Consolidated Financial Results for the Year Ended March 31, 2011

May 10, 2011

Listed company name	:	Sysmex Corporation
Code	:	6869
Listed stock exchanges	:	Tokyo Stock Exchange Osaka Securities Exchange
URL	:	http://www.sysmex.co.jp
Company representative	:	Hisashi Ietsugu, President and CEO
Contact	:	Yukitoshi Kamao, Executive Vice President, Corporate Business Administration
Phone	:	078(265)-0500
Scheduled date for shareholders' meeting	:	June 24, 2011
Scheduled date for dividend payment	:	June 27, 2011
Scheduled date for filing of financial report	:	June 24, 2011
Preparation of supplementary material for earnings	:	Yes
Holding of earnings announcement	:	Yes

(Unit: Millions of Yen)

1. Results for the Year Ended March 31, 2011

(1) Operating results

(% changes as compared with the corresponding period of the previous fiscal year)

	Net Sales		Operating income		Ordinary income		Net income	
Year ended Mar. 31, 2011	124,694	7.3%	18,288	16.4%	17,979	14.0%	11,411	16.9%
Year ended Mar. 31, 2010	116,174	3.9%	15,708	3.8%	15,772	21.5%	9,764	21.8%

	Net income per share (Yen)	Diluted net income per share (Yen)	Return on Equity	Ordinary income to total assets	Operating income to net sales
Year ended Mar. 31, 2011	222.35	221.92	12.7%	14.3%	14.7%
Year ended Mar. 31, 2010	190.75	190.51	11.8%	13.2%	13.5%

Note:

Comprehensive income: 9,849 million yen(3.2%) for the year ended March 31, 2011; 9,546 million yen for March 31, 2010.

Equity in earnings (losses) of affiliates: (60) million yen for the year ended March 31, 2011; (60) million yen for the year ended March 31, 2010.

(2) Financial condition

	Total assets	Net assets	Equity Ratio	Net assets per share (Yen)
As of Mar. 31, 2011	130,059	94,232	71.9%	1,821.37
As of Mar. 31, 2010	120,702	87,136	71.5%	1,684.90

Note:

Equity capital: 93,533 million yen as of March 31, 2011; 86,357 million yen as of March 31, 2010

(3) Cash flows

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financing activities	Total cash and cash equivalents at the end of term
Year ended Mar. 31, 2011	18,135	(8,915)	(3,474)	18,915
Year ended Mar. 31, 2010	21,229	(6,603)	(10,090)	13,812

2. Dividend

	Dividend per share					Total dividend payment	Dividend payout ratio	Dividend to equity
	First quarter (Yen)	Second quarter (Yen)	Third quarter (Yen)	Year-end (Yen)	Annual (Yen)	Millions of Yen	(consolidated)	(consolidated)
Year ended Mar. 31, 2010	—	25.00	—	31.00	56.00	2,868	29.4%	3.5%
Year ended Mar. 31, 2011	—	28.00	—	32.00	60.00	3,080	27.0%	3.4%
Year ending Mar. 31, 2012 (Forecast)	—	15.00	—	15.00	30.00	[redacted]	23.7%	[redacted]

3. Business Forecast for the Year Ending March 31, 2012

(% changes as compared with the corresponding period of the previous fiscal year)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share (Yen)
Six months ending Sep. 30, 2011	65,000	8.2%	9,800	2.5%	10,000	11.5%	6,100	10.9%	59.39
Year ending Mar. 31, 2012	138,000	10.7%	20,500	12.1%	20,700	15.1%	13,000	13.9%	126.57

4. Other Information

(1) Changes in significant consolidated subsidiaries (which resulted in changes in scope of consolidation) : No

(2) Changes in accounting procedures

1) Changes due to the amendment of accounting methods: Yes

2) Other changes: Yes

(3) Number of shares outstanding (Ordinary shares)

1) Number of shares outstanding at the end of each fiscal period (including treasury stock): 51,461,808 shares as of March 31, 2011; 51,353,708 shares as of March 31, 2010

2) Number of treasury stock at the end of each fiscal period: 108,308 shares as of March 31, 2011; 99,726 shares as of March 31, 2010

3) Average number of outstanding stock for each period (cumulative): 51,325,011 shares the year ended March 31, 2011; 51,189,418 shares the year ended March 31, 2010

*It is under the audit procedure based on the Financial Instruments and Exchange Act at the time of disclosure of this report.

