

**O.P. CORPORATION**

**BRIEF NOTE OF THE ACCOUNT**

**FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2007**

(Translation)

January 11, 2008

**BRIEF NOTE OF THE ACCOUNT  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2007**

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Listed corporate name:	KEWPIE KABUSHIKI-KAISHA
English corporate name:	Q.P. Corporation
Security code number:	2809
URL:	<a href="http://www.kewpie.co.jp/english/">http://www.kewpie.co.jp/english/</a>
Listed exchange:	Tokyo Stock Exchange
Name and title of representative:	Yutaka Suzuki President and Representative Director
Contact for inquiries:	Katsuhiko Sasaki Managing Director and General Manager of Administration Division Tel. +81-3-3486-3331
Scheduled date for ordinary general meeting of shareholders:	February 22, 2008
Scheduled date for dividend payment:	February 25, 2008
Scheduled date for filing of annual report:	February 25, 2008

1. Consolidated business results for the fiscal year ended November 30, 2007 (From December 1, 2006 to November 30, 2007):

(1) Operating results - consolidated

	<u>Year ended November 30, 2007</u>	<u>Year ended November 30, 2006</u>
Net sales	¥ 468,006 million (2.6%)	¥ 456,067 million (0.2%)
Operating income	¥ 15,824 million (11.8%)	¥ 14,159 million (10.4%)
Ordinary income	¥ 15,836 million (11.0%)	¥ 14,262 million (11.2%)
Net income	¥ 7,328 million (20.7%)	¥ 6,071 million (11.1%)
Net income per share-primary	¥ 47.96	¥ 39.66
Net income per share-diluted	-	¥ 39.66
Return on equity	5.3%	4.5%
Ordinary income to total assets	5.4%	5.1%
Operating income to net sales	3.4%	3.1%
(Notes)		
1. Equity income	¥ 122 million	¥ 223 million

2. The percentage (%) of Net sales, Operating income, Ordinary income and Net income is the ratio of increase or decrease compared with the previous year.

(2) Financial conditions - consolidated

	<u>Year ended November 30, 2007</u>	<u>Year ended November 30, 2006</u>
Total assets	¥ 292,823 million	¥ 290,186 million
Net assets	¥ 161,140 million	¥ 156,217 million
Equity ratio	48.3%	47.3%
Net assets per share	¥ 925.46	¥ 896.69
(Note)		
Equity	¥ 141,398 million	¥ 137,339 million

(3) Cash flows - consolidated

	<u>Year ended November 30, 2007</u>	<u>Year ended November 30, 2006</u>
Net cash provided by operating activities	¥ 22,331 million	¥ 21,443 million
Net cash used in investing activities	- ¥ 11,166 million	- ¥ 16,589 million
Net cash provided by (used in) financing activities	- ¥ 2,757 million	¥ 3,187 million
Cash and cash equivalents at the end of the year	¥ 27,699 million	¥ 21,212 million

2. Dividend status:

	<u>Year ended November 30, 2007 (Actual)</u>	<u>Year ending November 30, 2008 (Estimate)</u>	<u>Year ended November 30, 2006 (Actual)</u>
Dividend per share:			
Interim period	¥ 7.00	¥ 7.00	¥ 6.50
Year-end	¥ 7.00	¥ 7.00	¥ 7.50
Annual Dividend per share	¥ 14.00	¥ 14.00	¥ 14.00
Total amount of annual dividends	¥ 2,139 million	-	¥ 2,144 million
Dividend pay-out ratio	29.2%	28.9%	35.3%
Dividend to Shareholders' equity	1.5%	-	1.6%

3. Estimate of consolidated operating results for the fiscal year ending November 30, 2008 (From December 1, 2007 to November 30, 2008):

	<u>Interim period</u>	<u>Yearly period</u>
Net sales	¥ 232,600 million (0.1%)	¥ 477,000 million (1.9%)
Operating income	¥ 7,200 million (-3.3%)	¥ 16,000 million (1.1%)
Ordinary income	¥ 7,000 million (-5.7%)	¥ 15,600 million (-1.5%)
Net income	¥ 3,300 million (-6.8%)	¥ 7,400 million (1.0%)
Net income per share	¥ 21.60	¥ 48.43

(Notes)

The percentage (%) of Net sales, Operating income, Ordinary income and Net income is the ratio of increase or decrease compared with the previous year.

4. Other:

- (1) Changes of important subsidiaries during the period (Changes of specific subsidiaries due to change in scope of consolidation): No
- (2) Changes in accounting principles and procedures, and disclosures for consolidated financial statements
  - a) Changes resulting from revision to accounting standards: Yes
  - b) Changes other than “a”: No

(Note)

For more details, please refer to Changes in accounting policy on basis of presentations for consolidated financial statements.

(3) Number of share issued (common shares)

	<u>Year ended November 30, 2007</u>	<u>Year ended November 30, 2006</u>
Number of share issued (including treasury stock)	155,464,515 shares	155,464,515 shares
Number of treasury stock	2,676,952 shares	2,302,148 shares

(Note)

For basis for calculating net income per share (consolidated), please refer to per share data.

(Reference) BRIEFING OF THE ACCOUNT (NON-CONSOLIDATION)

1. Non-consolidated results for the fiscal year ended November 30, 2007 (From December 1, 2006 to November 30, 2007):

(1) Operating results – non-consolidated

	<u>Year ended</u> <u>November 30, 2007</u>	<u>Year ended</u> <u>November 30, 2006</u>
Net sales	¥ 232,426 million (0.8%)	¥ 230,598 million (-0.9%)
Operating income	¥ 6,502 million (15.2%)	¥ 5,645 million (-7.1%)
Ordinary income	¥ 7,030 million (14.0%)	¥ 6,165 million (-4.5%)
Net income	¥ 3,383 million (17.3%)	¥ 2,883 million (-23.5%)
Net income per share-primary	¥ 22.14	¥ 18.83
Net income per share-diluted	¥ -	¥ 18.83

(Notes)

The percentage (%) of Net sales, Operating income, Ordinary income and Net income is the ratio of the increase or decrease compared with the previous year.

