

# Flash Report for the First-Quarter Period Ended June 30, 2009

## (on a consolidated basis)

August 4, 2009

Name of the listed company: **Fuji Seal International, Inc.**  
 Code No.: 7864 Stock exchange: TSE (1<sup>st</sup> section)  
 URL: <http://www.fujiseal.co.jp/>  
 Representative: Shigeko Okazaki, President and CEO  
 Contact: Noriyuki Kino, Executive Officer, Corporate Planning  
 Scheduled date for submission of Quarterly Report: August 12, 2009  
 Date for initiation of dividend payments (subject to change): not applicable

\* All amounts are rounded down to the nearest million yen.

### 1. Results for the First-Quarter Period (April 1 to June 30, 2009)

(1) Operating results (¥ million)

	Net sales		Operating income		Ordinary income	
1st quarter ended June 30, 2009	¥22,742	(5.3)%	¥2,665	35.1%	¥2,813	34.1%
1st quarter ended June 30, 2008	24,014	—	1,973	—	2,098	—

  

	Net income		Earnings per share (¥)		Diluted EPS (¥)	
1st quarter ended June 30, 2009	¥1,902	45.2%	¥67.78		¥ —	
1st quarter ended June 30, 2008	1,309	—	44.62		—	

Note: Percentage figures for net sales, operating income, ordinary income and net income are year-on-year comparisons.

(2) Financial position (¥ million)

	Total assets	Net assets	Equity ratio	Net assets per share (¥)
As of June 30, 2009	¥78,649	¥42,719	54.3%	¥1,521.74
As of March 31, 2009	73,840	41,055	55.6	1,462.48

Note: Owners' equity

As of June 30, 2009: ¥42,719 million    As of March 31, 2009: ¥41,055 million

### 2. Dividends

	Cash dividends per share (¥)				
	Quarter-end			Year-end	Annual
	1st	2nd	3rd		
Year ended March 31, 2009	¥—	¥15.00	¥—	¥15.00	¥30.00
Year ending March 31, 2010	—				
Year ending March 31, 2010 (forecast)	15.00		—	15.00	30.00

Note: Revisions to dividend payment forecasts during the reporting quarter: not applicable

### 3. Business Performance Forecasts for the Year Ending March 31, 2010

(April 1, 2009 to March 31, 2010)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share (¥)
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(¥)	
First-half period	¥46,500	(5.9)%	¥4,000	(3.2)%	¥4,000	(3.1)%	¥2,500	(7.0)%	¥ 89.05
Full term	90,000	4.6	6,600	10.8	6,550	8.2	3,900	11.4	138.93

Notes: 1. Percentage figures represent year-on-year comparisons.

2. Revisions to performance forecasts during the reporting quarter: not applicable

The above forecasts are based on data available as of the date of release of this document as well as assumptions based on uncertain factors, which might have a material effect on the Company's performance in the future. Readers are advised that actual results may differ substantially from the above forecasts due to various unforeseeable factors.

#### 4. Others

(1) Changes in the scope of consolidation

Inclusion: none

Exclusion: none

(2) Significant methods applied for accounting: applicable

(3) Changes in significant accounting policies

Changes in accounting standard: not applicable

Other: not applicable

(4) Number of ordinary shares issued at the end of the period

As of June 30, 2009: 30,080,978 shares      As of March 31, 2009: 30,080,978 shares

Number of shares in treasury at the end of the period

As of June 30, 2009: 2,008,442 shares      As of March 31, 2009: 2,008,422 shares

Average number of shares during the period

1st quarter ended June 30, 2009: 28,072,541 shares      1st quarter ended June 30, 2008: 29,356,907 shares

## Consolidated Balance Sheets

(¥ million)