*The above estimates are based on information available to the company on the date of the report’s announcement. Due to unforeseen circumstances, however, actual results may differ from such estimates.

1. Financial Performance

1) Performance analysis

During the fiscal year ended March 31, 2011, the Japanese economy was affected by sharp yen appreciation in the second half. The economy remained in a recovery phase nevertheless, supported by exports driven by economic expansion in emerging markets, centered on China, as well as by government economic stimulus measures. The major earthquake that struck eastern Japan on March 11, 2011, prompted concerns about potential stagnation, clouding the economic horizon. In Europe and the Americas, the employment situation showed some signs of recovery, but such factors as the European debt crisis and deteriorating circumstances in the Middle East and Africa hamper the global economic outlook.

On the healthcare front, earnings and profits at medical institutions in Japan are beginning to improve, prompted by the restructuring of public hospitals and revisions in medical remuneration. In advanced countries in Europe and North America, efforts are underway to reduce healthcare costs and reform medical systems. In the United States, implementation has begun on a medical reform bill that aims to reduce the number of people without medical insurance. In China, medical system reform that is underway aims to build infrastructures that provide uniform medical services in cities and farming villages throughout the country.

Net Sales by Destination

Fiscal Years Ended March 31	2010		2011		Percentage of Previous Year's Figure (%)
	Amount (Millions of Yen)	Percentage of Total (%)	Amount (Millions of Yen)	Percentage of Total (%)	
Japan	36,820	31.7	38,540	30.9	104.7
Americas	23,622	20.3	26,534	21.3	112.3
Europe	36,494	31.4	35,414	28.4	97.0
China	11,843	10.2	15,093	12.1	127.4
Asia Pacific	7,393	6.4	9,110	7.3	123.2
Overseas subtotal	79,354	68.3	86,153	69.1	108.6
Total	116,174	100.0	124,694	100.0	107.3

The Sysmex Group agreed to accept a transfer from Katakura Industries Co., Ltd., of its Research Institute of Biological Science, which employs gene recombinant technology for producing from silkworms the proteins used in diagnostic reagents. We also established a subsidiary to conduct direct sales and provide support in the Philippines as part of our efforts to reinforce our sales and support network in overseas markets.

In Japan, our ongoing efforts to promote solutions led to solid sales in hematology and other fields, as well as the acquisition of a major order. This offset a decrease in sales of our influenza detection kit, POCTEM, following the spread of the new influenza virus in the preceding term. As a result, we posted net sales of ¥38,540 million, up 4.7% from the previous fiscal year.

In overseas markets, we made steady progress in the strengthening of sales and support structures and the provision of solutions. As a result, sales moved steadily upward on a local currency basis due to increased sales of instruments and diagnostic reagents. Consequently, despite major yen appreciation the Group's overseas sales were ¥86,153 million, up 8.6% year on year. The overseas sales ratio was 69.1%, up 0.8 percentage points from the same period of the previous fiscal year.

As a result, during the year the Group recorded consolidated net sales of ¥124,694 million, up 7.3%. Operating income grew 16.4%, to ¥18,288 million; ordinary income rose 14.0%, to ¥17,979 million; and net income expanded 16.9%, to ¥11,411 million.

Performance by segment

(1) Japan

Performance remained robust in the hematology field, our main business domain, and our perseverance in presenting solutions to customers paid off in the form of large orders. These factors contributed to a 8.1% rise in net sales compared with the corresponding period of the preceding fiscal year, to ¥41,719 million, despite a decline in sales of influenza testing kits, POCTEM, which contributed to performance in the previous year.

Despite the negative effects on income of yen appreciation, we posted operating income of ¥6,815 million, up 132.4% from the preceding fiscal year. This rise was the result of robust domestic sales and an increase in export sales to Group companies, including the impact of a revision in intragroup transaction process. Also contributing to the increase was a change in the method of recording royalty income, including it in net sales rather than in non-operating income.

(2) Americas

In the United States, sales grew as a result of our focus on developing direct sales and support networks, as well as our success in promoting solutions that meet customer needs, which earned us orders from integrated health networks (IHNs), the U.S. Veterans Integrated Service Network (VISN) and prominent commercial labs. As a result, despite the negative effects of yen appreciation, sales in the Americas grew 8.7%, to ¥25,476 million.

Compensating for the higher cost of sales resulting from a revision in intragroup transaction prices and an increase in selling, general and administrative expenses, the rise in sales prompted a 17.0% increase in operating income, to ¥3,248 million.

