Consolidated Financial Results
for the Fiscal Year Ended March 31, 2012 [Japanese GAAP]

May 8, 2012

Company name: Roland DG Corporation
Securities Code: 6789
URL: http://www.rolanddg.co.jp/
Stock exchange listing: Tokyo Stock Exchange
Representative: Masahiro Tomioka, President
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Phone: +81-53-484-1207
Scheduled date of Ordinary General Meeting of Shareholders: June 20, 2012
Scheduled date of filing annual securities report: June 21, 2012
Scheduled date of commencing dividend payments: June 21, 2012
Availability of supplementary briefing material on consolidated financial results: Available
Schedule of consolidated financial results briefing session: Scheduled

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2012 (From April 1, 2011 to March 31, 2012)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal year ended March 31, 2012	31,379	0.3	1,449	(16.5)	1,324	(15.9)	687	9.8
Fiscal year ended March 31, 2011	31,282	10.1	1,736	145.2	1,576	139.0	626	–

(Note) Comprehensive income: Fiscal year ended March 31, 2012: 330 million yen (-%)
Fiscal year ended March 31, 2011: (778) million yen (-%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2012	38.63	–	2.9	4.4	4.6
Fiscal year ended March 31, 2011	35.19	–	2.5	5.1	5.6

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal Year Ended March 31, 2012: - million yen
Fiscal Year Ended March 31, 2011: - million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of March 31, 2012	29,335	24,780	81.8	1,347.88
As of March 31, 2011	31,131	24,796	77.3	1,351.41

(Reference) Equity: As of March 31, 2012: 23,991 million yen
As of March 31, 2011: 24,054 million yen

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Fiscal year ended March 31, 2012	(514)	(890)	(635)	6,727
Fiscal year ended March 31, 2011	1,188	(1,124)	(379)	8,785

2. Dividends

	Annual dividends				
	1st quarter end	2nd quarter end	3rd quarter end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2011	–	15.00	–	15.00	30.00
Fiscal year ended March 31, 2012	–	15.00	–	15.00	30.00
Fiscal year ending March 31, 2013 (Forecast)	–	15.00	–	15.00	30.00

	Total dividends paid (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	Millions of Yen	%	%
Fiscal year ended March 31, 2011	533	85.3	2.2
Fiscal year ended March 31, 2012	533	77.7	2.2
Fiscal year ending March 31, 2013 (Forecast)		76.3	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2013 (From April 1, 2012 to March 31, 2013)
(% indicates changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First half	16,800	7.8	500	(1.9)	450	(17.1)	100	(49.4)	5.62
Full year	34,000	8.4	1,800	24.1	1,650	24.5	700	1.8	39.33

*** Notes**

(1) Significant changes of subsidiaries during the fiscal year under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and corrections of errors
1) Changes in accounting policies due to the revision of accounting standards: No
2) Any changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Corrections of errors: No

(3) Total number of issued shares (common stock)
1) Total number of issued shares at the end of the period (including treasury stock):

Fiscal year ended March 31, 2012	17,800,000 shares
Fiscal year ended March 31, 2011	17,800,000 shares

2) Total number of treasury stock at the end of the period:

Fiscal year ended March 31, 2012	393 shares
Fiscal year ended March 31, 2011	314 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2012	17,799,631 shares
Fiscal year ended March 31, 2011	17,799,719 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2012 (From April 1, 2011 to March 31, 2012)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal year ended March 31, 2012	25,899	(2.3)	1,250	(34.5)	1,476	(30.7)	1,021	(30.3)
Fiscal year ended March 31, 2011	26,510	30.2	1,909	446.7	2,130	120.1	1,464	97.7

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2012	57.37	–
Fiscal year ended March 31, 2011	82.28	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of March 31, 2012	29,077	24,700	84.9	1,387.71
As of March 31, 2011	28,711	24,214	84.3	1,360.42

(Reference) Equity: As of March 31, 2012: 24,700 million yen
As of March 31, 2011: 24,214 million yen

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2013 (From April 1, 2012 to March 31, 2013) (% indicates changes from the previous corresponding period)

	Net sales		Ordinary income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First half	12,500	1.4	550	26.7	350	9.9	19.66
Full year	26,100	0.8	1,650	11.7	1,050	2.8	58.99

* Presentation regarding the implementation status of audit process
These Consolidated Financial Results are not subject to the audit process provided for by the Japanese Financial Instruments and Exchange Act. At the time of the disclosure of these Consolidated Financial Results, the audit process of the Consolidated Financial Statement based on the Act has not been completed.

