

Consolidated Financial Statements

1. Consolidated Balance Sheets

[Millions of yen]

	As of December 31, 2006		As of December 31, 2007		Increase (Decrease)		As of March 31, 2007	
	Amount	% of total	Amount	% of total	Amount	Y of Y %	Amount	% of total
Assets								
I. Current assets								
Cash and deposits	84,370		93,430		9,059		85,677	
Trade notes and accounts receivable	243,912		238,270		(5,642)		257,380	
Marketable securities	—		606		606		909	
Inventories	147,447		157,397		9,949		133,550	
Deferred tax assets	37,223		44,031		6,808		41,336	
Accounts receivable	11,444		10,430		(1,014)		10,999	
Other current assets	24,771		25,686		915		19,489	
Allowance for doubtful accounts	(6,961)		(5,594)		1,366		(5,106)	
Total current assets	542,209	57.0	564,259	57.3	22,050	4.1	544,237	57.2
II. Fixed assets								
1. Tangible fixed assets								
Buildings and structures	64,606		69,505		4,899		65,368	
Machinery and vehicles	66,187		77,928		11,741		69,264	
Tools and equipment	27,939		28,360		421		28,643	
Land	34,376		32,859		(1,517)		33,065	
Construction in progress	21,407		14,606		(6,800)		12,406	
Rental business-use assets	21,068		20,808		(259)		21,346	
Total tangible fixed assets	235,585	24.8	244,070	24.7	8,484	3.6	230,094	24.2
2. Intangible fixed assets								
Goodwill	83,760		81,974		(1,785)		82,074	
Other intangible fixed assets	14,518		16,068		1,549		15,897	
Total intangible fixed assets	98,278	10.3	98,042	10.0	(235)	(0.2)	97,971	10.3
3. Investments and others								
Investment securities	33,529		33,190		(339)		33,948	
Long-term loans	847		503		(343)		614	
Long-term prepaid expenses	4,187		4,101		(85)		4,393	
Deferred tax assets	25,539		28,629		3,090		27,306	
Other investments	11,833		12,878		1,045		13,037	
Allowance for doubtful accounts	(1,045)		(502)		543		(552)	
Total investments and others	74,890	7.9	78,800	8.0	3,909	5.2	78,748	8.3
Total fixed assets	408,755	43.0	420,913	42.7	12,158	3.0	406,814	42.8
Total assets	950,964	100.0	985,172	100.0	34,208	3.6	951,052	100.0

[Millions of yen]

	As of December 31, 2006		As of December 31, 2007		Increase (Decrease)		As of March 31, 2007	
	Amount	% of total	Amount	% of total	Amount	Y of Y %	Amount	% of total
Liabilities								
I. Current liabilities								
Notes and account payable - trade	126,130		114,005		(12,124)		121,707	
Short-term loans	87,667		92,644		4,977		79,927	
Long-term loans due within one year	17,086		7,065		(10,021)		17,075	
Bonds due within one year	30		5,000		4,970		29	
Account payable - other	46,609		48,131		1,522		44,230	
Accrued expenses	40,621		36,339		(4,282)		36,799	
Accrued income taxes	12,166		18,642		6,475		14,171	
Allowance for bonuses	6,449		7,186		736		13,485	
Allowance for director's bonus	—		202		202		278	
Allowance for product warranty	5,218		5,191		(26)		4,994	
Allowance for loss on withdrawal from operation	35,894		16,527		(19,367)		28,097	
Notes payable-equipment	6,389		3,022		(3,367)		5,082	
Other current liabilities	17,369		19,277		1,907		11,188	
Total current liabilities	401,635	42.3	373,236	37.9	(28,398)	(7.1)	377,069	39.6
II. Long-term liabilities								
Bonds	75,291		70,191		(5,100)		75,266	
Long-term loans	59,981		52,802		(7,178)		57,065	
Deferred tax assets on land revaluation	4,042		4,028		(14)		4,028	
Reserve for retirement benefits and pension plans	61,001		59,621		(1,379)		57,947	
Reserve for directors' retirement benefits	445		503		58		459	
Other long-term liabilities	12,471		8,508		(3,962)		10,590	
Total long-term liabilities	213,233	22.4	195,656	19.8	(17,577)	(8.2)	205,358	21.6
Total liabilities	614,868	64.7	568,892	57.7	(45,975)	(7.5)	582,427	61.2

[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
Net assets								
I. Shareholders' equity								
Capital stock	37,519	3.9	37,519	3.8	—	—	37,519	3.9
Additional paid-in capital	204,142	21.5	204,140	20.7	(1)	(0.0)	204,143	21.5
Retained earnings	82,667	8.7	162,100	16.5	79,433	96.1	115,704	12.2
Treasury stock	(1,067)	(0.1)	(1,320)	(0.1)	(253)	23.7	(1,097)	(0.1)
Shareholders' equity	323,261	34.0	402,439	40.9	79,178	24.5	356,269	37.5
II. Revaluation and translation adjustments								
Unrealized gain on securities	7,678	0.8	5,291	0.5	(2,386)	(31.1)	7,454	0.8
Gain (loss) on deferred hedges	228	0.0	208	0.0	(20)	(8.8)	(90)	(0.0)
Translation adjustment	3,637	0.4	6,790	0.7	3,153	86.7	3,834	0.4
Revaluation and translation adjustments	11,544	1.2	12,290	1.2	746	6.5	11,198	1.2
III. Subscription warrant	61	0.0	235	0.0	173	283.3	108	0.0
IV. Minority Interests	1,228	0.1	1,314	0.2	86	7.0	1,048	0.1
Net assets	336,095	35.3	416,280	42.3	80,184	23.9	368,624	38.8
Total liabilities and net assets	950,964	100.0	985,172	100.0	34,208	3.6	951,052	100.0