

## Consolidated Financial Results for the Year Ended March 31, 2013

May 8, 2013

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, Chairman and CEO  
 Contact : Yukitoshi Kamao, Executive Officer,  
 Corporate Business Administration  
 Phone : 078(265)-0500  
 Scheduled date for shareholders' meeting : June 21, 2013  
 Scheduled date for dividend payment : June 24, 2013  
 Scheduled date for filing of financial report : June 21, 2013  
 Preparation of supplementary material for earnings : Yes  
 Holding of earnings announcement : Yes

(Unit: Millions of Yen)

### 1. Results for the Year Ended March 31, 2013

#### (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, 2013	145,577	8.0%	21,804	13.5%	22,976	20.1%	14,165	18.0%
Year ended Mar. 31, 2012	134,743	8.1%	19,205	5.0%	19,130	6.4%	12,007	5.2%

	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, 2013	137.58	137.06	12.8%	14.6%	15.0%
Year ended Mar. 31, 2012	116.85	116.63	12.3%	14.0%	14.3%

Note:

Comprehensive income: 19,653 million yen (75.1%) for the year ended March 31, 2013; 11,220 million yen (13.9%) for March 31, 2012.

Equity in earnings (losses) of affiliates: (23) million yen for the year ended March 31, 2013; (60) million yen for the year ended March 31, 2012.

#### (2) Financial condition

	Total assets	Net assets	Equity Ratio	Net assets per share (Yen)
As of Mar. 31, 2013	173,010	119,153	68.7%	1,151.38
As of Mar. 31, 2012	142,285	102,502	71.6%	990.51

Note:

Equity capital: 118,800 million yen as of March 31, 2013; 101,833 million yen as of March 31, 2012

#### (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, 2013	25,806	(12,524)	(3,116)	34,306
Year ended Mar. 31, 2012	17,058	(10,372)	(3,813)	21,838

## 2. Dividend

	Dividend per share					Total dividend payment Millions of Yen	Dividend payout ratio (consolidated)	Dividend to equity (consolidated)
	First quarter (Yen)	Second quarter (Yen)	Third quarter (Yen)	Year-end (Yen)	Annual (Yen)			
Year ended Mar. 31, 2012	—	15.00	—	19.00	34.00	3,494	29.1%	3.6%
Year ended Mar. 31, 2013	—	17.00	—	23.00	40.00	4,122	29.1%	3.7%
Year ending Mar. 31, 2014 (Forecast)	—	21.00	—	21.00	42.00		23.4%	

### Note:

Breakdown of dividends for fiscal year ended March 31, 2013: Ordinary dividends 19.00 yen and commemorative dividends 4.00 yen

## 3. Business Forecast for the Year Ending March 31, 2014

(% 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, 2013	82,000	22.1%	14,000	32.2%	14,000	39.3%	8,700	36.2%	84.32
Year ending Mar. 31, 2014	175,000	20.2%	30,000	37.6%	30,000	30.6%	18,500	30.6%	179.30

## 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: No
  - 2) Changes of accounting methods other than 1): No
  - 3) Changes in accounting estimates: No
  - 4) Restatement of revisions: No
- (3) Number of shares outstanding (Ordinary shares)
  - 1) Number of shares outstanding at the end of each fiscal period (including treasury stock):  
103,399,416 shares as of March 31, 2013; 103,027,016 shares as of March 31, 2012
  - 2) Number of treasury stock at the end of each fiscal period:  
218,696 shares as of March 31, 2013; 217,764 shares as of March 31, 2012
  - 3) Average number of outstanding stock for each period (cumulative):  
102,963,970 shares the year ended March 31, 2013; 102,757,593 shares the year ended March 31, 2012

\*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, 2013, the Japanese economy was in a state of gradual recovery, triggered by government economic policies introduced since the end of 2012. Overseas, concerns about the economic outlook persisted, due to such factors as uncertainty about fiscal austerity in the United States, the protracted European debt crisis, and a gradual deceleration of economic activity in China.

