

Consolidated Financial Results for the Year Ended March 31, 2012

May 9, 2012

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
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 Scheduled date for shareholders' meeting : June 22, 2012
 Scheduled date for dividend payment : June 25, 2012
 Scheduled date for filing of financial report : June 22, 2012
 Preparation of supplementary material for earnings : Yes
 Holding of earnings announcement : Yes

(Unit: Millions of Yen)

1. Results for the Year Ended March 31, 2012

(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, 2012	134,743	8.1%	19,205	5.0%	19,130	6.4%	12,007	5.2%
Year ended Mar. 31, 2011	124,694	7.3%	18,288	16.4%	17,979	14.0%	11,411	16.9%

	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, 2012	116.85	116.63	12.3%	14.0%	14.3%
Year ended Mar. 31, 2011	111.17	110.96	12.7%	14.3%	14.7%

Note:

Comprehensive income: 11,220 million yen (13.9%) for the year ended March 31, 2012; 9,849 million yen (3.2%) for March 31, 2011.

Equity in earnings (losses) of affiliates: (60) million yen for the year ended March 31, 2012; (60) million yen for the year ended March 31, 2011.

(2) Financial condition

	Total assets	Net assets	Equity Ratio	Net assets per share (Yen)
As of Mar. 31, 2012	142,285	102,502	71.6%	990.51
As of Mar. 31, 2011	130,059	94,232	71.9%	910.68

Note:

Equity capital: 101,833 million yen as of March 31, 2012; 93,533 million yen as of March 31, 2011

(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, 2012	17,058	(10,372)	(3,813)	21,838
Year ended Mar. 31, 2011	18,135	(8,915)	(3,474)	18,915

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, 2011	—	28.00	—	32.00	60.00	3,080	27.0%	3.4%
Year ended Mar. 31, 2012	—	15.00	—	19.00	34.00	3,494	29.1%	3.6%
Year ending Mar. 31, 2013 (Forecast)	—	17.00	—	17.00	34.00		26.9%	

3. Business Forecast for the Year Ending March 31, 2013

(% 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, 2012	70,000	7.3%	9,800	3.8%	9,800	10.5%	6,200	5.8%	60.31
Year ending Mar. 31, 2013	148,000	9.8%	21,000	9.3%	21,000	9.8%	13,000	8.3%	126.45

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: No

(3) Number of shares outstanding (Ordinary shares)

1) Number of shares outstanding at the end of each fiscal period (including treasury stock):

103,027,016 shares as of March 31, 2012; 102,923,616 shares as of March 31, 2011

2) Number of treasury stock at the end of each fiscal period:

217,764 shares as of March 31, 2012; 216,616 shares as of March 31, 2011

3) Average number of outstanding stock for each period (cumulative):

102,757,593 shares the year ended March 31, 2012; 102,650,022 shares the year ended March 31, 2011

*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, 2012, although the Japanese economy showed signs of recovering from difficult conditions following the Great East Japan Earthquake, rising raw materials prices and historically high rates of ongoing yen appreciation shrouded the future in uncertainty. In Europe and the United States, the economic outlook is less than positive, owing to such factors as the extended financial crisis in Europe, unrest in the Middle East and Africa and rising gasoline prices—causing customer confidence to fall. In emerging markets, meanwhile, overall economic expansion remains firm, despite uncertainties stemming from signs of gradual deceleration in China's economic growth and rising consumer prices.

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, dispute continues about a medical reform bill that aims to reduce the number of people without medical insurance. 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.

Against this backdrop, in its mainstay hematology field the Sysmex Group launched the new top-end XN-Series of multiparameter automated hematology analyzers. The series is designed for sale across all regions, and sales will commence by country, as approved. We added a new factory wing at the Ono Factory (Ono, Hyogo Prefecture) of our reagent production facility, Sysmex International Reagents Co., Ltd., in preparation for anticipated increases in demand in the Japanese market, as well as to manufacture the concentrated reagents used in the XN-Series. In March 2012, the reagent factory commenced production at approximately 1.5 times its previous level.

