

CONSOLIDATED FINANCIAL STATEMENTS

These Consolidated Financial Statements were publicly released in the Japanese language on May 13, 2013.

(1) CONSOLIDATED BALANCE SHEETS

(Yen millions)

|   | 31-Mar-12     | 31-Mar-13     |
|---|---------------|---------------|
| <b>Consolidated balance sheets</b>                    |               |               |
| <b>Assets</b>   |               |               |
| <b>Current assets</b>                                 |               |               |
| Cash and deposits                                     | 11,121        | 12,493        |
| Notes and accounts receivable-trade                   | 17,495        | 16,912        |
| Merchandise and finished goods                        | 6,499         | 6,569         |
| Work in process                                       | 1,381         | 1,424         |
| Raw materials and supplies                            | 2,014         | 2,465         |
| Deferred tax assets                                   | 362           | 230           |
| Other   | 1,677         | 1,806         |
| Allowance for doubtful accounts                       | △30           | △28           |
| <b>Total current assets</b>                           | <b>40,521</b> | <b>41,872</b> |
| <b>Noncurrent assets</b>                              |               |               |
| <b>Property, plant and equipment</b>                  |               |               |
| Buildings and structures, net                         | 9,538         | 9,120         |
| Machinery, equipment and vehicles, net                | 9,223         | 8,728         |
| Land  | 6,865         | 6,260         |
| Construction in progress                              | 1,562         | 3,273         |
| Other, net  | 1,195         | 1,051         |
| <b>Total property, plant and equipment</b>            | <b>28,385</b> | <b>28,433</b> |
| <b>Intangible assets</b>                              |               |               |
| Software  | 960           | 961           |
| Other   | 309           | 150           |
| <b>Total intangible assets</b>                        | <b>1,270</b>  | <b>1,111</b>  |
| <b>Investments and other assets</b>                   |               |               |
| Investment securities                                 | 7,371         | 9,045         |
| Deferred tax assets                                   | 878           | 542           |
| Other   | 1,337         | 1,333         |
| Allowance for doubtful accounts                       | △106          | △133          |
| <b>Total investments and other assets</b>             | <b>9,481</b>  | <b>10,788</b> |
| <b>Total noncurrent assets</b>                        | <b>39,137</b> | <b>40,334</b> |
| <b>Total assets</b>                                   | <b>79,659</b> | <b>82,207</b> |
| <b>Liabilities</b>                                    |               |               |
| <b>Current liabilities</b>                            |               |               |
| Notes and accounts payable-trade                      | 16,209        | 14,873        |
| Short-term loans payable                              | 4,761         | 5,137         |
| Income taxes payable                                  | 358           | 348           |
| Other   | 5,374         | 5,785         |
| <b>Total current liabilities</b>                      | <b>26,704</b> | <b>26,145</b> |
| <b>Noncurrent liabilities</b>                         |               |               |
| Long-term loans payable                               | 6,834         | 7,609         |
| Bonds payable   | 3,000         | 3,000         |
| Provision for retirement benefits                     | 2,153         | 2,007         |
| Other   | 1,522         | 218           |
| <b>Total noncurrent liabilities</b>                   | <b>13,511</b> | <b>12,836</b> |
| <b>Total liabilities</b>                              | <b>40,215</b> | <b>38,981</b> |
| <b>Net assets</b>                                     |               |               |
| <b>Shareholders' equity</b>                           |               |               |
| Capital stock   | 10,951        | 10,951        |
| Capital surplus                                       | 3,537         | 2,968         |
| Retained earnings                                     | 30,170        | 31,919        |
| Treasury stock  | △161          | △89           |
| <b>Total shareholders' equity</b>                     | <b>44,498</b> | <b>45,750</b> |
| <b>Accumulated other comprehensive income</b>         |               |               |
| Valuation difference on available-for-sale securities | 475           | 1,106         |
| Foreign currency translation adjustment               | △6,415        | △4,082        |
| <b>Total accumulated other comprehensive income</b>   | <b>△5,939</b> | <b>△2,975</b> |
| Minority interests                                    | 884           | 450           |
| <b>Total net assets</b>                               | <b>39,443</b> | <b>43,225</b> |
| <b>Total liabilities and net assets</b>               | <b>79,659</b> | <b>82,207</b> |

