Summary of Financial Statements for the Fiscal Year Ended March 31, 2012

May 11, 2012

Listed company name	SEIKOH GIKEN Co., Ltd.			Listed market JASDAQ
Code number	6834	URL http://www.seikoh-giken.co.jp		
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Date of general shareholders' meeting		June 22, 2012	Date of dividend payment	–
Date of securities report submission		June 22, 2012		

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

1. Consolidated business results for the fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(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, 2012	4,781	0.0	3	–	45	–	33	–
Year ended March 31, 2011	4,779	2.1	(164)	–	(19)	–	(512)	–

	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, 2012	3.70	–	0.2	0.2	0.1
Year ended March 31, 2011	(56.02)	–	(2.6)	(0.1)	(3.4)

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2012	20,680	19,319	93.4	2,113.02
Year ended March 31, 2011	20,588	19,306	93.8	2,112.32

(Reference) Shareholders' equity Year ended March 31, 2012 19,312 million yen Year ended March 31, 2011 19,306 million 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, 2012	(109)	(38)	(0)	1,459
Year ended March 31, 2011	(320)	391	(0)	1,624

2. Dividend status

	Dividend per share					Gross dividend amount (annual)	Dividend propensity (consolidated)	Dividend ratio to net assets (consolidated)
(Base date)	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, 20012	–	0.00	–	0.00	0.00	–	–	–
Year ended March 31, 20011	–	0.00	–	0.00	0.00	–	–	–
Year ending March 31, 2013 (Forecast)	–	0.00	–	5.00	5.00		41.5	

3. Forecast of consolidated business performance for the year ending March 31, 2013(April 1, 2012 to March 31, 2013)

(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	2,660	9.1	0	–	30	–	(20)	–	(2.19)
Full year	5,620	17.5	170	4.318.9	230	406.9	110	244.9	12.04

*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. Operating Results

(1) Operating Results Analysis

(Operating results for the period under review)

The global economy in the period under review witnessed growth deceleration in the industrialized countries centered on Europe and the US. As a result, in the emerging economies, the previously consistent strong expansion also showed signs of losing speed. Although the European debt crisis sparked off in Greece saw some calm restored in the second half of the fiscal year, the recovery of corporate profits in Europe and the US was weak and employment and consumption remained stagnant. In China, the economic expansion appeared overshadowed by declining exports to Europe and the effects of policies designed to restrain overheating residential investment.

Meanwhile in Japan the moderate recovery from the stagnation after the Great East Japan Earthquake remains intact, but the rebound in employment and consumption is lacking strength in the face of an uncertain outlook. Moreover, in 2011 Japan posted its first trade deficit in 48 years, due to a combination of factors that include protracted yen appreciation, supply chains severed by the Great East Japan Earthquake and the flooding in Thailand, and falling exports from the slowdown in overseas economies.

In the industries relevant to the Group, the market for digital home appliances witnessed plunging retail prices for flat-screen TVs, ending a period of stability, with a number of major electrical appliance manufacturer implementing business reorganization policies combined with a narrowed-down business focus and concentration of management resources. In the market for telecommunication devices, high-performance tablet terminals with advanced functions, specifically smart phones, have moved into the phase of broad-based market diffusion. On the other hand, for related high-performance AV and IT devices, which until recently marked the forefront of technology innovation, the center of demand has shifted to emerging countries. In the industrialized countries, where the search is on for answers to the global exhaustion of natural resources and environmental destruction, the focus of interest has increasingly come to rest on energy and ecology related products and technology innovation such as photovoltaic and wind power generation, LED lighting, and electric vehicles.

In this operating environment, the Group proceeded with the execution of its long-term management plan "Master Plan 2010" launched in the previous fiscal year. 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. The first year of the plan – last fiscal year – was mostly dedicated to business restructuring, which had the Group withdraw from loss-making business lines and products and significantly reduce personnel and R&D expenses as well as operating and maintenance expenses for business sites.

In the second year of the plan – the period under review – the emphasis shifted to promoting business growth. Targeting the return to black figures, the Group reinforced its sales capabilities and price competitiveness as well as buttressed its platforms for new business initiatives and new product creation.

In order to strengthen its sales capabilities, the Group made pro-active moves into new markets. In precision machinery business, whose main product has been production molds for optical disks, the Group focused on new business development by building on its precision mold technology and precision machining technology. In optical products business, with main products optical telecommunications components and related manufacturing equipment, the Group focused on the strongly expanding Chinese market as well as on market development including in South America, where future growth is expected.

