



Closing Announcement of Fiscal Year Ending March 31, 2010

April 27, 2010

Name of Listed Company:	Arisawa Mfg. Co., Ltd.	Listed on the Tokyo Stock Exchange
Code No.:	5208	(URL http://www.arisawa.co.jp/)
Representative:	President and CEO:	Sanji Arisawa
Contact Person:	Director & Senior Operating Officer:	Tetsuro Iizuka
Scheduled Date of Holding Ordinary General Meeting of Shareholders:	June 29, 2010	Scheduled Date of Commencement of Dividend Payment: June 30, 2010
Scheduled Date of Submitting Financial Report:	June 30, 2010	TEL: 025-524-7101

(Indicated by rounding off an amount less than 1 million yen)

1. Consolidated Results for Fiscal Year Ending March 31, 2010 (From April 1, 2009 to March 31, 2010)

(1) Consolidated Operating Results (% indication shows the increase or decrease rate from the previous year)

	Sales		Operating profit		Ordinary profit		Net profit	
	(million yen)	%	(million yen)	%	(million yen)	%	(million yen)	%
Fiscal Year Ending March 31, 2010	29,717	0.7	Δ1,334	---	Δ1,328	---	Δ3,104	---
Fiscal Year Ending March 31, 2009	29,511	Δ27.5	Δ653	---	Δ1,139	---	Δ2,758	---

	Net profit per share	Fully diluted net profit per share	ROE	Ordinary profit ratio of total assets	Operating profit ratio of sales
	(Yen, Sen)	(Yen, Sen)	%	%	%
Fiscal Year Ending March 31, 2010	Δ88.72	---	Δ8.2	Δ2.7	Δ4.5
Fiscal Year Ending March 31, 2009	Δ78.84	---	Δ6.7	Δ2.2	Δ2.2

(Reference) Equity method investment income: Fiscal Year Ending March 31, 2010: 307 million yen,
Fiscal Year Ending March 31, 2009: Δ226 million yen

(2) Consolidated Financial Condition

	Total assets	Net asset	Net worth ratio	Net asset per share
	(million yen)	(million yen)	%	(Yen, Sen)
Fiscal Year Ending March 31, 2010	52,304	37,324	69.1	1,032.36
Fiscal Year Ending March 31, 2009	47,771	39,360	82.1	1,120.37

(Reference) Net worth: Fiscal Year Ending March 31, 2010: 36,124 million yen, Fiscal Year Ending March 31, 2009: 39,205 million yen

(3) Status of Consolidated Cash Flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of year
	(million yen)	(million yen)	(million yen)	(million yen)
Fiscal Year Ending March 31, 2010	3,222	Δ616	146	6,270
Fiscal Year Ending March 31, 2009	2,245	Δ5,777	2,287	3,609

2. Status of Dividend

	Dividend per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of year	Annual			
Fiscal Year Ending March 31, 2009	---	---	---	8.00	8.00	279	---	0.7
Fiscal Year Ending March 31, 2010	---	---	---	8.00	8.00	279	---	0.7
Fiscal Year Ending March 31, 2011 (Forecast)	---	---	---	---	---		---	

(Note) Dividend for the fiscal year ending March 31, 2011 has yet to be determined.

3. Expected Consolidated Results for Fiscal Year Ending March 31, 2011

(From April 1, 2010 to March 31, 2011)

(% indication shows the increase or decrease rate from the previous year for full-year and from the same quarter of previous year for the 2nd quarter consolidated aggregate period)

	Sales		Operating profit		Ordinary profit		Net profit		Net profit per share
	(million yen)	%	(million yen)	%	(million yen)	%	(million yen)	%	(Yen, Sen)
2nd quarter consolidated aggregate period	18,230	20.2	Δ400	---	Δ220	---	Δ420	---	Δ12.00
Full year	36,900	24.2	140	---	560	---	200	---	5.72

4. Other

- (1) Changes in material subsidiaries during the year (changes in specified subsidiaries accompanying changes in scope of consolidation): Yes

New: 3 companies (Company Name: ThinFlex Corporation, TopFlex Corporation, ThinFlex Technology Corporation (B. V. I.))

Exclusion: --- (Company Name:)

(Note) For more details, refer to "Present Conditions of Business Group" on page 6.

- (2) Changes in principles, procedures and representation method of accounting related to preparation of consolidated financial statements (the matters to be described in the Changes in Substantial Underlying Matters for Preparation of Consolidated Financial Statements)

- 1) Changes in connection with the amendment of accounting standards, etc.: None
 2) Changes other than those set forth in 1): None

- (3) Number of outstanding shares (common stocks)

- 1) Number of outstanding shares at the end of year (including treasury stocks):

Fiscal Year Ending March 31, 2010: 34,994,424 shares,

Fiscal Year Ending March 31, 2009: 34,994,424 shares

- 2) Number of treasury stocks at the end of year:

Fiscal Year Ending March 31, 2010: 2,204 shares,

Fiscal Year Ending March 31, 2009: 1,359 shares

(Note) For the number of shares constituting the base of calculation of net profit per share (consolidated), refer to "Per Share Information" on page 29.

(Reference) Overview of Individual Business Results

1. Individual Results for Fiscal Year Ending March 31, 2010 (From April 1, 2009 to March 31, 2010)

(1) Individual Operating Results (% indication shows the increase or decrease rate from the previous year)

	Sales		Operating profit		Ordinary profit		Net profit	
	(million yen)	%	(million yen)	%	(million yen)	%	(million yen)	%
Fiscal Year Ending March 31, 2010	25,194	Δ4.9	Δ1,602	---	Δ1,430	---	1,093	---
Fiscal Year Ending March 31, 2009	26,495	Δ29.8	Δ1,061	---	Δ953	---	Δ2,746	---

	Net profit per share	Fully diluted net profit per share
	(Yen, Sen)	(Yen, Sen)
Fiscal Year Ending March 31, 2010	31.25	31.22
Fiscal Year Ending March 31, 2009	Δ78.47	---

(2) Individual Financial Condition

	Total assets	Net asset	Net worth ratio	Net asset per share
	(million yen)	(million yen)	%	(Yen, Sen)
Fiscal Year Ending March 31, 2010	41,056	29,836	72.2	847.17
Fiscal Year Ending March 31, 2009	35,934	28,746	79.6	817.46

(Reference) Net worth: Fiscal Year Ending March 31, 2010: 29,644 million yen, Fiscal Year Ending March 31, 2009: 28,605 million yen

* Explanation about Appropriate Use of the Forecast of Business Results and other Matters to be Noted

Description regarding the future such as the forecast of business results stated in this material is based on information which the Company has currently obtained and certain assumptions that the Company determines to be reasonable, although actual results may significantly differ from the forecast depending on various factors.

