Summary of Financial Statements for the Fiscal Year Ended March 31, 2013

May 10, 2013

Listed company name	SEIKOH GIKEN Co., Ltd.			Listed market JASDAQ
Code number	6834	URL http://www.seikoh-giken.co.jp		
Representative	(Title)	President & CEO	(Name) Masatoshi Ueno	
Inquiries	(Title)	Administration Department Deputy Manager	(Name) Yuji Saitoh	Tel +81-47-388-6401
Date of general shareholders' meeting		June 21, 2013	Date of dividend payment	June 24, 2013
Date of securities report submission		June 21, 2013		

(All amounts rounded down to the nearest million yen.)

1. Consolidated business results for the fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(1) Consolidated business performance

(Percentage figures show the changes from the previous year.)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2013	4,986	4.3	(190)	–	(30)	–	(126)	–
Year ended March 31, 2012	4,781	0.0	3	–	45	–	33	–

	Net profit per share	Fully diluted net profit per share	Net profit ratio per shareholders' equity	Ordinary profit ratio to total assets	Operating profit ratio to sales amount
	Yen	Yen	%	%	%
Year ended March 31, 2013	(13.80)	–	(0.6)	(0.1)	(3.8)
Year ended March 31, 2012	3.70	–	0.2	0.2	0.1

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2013	20,826	19,576	93.9	2,140.34
Year ended March 31, 2012	20,680	19,319	93.4	2,113.02

(Reference) Shareholders' equity Year ended March 31, 2013 19,562 million yen Year ended March 31, 2012 19,312million yen

(3) Consolidated cash flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of the period
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2013	285	366	(0)	2,199
Year ended March 31, 2012	(109)	(38)	(0)	1,459

2. Dividend status

(Base date)	Dividend per share					Gross dividend amount (annual)	Dividend propensity (consolidated)	Dividend ratio to net assets (consolidated)
	End of the first quarter	End of the second quarter	End of the third quarter	End of the year	Full year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2012	–	0.00	–	0.00	0.00	–	–	–
Year ended March 31, 2013	–	0.00	–	5.00	5.00	45	–	0.2
Year ending March 31, 2014 (Forecast)	–	0.00	–	5.00	5.00		—	

3. Forecast of consolidated business performance for the year ending March 31, 2014(April 1, 2013 to March 31, 2014)

(Percentage figures for "Full year" show the changes from the previous year, and percentage figures for "Half year" show the changes from the previous interim period.)

	Sales amount		Operating profit		Ordinary profit		Net profit		Net profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Half year	4,180	73.0	0	–	30	481.8	(100)	–	(10.94)
Full year	10,000	100.5	250	–	330	—	50	—	5.47

*Notes on using the business performance forecast and other special instructions

The business performance forecast figures above are based on information available as of the date of disclosure of this material, and therefore include many uncertainties. Actual results may differ from the forecast figures, depending on various factors such as changes in business conditions.

1. Analysis on Operating Results and Financial Position

(1) Operating Results Analysis

(Operating results for the period under review)

The global economy in the period under review — more than four years after the Lehman's fall in September 2008 — saw a solid economic recovery in progress in the U.S., which was contrasted however by continued depressed conditions in Europe caused by the debt crisis of the euro area. As a result, exports to Europe from China and the emerging economies in Asia has decreased, which caused the economic growth rates in these countries to slow down

Meanwhile in Japan, economy was supported by reconstruction demand after the Great East Japan Earthquake, but experienced a decline in exports under the impact of the excessive yen appreciation in the first half of the fiscal year as well as stagnant overseas economies and strained relations with some neighboring countries. With corporate earnings depressed, uncertainty continued to surround employment and household incomes, leaving personal consumption to languish. Subsequently, following a change of government in December, expectations for economic policy measures result in a correction of the strong yen and a stock market turnaround with recovering share prices. Even so, with external demand growth lacking strength especially in Europe and the emerging economies, the outlook for domestic business calls for continued vigilance.

In the markets for electronics and telecommunications relevant to the Group, rapid diffusion of smart phones and tablet-type mobile terminals has been unfolding, with conspicuous growth especially in emerging economies such as Asia, Eastern Europe, Africa, and South America. Investment in additional base stations for mobile phone radio-waves in these regions has been brisk. On the other hand, plummeting retail prices for flat-screen digital TVs which were leading the market up until a few years ago has worsen markedly, and forced some electronics manufacturers to implement corporate restructuring and streamlining measures.