(3) Europe

In addition to enhancing our direct sales and support activities, we enjoyed robust sales centered in the hematology field in the United Kingdom and France, owing to our efforts to propose solutions in these markets. Despite this boost, however, sales in Europe were down 3.2% year on year, to ¥35,295 million, affected by major appreciation of the yen against the euro.

Yen appreciation also impacted profits. This factor, coupled with an increase in selling, general and administrative expenses to enhance our sales structure, caused operating income to drop 14.2%, to ¥4,551 million.

(4) China

In China, sales surged 27.4%, to ¥15,093 million. Behind these solid results were substantially higher sales in the hematology, hemostasis and urinalysis fields.

Operating income fell 12.4%, to ¥2,411 million, owing to higher cost of sales resulting from a revision in intragroup transaction prices.

(5) Asia Pacific

Favorable sales growth continued in India and Indonesia, and a major new order bolstered sales of system products in Malaysia. Consequently, sales increased substantially, centered on the hematology field. Sales in the region amounted to ¥7,109 million, up 21.6%.

Owing to the higher cost of sales resulting from a revision in intragroup transaction prices and an increase in selling, general and administrative expenses, operating income fell 17.0%, to ¥746 million.

Forecast for the fiscal years ending March 31 (unit: million yen)

	2012	2011	Increase / decrease	Increase / decrease ratio
Sales	138,000	124,694	13,305	10.7%
Operating income	20,500	18,288	2,211	12.1%
Ordinary income	20,700	17,979	2,720	15.1%
Net income	13,000	11,411	1,588	13.9%

In our forecast for the fiscal year ending March 31, 2012, we recognize that uncertainty remains about when the global economy will return to a growth phase, and whether this will be manifest in full-fledged improvements in employment markets and a recovery in personal consumption. At the same time, we see some signs of improvement, including economic growth in China and other emerging markets, as well as more upbeat economic sentiment in Europe and the Americas. It is difficult, nevertheless, to be optimistic about global economic activity during the year, owing to such factors as a slowdown in economic activity in the wake of the Great East Japan Earthquake, a rise in crude oil prices accompanying the deteriorating political climate in Middle East and Africa, and financial crises in Europe.

Looking at the healthcare environment, however, demand for clinical testing is expected to remain firm, owing to graying populations in Japan and other developed countries in Europe and North America, the expansion of preventive medicine, and continued investments in healthcare infrastructure among emerging markets.

Against this backdrop, as a distinctive global company in the healthcare testing sector, the Sysmex Group, guided by the three core growth strategies of “Leading Hematology,” “Leading in Emerging Markets,” and “Innovating Life Science,” will promote the solution business in a way that meets regional characteristics, build up our product portfolio, and expand sales and support networks in the five geographic areas of Japan, the Americas, Europe, China, and Asia Pacific. Through supply chain improvements, we will continue striving to enhance our profit structure by reducing our cost of sales ratio and cutting selling, general and administrative expenses.

For the upcoming fiscal year, we anticipate net sales of ¥138,000 million (up 10.7% year on year), operating income of ¥20,500 million (up 12.1%), ordinary income of ¥20,700 million (up 15.1%) and net income of ¥13,000 million (up 13.9%). Our assumptions for annual average interest rates are US$1=¥85 and €1 = ¥115.

2) Financial conditions analysis

(1) Assets, liabilities and net assets

As of March 31, 2011, total assets amounted to ¥130,059 million, up ¥9,357 million from the end of the previous fiscal year. Major factors included a ¥5,115 million rise in cash and deposits, a ¥1,556 million increase in trade notes and accounts receivable, ¥509 million higher lease investment assets and a ¥1,141 million expansion in tools, furniture and fixtures.

Meanwhile, total liabilities were up ¥2,261 million, to ¥35,827 million. The main contributors to this increase were a ¥1,341 million rise in trade notes and accounts payable, and deferred tax liabilities grew ¥772 million.

Total net assets came to ¥94,232 million at year-end, up ¥7,096 million. The principal reason for this rise was a ¥8,385 million increase in retained earnings. The equity ratio as of March 31, 2011, was 71.9%, up 0.4 percentage points from a year earlier.

(2) Cash flows

As of March 31, 2011, cash and cash equivalents amounted to ¥18,915 million, up ¥5,103 million from a year earlier. Cash flows from various activities are described in more detail below.