1. Business Results

(1) Analysis of Business Results

For the Japanese economy in the current consolidated fiscal year, while it has been reported that the global financial crisis triggered by the sub-prime loan problem has been gradually resolved by the effects of economic stimulus measures by respective governments around the world and some production and export segments have shown signs of recovery, such situations continue as future uncertainty cannot be swept away due to constraints on capital investment based on the recognition of the overcapacity of industries, the unstable employment situation and sluggish income growth, etc.

Under such circumstances, our Group has concentrated business resources on the electronic materials field and display materials field with the aim of increasing sales and has made every effort to reduce costs, but price cuts and an increase in depreciation costs from capital investments largely affected our efforts.

For business results for the current consolidated fiscal year, net sales were ¥29,717 million (an increase of 0.7% as compared to the same period in the previous year). For income, we recorded an operating loss of ¥1,334 million, ordinary loss of ¥1,328 million and net loss of ¥3,104 million.

(Forecast for the Next Period)

For the next period, we expect the Japanese economy will trend toward a gradual recovery mainly led by external demand pulled by the growth of emerging economies, including China, although conditions will remain severe as unstable employment and sluggish income growth will not improve. Based on such conditions, we expect net sales of ¥36,900 million (an increase of 24.2% from the previous year) and an operating profit of ¥140 million, ordinary profit of ¥560 million and net profit of ¥200 million.

(2) Qualitative Information concerning Financial Conditions

Total assets as of the end of the current consolidated fiscal year were ¥52,304 million, an increase of ¥4,533 million from the end of the previous consolidated fiscal year.

Total current assets increased ¥6,371 million from the end of the previous consolidated fiscal year. This was due to an increase in notes receivable and accounts receivable of ¥2,184 million, an increase in cash and deposits of ¥2,977 million from the sale of investment securities, etc., and acquisition of securities of ¥1,598 million by asset management, etc.

Total fixed assets decreased ¥1,838 million due to the sale of investment securities and small capital investment.

Total liabilities were ¥14,980 million, an increase of ¥6,569 million from the end of the previous consolidated fiscal year.

Current liabilities increased ¥4,174 million, as a result that notes payable and accounts payable increased ¥2,006 million and accrued liabilities increased ¥1,640 million, etc.

Fixed liabilities increased ¥2,395 million due to an increase in lease liabilities from sale and leaseback arrangements.

Net assets were ¥37,324 million, a decrease of ¥2,036 million from the end of the previous consolidated fiscal year, due to a decrease in earned surplus, etc.

(Cash Flows)

Cash and cash equivalents as of the end of the current consolidated fiscal year were ¥6,270 million due to the cash flows set forth below, an increase of ¥2,661 million from the end of the previous consolidated fiscal year.

(Cash Flow from Operating Activities)

For cash flow from operating activities, while we recorded a net loss before taxes, etc., of ¥2,991 million and an increase in accounts receivable of ¥1,500 million, depreciation expense of ¥2,991, an increase in purchase debt of ¥1,877 million and loss on the sale of investment securities of ¥1,037 million were recorded. As a result, for cash flow from operating activities, cash inflow was ¥3,222 million, an increase of ¥976 million as compared to the previous consolidated fiscal year.

(Cash Flow from Investing Activities)

For cash flow from investing activities, although cash inflow from the sale of investment securities were recorded, cash outflow of ¥616 million was made due to placement in term deposits for the purpose of fund management and for acquisition of securities, and cash outflow decreased ¥5,160 million as compared to the same period in the previous year.

(Cash Flow from Financing Activities)

For cash flow from financing activities, while sale and leaseback arrangements of some machinery and equipment were made, a total of ¥146 million of cash inflow was recorded due to partial repayment of borrowings and redemption of bonds of subsidiaries which newly became subject to consolidated closing from the third quarter of the current consolidated fiscal year, and cash inflow decreased ¥2,140 million as compared to the same period in the previous year.

(Reference) Transitions of Cash Flow related Index

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Net worth ratio (%)	77.4	82.1	69.1
Net worth ratio on a basis of market price (%)	49.1	27.5	44.6
Ratio of cash flow to interest bearing debt (year)	0.1	1.5	1.8
Interest coverage ratio (times)	1,330.2	71.0	33.3

(Note) Net worth ratio: Net worth / Total assets

Net worth ratio on the basis of market price: Total market value of shares / Total assets

Ratio of cash flow to interest bearing debt: Interest bearing debts / Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities / Interest paid

1. Each index is based on financial figures on a consolidated basis.
2. Total market value of shares is calculated by final share price at the end of year × total number of outstanding shares at the end of year (after deducting treasury stock).
3. As for operating cash flow, “Cash flow from operating activities” in the consolidated cash flow statement is used.
4. Interest bearing debts cover all the debts that paid interest out of debts appropriated on the consolidated balance sheet. As for interest paid, “Interest paid” in the consolidated cash flow statement is used.

(3) Basic Policy for Profit Distribution and Dividend for Current Year

Regarding the dividend policy of the Company, profit returns to our shareholders are a top priority of management. We will continue profit distribution in conjunction with consolidated business results and pay out dividends aiming at a dividend payout ratio of 25% or more with regard to the current consolidated net profit, taking into consideration performance and financial requirements. With respect to internal reserves, the Company will appropriate capital for research and development and capital investment for business expansion, etc., in order to increase profits for our shareholders in the future. We plan to pay a dividend of ¥8 per share in terms of stable dividend, although we recorded net losses for the current year. A dividend for the fiscal year ending March 31, 2011 has yet to be determined as we expect the severe business environment will continue. We will disclose this information upon determination taking into consideration the overall outlook of future business results, etc.