In this operating environment, the Group proceeded with the execution of its long-term management plan “Master Plan 2010” launched in 2011. The “Master Plan 2010,” which has duration of five years, sets the three goals of (i) business restructuring in order to achieve leaner corporate structures, (ii) business growth through the strengthening of sales capabilities and product development capabilities, and (iii) organizational reform with a view to achieving fast and accurate decision making. In the previous fiscal year, we shifted emphasis from business restructuring to business expansion and worked to strengthen the Company's management platforms, and in this way succeeded in bringing about an earnings recovery. In the period under review, which marks the third year of our management plan, we have been aiming to establish corporate structures that enable to generate a constant earnings stream. To this end, we took steps to reinforce selling power and price competitiveness as well as measures geared at the creation of new businesses and new products.

Our efforts to reinforce selling power and price competitiveness included internal project initiatives to promote higher order receipts and reductions in the cost of sales. Each project involved formulating specific measures for identifying and resolving currently existing problems. By periodically sharing information on the progress in the measures taken, we worked to strengthen capabilities at the shop floor level respectively for the sales and marketing functions and for manufacturing. In optical products, we increased the emphasis on key customers with plant facilities in China and took steps to transfer product control from Japan to China while increasing local procurement. In precision machinery, to be able to respond to a wider range of customer needs, we worked to increase order receipts for precision molds and molded products in a bid to promote products and services other than optical disk molds.

In order to promote new business ideas and product creation, the Company hosted an international conference at China-based subsidiary Seikoh Giken Hangzhou Co., Ltd. focused on technology topics with participants from Group companies in the U.S., Germany, China, and Japan, as well as from some contractors. The event served for the sharing of specific information on global market trends and customer needs, exploring directions for new product development, and for discussing improvements of existing products and technology issues for new products approaching market launch. Moreover, this January, the Company acquired a 35% equity stake in Taiwan-based contact lens manufacturer Seinoh Optical Co., Ltd. which has since become a Group affiliate. Occasioned by the involvement in the contact lens business, a new product line for the Group, we will leverage the Group's mold technology, precision polishing, and precision processing technologies for the creation of new operations in supplying molded products to growth markets such as bio-science and medical applications.

As a result of these various measures, sales increased at subsidiaries in China and U.S., raising consolidated sales in the period under review to 4,986,398 thousand yen (+4.3% compared with the year-earlier period). Earnings, however, marked a 190,335 thousand yen operating loss (compared with operating income of 3,847 thousand yen in the year-earlier period) due to higher labor compensation promoted by the Chinese government reflecting in increased payroll expenditure at the China-based subsidiary and due to the cost of aggressive sales promotion activities to increase order receipts. Ordinary income marked a loss of 30,866 thousand yen (compared with ordinary income of 45,374 thousand yen in the year-earlier period) despite non-operating income from foreign exchange gains and equity-method investment gains. Moreover, the Group reported a consolidated net loss of 126,087 thousand yen, marking a large decline compared with net income of 33,853 thousand yen a year earlier when special gains from the sale of non-current assets were recognized on accounts.

Non-consolidated sales in the period under review totaled 3,050,441 thousand yen, marking a 14.4% decline compared with a year earlier, owing to the partial transfer of optical products previously manufactured at the operations of the Company's Japan-based headquarter to China-based subsidiary Seikoh Giken Hangzhou Co., Ltd. Due to the reduction in sales, non-consolidated operations reported an operating loss of 562,780 thousand yen (compared with an operating loss of 439,191 thousand yen in the year-earlier period), and an ordinary loss of 164,969 thousand yen (compared with an ordinary loss of 50,812 thousand yen in the year-earlier period), in both instances declines from the previous fiscal year. A net loss of 205,443 thousand yen (compared with a net loss of 11,233 thousand yen in the year-earlier period) ensued from the same factors as those affecting the consolidated net result.

Segment results developed as follows.

(i) Precision machinery related products

Since its founding, the Group has been engaged in metal precision processing and has supplied a varied range of molds based on its technology for the flat polishing of metal surfaces at nanometer precision. Mold products include optical disk molds for the mass production of DVD and BD by injection molding. Apart from turning out few rejects marred by burr edges, their molding cycle is short with excellent mass production properties. Moreover, mold functionality does not diminish even if components are partly exchanged. These superior reproductive properties have elicited praise from customers and have established the Group's molds as the global top brand. However, appreciation for optical disk applications has been in retreat in recent years against the rise of proliferating video dissemination over the Internet and large-capacity storage media such as hard disks, USB memory, and flash memory, etc. These developments have led to a gradual decline in sales revenue from optical disk molds at the Group's precision machinery division, which derives a significant percentage of its revenues from the maintenance and sale of replacement parts for molds previously sold.