(2) Financial conditions – non-consolidated

	<u>Year ended</u> <u>November 30, 2007</u>	<u>Year ended</u> <u>November 30, 2006</u>
Total assets	¥ 204,262 million	¥ 200,019 million
Net assets	¥ 119,870 million	¥ 120,325 million
Equity ratio	58.7%	60.2%
Net assets per share	¥ 784.30	¥ 785.35

(Note)

Equity ¥ 119,870 million ¥ 120,325 million

2. Estimate of non-consolidated operating results for the fiscal year ending November 30, 2008 (From December 1, 2007 to November 30, 2008):

	<u>Interim period</u>	<u>Yearly period</u>
Net sales	¥ 116,500 million (0.4%)	¥ 241,500 million (3.9%)
Operating income	¥ 2,750 million (-5.2%)	¥ 6,100 million (-6.2%)
Ordinary income	¥ 3,500 million (7.0%)	¥ 6,950 million (-1.1%)
Net income	¥ 2,000 million (16.0%)	¥ 3,700 million (9.4%)
Net income per share	¥ 13.09	¥ 24.21

(Notes)

The percentage (%) of Net sales, Operating income, Ordinary income and Net income is the ratio of the increase or decrease compared with the previous year.

The above estimate information is reported based on available information and uncertain factors which may have an effect on the future operating results, and the estimate of operating results may differ significantly from the actual operating results due to uncertain various factors.

Figures of amounts are described by discarding fractions less than one million yen.

## Cash flow index

	Nov.2005	Nov.2006	Nov.2007
Equity ratio (%)	49.8	47.3	48.3
Equity ratio based on market price (%)	58.6	54.6	59.3
Debt service coverage (%)	242.5	201.7	193.3
Interest coverage ratio (times)	29.5	42.1	32.9

(Notes)

1. Each index is calculated based on consolidated financial figures.
2. Equity ratio=Shareholders' equity / Total assets ※1  
Equity ratio based on market price=Market value of total stock/ Total assets ※2  
Debt service coverage=Interest-bearing debt/ Operating cash flow ※3, ※4  
Interest coverage ratio=Operating cash flow / Interest paid ※4

※1. Shareholder's equity is calculated by the following formula.

Shareholder's equity=Net assets — Stock subscription rights — Minority interests

※2. Market value of total stock is calculated by multiplying the final market price by the number of outstanding shares at the end of the fiscal year (excluding treasury stock).

※3. Interest-bearing debt includes all debts whose interest is paid in the consolidated balance sheet.

※4. 'Operating cash flow' and 'Interest paid' are the figure of Net cash provided by operating activities and Interest paid reported in the consolidated statements of cash flows, respectively.

Q.P. CORPORATION

**Consolidated Balance Sheets**

**NOVEMBER 30, 2007 AND 2006**

(Millions of yen)

	<b>2007</b>	<b>2006</b>
<b>ASSETS:</b>		
<b>CURRENT ASSETS:</b>		
Cash and deposits	26,603	22,179
Notes and accounts receivable	70,120	73,689
Securities	5,000	12
Inventories	16,971	15,761
Deferred tax assets	1,768	2,305
Other	4,376	5,137
Allowance for doubtful accounts	(518)	(565)
Total current assets	124,321	118,519
<b>FIXED ASSETS:</b>		
Tangible fixed assets		
Buildings and structures	118,674	115,858
Machinery, equipment and transportation equipment	119,656	116,537
Land	40,243	40,342
Construction in progress	1,856	1,330
Other	8,198	7,866
Accumulated depreciation	(169,359)	(161,820)
Total tangible fixed assets	119,270	120,116
Intangible fixed assets		
Consolidation adjustment accounts	-	31
Other	2,473	2,785
Total intangible fixed assets	2,473	2,817
Investments and other assets		
Investment in securities	21,987	24,694
Deferred tax assets	489	844
Other	24,345	23,190
Allowance for doubtful accounts	(186)	(289)
Total investment and other assets	46,635	48,439
Total fixed assets	168,379	171,373
<b>DEFERRED ASSETS:</b>		
Business commence costs	122	293
Total deferred assets	122	293
Total assets	292,823	290,186

	2007	2006
<b>LIABILITIES:</b>		
<b>CURRENT LIABILITIES:</b>		
Notes and accounts payable	38,804	43,741
Short-term loans payable	14,979	13,487
Accounts payable-other	22,630	21,883
Accrued income taxes	4,019	3,494
Deferred tax liabilities	5	11
Reserve for sales rebates	1,314	1,237
Reserve for bonuses	824	1,662
Reserve for directors' and corporate auditors' bonuses	60	92
Other	8,007	6,563
Total current liabilities	90,646	92,174
<b>LONG-TERM LIABILITIES:</b>		
Bonds	10,500	10,500
Long-term loans payable	17,695	19,260
Deferred tax liabilities	7,732	6,707
Reserve for retirement benefits	2,296	2,574
Reserve for directors' and corporate auditors' retirement pay	852	1,218
Other	1,959	1,532
Total long-term liabilities	41,036	41,794
Total liabilities	131,683	133,969
<b>NET ASSETS:</b>		
<b>Owners' equity:</b>		
Paid-in capital	24,104	24,104
Capital surplus	29,432	29,432
Earned surplus	88,786	83,305
Treasury stock	(2,655)	(2,268)
Total owners' equity	139,667	134,574
<b>Valuation and translation adjustments:</b>		
Valuation difference on available-for-sale securities	3,416	4,676
Deferred gains or losses on hedges	105	(5)
Translation adjustments	(1,790)	(1,905)
Total valuation and translation adjustments	1,731	2,765
Minority interests	19,741	18,878
Total net assets	161,140	156,217
Total liabilities and net assets	292,823	290,186

Q.P. CORPORATION

**Consolidated Statements of Income**  
**FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2007 AND 2006**

(Millions of yen)

	<b>2007</b>	<b>2006</b>
NET SALES	468,006	456,067
COST OF SALES	356,299	345,241
Gross profit	111,707	110,825
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	95,882	96,665
Operating income	15,824	14,159
NON-OPERATING INCOME:		
Interest income and dividend receivable	747	532
Equity income	122	223
Other	474	537
NON-OPERATING EXPENSES:		
Interest expense	698	538
Other	634	652
Ordinary income	15,836	14,262
EXTRAORDINARY GAINS:		
Gain on sales of fixed assets	26	141
Gain on sales of investment in securities	141	65
Subsidy received	373	-
Other	169	128
EXTRAORDINARY LOSSES:		
Loss on sales and disposal of fixed assets	768	966
Write-down of investment in securities	35	53
Other	551	283
Net income before income taxes and minority interests	15,192	13,294
Income taxes	4,628	4,846
Income taxes deferred	2,413	1,270
Minority interests	822	1,105
Net income	7,328	6,071