Moreover, in order to boost the Group's sales capabilities and raise price competitiveness, in the second half of the fiscal year project was launched to strengthen factory-floor competitiveness at head office centered on department heads. The purpose of this project is to achieve sales growth and cost reductions by identifying existing problem issues and formulating specific solutions and by periodically sharing information on the implementation progress.

Last August, a specialized department for new business development (office for new business development) operated by full-time staff was established in order to strengthen activities for accelerating the creation of the Group's next-generation new business operations.

As a result of these measures, local sales at subsidiaries in China, the US, and Europe increased compared with the year earlier. However, sales at head office in Japan were negatively affected by supply stops for a number of parts and components caused by the flooding in Thailand. With additional pressures from the strong yen, consolidated sales for the period under review posted 4,781,672 thousand yen (compared with 4,779,554 thousand yen in the year earlier), almost unchanged on the year. Operating income improved strongly to 3,847 thousand yen (compared with an operating loss of 164,401 thousand yen the year earlier). This improvement was due to an enhanced cost-of-sales ratio and cost reductions mainly in research and development expenses and depreciation charges. Ordinary income rose to 45,374 thousand yen (compared with a loss of 19,273 thousand yen the year earlier) thanks also to interest payment receipts recognized in non-operating income. After deduction of income taxes, net income for the period came to 33,853 thousand yen. Aided by sales of non-current assets recognized in extraordinary gains, this result marks a huge improvement from the year earlier when significant special losses where charged (resulting in a net loss of 512,040 thousand yen) and reflects the successful turnaround to black figures.

Segment results developed as follows.

(i) Precision machinery related products

Since the Company began developing molds for magneto-optical (MO) disks in 1981, the high precision provided by the Company has proved a perfect match with users' requirements and earned the Group global top-class market shares in CD-R and DVD molds. The Company was also early to start with the development and prepare for the broad-based diffusion of molds for blue-ray disks, the successor to DVD with the capability to record and replay large data volumes as high-definition video. However, with Internet-based video distribution becoming widespread and with the proliferating use of large hard disks, it appears now that the blue-ray market will remain small in scale small compared with DVD.

In light of this development, reducing precision machinery segment's dependency on optical disk production molds has become an issue prompting the Group to work on launching new businesses as a source of future operating revenue.

By applying the mold technology accumulated through the development of the manufacture of optical disk production molds, the Company was able to develop ultra-precise molds that enable high-precision injection molding of extremely thin objects. The Company has been researching also the mass production of low relief objects using these molds. Moreover, for the efficient polishing of silicon carbide (SiC) crystals, a material that has been attracting attention as the next-generation semiconductor substrate, the Company has been promoting precision polishing technology and made efforts to increase order receipts. In operations for heat resistant lenses, the Group's manufacturing subsidiaries in China commenced full-scale mass production of camera lenses for smart phones and other mobile phones, leading to increased sales.

As a result, in the period under review, consolidated sales of precision machinery related products reached 1,111,208 thousand yen (up 24.4% from the year earlier).

(ii) Optical related products

Recent years have seen a surge in the data quantities circulating in global optical communication networks. Driving this surge are factors such as the growth in wireless backbone networks associated with the diffusion of smart phones, the distribution of video over the Internet, the proliferation of social networking services (SNS), and the growth in cloud computing by corporate users. To accommodate this expansion in telecommunications traffic, data transfer speeds have been climbing ever higher, reflected in actual bit rates of 40Gbps and 100Gbps.

In Japan and the US, the introduction of optical fiber has been gaining ground at the data centers that aggregate the equipment needed for the storage and management of customer data and for data transfers. Moreover, China has been seeing a rapid increase in new optical fiber communication networks driven by demand for FTTx and mobile phone base station installations on the back of a rising number of Internet users and the proliferation of mobile phones — developments that currently put China at the center of global optical telecommunications markets in all respects of sales, production, and procurement.

In this environment, the Group's optical related products segment has been concentrating on acquiring more orders in China's strongly growing markets. As a result of efforts at new customer development and market share expansion also in Europe and the US, the Group's overseas subsidiaries have been successful in raising sales. By contrast, due to the flooding in Thailand, production in Japan was adversely affected by supply stops for a number of parts and components. The strength of the yen throughout the period under review was another factor that prevented sales from rising on a yen-converted basis.

As a result of these developments, in the period under review, consolidated sales of optical related products posted 3,670,464 thousand yen (down 5.5% from the year earlier).

(Outlook for the next fiscal year)

As to the market environment for the fiscal year ending to March 2013 (the period from April 1, 2012, to March 31, 2013), the outlook for the global economy remains uncertain amid signs of an economic slowdown in China, the European debt problem, and concerns over surging crude oil prices, among other factors. And although the Japanese economy has been seeing a continuing moderate recovery from the effects of the Great East Japan Earthquake, the upturn is lacking strength due to weak demand overseas and unchanged instability in foreign exchange markets.