	As of June 30, 2009	As of March 31, 2009
<b>Assets</b>		
Current assets:		
Cash and deposits	¥ 6,573	¥ 5,968
Notes and accounts receivable	24,244	21,078
Merchandise and finished products	3,228	3,227
Work in process	1,691	1,634
Raw materials and supplies	1,954	2,007
Deferred tax assets	584	452
Prepaid expenses	344	214
Other current assets	1,399	1,189
Allowance for doubtful accounts	(82)	(92)
Total current assets	39,937	35,680
Noncurrent assets:		
Tangible fixed assets:		
Buildings and structures – net	8,522	8,694
Machinery, equipment and vehicles – net	16,780	16,478
Land	4,567	4,545
Lease assets – net	105	99
Construction in progress	3,546	3,289
Other – net	478	462
Total tangible fixed assets	34,000	33,570
Intangible assets:		
Goodwill	197	231
Lease assets	0	0
Other	805	836
Total intangible assets	1,003	1,069
Investments and other assets:		
Investment securities	2,676	2,495
Deferred tax assets	419	422
Other	746	716
Allowance for doubtful accounts	(134)	(115)
Total investments and other assets	3,707	3,519
Total noncurrent assets	38,711	38,159
Total assets	¥78,649	¥73,840

Amounts are rounded down to the nearest million yen.

(¥ million)

	As of June 30, 2009	As of March 31, 2009
<b>Liabilities</b>		
Current liabilities:		
Notes and accounts payable	¥16,761	¥15,214
Short-term borrowings	8,182	7,765
Current portion of long-term debt	796	736
Lease obligations	35	34
Other accounts payable	2,127	1,873
Income taxes payable	980	1,074
Deferred tax liabilities	0	0
Accrued bonuses	1,174	816
Other current liabilities	2,983	2,350
<b>Total current liabilities</b>	<b>33,041</b>	<b>29,867</b>
Long-term liabilities:		
Long-term debt	1,456	1,567
Lease obligations	77	71
Deferred tax liabilities	147	98
Reserve for employees' retirement benefits	1,181	1,154
Other	25	25
<b>Total long-term liabilities</b>	<b>2,888</b>	<b>2,917</b>
<b>Total liabilities</b>	<b>35,929</b>	<b>32,784</b>
<b>Net assets</b>		
Shareholders' equity:		
Common stock	5,990	5,990
Capital surplus	6,233	6,233
Retained earnings	39,542	38,060
Treasury stock	(3,982)	(3,982)
<b>Total shareholders' equity</b>	<b>47,783</b>	<b>46,301</b>
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	47	0
Adjustments for pension liability	(971)	(841)
Foreign currency translation adjustments	(4,139)	(4,405)
<b>Total valuation and translation adjustments</b>	<b>(5,064)</b>	<b>(5,246)</b>
<b>Total net assets</b>	<b>42,719</b>	<b>41,055</b>
<b>Total liabilities and net assets</b>	<b>¥78,649</b>	<b>¥73,840</b>

## Consolidated Statement of Income

(¥ million)

	1st quarter ended June 30, 2009	1st quarter ended June 30, 2008
Net sales	¥22,742	¥24,014
Cost of sales	17,337	19,221
Gross profit	5,404	4,792
Selling, general and administrative expenses	2,739	2,819
Operating income	2,665	1,973
Non-operating income:		
Interest income	0	0
Dividend income	12	12
Equity in earnings of affiliates	71	—
Foreign exchange gain	67	164
Other	54	47
Total non-operating income	206	224
Non-operating expenses:		
Interest expenses	52	87
Equity in loss of affiliates	—	9
Other	5	3
Total non-operating expenses	58	99
Ordinary income	2,813	2,098
Extraordinary gains:		
Gain on sale of tangible fixed assets	9	—
Reversal of allowance for doubtful accounts	—	0
Government subsidies	—	9
Other	1	—
Total extraordinary gains	11	9
Extraordinary losses:		
Loss on sale and disposal of tangible fixed assets	51	6
Total extraordinary losses	51	6
Income before income taxes	2,773	2,102
Income taxes:		
Current	977	973
Deferred	(106)	(181)
Total income taxes	870	792
Net income	¥ 1,902	¥ 1,309

Amounts are rounded down to the nearest million yen.

