

CONSOLIDATED FINANCIAL STATEMENTS

These Consolidated Financial Statements
were publicly released in the Japanese
language on May 11, 2012.

(1) CONSOLIDATED BALANCE SHEETS

(Yen millions)

| | 31-Mar-11 | 31-Mar-12 |
|---|-----------|-----------|
| Consolidated balance sheets | | |
| Assets | | |
| Current assets | | |
| Cash and deposits | 14,964 | 11,121 |
| Notes and accounts receivable-trade | 16,212 | 17,495 |
| Merchandise and finished goods | 5,876 | 6,499 |
| Work in process | 1,343 | 1,381 |
| Raw materials and supplies | 1,814 | 2,014 |
| Deferred tax assets | 626 | 362 |
| Other | 1,604 | 1,677 |
| Allowance for doubtful accounts | △33 | △30 |
| Total current assets | 42,409 | 40,521 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 10,172 | 9,538 |
| Machinery, equipment and vehicles, net | 9,499 | 9,223 |
| Land | 7,566 | 6,865 |
| Construction in progress | 1,289 | 1,562 |
| Other, net | 982 | 1,195 |
| Total property, plant and equipment | 29,509 | 28,385 |
| Intangible assets | | |
| Goodwill | 104 | |
| Software | 1,452 | 960 |
| Other | 392 | 309 |
| Total intangible assets | 1,948 | 1,270 |
| Investments and other assets | | |
| Investment securities | 7,089 | 7,371 |
| Deferred tax assets | 695 | 878 |
| Other | 1,376 | 1,337 |
| Allowance for doubtful accounts | △123 | △106 |
| Total investments and other assets | 9,037 | 9,481 |
| Total noncurrent assets | 40,495 | 39,137 |
| Total assets | 82,905 | 79,659 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 13,723 | 16,209 |
| Short-term loans payable | 11,418 | 4,761 |
| Income taxes payable | 1,180 | 358 |
| Other | 5,885 | 5,374 |
| Total current liabilities | 32,207 | 26,704 |
| Noncurrent liabilities | | |
| Long-term loans payable | 6,235 | 6,834 |
| Bonds payable | | 3,000 |
| Provision for retirement benefits | 2,145 | 2,153 |
| Other | 1,774 | 1,522 |
| Total noncurrent liabilities | 10,155 | 13,511 |
| Total liabilities | 42,362 | 40,215 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 10,951 | 10,951 |
| Capital surplus | 4,681 | 3,537 |
| Retained earnings | 29,514 | 30,170 |
| Treasury stock | △703 | △161 |
| Total shareholders' equity | 44,444 | 44,498 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 380 | 475 |
| Foreign currency translation adjustment | △5,146 | △6,415 |
| Total accumulated other comprehensive income | △4,766 | △5,939 |
| Minority interests | 864 | 884 |
| Total net assets | 40,542 | 39,443 |
| Total liabilities and net assets | 82,905 | 79,659 |

(2) CONSOLIDATED STATEMENTS OF INCOME

(Yen millions)

| | 31-Mar-11 | 31-Mar-12 |
|---|-----------|-----------|
| Consolidated statements of (comprehensive) income | | |
| Net sales | 84,811 | 86,372 |
| Cost of sales | 61,092 | 63,132 |
| Gross profit | 23,719 | 23,240 |
| Selling, general and administrative expenses | 18,662 | 18,669 |
| Operating income | 5,056 | 4,570 |
| Non-operating income | | |
| Interest income | 30 | 48 |
| Dividends income | 120 | 123 |
| Equity in earnings of affiliates | 412 | 560 |
| Other | 300 | 245 |
| Total non-operating income | 864 | 977 |
| Non-operating expenses | | |
| Interest expenses | 313 | 304 |
| Loss on retirement of noncurrent assets | 114 | 116 |
| Foreign exchange losses | 228 | 334 |
| Other | 298 | 401 |
| Total non-operating expenses | 954 | 1,156 |
| Ordinary income | 4,967 | 4,391 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 146 | 12 |
| Gain on sales of investment securities | 118 | 0 |
| Other | 2 | |
| Total extraordinary income | 267 | 12 |
| Extraordinary loss | | |
| Impairment loss | 63 | 755 |
| Loss on sales of noncurrent assets | 14 | 652 |
| Loss on retirement of noncurrent assets | 182 | 205 |
| Loss on disaster | 55 | |
| Other | 8 | 22 |
| Total extraordinary losses | 324 | 1,635 |
| Income before income taxes and minority interests | 4,910 | 2,769 |
| Income taxes-current | 1,363 | 1,068 |
| Income taxes for prior periods | | 98 |
| Income taxes-deferred | 154 | 119 |
| Total income taxes | 1,518 | 1,286 |
| Income before minority interests | 3,391 | 1,482 |
| Minority interests in income | 57 | 42 |
| Net income | 3,333 | 1,440 |