* Explanation of the proper use of financial results forecast and other notes
1. Financial results forecast was prepared based on available information at the time of the release of this document. Actual results may be different from the projections due to various factors. For the notes concerning the use of financial results forecast, please refer to page 5 (which is omitted in this English translation).
2. The Company plans to hold a briefing session for institutional investors and analysts on May 15, 2012 (Tuesday). Materials distributed at the session will be posted on the Company's website.

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1. Results of operations

(1) Analysis of Results of Operations

During this term, our nation's economy experienced a wide downturn after the Great Eastern Japan Earthquake in March of 2011. Since then, there has been a slow but steady recovery, but that progress stalled once again from summer onward. Furthermore, Greece continued to pull Europe deeper into financial crisis, and slow economies were seen across most developed regions, including the U.S. Meanwhile, China and other emerging countries continued to maintain high growth despite a slower pace, and in general are fairly strong. Currency exchange after the summer saw the yen rise greatly against not only the dollar, but the euro as well, continuing record highs in the value of the yen.

Our group faced a halt in the supply of certain parts due to the earthquake that warranted decreased production and shipping adjustments. In addition, the tightening of credit institutions throughout Europe made it difficult for customers to make the necessary startup investments, while the strong yen raised local import costs. Both sales and profits continued to suffer under these harsh conditions. It was within this environment that we expanded the solvent metallic ink Versa series, which had been showing strong sales momentum since its inception the year before last, with the low cost, desktop-size BN-20. We also explored industrial printing and other new markets with the introduction of the UV printer, and aggressively promoted sales and marketing in all areas. In addition, we continued to push forward with milling machine sales in the dental industry, which we introduced in the previous term, and took on new initiatives to expand our business reach towards individual users with the sale of personal 3D digital hobby mill.

As a result of these efforts, our consolidated sales for the term reached 31,379 million yen, a 0.3% increase over the previous term. Despite the sharp rise in the yen reflected in the high purchasing costs for overseas subsidiaries, production increases and product cost reductions from the second quarter onward slightly improved the relative cost of product. Meanwhile, the selling, general and administrative expense rate increased against sales due to a rise in personnel costs.

In the end, operating income was down 16.5% compared with the previous term at 1,449 million yen. Ordinary income was down 15.9% compared with the previous term at 1,329 million yen. Net income for the fiscal year under review increased by 9.8% year on year, to 687 million yen, partly due to the extraordinary loss incurred through the impairment of goodwill in the previous fiscal year.

Now, in November of 2011, our group established its first overseas manufacturing base, Roland Digital Group (Thailand) Ltd., with operations slated to commence in October 2012. With the establishment of this Thailand subsidiary, we plan to strengthen our cost competitiveness through overseas production and local parts procurement, while also mitigating the damages incurred from natural disaster and creating a more sustainable business. In addition to this, serious discussions have begun regarding efforts to reform income structure in Europe. The back office functionality of five different subsidiaries will be combined to eliminate redundancy and promote efficiency, establishing the Roland DG EMEA, S.L.

Net sales by product

(Millions of Yen)

Product categories	Fiscal year ended March 31 2011		Fiscal year ended March 31 2012		Changes	Changes in composition ratio (%)	Year-on year change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)			
Printers	14,208	45.4	13,324	42.4	(884)	(3.0)	93.8
Plotters	1,240	3.9	1,125	3.6	(114)	(0.3)	90.7
3D devices	2,182	7.0	2,507	8.0	325	1.0	114.9
Supplies	10,062	32.2	10,313	32.9	250	0.7	102.5
Others	3,589	11.5	4,108	13.1	519	1.6	114.5
Total	31,282	100.0	31,379	100.0	96	-	100.3

[Printers]

The introduction of the new, desktop-size BN-20 has launched well in all regions as a solution for certain signage makers and printing companies, such as T-shirt printing shops, where large-scale printers are simply not practical. The BN-20 also won the BEST of 2011 AWARD at the international viscom dusseldorf 2011 exhibition held in Germany, and it has received great praise from a wide variety of customers for its very reasonable price point and ability to print metallic colors.