Q.P. CORPORATION

**Consolidated Statement of Changes in Net Assets**

(Millions of yen)

Current fiscal year (From December 1, 2006 to November 30, 2007)

	Owners' equity					Valuation and translation adjustments				Minority interests	Total net assets
	Paid-in capital	Capital surplus	Earned surplus	Treasury stock	Total owners' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Translation adjustments	Total valuation and translation adjustments		
Balance at November 30, 2006	24,104	29,432	83,305	(2,268)	134,574	4,676	(5)	(1,905)	2,765	18,878	156,217
Changes of items during the fiscal year											
Increase in earned surplus resulting from change in fiscal year-end of certain subsidiaries			370		370						370
Dividends from surplus			(2,218)		(2,218)						(2,218)
Net income			7,328		7,328						7,328
Repurchase of treasury stock				(387)	(387)						(387)
Net changes of items other than owners' equity						(1,259)	111	114	(1,033)	862	(170)
Total changes of items during the fiscal year	—	—	5,480	(387)	5,093	(1,259)	111	114	(1,033)	862	4,922
Balance at November 30, 2007	24,104	29,432	88,786	(2,655)	139,667	3,416	105	(1,790)	1,731	19,741	161,140

Q.P. CORPORATION

**Consolidated Statement of Changes in Net Assets**

(Millions of yen)

Previous fiscal year (From December 1, 2005 to November 30, 2006)

	Owners' equity					Valuation and translation adjustments				Minority interests	Total net assets
	Paid-in capital	Capital surplus	Earned surplus	Treasury stock	Total owners' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Translation adjustments	Total valuation and translation adjustments		
Balance at November 30, 2005	24,104	29,418	79,295	(2,500)	130,318	4,448	—	(2,353)	2,094	17,919	150,332
Changes of items during the fiscal year											
Dividends from surplus			(1,990)		(1,990)						(1,990)
Net income			6,071		6,071						6,071
Repurchase of treasury stock				(8)	(8)						(8)
Disposal of treasury stock		14		240	254						254
Directors' and corporate auditors' bonuses			(70)		(70)						(70)
Net changes of items other than owners' equity						227	(5)	448	670	958	1,629
Total changes of items during the fiscal year	—	14	4,009	231	4,255	227	(5)	448	670	958	5,884
Balance at November 30, 2006	24,104	29,432	83,305	(2,268)	134,574	4,676	(5)	(1,905)	2,765	18,878	156,217

Q.P. CORPORATION

**Consolidated Statements of Cash Flows**  
**FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2007 AND 2006**

(Millions of yen)

	2007	2006
<b>I . CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income before income taxes and minority interests	15,192	13,294
Depreciation and amortization	12,388	12,162
Loss on impairment of fixed assets	227	164
Amortization of consolidation adjustment accounts	-	31
Amortization of goodwill	31	-
Amortization of bond issue cost	-	8
Equity income	(122)	(223)
Write-down of investment in securities	35	53
Write-down of golf course memberships	0	33
Decrease in reserve for retirement benefits	(287)	(3,710)
Increase in prepaid pension cost	(3,514)	-
Increase (decrease) in reserve for directors' and corporate auditors' retirement pay	(374)	56
Increase in reserve for sales rebates	76	511
Increase (decrease) in reserve for directors' and corporate auditors' bonuses	(24)	92
Increase (decrease) in reserve for bonuses	11	(45)
Decrease in allowance for doubtful accounts	(114)	(57)
Interest income and dividend receivable	(747)	(532)
Interest expense	698	538
Gain on sales of investment in securities	(138)	(65)
Loss on sales and disposal of fixed assets	741	825
Increase in notes and accounts receivable	(524)	(7,538)
Increase (decrease) in inventories	(1,042)	520
Increase (decrease) in notes and accounts payable	(367)	6,572
Decrease in accounts payable – other	754	2,036
Increase (decrease) in accrued consumption taxes	840	(209)
Increase in long-term accounts payable	479	-
Directors' and corporate auditors' bonuses paid	-	(70)
Directors' and corporate auditors' bonuses payment charged to minority shareholders	-	(31)
Other	734	98
Sub-total	24,953	24,513
Interest income and dividends received	585	500
Interest paid	(679)	(509)
Income taxes paid	(2,528)	(3,061)
Net cash provided by operating activities	22,331	21,443
<b>II . CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of securities	-	(11)
Sales of securities	8	26
Purchases of tangible fixed assets	(10,195)	(13,982)
Purchases of intangible fixed assets	(659)	(917)
Purchases of investment in securities	(347)	(1,445)
Sales of investment in securities	1,073	263
Loans receivable made	(668)	(919)
Collection of loans receivable	604	568
Disbursements for deposit to bank	(328)	(1,018)
Withdrawal of time deposits	18	19
Other	(672)	827
Net cash used in investing activities	(11,166)	(16,589)

	2007	2006
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Borrowing on short-term loans	83,132	96,290
Repayment of short-term loans	(80,982)	(100,515)
Borrowing on long-term loans	1,950	12,050
Repayment of long-term loans	(4,104)	(3,246)
Issue of bonds	-	491
Paid in from minority shareholders for increase of common stock of consolidated subsidiary	-	17
Cash dividends paid	(2,218)	(1,990)
Cash dividends paid to minority shareholders	(146)	(156)
Repurchase of treasury stock	(387)	(8)
Sales of treasury stock	-	254
Net cash provided by (used in) financing activities	(2,757)	3,187
<b>IV. EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASHEQUIVALENTS</b>		
	(10)	43
<b>V. INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	8,396	8,085
<b>VI. CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		
	21,212	13,127
<b>VII. DECREASE IN CASH AND CASH EQUIVALENTS RESULTING FROM CHANGE IN FISCAL YEAR-END OF CERTAIN SUBSIDIARIES</b>		
	(1,909)	-
<b>VIII. CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		
	27,699	21,212

## 1. BASIS OF PREPARATIONS FOR CONSOLIDATED FINANCIAL STATEMENTS

**Figures of amounts are described by discarding fractions less than one million yen.**

### (1) CONSOLIDATED SUBSIDIARIES

The Company newly established K·SS Co., Ltd., as a consolidated subsidiary. Thereby, consolidated subsidiaries comprise forty-five companies in the current fiscal year.