Hence, the precision machinery division has been scheming to exit from a business structure dependent on optical disk mold operations and has been working to launch new business operations that can serve as a future source of business income. Specifically, the division has been exploring leading-edge mold technology by applying the know-how accumulated through the manufacture and development of optical disk molds. For example, the division has developed ultra-precise molds that enable injection molding of extremely thin-walled objects at high precision, and mold technology that achieves shorter molding cycles than before maintaining a stable low mold temperature. The introduction of these products at industrial exhibitions and on the Company website has invited a growing number of trade inquiries while allowing the division through its molds to contribute to solving customers' manufacturing issues. Moreover, the division has also been pursuing business operations involving the mass production of molded products using molds developed and manufactured by the division.

Operations for heat-resistant lenses have been seeing rising sales of lenses for cameras built into smart phones and mobile phones. The Group is a specialized manufacturer of lenses (for self-portraits) installed inside the cameras of mobile hand-sets and has in the period under review worked on the development of lenses with the increased resolutions of 1.3 mega pixel.

As a result, sales revenues at the precision machinery division in the period under review posted 1,233,281 thousand yen (+11.0% compared with the year-earlier period).

(ii) Optical related products

In recent years, the use of cloud computing has become widespread by corporations worldwide for the integrated management of large information volumes at external data centers, etc. At the same time, the use of smart phones and tablet-type mobile terminals as well as social network services (SNS) by general consumers has been growing at an accelerating speed. In order to accommodate the growth in the information volumes in circulation on global optical communication networks, capacity increases are being made to the sub-marine communication cables between continents and to the backbone communication networks. Likewise, technology development has been stepped up to enable the high-speed transmission of large volumes of information. Thus, a change has been under way from the intensity modulation method (the current mainstream which transfers information by way of variation in optical intensity) to the coherent optical communication method (which uses the properties of light waves for transmitting information through phase changes) that is approaching the stage of practical application.

However, given the continuing decline in the selling prices of general-purpose optical communication components used in large quantities, production sites have tended to concentrate in locations in Asia, specifically in China, where production at a comparatively low cost is possible. Since major customers of the Group also maintain factories in these regions, beginning with the period under review, for a selection of products historically manufactured at the Japan-based head office of the Group, production control has been shifted to China-based subsidiary Seikoh Giken Hangzhou Co., Ltd. At the same time, China-based local procurement of parts and materials has been stepped up in order to reduce manufacturing cost.

Moreover, in August 2012, the Group acquired a 49% equity stake in DATA-PIXEL SAS, a France-based manufacturer with a global top share in measurement and inspection equipment for optical communication components. In the Group, a sales agency agreement for the products of DATA-PIXEL SAS has been in existence between the Japan-based head office and Seikoh Giken Hangzhou Co., Ltd., with active sales of DATA-PIXEL products continuing from before also to customers who have been maintaining manufacturing sites in the Asian region. Based on the acquisition of this equity stake, the relationship with DATA-PIXEL will be further strengthened, associated with the effective use of management resources of both companies in product development and manufacturing, business expansion, and a with stronger market presence.

As a result of these developments, the optical products division reported sales revenues of 3,753,117 thousand yen (+2.3% compared with the year-earlier period).

(Outlook for the next fiscal year）

The domestic market environment in the fiscal year to March 2014 (from April 1, 2013, to March 31, 2014) of late has been seeing a turnaround with a partial recovery of industry profits, attended by rising share prices and a depreciating yen, on hopes for economic support measures from the newly inaugurated government. Overseas, however, the outlook remains uncertain amid slower economic growth in China and with no signs of an economic recovery in Europe.

With respect to the industries relevant to the Group, demand for optical communication components is expected to continue growing, given the progressing improvements in the information infrastructure upgrades centered on emerging economies. Moreover, the diffusion of smart phones and other mobile terminals is expected to accelerate. However, along with the expected market growth, entrants to the industry will grow in number, associated with intensified competition and declining selling prices. Given the development cost of new products and technologies, the concern is that business profitability will come under further severe pressure.

In this operating environment, the Group will continue also in the next fiscal year with proactive business expansion measures based on the long-term management plan "Master Plan 2010."