As for UV printers, the LEJ-640, a hybrid model for making high value signage that supports roll sheets and thick material; and the LEF-12, which can print directly to objects for decorating smart phone cases or novelty goods, have both experienced strong momentum.

In addition, we have planned to pursue sales in China and Korea by responding to market needs with the introduction of the Hi-Fi JET FH-740 aqueous inkjet printer.

Within existing models, the metallic printer VS series is still solid, but pressure on credit institutions in Europe has decreased investments in high-priced models. Also, with the shipping adjustment to China in the first quarter in response to the earthquake, coupled with highly competitive local manufacturers in Asia, models aimed at emerging countries have not shown much increase.

As a result, printer sales reached 13,324 million yen, or 93.8% of the previous term.

[Plotters]

Sales of major products were sluggish, so plotters sales reached 1,125 million yen, or 90.7% of the previous term.

[3D devices]

In addition to the strong performance of milling machines, the introduction of the DWX series into the dental market boosted sales.

Efforts to cultivate new markets focused on “personal,” (targeting individual users). In this term, we introduced the digital hobby mill, iModela iM-01, designed the iCreate website, launched programs to connect with users through social networking services, and overall, planned to increase our presence in hobby-based niche markets. Furthermore, the MPX-90M was introduced as small-scale fine marking equipment for the medical industry. The MPX addresses traceability by imprinting production numbers directly onto scalpels, forceps and other medical equipment. We plan to use this technology to cultivate new markets.

As a result, 3D sales reached 2,507 million yen, or 114.9% of the previous term.

[Supplies]

As workload increased for overseas users, overseas subsidiaries also aggressively pushed sales and marketing activities, which lead to increased ink sales. After the second quarter, ink sales recovered along with the domestic economy following the effects of the earthquake.

As a result, supply sales reached 10,313 million yen, or 102.5% of the previous term.

[Others]

Sales of service parts increased, so Others sales reached 4,108 million yen, or 114.5% of the previous term.

Net sales by region

(Millions of Yen)

Product categories	Fiscal year ended March 31 2011		Fiscal year ended March 31 2012		Changes	Changes in composition ratio (%)	Year-on year change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)			
Japan	3,856	12.3	4,069	13.0	213	0.7	105.5
North America	7,824	25.0	7,667	24.4	(157)	(0.6)	98.0
Europe	10,967	35.1	10,836	34.5	(131)	(0.6)	98.8
Asia	3,607	11.5	3,318	10.6	(289)	(0.9)	92.0
Others	5,026	16.1	5,487	17.5	461	1.4	109.2
Total	31,282	100.0	31,379	100.0	96	-	100.3

[Japan]

In the aftermath of the earthquake, businesses were reluctant to invest in new equipment, so printers suffered a temporary downturn. Despite this, exhibitions and tours helped us to seriously showcase the high value-added solutions inherent in our new metallic and UV printers, bringing sales back up over the previous term.

Within 3D machines, sales for milling and engraving machines retained solid momentum. Also, partnerships with providers of dental machine paved the way for the DWX's strong performance, and like printers, 3D machine sales grew past the previous term.

Sales and marketing activities now include social networking services such as Facebook and Twitter. New products can also receive usage examples and maintenance information through the Internet, and we have worked to expand market penetration by opening up communication with users on our website.

These efforts have resulted in sales of 4,069 million yen, or 105.5% of sales in the previous term.

[North America]

Looking at printers, in addition to the metallic printer VS series, new product campaigns and aggressive marketing efforts have supported strong sales for new products such as the LEJ-640 and BN-20.

Within 3D, existing models of engraving machines were strong, and the promotion of the DWX series at exhibitions boosted its sales as well.

As a result, the rising value of the yen after the second quarter was overcome with 7,667 million yen in sales. This was almost steady with the previous term, equaling 98.0% of sales last year.

