

4. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

Fiscal year ended March 31, 2011 and 2012

	March 31, 2011	March 31, 2012
[Millions of yen]		
Consolidated balance sheets		
Assets		
Current assets		
Cash and deposits	87,886	90,640
Notes and accounts receivable-trade	163,363	174,193
Lease receivables and investment assets	14,327	13,775
Short-term investment securities	87,261	141,293
Inventories	100,243	105,080
Deferred tax assets	30,393	20,100
Accounts receivable-other	10,536	13,467
Other	12,084	11,759
Allowance for doubtful accounts	(4,220)	(4,385)
Total current assets	501,876	565,923
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	69,372	66,874
Machinery, equipment and vehicles, net	51,530	39,773
Tools, furniture and fixtures, net	20,154	22,407
Land	33,777	33,609
Lease assets, net	488	415
Construction in progress	6,589	7,817
Assets for rent, net	8,788	8,101
Total property, plant and equipment	190,701	178,999
Intangible assets		
Goodwill	63,146	59,727
Other	25,225	27,613
Total intangible assets	88,371	87,341
Investments and other assets		
Investment securities	20,893	19,073
Long-term loans receivable	154	133
Long-term prepaid expenses	3,030	2,650
Deferred tax assets	30,404	38,281
Other	10,752	10,355
Allowance for doubtful accounts	(732)	(706)
Total investments and other assets	64,504	69,788
Total noncurrent assets	343,577	336,128
Total assets	845,453	902,052

	March 31, 2011	March 31, 2012
[Millions of yen]		
Liabilities		
Current liabilities		
Notes and accounts payable-trade	74,640	88,129
Short-term loans payable	50,018	32,913
Current portion of long-term loans payable	24,516	11,994
Accounts payable-other	31,490	30,295
Accrued expenses	24,282	25,305
Income taxes payable	5,199	6,908
Provision for bonuses	10,911	10,826
Provision for directors' bonuses	130	203
Provision for product warranties	1,622	1,050
Provision for loss on business liquidation	26	—
Notes payable-facilities	585	1,062
Asset retirement obligations	42	146
Other	19,013	20,124
Total current liabilities	242,480	228,958
Noncurrent liabilities		
Bonds payable	70,000	110,000
Long-term loans payable	48,033	73,025
Deferred tax liabilities for land revaluation	3,733	3,269
Provision for retirement benefits	44,734	44,545
Provision for directors' retirement benefits	329	341
Asset retirement obligations	963	931
Other	6,192	5,992
Total noncurrent liabilities	173,985	238,105
Total liabilities	416,465	467,064
Net assets		
Shareholders' equity		
Capital stock	37,519	37,519
Capital surplus	204,140	204,142
Retained earnings	211,467	222,848
Treasury stock	(1,670)	(1,597)
Total shareholders' equity	451,457	462,913
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	478	1,183
Deferred gains or losses on hedges	(94)	(228)
Foreign currency translation adjustment	(24,193)	(30,199)
Total accumulated other comprehensive income	(23,809)	(29,243)
Subscription rights to shares	658	682
Minority interests	682	635
Total net assets	428,987	434,987
Total liabilities and net assets	845,453	902,052

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**Consolidated Statements of Income**

Fiscal year ended March 31, 2011 and 2012

[Millions of yen]

	March 31, 2011	March 31, 2012
Net sales	777,953	767,879
Cost of sales	423,372	412,562
Gross profit	354,580	355,317
Selling, general and administrative expenses	314,558	314,971
Operating income	40,022	40,346
Non-operating income		
Interest income	1,434	1,095
Dividends income	372	468
Equity in earnings of affiliates	112	67
Other	3,975	3,800
Total non-operating income	5,895	5,431
Non-operating expenses		
Interest expenses	3,129	2,519
Foreign exchange losses	3,762	2,567
Other	5,869	5,932
Total non-operating expenses	12,761	11,018
Ordinary income	33,155	34,758
Extraordinary income		
Gain on sales of noncurrent assets	456	120
Gain on sales of investment securities	5	2
Gain on sales of subsidiaries and affiliates' stocks	12	—
Gain on sales of investments in capital	—	604
Reversal of provision for loss on business liquidation	2,498	19
Gain on reversal of foreign currency translation adjustment	—	3,730
Other extraordinary income of foreign subsidiaries	505	241
Total extraordinary income	3,477	4,719
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	1,983	1,813
Loss on sales of investment securities	2	—
Loss on valuation of investment securities	680	2,700
Impairment loss	1,027	893
Business structure improvement expenses	3,394	1,198
Loss on adjustment for changes of accounting standard for asset retirement obligations	983	—
Loss on disaster	450	57
Total extraordinary losses	8,521	6,663
Income before income taxes and minority interests	28,111	32,815
Income taxes-current	9,580	9,553
Income taxes-deferred	(7,420)	2,776
Total income taxes	2,160	12,330
Income before minority interests	25,951	20,484
Minority interests in income	54	60
Net income	25,896	20,424