(Operating cash flow)

Net cash provided by operating activities was ¥18,135 million, down ¥3,094 million. Income before income taxes provided ¥17,755 million, ¥2,399 million more than during the preceding fiscal year. However, uses of cash included a ¥2,468 million increase in trade notes and accounts receivable (compared with a ¥2,685 million decrease in the preceding fiscal year) and a ¥1,335 million increase in inventories (which were up ¥1,242 million in the preceding term).

(Investing cash flow)

Net cash used in investing activities was ¥8,915 million, ¥2,312 million more than in the preceding fiscal year. The main use of cash was purchases of property, plant and equipment, which used ¥5,773 million, ¥1,311 million more than in the previous year. In addition, the purchase of investments in subsidiaries used ¥1,064 million, ¥709 million less than in the preceding fiscal year.

(Financing cash flow)

Net cash used in financing activities amounted to ¥3,474 million, ¥6,616 million less than was used in these activities in the previous year. In this category, a net increase in short-term loans payable provided ¥284 million, whereas a net decrease in these loans used ¥6,141 million in the preceding term.

Cash Flow Indices

Fiscal Years Ended March 31	2007	2008	2009	2010	2011
Equity ratio (%)	70.5	72.2	66.8	71.5	71.9
Equity ratio at market price (%)	214.2	169.1	135.8	233.2	232.8
Interest-bearing debt to cash flow ratio (years)	0.1	0.1	0.8	0.1	0.1
Interest coverage ratio (times)	362.2	621.4	31.2	100.5	200.0

Notes:

Equity ratio = shareholders' equity / total assets

Equity ratio at market price = aggregate market value of shares / total assets

Interest-bearing debt to cash flow ratio = balance of interest-bearing liabilities / cash flows from operating activities

Interest coverage ratio = cash flows from operating activities / interest payments

1. Indices are calculated using consolidated financial figures.
2. The total market value of shares is calculated as the share price at the end of the fiscal year times the total number of shares outstanding at that date.
3. Cash flows from operating activities corresponds to net cash provided by operating activities in the Consolidated Statements of Cash Flows.
4. The balance of interest-bearing liabilities corresponds to interest-bearing liabilities included in the Consolidated Balance Sheets.
5. Interest payments corresponds the amount of interest paid, as indicated in the Consolidated Statements of Cash Flows.

3) Basic policy on distribution of profit and dividends for the fiscal years to March 31, 2011 and 2012

We aim to maintain a proper balance between internal reserves for R&D and capital expenditure, which are designed to sustain steady high growth, and returns to our shareholders as our earning power increases. In terms of returns to shareholders, we intend to provide a stable dividend on a continuous basis and aim for a consolidated payout under our basic policy of sharing the successes of our operations in line with business performance.

True to this policy, we intend to raise the subject at 44th Ordinary General Meeting of Shareholders to produce a year-end dividend for ¥32. Accordingly, annual total dividends will be ¥60 per share, up ¥4 from dividends for the fiscal year ended March 31, 2010, and the consolidated payout ratio will be 27.0%.

We will retain our commitment in order to continue our effort to meet our shareholders' expectation.

2. Corporate philosophy and strategy

1) Corporate philosophy

We have established the Sysmex Way, corporate philosophy on April 1st 2007. Sysmex way is success from our "Three confidence" which is nominated since our foundation. In addition, in accordance with the Sysmex Way we have established "Our Core Behaviors" which states our promise to our diversity of stakeholders.

Sysmex Way

【Mission】	Shaping the advancement of healthcare.
【Value】	We continue to create unique and innovative values, while building trust and confidence.
【Mind】	With passion and flexibility, we demonstrate our individual competence and unsurpassed teamwork

We are heading for social confidence in accordance with Sysmex Way.

2) Target in mid-term plan

We aim to achieve our consolidated net sales of ¥175.0 billion and operating income of ¥26.5 billion in the year ending March 31, 2014, the final year of the plan.

3) Mid-term strategy and objectives

As a distinctive global company in the healthcare testing market, the Sysmex Group will develop its business in accordance with three core strategies: Leading Hematology, Leading in Emerging Markets, and Innovating Life Science. As a result, we aim to maintain our high level of Group growth and further enhance profitability.

Our key objectives in promoting these core strategies are outlined below.

① Accelerate Growth in Asia and Other Emerging Markets

High levels of growth are forecast for the emerging markets such as China, South and Southeast Asia and others, and we will reinforce our sales and support networks within these markets and enhance our manufacturing and supply structures. We will tailor our business model to volume zones in high-growth emerging markets by employing financing schemes and introducing comprehensive solutions that package together instruments, reagents, support, IT and other services for multiple testing fields.