The significant consolidated subsidiaries are K.R.S. Corporation, Q.P. Egg Corporation, Deria Foods Co., Ltd., Kanae Foods Co., Ltd. and Zenno Q.P. Egg Station Co., Ltd..

Non-consolidated subsidiaries are comprised twenty-one companies.

The principal non-consolidated subsidiaries are Kyuso L-Plan Corporation and Osaka San-ei Logistics Corporation. These companies are excluded from the consolidation, because their total amounts of assets, sales, net income (equal to the equity share), and earned surplus (equal to the equity share) do not have a significant effect on the total consolidated amounts of assets, sales, net income, and earned surplus.

### (2) APPLICATION OF THE EQUITY METHOD

The equity method is applied to the investments in six affiliated companies including Tou Kewpie Co., Ltd., whose investment was acquired in the current fiscal year. The principal companies are Aohata Corporation and Summit Oil Mill Co., Ltd.. The investments in twenty-one non-consolidated subsidiaries including Kyuso L-Plan Corporation and in seven affiliated companies including Thai Q.P. Co., Ltd. not to be accounted for by the equity method are stated at cost, because the amounts calculated by the application of the equity method do not have a significant effect on the total consolidated net income and earned surplus.

### (3) CLOSING DATE OF CONSOLIDATED SUBSIDIARIES

The closing date of Beijing Q.P. Foods Co., Ltd. and Hangzhou Q.P. Foods Co., Ltd. is December 31, and that of Kifuki U.S.A. Co., Ltd., Q&B Foods Inc., Henningsen Foods, Inc., Henningsen Nederland B.V. and Henningsen Foods, Netherland Inc. is September 30. The subsidiaries with the closing date of December 31 are consolidated based on their temporary financial statements at November 30. The subsidiaries with the closing date of September 30 are consolidated based on the financial statements at their balance sheet date and significant transactions for the period from October 1 to November 30 are reflected in the consolidated financial statements.

From the current fiscal year, 36 domestic consolidated subsidiaries, except for K.R.S. Corporation changed their year-end from September 30 to November 30. Therefore, the fiscal year of those subsidiaries included in the current fiscal year comprised fourteen months. Net income of those subsidiaries corresponding to the first two months from October 1, 2006 to November 30, 2006 was directly accounted for as earned surplus in the changes in net assets and cash flows of those subsidiaries corresponding to the same period were accounted for as decrease in cash and cash equivalents resulting from change in fiscal year-end of certain subsidiaries in the statement of cash flows.

#### (4) SIGNIFICANT ACCOUNTING POLICIES

##### a. Valuation basis and valuation methods for significant assets

###### Securities

1. Held-to-maturity bonds are stated at amortized cost. Discounts and premiums are amortized by the straight-line method.
2. Stocks of subsidiaries and affiliated companies excluded from application of the equity method are stated at moving average cost.
3. Other securities with fair value are stated at fair value based on market price at the closing date. Valuation differences comprise net assets as valuation difference on available-for-sale securities. When sold, cost of sales is determined by the moving average method.  
Other securities with no fair value are stated at moving average cost.

###### Derivative financial instruments

Derivative financial instruments are stated at fair value.

Hedge accounting is adopted for derivative financial instruments which conform to requirements of hedge accounting.

###### Inventories

Products, purchased goods, raw materials, supplies, and work in progress are principally stated at monthly moving average cost.

Some joint products are stated at retail periodic average cost.

##### b. Depreciation

###### Tangible fixed assets

Tangible fixed assets are depreciated by the declining balance method except for the following assets. Buildings (except for equipment fixed inside buildings) acquired on and after April 1, 1998, are depreciated by the straight-line method.

The same basis with the Corporation Tax Law mainly is adopted for useful life.

(Change in accounting policy)

In accordance with the changes of tax code introduced in the 2007 tax reform, concerning the depreciation of tangible fixed assets acquired on and after April 1, 2007, the method of computing depreciation expenses have been changed to the new regulation.

The effect which this change has on the statement of income is immaterial.

###### Intangible fixed assets

Intangible fixed assets are depreciated by the straight-line method.

The same basis with the Corporation Tax Law is adopted for useful life.

Computer software purchased for internal use is amortized as no scrap value by the straight-line method for five years based on the estimated useful life for internal use.

#### Long-term prepaid expenses

Long-term prepaid expenses are amortized by the straight-line method.

#### c. Accounting standards for significant reserves

##### Allowance for doubtful accounts

Allowance for doubtful accounts is provided for on the amounts calculated by an estimated uncollectible rate to general credits in consideration of the past actual bad debt losses, plus on the estimated uncollectible amounts in consideration of the possibility of collection to specific credits of apprehension credits of bad debt, etc.

##### Reserve for sales rebates

Reserve for sales rebates is based on the proportion to sales on an accrual basis.

##### Reserve for bonuses

Reserve for bonuses is based on the specific computation period.

##### Reserve for directors' and corporate auditors' bonuses

Reserve for directors' and corporate auditors' bonuses is provided for at the necessary amounts based on the estimated amounts payable at the end of current fiscal year.

##### Reserve for retirement benefits

Reserve for retirement benefits is provided for at the necessary amounts on an accrual basis based on the estimated retirement benefit obligations and pension fund assets at the end of the current fiscal year. Some consolidated subsidiaries adopt other method than the above.

Prior service liabilities are amortized by the straight-line method over twelve years (except for from ten to thirteen years of K.R.S Corporation) based on the average remaining employees' service years and their amortizations start in the respective accrual years.

Actuarial gains or losses are amortized by the straight-line method over twelve years (except for from ten to thirteen years of K.R.S Corporation) based on the average remaining employees' service years, and their amortizations start in the next year of the respective accrual years.

Retirement benefits systems of the Company and subsidiaries consist of a defined benefit corporate pension plan (Fund-type and Contract-type) and a retirement lump-sum grants system.

##### Reserve for directors' and corporate auditors' retirement pay

The Company and consolidated subsidiaries provide a reserve for directors' and corporate auditors' retirement pay at 100% of estimated amounts payable at the end of the current fiscal year according

to each company's bylaw.