## (2) CONSOLIDATED STATEMENTS OF INCOME

(Yen millions)

|   | 31-Mar-12 | 31-Mar-13 |
|---|-----------|-----------|
| Consolidated statements of (comprehensive) income |           |           |
| Net sales   | 86,372    | 85,771    |
| Cost of sales                                     | 63,132    | 63,310    |
| Gross profit                                      | 23,240    | 22,460    |
| Selling, general and administrative expenses      | 18,669    | 18,366    |
| Operating income                                  | 4,570     | 4,094     |
| Non-operating income                              |           |           |
| Interest income                                   | 48        | 63        |
| Dividends income                                  | 123       | 100       |
| Equity in earnings of affiliates                  | 560       | 527       |
| Foreign exchange gains                            |           | 436       |
| Other   | 245       | 325       |
| Total non-operating income                        | 977       | 1,453     |
| Non-operating expenses                            |           |           |
| Interest expenses                                 | 304       | 264       |
| Loss on retirement of noncurrent assets           | 116       | 111       |
| Foreign exchange losses                           | 334       |           |
| Other   | 401       | 393       |
| Total non-operating expenses                      | 1,156     | 769       |
| Ordinary income                                   | 4,391     | 4,779     |
| Extraordinary income                              |           |           |
| Gain on sales of noncurrent assets                | 12        | 5         |
| Other   | 0         | 0         |
| Total extraordinary income                        | 12        | 5         |
| Extraordinary loss                                |           |           |
| Impairment loss                                   | 755       | 1,157     |
| Loss on retirement of noncurrent assets           | 205       |           |
| Other   | 674       | 86        |
| Total extraordinary losses                        | 1,635     | 1,243     |
| Income before income taxes and minority interests | 2,769     | 3,540     |
| Income taxes-current                              | 1,068     | 833       |
| Income taxes for prior periods                    | 98        |           |
| Income taxes-deferred                             | 119       | 148       |
| Total income taxes                                | 1,286     | 982       |
| Income before minority interests                  | 1,482     | 2,558     |
| Minority interests in income                      | 42        | 48        |
| Net income  | 1,440     | 2,510     |

(3) CONSOLIDATED STATEMENTS OF CHANGES IN  
NET ASSETS

(Yen millions)

|   | 31-Mar-12 | 31-Mar-13 |
|---|-----------|-----------|
| Consolidated statements of changes in net assets      |           |           |
| Shareholders' equity                                  |           |           |
| Capital stock   |           |           |
| Balance at the beginning of current period            | 10,951    | 10,951    |
| Changes of items during the period                    |           |           |
| Total changes of items during the period              |           |           |
| Balance at the end of current period                  | 10,951    | 10,951    |
| Capital surplus                                       |           |           |
| Balance at the beginning of current period            | 4,681     | 3,537     |
| Changes of items during the period                    |           |           |
| Disposal of treasury stock                            | 0         |           |
| Retirement of treasury stock                          | △1,144    | △569      |
| Total changes of items during the period              | △1,144    | △569      |
| Balance at the end of current period                  | 3,537     | 2,968     |
| Retained earnings                                     |           |           |
| Balance at the beginning of current period            | 29,514    | 30,170    |
| Changes of items during the period                    |           |           |
| Dividends from surplus                                | △783      | △760      |
| Net income  | 1,440     | 2,510     |
| Total changes of items during the period              | 656       | 1,749     |
| Balance at the end of current period                  | 30,170    | 31,919    |
| Treasury stock  |           |           |
| Balance at the beginning of current period            | △703      | △161      |
| Changes of items during the period                    |           |           |
| Purchase of treasury stock                            | △603      | △497      |
| Disposal of treasury stock                            | 0         |           |
| Retirement of treasury stock                          | 1,144     | 569       |
| Total changes of items during the period              | 542       | 71        |
| Balance at the end of current period                  | △161      | △89       |
| Total shareholders' equity                            |           |           |
| Balance at the beginning of current period            | 44,444    | 44,498    |
| Changes of items during the period                    |           |           |
| Dividends from surplus                                | △783      | △760      |
| Net income  | 1,440     | 2,510     |
| Purchase of treasury stock                            | △603      | △497      |
| Disposal of treasury stock                            | 0         |           |
| Retirement of treasury stock                          |           |           |
| Total changes of items during the period              | 54        | 1,251     |
| Balance at the end of current period                  | 44,498    | 45,750    |
| Accumulated other comprehensive income                |           |           |
| Valuation difference on available-for-sale securities |           |           |
| Balance at the beginning of current period            | 380       | 475       |
| Changes of items during the period                    |           |           |
| Net changes of items other than shareholders' equity  | 95        | 630       |
| Total changes of items during the period              | 95        | 630       |
| Balance at the end of current period                  | 475       | 1,106     |
| Foreign currency translation adjustment               |           |           |
| Balance at the beginning of current period            | △5,146    | △6,415    |
| Changes of items during the period                    |           |           |
| Net changes of items other than shareholders' equity  | △1,268    | 2,333     |
| Total changes of items during the period              | △1,268    | 2,333     |
| Balance at the end of current period                  | △6,415    | △4,082    |
| Total accumulated other comprehensive income          |           |           |
| Balance at the beginning of current period            | △4,766    | △5,939    |
| Changes of items during the period                    |           |           |
| Net changes of items other than shareholders' equity  | △1,172    | 2,964     |
| Total changes of items during the period              | △1,172    | 2,964     |
| Balance at the end of current period                  | △5,939    | △2,975    |
| Minority interests                                    |           |           |
| Balance at the beginning of current period            | 864       | 884       |
| Changes of items during the period                    |           |           |
| Net changes of items other than shareholders' equity  | 20        | △434      |
| Total changes of items during the period              | 20        | △434      |
| Balance at the end of current period                  | 884       | 450       |
| Total net assets                                      |           |           |
| Balance at the beginning of current period            | 40,542    | 39,443    |
| Changes of items during the period                    |           |           |
| Dividends from surplus                                | △783      | △760      |
| Net income  | 1,440     | 2,510     |
| Purchase of treasury stock                            | △603      | △497      |
| Disposal of treasury stock                            | 0         |           |
| Net changes of items other than shareholders' equity  | △1,152    | 2,530     |
| Total changes of items during the period              | △1,098    | 3,781     |
| Balance at the end of current period                  | 39,443    | 43,225    |