(4) Business Risks

With respect to the contents stated in the business results and financial conditions, the matters that might significantly affect the judgment of investors seem to be as follows.

a) Regarding fluctuations in demand for products

Major users of the products manufactured and sold by our Group are consumer electronic appliance manufacturers, electronic components manufacturers and industrial electronic appliance manufacturers and the fluctuations in demand for consumer electronic appliances affect the business results of our Group.

b) Regarding dependence on particular products

Net sales of our Group largely depend on the field of electronic materials. If sales in the field decrease, it might affect the business results of our Group.

c) Development of New Business

Our Group intends to start up several new businesses, but this might affect business results depending on the progress.

d) Regarding procurement of raw materials

If purchase prices rise considerably due to soaring crude oil prices, etc., for raw materials our Group purchases, it might affect the business results of our Group.

e) Regarding the impact of disasters

Many of our production bases are concentrated in Joetsu-shi, Niigata Prefecture. In the event of an earthquake and other disasters, it might affect the business results of our Group due to interruption of production activities, etc.

f) Regarding environmental regulations

Businesses of our Group are conducted under various legal regulations, including environmental protection and other regulations. If significant liabilities or obligations arise in connection with environmental protection and other regulatory compliance matters, they might affect business results of our Group.

2. Present Conditions of Business Group

Our Group, comprised of the Company and 15 subsidiaries and 7 affiliates, is engaged in manufacturing and sales of electronic materials, display materials, electric insulation materials and industrial application structural materials. In addition, it is developing operational activities such as the sale of goods related to each operation, logistics and the sale of other services and sporting goods.

In this regard, as segment information by business category is not described, it is described by business segment.

(1) Manufacturing and sales operation of industrial materials

1) Electronic Materials

The Company carries out manufacture and sales of base materials for flexible and rigid printed circuit boards, etc., to be used as electronic materials and Arisawa Fiber Glass Co., Ltd., a subsidiary, conducts manufacture of glass cloth for printed circuit boards. ThinFlex Corporation, a subsidiary, and TAIFLEX Scientific Corporation, an affiliate, also manufacture and sell materials for flexible printed circuit boards.

2) Display Materials

The Company manufactures and sells anti-reflection films and 3D display filters, etc., used as display materials, Color Link Japan, Co., Ltd., a subsidiary, manufactures and sells special optical films, ARISAWA MANUFACTURING (DALIAN) CO., LTD. carries out their post-process operations. Asuna Co., Ltd. sells 3D display equipment and Quality Experience Design Co., Ltd. makes and produces 3D image content. Polatechno Co., Ltd., an affiliate, manufactures and sells polarizing plates for liquid crystal displays, etc., DDD Group plc develops and sells 3D content and hardware and Innovision FlexTech Corporation manufactures and sells plastic LCDs and screens, etc.

3) Electric Insulation Materials

Arisawa Fiber Glass Co., Ltd., a subsidiary, manufactures glass cloth tapes used as electric insulation materials and the Company sells these while other subsidiary Arisawa Sogyo Co., Ltd. and an affiliate, Tochio Nakajin Shosen, Ltd. manufacture these products.

The Company manufactures and sells pre-preg for electric insulation and Arisawa Jushi Kogyo Co., Ltd., a subsidiary, also carries out manufacturing.

4) Industrial application structural materials

While the Company manufactures and sells FW molded products used as industrial application structural materials, and honeycomb panels and pre-preg, etc., for aircraft, Arisawa Sogyo Co., Ltd., a subsidiary, and Shinano Co., Ltd., an affiliate, manufacture and sell drawing molded products and FRP ski sheets, etc.

5) Other

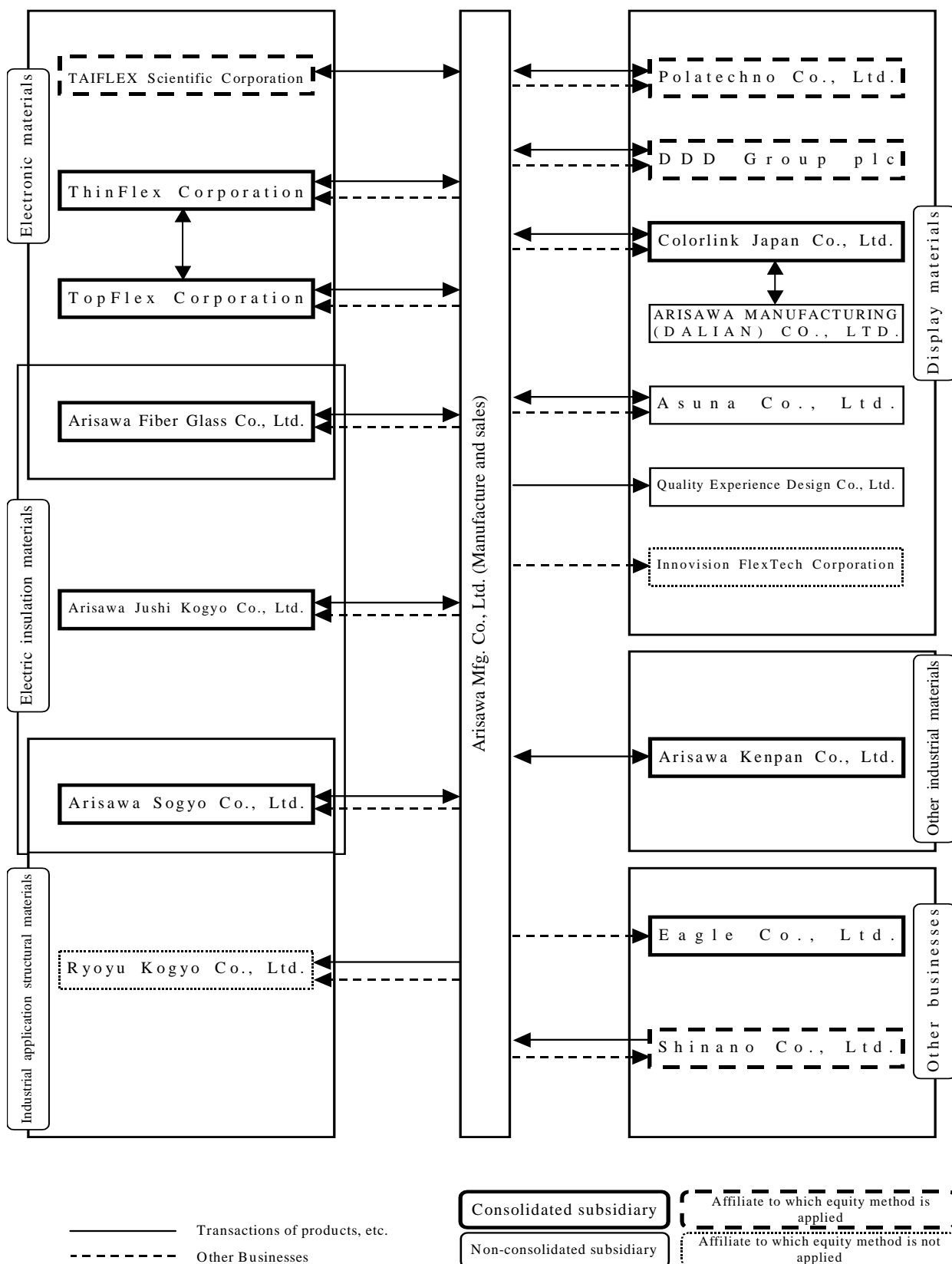
Related products set forth in 3) and 4) in the above are sold by the Company and also by Arisawa Kenpan Co., Ltd., a subsidiary.