② Establish Undisputed Leadership Position and Increase Profitability in Hematology

The hematology testing market constitutes a core field of business for the Sysmex Group. We plan to further solidify our global leadership position in this area by launching a new flagship model, the XN-Series.

To meet increasingly sophisticated and diverse testing needs, we will redouble our efforts to offer solutions incorporating communications technologies and support, working proactively to offer new value as the global leader.

③ Accelerate Growth in Non-Hematology Fields* and Lay the Foundations for Future Expansion

As our second pillar of business, to increase our presence in non-hematology fields, we will take advantage of alliances to develop our business on a global scale and enhance our portfolio of products, thereby accelerating growth. We also will develop non-hematology reagents and their raw materials, bolster our manufacturing and supply structures, and lay the groundwork for future growth.

* Non-hematology: *in-vitro* diagnostics fields excluding hematology but including coagulation, urinalysis, immunochemistry, clinical chemistry and others.

④ Promote Commercialization of the Life Science Business

In the fiscal year ended March 31, 2009, Sysmex's system for rapid detection of breast cancer lymph node metastasis based on the one-step nucleic acid amplification (OSNA) method became the first of its kind to be covered under the Japanese national health insurance program. Sysmex will continue introducing its system to other key markets around the world in addition to Japan and Europe. In addition to expanding OSNA method application to other types of cancer and expanding its product portfolio, the Company will take advantage of new testing methods to develop lab assay services* and promote other efforts to commercialize the life science business.

* Lab assay services: Provision of laboratory testing results as services

⑤ Proactively Leverage M&A and Alliance Opportunities to Expand Our Portfolio of Businesses and Realize discontinuous Growth

We plan to aggressively pursue M&A and alliance opportunities to expand the Group's portfolio of businesses, pushing us beyond the limits of organic growth, and to uncover new areas of business.

Consolidated Balance Sheets

(Unit: Millions of Yen)

Items	As of Mar. 31, 2010 Amount	%	As of Mar. 31, 2011 Amount	%	Increase or Decrease Amount
(Assets)					
Ⅰ Current assets					
Cash and deposits	13,835		18,950		5,115
Notes and accounts receivable-trade	30,507		32,063		1,556
Lease investment assets	1,253		1,762		509
Short-term investment securities	134		178		43
Merchandise and finished goods	13,988		14,329		340
Work in process	1,264		1,733		468
Raw materials and supplies	3,524		3,748		224
Deferred tax assets	4,657		4,925		267
Prepaid expenses	1,063		1,054		(9)
Short-term loans receivable	3		2		(0)
Others	1,021		1,554		532
Allowance for doubtful accounts	(384)		(370)		13
Total current assets	70,870	58.7	79,931	61.5	9,061
Ⅱ Noncurrent assets					
Property, plant and equipment					
Buildings and structures	25,594		25,898		
Accumulated depreciation	(9,767)		(10,666)		
Buildings and structures, net	15,827		15,232		(595)
Machinery, equipment and vehicles	6,094		6,828		
Accumulated depreciation	(4,038)		(4,434)		
Machinery, equipment and vehicles, net	2,056		2,393		337
Tools, furniture and fixtures	22,768		25,316		
Accumulated depreciation	(14,478)		(15,884)		
Tools, furniture and fixtures, net	8,290		9,432		1,141
Land	7,897		7,892		(5)
Lease assets	6,371		5,451		
Accumulated depreciation	(4,703)		(4,314)		
Lease assets, net	1,667		1,137		(530)
Construction in progress	274		143		(130)
Total Property, plant and equipment	36,013	29.8	36,231	27.8	218
Intangible assets					
Goodwill	1,741		1,830		88
Software	4,236		4,584		347
Others	240		231		(8)
Total Intangible assets	6,218	5.2	6,646	5.1	427
Investments and other assets					
Investment securities	3,348		3,101		(246)
Long-term loans receivable	3		2		(1)
Long-term prepaid expenses	317		310		(6)
Real estate for investment	2,102		2,106		3
Others	1,715		1,616		(99)
Deferred tax assets	115		116		0
Allowance for doubtful accounts	(3)		(3)		—
Total Investments and other assets	7,599	6.3	7,250	5.6	(349)
Total Noncurrent assets	49,832	41.3	50,128	38.5	296
Total assets	120,702	100.0	130,059	100.0	9,357