As part of these measures, on May 31 this year, the Group acquired 99.7% of the share capital of Fuji Electronics Industries Co., Ltd. (head office in Shizuoka city, Shizuoka prefecture), a manufacturer of components for mobile phones and other electronic devices as well as car electronics. The entity has subsequently been made consolidated subsidiary of the Group. Since its founding in 1963, Fuji Electronics Industries Co., Ltd. has been supplying markets with creative precision-molded products based on advance technologies including precision compound molding and precision press molding, building a stable clientele in the AV appliance and automotive industries. Seikoh Giken, on its part, sees the future shape of its precision mold operations in a business development away from supplying molds and toward supplying molded products. The acquisition of the share capital of Fuji Electronics Industries and its integration as a consolidated subsidiary enables our Company to speed up its access to expertise for a business engaged in supplying molded products.

Moreover, through the effective use of the management resources of both companies, that is, the Group's network in Japan and overseas and the technology and customer base of Fuji Electronics Industries, the Group plans to develop additional products and services for a wide range of industrial fields, and in this way realize a further growth of the Group.

As to the consolidated operating results for the next fiscal year,　including the business results of Fuji Electronics Industries starting from June 2013, projections call for sales revenue of 10,000 million yen, operating income of 250 million yen、ordinary income of 330 million yen , and net income of 50 million yen.

Note: The above operating results estimates reflect judgments based on currently available information. Actual operating results might differ from the stated operating results estimates due to changes in various factors.

(2) Financial Position Analysis

(i) Assets, liabilities, and net assets

(Assets)

Consolidated assets at the end of the period under review totaled 20,826,566 thousand yen, which was 146,369 thousand yen higher than at the end of the previous fiscal year. Current assets were 14,867,434 thousand yen, which was 496,151 thousand yen lower than at the end of the previous fiscal year. Main factors were a decline in cash and cash equivalents reflecting the acquisition of equity in DATA-PIXEL SAS (France) and Seinoh Optical Co., Ltd. (ROC), and progress made in the collection of trade notes and accounts receivable. Non-current assets were 5,959,131 thousand yen, which was 642,521 thousand yen higher than at the end of the previous fiscal year. Main factors were an increase in investment securities reflecting the acquisition of equity in DATA-PIXEL SAS and Seinoh Optical Co., Ltd.

(Liabilities)

Consolidated liabilities at the end of the period under review totaled 1,249,880 thousand yen, which was 111,205 thousand yen lower than at the end of the previous fiscal year. The main factor was a decline in trade accounts payable reflecting a drop in external procurement of parts and materials.

(Net assets)

Consolidate net assets at the end of the period under review totaled 19,576,686 thousand yen, which was 257,575 thousand yen higher than at the end of the previous fiscal year. The main factor was an increase in the currency translation adjustment account.

(ii) Cash flows

Consolidated cash and cash equivalents at the end of the period under review totaled 2,199,404 thousand yen, reflecting a decrease of 740,026 thousand yen since the end of the previous fiscal year. Individual cash flows and main factors influencing the changes therein were as follows.

(Cash flows from operating activities)

Net cash used in operating activities totaled 285,800 thousand yen (compared with 109,481 thousand yen used in operating activities the year earlier). Cash provided by operating activities was mainly due to a decline of 393,882 thousand yen in accounts receivable and 262,077 thousand yen in depreciation charges. Cash used in operating activities was mainly due to a decline of 210,400 thousand yen in accounts payable.

(Cash flows from investing activities)

Net cash used in investing activities totaled 366,660 thousand yen (compared with 38,998 thousand yen used in investing activities in the year earlier). Cash provided by investing activities was mainly due to 15,554,181 thousand yen in income from the collection of matured term deposits. Cash used in investing activities was mainly due to 14,504,382 thousand yen in expenditure for the posting of term deposits and 487,705 thousand yen in expenditure for the acquisition of investment securities.

(Cash flows from financing activities)

Net cash used in financing activities totaled 28 thousand yen (compared with 29 thousand yen used in financing activities in the year earlier). Cash used in financing activities was mainly due to expenditures for the purchase of own stock.

(Reference) Changes in indicators related to cash flow

	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2013
Equity ratio (%)	92.2	92.7	93.8	93.4	93.9
Equity ratio on market value basis (%)	27.4	32.4	26.2	30.9	26.9
Cash flow versus ratio of interest-bearing liabilities (%)	2.7	–	(0.0)	–	–
Interest coverage ratio	2,030.6	171.6	(18,450.8)	(632,843.7)	55,874.9

Equity ratio: Shareholders' equity/total assets

Equity ratio on market value basis: Market capitalization/total assets

Cash flow versus ratio of interest-bearing liabilities: Interest-bearing liabilities/cash flow

Interest coverage ratio: Cash flow/interest payment

* The calculation of each indicator is based on financial figures from the consolidated accounting basis.
* Market capitalization is calculated by multiplying the closing price at the end of the term by the number of shares issued at the end of the term (after deducting treasury stocks).
* Operating cash flow is used for cash flow.
* Interest-bearing liabilities are all those liabilities of the recorded liabilities on which interest is paid.