(2) Other Businesses

Eagle Co., Ltd., a subsidiary, operates a driving range, and Shinano Co., Ltd., an affiliate, sells sporting goods.

The above matters are shown in the following Business Activities Diagram.

(Business Activities Diagram)



(Note) Shinano Co., Ltd. manufactures and sells industrial materials (industrial application structural materials) in addition to Other businesses.

3. Corporate Policy

(1) Corporate Basic Policy

The Company has implemented the following corporate policies, based on the philosophy of “Creation, Innovation and Challenge.”

- I. To prioritize safety and quality as our objectives, and target zero-accidents and zero-claims.
- II. To create new businesses and markets.
- III. To enhance corporate profitability.

Based on its corporate policy, the Company aims to create corporate value and increase shareholder value through improvements in customer satisfaction levels, increased speed in new product development and enhancement of profitability by thorough cost reductions.

(2) Target Management Index

Our target management index is set out for the mid and long-term as follows: new product sales ratio will exceed 50%, operating profit ratio will exceed 8% and ROA will exceed 5%.

(3) Mid and Long-Term Corporate Strategy

We will strive to raise profit levels by strengthening the competitiveness of existing products as well as address the development of new products for building the foundations of new businesses.

- 1) In the electronic materials field, we will concentrate business resources and reduce costs to aim at stronger competitiveness and share increase.
- 2) In the display materials field, we will seek promotion and cost reduction of 3D materials and make efforts for quickly releasing new products on the market, focusing on optical films.
- 3) For industrial application structural materials, we will promote sales expansion mainly in the fields of aircraft, water treatment and heavy electric machinery and seek to maintain sound profitability.

(4) Tasks to be Tackled by the Company

Our Group is promoting the following as our tasks to be tackled in order to achieve the aforementioned corporate strategy earlier and more securely.

- 1) In order to realize a competitive cost structure, we will thoroughly review manufacturing technologies and material selection.
- 2) We will seek to reduce costs thoroughly by improving management technologies and inherent technologies mainly through the Arisawa Production System and improvement in individual abilities.
- 3) We will promote strengthening of cooperation among manufacture, sales and technology departments and seek efficient business operations.

4. Consolidated Financial Statements
 (1) Consolidated Balance Sheet

(Unit: thousand yen)

	Previous consolidated fiscal year (as of March 31, 2009)		Current consolidated fiscal year (as of March 31, 2010)	
Assets				
Current Assets				
Cash and deposits		4,744,027		7,721,216
Notes and accounts receivable		5,254,417		7,438,562
Securities		---		1,598,829
Merchandise and finished goods		3,174,025		2,957,949
Work-in-progress		1,383,394		1,290,597
Raw materials and stores		1,460,110		1,590,850
Deferred tax assets		67,866		74,011
Other		1,337,746		1,070,989
Allowance for doubtful accounts		Δ159,864		Δ109,568
Total Current Assets		17,261,721		23,633,438
Fixed Assets				
Tangible fixed assets				
Buildings and structures	*2	17,445,802	*2	18,385,661
Accumulated depreciation		Δ9,121,058		Δ9,891,815
Buildings and structures (net)	*2	8,324,744	*2	8,493,846
Machinery, equipment and delivery equipment	*2	24,613,509	*2	24,392,192
Accumulated depreciation		Δ17,652,683		Δ19,460,430
Machinery, equipment and delivery equipment (net)	*2	6,960,826	*2	4,931,761
Tools, furniture and fixtures	*2	1,728,430	*2	1,810,106
Accumulated depreciation		Δ1,536,815		Δ1,610,281
Tools, furniture and fixtures (net)	*2	191,614	*2	199,824
Land	*2	1,551,385	*2	1,551,385
Lease assets		8,595		2,122,583
Accumulated depreciation		Δ1,331		Δ629,491
Lease assets (net)		7,263		1,493,092
Construction in progress		167,280		38,055
Total tangible fixed assets		17,203,115		16,707,965
Intangible fixed assets				
Goodwill		66,435		47,454
Lease assets		---		38,614
Other		90,897	*2	135,600
Total intangible fixed assets		157,333		221,669
Investments and other assets				
Investment securities	*1	12,918,532	*1	9,057,953
Long-term loans		215,691		286,025
Deferred tax assets		106,649		55,928
Long-term deposits		---	*2	2,532,869
Other		306,518		256,817
Allowance for doubtful accounts		Δ398,037		Δ447,942
Total investments and other assets		13,149,353		11,741,652
Total Fixed Assets		30,509,802		28,671,287
Total Assets		47,771,524		52,304,726

(Unit: thousand yen)

	Previous consolidated fiscal year (as of March 31, 2009)	Current consolidated fiscal year (as of March 31, 2010)
Liabilities		
Current Liabilities		
Notes and accounts payable	3,409,863	5,415,883
Short-term borrowings	*2, *4 1,037,000	*2, *4 951,332
Current portion of long-term borrowings	*2 501,400	*2 730,159
Lease liabilities	1,989	285,697
Unpaid amount	---	1,640,207
Corporate income tax, etc., payable	63,097	108,693
Deferred tax liabilities	191,163	136,931
Reserve for bonuses	447,071	453,398
Reserve for officers' bonuses	6,024	3,059
Provision for product warranties	42,148	199,478
Current portion of bonds	---	77,768
Other	659,215	530,576
Total Current Liabilities	6,358,975	10,533,185
Fixed Liabilities		
Bonds payable	---	183,905
Long-term borrowings	*2 1,749,340	*2 1,900,565
Negative goodwill	---	166,031
Lease liabilities	6,376	1,720,654
Deferred tax liabilities	241,989	414,610
Reserve for retirement allowance	28,034	28,997
Other	26,000	32,516
Total Fixed Liabilities	2,051,740	4,447,281
Total Liabilities	8,410,716	14,980,467
Net Assets		
Shareholders' equity		
Capital	7,117,256	7,117,256
Capital surplus	6,229,282	6,229,282
Earned surplus	26,112,651	22,727,863
Treasury stock	Δ733	Δ1,210
Total shareholders' equity	39,458,456	36,073,191
Valuation and translation differences, etc.		
Valuation difference on other securities	169,297	438,585
Foreign currency translation adjustments	Δ422,706	Δ387,082
Total valuation and translation differences, etc.	Δ253,409	51,502
New share subscription rights	141,479	192,367
Minority interests	14,281	1,007,196
Total Net Assets	39,360,808	37,324,258
Total Liabilities and Net Assets	47,771,524	52,304,726