(3) CONSOLIDATED STATEMENTS OF CASH FLOWS

(Yen millions)

| | 31-Mar-11 | 31-Mar-12 |
|---|-----------|-----------|
| Consolidated statements of cash flows | | |
| Net cash provided by (used in) operating activities | | |
| Income before income taxes and minority interests | 4,910 | 2,769 |
| Depreciation and amortization | 4,907 | 4,804 |
| Amortization of goodwill and negative goodwill | 72 | 31 |
| Impairment loss | 63 | 755 |
| Increase (decrease) in allowance for doubtful accounts | 20 | △19 |
| Increase (decrease) in provision for retirement benefits | 130 | 19 |
| Interest and dividends income | △151 | △171 |
| Interest expenses | 313 | 304 |
| Foreign exchange losses (gains) | 36 | 88 |
| Equity in (earnings) losses of affiliates | △412 | △560 |
| Loss (gain) on sales of investment securities | △118 | 0 |
| Loss (gain) on sales and retirement of noncurrent assets | 164 | 961 |
| Decrease (increase) in notes and accounts receivable-trade | △251 | △1,617 |
| Decrease (increase) in inventories | △2,082 | △1,255 |
| Increase (decrease) in notes and accounts payable-trade | 1,845 | 2,910 |
| Decrease (increase) in accounts receivable-other | 69 | △186 |
| Other, net | 695 | △291 |
| Subtotal | 10,211 | 8,541 |
| Interest and dividends income received | 409 | 327 |
| Interest expenses paid | △329 | △299 |
| Income taxes paid | △833 | △1,974 |
| Income taxes refund | 71 | |
| Net cash provided by (used in) operating activities | 9,529 | 6,595 |
| Net cash provided by (used in) investing activities | | |
| Decrease (increase) in time deposits | △1,030 | 987 |
| Purchase of property, plant and equipment | △3,823 | △5,576 |
| Proceeds from sales of property, plant and equipment | 167 | 136 |
| Purchase of intangible assets | △533 | △254 |
| Purchase of investment securities | △14 | △13 |
| Proceeds from sales of investment securities | 428 | 0 |
| Other, net | △116 | △47 |
| Net cash provided by (used in) investing activities | △4,922 | △4,767 |
| Net cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | 3,021 | △3,504 |
| Proceeds from long-term loans payable | 551 | 3,317 |
| Repayment of long-term loans payable | △1,312 | △5,745 |
| Proceeds from issuance of bonds | | 2,977 |
| Purchase of treasury stock | △771 | △602 |
| Proceeds from sales of treasury stock | 0 | 0 |
| Cash dividends paid from parent company | △696 | △783 |
| Cash dividends paid to minority shareholders | △15 | △9 |
| Other, net | 29 | △13 |
| Net cash provided by (used in) financing activities | 805 | △4,362 |
| Effect of exchange rate change on cash and cash equivalents | △124 | △315 |
| Net increase (decrease) in cash and cash equivalents | 5,286 | △2,851 |
| Cash and cash equivalents at beginning of period | 8,586 | 13,873 |
| Cash and cash equivalents at end of period | 13,873 | 11,022 |

(Consolidated Statements of Comprehensive Income)

(Yen millions)

| | 31-Mar-11 | 31-Mar-12 |
|---|---------------|---------------|
| Consolidated statements of comprehensive income | | |
| Income before minority interests | 3,391 | 1,482 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | △265 | 93 |
| Foreign currency translation adjustment | △806 | △1,082 |
| Share of other comprehensive income of associates accounted for using equity method | △115 | △197 |
| Total other comprehensive income | <u>△1,187</u> | <u>△1,185</u> |
| Comprehensive income | <u>2,203</u> | <u>296</u> |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of the parent | 2,156 | 267 |
| Comprehensive income attributable to minority interests | 47 | 29 |