(3) Basic Dividend Policy and Dividend for the Next Fiscal Year

With regard to the distribution of earnings to shareholders, it has been the basic policy of the Company to consistently pay shareholders stable dividends with consideration of internal retention in preparation for future investments.

As to a year end dividend, even though black figures could not be achieved, payment will be resumed with a dividend of 5 yen per share in consideration of the dividend policy of the Company.
A dividend of 5 yen per share is planned also for the next fiscal year based on the Company's policy to provide shareholders with stable dividends.

2. Management Policies

(1) Basic Company Management Policy

Management principles require the Company to "provide high-quality products based o superior technology and originality, contribute to the development of the community and society, pursue the growth of the Company and the welfare of employees, and meet the Company’s social responsibilities."
By bringing to bear the core technologies accumulated since the Company’s founding, the Company will work to offer new value to society and to enable continuous, stable enhancements in enterprise value for all stakeholders of the Company including shareholders, customers, and employees and their families.

(2) Targeted Management Indicators

For a speedy shift to corporate structures that enable continuous enterprise value enhancements, radical reform is considered necessary. To this end, the Group has formulated its long-term management plan “Master Plan 2010” and has initiated efforts toward plan implementation from April, 2010. The “Master Plan 2010” prescribes as targets to be reached by fiscal year ending March 2016 consolidated sales of 10,000 million yen and ordinary income of 1,400 million yen. Towards reaching these targets, the Group will work to establish robust business platforms and strengthen the Group’s sales capabilities and product development capabilities.

(3) Issues to be Addressed and Long-Term Management Strategy

The long-term management plan “Master Plan 2010” prescribes a corporate vision for the Group to "become global customer’s best partner centered on precision processing – the one and only partner indispensable for customers’ growth." In order to ensure that customers choose the Group as their partner, efforts are being made to identify and resolve currently existing problem issues.

In the two years since the inception of the long-term management plan “Master Plan 2010,” the Group has taken steps in two areas: business restructuring with a view to achieving lean corporate structures, and business growth promotion aimed at increasing sales. In 2010, cost reduction efforts were implemented for both variable and fixed costs through steps that included solicitation for voluntary early retirement, consolidation of operating sites, withdrawal from unprofitable products, and a more selective and narrowed-down focus on development projects. In 2011, the Group concentrated its efforts on sales activities geared at the proactive creation of new markets and the acquisition of new customers, which broke a four consecutive quarters in the red figures. In the period under review, we worked to strengthen the Group's selling power and price competitiveness in order to establish corporate structures that enable to generate a constant earnings stream. We also implemented measures for the creation of new businesses and new products. Although we were able to increase sales, earnings fell below the year-earlier level, forcing us again to report red figures.
Currently the most pressing problem of the Group is to preserve and reinforce lean organization structures and at the same time establish corporate structures that enable constant earnings growth. For realizing these objectives, the following three key areas have been identified.

(i) Strengthening of sales capabilities

Markets in recent years have been changing increasingly rapidly, attended by stepped-up competition across industries and national borders. Despite this difficult environment, for the Group to extend its market share and optimize sales, strengthening the Group’s sales capabilities is a must.
To this end, through accurate marketing the Group must assess growth markets and identify areas where the needs of markets’ predominant customers dovetail with the technologies and products of the Group. Moreover, in order to enable the Group to provide customers with growth-supporting products ahead of competitors, future technologies will be the subject of constant study from the closest-possible customer perspective.
In order to raise the profile of the Group in new markets and to be noticed by new customers, enhancing the Group’s corporate recognition is indispensable. By participating in relevant exhibitions, putting a news release on magazines and newspapers, and through corporate website applications and other media the Group will disseminate information about its technology in the markets. Moreover, efforts will be made to strengthen technology and marketing capabilities to enable high-added value propositions for solutions to customers’ problems that exceed expectations.

(ii) Strengthening of price competitiveness

In order to provide the value required by customers and at the same time retain maximum added value in the Group, operating costs must be minimized and price competitiveness must be strengthened. To achieve these objectives, the Group will work to optimize production, purchasing, and logistics.

