We will also promote management that emphasizes cashflow and push through the establishment of the Group’s CSR structure to improve the quality of management. The Toli Group will focus on the development and cultivation of human resources, particularly important as an operating base, aiming at the achievement of our management targets.

(4) Challenges that the Company should address

The Company Group has formulated Change & Challenge 2011, its medium term business plan and will promote efforts aimed at the achievement of key strategy targets. The Company Group is well aware of its social mission as a comprehensive interior decoration manufacturer and industry leader. We will strive to offer a rich lineup of products to satisfy wide-ranging needs, and we will actively implement sales promotion measures in order to 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 associated with fluctuations in 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.

We are well aware that as a manufacturer, efforts towards environmental protection and the quality of safety are among the most pressing issues we face. We have expressed our desire to be a corporate group that is friendly towards people and the earth in our TOLI ECO SPIRIT philosophy, and we will work earnestly to alleviate environmental problems from a variety of perspectives, including the development of a low-carbon society. By striving towards the research and development of products that are friendly to people and the earth and by supplying such products to people while using limited resources effectively, we will fulfill our responsibilities as a corporate citizen and make efforts so that we can continue being a corporate group that is trusted and counted on around the world.

The Toli Group recognizes that the achievement and maintenance of adequacy in all operations including accounting is another important management issue. The Toli Group has built and operates an evaluation and management system for internal controls to handle the internal controls reporting system, and by further developing this system we plan to streamline and clarify corporate management and strengthen governance.

(5) Other important matters for corporate management:

No corresponding item exists.

4 Consolidated financial statements

(1) Consolidated Balance Sheets

(Unit: million yen)

	Previous consolidated fiscal year (March 31, 2009)	Current consolidated fiscal year (March 31, 2010)
Assets		
Current assets		
Cash and deposits	5,454	7,389
Notes and accounts receivable	24,767	22,542
Securities	713	714
Commodities and manufactured goods	6,131	5,596
Goods in process	821	776
Raw materials and stored goods	1,614	1,328
Deferred tax assets	688	412
Other current assets	793	814
Allowance for doubtful receivables	(471)	(254)
Total current assets	40,513	39,320
Fixed assets		
Tangible fixed assets		
Buildings and structures	18,738	18,802
Cumulative depreciation	(12,404)	(12,768)
Buildings and structures (Net amount)	6,334	6,034
Machinery and vehicles	21,989	22,156
Cumulative depreciation	(19,297)	(19,885)
Machinery and vehicles (Net amount)	2,691	2,270
Equipment	2,333	2,301
Cumulative depreciation	(2,054)	(2,083)
Equipment (Net amount)	279	217
Land	8,685	8,685
Lease assets	159	187
Cumulative depreciation	(0)	(33)
Lease assets (net)	158	153
Construction in progress	182	142
Total tangible fixed assets	18,333	17,504
Intangible assets		
Goodwill	138	150
Software	659	537
Lease assets	99	200
Other intangible assets	133	147
Total intangible assets	1,032	1,034
Investments and other assets		
Marketable securities and other investment securities	2,901	3,177
Long-term loans receivable	267	200
Deferred tax assets	2,078	1,894
Other assets	2,003	2,244
Allowance for doubtful receivables	(323)	(414)
Total investments and other assets	6,926	7,102
Total fixed assets	26,291	25,641
Total assets	66,805	64,961

(Unit: million yen)

	Previous consolidated fiscal year (March 31, 2009)	Current consolidated fiscal year (March 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable	22,489	20,487
Short-term borrowings	940	2,450
Lease liabilities	51	60
Accrued corporation taxes	221	113
Accrued expenses	1,260	1,202
Reserve for bonus payable	599	487
Reserve for bonuses payable to directors and corporate auditors	2	-
Other current liabilities	1,046	1,259
Total current liabilities	26,612	26,061
Fixed liabilities		
Long-term borrowings	9,200	7,500
Lease liabilities	192	169
Reserve for retirement allowance	4,126	4,066
Reserve for severance indemnities to directors and corporate auditors	294	-
Long-term guarantee deposits	1,599	1,676
Other fixed liabilities	159	557
Total fixed liabilities	15,571	13,969
Total liabilities	42,184	40,030
Net assets		
Shareholders' equity		
Paid in Capital	6,855	6,855
Capital surplus	6,488	6,423
Earned Surplus	11,710	11,780
Treasury stock	(1,064)	(853)
Total shareholders' equity	23,989	24,205
Unrealized gain (loss) and translation gain (loss)		
Unrealized gain (loss) on securities	383	478
Total unrealized gain (loss) and translation gain (loss)	383	478
Minority interests in consolidated subsidiaries	248	246
Total net assets	24,621	24,930
Total liabilities and net assets	66,805	64,961