(2) Consolidated Profit and Loss Statement

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2008 to March 31, 2009)		Current consolidated fiscal year (From April 1, 2009 to March 31, 2010)	
Sales		29,511,525		29,717,942
Cost of Goods Sold	*1, *2	27,053,376	*1, *2	27,976,246
Gross Profit on Sales		2,458,148		1,741,696
Selling, General and Administrative Expenses				
Freight and packaging expenses		536,594		545,035
Wages and allowances		795,648		829,738
Transfer to reserve for bonuses		74,748		98,814
Transfer to reserve for officers' bonuses		6,024		3,059
Transfer to reserve for retirement allowance		28,899		62,038
Transfer to allowance for doubtful accounts		124,714		14,468
Transfer to provision for product warranties		---		6,971
Other		1,544,549		1,516,383
Total Selling, General and Administrative Expenses	*1	3,111,179	*1	3,076,509
Operating Loss (Δ)		Δ653,030		Δ1,334,813
Non-operating Income				
Interest received		22,975		29,689
Dividends received		32,293		21,696
Investment profit by equity method		---		307,585
Amortization of negative goodwill		---		18,547
Rent income		72,640		71,544
Technical support fee		53,100		---
Subsidy income		80,185		88,147
Other		99,230		75,587
Total Non-operating Income		360,425		612,799
Non-operating Expenses				
Interest paid		28,302		98,064
Transfer to allowance for doubtful accounts		117,065		---
Exchange loss		---		104,813
Investment loss by equity method		226,773		---
Compensation expenses		147,446		109,996
Transfer to provision for product warranties		42,148		192,507
Other		285,104		100,842
Total Non-operating Expenses		846,840		606,224
Ordinary Loss (Δ)		Δ1,139,445		Δ1,328,238
Extraordinary Profits				
Profit on sale of fixed assets	*3	5,870	*3	1,038
Profit on sale of investment securities		87,189		---
Profit on redemption of bonds		---		78,735
Other		29,872		10,134
Total Extraordinary Profits		122,932		89,908

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2008 to March 31, 2009)	Current consolidated fiscal year (From April 1, 2009 to March 31, 2010)
Extraordinary Losses		
Loss on sale of fixed assets	*4 486	---
Loss on impairment	*5 3,100	---
Loss on sale of investment securities	---	1,037,751
Valuation loss on investment securities	485,621	674,508
Other	30,018	40,415
Total Extraordinary Losses	519,226	1,752,675
Net loss (Δ) before taxes, etc.	Δ 1,535,739	Δ 2,991,005
Corporate income tax, resident tax and business tax payable	186,064	147,623
Corporate income tax, etc., for prior periods	34,298	---
Adjustment of corporate income tax, etc.	1,002,547	8,977
Total corporate income tax, etc.	1,222,911	156,601
Minority interests in profit or loss (Δ)	202	Δ 42,961
Net Loss (Δ)	Δ 2,758,853	Δ 3,104,645

(3) Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2008 to March 31, 2009)	Current consolidated fiscal year (From April 1, 2009 to March 31, 2010)
Shareholders' equity		
Capital		
Balance at the end of previous period	7,117,253	7,117,256
Changes during the period		
Issue of new shares	2	---
Total changes during the period	2	---
Balance at the end of period	7,117,256	7,117,256
Capital surplus		
Balance at the end of previous period	6,229,282	6,229,282
Changes during the period		
Total changes during the period	---	---
Balance at the end of period	6,229,282	6,229,282
Earned surplus		
Balance at the end of previous period	32,126,042	26,112,651
Changes during the period		
Dividend of surplus	Δ629,858	Δ280,142
Net loss (Δ)	Δ2,758,853	Δ3,104,645
Retirement of treasury stock	Δ3,211,749	---
Other	587,070	---
Total changes during the period	Δ6,013,391	Δ3,384,787
Balance at the end of period	26,112,651	22,727,863
Treasury stock		
Balance at the end of previous period	Δ3,211,749	Δ733
Changes during the period		
Acquisition of treasury stock	Δ733	Δ476
Retirement of treasury stock	3,211,749	---
Total changes during the period	3,211,016	Δ476
Balance at the end of period	Δ733	Δ1,210
Total shareholders' equity		
Balance at the end of previous period	42,260,829	39,458,456
Changes during the period		
Issue of new shares	2	---
Dividend of surplus	Δ629,858	Δ280,142
Net loss (Δ)	Δ2,758,853	Δ3,104,645
Acquisition of treasury stock	Δ733	Δ476
Other	587,070	---
Total changes during the period	Δ2,802,373	Δ3,385,264
Balance at the end of period	39,458,456	36,073,191