Net Sales by Destination

Fiscal Years Ended March 31	2011		2012		Percentage of Previous Year's Figure (%)
	Amount (Millions of Yen)	Percentage of Total (%)	Amount (Millions of Yen)	Percentage of Total (%)	
Japan	38,540	30.9	39,735	29.5	103.1
Americas	26,534	21.3	28,607	21.2	107.8
Europe	35,414	28.4	37,369	27.8	105.5
China	15,093	12.1	19,298	14.3	127.9
Asia Pacific	9,110	7.3	9,733	7.2	106.8
Overseas subtotal	86,153	69.1	95,008	70.5	110.3
Total	124,694	100.0	134,743	100.0	108.1

In Japan, management improvements accompanying healthcare reforms resulted in steady capital investment by large-scale medical institutions. This situation and our ongoing efforts to promote solutions led to solid sales, as well as strong performance in terms of receiving major orders. As a result, centering on firm results in our mainstay hematology field, we posted sales in Japan of ¥39,735 million, up 3.1% 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 ¥95,008 million, up 10.3% year on year. The overseas sales ratio was 70.5%, up 1.4 percentage points from the same period of the previous fiscal year.

As a result, during the year the Group recorded consolidated net sales of ¥134,743 million, up 8.1%. Operating income rose 5.0%, to ¥19,205 million, ordinary income grew 6.4%, to ¥19,130 million, and net income increased 5.2%, to ¥12,007 million.

Performance by segment

(1) Japan

Sales remained robust in the hematology testing field, our main business domain, owing to our perseverance in presenting solutions to customers paid off in the form of an increase in large orders. These factors contributed to a 4.7% rise in sales compared with the corresponding period of the preceding fiscal year, to ¥43,690 million.

Despite the negative effects on income of yen appreciation, we posted operating income of ¥8,683 million, up 27.4% year on year. This rise was the result of robust domestic sales and an increase in gross profits owing to the expansion of export sales to Group companies, including the impact of a revision in intragroup transaction prices.

(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 generated strong sales to integrated healthcare networks (IHNs) and the U.S. Veterans Integrated Service Network (VISN). Meanwhile, sales were favorable in Central and South America, centering on bids won in Brazil and Mexico. Despite the negative effects of yen appreciation, sales in the Americas rose 5.4%, to ¥26,855 million.

In addition to yen appreciation, cost of sales rose as the result of a revision in intragroup transaction prices, and selling, general and administrative expenses increased, stemming from efforts to reinforce our sales and support operations. Consequently, operating income fell 11.6%, to ¥2,872 million.

(3) Europe

In addition to enhancing our direct sales and support activities, we continued in our efforts to propose solutions, resulting in robust sales centered in the hematology field. As a result, sales in Europe were up 4.9% year on year, to ¥37,031 million.

The effects of higher sales compensated for an increase in selling, general and administrative expenses to enhance our sales and support structure, prompting operating income to rise 18.2%, to ¥5,379 million.

(4) China

In China, sales surged 27.9%, to ¥19,298 million. Behind these solid results were substantially higher sales of instruments and diagnostic reagents in the hematology, hemostasis and urinalysis fields, as well as increased sales of instruments in the clinical chemistry field.

Operating income fell 1.7%, to ¥2,369 million, owing to such factors as higher cost of sales resulting from a revision in intragroup transaction prices.

(5) Asia Pacific

Sales were up sharply in India, centering on the hematology field, and sales were firm in Indonesia and Australia. For the region, sales were up 10.7% year on year, to ¥7,868 million.

Owing to the higher cost of sales resulting from a revision in intragroup transaction prices and an increase in selling, general and administrative expenses to enhance our sales and support structure, operating income fell 55.8%, to ¥329 million.