(2) Consolidated Statements of Income

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2008 until March 31, 2009)	Current consolidated fiscal year (From April 1, 2009 until March 31, 2010)
Net sales	91,329	81,330
Cost of sales	67,606	58,412
Gross profit	23,722	22,917
Selling and administrative expenses		
Freight and packing expenses	5,163	4,874
Advertising expenses	1,868	1,633
Sales charges	258	227
Provision for allowance for doubtful receivables	183	30
Salaries and bonuses	6,134	5,943
Provision for allowance for bonuses	439	339
Transfers to reserve for bonuses payable to directors and corporate auditors	2	-
Retirement allowance expenses	638	759
Transfers to reserve for severance indemnities to directors and corporate auditors	75	17
Depreciation and amortization	997	1,029
Goodwill depreciation	45	66
Other expenses	7,189	6,850
Total selling and administrative expenses	22,995	21,772
Operating profit	727	1,145
Non-operating income		
Interest income	23	14
Dividend income	73	55
Purchase discount	73	70
Real estate rental charges	56	55
Insurance dividends	80	110
Other income	118	98
Total non-operating income	425	405
Non-operating expenses		
Interest expense	208	208
Sales discount	114	109
Loss on equity method investment	39	38
Other expenses	108	99
Total non-operating expense	470	455
Ordinary profit	682	1,094

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2008 until March 31, 2009)	Current consolidated fiscal year (From April 1, 2009 until March 31, 2010)
Extraordinary income		
Gain on sale of fixed assets	300	-
Gain on sale of investment securities	32	1
Adjustment for allowance for doubtful receivables	3	39
Total extraordinary income	336	41
Extraordinary loss		
Loss on disposal of fixed assets	61	49
Loss on sale of investment securities	-	2
Write-down of investment securities	131	16
Write-down of memberships	-	3
Loss on valuation of inventories	162	-
Losses on sales of investments in affiliated companies	124	-
Loss from closure of retirement benefit system	-	72
Total extraordinary loss	479	144
Net profit before taxes and other adjustments	538	991
Corporation tax, local inhabitants taxes, and enterprise taxes	208	89
Deferred corporation tax	(46)	394
Total corporation and other taxes	162	483
Minority interests	9	1
Current term net profit	366	506

(3) Consolidated Statement of Changes in Shareholders' Equity, etc.

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2008 until March 31, 2009)	Current consolidated fiscal year (From April 1, 2009 until March 31, 2010)
Shareholders' equity		
Capital		
Balance at end of previous terms	6,855	6,855
Change during current term		
Total change during current term	-	-
Balance at end of current term	6,855	6,855
Capital surplus		
Balance at end of previous terms	6,488	6,488
Change during current term		
Disposal of treasury stock	(0)	(64)
Total change during current term	(0)	(64)
Balance at end of current term	6,488	6,423
Retained earnings		
Balance at end of previous terms	11,787	11,710
Change during current term		
Distribution of surplus	(443)	(436)
Current term net profit	366	506
Total change during current term	(76)	69
Balance at end of current term	11,710	11,780
Treasury stock		
Balance at end of previous terms	(863)	(1,064)
Change during current term		
Acquisition of treasury stock	(202)	(8)
Disposal of treasury stock	1	219
Total change during current term	(201)	210
Balance at end of current term	(1,064)	(853)
Total shareholders' equity		
Balance at end of previous terms	24,268	23,989
Change during current term		
Distribution of surplus	(443)	(436)
Current term net profit	366	506
Acquisition of treasury stock	(202)	(8)
Disposal of treasury stock	1	154
Total change during current term	(278)	215
Balance at end of current term	23,989	24,205

