

Financial Section

Consolidated Balance Sheets

Consolidated Statements of Income

Consolidated Statements of Changes in Shareholders' Equity

Consolidated Statements of Cash Flows

Please refer to "Fact Book 2009" for market data,
management indicators and stock-related data.

<http://english.furusato.co.jp/ir/factbook.html>

Fiscal year	2005	2006	2007	2008	2009
Assets					
Current assets:	32,921	37,229	37,583	31,972	27,900
Cash and deposits	4,079	4,516	3,608	6,624	6,905
Notes and accounts receivable-trade	24,079	28,053	28,554	20,255	16,891
Inventories	3,765	4,141	4,698	4,576	3,265
Deferred tax assets	310	318	337	278	279
Other	873	318	483	286	597
Allowance for doubtful accounts	(185)	(119)	(99)	(49)	(39)
Noncurrent assets:	12,658	13,485	16,441	15,198	14,287
Property, plant and equipment:	8,804	8,758	10,395	10,325	9,992
Buildings and structures, net	2,315	2,351	2,856	2,911	2,735
Land	5,903	5,705	6,808	6,801	6,801
Other, net	585	700	730	612	454
Intangible assets:	115	105	1,517	1,230	115
Consolidation adjustment account	8	-	-	-	-
Goodwill	-	2	1,398	1,087	-
Other	106	102	119	142	115
Investments and other assets:	3,738	4,621	4,528	3,643	4,179
Investment securities	2,651	3,160	3,122	2,437	3,054
Prepaid pension cost	-	-	-	138	60
Deferred tax assets	357	385	379	372	398
Other	860	1,197	1,131	809	772
Allowance for doubtful accounts	(130)	(121)	(105)	(115)	(106)
Total assets	45,580	50,715	54,025	47,171	42,187
Liabilities					
Current liabilities:	19,668	21,125	21,844	14,615	12,170
Notes and accounts payable-trade	16,547	18,048	18,764	12,809	11,106
Short-term loans payable	730	500	915	310	-
Income taxes payable	1,236	1,283	902	325	48
Provision for bonuses	-	-	520	494	409
Provision for directors' bonuses	-	23	29	15	5
Other	1,153	1,270	711	661	600
Noncurrent liabilities:	1,961	2,093	3,320	2,568	1,588
Long-term loans payable	-	-	1,200	900	-
Provision for retirement benefits	1,249	1,157	1,107	903	521
Provision for directors' retirement benefits	582	623	708	51	57
Other	129	312	304	713	1,008
Total liabilities	21,629	23,218	25,165	17,183	13,758
Shareholders' Equity					
Capital stock	5,232	-	-	-	-
Capital surplus	5,975	-	-	-	-
Retained earnings	12,262	-	-	-	-
Net unrealized gain (losses) on revaluation of securities	896	-	-	-	-
Treasury stock	(415)	-	-	-	-
Total shareholders' equity	23,950	-	-	-	-
Total liabilities and shareholders' equity	45,580	-	-	-	-
Net Assets					
Shareholders' equity:	-	26,312	28,268	29,352	27,414
Capital stock	-	5,232	5,232	5,232	5,232
Capital surplus	-	6,446	6,446	6,446	6,135
Retained earnings	-	14,816	16,775	17,860	16,097
Treasury stock	-	(183)	(185)	(187)	(50)
Valuation and translation adjustments:	-	1,183	591	635	1,014
Valuation difference on available-for-sale securities	-	1,183	591	635	1,014
Minority interests	-	-	0	-	-
Total net assets	-	27,496	28,860	29,987	28,429
Total liabilities and net assets	-	50,715	54,025	47,171	42,187

Fiscal year	2005		2006		2007		2008		2009	
Net sales	84,129	100.0%	90,378	100.0%	92,064	100.0%	83,103	100.0%	53,776	100.0%
Cost of sales	71,566	85.1%	77,043	85.2%	78,866	85.7%	69,971	84.2%	46,101	85.7%
Gross profit	12,562	14.9%	13,334	14.8%	13,198	14.3%	13,132	15.8%	7,674	14.3%
Selling, general and administrative expenses	7,880	9.4%	8,237	9.1%	8,880	9.6%	9,340	11.2%	8,455	15.7%
Operating income (loss)	4,681	5.6%	5,097	5.6%	4,317	4.7%	3,791	4.6%	(780)	(1.5%)
Non-operating income	711	0.8%	688	0.8%	693	0.8%	668	0.8%	446	0.8%
Interest and dividends income	36		42		57		64		39	
Purchase discounts	592		567		558		514		322	
Rent income	55		55		54		56		55	
Other	26		23		21		33		28	
Non-operating expenses	244	0.3%	267	0.3%	278	0.3%	266	0.3%	187	0.3%
Interest expenses	3		5		15		19		6	
Loss on sale of notes payable	16		8		12		11		2	
Sales discounts	198		223		227		217		155	
Cost of lease revenue	13		13		12		12		16	
Other	12		17		10		5		6	
Ordinary income (loss)	5,148	6.1%	5,518	6.1%	4,732	5.1%	4,193	5.0%	(520)	(1.0%)
Extraordinary income	92	0.1%	144	0.2%	19	0.0%	29	0.0%	13	0.0%
Extraordinary loss	188	0.2%	66	0.1%	66	0.1%	938	1.1%	855	1.6%
Income (loss) before income taxes and minority interests	5,053	6.0%	5,597	6.2%	4,685	5.1%	3,284	4.0%	(1,363)	(2.5%)
Income taxes-current	2,122		2,319		2,029		1,352		84	
Income taxes-deferred	50		123		65		199		(40)	
Minority interests	—		—		0		—		—	
Net income (loss)	2,880	3.4%	3,154	3.5%	2,590	2.8%	1,732	2.1%	(1,407)	(2.6%)