[Europe]

Again, aggressive marketing at exhibitions helped boost sales of UV printers and new products, but increased lending scrutiny from credit institutions and the reluctance of customers to invest in new equipment had a negative impact on sales.

Meanwhile, steady sales in 3D and supplies are supporting overall sales numbers, and while performance is strong locally, the effect of the high yen left sales in Europe totaling 10,836 million yen, or 98.8% of the previous term.

[Asia]

Due to shipping adjustments in response to the earthquake during the first quarter, sales in the Chinese market fell under the previous term. Although the Chinese market experienced some recovery in the second quarter onward, the pace of economic expansion and competitiveness of local manufacturers left us unable to fully reclaim the losses of the first quarter.

Therefore, sales in Asia only reached 3,318 million yen, or 92.0% of the previous term.

[Other Regions]

Growth was tough to find in South Africa, which was coming down from its economic boom during the World Cup in 2010, and Brazil, which had shown great performance in the previous term. Areas of South America, excluding Brazil, showed positive growth. This term also saw the consolidation of our Australian subsidiary, which pushed up sales.

Overall, sales in other regions reached 5,487 million yen, or 109.2% of the previous term.

Forecast for the Fiscal year ending March 31, 2013

Regarding future economic forecasts, despite the gentle growth predicted for emerging countries, currency trends in developed countries and the reigniting debt crisis in Europe threaten to stall the economy, so the future remains unclear.

Under such circumstances, our company will take appropriate response to changes in the environment, work hard to create user value and create a foundation that carries our business into the future.

As for business the next term's performance, several elements such as exchange rates remain unclear. However, we predict aggressive sales and marketing development, along with careful inventory management and lowered costs through efficient production and effective management will bring a result in increased revenue and profit.

Now, we also have plans to strengthen cost competitiveness for the future. Our Thailand subsidiary allows us to perform overseas production and local parts procurement. In Europe, through the newly established shared service company, we will handle the back office functionality of five sales subsidiaries to raise efficiency. The Thailand and shared services subsidiaries are set to be consolidated beginning in the next term.

(Millions of Yen)

	Fiscal year ended March 31 2012	Fiscal year ending March 31 2013 (Forecast)	Year-on-year Change (%)
Net sales	31,379	34,000	108.4
Operating sales	1,449	1,800	124.1
Ordinary sales	1,324	1,650	124.5
Net income	687	700	101.8

*Estimated exchange rates for the fiscal year ending March 31 2013

1USD=80yen, 1 EUR=105yen, 1GBP=125yen, 1 DKK=14.1yen, 1AUD=82yen, 1 BHT=2.7yen

(2) Analysis of Financial Position

Summary of Consolidated Statement of Cash Flows

(Millions of Yen)

	Fiscal 2011	Fiscal 2012	Changes
Net cash provided by (used in) operating activities	1,188	(514)	(1,702)
Net cash provided by (used in)investing activities	(1,124)	(890)	234
Net cash provided by (used in) financing activities	(379)	(635)	(255)
Effect of exchange rate on cash and cash equivalents	(580)	(102)	478
Cash and cash equivalents at beginning of period	(895)	(2,141)	(1,245)
Increase in cash and cash equivalents from newly consolidated subsidiary	-	84	84
Cash and cash equivalents at end of period	8,785	6,727	(2,057)

[Net cash provided by (used in) operating activities]

Net cash used in operating activities was 514 million yen, a decrease of 1,702 million yen from the previous fiscal year. Positive factors for the cash flows primarily include the fact that inventories as well as notes and accounts receivable-trade which, in the previous fiscal year, showed some increase thanks to the recovery of business performance and expansion in manufacturing activities, showed no more than a minor increase in the fiscal year under review. On the other hand, negative factors for the cash flows primarily include a significant decrease in notes and accounts payable-trade which showed an increase in the previous fiscal year, and a significant increase in income taxes paid associated with the recovery of business performance starting in the previous fiscal year.