(Note) fractions of one million yen are rounded off

(Unit: Millions of Yen)

Items	As of Mar. 31, 2010 Amount	As of Mar. 31, 2010 %	As of Mar. 31, 2011 Amount	As of Mar. 31, 2011 %	Increase or Decrease Amount
(Liabilities)					
Ⅰ Current liabilities					
Notes and accounts payable-trade	10,233		11,574		1,341
Short-term loans payable	16		310		294
Current portion of lease obligations	1,223		594		(628)
Income taxes payable	2,447		2,728		281
Deferred tax liabilities	3		0		(3)
Accrued expenses	4,077		4,156		79
Provision for bonuses	2,936		3,277		340
Provision for directors' bonuses	190		207		17
Provision for product warranties	149		128		(20)
Others	8,309		8,013		(296)
Total current liabilities	29,587	24.5	30,992	23.8	1,405
Ⅱ Noncurrent liabilities					
Long-term loans payable	3		11		7
Lease obligations	805		551		(254)
Deferred tax liabilities	681		1,454		772
Provision for retirement benefits	639		751		112
Provision for directors' retirement benefits	160		160		－
Others	1,688		1,905		217
Total Noncurrent liabilities	3,978	3.3	4,834	3.7	856
Total liabilities	33,565	27.8	35,827	27.5	2,261
(Net assets)					
Ⅰ Shareholders' equity					
Capital stock	8,824		9,041		216
Capital surplus	13,763		13,981		217
Retained earnings	66,276		74,662		8,385
Treasury stock	(204)		(252)		(47)
Total shareholders' equity	88,660	73.5	97,433	74.9	8,772
Ⅱ Accumulated other comprehensive income					
Valuation difference on available-for-sale securities	270		185		(85)
Deferred gains or losses on hedges	(13)		(13)		(0)
Foreign currency translation adjustment	(2,560)		(4,071)		(1,511)
Total accumulated other comprehensive income	(2,303)	(1.9)	(3,899)	(3.0)	(1,596)
Ⅲ Subscription rights to shares	666	0.5	600	0.5	(66)
Ⅳ Minority interests	112	0.1	98	0.1	(13)
Total net assets	87,136	72.2	94,232	72.5	7,096
Total liabilities and net assets	120,702	100.0	130,059	100.0	9,357

(Note) fractions of one million yen are rounded off

Consolidated Statements of Income

(Unit: Millions of Yen)

Items	Year ended Mar. 31, 2010		Year ended Mar. 31, 2011		Increase or Decrease
	Amount	%	Amount	%	Amount
Ⅰ Net sales	116,174	100.0	124,694	100.0	8,519
Ⅱ Cost of sales	42,480	36.6	46,389	37.2	3,909
Gross profit	73,694	63.4	78,304	62.8	4,610
Ⅲ Selling, general and administrative expenses	57,985	49.9	60,015	48.1	2,030
Operating income	15,708	13.5	18,288	14.7	2,580
Ⅳ Non-operating income					
Interest income	106		125		19
Dividends income	52		55		2
Royalty income	31		—		(31)
Income from investment real estate	383		390		7
Income from business collaboration agreement	—		214		214
Subsidy income	—		109		109
Others	259		194		(65)
Total non-operating income	833	0.7	1,089	0.8	255
Ⅴ Non-operating expenses					
Interest expense	213		97		(116)
Sales discounts	29		30		0
Maintenance cost of investment real estate	158		152		(6)
Equity in losses of affiliates	60		60		—
Foreign exchange losses	253		885		632
Others	53		172		119
Total non-operating expenses	769	0.6	1,398	1.1	628
Ordinary income	15,772	13.6	17,979	14.4	2,207
Ⅵ Extraordinary profits					
Gain on sales of noncurrent assets	48		33		(15)
Gain on sales of investment securities	0		—		(0)
Reversal of allowance for doubtful accounts	65		64		(1)
Gain on reversal of subscription rights to shares	4		3		(0)
Total extraordinary profits	119	0.1	101	0.1	(17)
Ⅶ Extraordinary loss					
Loss on valuation of investment securities	376		41		(334)
Loss on sales of investment securities	0		—		(0)
Loss on sales and retirement of noncurrent assets	160		97		(62)
Loss on adjustment for changes of accounting standard for asset retirement obligations	—		187		187
Total extraordinary loss	536	0.5	326	0.3	(209)
Income before income taxes and minority interest	15,355	13.2	17,755	14.2	2,399
Income taxes-current	5,246		5,861		614
Income taxes for prior periods	400		—		(400)
Income taxes-deferred	(88)		451		539
Total income taxes	5,558	4.8	6,312	5.0	753
Income before minority interests	—		11,443	9.2	—
Minority interest	32	0.0	31	0.0	(1)
Net income	9,764	8.4	11,411	9.2	1,647