Fiscal 2009 (from April 1, 2009 to March 31, 2010)

	Shareholders' equity					Valuation and translation adjustments		Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at March 31, 2009	5,232	6,446	17,860	(187)	29,352	635	635	29,987
Changes during the period								
Dividends			(355)		(355)			(355)
Net loss			(1,407)		(1,407)			(1,407)
Purchases of treasury stock				(174)	(174)			(174)
Retirement of treasury stock		(311)		311	-			-
Net changes of items other than shareholders' equity, net						379	379	379
Total changes of items during the period	-	(311)	(1,763)	136	(1,937)	379	379	(1,558)
Balance at March 31, 2010	5,232	6,135	16,097	(50)	27,414	1,014	1,014	28,429

Fiscal year	2005	2006	2007	2008	2009
I. Cash flows from operating activities:					
Income (loss) before income taxes and minority interests	5,053	5,597	4,685	3,284	(1,363)
Depreciation and amortization	346	349	392	447	395
Amortization of goodwill	—	10	157	310	1,087
Amortization of consolidation adjustment account	17	—	—	—	—
Impairment loss	—	55	—	—	—
Increase (decrease) in provision for directors' bonuses	—	23	0	(14)	(9)
Decrease in provision for retirement benefits	(31)	(92)	(104)	(203)	(381)
Decrease (increase) in prepaid pension costs	—	—	—	(138)	78
Increase (decrease) in provision for directors' retirement benefits	188	41	44	(657)	6
Increase (decrease) in provision for bonuses	—	—	474	(26)	(84)
Decrease in allowance for doubtful accounts	(157)	(75)	(72)	(39)	(19)
Interest and dividends income	(36)	(42)	(57)	(64)	(39)
Interest expenses	—	—	—	19	6
Interest expenses and loss on sales of notes receivable-trade	19	13	27	—	—
Gain on sales of securities	(3)	(25)	—	—	—
Loss on revaluation of investment securities	—	—	—	799	—
Gain from prior period adjustment	—	(24)	—	—	—
Gain on sales of noncurrent assets	—	(72)	—	—	—
Decrease (increase) in notes and accounts receivable-trade	(2,305)	(3,930)	1,763	8,253	3,343
Decrease (increase) in inventories	(88)	(376)	(317)	121	1,310
Decrease in accounts receivable-other	203	612	—	—	—
Increase (decrease) in notes and accounts payable-trade	1,364	1,432	(986)	(5,766)	(1,559)
Decrease in accrued expenses	(1)	—	(470)	(0)	(6)
Increase in long-term accounts payable-other	—	—	—	200	101
Directors' bonuses	(19)	(23)	—	—	—
Other	(74)	97	(56)	69	(57)
Subtotal	4,474	3,569	5,479	6,594	2,810
Interest and dividends income received	34	44	58	64	40
Interest expenses paid	—	—	—	(20)	(13)
Interest expenses and loss on sales of notes receivable-trade	(19)	(13)	(19)	—	—
Income taxes paid	(2,233)	(2,276)	(2,483)	(1,925)	(737)
Net cash provided by (used in) operating activities	2,255	1,323	3,034	4,712	2,099
II. Cash flows from investing activities:					
Payments into time deposits	(7)	(350)	(66)	(85)	(129)
Proceeds from withdrawal of time deposits	—	—	150	366	85
Purchases of property, plant and equipment	(324)	(498)	(1,524)	(403)	(36)
Proceeds from sales of property, plant and equipment	—	268	2	10	0
Purchase of investment securities	(430)	(201)	(8)	(12)	(20)
Proceeds from sales of investment securities	115	32	—	20	—
Purchase of investments in subsidiaries	—	—	(3,032)	(0)	—
Payments of loans receivable	(9)	(12)	(12)	(12)	(16)
Collection of loans receivable	14	15	12	12	15
Other	(49)	(63)	(69)	(56)	(20)
Net cash provided by (used in) investing activities	(690)	(811)	(4,550)	(162)	(122)
III. Cash flows from financing activities:					
Net decrease in short-term loans payable	(270)	(230)	(275)	(605)	(10)
Proceeds from long-term loans payable	—	—	1,500	—	—
Repayment of long-term loans payable	—	—	—	(300)	(1,200)
Purchase of treasury stock	(9)	(3)	(2)	(1)	(174)
Proceeds from disposal of treasury stock	—	699	—	—	—
Cash Dividends paid	(340)	(574)	(631)	(646)	(355)
Net cash provided by (used in) financing activities	(620)	(109)	591	(1,552)	(1,740)
IV. Effect of exchange rate changes on cash and cash equivalents	—	0	—	—	—
V. Net increase (decrease) in cash and cash equivalents	944	403	(923)	2,997	236
VI. Cash and cash equivalents at beginning of period	3,117	4,062	4,465	3,541	6,539
VII. Cash and cash equivalents at end of period	4,062	4,465	3,541	6,539	6,775