On the healthcare front, in April 2012 the Japanese government introduced its revisions to medical compensation under the national healthcare system, indicating its basic policy on future structural reforms related to healthcare and nursing care, but only slight revisions were made in diagnostics. In advanced countries in Europe and the United States, efforts are underway to reduce healthcare costs and reform medical systems, and fiscal austerity measures in countries such as Spain and Italy are causing healthcare spending to decline in those countries. In the United States, efforts to reduce the number of people without medical insurance began in earnest. In China, medical system reform that is underway, including to the medical insurance system, aims to build infrastructures that provide uniform medical services in cities and farming villages throughout the country. Therefore, although some causes for uncertainty remain, the foundations of healthcare-related demand remain solid.

Under these circumstances, in July 2012, we received clearance from China's State Food and Drug Administration on the XN-Series, our top-end multiparameter automated hematology analyzer in the mainstay hematology market, followed by clearance from the U.S. Food and Drug Administration in October 2012. In December 2012, in Japan we launched our new model for the immunochemistry testing field, the HISCL-5000—our fully automated immunoassay analyzer.

#### Net Sales by Destination

Fiscal Years Ended March 31	2012		2013		Percentage of Previous Year's Figure (%)
	Amount (Millions of Yen)	Percentage of Total (%)	Amount (Millions of Yen)	Percentage of Total (%)	
Japan	39,735	29.5	40,189	27.6	101.1
Americas	28,607	21.2	30,765	21.1	107.5
Europe	37,369	27.8	39,587	27.2	105.9
China	19,298	14.3	24,429	16.8	126.6
Asia Pacific	9,733	7.2	10,606	7.3	109.0
Overseas subtotal	95,008	70.5	105,388	72.4	110.9
Total	134,743	100.0	145,577	100.0	108.0

In Japan, management improvements accompanying healthcare reforms resulted in steady capital investment by large-scale medical institutions, and we continued to promote solution proposals. These efforts resulted in the favorable receipt of major orders, and we posted robust sales in Japan, centering on the mainstay hematology field. Sales in Japan consequently amounted to ¥40,189 million, up 1.1% from the preceding 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 of in-vitro instruments and diagnostic reagents increased in all regions. Consequently, the Group's overseas sales were ¥105,388 million, up 10.9% year on year. The overseas sales ratio was 72.4%, up 1.9 percentage points from the previous fiscal year.

As a result, during the fiscal year the Group recorded consolidated net sales of ¥145,577 million, up 8.0%. Operating income rose 13.5%, to ¥21,804 million; ordinary income grew 20.1%,

to ¥22,976 million; and net income increased 18.0%, to ¥14,165 million.

#### Performance by segment

##### (1) Japan

Sales remained robust in the hematology testing field, our main business domain, due to our perseverance in presenting solutions to customers, which paid off in the form of an increase in large orders. However, sales were down 1.6% compared with the preceding fiscal year, to ¥42,970 million.

A revision in intragroup transaction prices and higher export sales to Group companies prompted a 37.5% year-on-year increase in operating income, to ¥11,939 million.

##### (2) Americas

In the United States, longer-than-expected clearance procedures for the XN-Series and a temporary hesitation in customer purchases of instruments in response to uncertainty about the direction of the healthcare reform bill affected sales negatively, but full-fledged sales of the XN-Series commenced in the fourth quarter and sales of reagents and support services grew as a result of a higher base of installed instruments, pushing up overall sales in this market. Sales also rose in Central and South America, centered on Brazil. Consequently, overall sales in the Americas amounted to ¥29,702 million, up 10.6% from the preceding fiscal year.

Cost of sales rose, due to a revision in intragroup transaction prices, and selling, general and administrative expenses increased, stemming from efforts to reinforce our sales and support operations, and the relocation of our regional headquarters. Consequently, operating income fell 25.9%, to ¥2,128 million.

##### (3) Europe

Although affected to some extent by austerity measures stemming from the European debt crisis, we embarked on the full-fledged launch of the XN-Series and enhanced our direct sales and support activities. Sales also expanded in the Middle East, Africa and other emerging markets. This resulted in robust sales, centered in the hematology field, and the rise in sales was 6.5% year on year, to ¥39,435 million.

Operating income increased 7.8%, to ¥5,799 million, as the increase in sales more than compensated for a rise in selling, general and administrative expenses incurred to expand business in the region.