However, K.R.S. Corporation, S.Y. Promotion Co., Ltd and Y.M.Kyuso Corporation abolished the rule on the retirement pay to the directors and corporate auditors pursuant to the resolutions made at the fixed shareholders' meeting of the companies held from November, 2006 to February, 2007. Consequently, according to the resolution, accrued ¥ 479 million of retirement benefits to directors and corporate auditors were fully reserved until their retirement and the amounts corresponding to the accrued retirements benefits recorded until the day of abolishment were included in the other of fixed liabilities.

d. Significant deferred assets

The amortization period of business commence costs is five years.

e. Accounting for significant lease transactions

Finance lease transactions other than those which are deemed to transfer the ownership of leased assets to lessees, are accounted for by the same method as that applied to ordinary operating leases.

f. Hedge accounting

1. Deferral hedge is adopted in hedge accounting.

Designation transactions are applied to debts and credits in foreign currency which conform to the requirements of hedge accounting. The exceptional accounting method is adopted to the interest swap agreements which conform to the special regulated terms.

2. Hedge instruments are forward exchange contracts, crude oil price swap agreements, crude oil price collar option contracts and interest swap contracts.

3. Hedge items are purchase transactions in foreign currencies, planned purchase transactions of light and heavy oil, and interest of loans.

4. The Company and consolidated subsidiaries enters into forward exchange contracts to hedge risks from fluctuation in foreign exchange rate, crude oil price swap agreements and crude oil price collar option contracts to hedge risks from fluctuation in light and heavy oil price, and interest swap agreements to hedge risks from moving on fluctuation in interest rate.

In addition, the Company and consolidated subsidiaries never makes use of them for the purpose of speculative transactions.

5. Assessment of the effectiveness of hedge accounting

Control procedures of hedge transactions are executed according to each company's bylaw. The effectiveness of the hedge except for the following contracts is measured by comparing movements in the fair value of hedge items with those of hedge instruments. Hedge transactions are strictly controlled, analyzed, and assessed.

Interest swap agreements conforming to the special regulated terms are omitted to measure their effectiveness .

g. Accounting for consumption taxes

Consumption taxes are recorded in separate accounts.

h. Reclassification

(Consolidated Balance Sheets)

Certificate of deposit which had been included in “Cash and deposit” in the previous fiscal year has been accounted for “Securities” starting from the current fiscal year in accordance with “Practical Guidance of Accounting for financial instruments” of Accounting Committee Report No.14 published by the JICPA amended on July 4, 2007.

The balances of certificate of deposit as of November 30, 2006 and November 30, 2007 are 5,000 million yen and 5,000 million yen, respectively.

(5) VALUATION OF ASSETS AND LIABILITIES OF CONSOLIDATED SUBSIDIARIES

The Company adopts the full fair value method, which all assets and liabilities including those of minority interests are valued at fair value when the Company acquired the control as subsidiaries.

(6) AMORTIZATION OF GOODWILL AND NEGATIVE GOODWILL

Goodwill and negative goodwill are amortized over 5 years. Immaterial goodwill and negative goodwill are expensed as incurred.

(7) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand, bank deposits which can be withdrawn freely and easily converted into money, and short-term investments which have an original maturity of three months or less and are not exposed to significant valuation risks.

## 2. NOTES TO CONSOLIDATED BALANCE SHEETS

	Millions of yen	
	<u>November 30, 2007</u>	<u>November 30, 2006</u>
(1) Contingent liabilities (guarantees)	730	513
(2) Pledged assets and secured debts		
Pledged assets		
Tangible fixed assets	<u>8,676</u>	<u>10,326</u>
Total	<u>8,676</u>	<u>10,326</u>
Secured debts		
Short-term loans payable	2,131	3,635
Long-term loans payable	<u>2,748</u>	<u>3,058</u>
Total	<u>4,880</u>	<u>6,694</u>
(3) Investment in securities and sundry investments of non-consolidated subsidiaries and affiliated companies		
Investment in securities	4,081	4,075
Sundry investments	408	295

### 3. NOTES TO CONSOLIDATED STATEMENTS OF INCOME

#### 1. Research and development costs

	Millions of yen	
	<u>November 30, 2007</u>	<u>November 30, 2006</u>
Research and development costs included in general and administrative expenses	3,229	3,196

#### 2. Loss on impairment of fixed assets

##### Fiscal year ended November 30, 2007

The Company and subsidiaries recognized loss on impairment for the following group of assets in the current fiscal year.

Location	Use	Item	Loss on impairment (Millions of yen)
Tokyo	office	Land	143
		Buildings and structures, etc	83

The Company and subsidiaries classified in principle the fixed assets into groups by the type of respective operation and business place based on the management accounting units on which revenue and expenditure continuously are taken in.

In the current fiscal year, the book value of the office was written down to the recoverable amount by ¥ 227 million, accounted for as an extraordinary loss, due to decline of profitability. Recoverable amount is measured by net sales amounts based on the estimated sales amounts.

##### Fiscal year ended November 30, 2006

The Company and subsidiaries recognized loss on impairment for the following group of assets in the current fiscal year.

Location	Use	Item	Loss on impairment (Millions of yen)
Tochigi, etc	Idol properties (2 properties)	Land	112
Nagano	Idol properties (2 properties)	Land	29
Okayama, etc.	factories (2 properties)	Land	17
		Buildings and structures	4

The Company and subsidiaries classified in principle the fixed assets into groups by the type of respective operation and business place based on the management accounting units on which revenue and expenditure continuously are taken in.

In the current fiscal year, the book value of the idol properties was written down to the recoverable amount by ¥ 164 million, accounted for as an extraordinary loss, due to decline of their land prices. Recoverable amount is measured by net sales amounts based on the estimated sales amounts.

#### 4. NOTES TO CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Fiscal year ended November 30, 2007

##### 1. Total numbers and periodic changes of outstanding shares and treasury stock by class

	Outstanding shares by class	Treasury stock by class
	Common stock	Common stock
Number of shares at the end of previous fiscal year	155,464,515 shares	2,302,148 shares
Increase in number of shares	—	374,804 shares
Decrease in number of shares	—	— shares
Number of shares at the end of current fiscal year	155,464,515 shares	2,676,952 shares

(Notes)

Increase in number of common stock of treasury stock is due to acquisition of the odd stock of 8,904 shares and to acquisition of the stock of 365,900 in accordance with the Article 156 of corporate law which is applied by the third paragraph of Article 165 of corporate law.