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2008 until March 31, 2009)	Current consolidated fiscal year (From April 1, 2009 until March 31, 2010)
Valuation/ currency translation differences, etc.		
Other marketable securities valuation differences		
Balance at end of previous terms	1,241	383
Change during current term		
Change during current term in items other than shareholders' equity (net)	(858)	94
Total change during current term	(858)	94
Balance at end of current term	383	478
Foreign currency translation adjustment account		
Balance at end of previous terms	17	-
Change during current term		
Change during current term in items other than shareholders' equity (net)	(17)	-
Total change during current term	(17)	-
Balance at end of current term	-	-
Total valuation/ currency translation differences, etc.		
Balance at end of previous terms	1,259	383
Change during current term		
Change during current term in items other than shareholders' equity (net)	(875)	94
Total change during current term	(875)	94
Balance at end of current term	383	478
Minority interests		
Balance at end of previous terms	241	248
Change during current term		
Change during current term in items other than shareholders' equity (net)	6	(1)
Total change during current term	6	(1)
Balance at end of current term	248	246
Total net assets		
Balance at end of previous terms	25,769	24,621
Change during current term		
Distribution of surplus	(443)	(436)
Current term net profit	366	506
Acquisition of treasury stock	(202)	(8)
Disposal of treasury stock	1	154
Change during current term in items other than shareholders' equity (net)	(869)	93
Total change during current term	(1,147)	309
Balance at end of current term	24,621	24,930

(4) Consolidated Statements of Cash Flows

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2008 until March 31, 2009)	Current consolidated fiscal year (From April 1, 2009 until March 31, 2010)
Cash flows from operating activities		
Income before income taxes	538	991
Depreciation and amortization	1,927	1,907
Goodwill amortization	45	66
Long-term prepaid expenses depreciation	135	362
Loss on disposal of fixed assets	61	49
Gain or loss on sale of fixed assets (brackets denote a gain)	(300)	-
Gain or loss on sale of investment securities (brackets denote a gain)	(32)	0
Gain or loss on appraisal of investment securities (brackets denote a gain)	131	16
Change in allowance for doubtful receivables (brackets denote a decrease)	130	(125)
Change in reserve for retirement allowance (brackets denote a decrease)	(282)	(60)
Change in reserve for severance indemnities to directors and corporate auditors (brackets denote a decrease)	31	(9)
Equity in earnings or loss of subsidiary or affiliated company (brackets denote a gain)	39	38
Interest and dividend income	(97)	(70)
Interest expense	208	208
Change in trade receivables (brackets denote an increase)	2,977	2,118
Change in value of inventory assets (brackets denote an increase)	705	865
Change in trade payables (brackets denote a decrease)	(2,725)	(1,567)
Other	(27)	99
Sub total	3,467	4,891
Interest and dividend received	97	70
Interest paid	(208)	(208)
Payment or refund of company tax, etc (brackets denote a payment)	(187)	(196)
Cash flows from operating activities	3,168	4,556
Cash flows from investing activities		
Payments into time deposits	(52)	(62)
Income from time deposits	52	12
Expenditure on the acquisition of securities	(100)	-
Income from the sale of securities	100	-
Expenditure on the acquisition of tangible fixed assets	(1,514)	(1,037)
Income from the sale of tangible fixed assets	373	0
Expenditure on the acquisition of intangible fixed assets	(154)	(544)
Expenditure on the acquisition of investment securities	(11)	(196)
Income from the sale of investment securities	70	21

	Previous consolidated fiscal year (From April 1, 2008 until March 31, 2009)	Current consolidated fiscal year (From April 1, 2009 until March 31, 2010)
Expenditure on loans	(83)	(69)
Income from the return of loans receivable	111	106
Others	135	(52)
Cash flows from investing activities	(1,072)	(1,821)