##### (4) China

Despite the impact of sluggish sales in certain parts of the market, sales in China surged 26.6%, to ¥24,425 million. Behind these solid results were the commencement of sales of the XN-Series and substantially higher sales of instruments and diagnostic reagents in the hematology and hemostasis fields.

Higher sales compensated for such factors as a rise in cost of sales resulting from a revision in intragroup transaction prices, and operating income increased 0.6% year on year, to ¥2,383 million.

##### (5) Asia Pacific

In India, delays in the renewal of distributor agreements caused sales in that country to decline, but such factors as our promotion of a shift to direct sales in the Philippines and Thailand and expanded reagent sales due to an increased base of installed instruments pushed up regional sales 14.9% year on year, to ¥9,043 million.

Despite an increase in selling, general and administrative expenses to enhance our sales and support structure, a reduced cost of sales ratio contributed to a 220.0% increase in operating income, to ¥1,055 million.

## Forecast for the fiscal years ending March 31

(unit: million yen)

	2014	2013	Increase / decrease	Increase / decrease ratio
Sales	175,000	145,577	29,422	20.2%
Operating income	30,000	21,804	8,195	37.6%
Ordinary income	30,000	22,976	7,023	30.6%
Net income	18,500	14,165	4,334	30.6%

Our forecast for the fiscal year ending March 31, 2014, takes into account the trend toward a gradual recovery in the Japanese economy, with the amelioration of yen appreciation being spurred by government economic policies and monetary easing by the Bank of Japan. The global economy also seems to be improving, moving from a state of slow economic growth as, in addition to ongoing growth in emerging markets, the U.S. economy has begun showing signs of recovery. At the same time, uncertainties remain with respect to the protracted European financial crisis and fiscal issues in the United States.

Looking at the healthcare environment, graying populations in developed countries and continued investments in healthcare infrastructure in emerging markets, where populations are increasing and economies are expanding, lead us to expect that growth will continue. We also anticipate new growth opportunities, owing to advances in genetic/molecular diagnostics and the proactive application of communication technologies.

Against this backdrop, in April 2013 the Sysmex Group launched a new Mid-Term Management Plan (for the fiscal years ending March 31, 2014 through 2016) and is pushing forward with measures to realize the plan's objectives. As a distinctive global company in the healthcare testing sector, the Sysmex Group, guided by the three core growth strategies of "Leading Hematology (Undisputed Global Leader in Hematology), Leading in Emerging Markets (Focus on Emerging Markets), and Innovating Life Science. As a result, we aim to maintain our high level of Group growth and further enhance profitability.

For the upcoming fiscal year, we anticipate net sales of ¥175,000 million (up 20.2% year on year), operating income of ¥30,000 million (up 37.6%), ordinary income of ¥30,000 million (up 30.6%) and net income of ¥18,500 million (up 30.6%). Our assumptions for annual average exchange rates are US\$1=¥95 and €=¥125.

## 2) Financial conditions analysis

## (1) Assets, liabilities and net assets

As of March 31, 2013, total assets amounted to ¥173,010 million, up ¥30,725 million from March 31, 2012. Major reasons were that cash and deposits increased ¥12,467 million, trade notes and accounts receivable rose ¥5,035 million, merchandise and finished goods expanded ¥3,782 million, and tools, furniture and fixtures grew ¥2,495 million.

Meanwhile, total liabilities were up ¥14,075 million, to ¥53,857 million. The main reasons for this rise were an increase of ¥2,655 million in trade notes and accounts payable, a ¥4,004 million rise in advance receipts and a ¥1,314 million increase in deferred tax liabilities (noncurrent) within the category of other current liabilities.

Total net assets came to ¥119,153 million at March 31, 2013, up ¥16,650 million from their level on March 31, 2012. The principal reasons for this increase were a ¥10,462 million increase in

retained earnings and a ¥5,177 million rise in net assets as foreign currency translation adjustments went from a debit to a credit balance. The equity ratio as of March 31, 2013, was 68.7%, down 2.9 percentage points from the 71.6% recorded as of March 31, 2012.

## (2) Cash flows

As of March 31, 2013, cash and cash equivalents amounted to ¥34,306 million, up ¥12,468 million from March 31, 2012.