##### 2. Dividend

###### (1) Dividends from surplus

The resolution matter of the 94th shareholders' meeting held at February 23, 2007 is as follows

- (1) Total amounts of dividend: ¥ 1,149 million
- (2) Dividend per share ¥ 7.50
- (3) Record date November 30, 2006
- (4) Effective date February 26, 2007

###### (2) The resolution matter of the board of directors' meeting held at July 10, 2007 is as follows

- (1) Total amounts of dividend: ¥ 1,069 million
- (2) Dividend per share ¥ 7.00
- (3) Record date May 31, 2007
- (4) Effective date August 8, 2007

###### (3) Dividends whose effective date is after the end of current fiscal year and record date is included in current fiscal year

The resolution matter of the board of directors' meeting held at January 11, 2008 is as follows

- (1) Total amounts of dividend: ¥ 1,069 million
- (2) Dividend resource Earned surplus
- (3) Dividend per share ¥ 7.00
- (4) Record date November 30, 2007
- (5) Effective date February 25, 2008

Fiscal year ended November 30, 2006

##### 1. Total numbers and periodic changes of outstanding shares and treasury stock by class

	Outstanding shares by class	Treasury stock by class
	Common stock	Common stock
Number of shares at the end of previous fiscal year	155,464,515 shares	2,527,890 shares
Increase in number of shares	—	8,258 shares
Decrease in number of shares	—	234,000 shares
Number of shares at the end of current fiscal year	155,464,515 shares	2,302,148 shares

(Notes)

1. Increase in number of common stock of treasury stock is due to acquisition of the odd stock.
2. Decrease in number of common stock of treasury stock is due to exercise of the former stock subscription rights in accordance with the Article 210-2 of the pre commercial code revision.

## 2. Dividend

### (1) Dividends from surplus

The resolution matter of the 93rd shareholders' meeting held at February 22, 2006 is as follows

- |                                |                   |
|--------------------------------|-------------------|
| (1) Total amounts of dividend: | ¥ 994 million     |
| (2) Dividend per share         | ¥ 6.50            |
| (3) Record date                | November 30, 2005 |
| (4) Effective date             | February 22, 2006 |

### (2) The resolution matter of the board of directors' meeting held at July 10, 2006 is as follows

- |                                |                |
|--------------------------------|----------------|
| (1) Total amounts of dividend: | ¥ 995 million  |
| (2) Dividend per share         | ¥ 6.50         |
| (3) Record date                | May 31, 2006   |
| (4) Effective date             | August 8, 2006 |

### (3) Dividends whose effective date is after the end of current fiscal year and record date is included in current fiscal year

The proposal matter of the 94th shareholders' meeting held at February 23, 2007 is as follows

- |                                |                   |
|--------------------------------|-------------------|
| (1) Total amounts of dividend: | ¥ 1,149 million   |
| (2) Dividend resource          | Earned surplus    |
| (3) Dividend per share         | ¥ 7.50            |
| (4) Record date                | November 30, 2006 |
| (5) Effective date             | February 26, 2007 |

## 5. NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

Cash and cash equivalents comprise as follows:

	Millions of yen	
	<u>November 30, 2007</u>	<u>November 30, 2006</u>
Cash and deposits	26,603	22,179
Time deposits with maturity over three months	(3,903)	(966)
Certificate of deposit included in securities	5,000	-
Cash and cash equivalents	<u>27,699</u>	<u>21,212</u>

## 6. CONSOLIDATED PER SHARE DATA

	Year ended November 30, 2007	Year ended November 30, 2006
Net assets per share	¥ 925.46	¥ 896.69
Net income per share-primary	¥ 47.96	¥ 39.66
Net income per share-diluted	¥ -	¥ 39.66

(Note)

1. Net income per share-diluted in the year ended November 30, 2007 is not presented because of no issue of potential stocks.
2. Calculation Basis of net income per share and net income per share-diluted is as follows.

	Year ended November 30, 2007	Year ended November 30, 2006
Net income per share		
Net income	7,328	6,071
Amounts not attributable to common share	-	-
Net income attributable to common share	7,328	6,071
Weighted average number of common share	152,822 thousand shares	153,087 thousand shares
Net income per share-diluted		
Adjustments to net income	-	(0)
[Including interest expense after tax adjustment]	[-]	[-]
Increase in common share	-	0
[Including convertible bonds]	[-]	[0]
Summary of potential shares which were not included in calculation basis of net income per share-diluted because they do not have dilutive effects	—	Common shares for stock option granted of total treasury stock number regulated article 210, No.2 of Commercial Code before revision and whose rights lapsed by the expiration of execution period in current fiscal year 876,000shares Resolution at an ordinary general meeting of shareholders February 23, 2001 Exercise price ¥ 1,089 Execution period From December 1, 2003 to November 30, 2006

### (Omission of disclosure)

The disclosure of “Lease Transactions”, “Securities”, “Derivative Financial Transactions”, “Retirement Benefits” and “Tax-effect accounting” is omitted, because it is considered not to be so necessary to disclose in this brief note of the account.

## 7. SEGMENT INFORMATION

### (1) Segment information of business lines

Current fiscal year (From December 1, 2006 to November 30, 2007)

(Millions of yen)

	Foodstuffs	Distribution	Total	Elimination and/or addition	Consolidated
1.Sales and operating income					
Sales					
(1) Sales to customers	375,841	92,164	468,006	-	468,006
(2) Internal sales or transfers to/from segments	14	24,152	24,166	(24,166)	-
Total	375,855	116,317	492,173	(24,166)	468,006
Operating expenses	358,186	114,128	472,314	(20,133)	452,181
Operating income	17,669	2,189	19,858	(4,033)	15,824
2.Allocated assets, depreciation expense ,impairment of fixed assets and capital expenditure					
Assets	191,470	64,199	255,669	37,153	292,823
Depreciation expense	9,785	2,495	12,281	107	12,388
Impairment of fixed assets	227	-	227	-	227
Capital expenditure	8,906	2,234	11,140	122	11,263

Previous fiscal year (From December 1, 2005 to November 30, 2006)

(Millions of yen)

	Foodstuffs	Distribution	Total	Elimination and/or addition	Consolidated
1.Sales and operating income					
Sales					
(1) Sales to customers	366,581	89,485	456,067	-	456,067
(2) Internal sales or transfers to/from segments	10	24,215	24,226	(24,226)	-
Total	366,592	113,701	480,293	(24,226)	456,067
Operating expenses	349,930	110,384	460,315	(18,408)	441,907
Operating income	16,661	3,316	19,977	(5,817)	14,159
2.Allocated assets, depreciation expense ,impairment of fixed assets and capital expenditure					
Assets	196,228	63,302	259,530	30,656	290,186
Depreciation expense	9,981	2,069	12,051	111	12,162
Impairment of fixed assets	164	-	164	-	164
Capital expenditure	12,613	2,654	15,268	48	15,316

(Notes) a. Methods determining business segments

Business segments are classified based on business line.

b. Main products of each business segment

Business segment	Main Products
Foodstuffs	Condiments and Processed Foods, Health Function Products, Egg Products, Salads and Prepared Food
Distribution	Storage and transportation

c. Operating expenses unable to allocate to segments, mainly belong to the general control division in the head office of the Company, and consolidated subsidiaries K. System Co., Ltd. and Kewpie Ai Co., Ltd..