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2008 until March 31, 2009)	Current consolidated fiscal year (From April 1, 2009 until March 31, 2010)
Cash flows from financing activities		
Net repayment in short-term borrowings (brackets denote a decrease)	40	10
Extension of long-term debt	2,100	400
Repayment of long-term debt	(2,100)	(600)
Expenditures due to repayment of lease liabilities	(15)	(57)
Expenditures due to repayment of accrued liabilities	(100)	(307)
Change in value of treasury stock (brackets denote an increase)	(201)	-
Payments for acquisition of treasury stock	-	(8)
Income from sale of treasury stock	-	154
Dividends paid	(443)	(436)
Dividends, etc. paid to minority shareholders	(3)	(3)
Cash flows from financing activities	(724)	(848)
Change in cash and cash equivalents (brackets denote a decrease)	1,371	1,886
Cash and cash equivalents at beginning of year	4,783	6,155
Cash and cash equivalents at end of year	6,155	8,041

- (5) Notes on the assumption of the company as a going concern
N/A

- (6) Basis of presenting consolidated financial statements
With the exception of “(7) Change in the basis of presenting consolidated financial statements” below, disclosure is omitted, as no important change has taken place in the most recent securities report (submitted on June 26, 2009).

- (7) Change in the basis of presenting consolidated financial statements

Change in matters concerning the application of equity method

Nonconsolidated companies with equity method applied

- (1) Change to nonconsolidated companies with equity method applied

With the liquidation of WORKS Co., Ltd. completed (formerly a nonconsolidated company with equity method applied), this company will be excluded from the scope of application for the equity method from the consolidated fiscal year under review.

- (2) Number of nonconsolidated companies with equity method applied after changes

0 companies

Change in accounting policies

(Changes in accounting standards used to record volume of completed projects and completed project costs)

Previously, the complete job method was used as the accounting standard for recording profits from contract construction, but from the consolidated fiscal year under review the Accounting Standard for Construction Contracts (ASBJ Statement No. 15, December 27, 2007) and Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18, December 27, 2007) have been applied. For work carried out between the commencement of construction contracts in the consolidated fiscal year under review up to the end of the consolidated fiscal year under review for which results are deemed to be assured, the percentage of completion basis has been applied (the cost comparison method has been used to estimate the percentage of completion). For all other work, the complete job method has been applied.

These changes have had no impact on profits, losses or segment information.

(Reserve for retirement allowance)

“Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)” (ASBJ Statement No.19, July 31, 2008) has been applied from the consolidated fiscal year under review.

These changes have had no impact on profits, losses or segment information.

Additional information

(Abolition of retirement benefits system for directors)

To prepare for the payment of severance indemnities to directors, operating officers and others, the company and some of its consolidated subsidiaries recorded the value of the required payments at the end of the consolidated fiscal year under review under the reserve for retirement allowance based on internal regulations. However, the retirement benefits system for directors is to be abolished upon the close of the Annual General Meeting of Shareholders at each company, with retirement benefits for service up to the date of abolition to be paid to each director upon retirement.

Accordingly, 269 million yen in severance indemnities for the period in question has been recorded in fixed liabilities under “Other”.

(Change of retirement benefits system)

Previously, the Company and some of its consolidated subsidiaries set up a retirement benefits system that included a defined-benefit pension system, an approved retirement annuity system and a termination allowance plan. However, on April 1, 2010, the approved retirement annuity system was changed to a defined contribution pension plan, a defined-benefit pension plan and a termination allowance plan.

As a result of this change, “Account Processing for Transfers among Retirement Benefit Plans” (Corporate Accounting Standards Implementation Guidelines, No. 1) has been applied, and an extraordinary loss of 72 million yen has been recorded under “Loss from closure of retirement benefit system”.

(8) Notes on consolidated financial statements
(Segment Information)

a. Business segment information

Previous consolidated fiscal year (from April 1, 2008 to March 31, 2009)

	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	30,849	28,162	32,317	91,329	-	91,329
(2) Internal sales or transfers among segments	-	-	-	-	(-)	-
Total net sales	30,849	28,162	32,317	91,329	(-)	91,329
Operating expenses	28,749	27,798	32,548	89,096	1,505	90,602
Operating profit or operating (loss)	2,100	363	(231)	2,233	(1,505)	727
II Assets, depreciation and capital expenditures						
Assets	20,342	20,859	14,073	55,275	11,530	66,805
Depreciation	789	498	238	1,526	446	1,973
Capital expenditures	729	372	136	1,238	858	2,097

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 1,505 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 11,530 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 The "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, published on July 5, 2006) has been applied from the consolidated fiscal year under review.

