

Consolidated Financial Statements

1. Consolidated Balance Sheets

[Millions of yen]

	As of December 31, 2006		As of December 31, 2005		Increase (Decrease)		As of March 31, 2006	
	Amount	% of total	Amount	% of total	Amount	Y of Y %	Amount	% of total
Assets								
Current assets	[542,209]	[57.0]	[574,731]	[58.0]	[(32,522)]	[(5.7)]	[540,152]	[57.2]
Cash and deposits	84,370		73,524		10,846		80,878	
Trade notes and accounts receivable	243,912		256,065		(12,152)		246,264	
Marketable securities	—		156		(156)		—	
Inventories	147,447		186,267		(38,820)		149,428	
Deferred tax assets	37,223		36,613		610		43,242	
Other accounts receivable	11,444		9,491		1,953		10,048	
Other current assets	24,771		22,231		2,540		19,681	
Allowance for doubtful accounts	(6,961)		(9,617)		2,655		(9,393)	
Fixed assets	[408,755]	[43.0]	[415,585]	[42.0]	[(6,829)]	[(1.6)]	[403,902]	[42.8]
Tangible fixed assets	[235,585]	24.8	[221,690]	22.4	[13,895]	6.3	[216,127]	22.9
Buildings and structures	64,606		67,540		(2,934)		63,426	
Machinery and vehicles	66,187		56,350		9,836		55,607	
Tools and equipment	27,939		25,983		1,956		25,227	
Land	34,376		36,090		(1,713)		35,871	
Construction in progress	21,407		13,684		7,722		13,128	
Rental business-use assets	21,068		22,040		(971)		22,866	
Intangible fixed assets	[98,278]	10.3	[106,538]	10.8	[(8,259)]	(7.8)	[103,483]	11.0
Goodwill	83,760		—		83,760		—	
Consolidated goodwill	—		84,531		(84,531)		80,789	
Other intangible fixed assets	14,518		22,006		(7,488)		22,694	
Investments and others	[74,890]	7.9	[87,356]	8.8	[(12,465)]	(14.3)	[84,291]	8.9
Investment securities	33,529		38,567		(5,038)		37,459	
Long-term loans	847		1,580		(733)		1,051	
Long-term prepaid expenses	4,187		4,856		(669)		4,462	
Deferred tax assets	25,539		28,012		(2,472)		29,135	
Other investments	11,833		15,698		(3,865)		13,328	
Allowance for doubtful accounts	(1,045)		(1,358)		312		(1,146)	
Total assets	950,964	100.0	990,316	100.0	(39,352)	(4.0)	944,054	100.0

[Millions of yen]

	As of December 31, 2006		As of December 31, 2005		Increase (Decrease)		As of March 31, 2006	
	Amount	% of total	Amount	% of total	Amount	Y of Y %	Amount	% of total
Liabilities								
Current liabilities	[401,635]	42.3	[460,601]	46.5	[(58,966)]	(12.8)	[476,559]	50.5
Notes and account payable - trade	126,130		134,986		(8,856)		117,974	
Short-term loans	87,667		169,291		(81,624)		135,362	
Long-term loans due within one year	17,086		8,705		8,381		8,086	
Bonds due within one year	30		14,069		(14,039)		14,037	
Account payable - other	46,609		19,096		27,512		27,948	
Accrued expenses	40,621		70,657		(30,035)		77,044	
Accrued income taxes	12,166		6,013		6,153		8,778	
Accrued bonuses	6,449		—		6,449		—	
Allowance for product warranty	5,218		5,403		(184)		5,084	
Provision for loss on discontinued operations	35,894		—		35,894		58,078	
Notes payable-equipment	6,389		5,025		1,364		6,035	
Other current liabilities	17,369		27,352		(9,982)		18,128	
Long-term liabilities	[213,233]	22.4	[165,416]	16.7	[47,816]	28.9	[170,924]	18.1
Bonds	75,291		5,030		70,261		5,030	
Long-term loans	59,981		59,421		559		74,045	
Deferred tax assets on land revaluation	4,042		4,274		(232)		4,042	
Reserve for retirement benefits and pension plans	61,001		70,655		(9,653)		64,869	
Reserve for directors' retirement benefits	445		392		52		442	
Other long-term liabilities	12,471		25,642		(13,171)		22,493	
Total liabilities	614,868	[64.7]	626,018	[63.2]	(11,149)	[(1.8)]	647,483	[68.6]

[Millions of yen]

	As of December 31, 2006		As of December 31, 2005		Increase (Decrease)		As of March 31, 2006	
	Amount	% of total	Amount	% of total	Amount	Y of Y %	Amount	% of total
Minority Interests	—	—	2,456	0.3	—	—	2,753	0.3
Shareholders' equity								
Capital stock	—	—	37,519	3.8	—	—	37,519	4.0
Additional paid-in capital	—	—	226,069	22.8	—	—	226,069	23.9
Retained earnings	—	—	89,110	9.0	—	—	20,088	2.1
Unrealized gain on securities	—	—	10,217	1.0	—	—	10,180	1.1
Translation adjustment	—	—	(209)	(0.0)	—	—	875	0.1
Treasury stock	—	—	(865)	(0.1)	—	—	(915)	(0.1)
Total shareholders' equity	—	—	361,841	[36.5]	—	—	293,817	[31.1]
Total liabilities, minority interests, and shareholders' equity	—	—	990,316	100.0	—	—	944,054	100.0
Net assets								
Shareholders' equity	[323,261]	[34.0]	—	—	—	—	—	—
Capital stock	37,519	3.9	—	—	—	—	—	—
Additional paid-in capital	204,142	21.5	—	—	—	—	—	—
Retained earnings	82,667	8.7	—	—	—	—	—	—
Treasury stock	(1,067)	(0.1)	—	—	—	—	—	—
Revaluation and translation adjustments	[11,544]	[1.2]	—	—	—	—	—	—
Unrealized gain on securities	7,678	0.8	—	—	—	—	—	—
Gain (loss) on deferred hedge	228	0.0	—	—	—	—	—	—
Translation adjustment	3,637	0.4	—	—	—	—	—	—
Share warrant	61	0.0	—	—	—	—	—	—
Minority Interests	1,228	0.1	—	—	—	—	—	—
Total net assets	336,095	[35.3]	—	—	—	—	—	—
Total liabilities and shareholders' equity	950,964	100.0	—	—	—	—	—	—