Consolidated Statements of Comprehensive Income
Fiscal year ended March 31, 2011 and 2012

	March 31, 2011	[Millions of yen] March 31, 2012
Income before minority interests	25,951	20,484
Other comprehensive income		
Valuation difference on available-for-sale securities	(261)	716
Deferred gains or losses on hedges	(128)	(133)
Foreign currency translation adjustment	(9,291)	(6,112)
Share of other comprehensive income of associates accounted for using equity method	(1)	(12)
Total other comprehensive income	(9,683)	(5,541)
Comprehensive income	16,267	14,943
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	16,258	14,990
Comprehensive income attributable to minority interests	8	(46)

(3) Consolidated Statements of Changes in Net Assets
Fiscal year ended March 31, 2011 and 2012

	March 31, 2011	March 31, 2012
[Millions of yen]		
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	37,519	37,519
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	37,519	37,519
Capital surplus		
Balance at the beginning of current period	204,140	204,140
Changes of items during the period		
Disposal of treasury stock	—	1
Total changes of items during the period	—	1
Balance at the end of current period	204,140	204,142
Retained earnings		
Balance at the beginning of current period	193,790	211,467
Changes of items during the period		
Dividends from surplus	(7,953)	(7,953)
Net income	25,896	20,424
Change of scope of consolidation	—	(38)
Disposal of treasury stock	(54)	—
Amortization of net retirement benefit obligation in foreign subsidiaries	(211)	(1,050)
Total changes of items during the period	17,676	11,381
Balance at the end of current period	211,467	222,848
Treasury stock		
Balance at the beginning of current period	(1,743)	(1,670)
Changes of items during the period		
Purchase of treasury stock	(76)	(11)
Disposal of treasury stock	148	84
Total changes of items during the period	72	73
Balance at the end of current period	(1,670)	(1,597)
Total shareholders' equity		
Balance at the beginning of current period	433,707	451,457
Changes of items during the period		
Dividends from surplus	(7,953)	(7,953)
Net income	25,896	20,424
Change of scope of consolidation	—	(38)
Purchase of treasury stock	(76)	(11)
Disposal of treasury stock	94	86
Amortization of net retirement benefit obligation in foreign subsidiaries	(211)	(1,050)
Total changes of items during the period	17,749	11,456
Balance at the end of current period	451,457	462,913

	March 31, 2011	March 31, 2012
[Millions of yen]		
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	741	478
Changes of items during the period		
Net changes of items other than shareholders' equity	(263)	704
Total changes of items during the period	(263)	704
Balance at the end of current period	478	1,183
Deferred gains or losses on hedges		
Balance at the beginning of current period	33	(94)
Changes of items during the period		
Net changes of items other than shareholders' equity	(128)	(133)
Total changes of items during the period	(128)	(133)
Balance at the end of current period	(94)	(228)
Foreign currency translation adjustment		
Balance at the beginning of current period	(14,947)	(24,193)
Changes of items during the period		
Net changes of items other than shareholders' equity	(9,245)	(6,005)
Total changes of items during the period	(9,245)	(6,005)
Balance at the end of current period	(24,193)	(30,199)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(14,172)	(23,809)
Changes of items during the period		
Net changes of items other than shareholders' equity	(9,637)	(5,434)
Total changes of items during the period	(9,637)	(5,434)
Balance at the end of current period	(23,809)	(29,243)
Subscription rights to shares		
Balance at the beginning of current period	617	658
Changes of items during the period		
Net changes of items other than shareholders' equity	41	24
Total changes of items during the period	41	24
Balance at the end of current period	658	682
Minority interests		
Balance at the beginning of current period	622	682
Changes of items during the period		
Net changes of items other than shareholders' equity	59	(46)
Total changes of items during the period	59	(46)
Balance at the end of current period	682	635
Total net assets		
Balance at the beginning of current period	420,775	428,987
Changes of items during the period		
Dividends from surplus	(7,953)	(7,953)
Net income	25,896	20,424
Change of scope of consolidation	—	(38)
Purchase of treasury stock	(76)	(11)
Disposal of treasury stock	94	86
Amortization of net retirement benefit obligation in foreign subsidiaries	(211)	(1,050)
Net changes of items other than shareholders' equity	(9,536)	(5,456)
Total changes of items during the period	8,212	5,999
Balance at the end of current period	428,987	434,987