As a result, in the consolidated fiscal year under review operating income decreased by 53 million yen in vinyl chloride-based products business and 165 million yen in textile products business, and the operating loss made in other business increased by 14 million yen.

6 The Company and its consolidated subsidiaries reviewed the number of durable years of machinery and equipment for purposes of depreciation in accordance with revisions to the Corporation Tax Act, and from the consolidated fiscal year under review we have changed to the number of durable years designated in the law following the revision.

Accordingly, operating profit increased by 1 million yen in vinyl chloride-based products business and decreased by 47 million yen in textile products business, and operating losses decreased by 6 million yen in other business.

Consolidated fiscal year under review (from April 1, 2009 to March 31, 2010)

	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	26,920	26,447	27,962	81,330	-	81,330
(2) Internal sales or transfers among segments	-	-	-	-	(-)	-
Total net sales	26,920	26,447	27,962	81,330	(-)	81,330
Operating expenses	25,481	25,142	28,053	78,676	1,507	80,184
Operating profit or operating (loss)	1,439	1,304	(90)	2,653	(1,507)	1,145
II Assets, depreciation and capital expenditures						
Assets	18,651	19,632	12,507	50,791	14,169	64,961
Depreciation	802	494	220	1,517	455	1,973
Capital expenditures	609	348	147	1,104	72	1,177

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 1,507 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 14,169 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.

b Geographical segment information

Previous consolidated fiscal year (from April 1, 2008 to March 31, 2009)

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

Consolidated fiscal year under review (from April 1, 2009 to March 31, 2010)

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

c Overseas sales

Previous consolidated fiscal year (from April 1, 2008 to March 31, 2009)

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

Consolidated fiscal year under review (from April 1, 2009 to March 31, 2010)

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

(Per-share data)

Previous consolidated fiscal year (From April 1, 2008 until March 31, 2009)		Current consolidated fiscal year (From April 1, 2009 until March 31, 2010)	
Net assets per share	391.05 yen	Net assets per share	390.52 yen
Net income per share	5.82 yen	Net income per share	8.11 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, 2008 until March 31, 2009)	Current consolidated fiscal year (From April 1, 2009 until March 31, 2010)
Net income per share		
Net income as stated in the Consolidated Statements of Income (million yen)	366	506
Net income pertaining to common stock (million yen)	366	506
Amount not belonging to common stockholders (million yen)	-	-
Average number of common stock shares during the period (thousands of shares)	63,055	62,387

(Important post-balance sheet events)

No corresponding item exists.

(Omission of disclosure)

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

5 Company-specific financial statements

(1) Balance Sheets

(Unit: million yen)

	Previous fiscal year (March 31, 2009)	Current fiscal year (March 31, 2010)
Assets		
Current assets		
Cash and deposits	3,434	5,918
Notes receivable	4,200	3,815
Accounts receivable	14,800	13,793
Securities	713	714
Goods and products	5,943	5,515
Work-in-progress	239	197
Raw materials and inventory goods	1,147	918
Advance payments	4	9
Prepaid expenses	172	292
Deferred tax assets	433	218
Short-term loans	1,968	1,664
Accounts receivable	2,545	2,250
Other current assets	41	44
Allowance for doubtful receivables	(161)	(110)
Total current assets	35,484	35,241
Fixed assets		
Tangible fixed assets		
Buildings (net)	4,749	4,541
Structures (net)	276	270
Machinery and equipment (net)	1,738	1,475
Motor vehicles and transport equipment (net)	11	9
Equipment (net)	207	169
Land	6,032	6,032
Lease assets (net)	151	124
Construction in progress	107	97
Total tangible fixed assets	13,275	12,720
Intangible assets		
Goodwill	136	114
Software	522	479
Lease assets	99	191
Others	84	97
Total intangible assets	842	884

(Unit: million yen)