(Note) fractions of one million yen are rounded off

Consolidated Statements of Comprehensive Income

(Unit: Millions of Yen)

Items	Year ended Mar. 31, 2010	Year ended Mar. 31, 2011
Income before minority interests	―	11,443
Other comprehensive income		
Valuation difference on available-for-sale securities	―	(85)
Deferred gains or losses on hedges	―	(0)
Foreign currency translation adjustment	―	(1,508)
Total other comprehensive income	―	(1,593)
Comprehensive income	―	9,849
Comprehensive income attributable to owners of the parent	―	9,815
Comprehensive income attributable to minority interests	―	34

(Note) fractions of one million yen are rounded off

Consolidated Statements of Changes in Net Assets

Year ended March 31,2010

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2009	8,685	13,623	59,120	(196)	81,233
Changes of items during the period					
Issuance of new shares-exercise of subscription rights to shares	139	139			279
Dividends from surplus			(2,609)		(2,609)
Net income			9,764		9,764
Purchase of treasury stock				(8)	(8)
Disposal of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	139	139	7,155	(8)	7,427
Balance at March 31, 2010	8,824	13,763	66,276	(204)	88,660

	Accumulated other comprehensive income				Subscription rights to shares	Minority interest	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at March 31, 2009	(44)	-	(2,006)	(2,050)	577	89	79,850
Changes of items during the period							
Issuance of new shares-exercise of subscription rights to shares							279
Dividends from surplus							(2,609)
Net income							9,764
Purchase of treasury stock							(8)
Disposal of treasury stock							0
Net changes of items other than shareholders' equity	315	(13)	(553)	(252)	88	22	(141)
Total changes of items during the period	315	(13)	(553)	(252)	88	22	7,285
Balance at March 31, 2010	270	(13)	(2,560)	(2,303)	666	112	87,136

(Note) fractions of one million yen are rounded off

Year ended March 31,2011

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2010	8,824	13,763	66,276	(204)	88,660
Changes of items during the period					
Issuance of new shares-exercise of subscription rights to shares	216	216			433
Dividends from surplus			(3,026)		(3,026)
Net income			11,411		11,411
Purchase of treasury stock				(48)	(48)
Disposal of treasury stock		0		0	1
Net changes of items other than shareholders' equity					
Total changes of items during the period	216	217	8,385	(47)	8,772
Balance at March 31, 2011	9,041	13,981	74,662	(252)	97,433

	Accumulated other comprehensive income				Subscription rights to shares	Minority interest	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at March 31, 2010	270	(13)	(2,560)	(2,303)	666	112	87,136
Changes of items during the period							
Issuance of new shares-exercise of subscription rights to shares							433
Dividends from surplus							(3,026)
Net income							11,411
Purchase of treasury stock							(48)
Disposal of treasury stock							1
Net changes of items other than shareholders' equity	(85)	(0)	(1,511)	(1,596)	(66)	(13)	(1,676)
Total changes of items during the period	(85)	(0)	(1,511)	(1,596)	(66)	(13)	7,096
Balance at March 31, 2011	185	(13)	(4,071)	(3,899)	600	98	94,232