During the fiscal year ended March 31, 2013, cash flows from various activities are described in more detail below.

### (Operating cash flow)

Net cash provided by operating activities was ¥25,806 million, ¥8,747 million more than in the preceding fiscal year. As principal factors, income before income taxes provided ¥22,618 million, ¥3,660 million more than during the preceding year; depreciation and amortization provided ¥7,945 million, ¥913 million more; and the increase in trade notes and accounts payable provided ¥2,431 million, ¥1,835 million more. Uses of cash included income taxes paid of ¥7,253 million, ¥550 million more than during the preceding fiscal year.

### (Investing cash flow)

Net cash used in investing activities was ¥12,524 million, ¥2,152 million more than in the preceding fiscal year. Among major factors were purchases of property, plant and equipment, which used ¥9,608 million, up ¥2,875 from the previous fiscal year. Payments for the purchase of intangible assets used ¥2,203 million, up ¥495 million.

### (Financing cash flow)

Net cash used in financing activities amounted to ¥3,116 million, ¥697 million less than was used in these activities during the preceding fiscal year. The principal reason was cash dividends paid of ¥3,703 million, which used ¥518 million more in cash than during the previous fiscal year. Proceeds from issuance of common stock provided ¥865 million, ¥625 million more than in the preceding year, while repayments of lease obligations used ¥269 million, ¥307 million less than in the previous fiscal year.

### Cash Flow Indices

Fiscal Years Ended March 31	2009	2010	2011	2012	2013
Equity ratio (%)	66.8	71.5	71.9	71.6	68.7
Equity ratio at market price (%)	135.8	233.2	232.8	241.8	346.0
Interest-bearing debt to cash flow ratio (years)	0.8	0.1	0.1	0.1	0.0
Interest coverage ratio (times)	31.2	100.5	200.0	340.3	609.8

#### 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, 2012 and 2013

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 ratio of 20% 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 46th Ordinary General Meeting of Shareholders to produce a year-end dividend of ¥23, comprising an ordinary dividend of ¥19 and a dividend of ¥4 to commemorate Sysmex's 45th anniversary of establishment. Accordingly, annual total dividends will be ¥40 per share, and the consolidated payout ratio will be 29.1%. This amounts to an effective increase of ¥6 per share from the ¥34 paid for the fiscal year ended March 31, 2012.

Also in accordance with the above-stated policy and taking our operating performance forecast into account, for the upcoming fiscal year we forecast a dividend of ¥42 per share (an interim dividend of ¥21 and a year-end dividend of ¥21).

We retain our commitment to bolstering operating performance and reinforcing our management base.

## 2 . Corporate philosophy and strategy

### 1) Corporate philosophy

We have established the Sysmex Way, corporate philosophy on April 1<sup>st</sup> 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.

<b>Sysmex Way</b>	
<b>【Mission】</b>	Shaping the advancement of healthcare.
<b>【Value】</b>	We continue to create unique and innovative values, while building trust and confidence.
<b>【Mind】</b>	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 consolidated net sales of ¥220.0 billion and operating income of ¥40.0 billion in the year ending March 31, 2016, 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 (Undisputed Global Leader in Hematology), Leading in Emerging Markets (Focus on 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 Enhance undisputed leadership position and increase profitability in hematology
- ② Maintain growth rate in urinalysis field and augment our product portfolio
- ③ Achieve high level of growth in the field of immunochemistry by rapidly developing business in Asia
- ④ Achieve sustained growth by reinforcing our product portfolio in the hemostasis field
- ⑤ Accelerate commercialization in the OSNA business and lab assay business\*1
- ⑥ Strengthen global R&D initiatives to contribute to personalized medicine and integrate therapy with diagnostics
- ⑦ Achieve increases in efficiency and profitability through global supply chain management reforms, and enhance system to provide a stable supply of products by expanding factories
- ⑧ Reinforce global regulatory affairs structure to enable flexible response to fast-changing regulations
- ⑨ Recruit and train personnel to accelerate business structure reform
- ⑩ Prepare for IFRS application, and realize business process alignment and visualization through BPM\*2 initiatives

\*1: Provision of laboratory testing results as services

\*2: Business process management



## Consolidated Balance Sheets

(Unit: Millions of Yen)

