

# Consolidated Financial Statements

## Consolidated Balance Sheets

As of March 31

	Millions of yen			Thousands of U.S. dollars
	2008	2009	Year-on-year change (%)	2009
<b>Assets</b>				
<b>Current assets</b>	<b>94,817</b>	<b>89,016</b>	<b>(6.1)</b>	<b>900,883</b>
Cash and deposits	11,312	10,243		103,664
Notes and accounts receivable-trade	40,100	42,217		427,260
Marketable securities	5,526	5,892		59,631
Inventories	11,640	7,437		75,274
Deferred tax assets	2,008	1,801		18,232
Money deposited	23,675	21,000		212,529
Other	565	441		4,468
Allowance for doubtful accounts	(12)	(17)		(176)
<b>Fixed assets</b>	<b>19,443</b>	<b>20,942</b>	<b>7.7</b>	<b>211,950</b>
<b>Property, plant and equipment</b>	<b>3,016</b>	<b>2,800</b>	<b>(7.2)</b>	<b>28,341</b>
Buildings and structures	1,246	1,125		11,386
Tools, furniture and fixtures	598	546		5,530
Land	1,083	1,083		10,969
Construction in progress	86	44		454
<b>Intangible fixed assets</b>	<b>1,099</b>	<b>959</b>	<b>(12.7)</b>	<b>9,715</b>
Software	936	797		8,075
Other	163	162		1,639
<b>Investments and other assets</b>	<b>15,327</b>	<b>17,182</b>	<b>12.1</b>	<b>173,893</b>
Investment securities	8,875	9,926		100,462
Deferred tax assets	4,890	5,495		55,612
Other	2,045	2,210		22,371
Allowance for doubtful accounts	(484)	(449)		(4,553)
<b>Total assets</b>	<b>114,260</b>	<b>109,959</b>	<b>(3.8)</b>	<b>1,112,834</b>
<b>Liabilities</b>				
<b>Current liabilities</b>	<b>40,484</b>	<b>34,731</b>	<b>(14.2)</b>	<b>351,499</b>
Notes and accounts payable-trade	30,660	25,042		253,436
Income taxes payable	1,478	1,577		15,964
Other	8,345	8,112		82,098
<b>Long-term liabilities</b>	<b>11,516</b>	<b>12,521</b>	<b>8.7</b>	<b>126,727</b>
Accrued employee retirement benefits	11,235	12,092		122,383
Retirement allowances to directors and auditors	281	262		2,655
Other	—	166		1,687
<b>Total liabilities</b>	<b>52,000</b>	<b>47,253</b>	<b>(9.1)</b>	<b>478,227</b>
<b>Net Assets</b>				
<b>Shareholder's Equity</b>	<b>62,549</b>	<b>63,370</b>	<b>1.3</b>	<b>641,338</b>
Capital stock	12,220	12,220		123,671
Capital surplus	11,811	11,811		119,535
Retained earnings	38,525	39,745		402,241
Treasury stock	(7)	(406)		(4,109)
<b>Valuation and translation adjustments</b>	<b>(289)</b>	<b>(665)</b>	<b>—</b>	<b>(6,731)</b>
Net unrealized gains (losses) on available-for-sale securities	(289)	(665)		(6,731)
<b>Total net assets</b>	<b>62,259</b>	<b>62,705</b>	<b>0.7</b>	<b>634,606</b>
<b>Total liabilities and net assets</b>	<b>114,260</b>	<b>109,959</b>	<b>(3.8)</b>	<b>1,112,834</b>

## Consolidated Statements of Income

Year ended March 31

	Millions of yen			Thousands of U.S. dollars
	2008	2009	Year-on-year change (%)	2009
Net sales .....	148,855	152,070	2.2	1,539,016
Cost of sales .....	122,692	125,048	1.9	1,265,541
Gross margin .....	26,163	27,022	3.3	273,474
Selling, general and administrative expenses .....	22,510	23,222	3.2	235,026
Operating income .....	3,652	3,799	4.0	38,448
Non-operating income .....	1,090	546	(49.9)	5,532
Interest income .....	950	435		4,406
Dividends income .....	18	17		177
Equity in earnings of affiliates .....	10	3		36
Other .....	112	90		911
Non-operating expenses .....	1,358	1,342	(1.1)	13,586
Amortization of shortage of employee retirement benefits .....	1,253	1,253		12,689
Other .....	104	88		897
Ordinary income .....	3,385	3,003	(11.3)	30,393
Extraordinary income .....	562	795	41.5	8,052
Reversal of allowance for doubtful accounts .....	33	2		24
Gain on sales of investment securities .....	16	793		8,028
Gain on sales of investments .....	511	–		–
Other .....	0	–		–
Extraordinary expenses .....	513	490	(4.5)	4,963
Write-down of investment securities .....	37	477		4,832
Write-down of investments .....	2	11		118
Loss on redemption of investments .....	–	1		10
Loss on sales of investment securities .....	50	0		2
Restructuring costs .....	423	–		–
Income before income taxes .....	3,434	3,308	(3.7)	33,482
Income tax, current .....	1,613	1,735		17,561
Income tax, deferred .....	(32)	(147)		(1,492)
Net income .....	1,853	1,720	(7.2)	17,412