	Previous fiscal year (March 31, 2009)	Current fiscal year (March 31, 2010)
Investments and other assets		
Investment securities	2,396	2,705
Shares in affiliated companies	1,417	1,373
Investments	22	22
Long-term loans receivable	43	-
Long-term loans to employees	167	150
Long-term loans to affiliated company	547	213
Bankruptcy rehabilitation claims, etc.	40	96
Long-term advance charges	214	320
Deferred tax assets	1,695	1,516
Others	824	890
Allowance for doubtful receivables	(94)	(114)
Total investments and other assets	7,273	7,175
Total fixed assets	21,391	20,780
Total assets	56,876	56,022
Liabilities		
Current liabilities		
Notes payable	2,210	1,708
Accounts payable	13,210	11,928
Short-term borrowings	300	300
Current portion of long-term debt	600	2,100
Lease liabilities	50	51
Arrears	638	860
Accrued expenses	1,069	1,115
Accrued income taxes	68	73
Deposits	4,013	4,575
Advance received profit	7	4
Allowance for bonus payable	293	267
Others	4	2
Total current liabilities	22,467	22,988
Fixed liabilities		
Long-term debt	9,200	7,500
Lease liabilities	186	140
Reserve for retirement allowance	3,121	3,046
Reserve for severance indemnities to directors and corporate auditors	207	-
Long-term guarantee deposits	1,537	1,608
Others	98	421
Total fixed liabilities	14,350	12,717
Total liabilities	36,817	35,706

(Unit: million yen)

	Previous fiscal year (March 31, 2009)	Current fiscal year (March 31, 2010)
Net assets		
Shareholders equity		
Common stock	6,855	6,855
Capital surplus		
Additional paid-in capital	1,789	1,789
Other capital surplus	4,698	4,633
Total capital surplus	6,488	6,423
Retained earnings		
Other retained earnings		
General reserve	6,800	5,000
Retained earnings carried forward	618	2,439
Total retained earnings	7,418	7,439
Treasury stock	(1,064)	(853)
Total shareholders' equity	19,698	19,864
Unrealized gain (loss) and equity adjustment from currency translation		
Unrealized gain (loss) on securities	360	450
Total unrealized gain (loss) and equity adjustment from foreign currency translation	360	450
Total net assets	20,058	20,315
Total liabilities and net assets	56,876	56,022

(2) Statements of Income

(Unit: million yen)

	Previous fiscal year (From April 1, 2008 until March 31, 2009)	Current fiscal year (From April 1, 2009 until March 31, 2010)
Net sales		
Product sales	15,507	13,807
Goods sales	40,104	36,604
Total sales	55,611	50,412
Cost of sales		
Product inventories at start of term	1,550	1,498
Current term product manufacturing costs	9,963	8,297
Total	11,514	9,796
Product inventories at end of term	1,498	1,556
Product transfers to other accounts	147	161
Cost variance	(449)	(78)
Product sales costs	9,418	8,000
Goods inventories at start of term	5,157	4,444
Current term goods purchased	30,292	26,363
Total	35,449	30,808
Goods inventories at end of term	4,444	3,959
Goods transfers to other accounts	639	515
Goods sales costs	30,364	26,334
Total sales costs	39,783	34,334
Gross operating profit	15,828	16,077
Selling and general administrative expenses		
Freight and packaging costs	5,027	4,761
Advertising costs	318	277
Sample costs	1,234	1,224
Sales charges	269	257
Transfers to allowance for bad debt	71	-
Salaries and wages	2,227	2,296
Employee bonuses	377	378
Transfers to allowance for employee bonuses	210	192
Retirement benefit costs	350	468
Transfers to reserve for severance indemnities to directors and corporate auditors	46	10
Rental costs	1,131	1,037
Depreciation costs	792	853
Goodwill depreciation	53	60
Technology research costs	486	567
Others	2,829	2,736
Total sales costs and general administrative costs	15,428	15,123
Operating profit	400	953

(Unit: million yen)