Items	As of Mar. 31, 2012		As of Mar. 31, 2013		Increase or Decrease
	Amount	%	Amount	%	Amount
<b>(Assets)</b>					
<b>I Current assets</b>					
Cash and deposits	21,362		33,830		12,467
Notes and accounts receivable-trade	36,218		41,254		5,035
Lease investment assets	2,576		3,262		686
Short-term investment securities	745		627		(117)
Merchandise and finished goods	16,534		20,317		3,782
Work in process	1,401		1,472		71
Raw materials and supplies	3,907		4,150		243
Deferred tax assets	5,129		6,029		900
Prepaid expenses	1,330		1,342		11
Short-term loans receivable	1		43		41
Others	1,302		2,603		1,301
Allowance for doubtful accounts	(350)		(523)		(172)
<b>Total current assets</b>	<b>90,160</b>	<b>63.4</b>	<b>114,411</b>	<b>66.1</b>	<b>24,251</b>
<b>II Noncurrent assets</b>					
<b>Property, plant and equipment</b>					
Buildings and structures	28,518		31,216		
Accumulated depreciation	(11,782)		(12,563)		
Buildings and structures, net	16,736		18,652		1,916
Machinery, equipment and vehicles	7,329		8,314		
Accumulated depreciation	(4,720)		(5,221)		
Machinery, equipment and vehicles, net	2,609		3,102		492
Tools, furniture and fixtures	27,827		33,854		
Accumulated depreciation	(17,969)		(21,501)		
Tools, furniture and fixtures, net	9,857		12,353		2,495
Land	8,893		10,023		1,129
Lease assets	4,442		2,820		
Accumulated depreciation	(3,824)		(2,295)		
Lease assets, net	618		525		(93)
Construction in progress	1,124		821		(303)
<b>Total Property, plant and equipment</b>	<b>39,839</b>	<b>28.0</b>	<b>45,478</b>	<b>26.3</b>	<b>5,638</b>
<b>Intangible assets</b>					
Goodwill	2,194		1,790		(403)
Software	4,447		4,654		207
Others	262		440		178
<b>Total Intangible assets</b>	<b>6,903</b>	<b>4.8</b>	<b>6,885</b>	<b>4.0</b>	<b>(17)</b>
<b>Investments and other assets</b>					
Investment securities	3,259		4,035		775
Long-term loans receivable	14		14		(0)
Deferred tax assets	87		125		37
Long-term prepaid expenses	318		323		4
Others	1,704		1,739		34
Allowance for doubtful accounts	(3)		(3)		—
<b>Total Investments and other assets</b>	<b>5,381</b>	<b>3.8</b>	<b>6,234</b>	<b>3.6</b>	<b>853</b>
<b>Total Noncurrent assets</b>	<b>52,124</b>	<b>36.6</b>	<b>58,599</b>	<b>33.9</b>	<b>6,474</b>
<b>Total assets</b>	<b>142,285</b>	<b>100.0</b>	<b>173,010</b>	<b>100.0</b>	<b>30,725</b>

(Note) fractions of one million yen are rounded off

(Unit: Millions of Yen)