## (4)CONSOLIDATED STATEMENTS OF CASH FLOWS

(Yen millions)

|   | 31-Mar-12 | 31-Mar-13 |
|---|-----------|-----------|
| Consolidated statements of cash flows   |           |           |
| Net cash provided by (used in) operating activities   |           |           |
| Income before income taxes and minority interests   | 2,769     | 3,540     |
| Depreciation and amortization   | 4,804     | 4,388     |
| Amortization of goodwill and negative goodwill  | 31        | △58       |
| Impairment loss   | 755       | 1,157     |
| Increase (decrease) in allowance for doubtful accounts  | △19       | △9        |
| Increase (decrease) in provision for retirement benefits  | 19        | △163      |
| Interest and dividends income   | △171      | △163      |
| Interest expenses   | 304       | 264       |
| Foreign exchange losses (gains)   | 88        | △102      |
| Equity in (earnings) losses of affiliates   | △560      | △527      |
| Loss (gain) on sales and retirement of noncurrent assets  | 961       | 110       |
| Decrease (increase) in notes and accounts receivable-trade                                      | △1,617    | 1,340     |
| Decrease (increase) in inventories  | △1,255    | 8         |
| Increase (decrease) in notes and accounts payable-trade   | 2,910     | △2,103    |
| Other, net  | △478      | 289       |
| Subtotal  | 8,541     | 7,970     |
| Interest and dividends income received  | 327       | 210       |
| Interest expenses paid  | △299      | △247      |
| Income taxes paid   | △1,974    | △1,130    |
| Income taxes refund   |           | 201       |
| Net cash provided by (used in) operating activities   | 6,595     | 7,004     |
| Net cash provided by (used in) investing activities   |           |           |
| Decrease (increase) in time deposits  | 987       | △80       |
| Purchase of property, plant and equipment   | △5,576    | △4,279    |
| Proceeds from sales of property, plant and equipment  | 136       | 492       |
| Purchase of intangible assets   | △254      | △299      |
| Purchase of investment securities   | △13       | △50       |
| Purchase of investments in subsidiaries   |           | △456      |
| Payments for sales of investments in subsidiaries resulting in change in scope of consolidation |           | △1,076    |
| Other, net  | △47       | △29       |
| Net cash provided by (used in) investing activities   | △4,767    | △5,781    |
| Net cash provided by (used in) financing activities   |           |           |
| Net increase (decrease) in short-term loans payable   | △3,504    | △40       |
| Proceeds from long-term loans payable   | 3,317     | 3,540     |
| Repayment of long-term loans payable  | △5,745    | △2,681    |
| Proceeds from issuance of bonds   | 2,977     |           |
| Purchase of treasury stock  | △602      | △496      |
| Proceeds from sales of treasury stock   | 0         |           |
| Cash dividends paid from parent company   | △783      | △760      |
| Cash dividends paid to minority shareholders  | △9        | △10       |
| Other, net  | △13       | △13       |
| Net cash provided by (used in) financing activities   | △4,362    | △462      |
| Effect of exchange rate change on cash and cash equivalents                                     | △315      | 484       |
| Net increase (decrease) in cash and cash equivalents  | △2,851    | 1,245     |
| Cash and cash equivalents at beginning of period  | 13,873    | 11,022    |
| Cash and cash equivalents at end of period  | 11,022    | 12,267    |

## (5) CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Yen millions)

|   | 31-Mar-12 | 31-Mar-13 |
|---|-----------|-----------|
| Consolidated statements of comprehensive income                                     |           |           |
| Income before minority interests  | 1,482     | 2,558     |
| Other comprehensive income  |           |           |
| Valuation difference on available-for-sale securities                               | 93        | 636       |
| Foreign currency translation adjustment   | △1,082    | 2,039     |
| Share of other comprehensive income of associates accounted for using equity method | △197      | 322       |
| Total other comprehensive income  | △1,185    | 2,997     |
| Comprehensive income  | 296       | 5,556     |
| Comprehensive income attributable to  |           |           |
| Comprehensive income attributable to owners of the parent                           | 267       | 5,474     |
| Comprehensive income attributable to minority interests                             | 29        | 82        |