[Net cash provided by (used in) investing activities]

Net cash used in investing activities for the fiscal year under review was 890 million yen, a decrease of 234 million yen from the previous fiscal year's 1,124 million yen. The previous fiscal year saw cash outflows primarily comprising payments into time deposits and purchase of property, plant and equipment including the renovation of equipment, whereas the fiscal year under review saw cash inflows from the sale of Okubo Office, which, however was surpassed by the cash outflows primarily comprising purchase of the shares in the Company's Thai subsidiary, purchase of property, plant and equipment including the renovation of metallic mold and equipment, and purchase of intangible assets including software for operational efficiency improvement.

[Net cash provided by (used in) financing activities]

Net cash used in financing activities for the fiscal year under review was 635 million yen, an increase of 255 million yen from the previous fiscal year's 379 million yen. Cash outflows in the previous fiscal year primarily included cash dividends paid, whereas cash outflows in the fiscal year under review primarily included cash dividends paid and repayment of short-term loans payable.

(3) Basic Policy on Earnings Distributions and Dividend for Current and Next fiscal Years

Although our performance has undergone some harsh changes, we believe in prioritizing profit returns for shareholders, and therefore will work to maintain the stability of those returns in light of our performance. At the same time, from a mid-to-long term standpoint, since we must allocate funds for future investments in equipment, R&D and sales, we are working to bolster our internal reserves prepare the required capital, and strengthen the constitution of our business.

In terms of actual policy, this means keeping our goal of maintaining dividends at 30% of non-consolidated profits, and incorporating that into the future of our business development. As for dividends in the current term, we met our goal at the start of the term, and term end dividends will be 15 yen, which is equal to the previous term payout of 30 yen. In total, this will be 52% of non-consolidated profit.

Now, when looking at dividends for the following term, we are predicting a difficult term for performance. However, in keeping with the above policy to maintain stable dividends, payouts interim and at year-end are expected to be 15 yen per share, which equals the total for this term, 30 yen for the year.

2. Medium to Long Term Business Strategy and Issues to be Addressed

One of our group’s main philosophies is to “Inspire the Enjoyment of Creativity.” With Color and 3D digital control technology as a base, we provide products and services that can transform to a user’s imagination into reality.

Until now, we have created markets and sustained growth by developing products that were unlike any others in the industry, or even the world. However, the signage market in developed countries, which represents our main area of business, has matured greatly, and printers have become commoditized. Now, our activities focus on KACHI-Zukuri, which transforms our concept of MONO-Zukuri into something that can excite the market, while also creating new, high value-added markets to explore. KACHI-Zukuri is about creating user value, and it represents a new beginning for our efforts. In addition, we are actively nurturing new businesses in ever-transforming emerging countries, spurring economic growth and developing new digital networking technology. Through these efforts, we aim to realize a new source of sustainable growth.

(1) Group Integration

The business activities of our group can be viewed like so: Japan headquarters performs MONO-Zukuri, developing and manufacturing product, while subsidiaries perform the appropriate sales and marketing functions relative to their local markets. However, overseas sales account for over 80% of sales overall, so, in order to realize KACHI-Zukuri and respond to a changing global market, it is imperative to work quickly to reflect the needs of all global customers in our business strategy.

To that end, we are pushing to realize an organizational structure that can give rise to this new group strategy. MONO-Zukuri and sales and marketing functions will be combined, and global markets will be managed as regional blocks. We intend to not only focus on existing markets, but work actively with local partners to create new markets as well. In addition, we will seek out new business possibilities by examining the potential behind both the markets and available technology, establishing a steering committee to push the creation of new businesses. Our plan is to strengthen product planning and design with an eye for speed and competitiveness.

(2) Strengthening R&D and Production Structure

In terms of the structure behind R&D and production, our company thinking is based in the “digital factory” concept, where digital data is shared company-wide and synchronized as work progresses. Multiple products are realized concurrently, and cell manufacturing allows for low-volume, high-variety production work. It is a system based in flexible MONO-Zukuri. Going forward, in order to realize the diversification of customer value, we seek product designs that break existing standards, as well as greater cost competitiveness, mechanisms to cope with exchange rates, higher levels of quality assurance and shortened production lead time. Beginning with the reformation of global marketing and consolidated processes, we continue to strengthen MONO-Zukuri through efforts like our overseas production base in Thailand, overseas procurement and investment in R&D to increase core technologies.