Items	As of Mar. 31, 2012		As of Mar. 31, 2013		Increase or Decrease
	Amount	%	Amount	%	Amount
<b>(Liabilities)</b>					
<b>I Current liabilities</b>					
Notes and accounts payable-trade	12,176		14,832		2,655
Short-term loans payable	5		3		(2)
Current portion of lease obligations	252		53		(198)
Accrued expenses	4,417		5,598		1,181
Income taxes payable	2,776		3,982		1,206
Deferred tax liabilities	0		6		6
Provision for bonuses	3,622		4,043		420
Provision for directors' bonuses	248		265		17
Provision for product warranties	157		175		17
Others	11,070		16,462		5,391
<b>Total current liabilities</b>	<b>34,728</b>	<b>24.4</b>	<b>45,424</b>	<b>26.2</b>	<b>10,695</b>
<b>II Noncurrent liabilities</b>					
Long-term loans payable	4		1		(3)
Lease obligations	257		245		(11)
Deferred tax liabilities	1,759		3,074		1,314
Provision for retirement benefits	1,263		1,747		483
Provision for directors' retirement benefits	160		160		—
Others	1,607		3,203		1,595
<b>Total Noncurrent liabilities</b>	<b>5,053</b>	<b>3.6</b>	<b>8,432</b>	<b>4.9</b>	<b>3,379</b>
<b>Total liabilities</b>	<b>39,782</b>	<b>28.0</b>	<b>53,857</b>	<b>31.1</b>	<b>14,075</b>
<b>(Net assets)</b>					
<b>I Shareholders' equity</b>					
Capital stock	9,187		9,711		524
Capital surplus	14,127		14,651		524
Retained earnings	83,484		93,947		10,462
Treasury stock	(255)		(259)		(4)
<b>Total shareholders' equity</b>	<b>106,543</b>	<b>74.8</b>	<b>118,050</b>	<b>68.3</b>	<b>11,507</b>
<b>II Accumulated other comprehensive income</b>					
Valuation difference on available-for-sale securities	426		708		281
Deferred gains or losses on hedges	(0)		—		0
Foreign currency translation adjustment	(5,136)		41		5,177
<b>Total accumulated other comprehensive income</b>	<b>(4,709)</b>	<b>(3.3)</b>	<b>749</b>	<b>0.4</b>	<b>5,459</b>
<b>III Subscription rights to shares</b>	<b>546</b>	<b>0.4</b>	<b>353</b>	<b>0.2</b>	<b>(193)</b>
<b>IV Minority interests</b>	<b>122</b>	<b>0.1</b>	<b>0</b>	<b>0.0</b>	<b>(122)</b>
<b>Total net assets</b>	<b>102,502</b>	<b>72.0</b>	<b>119,153</b>	<b>68.9</b>	<b>16,650</b>
<b>Total liabilities and net assets</b>	<b>142,285</b>	<b>100.0</b>	<b>173,010</b>	<b>100.0</b>	<b>30,725</b>

(Note) fractions of one million yen are rounded off

## Consolidated Statements of Income

(Unit: Millions of Yen)

Items	Year ended Mar. 31, 2012		Year ended Mar. 31, 2013		Increase or Decrease
	Amount	%	Amount	%	Amount
<b>I Net sales</b>	134,743	100.0	145,577	100.0	10,834
<b>II Cost of sales</b>	51,652	38.3	56,582	38.9	4,930
Gross profit	83,091	61.7	88,995	61.1	5,904
<b>III Selling, general and administrative expenses</b>	63,885	47.4	67,190	46.1	3,305
Operating income	19,205	14.3	21,804	15.0	2,599
<b>IV Non-operating income</b>					
Interest income	139		122		(16)
Dividends income	56		55		(0)
Income from investment real estate	211		—		(211)
Subsidy income	69		178		108
Foreign exchange gains	—		814		814
Others	187		162		(25)
<b>Total non-operating income</b>	664	0.5	1,334	0.9	669
<b>V Non-operating expenses</b>					
Interest expense	95		59		(36)
Sales discounts	33		40		6
Maintenance cost of investment real estate	49		—		(49)
Equity in losses of affiliates	60		23		(37)
Foreign exchange losses	403		—		(403)
Others	96		38		(57)
<b>Total non-operating expenses</b>	739	0.6	161	0.1	(577)
Ordinary income	19,130	14.2	22,976	15.8	3,846
<b>VI Extraordinary profits</b>					
Gain on sales of noncurrent assets	13		12		(0)
Gain on sales of investment securities	1		—		(1)
Gain on sales of memberships	0		—		(0)
Gain on reversal of subscription rights to shares	2		10		7
<b>Total extraordinary profits</b>	18	0.0	23	0.0	4
<b>VII Extraordinary loss</b>					
Loss on sales and retirement of noncurrent assets	176		338		161
Loss on membership cancellation	—		1		1
Loss on valuation of membership	13		41		27
<b>Total extraordinary loss</b>	190	0.1	381	0.3	190
Income before income taxes and minority interest	18,958	14.1	22,618	15.5	3,660
Income taxes-current	6,890		8,184		1,294
Income taxes-deferred	37		253		215
Total income taxes	6,928	5.2	8,437	5.8	1,509
Income before minority interests	12,030	8.9	14,181	9.7	2,150
Minority interest	23	0.0	15	0.0	(7)
Net income	12,007	8.9	14,165	9.7	2,158