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2008 to March 31, 2009)	Current consolidated fiscal year (From April 1, 2009 to March 31, 2010)
Valuation and translation differences, etc.		
Valuation difference on other securities		
Balance at the end of previous period	434,965	169,297
Changes during the period		
Changes in items other than shareholders' equity during the period (net)	Δ265,667	269,287
Total changes during the period	Δ265,667	269,287
Balance at the end of period	169,297	438,585
Foreign currency translation adjustments		
Balance at the end of previous period	61,604	Δ422,706
Changes during the period		
Changes in items other than shareholders' equity during the period (net)	Δ484,310	35,623
Total changes during the period	Δ484,310	35,623
Balance at the end of period	Δ422,706	Δ387,082
Total valuation and translation differences, etc.		
Balance at the end of previous period	496,569	Δ253,409
Changes during the period		
Changes in items other than shareholders' equity during the period (net)	Δ749,978	304,911
Total changes during the period	Δ749,978	304,911
Balance at the end of period	Δ253,409	51,502
New share subscription rights		
Balance at the end of previous period	89,625	141,479
Changes during the period		
Changes in items other than shareholders' equity during the period (net)	51,854	50,887
Total changes during the period	51,854	50,887
Balance at the end of period	141,479	192,367
Minority interests		
Balance at the end of previous period	---	14,281
Changes during the period		
Changes in items other than shareholders' equity during the period (net)	14,281	992,915
Total changes during the period	14,281	992,915
Balance at the end of period	14,281	1,007,196
Total net assets		
Balance at the end of previous period	42,847,024	39,360,808
Changes during the period		
Issue of new shares	2	---
Dividend of surplus	Δ629,858	Δ280,142
Net loss (Δ)	Δ2,758,853	Δ3,104,645
Acquisition of treasury stock	Δ733	Δ476
Other	587,070	---
Changes in items other than shareholders' equity during the period (net)	Δ683,842	1,348,715
Total changes during the period	Δ3,486,215	Δ2,036,549
Balance at the end of period	39,360,808	37,324,258

(4) Consolidated Cash Flow Statement

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2008 to March 31, 2009)	Current consolidated fiscal year (From April 1, 2009 to March 31, 2010)
Cash flow from operating activities		
Net loss (Δ) before taxes, etc.	Δ1,535,739	Δ2,991,005
Depreciation expense	2,677,195	2,991,688
Loss on impairment	3,100	---
Amortization of goodwill	19,121	18,981
Amortization of negative goodwill	---	Δ18,547
Stock compensation expenses	56,551	57,844
Investment profit/loss by equity method (Δ: profit)	226,773	Δ307,585
Profit/loss on changes in equity (Δ: profit)	Δ4,567	---
Profit/loss on prior period adjustment (Δ: profit)	Δ1,510	---
Profit on reversal of new share subscription rights	Δ4,696	Δ6,956
Profit/loss on sale of investment securities (Δ: profit)	Δ87,189	1,037,751
Profit/loss on sale of fixed assets (Δ: profit)	Δ5,383	Δ1,038
Loss on retirement of tangible fixed assets	6,621	22,763
Valuation profit/loss on investment securities (Δ: profit)	530,350	667,889
Profit on redemption of bonds	---	Δ78,735
Exchange profit/loss (Δ: profit)	35,350	76,377
Increase/decrease in reserve for bonuses (Δ: decrease)	Δ125,677	6,326
Increase/decrease in reserve for officers' bonuses (Δ: decrease)	Δ2,525	Δ2,965
Increase/decrease in reserve for retirement allowance (Δ: decrease)	---	963
Increase/decrease in provision for product warranties (Δ: decrease)	42,148	157,329
Increase/decrease in allowance for doubtful accounts (Δ: decrease)	226,512	Δ35,723
Interest received and dividends received	Δ55,268	Δ51,386
Interest paid	28,302	98,064
Increase/decrease in accounts receivable (Δ: increase)	4,834,843	Δ1,500,959
Increase/decrease in inventories (Δ: increase)	1,268,589	543,452
Increase/decrease in trades payable (Δ: decrease)	Δ5,405,653	1,877,974
Increase/decrease in consumption tax, etc., payable (Δ: decrease)	Δ64,688	233,377
Increase/decrease in other assets (Δ: increase)	Δ44,303	252,411
Increase/decrease in other liabilities (Δ: decrease)	Δ214,887	160,007
Other	277	---
Subtotal	2,403,646	3,208,301
Interest and dividends received	316,283	217,776
Interest paid	Δ31,628	Δ96,624
Corporate income tax, etc., paid	Δ407,747	Δ123,253
Corporate income tax, etc., refund	---	15,938
Corporate income tax, etc., for prior periods paid	Δ34,771	---
Cash flow from operating activities	2,245,782	3,222,137

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2008 to March 31, 2009)	Current consolidated fiscal year (From April 1, 2009 to March 31, 2010)
Cash flow from investing activities		
Expenditure for placement in term deposits	Δ140,000	Δ3,565,950
Revenue from refund of term deposits	20,000	750,000
Expenditure for acquisition of securities	---	Δ2,592,113
Revenue from sale of securities	---	2,000,000
Expenditure for acquisition of tangible fixed assets	Δ5,398,165	Δ512,115
Revenue from sale of tangible fixed assets	77,646	10,627
Expenditure for acquisition of intangible fixed assets	Δ5,323	Δ5,776
Expenditure for acquisition of investment securities	Δ356,761	Δ714,563
Revenue from sale of investment securities	139,778	3,466,761
Revenue from acquisition of shares of a subsidiary accompanying the change in scope of consolidation	---	*2 553,050
Expenditure for lending	Δ114,892	Δ8,764
Revenue from collection of loans	620	2,644
Cash flow from investing activities	Δ5,777,098	Δ616,200
Cash flow from financing activities		
Net increase/decrease in short-term borrowings (Δ: decrease)	647,000	Δ835,803
Revenue from long-term borrowings	2,500,000	30,000
Expenditure for repayment of long-term borrowings	Δ249,260	Δ543,335
Expenditure for redemption of bonds	---	Δ168,239
Expenditure for repayment of lease liabilities	Δ1,497	Δ260,991
Revenue from sale and leaseback	---	2,204,771
Expenditure for acquisition of treasury stock	Δ733	Δ476
Dividends paid	Δ629,403	Δ279,595
Proceeds from payments by minority shareholders	21,028	---
Other	Δ13	Δ197
Cash flow from financing activities	2,287,120	146,131
Translation differences in cash and cash equivalents	Δ2,784	Δ90,828
Increase/decrease in cash and cash equivalents (Δ: decrease)	Δ1,246,980	2,661,239
Cash and cash equivalents at beginning of year	4,856,007	*1 3,609,027
Cash and cash equivalents at end of year	*1 3,609,027	*1 6,270,266

5. Individual Financial Statements
 (1) Balance Sheet

(Unit: thousand yen)