With respect to production, the Group will enhance overall production efficiency with the focus on its China-based manufacturing subsidiaries Seikoh Giken Hangzhou Co., Ltd. and Seikoh Giken Dalian Co., Ltd. For products sold in large quantities, designs and specifications will be reviewed and input costs will be minimized. .At the operations of the Japan-based head office of the Company, which use a multitude of machine-based treatment processes, we will take steps to enable the effective deployment of human resources by promoting worker cross training. At the same time we will make adjustments to our dependency on external production service providers consistent with fluctuations in business volume. In this and other ways, we will work to minimize cost of sales.

With regard to purchasing, while maintaining good partnership relations with suppliers, the Group will aim to create structures that enable purchasing the world’s best parts and components at the world’s most appropriate prices, with assured stable procurement at all times including during emergencies.

With regard to logistics, the Group will eradicate any existing slack in efficiency spanning the width from order receipt to delivery, and build supply chains designed to minimize cost and time.

(iii) Creating new businesses, new fields and new products

During the 40 years since its founding, the Group has in its business operations provided markets with molds and telecommunications products using its core technologies in precision polishing technology and in precision machining and assembly technologies. From the time of its founding the Company has to this day consistently maintained a corporate s

tance of contributing to the advancement and furtherance of society by fully bringing to bear carefully developed technologies and by providing markets with high-quality products. In order to achieve further growth, it is essential, while following these principles running at the foundation of the Group, to ceaselessly continue creating new businesses, new fields and new products that anticipate the needs of progressing society.

In the period under review, the Group strengthened its efforts by establishing a specialized department for new business development. Among these activities, through the acquisition of an equity stake in Seinoh Optical Co., Ltd. this January we started to build a new business in contact lenses. Moreover, in May we took an equity stake in Fuji Electronics Industries Co., Ltd., intended as an entry into injection molding and press molding, which are new fields for the Group.

The Group will continue in its efforts to contribute to the furtherance of society across an ever wider industrial field.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Unit: Thousands of yen)

	Current Consolidated Accounting Year (As of March 31, 2012)	Current Consolidated Accounting Year (As of March 31, 2013)
Assets		
Current assets		
Cash and deposits	12,835,208	12,580,693
Notes and accounts receivable-trade	1,385,029	1,121,795
Merchandise and finished goods	276,110	253,344
Work in process	267,572	255,659
Raw materials and supplies	404,661	456,952
Income taxes receivable	11,322	11,071
Other	186,166	193,003
Allowance for doubtful accounts	(2,484)	(5,085)
Total current assets	15,363,586	14,867,434
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	3,937,555	4,017,659
Accumulated depreciation	(2,253,404)	(2,369,171)
Buildings and structures, net	1,684,150	1,648,488
Machinery, equipment and vehicles	1,991,546	2,109,670
Accumulated depreciation	(1,813,641)	(1,875,514)
Machinery, equipment and vehicles, net	177,904	234,156
Land	2,035,325	2,035,325
Construction in progress	152,004	206,824
Other	1,575,622	1,685,348
Accumulated depreciation	(1,371,973)	(1,459,702)
Other, net	203,649	225,645
Total property, plant and equipment	4,253,035	4,350,440
Intangible assets		
Other	49,819	56,605
Total intangible assets	49,819	56,605
Investments and other assets		
Investment securities	14,594	550,480
Real estate for investment	928,980	932,756
Other	70,180	68,848
Total investments and other assets	1,013,755	1,552,085
Total noncurrent assets	5,316,610	5,959,131
Total assets	20,680,197	20,826,566

(Unit: Thousands of yen)

	Current Consolidated Accounting Year (As of March 31, 2012)	Current Consolidated Accounting Year (As of March 31, 2013)
Liabilities		
Current liabilities		
Accounts payable-trade	312,594	189,650
Income taxes payable	45,941	24,109
Other	374,924	380,582
Total current liabilities	733,460	594,341
Noncurrent liabilities		
Provision for retirement benefits	366,991	411,133
Long-term accounts payable-other	145,370	145,370
Long-term guarantee deposited	94,231	77,098
Long-term lease deposited	19,037	19,037
Other	1,995	2,899
Total noncurrent liabilities	627,625	655,538
Total liabilities	1,361,085	1,249,880
Net assets		
Shareholders' equity		
Capital stock	6,791,682	6,791,682
Capital surplus	10,571,419	10,571,419
Retained earnings	2,921,991	2,795,903
Treasury stock	(427,218)	(427,246)
Total shareholders' equity	19,857,875	19,731,759
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(2,378)	927
Foreign currency translation adjustment	(514,234)	(170,079)
Total valuation and translation adjustments	(544,939)	(169,151)
Subscription rights to shares	6,175	14,078
Total net assets	19,319,111	19,576,686
Total liabilities and net assets	20,680,197	20,826,566