## Consolidated Statement of Shareholders' Equity

Year ended March 31, 2009

	Millions of yen					Valuation and translation adjustment	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity		
Balance at March 31, 2008 .....	12,220	11,811	38,525	(7)	62,549	(289)	62,259
Changes for the fiscal year							
Dividends .....			(500)		(500)		(500)
Net income .....			1,720		1,720		1,720
Acquisition of treasury stock .....				(398)	(398)		(398)
Net change for the year except of shareholders' equity .....						(375)	(375)
Total changes for the fiscal year ...	–	–	1,219	(398)	820	(375)	445
(Thousands of U.S. dollars).....	–	–	12,345	(4,037)	8,308	(3,797)	4,510
Balance at March 31, 2009 .....	12,220	11,811	39,745	(406)	63,370	(665)	62,705
(Thousands of U.S. dollars).....	123,671	119,535	402,241	(4,109)	641,338	(6,731)	634,606

## Consolidated Statements of Cash Flows

Year ended March 31

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
<b>Cash flows from operating activities</b>			
Income before income taxes.....	3,434	3,308	33,482
Depreciation and amortization .....	816	773	7,830
Increase (decrease) in accrued employee retirement benefits.....	(14)	857	8,674
Increase (decrease) in retirement allowances to directors and statutory auditors .....	65	(18)	(190)
Increase (decrease) in allowance for doubtful accounts .....	(72)	(29)	(296)
Interest and dividend income.....	(968)	(452)	(4,583)
Equity in losses (earnings) of affiliates .....	(10)	(3)	(36)
Write-down of investment securities .....	37	477	4,832
Write-down of investments.....	2	11	118
Loss on redemption of investments.....	-	1	10
Gain on sales of investment securities .....	(16)	-	-
Loss on sales of investment securities .....	50	-	-
Loss (gain) on sales of investment securities .....	-	(792)	(8,025)
Gain on sale of investments .....	(511)	-	-
Restructuring costs.....	423	-	-
Loss on disposal of property, plant and equipment .....	22	8	88
Loss on disposal of intangible fixed assets .....	0	-	-
Other, net .....	23	43	435
Decrease (increase) in notes and accounts receivable.....	3,218	(2,122)	(21,482)
Decrease (increase) in inventories .....	(1,162)	4,202	42,527
Decrease (increase) in other assets .....	383	373	3,776
Increase (decrease) in notes and accounts payable.....	(4,883)	(5,618)	(56,856)
Increase (decrease) in consumption taxes payable.....	(39)	28	285
Increase (decrease) in other liabilities.....	(382)	115	1,164
<b>Subtotal.....</b>	<b>417</b>	<b>1,161</b>	<b>11,753</b>
Interest and dividends received .....	949	361	3,655
Payments for business restructuring .....	-	(423)	(4,283)
Income taxes paid .....	(1,820)	(1,635)	(16,552)
<b>Net cash from operating activities .....</b>	<b>(453)</b>	<b>(536)</b>	<b>(5,427)</b>
<b>Cash flows from investing activities</b>			
Payments into time deposits.....	-	(50)	(506)
Acquisition of marketable securities.....	(2,995)	(6,600)	(66,804)
Proceeds from sales of marketable securities.....	3,395	2,788	28,219
Payments of money deposits.....	(20,000)	(20,000)	(202,408)
Proceeds from withdrawal of deposits.....	-	20,000	202,408
Acquisition of property, plant and equipment.....	(299)	(162)	(1,646)
Acquisition of intangible fixed assets.....	(238)	(298)	(3,020)
Purchase of investment securities .....	(2,103)	(3,974)	(40,220)
Proceeds from sales of investment securities .....	4,740	1,174	11,885
Payments of lease deposits .....	(24)	(77)	(783)
Proceeds from refunds of lease deposits.....	51	23	235
Acquisition of investments and other assets .....	(88)	-	-
Proceeds from collection of investments and other assets .....	703	-	-
Decrease (increase) in other investments .....	-	(11)	(114)
Other .....	1	0	8
<b>Net cash from investing activities.....</b>	<b>(16,857)</b>	<b>(7,188)</b>	<b>(72,746)</b>
<b>Cash flows from financing activities:</b>			
Cash dividends paid .....	(450)	(499)	(5,055)
Purchase of treasury stock .....	-	(398)	(4,037)
Other .....	(1)	(0)	(2)
<b>Net cash from financing activities .....</b>	<b>(451)</b>	<b>(898)</b>	<b>(9,094)</b>
<b>Net increase (decrease) in cash and cash equivalents .....</b>	<b>(17,762)</b>	<b>(8,622)</b>	<b>(87,268)</b>
<b>Cash and cash equivalents, beginning of year .....</b>	<b>37,777</b>	<b>20,015</b>	<b>202,564</b>
<b>Cash and cash equivalents, end of year .....</b>	<b>20,015</b>	<b>11,392</b>	<b>115,296</b>