(Note) fractions of one million yen are rounded off

## Consolidated Statements of Comprehensive Income

(Unit: Millions of Yen)

Items	Year ended Mar. 31, 2012	Year ended Mar. 31, 2013
<b>Income before minority interests</b>	12,030	14,181
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	240	281
Deferred gains or losses on hedges	13	0
Foreign currency translation adjustment	(1,063)	5,190
<b>Total other comprehensive income</b>	<b>(809)</b>	<b>5,472</b>
<b>Comprehensive income</b>	<b>11,220</b>	<b>19,653</b>
Comprehensive income attributable to owners of the parent	11,197	19,625
Comprehensive income attributable to minority interests	23	28

(Note) fractions of one million yen are rounded off

## Consolidated Statements of Changes in Net Assets

Year ended March 31, 2012

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of term	9,041	13,981	74,662	(252)	97,433
Changes of items during the period					
Issuance of new shares-exercise of subscription rights to shares	145	145			291
Dividends from surplus			(3,184)		(3,184)
Net income			12,007		12,007
Purchase of treasury stock				(3)	(3)
Disposal of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	145	145	8,822	(3)	9,110
Balance at end of term	9,187	14,127	83,484	(255)	106,543

	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 beginning of term	185	(13)	(4,071)	(3,899)	600	98	94,232
Changes of items during the period							
Issuance of new shares-exercise of subscription rights to shares							291
Dividends from surplus							(3,184)
Net income							12,007
Purchase of treasury stock							(3)
Disposal of treasury stock							0
Net changes of items other than shareholders' equity	240	13	(1,064)	(810)	(53)	23	(840)
Total changes of items during the period	240	13	(1,064)	(810)	(53)	23	8,270
Balance at end of term	426	(0)	(5,136)	(4,709)	546	122	102,502

(Note) fractions of one million yen are rounded off

Year ended March 31,2013

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of term	9,187	14,127	83,484	(255)	106,543
Changes of items during the period					
Issuance of new shares-exercise of subscription rights to shares	524	524			1,048
Dividends from surplus			(3,703)		(3,703)
Net income			14,165		14,165
Purchase of treasury stock				(4)	(4)
Net changes of items other than shareholders' equity					
Total changes of items during the period	524	524	10,462	(4)	11,507
Balance at end of term	9,711	14,651	93,947	(259)	118,050

	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 beginning of term	426	(0)	(5,136)	(4,709)	546	122	102,502
Changes of items during the period							
Issuance of new shares-exercise of subscription rights to shares							1,048
Dividends from surplus							(3,703)
Net income							14,165
Purchase of treasury stock							(4)
Net changes of items other than shareholders' equity	281	0	5,177	5,459	(193)	(122)	5,143
Total changes of items during the period	281	0	5,177	5,459	(193)	(122)	16,650
Balance at end of term	708	—	41	749	353	0	119,153