(2) Consolidated Income Statement

(Unit: Thousands of yen)

	Current Consolidated Accounting Year (from April 1, 2011 to March 31, 2012)	Current Consolidated Accounting Year (from April 1, 2012 to March 31, 2013)
Net sales	4,781,672	4,986,398
Cost of sales	3,180,201	3,331,121
Gross profit	1,601,471	1,655,277
Selling, general and administrative expenses	1,597,624	1,845,613
Operating loss	3,847	(190,335)
Non-operating income		
Interest income	29,386	30,604
Dividends income	372	347
Rent of real estate for investment	39,835	41,194
Service provider commission receipts	—	21,564
Royalty income	3,334	2,901
Foreign exchange gains	—	80,875
Equity-method investment gains	—	7,069
Other	10,349	7,712
Total non-operating income	83,277	192,270
Non-operating expenses		
Commissions paid	—	15,844
Rent cost of real estate	11,244	14,864
Foreign exchange losses	25,836	—
Loss on valuation of derivatives	2,323	—
Other	2,345	2,092
Total non-operating expenses	41,750	32,800
Ordinary loss	45,374	(30,866)
Extraordinary income		
Gain on sales of noncurrent assets	45,041	2,083
Gain on transfer of business	15,760	—
Total extraordinary income	60,802	2,083
Extraordinary loss		
Loss on retirement of noncurrent assets	6,145	7,862
Loss on disaster	975	—
Total extraordinary losses	7,120	7,862
Loss before income taxes and minority interests	99,056	(36,645)
Income taxes-current	70,145	83,124
Income taxes-deferred	(4,943)	6,317
Total income taxes	65,202	89,442
Net loss	33,853	(126,087)

(3) Statement of Changes in Consolidated Shareholders' Equity

(Unit: Thousands of yen)

	Current Consolidated Accounting Year (from April 1, 2011 to March 31, 2012)	Current Consolidated Accounting Year (from April 1, 2012 to March 31, 2013)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	6,791,682	6,791,682
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	6,791,682	6,791,682
Capital surplus		
Balance at the end of previous period	10,571,419	10,571,419
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	10,571,419	10,571,419
Retained earnings		
Balance at the end of previous period	2,888,137	2,921,991
Changes of items during the period		
Net loss	33,853	(126,087)
Total changes of items during the period	33,853	(126,087)
Balance at the end of current period	2,921,991	2,795,903
Treasury stock		
Balance at the end of previous period	(427,188)	(427,218)
Changes of items during the period		
Purchase of treasury stock	(29)	(28)
Total changes of items during the period	(29)	(28)
Balance at the end of current period	(427,218)	(427,218)
Total shareholders' equity		
Balance at the end of previous period	19,824,051	19,857,875
Changes of items during the period		
Net loss	33,853	(126,087)
Purchase of treasury stock	(29)	(28)
Total changes of items during the period	33,823	(126,115)
Balance at the end of current period	19,857,875	19,731,759

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2011 to March 31, 2012)	Previous Consolidated Accounting Year (from April 1, 2012 to March 31, 2013)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(3,098)	(2,378)
Changes of items during the period		
Net changes of items other than shareholders' equity	720	3,305
Total changes of items during the period	720	3,305
Balance at the end of current period	(2,378)	927
Foreign currency translation adjustment		
Balance at the end of previous period	(514,234)	(542,561)
Changes of items during the period		
Net changes of items other than shareholders' equity	(28,327)	372,482
Total changes of items during the period	(28,327)	372,482
Balance at the end of current period	(542,561)	(170,079)
Total valuation and translation adjustments		
Balance at the end of previous period	(517,332)	(544,939)
Changes of items during the period		
Net changes of items other than shareholders' equity	(27,607)	375,788
Total changes of items during the period	(27,607)	375,788
Balance at the end of current period	(544,939)	(169,151)
Subscription rights to shares		
Balance at the end of previous period	－	6,175
Changes of items during the period		
Net changes of items other than shareholders' equity	6,175	7,902
Total changes of items during the period	6,175	7,902
Balance at the end of current period	6,175	14,078
Total net assets		
Balance at the end of previous period	19,306,718	19,319,111
Changes of items during the period		
Net loss	33,853	(126,087)
Purchase of treasury stock	(29)	(28)
Net changes of items other than shareholders' equity	(21,431)	383,690
Total changes of items during the period	12,392	257,575
Balance at the end of current period	19,319,111	19,576,686