Forecast for the fiscal years ending March 31

(unit: million yen)

	2013	2012	Increase / decrease	Increase / decrease ratio
Sales	148,000	134,743	13,256	9.8%
Operating income	21,000	19,205	1,794	9.3%
Ordinary income	21,000	19,130	1,869	9.8%
Net income	13,000	12,007	992	8.3%

Our forecast for the fiscal year ending March 31, 2013, takes into account ongoing growth in China and other emerging markets, as well as the expectation of economic recovery in Japan now that yen appreciation appears to have abated somewhat and helped by post-earthquake reconstruction demand. In addition, the U.S. economy has begun showing signs of a partial recovery. Factors such as these suggest a gradual improvement from global economic stagnation. It is difficult, nevertheless, to be optimistic about global economic movements, owing to such uncertainties as the potential recurrence of 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 ¥148,000 million (up 9.8% year on year), operating income of ¥21,000 million (up 9.3%), ordinary income of ¥21,000 million (up 9.8%) and net income of ¥13,000 million (up 8.3%). Our assumptions for annual average interest rates are US\$1=¥80 and €1 = ¥105.

2) Financial conditions analysis

(1) Assets, liabilities and net assets

As of March 31, 2012, total assets amounted to ¥142,285 million, up ¥12,225 million from the end of the previous fiscal year. Major factors included a ¥2,411 million increase in cash and deposits, a rise of ¥4,154 million in trade notes and accounts receivable, a ¥2,205 million increase in merchandise and finished goods and a ¥1,504 million expansion in buildings and structures.

Meanwhile, total liabilities were up ¥3,954 million, to ¥39,782 million. The main reasons for this rise were increases of ¥601 million in trade notes and accounts payable and, under other current liabilities, a ¥1,735 million expansion in accrued payables and a ¥969 million growth in advance receipts.

Total net assets came to ¥102,502 million at the end of the year, up ¥8,270 million. The principal reason for this rise was a ¥8,822 million increase in retained earnings. The equity ratio as of March 31, 2012, was 71.6%, down 0.3 percentage point from the 71.9% recorded at the end of the previous fiscal year.

(2) Cash flows

As of March 31, 2012, cash and cash equivalents amounted to ¥21,838 million, up ¥2,922 million from March 31, 2011. Cash flows from various activities are described in more detail below.

(Operating cash flow)

Net cash provided by operating activities was ¥17,058 million, down ¥1,076 million. As principal factors, income before income taxes provided ¥18,958 million, ¥1,203 million more than during the preceding year, and depreciation and amortization provided ¥7,031 million, ¥159 million more than in the preceding year. However, uses of cash included a ¥4,754 million increase in trade notes and accounts receivable, ¥2,285 million more than in the preceding year, and income taxes paid used ¥6,702 million, up ¥950 million.

(Investing cash flow)

Net cash used in investing activities was ¥10,372 million, ¥1,456 million more than in the preceding fiscal year. The main use of cash was purchases of property, plant and equipment, which used ¥6,732 million, ¥958 million more than in the previous year. In addition, payments for transfer of business used ¥1,900 million.

(Financing cash flow)

Net cash used in financing activities amounted to ¥3,813 million, ¥338 million more than was used in these activities in the previous year. Major uses of cash included cash dividends paid of ¥3,184 million, ¥158 million more than in the previous year; ¥576 million in repayments of lease obligations, down ¥453 million; and a net decrease in short-term notes payable of ¥283 million, compared with an increase of ¥284 million in the previous year.

Cash Flow Indices

Fiscal Years Ended March 31	2008	2009	2010	2011	2012
Equity ratio (%)	72.2	66.8	71.5	71.9	71.6
Equity ratio at market price (%)	169.1	135.8	233.2	232.8	241.8
Interest-bearing debt to cash flow ratio (years)	0.1	0.8	0.1	0.1	0.1
Interest coverage ratio (times)	621.4	31.2	100.5	200.0	340.3

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 45th Ordinary General Meeting of Shareholders to produce a year-end dividend for ¥19. Accordingly, annual total dividends will be ¥34 per share, and the consolidated payout ratio will be 29.1%. Taking into account the stock split conducted on April 1, 2011, this amounts to an effective increase of ¥4 per share from the ¥60 paid for the fiscal year ended March 31, 2011.