Those amounts included in Elimination and/or addition on the column of the above table, are ¥ 4,098 million and ¥ 5,886 million for the fiscal years ended November 30, 2007 and 2006, respectively.

d. Assets unable to allocate to segments, are mainly spare working fund and investment capital (cash, deposits, securities and investment in securities) and belong to the general control division in the head office of the Company.

Those amounts included in Elimination and/or addition on the column of the above table, are ¥ 44,550 million and ¥ 39,536 million for the fiscal years ended November 30, 2007 and 2006, respectively.

e. Long-term prepaid expenses are included in capital expenditure, and their depreciation in depreciation expense.

f. The change of the method of the allocation of Operating expenses and assets unable to allocate to segments

Most of the operating expenses of the general control division in the head office of the Company, K.System Co., Ltd. and Kewpie Ai Co., Ltd. were included in “Elimination and /or addition” on the column of the above table, but with the establishment of the medium-term management plan, we reconsider the method of the allocation of operating expenses. As a result, we have partly changed the method of the allocation to the way by which we allocate the operating expenses to the rate of the services from the current fiscal year.

With this change, part of assets, depreciation expense and capital expenditure which were included in “Elimination and /or addition” are included in each segment.

By this change, the operating expenses of “Foodstuffs” increase by ¥ 1,734 million and the operating income decreases by the same amounts, and “Elimination and/or addition” decreases by ¥ 1,734 million and the operating income increases by the same amounts.

Assets, depreciation expense and capital expenditure of “Foodstuffs” also increase by ¥ 891 million, ¥ 34 million and ¥ 39 million, respectively and “Elimination and/or addition” decreases by the same amounts, respectively. If we adopt this new method the segment information of business line in the previous fiscal year, the operating expenses of “Foodstuffs” in the previous fiscal year increase by ¥ 1,890 million, and the operating income decreases by the same amounts and the operating expenses of “Elimination and/or addition” in the previous fiscal year decrease by ¥ 1,890 million, and the operating income increases by the same amounts.

Assets, depreciation expense and capital expenditure of “Foodstuffs” also increase by ¥ 950 million, ¥ 53 million and ¥ 19 million, respectively and “Elimination and/or addition” decreases by the same amounts, respectively.

(2) Geographical business

Segment information of geographical business is not disclosed since the proportion of domestic sales and assets in the fiscal years ended November 30, 2007 and 2006 exceed 90% to the total amount of all segment sales and all segment assets, respectively.

(3) Overseas sales amounts

Segment information of overseas sales amounts is not disclosed since the overseas sales amounts in the fiscal years ended November 30, 2007 and 2006, are less than 10% of consolidated sales, respectively.

## 8. RELATED PARTIES' TRANSACTIONS

Current fiscal year (From December 1, 2006 to November 30, 2007)

Parent company, principal corporate shareholders, and other

(Millions of yen)

Attribution	Corporate name	Address	Capital stock	Principal business	Percentage of voting right	Relationship		Transaction	Amount	Account	End of year
						Number of interlocking directors and corporate auditors	On business				
Principal corporate shareholders and other affiliated companies	Nakashimato Co., Ltd.	Shibuya-ku, Tokyo	50	Sales of processed foodstuffs	Direct 17.3% Indirect 3.2%	4 persons	Purchase of products	Operating Purchase of products	41,366	Accounts payable-trade	7,268

Transaction's term and policy

Purchase prices of products are determined in accordance with the general transaction's term in consideration of the market prices.

(Note) Amounts in end of year include consumption taxes and those of transaction exclude them.

Previous fiscal year (From December 1, 2005 to November 30, 2006)

Parent company, principal corporate shareholders, and other

(Millions of yen)

Attribution	Corporate name	Address	Capital stock	Principal business	Percentage of voting right	Relationship		Transaction		Amount	Account	End of year
						Number of interlocking directors and corporate auditors	On business					
Principal corporate shareholders and other affiliated companies	Nakashimato Co., Ltd.	Shibuya-ku, Tokyo	50	Sales of processed foodstuffs	Direct 17.2% Indirect 3.2%	4 persons	Purchase of products	Operating	Purchase of products	41,067	Accounts payable-trade	7,021

Transaction's term and policy

1. Purchase prices of products are determined in accordance with the general transaction's term in consideration of the market prices.
2. In comparison with the tables of the previous fiscal year and the current fiscal year, the remarkable decrease in the amount of non-operating transactions and its balance of end of year resulted from spinning the information system division of Nakashimato Co., Ltd. on April 1, 2005 off To Solutions Co., Ltd. , which was accounted for by the equity method.

(Note) Amounts in end of year include consumption taxes and those of transaction exclude them.

Q.P. CORPORATION

**Non-Consolidated Balance Sheets**

**NOVEMBER 30, 2007 AND 2006**

(Millions of yen)

	<b>2007</b>	<b>2006</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and deposits	20,331	16,724
Notes	346	458
Accounts receivable	38,260	37,837
Securities	5,000	-
Inventories	8,585	7,959
Short-term loans receivable	16,660	20,741
Deferred tax assets	949	1,065
Other	2,732	2,580
Allowance for doubtful accounts	(1,572)	(1,137)
Total current assets	91,293	86,230
<b>FIXED ASSETS:</b>		
Tangible fixed assets		
Buildings	24,901	25,150
Machinery and equipment	14,951	15,888
Land	17,179	17,189
Construction in progress	1,531	1,048
Other	2,562	2,613
Total tangible fixed assets	61,126	61,888
Intangible fixed assets	1,275	1,405
Investments and other assets		
Investment in securities	14,993	17,520
Stocks of subsidiaries and affiliated companies	19,241	19,259
Prepaid pension costs	11,277	8,840
Other	5,119	5,025
Allowance for doubtful accounts	(64)	(150)
Total investment and other assets	50,567	50,495
Total fixed assets	112,968	113,789
Total assets	204,262	200,019