(3) Improving Group Management Efficiency

In order to raise our competitive edge in the increasingly complicated business realm, it is necessary for our group to fully leverage its management assets and improve both competitive advantage and efficiency. In 2011, the Integration Values Project focused on five sales subsidiaries in Europe. Efforts began to integrate redundant back-office functions, improve efficiency of SCM by reducing lead time and costs, shrink lead time, lower costs and free up resources to cultivate new business. Soon, we hope to expand the scope of this project to the entire group and work to expand profitability and growth potential.

In addition, we are using the Web to promote sales and marketing activity for personal products and seeking to establish new business models that can both raise efficiency and create markets.

(4) Improving Business Sustainability

The 2011 Great Eastern Japan Earthquake had several effects on our business, which made it impossible to procure key parts. In addition, there were secondary risks from radiation contamination and ongoing power shortages. Preparing for environmental damage, we examined BCP from a variety of angles, including our supply chains, and got to work improving the sustainability of our business activities.

(5) Environmental Protection

We are also planning a number of initiatives to ensure the protection of the environment. This includes considering environmental impact during product development, preparing our facilities to prevent contamination, efforts to reduce energy consumption, and company-wide education on efficient usage and recycling of materials. Going forward, we will continue to contribute sustainable environmental efforts that can be developed for the benefit of society.

(6) Enhancing Corporate Governance and Strengthening Internal Control

As a listed company, corporate governance is our responsibility to society, and to realize this, we must strengthen the internal control of our company. We will set an Internal Control System Policy as sought by the Company Act and put together a risk management structure. Furthermore, regarding the internal control for financial reports as instituted by the Financial Instruments Exchange Law, we are planning structural and organizational measures to ensure the appropriateness of such reports in accordance with the above base policies. We fully intend to take the enhancement of these internal systems to the next level.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	As of March 31, 2011	As of March 31, 2012
Assets		
Current assets		
Cash and deposits	9,324,702	7,252,515
Notes and accounts receivable-trade	3,474,491	3,686,598
Merchandise and finished goods	4,650,676	4,747,352
Work in process	45,065	112,913
Raw materials and supplies	1,696,494	2,086,155
Deferred tax assets	866,428	792,646
Other	1,604,645	1,379,548
Allowance for doubtful accounts	(28,540)	(19,961)
Total current assets	21,633,963	20,037,770
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,472,633	5,692,035
Accumulated depreciation	(3,250,218)	(2,755,113)
Buildings and structures, net	3,222,415	2,936,921
Machinery, equipment and vehicles	608,018	656,998
Accumulated depreciation	(405,981)	(437,210)
Machinery, equipment and vehicles, net	202,037	219,787
Tools, furniture and fixtures	2,169,979	2,503,435
Accumulated depreciation	(1,823,581)	(2,102,435)
Tools, furniture and fixtures, net	346,398	401,000
Land	3,187,525	2,780,337
Construction in progress	69,718	37,884
Total property, plant and equipment	7,028,095	6,375,932
Intangible assets		
Goodwill	954,157	788,265
Software	459,565	572,113
Telephone subscription right	8,411	8,515
Total intangible assets	1,422,134	1,368,894
Investments and other assets		
Investment securities	179,886	526,090
Deferred tax assets	39,620	194,817
Long-term time deposits	500,000	500,000
Other	366,239	360,065
Allowance for doubtful accounts	(38,339)	(27,898)
Total investments and other assets	1,047,407	1,553,074
Total noncurrent assets	9,497,636	9,297,900
Total assets	31,131,599	29,335,671

(Thousands of Yen)

	As of March 31, 2011	As of March 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,867,747	1,424,011
Income taxes payable	725,463	75,212
Provision for bonuses	463,242	540,879
Provision for product warranties	267,348	246,691
Other	1,589,099	1,556,811
Total current liabilities	5,912,901	3,843,604
Noncurrent liabilities		
Provision for retirement benefits	106,634	129,922
Long-term accounts payable-other	127,212	123,717
Other	188,721	457,972
Total noncurrent liabilities	422,568	711,612
Total liabilities	6,335,469	4,555,217
Net assets		
Shareholders' equity		
Capital stock	3,668,700	3,668,700
Capital surplus	3,700,603	3,700,603
Retained earnings	19,331,113	19,642,589
Treasury stock	(559)	(638)
Total shareholders' equity	26,699,857	27,011,254
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,713	2,314
Foreign currency translation adjustment	(2,648,833)	(3,021,913)
Total accumulated other comprehensive income	(2,645,120)	(3,019,598)
Minority interests	741,393	788,797
Total net assets	24,796,130	24,780,453
Total liabilities and net assets	31,131,599	29,335,671