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. In addition, we will strengthen our base and promote growth in the key non-hematology areas of immunochemistry/clinical chemistry and hemostasis, by reinforcing our business promotion and manufacturing systems.

* Non-hematology: *in-vitro* diagnostics fields excluding hematology but including hemostasis, immunochemistry, urinalysis, 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, we will introduce in Japan a laboratory testing service for research involving the risk of recurrence of early-stage breast cancer, called C2P Breast, to promote commercialization of the life science business.

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, 2011		As of Mar. 31, 2012		Increase or Decrease
	Amount	%	Amount	%	Amount
(Assets)					
I Current assets					
Cash and deposits	18,950		21,362		2,411
Notes and accounts receivable-trade	32,063		36,218		4,154
Lease investment assets	1,762		2,576		813
Short-term investment securities	178		745		567
Merchandise and finished goods	14,329		16,534		2,205
Work in process	1,733		1,401		(331)
Raw materials and supplies	3,748		3,907		158
Deferred tax assets	4,925		5,129		204
Prepaid expenses	1,054		1,330		276
Short-term loans receivable	2		1		(0)
Others	1,554		1,302		(252)
Allowance for doubtful accounts	(370)		(350)		20
Total current assets	79,931	61.5	90,160	63.4	10,228
II Noncurrent assets					
Property, plant and equipment					
Buildings and structures	25,898		28,518		
Accumulated depreciation	(10,666)		(11,782)		
Buildings and structures, net	15,232		16,736		1,504
Machinery, equipment and vehicles	6,828		7,329		
Accumulated depreciation	(4,434)		(4,720)		
Machinery, equipment and vehicles, net	2,393		2,609		215
Tools, furniture and fixtures	25,316		27,827		
Accumulated depreciation	(15,884)		(17,969)		
Tools, furniture and fixtures, net	9,432		9,857		425
Land	7,892		8,893		1,001
Lease assets	5,451		4,442		
Accumulated depreciation	(4,314)		(3,824)		
Lease assets, net	1,137		618		(519)
Construction in progress	143		1,124		980
Total Property, plant and equipment	36,231	27.8	39,839	28.0	3,608
Intangible assets					
Goodwill	1,830		2,194		363
Software	4,584		4,447		(137)
Others	231		262		30
Total Intangible assets	6,646	5.1	6,903	4.8	257
Investments and other assets					
Investment securities	3,101		3,259		157
Long-term loans receivable	2		14		12
Long-term prepaid expenses	310		318		7
Real estate for investment	2,106		—		(2,106)
Others	1,616		1,704		88
Deferred tax assets	116		87		(28)
Allowance for doubtful accounts	(3)		(3)		—
Total Investments and other assets	7,250	5.6	5,381	3.8	(1,868)
Total Noncurrent assets	50,128	38.5	52,124	36.6	1,996
Total assets	130,059	100.0	142,285	100.0	12,225

(Note) fractions of one million yen are rounded off

(Unit: Millions of Yen)