(Note) fractions of one million yen are rounded off

## Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

Items	Year ended Mar. 31, 2012	Year ended Mar. 31, 2013	Increase or Decrease
<b>I Net cash provided by (used in) operating activities</b>			
Income before income taxes	18,958	22,618	3,660
Depreciation and amortization	7,031	7,945	913
Amortization of goodwill	990	866	(123)
Increase (decrease) in provision for bonuses	359	259	(99)
Increase (decrease) in provision for directors' bonuses	40	17	(23)
Increase (decrease) in provision for retirement benefits	526	453	(72)
Increase (decrease) in allowance for doubtful accounts	(6)	114	120
Interest and dividends income	(195)	(178)	17
Interest expenses	95	59	(36)
Equity in (earnings) losses of affiliates	60	23	(37)
Loss on retirement of noncurrent assets	176	338	161
Decrease (increase) in notes and accounts receivable-trade	(4,754)	(2,424)	2,329
Decrease (increase) in inventories	(2,140)	(2,818)	(678)
Increase (decrease) in notes and accounts payable-trade	596	2,431	1,835
Increase (decrease) in consumption taxes payable (receivable)	(110)	72	183
Others	2,024	3,150	1,125
<b>Subtotal</b>	<b>23,654</b>	<b>32,929</b>	<b>9,274</b>
Interest and dividends received	156	172	15
Interest expenses paid	(50)	(42)	7
Income taxes paid	(6,702)	(7,253)	(550)
<b>Net cash provided by (used in) operating activities</b>	<b>17,058</b>	<b>25,806</b>	<b>8,747</b>
<b>II Net cash provided by (used in) investment activities</b>			
Payments into time deposits	(29)	(16)	13
Proceeds from withdrawal of time deposits	39	18	(21)
Purchase of property, plant and equipment	(6,732)	(9,608)	(2,875)
Proceeds from sales of property, plant and equipment	45	81	36
Purchase of intangible assets	(1,707)	(2,203)	(495)
Purchase of investments in subsidiaries	—	(357)	(357)
Purchase of business	(1,900)	—	1,900
Others	(86)	(439)	(353)
<b>Net cash provided by (used in) investment activities</b>	<b>(10,372)</b>	<b>(12,524)</b>	<b>(2,152)</b>
<b>III Net cash provided by (used in) financing activities</b>			
Net increase (decrease) in short-term loans payable	(283)	—	283
Repayments of long-term loans payable	(5)	(5)	(0)
Repayments of lease obligations	(576)	(269)	307
Proceeds from issuance of common stock	240	865	625
Purchase of treasury stock	(3)	(4)	(0)
Cash dividends paid	(3,184)	(3,703)	(518)
<b>Net cash provided by (used in) financing activities</b>	<b>(3,813)</b>	<b>(3,116)</b>	<b>697</b>
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	<b>49</b>	<b>2,303</b>	<b>2,253</b>
<b>V Net increase (decrease) in cash and cash equivalents</b>	<b>2,922</b>	<b>12,468</b>	<b>9,546</b>
<b>VI Cash and cash equivalents at beginning of term</b>	<b>18,915</b>	<b>21,838</b>	<b>2,922</b>
<b>VII Cash and cash equivalents at end of term</b>	<b>21,838</b>	<b>34,306</b>	<b>12,468</b>

(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 31,2012

(Unit: Millions of Yen)

	Japan	Americas	Europe	China	Asia Pacific	Total	Reconciliation	Consolidated
Sales								
Outside sales	43,690	26,855	37,031	19,298	7,868	134,743	—	134,743
Intersegment sales	39,093	2	453	5	130	39,685	(39,685)	—
Total sales	82,784	26,857	37,484	19,303	7,999	174,429	(39,685)	134,743
Segment income	8,683	2,872	5,379	2,369	329	19,634	(428)	19,205
Segment assets	90,699	18,172	28,364	11,860	5,771	154,868	(12,583)	142,285
Other items								
Depreciation	3,926	1,074	2,229	136	363	7,730	(699)	7,031
Amortization of goodwill	453	—	529	—	7	990	—	990
Investment to equity-method affiliates	76	—	—	—	—	76	—	76
Increase in property, plant and equipment and intangible assets	4,796	1,260	3,178	827	476	10,538	(922)	9,616

For the year ended March 31,2013

(Unit: Millions of Yen)

	Japan	Americas	Europe	China	Asia Pacific	Total	Reconciliation	Consolidated
Sales								
Outside sales	42,970	29,702	39,435	24,425	9,043	145,577	—	145,577
Intersegment sales	45,196	2	483	5	166	45,854	(45,854)	—
Total sales	88,167	29,704	39,919	24,430	9,210	191,432	(45,854)	145,577
Segment income	11,939	2,128	5,799	2,383	1,055	23,306	(1,501)	21,804
Segment assets	99,945	25,471	35,255	19,062	8,502	188,237	(15,226)	173,010
Other items								
Depreciation	4,463	1,256	2,348	202	539	8,811	(866)	7,945
Amortization of goodwill	280	—	579	—	7	866	—	866
Investment to equity-method affiliates	415	—	—	—	—	415	—	415
Increase in property, plant and equipment and intangible assets	6,085	1,957	2,633	327	1,137	12,142	(993)	11,148