(Note) fractions of one million yen are rounded off

Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

Items	Year ended Mar. 31, 2010	Year ended Mar. 31, 2011	Increase or Decrease
Ⅰ Net cash provided by (used in) operating activities			
Income before income taxes	15,355	17,755	2,399
Depreciation and amortization	7,066	6,871	(195)
Amortization of goodwill	566	677	111
Loss on adjustment for changes of accounting standard for asset retirement obligations	－	187	187
Increase (decrease) in provision for bonuses	441	398	(42)
Increase (decrease) in provision for directors' bonuses	49	26	(23)
Increase (decrease) in provision for directors' retirement benefits	(36)	－	36
Increase (decrease) in provision for retirement benefits	344	121	(223)
Increase (decrease) in allowance for doubtful accounts	(144)	10	155
Interest and dividends income	(159)	(180)	(21)
Interest expenses	213	97	(116)
Equity in (earnings) losses of affiliates	60	60	－
Loss (gain) on sales of investment securities	(0)	－	0
Loss (gain) on valuation of investment securities	376	41	(334)
Loss on retirement of noncurrent assets	160	97	(62)
Decrease (increase) in notes and accounts receivable-trade	2,685	(2,468)	(5,154)
Decrease (increase) in inventories	(93)	(1,335)	(1,242)
Increase (decrease) in notes and accounts payable-trade	(2,073)	1,365	3,438
Increase (decrease) in consumption taxes payable (receivable)	729	(442)	(1,172)
Others	(425)	537	963
Subtotal	25,116	23,820	(1,296)
Interest and dividends received	162	157	(5)
Interest expenses paid	(211)	(90)	120
Income taxes paid	(3,838)	(5,752)	(1,913)
Net cash provided by (used in) operating activities	21,229	18,135	(3,094)
Ⅱ Net cash provided by (used in) investment activities			
Payments into time deposits	(21)	(18)	2
Proceeds from withdrawal of time deposits	54	－	(54)
Purchase of property, plant and equipment	(4,461)	(5,773)	(1,311)
Proceeds from sales of property, plant and equipment	124	152	27
Purchase of intangible assets	(1,963)	(2,017)	(54)
Purchase of investments in subsidiaries	(355)	(1,064)	(709)
Others	19	(194)	(213)
Net cash provided by (used in) investment activities	(6,603)	(8,915)	(2,312)
Ⅲ Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	(6,141)	284	6,426
Proceeds from long-term loans payable	4	－	(4)
Repayments of long-term loans payable	(55)	(8)	46
Repayments of lease obligations	(1,537)	(1,030)	506
Proceeds from issuance of common stock	256	371	114
Proceeds from stock issuance to minority shareholders	0	－	(0)
Purchase of treasury stock	(8)	(47)	(39)
Cash dividends paid	(2,609)	(3,026)	(417)
Cash dividends paid to minority shareholders	－	(16)	(16)
Net cash provided by (used in) financing activities	(10,090)	(3,474)	6,616
Ⅳ Effect of exchange rate change on cash and cash equivalents	(133)	(641)	(508)
Ⅴ Net increase (decrease) in cash and cash equivalents	4,402	5,103	701
Ⅵ Cash and cash equivalents at beginning of term	9,410	13,812	4,402
Ⅶ Cash and cash equivalents at end of term	13,812	18,915	5,103

(Note) fractions of one million yen are rounded off

Segment Information

Information on sales and income, identifiable assets, and other items by segment reported

For the year ended March 31,2010

(Unit: Millions of Yen)

	Japan	Americas	Europe	China	Asia Pacific	Total	Adjustment	Consolidated
Sales								
Outside sales	38,594	23,443	36,445	11,843	5,846	116,174	—	116,174
Intersegment sales	27,857	6	479	4	159	28,508	(28,508)	—
Total sales	66,452	23,450	36,925	11,848	6,006	144,682	(28,508)	116,174
Segment income	2,932	2,775	5,303	2,752	899	14,662	1,046	15,708
Segment assets	77,833	14,929	25,404	8,385	4,813	131,367	(10,664)	120,702
Other items								
Depreciation	3,609	1,474	2,061	159	228	7,534	(467)	7,066
Amortization of goodwill	191	—	367	—	7	566	—	566
Investment to equity-method affiliates	197	—	—	—	—	197	—	197
Increase in property, plant and equipment and intangible assets	2,966	871	3,542	228	321	7,929	(1,425)	6,503

For the year ended March 31,2011

(Unit: Millions of Yen)

	Japan	Americas	Europe	China	Asia Pacific	Total	Adjustment	Consolidated
Sales								
Outside sales	41,719	25,476	35,295	15,093	7,109	124,694	—	124,694
Intersegment sales	34,009	4	281	6	183	34,486	(34,486)	—
Total sales	75,729	25,481	35,577	15,099	7,292	159,180	(34,486)	124,694
Segment income	6,815	3,248	4,551	2,411	746	17,772	515	18,288
Segment assets	83,475	16,568	27,510	8,892	5,397	141,843	(11,783)	130,059
Other items								
Depreciation	3,681	1,215	2,012	151	322	7,383	(512)	6,871
Amortization of goodwill	172	—	496	—	7	677	—	677
Investment to equity-method affiliates	136	—	—	—	—	136	—	136
Increase in property, plant and equipment and intangible assets	3,633	1,294	3,098	105	551	8,685	(827)	7,857