Items	As of Mar. 31, 2011		As of Mar. 31, 2012		Increase or Decrease
	Amount	%	Amount	%	Amount
(Liabilities)					
I Current liabilities					
Notes and accounts payable-trade	11,574		12,176		601
Short-term loans payable	310		5		(305)
Current portion of lease obligations	594		252		(342)
Income taxes payable	2,728		2,776		47
Deferred tax liabilities	0		0		0
Accrued expenses	4,156		4,417		260
Provision for bonuses	3,277		3,622		345
Provision for directors' bonuses	207		248		40
Provision for product warranties	128		157		29
Others	8,013		11,070		3,057
Total current liabilities	30,992	23.8	34,728	24.4	3,735
II Noncurrent liabilities					
Long-term loans payable	11		4		(6)
Lease obligations	551		257		(293)
Deferred tax liabilities	1,454		1,759		305
Provision for retirement benefits	751		1,263		511
Provision for directors' retirement benefits	160		160		—
Others	1,905		1,607		(297)
Total Noncurrent liabilities	4,834	3.7	5,053	3.6	219
Total liabilities	35,827	27.5	39,782	28.0	3,954
(Net assets)					
I Shareholders' equity					
Capital stock	9,041		9,187		145
Capital surplus	13,981		14,127		145
Retained earnings	74,662		83,484		8,822
Treasury stock	(252)		(255)		(3)
Total shareholders' equity	97,433	74.9	106,543	74.8	9,110
II Accumulated other comprehensive income					
Valuation difference on available-for-sale securities	185		426		240
Deferred gains or losses on hedges	(13)		(0)		13
Foreign currency translation adjustment	(4,071)		(5,136)		(1,064)
Total accumulated other comprehensive income	(3,899)	(3.0)	(4,709)	(3.3)	(810)
III Subscription rights to shares	600	0.5	546	0.4	(53)
IV Minority interests	98	0.1	122	0.1	23
Total net assets	94,232	72.5	102,502	72.0	8,270
Total liabilities and net assets	130,059	100.0	142,285	100.0	12,225

(Note) fractions of one million yen are rounded off

Consolidated Statements of Income

(Unit: Millions of Yen)

Items	Year ended Mar. 31, 2011		Year ended Mar. 31, 2012		Increase or Decrease
	Amount	%	Amount	%	Amount
I Net sales	124,694	100.0	134,743	100.0	10,049
II Cost of sales	46,389	37.2	51,652	38.3	5,262
Gross profit	78,304	62.8	83,091	61.7	4,786
III Selling, general and administrative expenses	60,015	48.1	63,885	47.4	3,869
Operating income	18,288	14.7	19,205	14.3	916
IV Non-operating income					
Interest income	125		139		13
Dividends income	55		56		1
Income from investment real estate	390		211		(179)
Income from business collaboration agreement	214		—		(214)
Subsidy income	109		69		(39)
Others	194		187		(6)
Total non-operating income	1,089	0.8	664	0.5	(424)
V Non-operating expenses					
Interest expense	97		95		(1)
Sales discounts	30		33		3
Maintenance cost of investment real estate	152		49		(102)
Equity in losses of affiliates	60		60		—
Foreign exchange losses	885		403		(482)
Others	172		96		(76)
Total non-operating expenses	1,398	1.1	739	0.6	(658)
Ordinary income	17,979	14.4	19,130	14.2	1,150
VI Extraordinary profits					
Gain on sales of noncurrent assets	33		13		(20)
Gain on sales of investment securities	—		1		1
Gain on sales of memberships	—		0		0
Reversal of allowance for doubtful accounts	64		—		(64)
Gain on reversal of subscription rights to shares	3		2		(0)
Total extraordinary profits	101	0.1	18	0.0	(83)
VII Extraordinary loss					
Loss on sales and retirement of noncurrent assets	97		176		79
Loss on valuation of investment securities	41		—		(41)
Loss on valuation of membership	—		13		13
Loss on adjustment for changes of accounting standard for asset retirement obligations	187		—		(187)
Total extraordinary loss	326	0.3	190	0.1	(135)
Income before income taxes and minority interest	17,755	14.2	18,958	14.1	1,203
Income taxes-current	5,861		6,890		1,029
Income taxes-deferred	451		37		(413)
Total income taxes	6,312	5.0	6,928	5.2	616
Income before minority interests	11,443	9.2	12,030	8.9	587
Minority interest	31	0.0	23	0.0	(8)
Net income	11,411	9.2	12,007	8.9	595

(Note) fractions of one million yen are rounded off

Consolidated Statements of Comprehensive Income

(Unit: Millions of Yen)