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

(Thousands of Yen)

	For the fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	For the fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Net sales	31,282,907	31,379,258
Cost of sales	19,814,319	19,582,951
Gross profit	11,468,588	11,796,306
Selling, general and administrative expenses		
Transportation and warehousing expenses	547,288	581,675
Advertising and promotion expenses	730,315	785,120
Provision of allowance for doubtful accounts	10,538	10,473
Provision for product warranties	160,355	151,332
Salaries and bonuses	4,734,448	4,983,212
Provision for bonuses	258,167	301,284
Traveling and transportation expenses	451,563	549,856
Depreciation	715,861	676,716
Commission fee	861,674	1,016,155
Other	1,261,595	1,290,600
Total selling, general and administrative expenses	9,731,810	10,346,427
Operating income	1,736,778	1,449,879
Non-operating income		
Interest income	53,186	47,607
Dividends income	28,521	331
Other	82,483	58,076
Total non-operating income	164,190	106,015
Non-operating expenses		
Interest expenses	20,535	14,071
Sales discounts	139,754	157,608
Foreign exchange losses	156,622	47,491
Other	7,992	11,743
Total non-operating expenses	324,906	230,914
Ordinary income	1,576,062	1,324,980
Extraordinary income		
Gain on sales of noncurrent assets	2,918	9,984
Gain on sales of investment securities	650	—
Reversal of allowance for doubtful accounts	3,583	—
Reversal of provision for product warranties	8,047	—
Total extraordinary income	15,199	9,984
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	28,273	14,386
Impairment loss	303,769	—
Loss on valuation of investment securities	4,640	—
Total extraordinary loss	336,682	14,386
Income before income taxes and minority interests	1,254,580	1,320,579
Income taxes-current	972,849	628,577
Income taxes-deferred	(385,017)	(57,771)
Total income taxes	587,832	570,806
Income before minority interests	666,747	749,773
Minority interests in income	40,316	62,239
Net income	626,430	687,534

(Consolidated Statements of Comprehensive Income)

(Thousands of Yen)

	For the fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	For the fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Income before minority interests	666,747	749,773
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,279)	(1,398)
Foreign currency translation adjustment	(1,439,726)	(417,888)
Total other comprehensive income	(1,445,005)	(419,286)
Comprehensive income	(778,257)	330,487
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(662,043)	313,056
Comprehensive income attributable to minority interests	(116,214)	17,430

(3) Consolidated Statements of Changes in Net Assets

(Thousands of Yen)

	For the fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	For the fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	3,668,700	3,668,700
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	3,668,700	3,668,700
Capital surplus		
Balance at the beginning of current period	3,700,603	3,700,603
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	3,700,603	3,700,603
Retained earnings		
Balance at the beginning of current period	19,149,676	19,331,113
Changes of items during the period		
Dividends from surplus	(444,993)	(533,989)
Net income	626,430	687,534
Change of scope of consolidation	—	157,931
Total changes of items during the period	181,437	311,475
Balance at the end of current period	19,331,113	19,642,589
Treasury stock		
Balance at the beginning of current period	(497)	(559)
Changes of items during the period		
Purchase of treasury stock	(61)	(79)
Total changes of items during the period	(61)	(79)
Balance at the end of current period	(559)	(638)
Total shareholders' equity		
Balance at the beginning of current period	26,518,481	26,699,857
Changes of items during the period		
Dividends from surplus	(444,993)	(533,989)
Net income	626,430	687,534
Change of scope of consolidation	—	157,931
Purchase of treasury stock	(61)	(79)
Total changes of items during the period	181,375	311,396
Balance at the end of current period	26,699,857	27,011,254

(Thousands of Yen)