## Consolidated Statement of Cash Flows

(¥ million)

	1st quarter ended June 30, 2009	1st quarter ended June 30, 2008
<b>Cash flows from operating activities</b>		
Income before income taxes	¥2,773	¥2,102
Depreciation and amortization	1,039	1,138
Amortization of goodwill	34	34
Increase (decrease) in allowance for doubtful accounts	4	(19)
Increase in accrued bonuses	350	394
Decrease in reserve for employees' retirement benefits	(87)	(54)
Equity in loss (earnings) of affiliates	(71)	9
Loss on sale and disposal of tangible fixed assets	42	6
Interest and dividend income	(13)	(12)
Interest expenses	52	87
Foreign exchange loss (gain)	1	(90)
Increase in notes and accounts receivable	(3,013)	(3,221)
Decrease in inventories	90	425
Increase in notes and accounts payable	1,488	2,009
Increase (decrease) in other accounts payable	163	(157)
Other	568	582
Subtotal	3,423	3,232
Interest and dividends received	13	12
Interest paid	(58)	(94)
Income taxes paid	(1,455)	(837)
Net cash provided by operating activities	1,923	2,313
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,029)	(1,915)
Proceeds from sale of tangible fixed assets	13	0
Purchase of intangible assets	(21)	(18)
Purchase of investment securities	(5)	(5)
Proceeds from sale of investment securities	9	—
Other	(18)	25
Net cash used in investing activities	(1,052)	(1,913)
<b>Cash flows from financing activities</b>		
Net increase in short-term borrowings	322	—
Proceeds from short-term borrowings	—	1,508
Repayment of short-term borrowings	—	(342)
Proceeds from long-term debt	—	601
Repayment of long-term debt	(196)	(197)
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(421)	(440)
Other	(9)	(4)
Net cash provided by (used in) financing activities	(304)	1,124
Effect of exchange rate changes on cash and cash equivalents	42	74
Net increase in cash and cash equivalents	608	1,599
Cash and cash equivalents at beginning of year	5,537	3,079
Cash and cash equivalents at end of year	¥6,145	¥4,678

Amounts are rounded down to the nearest million yen.

## Segment Information

### Segmentation by location

(¥ million)

	1st quarter ended June 30, 2009					
	Japan	North America	Europe	Total	Eliminations/ Corporate	Consolidated amount
Sales:						
Customers	¥16,913	¥3,336	¥2,492	¥22,742	¥ —	¥22,742
Intersegment	539	4	523	1,067	(1,067)	—
Total sales	17,453	3,340	3,015	23,809	(1,067)	22,742
Operating income	2,169	295	225	2,690	(24)	2,665

	1st quarter ended June 30, 2008					
	Japan	North America	Europe	Total	Eliminations/ Corporate	Consolidated amount
Sales:						
Customers	¥17,139	¥3,502	¥3,371	¥24,014	¥ —	¥24,014
Intersegment	458	6	403	869	(869)	—
Total sales	17,598	3,509	3,775	24,883	(869)	24,014
Operating income	1,581	268	167	2,017	(44)	1,973

Notes: 1. Geographical segmentation is made by grouping countries that are in close proximity to one another.

2. The Company's geographical segments are as follows.

North America: United States of America, Mexico

Europe: United Kingdom, the Netherlands, France, Poland

### Sales by segment

(¥ million)

	1st quarter ended June 30, 2009		1st quarter ended June 30, 2008	
	Amount	% of total	Amount	% of total
Shrink label	¥15,091	66.4%	¥15,969	66.5%
Tack label	2,392	10.5	2,114	8.8
Other label	655	2.9	811	3.4
Soft pouch	1,210	5.3	1,254	5.2
Machinery	1,428	6.3	2,083	8.7
Other	1,963	8.6	1,782	7.4
Total	¥22,742	100.0%	¥24,014	100.0%

#### Remark:

Description of performance by business segment is omitted as our business activities—ranging from manufacturing and sale of shrink labels and tack labels, processing and sale of various packaging materials, and manufacturing and sale of packaging machinery—are so closely interconnected that they constitute, in effect, only one segment. We position ourselves as a packaging system provider and assess earnings performance of the total operations as a whole.