Items	Year ended Mar. 31, 2011	Year ended Mar. 31, 2012
Income before minority interests	11,443	12,030
Other comprehensive income		
Valuation difference on available-for-sale securities	(85)	240
Deferred gains or losses on hedges	(0)	13
Foreign currency translation adjustment	(1,508)	(1,063)
Total other comprehensive income	(1,593)	(809)
Comprehensive income	9,849	11,220
Comprehensive income attributable to owners of the parent	9,815	11,197
Comprehensive income attributable to minority interests	34	23

(Note) fractions of one million yen are rounded off

Consolidated Statements of Changes in Net Assets

Year ended March 31, 2011

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of term	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 end of term	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 beginning of term	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 end of term	185	(13)	(4,071)	(3,899)	600	98	94,232

(Note) fractions of one million yen are rounded off

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

Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

Items	Year ended Mar. 31, 2011	Year ended Mar. 31, 2012	Increase or Decrease
I Net cash provided by (used in) operating activities			
Income before income taxes	17,755	18,958	1,203
Depreciation and amortization	6,871	7,031	159
Amortization of goodwill	677	990	313
Loss on adjustment for changes of accounting standard for asset retirement obligations	187	—	(187)
Increase (decrease) in provision for bonuses	398	359	(39)
Increase (decrease) in provision for directors' bonuses	26	40	14
Increase (decrease) in provision for retirement benefits	121	526	405
Increase (decrease) in allowance for doubtful accounts	10	(6)	(17)
Interest and dividends income	(180)	(195)	(14)
Interest expenses	97	95	(1)
Equity in (earnings) losses of affiliates	60	60	—
Loss (gain) on valuation of investment securities	41	—	(41)
Loss on retirement of noncurrent assets	97	176	79
Decrease (increase) in notes and accounts receivable-trade	(2,468)	(4,754)	(2,285)
Decrease (increase) in inventories	(1,335)	(2,140)	(804)
Increase (decrease) in notes and accounts payable-trade	1,365	596	(768)
Increase (decrease) in consumption taxes payable (receivable)	(442)	(110)	332
Others	537	2,024	1,486
Subtotal	23,820	23,654	(165)
Interest and dividends received	157	156	(1)
Interest expenses paid	(90)	(50)	40
Income taxes paid	(5,752)	(6,702)	(950)
Net cash provided by (used in) operating activities	18,135	17,058	(1,076)
II Net cash provided by (used in) investment activities			
Payments into time deposits	(18)	(29)	(11)
Proceeds from withdrawal of time deposits	—	39	39
Purchase of property, plant and equipment	(5,773)	(6,732)	(958)
Proceeds from sales of property, plant and equipment	152	45	(107)
Purchase of intangible assets	(2,017)	(1,707)	310
Purchase of investments in subsidiaries	(1,064)	—	1,064
Purchase of business	—	(1,900)	(1,900)
Others	(194)	(86)	107
Net cash provided by (used in) investment activities	(8,915)	(10,372)	(1,456)
III Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	284	(283)	(567)
Repayments of long-term loans payable	(8)	(5)	3
Repayments of lease obligations	(1,030)	(576)	453
Proceeds from issuance of common stock	371	240	(130)
Purchase of treasury stock	(47)	(3)	44
Cash dividends paid	(3,026)	(3,184)	(158)
Cash dividends paid to minority shareholders	(16)	—	16
Net cash provided by (used in) financing activities	(3,474)	(3,813)	(338)
IV Effect of exchange rate change on cash and cash equivalents	(641)	49	691
V Net increase (decrease) in cash and cash equivalents	5,103	2,922	(2,180)
VI Cash and cash equivalents at beginning of term	13,812	18,915	5,103
VII Cash and cash equivalents at end of term	18,915	21,838	2,922

(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 31,2011

(Unit: Millions of Yen)

	Japan	Americas	Europe	China	Asia Pacific	Total	Reconciliation	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

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