	For the fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	For the fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	8,992	3,713
Changes of items during the period		
Net changes of items other than shareholders' equity	(5,279)	(1,398)
Total changes of items during the period	(5,279)	(1,398)
Balance at the end of current period	3,713	2,314
Foreign currency translation adjustment		
Balance at the beginning of current period	(1,365,638)	(2,648,833)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,283,195)	(373,079)
Total changes of items during the period	(1,283,195)	(373,079)
Balance at the end of current period	(2,648,833)	(3,021,913)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(1,356,646)	(2,645,120)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,288,474)	(374,477)
Total changes of items during the period	(1,288,474)	(374,477)
Balance at the end of current period	(2,645,120)	(3,019,598)
Minority interests		
Balance at the beginning of current period	883,600	741,393
Changes of items during the period		
Net changes of items other than shareholders' equity	(142,206)	47,404
Total changes of items during the period	(142,206)	47,404
Balance at the end of current period	741,393	788,797
Total net assets		
Balance at the beginning of current period	26,045,435	24,796,130
Changes of items during the period		
Dividends from surplus	(444,993)	(533,989)
Net income	626,430	687,534
Change of scope of consolidation	—	157,931
Purchase of treasury stock	(61)	(79)
Net changes of items other than shareholders' equity	(1,430,681)	(327,073)
Total changes of items during the period	(1,249,305)	(15,676)
Balance at the end of current period	24,796,130	24,780,453

(4) Consolidated Statements of Cash Flows

(Thousands of Yen)

	For the fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	For the fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,254,580	1,320,579
Depreciation and amortization	1,091,578	1,059,028
Impairment loss	303,769	—
Increase (decrease) in allowance for doubtful accounts	7,300	(16,624)
Increase (decrease) in provision for bonuses	29,563	78,644
Increase (decrease) in provision for product warranties	91,950	(20,057)
Increase (decrease) in provision for retirement benefits	28,610	23,287
Interest and dividends income	(81,707)	(47,938)
Interest expenses	20,535	14,071
Loss (gain) on sales of property, plant and equipment	25,354	4,401
Loss (gain) on sales of investment securities	(650)	—
Decrease (increase) in notes and accounts receivable-trade	(742,271)	(135,835)
Decrease (increase) in inventories	(1,864,360)	(489,224)
Decrease (increase) in other current assets	40,958	28,431
Decrease (increase) in other noncurrent assets	1,703	1,601
Increase (decrease) in notes and accounts payable-trade	1,124,637	(1,466,311)
Increase (decrease) in other current liabilities	(42,059)	15,709
Increase (decrease) in other noncurrent liabilities	22,475	243,573
Other, net	13,252	(21,206)
Subtotal	1,325,220	592,129
Interest and dividends income received	80,395	42,344
Interest expenses paid	(21,517)	(13,902)
Income taxes paid	(195,598)	(1,134,609)
Net cash provided by (used in) operating activities	1,188,499	(514,037)
Net cash provided by (used in) investing activities		
Payments into time deposits	(582,100)	(620,835)
Proceeds from withdrawal of time deposits	58,210	619,342
Purchase of property, plant and equipment	(409,906)	(480,245)
Proceeds from sales of property, plant and equipment	7,582	511,013
Purchase of intangible assets	(127,914)	(311,515)
Purchase of investment securities	(738)	(796)
Proceeds from sales of investment securities	1,250	—
Purchase of investments in subsidiaries	(70,297)	(587,083)
Other, net	(269)	(20,002)
Net cash provided by (used in) investing activities	(1,124,182)	(890,122)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	96,546	(50,840)
Cash dividends paid	(444,491)	(536,797)
Cash dividends paid to minority shareholders	(25,992)	(32,715)
Other, net	(5,736)	(14,996)
Net cash provided by (used in) financing activities	(379,674)	(635,350)
Effect of exchange rate change on cash and cash equivalents	(580,587)	(102,244)
Net increase (decrease) in cash and cash equivalents	(895,944)	(2,141,755)
Cash and cash equivalents at beginning of period	9,681,003	8,785,058
Increase in cash and cash equivalents from newly consolidated subsidiary	—	84,274
Cash and cash equivalents at end of period	8,785,058	6,727,577