	Previous business year (As of March 31, 2009)	Current business year (As of March 31, 2010)
Assets		
Current Assets		
Cash and deposits	2,678,220	4,903,385
Notes receivable	757,514	509,464
Accounts receivable	3,564,004	5,042,223
Securities	---	998,829
Merchandise and finished goods	2,468,579	2,192,599
Work-in-progress	1,179,532	947,464
Raw materials and stores	1,172,934	1,052,486
Advance payment	100,819	---
Prepaid expenses	513,443	375,178
Short-term loans	381,919	---
Short-term loans to affiliated companies	---	695,670
Receivables	465,290	338,378
Other	27,039	30,657
Allowance for doubtful accounts	Δ160,451	Δ97,186
Total Current Assets	13,148,846	16,989,150
Fixed Assets		
Tangible fixed assets		
Buildings	15,044,888	15,072,108
Accumulated depreciation	Δ7,432,818	Δ8,030,721
Buildings (net)	7,612,069	7,041,386
Structures	1,224,866	1,191,546
Accumulated depreciation	Δ813,485	Δ842,194
Structures (net)	411,381	349,352
Machinery and equipment	23,429,370	21,404,688
Accumulated depreciation	Δ16,774,075	Δ17,585,702
Machinery and equipment (net)	6,655,295	3,818,985
Vehicles and delivery equipment	198,668	199,183
Accumulated depreciation	Δ159,898	Δ179,937
Vehicles and delivery equipment (net)	38,770	19,246
Tools, furniture and fixtures	1,488,566	1,448,667
Accumulated depreciation	Δ1,318,515	Δ1,335,957
Tools, furniture and fixtures (net)	170,051	112,710
Land	1,391,077	1,391,077
Lease assets	8,595	2,122,583
Accumulated depreciation	Δ1,331	Δ629,491
Lease assets (net)	7,263	1,493,092
Construction in progress	140,624	18,499
Total tangible fixed assets	16,426,533	14,244,349

(Unit: thousand yen)

	Previous business year (As of March 31, 2009)	Current business year (As of March 31, 2010)
Intangible fixed assets		
Telephones subscription rights	9,283	9,283
Patent license	68,217	55,591
Software	8,043	7,722
Lease assets	---	38,614
Other	617	574
Total intangible fixed assets	86,161	111,785
Investments and other assets		
Investment securities	1,875,865	2,221,935
Stocks of affiliated companies	4,294,132	4,906,631
Long-term loans	179,868	285,029
Long-term loans to employees	1,640	996
Long-term loans to affiliated companies	59,691	---
Long-term prepaid expenses	66,835	64,368
Investment real estate	747	747
Long-term deposits	---	2,500,000
Other	89,244	52,195
Allowance for doubtful accounts	△294,939	△320,619
Total investments and other assets	6,273,085	9,711,283
Total Fixed Assets	22,785,779	24,067,417
Total Assets	35,934,626	41,056,568
Liabilities		
Current Liabilities		
Notes payable	1,904,320	2,793,973
Accounts payable	943,277	1,733,522
Short-term borrowings	790,000	40,000
Current portion of long-term borrowings	501,400	501,400
Lease liabilities	1,930	285,697
Unpaid amount	293,182	1,567,847
Accrued expenses	75,307	74,426
Corporate income tax, etc., payable	3,715	24,574
Deferred tax liabilities	191,163	136,931
Advances received	11,984	13,964
Cash deposited	21,659	22,954
Reserve for bonuses	324,789	312,370
Provision for product warranties	42,148	192,507
Other	153,860	221,422
Total Current Liabilities	5,258,740	7,921,592
Fixed Liabilities		
Long-term borrowings	1,749,340	1,247,940
Lease liabilities	6,239	1,720,654
Deferred tax liabilities	147,402	297,303
Other	26,000	32,261
Total Fixed Liabilities	1,928,982	3,298,159
Total Liabilities	7,187,723	11,219,751

(Unit: thousand yen)

	Previous business year (As of March 31, 2009)	Current business year (As of March 31, 2010)
Net Assets		
Shareholders' equity		
Capital	7,117,256	7,117,256
Capital surplus		
Capital reserve	6,229,282	6,229,282
Total capital surplus	6,229,282	6,229,282
Earned surplus		
Earned surplus reserve	748,262	748,262
Other earned surplus		
Reserve for dividends	171,600	---
Reserve for advanced depreciation of fixed assets	38,615	33,349
Contingency reserve	15,920,000	13,920,000
Earned surplus carried forward	Δ1,797,338	1,192,989
Total earned surplus	15,081,139	15,894,601
Treasury stock	Δ733	Δ1,210
Total shareholders' equity	28,426,944	29,239,929
Valuation and translation differences, etc.		
Valuation difference on other securities	178,478	404,519
Total valuation and translation differences, etc.	178,478	404,519
New share subscription rights	141,479	192,367
Total Net Assets	28,746,902	29,836,816
Total Liabilities and Net Assets	35,934,626	41,056,568

(2) Profit and Loss Statement

(Unit: thousand yen)

	Previous business year (From April 1, 2008 to March 31, 2009)	Current business year (From April 1, 2009 to March 31, 2010)
Sales		
Sales of merchandise and finished goods	26,495,997	25,194,870
Cost of Goods Sold		
Opening inventory of merchandise and finished goods	2,652,340	2,468,579
Purchases of merchandise	3,064,083	2,577,629
Cost of manufactured goods	21,734,772	21,495,272
Subtotal	27,451,196	26,541,481
Transfer to other accounts	27,580	Δ21,442
Closing inventory of merchandise and finished goods	2,468,579	2,192,599
Total Cost of Goods Sold	24,955,036	24,370,324
Gross Profit on Sales	1,540,960	824,545
Selling, General and Administrative Expenses		
Freight and packaging expenses	656,907	652,788
Transfer to allowance for doubtful accounts	---	13,009
Officers' compensation	186,444	147,714
Wages and allowances	589,876	537,610
Transfer to reserve for bonuses	55,214	61,318
Transfer to reserve for retirement allowance	26,170	58,340
Depreciation expense	106,959	75,053
Other	980,837	881,281
Total Selling, General and Administrative Expenses	2,602,409	2,427,116
Operating Loss (Δ)	Δ1,061,448	Δ1,602,571
Non-operating Income		
Interest received	20,725	18,344
Interest on securities	---	10,016
Dividends received	384,324	442,491
Rent income	335,649	310,969
Other	196,126	120,883
Total Non-operating Income	936,826	902,705
Non-operating Expenses		
Interest paid	25,951	71,845
Rent expense	253,381	228,568
Compensation expenses	108,724	93,400
Transfer to allowance for doubtful accounts	142,574	---
Transfer to provision for product warranties	42,148	192,507
Exchange loss	---	84,805
Other	255,713	59,441
Total Non-operating Expenses	828,494	730,569
Ordinary Loss (Δ)	Δ953,116	Δ1,430,435