	Previous fiscal year (From April 1, 2008 until March 31, 2009)	Current fiscal year (From April 1, 2009 until March 31, 2010)
Non-operating income		
Interest income	49	39
Interest on securities	7	3
Dividends received	139	122
Real estate rental charges	161	146
Insurance dividends	21	27
Others	121	112
Total non-operating profit	499	453
Non-operating expenses		
Interest expense	224	225
Sales discounts	137	131
Others	70	52
Total non-operating loss	433	409
Ordinary income	467	997
Extraordinary income		
Gain on sale of fixed assets	300	-
Gain on sale of investment securities	-	1
Adjustment for allowance for doubtful receivables	-	36
Total extraordinary profit	300	38
Extraordinary loss		
Loss on disposal of fixed assets	46	45
Loss on sale of investment securities	-	1
Write-down of investment securities	115	16
Write-down of memberships	-	3
Losses on valuation of inventory assets	154	-
Losses on disposal of investments in affiliated companies	273	-
Operating loss at affiliates	-	71
Loss from closure of retirement benefit system	-	66
Total extraordinary loss	591	204
Income before income taxes	175	831
Corporation tax, local inhabitants taxes, and enterprise taxes	40	42
Deferred corporation tax	17	331
Total corporation tax, etc.	58	373
Net income	117	457

(3) Statement of Changes in Shareholders' Equity, etc.

(Unit: million yen)

	Previous fiscal year (From April 1, 2008 until March 31, 2009)	Current fiscal year (From April 1, 2009 until March 31, 2010)
Shareholders' equity		
Capital		
Balance at end of previous term	6,855	6,855
Change during current term		
Total change during current term	-	-
Balance at end of current term	6,855	6,855
Capital surplus		
Capital reserve		
Balance at end of previous term	1,789	1,789
Change during current term		
Total change during current term	-	-
Balance at end of current term	1,789	1,789
Other capital surplus		
Balance at end of previous term	4,698	4,698
Change during current term		
Disposal of treasury stock	(0)	(64)
Total change during current term	(0)	(64)
Balance at end of current term	4,698	4,633
Retained earnings		
Other retained earnings		
Special reserves		
Balance at end of previous term	6,800	6,800
Change during current term		
Reversal of special reserve	-	(1,800)
Change during current term	-	(1,800)
Balance at end of current term	6,800	5,000
Retained earnings carried forward		
Balance at end of previous term	944	618
Change during current term		
Dividend of retained earnings	(443)	(436)
Reversal of special reserve	-	1,800
Current term net profit	117	457
Total change during current term	(326)	1,821
Balance at end of current term	618	2,439
Treasury stock		
Balance at end of previous term	(863)	(1,064)
Change during current term		
Acquisition of treasury stock	(202)	(8)
Disposal of treasury stock	1	219
Total change during current term	(201)	210
Balance at end of current term	(1,064)	(853)

(Unit: million yen)

	Previous fiscal year (From April 1, 2008 until March 31, 2009)	Current fiscal year (From April 1, 2009 until March 31, 2010)
Total shareholders' equity		
Balance at end of previous term	20,226	19,698
Change during current term		
Dividend of retained earnings	(443)	(436)
Current term net profit	117	457
Acquisition of treasury stock	(202)	(8)
Disposal of treasury stock	1	154
Total change during current term	(528)	166
Balance at end of current term	19,698	19,864
Valuation/ currency translation differences, etc.		
Other marketable securities valuation differences		
Balance at end of previous term	1,134	360
Change during current term		
Change during current term in items other than shareholders' equity (net)	(774)	90
Total change during current term	(774)	90
Balance at end of current term	360	450
Total valuation/ currency translation differences, etc.		
Balance at end of previous term	1,134	360
Change during current term		
Change during current term in items other than shareholders' equity (net)	(774)	90
Total change during current term	(774)	90
Balance at end of current term	360	450
Total net assets		
Balance at end of previous term	21,360	20,058
Change during current term		
Dividend of retained earnings	(443)	(436)
Current term net profit	117	457
Acquisition of treasury stock	(202)	(8)
Disposal of treasury stock	1	154
Change during current term in items other than shareholders' equity (net)	(774)	90
Total change during current term	(1,302)	257
Balance at end of current term	20,058	20,315

- (4) Notes on the assumption of the company as a going concern
N/A

6. Other

- (1) Transfers of directors
Relevant information will be disclosed when the details of disclosure are settled.

- (2) Other
N/A