(4) Consolidated Statements of Cash Flow
Fiscal year ended March 31, 2011 and 2012

	March 31, 2011	March 31, 2012
	[Millions of yen]	
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	28,111	32,815
Depreciation and amortization	55,129	49,239
Impairment loss	1,027	893
Amortization of goodwill	8,401	8,804
Interest and dividends income	(1,807)	(1,563)
Interest expenses	3,129	2,519
Loss (gain) on sales and retirement of noncurrent assets	1,526	1,693
Loss (gain) on sales and valuation of investment securities	678	2,698
Loss (gain) on sales and valuation of investments in capital	—	(604)
Gain on reversal of foreign currency translation adjustment	—	(3,730)
Increase (decrease) in provision for bonuses	(203)	(85)
Increase (decrease) in provision for retirement benefits	(8,358)	359
Increase (decrease) in provision for loss on business liquidation	(4,688)	(26)
Decrease (increase) in notes and accounts receivable-trade	3,411	(13,442)
Decrease (increase) in inventories	(7,800)	(6,268)
Increase (decrease) in notes and accounts payable-trade	433	14,715
Transfer of assets for rent	(5,324)	(4,700)
Decrease (increase) in accounts receivable-other	(543)	(4,449)
Increase (decrease) in accounts payable-other and accrued expenses	2,402	866
Decrease/increase in consumption taxes receivable/payable	(479)	1,249
Other, net	3,603	(1,543)
Subtotal	78,650	79,439
Interest and dividends income received	1,808	1,534
Interest expenses paid	(3,098)	(2,414)
Income taxes (paid) refund	(9,402)	(6,192)
Net cash provided by (used in) operating activities	67,957	72,367
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(37,026)	(29,104)
Proceeds from sales of property, plant and equipment	1,155	504
Purchase of intangible assets	(5,808)	(5,862)
Proceeds from transfer of business	577	—
Payments for transfer of business	—	(2,393)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(2,508)	(5,506)
Payments of loans receivable	(475)	(248)
Collection of loans receivable	240	138
Purchase of investment securities	(96)	(6)
Proceeds from sales of investment securities	29	2
Proceeds from sales of investments in capital	—	1,315
Payments of valuation of other investments	(1,271)	(1,773)
Other, net	445	177
Net cash provided by (used in) investing activities	(44,738)	(42,757)

	March 31, 2011	[Millions of yen] March 31, 2012
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(6,551)	(16,439)
Proceeds from long-term loans payable	989	38,304
Repayment of long-term loans payable	(27,565)	(25,805)
Proceeds from issuance of bonds	30,000	40,000
Repayments of lease obligations	(1,838)	(1,715)
Proceeds from sales of treasury stock	4	3
Purchase of treasury stock	(76)	(11)
Cash dividends paid	(7,942)	(7,945)
Proceeds from stock issuance to minority shareholders	51	—
Net cash provided by (used in) financing activities	(12,928)	26,390
Effect of exchange rate change on cash and cash equivalents	711	785
Net increase (decrease) in cash and cash equivalents	11,002	56,785
Cash and cash equivalents at beginning of period	164,146	175,148
Cash and cash equivalents at end of period	175,148	231,933