(Unit: thousand yen)

	Previous business year (From April 1, 2008 to March 31, 2009)	Current business year (From April 1, 2009 to March 31, 2010)
Extraordinary Profits		
Profit on sale of fixed assets	5,486	---
Profit on sale of investment securities	87,189	3,144,801
Reversal of allowance for doubtful accounts	12,152	---
Other	13,146	23,352
Total Extraordinary Profits	117,974	3,168,153
Extraordinary Losses		
Loss on sale of fixed assets	486	---
Loss on impairment	3,100	---
Valuation loss on investment securities	293,698	635,952
Valuation loss on stocks of affiliated companies	558,547	34,755
Other	23,177	39,919
Total Extraordinary Losses	879,009	710,628
Net profit or loss (Δ) before taxes	Δ 1,714,151	1,027,090
Corporate income tax, resident tax and business tax payable	25,774	Δ 8,508
Corporate income tax, etc., for prior periods	28,306	---
Adjustment of corporate income tax, etc.	977,827	Δ 57,808
Total corporate income tax, etc.	1,031,909	Δ 66,316
Net profit or loss (Δ)	Δ 2,746,060	1,093,406

(3) Statements of Changes in Shareholders' Equity and Other Net Assets

(Unit: thousand yen)

	Previous business year (From April 1, 2008 to March 31, 2009)	Current business year (From April 1, 2009 to March 31, 2010)
Shareholders' equity		
Capital		
Balance at the end of previous period	7,117,253	7,117,256
Changes during the period		
Issue of new shares	2	---
Total changes during the period	2	---
Balance at the end of period	7,117,256	7,117,256
Capital surplus		
Capital reserve		
Balance at the end of previous period	6,229,282	6,229,282
Changes during the period		
Total changes during the period	---	---
Balance at the end of period	6,229,282	6,229,282
Total capital surplus		
Balance at the end of previous period	6,229,282	6,229,282
Changes during the period		
Total changes during the period	---	---
Balance at the end of period	6,229,282	6,229,282
Earned surplus		
Earned surplus reserve		
Balance at the end of previous period	748,262	748,262
Changes during the period		
Total changes during the period	---	---
Balance at the end of period	748,262	748,262
Other earned surplus		
Reserve for dividends		
Balance at the end of previous period	171,600	171,600
Changes during the period		
Reversal of reserve for dividends	---	Δ171,600
Total changes during the period	---	Δ171,600
Balance at the end of period	171,600	---
Reserve for advanced depreciation of fixed assets		
Balance at the end of previous period	44,342	38,615
Changes during the period		
Reversal of reserve for advanced depreciation of fixed assets	Δ5,726	Δ5,266
Total changes during the period	Δ5,726	Δ5,266
Balance at the end of period	38,615	33,349
Contingency reserve		
Balance at the end of previous period	19,130,000	15,920,000
Changes during the period		
Reversal of contingency reserve	Δ3,210,000	Δ2,000,000
Total changes during the period	Δ3,210,000	Δ2,000,000
Balance at the end of period	15,920,000	13,920,000

(Unit: thousand yen)

	Previous business year (From April 1, 2008 to March 31, 2009)	Current business year (From April 1, 2009 to March 31, 2010)
Earned surplus carried forward		
Balance at the end of previous period	1,574,603	Δ1,797,338
Changes during the period		
Reversal of reserve for advanced depreciation of fixed assets	5,726	5,266
Reversal of contingency reserve	3,210,000	2,000,000
Reversal of reserve for dividends	---	171,600
Dividend of surplus	Δ629,858	Δ279,944
Net profit or loss (Δ)	Δ2,746,060	1,093,406
Retirement of treasury stock	Δ3,211,749	---
Total changes during the period	Δ3,371,942	2,990,328
Balance at the end of period	Δ1,797,338	1,192,989
Total earned surplus		
Balance at the end of previous period	21,668,808	15,081,139
Changes during the period		
Dividend of surplus	Δ629,858	Δ279,944
Net profit or loss (Δ)	Δ2,746,060	1,093,406
Retirement of treasury stock	Δ3,211,749	---
Total changes during the period	Δ6,587,668	813,462
Balance at the end of period	15,081,139	15,894,601
Treasury stock		
Balance at the end of previous period	Δ3,211,749	Δ733
Changes during the period		
Acquisition of treasury stock	Δ733	Δ476
Retirement of treasury stock	3,211,749	---
Total changes during the period	3,211,016	Δ476
Balance at the end of period	Δ733	Δ1,210
Total shareholders' equity		
Balance at the end of previous period	31,803,594	28,426,944
Changes during the period		
Issue of new shares	2	---
Dividend of surplus	Δ629,858	Δ279,944
Net profit or loss (Δ)	Δ2,746,060	1,093,406
Acquisition of treasury stock	Δ733	Δ476
Retirement of treasury stock	---	---
Total changes during the period	Δ3,376,650	812,985
Balance at the end of period	28,426,944	29,239,929

(Unit: thousand yen)

	Previous business year (From April 1, 2008 to March 31, 2009)	Current business year (From April 1, 2009 to March 31, 2010)
Valuation and translation differences, etc.		
Valuation difference on other securities		
Balance at the end of previous period	448,253	178,478
Changes during the period		
Changes in items other than shareholders' equity during the period (net)	Δ269,774	226,040
Total changes during the period	Δ269,774	226,040
Balance at the end of period	178,478	404,519
Total valuation and translation differences, etc.		
Balance at the end of previous period	448,253	178,478
Changes during the period		
Changes in items other than shareholders' equity during the period (net)	Δ269,774	226,040
Total changes during the period	Δ269,774	226,040
Balance at the end of period	178,478	404,519
New share subscription rights		
Balance at the end of previous period	89,625	141,479
Changes during the period		
Changes in items other than shareholders' equity during the period (net)	51,854	50,887
Total changes during the period	51,854	50,887
Balance at the end of period	141,479	192,367
Total net assets		
Balance at the end of previous period	32,341,473	28,746,902
Changes during the period		
Issue of new shares	2	---
Dividend of surplus	Δ629,858	Δ279,944
Net profit or loss (Δ)	Δ2,746,060	1,093,406
Acquisition of treasury stock	Δ733	Δ476
Retirement of treasury stock	---	---
Changes in items other than shareholders' equity during the period (net)	Δ217,920	276,928
Total changes during the period	Δ3,594,570	1,089,913
Balance at the end of period	28,746,902	29,836,816