(4) Consolidated Cash Flow Statement

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2011 to March 31, 2012)	Previous Consolidated Accounting Year (from April 1, 2011 to March 31, 2013)
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	99,056	(36,645)
Depreciation and amortization	248,316	262,077
Interest and dividends income	(29,758)	(30,951)
Investment gain (loss) on equity method	—	(7,069)
Proceeds from rent income	(39,835)	(41,194)
Loss (gain) on transfer of business	(15,760)	—
Loss (gain) on sales of noncurrent assets	(45,041)	(2,083)
Loss on retirement of noncurrent assets	6,145	7,862
Increase (decrease) in allowance for doubtful accounts	324	2,330
Increase (decrease) in provision for retirement benefits	43,910	44,142
Foreign exchange losses (gains)	(7,917)	(55,257)
Decrease (increase) in notes and accounts receivable-trade	(99,248)	393,882
Decrease (increase) in inventories	(223,030)	63,923
Decrease (increase) in other current assets	(62,920)	27,195
Increase (decrease) in notes and accounts payable-trade	106,317	(210,400)
Increase (decrease) in accounts payable	(50,617)	(10,154)
Increase (decrease) in other current liabilities	(1,418)	(34,222)
Subtotal	(71,478)	373,435
Interest and dividends income received	27,355	28,222
Income taxes refund	11,405	6,641
Income taxes paid	(76,764)	(122,498)
Net cash provided by (used in) operating activities	(109,481)	285,800
Net cash provided by (used in) investing activities		
Payments into time deposits	(14,607,176)	(14,504,382)
Proceeds from withdrawal of time deposits	14,661,855	15,554,181
Purchase of property, plant and equipment	(261,718)	(240,316)
Proceeds from sales of property, plant and equipment	132,536	3,175
Purchase of intangible assets	(7,041)	(8,332)
Purchase of investment securities	(316)	(487,705)
Proceeds from rental of real estate for investment	39,835	41,194
Proceeds from transfer of business	2,956	11,946
Other payments	(2,956)	(3,161)
Other proceeds	3,027	60
Net cash provided by (used in) investing activities	(38,998)	366,660
Net cash provided by (used in) financing activities		
Purchase of treasury stock	(29)	(28)
Net cash provided by (used in) financing activities	(29)	(28)
Effect of exchange rate change on cash and cash equivalents	(16,848)	87,593
Net increase (decrease) in cash and cash equivalents	(165,358)	740,026
Cash and cash equivalents at beginning of period	1,624,736	1,459,378
Cash and cash equivalents at end of period	1,459,378	2,199,404

(Segment Information by Business Type)

Previous Consolidated Accounting Year (from April 1, 2011 to March 31, 2012)

(Unit: Thousands of yen)

	Optical Disk Mold Group	Optical Communications Group	Total	Elimination or Company-total	Consolidated
Sales Amount and Operating Profit or (Loss)					
Sales Amount					
(1) Sales amount to external customers	1,111,208	3,670,464	4,781,672	–	4,781,672
(2) Internal sales amount or transfer amount between segments	–	–	–	–	—
Total	1,111,208	3,670,464	4,781,672	–	4,781,672
Operating (Loss)	(173,454)	177,301	3,847	–	3,847

Current Consolidated Accounting Year (from April 1, 2012 to March 31, 2013)

(Unit: Thousands of yen)

	Optical Disk Mold Group	Optical Communications Group	Total	Elimination or Company-total	Consolidated
Sales Amount and Operating Profit or (Loss)					
Sales Amount					
(1) Sales amount to external customers	1,233,281	3,753,117	4,986,398	–	4,986,398
(2) Internal sales amount or transfer amount between segments	–	–	–	–	—
Total	1,111,208	3,753,117	4,986,398	–	4,986,398
Operating (Loss)	(239,524)	49,188	(190,335)	–	(190,335)

Notes: 1. The business category is defined in consideration of the product group and market similarity.

2. Main products by business category

(1) Optical Disk Mold Group: Molds for optical disc molding, molds for powder metallurgy molding, lens and others

(2) Optical Communications Group: Optical connectors, optical connector cables, optical attenuators, ferrules, isolators, optical connector polishing machines, passive light transmission devices and others