	2007	2006
<b>LIABILITIES:</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	23,936	22,108
Short-term loans payable	7,717	5,818
Accounts payable-other	9,723	7,961
Accrued income taxes	988	1,387
Reserve for sales rebates	1,314	1,237
Reserve for bonuses	337	310
Reserve for directors' and corporate auditors' bonuses	40	30
Other	3,942	3,857
<b>Total current liabilities</b>	<b>47,999</b>	<b>42,712</b>
<b>LONG-TERM LIABILITIES:</b>		
Bonds	10,000	10,000
Long-term loans payable	13,784	14,048
Deferred tax liabilities	6,613	6,162
Reserve for directors' and corporate auditors' retirement pay	676	545
Other	5,317	6,226
<b>Total long-term liabilities</b>	<b>36,392</b>	<b>36,982</b>
<b>Total liabilities</b>	<b>84,392</b>	<b>79,694</b>
<b>NET ASSETS:</b>		
<b>Owners' equity</b>		
Paid-in capital	24,104	24,104
Capital surplus		
Capital legal reserve	29,418	29,418
Other capital surplus	14	14
<b>Total capital surplus</b>	<b>29,432</b>	<b>29,432</b>
<b>Earned surplus</b>		
Earned legal reserve	3,115	3,115
Other earned surplus	62,869	61,704
Special depreciation reserve	26	33
Reserve for deduction entry of property replaced by purchase	2,257	2,108
General reserve	57,300	56,500
Earned surplus brought forward	3,285	3,063
<b>Total earned surplus</b>	<b>65,985</b>	<b>64,820</b>
Treasury Stock	(2,642)	(2,255)
<b>Total owners' equity</b>	<b>116,879</b>	<b>116,101</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	3,019	4,223
Deferred gains or losses on hedges	(28)	-
<b>Total valuation and translation adjustments</b>	<b>2,991</b>	<b>4,223</b>
<b>Total net assets</b>	<b>119,870</b>	<b>120,325</b>
<b>Total liabilities and net assets</b>	<b>204,262</b>	<b>200,019</b>

Q.P. CORPORATION

**Non-Consolidated Statements of Income**  
**FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2007 AND 2006**

(Millions of yen)

	<b>2007</b>	<b>2006</b>
NET SALES	232,426	230,598
COST OF SALES	160,348	157,646
Gross profit	72,078	72,951
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	65,575	67,306
Operating income	6,502	5,645
NON-OPERATING INCOME:		
Interest income and dividend receivable	900	780
Other	257	252
NON-OPERATING EXPENSES:		
Interest expense	325	228
Other	304	283
Ordinary income	7,030	6,165
EXTRAORDINARY GAINS:		
Reversal of allowance for doubtful accounts	43	57
Gain on sales of investment in securities	93	48
Subsidy received	373	-
Other	8	148
EXTRAORDINARY LOSSES:		
Loss on disposal of fixed assets	503	493
Cost of allowance for doubtful	475	476
Write-down of investment in securities	35	53
Other	271	193
Net income before income taxes	6,265	5,203
Income taxes	1,473	1,612
Income taxes deferred	1,408	708
Net income	3,383	2,883

Q.P. CORPORATION

**Statements of Changes in Net Assets**  
(Millions of yen)

Current fiscal year ended November 30, 2007

	Owners' equity							
	Paid-in capital	Capital surplus		Earned legal reserve	Earned surplus			
		Capital legal reserve	Other capital surplus		Other earned surplus			Earned surplus brought forward
				Special depreciation reserve	Reserve for deduction entry of property replaced by purchase	General reserve		
Balance at November 30, 2006	24,104	29,418	14	3,115	33	2,108	56,500	3,063
Changes of items during the fiscal year								
Dividends from surplus								(2,218)
Net income								3,383
Repurchase of treasury stock								
Transfer to reserve					6	211	800	(1,018)
Transfer from reserve					(13)	(63)		76
Net changes of items other than owners' equity								
Total changes of items during the fiscal year	—	—	—	—	(6)	148	800	222
Balance at November 30, 2007	24,104	29,418	14	3,115	26	2,257	57,300	3,285

	Owners' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total owners' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at November 30, 2006	(2,255)	116,101	4,223	—	4,223	120,325
Changes of items during the fiscal year						
Dividends from surplus		(2,218)				(2,218)
Net income		3,383				3,383
Repurchase of treasury stock	(387)	(387)				(387)
Transfer to reserve		—				—
Transfer from reserve		—				—
Net changes of items other than owners' equity			(1,203)	(28)	(1,232)	(1,232)
Total changes of items during the fiscal year	(387)	777	(1,203)	(28)	(1,232)	(454)
Balance at November 30, 2007	(2,642)	116,879	3,019	(28)	2,991	119,870

Previous fiscal year ended November 30, 2006

	Owners' equity								
	Paid-in capital	Capital surplus			Earned surplus				
		Capital legal reserve	Other capital surplus	Earned legal reserve	Other earned surplus				
					Special depreciation reserve	Reserve for deduction entry of property replaced by purchase	Special account reserve for deduction entry of property replaced by purchase	General reserve	Earned surplus brought forward
Balance at November 30, 2005	24,104	29,418	—	3,115	49	2,105	59	54,700	3,927
Changes of items during the fiscal year									
Dividends from surplus									(1,990)
Net income									2,883
Repurchase of treasury stock									
Disposal of treasury stock			14						
Transfer to reserve					13	69		1,800	(1,882)
Transfer from reserve					(29)	(66)	(59)		156
Directors' and corporate auditors' bonuses									(30)
Net changes of items other than owners' equity									
Total changes of items during the fiscal year	—	—	14	—	(16)	2	(59)	1,800	(864)
Balance at November 30, 2006	24,104	29,418	14	3,115	33	2,108	—	56,500	3,063

	Owners' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total owners' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at November 30, 2005	(2,487)	114,993	3,994	3,994	118,987
Changes of items during the fiscal year					
Dividends from surplus		(1,990)			(1,990)
Net income		2,883			2,883
Repurchase of treasury stock	(8)	(8)			(8)
Disposal of treasury stock	240	254			254
Transfer to reserve		—			—
Transfer from reserve		—			—
Directors' and corporate auditors' bonuses		(30)			(30)
Net changes of items other than owners' equity			229	229	229
Total changes of items during the fiscal year	231	1,108	229	229	1,337
Balance at November 30, 2006	(2,255)	116,101	4,223	4,223	120,325