

# Consolidated Statements of Income

Toyoda Gosei Co., Ltd. and Its Consolidated Subsidiaries  
For the years ended March 31, 2008 and 2007

	2008	Millions of yen 2007	Thousands of U.S.dollars (Note 1) 2008
<b>Net sales</b> (Note 19)	<b>¥ 662,497</b>	<b>¥ 593,455</b>	<b>\$ 6,612,408</b>
<b>Cost of sales</b> (Note 9)	<b>570,251</b>	<b>524,320</b>	<b>5,691,701</b>
Gross profit	<b>92,246</b>	<b>69,135</b>	<b>920,707</b>
<b>Selling, general and administrative expenses:</b>			
Packing and transportation expenses	3,237	2,518	32,306
Provision for product warranties	965	600	9,632
Salaries and allowances	12,387	12,032	123,637
Retirement benefits	886	517	8,841
Provision for directors' and corporate auditors' bonuses	381	301	3,807
Provision for directors' and corporate auditors' retirement and severance benefits	392	349	3,911
Depreciation expense	1,454	1,437	14,512
Other (Note 9)	20,418	19,830	203,790
<b>Total selling, general and administrative expenses</b>	<b>40,120</b>	<b>37,584</b>	<b>400,436</b>
<b>Operating income</b> (Note 19)	<b>52,126</b>	<b>31,551</b>	<b>520,271</b>
<b>Non-operating income:</b>			
Interest income	844	540	8,424
Dividends income	388	312	3,877
Amortization of negative goodwill	7	7	70
Equity in earnings of affiliates	92	145	914
Foreign exchange gains	—	366	—
Other	3,555	3,468	35,484
<b>Total non-operating income</b>	<b>4,886</b>	<b>4,838</b>	<b>48,769</b>
<b>Non-operating expenses:</b>			
Interest expenses	2,213	2,361	22,095
Loss on sales and retirement of non-current assets	1,471	1,275	14,680
Litigation loss	—	230	—
Foreign exchange losses	1,514	—	15,109
Other	1,273	1,176	12,704
<b>Total non-operating expenses</b>	<b>6,471</b>	<b>5,042</b>	<b>64,588</b>
<b>Ordinary income</b>	<b>50,541</b>	<b>31,347</b>	<b>504,452</b>
<b>Extraordinary income:</b>			
Reversal of allowance for doubtful accounts	9	—	94
Total extraordinary income	9	—	94
<b>Extraordinary loss:</b>			
Loss on sales of investment securities	—	889	—
Loss on valuation of investment securities	183	132	1,824
Impairment loss of long-lived assets (Note 6)	—	939	—
Loss on liquidation of subsidiaries and affiliates	2,164	—	21,601
Other	0	38	2
<b>Total extraordinary losses</b>	<b>2,347</b>	<b>1,998</b>	<b>23,427</b>
<b>Income before income taxes and minority interests</b>	<b>48,203</b>	<b>29,349</b>	<b>481,119</b>
<b>Income taxes</b> (Note 13):			
Current	14,840	11,852	148,123
Deferred	(1,717)	(56)	(17,140)
Total income taxes	13,123	11,796	130,983
<b>Minority interests in income</b>	<b>4,277</b>	<b>1,609</b>	<b>42,693</b>
<b>Net income</b>	<b>¥ 30,803</b>	<b>¥ 15,944</b>	<b>\$ 307,443</b>

	Yen	U. S. dollars (Note 1)
<b>Per share</b> (Notes 2 and 21):		
Net income:		
Basic	¥238.61	¥123.78 \$2.38
Diluted	237.97	123.63 2.38
Cash dividends	46.00	26.00 0.46

See accompanying notes to consolidated financial statements.

## Consolidated Statements of Change in Net Assets

Toyoda Gosei Co., Ltd. and Its Consolidated Subsidiaries  
For the years ended March 31, 2008 and 2007

	Shareholders' equity				Millions of yen
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, March 31, 2006	¥28,028	¥29,724	¥119,970	¥(2,758)	¥174,964
Change during the period					
Dividend paid	—	—	(2,833)	—	(2,833)
Bonuses for directors and corporate auditors	—	—	(226)	—	(226)
Decrease due to addition of consolidated subsidiaries, net	—	—	(1,181)	—	(1,181)
Increase due to addition of affiliates accounted for under the equity method	—	—	475	—	475
Net income for the period	—	—	15,944	—	15,944
Repurchase of treasury stock	—	—	—	(7)	(7)
Disposal of treasury stock	—	—	(26)	186	160
Change to items other than shareholders' equity during the period	—	—	—	—	—
Total change during the period	—	—	12,153	179	12,332
Balance, March 31, 2007	¥28,028	¥29,724	¥132,123	¥(2,579)	¥187,296

	Valuation and translation adjustments					Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Total valuation and translation adjustments	Subscription rights to shares	Minority interests	
Balance, March 31, 2006	¥ 9,687	¥2,187	¥11,874	—	¥15,324	¥202,162
Change during the period						
Dividend paid	—	—	—	—	—	(2,833)
Bonuses for directors and corporate auditors	—	—	—	—	—	(226)
Decrease due to addition of consolidated subsidiaries, net	—	—	—	—	—	(1,181)
Increase due to addition of affiliates accounted for under the equity method	—	—	—	—	—	475
Net income for the period	—	—	—	—	—	15,944
Repurchase of treasury stock	—	—	—	—	—	(7)
Disposal of treasury stock	—	—	—	—	—	160
Change to items other than shareholders' equity during the period	1,308	4,553	5,861	¥56	4,140	10,057
Total change during the period	1,308	4,553	5,861	56	4,140	22,389
Balance, March 31, 2007	¥10,995	¥6,740	¥17,735	¥56	¥19,464	¥224,551

	Shareholders' equity				Millions of yen
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, March 31, 2007	¥28,028	¥29,724	¥132,123	¥(2,579)	¥187,296
Change during the period					
Dividend paid	—	—	(4,386)	—	(4,386)
Increase due to addition of an affiliate accounted for under the equity method	—	—	34	—	34
Net income for the period	—	—	30,803	—	30,803
Repurchase of treasury stock	—	—	—	(10)	(10)
Disposal of treasury stock	—	89	—	1,041	1,130
Change to items other than shareholders' equity during the period	—	—	—	—	—
Total change during the period	—	89	26,451	1,031	27,571
<b>Balance, March 31, 2008</b>	<b>¥28,028</b>	<b>¥29,813</b>	<b>¥158,574</b>	<b>¥(1,548)</b>	<b>¥214,867</b>

	Valuation and translation adjustments					Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Total valuation and translation adjustments	Subscription rights to shares	Minority interests	
Balance, March 31, 2007	¥10,995	¥6,740	¥17,735	¥ 56	¥19,464	¥224,551
Change during the period						
Dividend paid	—	—	—	—	—	(4,386)
Increase due to addition of an affiliate accounted for under the equity method	—	—	—	—	—	34
Net income for the period	—	—	—	—	—	30,803
Repurchase of treasury stock	—	—	—	—	—	(10)
Disposal of treasury stock	—	—	—	—	—	1,130
Change to items other than shareholders' equity during the period	(3,678)	1,382	(2,296)	165	3,971	1,840
Total change during the period	(3,678)	1,382	(2,296)	165	3,971	29,411
<b>Balance, March 31, 2008</b>	<b>¥ 7,317</b>	<b>¥8,122</b>	<b>¥15,439</b>	<b>¥221</b>	<b>¥23,435</b>	<b>¥253,962</b>