With respect to the industries relevant to the Group, demand for optical telecommunications components is expected to continue growing, given the progressing improvements in the information and telecommunications

infrastructures supporting the economic development of emerging economies. Additionally, expectations are that also smart phones and regular mobile phones will continue to proliferate centered on emerging countries. However, along with market growth the number of new industry entrants will also increase. The concern is that business earnings might come under yet stronger pressure from intense competition weighing on selling prices and from the swelling cost burden for the development of new products and technologies.
In this operating environment, the Group will continue with proactive business initiatives based on its long-term management plan “Master Plan 2010.” As to the consolidated operating results for the next fiscal year, projections call for sales revenue of 5,620 million yen, operating income of 170 million yen, ordinary income of 230 million yen, and net income of 110 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 20,680,197 thousand yen, reflecting an increase of 91,658 thousand yen since the end of the previous fiscal year. This increase is mainly due to a rise in non-current assets, specifically higher notes receivable (trade) and inventories.
(Liabilities)
Consolidated liabilities at the end of the period under review totaled 1,361,085 thousand yen, reflecting an increase of 79,265 thousand yen since the end of the previous fiscal year. This increase is mainly due to a rise in accounts payable (trade) from increased procurement at the China-based manufacturing subsidiaries.
(Net assets)
Consolidated net assets at the end of the period under review totaled 19,319,111 thousand yen, reflecting an increase of 12,392 thousand yen since the end of the previous fiscal year. This increase is mainly due to higher retained earnings.

(ii) Cash flows
Consolidated cash and cash equivalents at the end of the period under review totaled 1,459,378 thousand yen, reflecting a decrease of 165,358 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 109,481 thousand yen (compared with 320,454 thousand yen used in operating activities the year earlier). Cash provided by operating activities was mainly due to 248,316 thousand yen in depreciation charges and an increase of 106,317 thousand yen in accounts payable. Cash used in operating activities was mainly due to an increase of 223,030 thousand yen in inventories and an increase of 99,248 thousand yen in accounts receivable.
(Cash flows from investing activities)
Net cash used in investing activities totaled 38,998 thousand yen (compared with 391,384 thousand yen provided by investing activities in the year earlier). Cash provided by investing activities was mainly due to 132,536 thousand yen in income from the sales proceeds of tangible non-current assets. Cash used in investing activities was mainly due to 261,718 thousand yen in expenditures for the acquisition of tangible non-current assets.
(Cash flows from financing activities)
Net cash used in financing activities totaled 29 thousand yen (compared with 45 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, 2008	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2012
Equity ratio (%)	92.1	92.2	92.7	93.8	93.4
Equity ratio on market value basis (%)	75.5	27.4	32.4	26.2	30.9
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)

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.

Although a surplus was able to be generated in the period under review, Group corporate structures remain frail; a dividend to shareholders will not be paid.

For the next fiscal year, a dividend of 5 yen per share is considered predicated on the establishment of corporate structures that are able to generate stable earnings.

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 ManagementIindicators

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” commencing in fiscal year ended March 2011 and has initiated efforts toward plan implementation. 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 Group is currently implementing its long-term management plan “Master Plan 2010” launched in April 2010. The plan 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 streamlined and 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 the period under review, the Group concentrated its efforts on sales activities geared at the proactive creation of new markets and the acquisition of new customers. Thanks also to these measures, in the period under review the Group posted its first net profit in five years.

Critically important management issues for the Group concern maintaining and further strengthening lean organization structures and creating profit-oriented corporate attributes that enable income 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 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, price competitiveness must be strengthened and operating costs minimized. 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. Moreover, input costs will be minimized through proactive measures such as switching to different parts and components and reducing production lead times through process enhancements.

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 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 stance 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 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 (office for new business development) operated by full-time staff. The new unit will engage in activities directed at the creation of new businesses that take up after the Group's precision machinery business and optical products operations by melding the core technologies of the Group with technologies owned by other companies. 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, 2011)	Current Consolidated Accounting Year (As of March 31, 2012)
Assets		
Current assets		
Cash and deposits	13,047,328	12,835,208
Notes and accounts receivable-trade	1,284,011	1,385,029
Merchandise and finished goods	163,324	276,110
Work in process	299,948	267,572
Raw materials and supplies	268,754	404,661
Income taxes receivable	11,449	11,322
Other	130,672	186,166
Allowance for doubtful accounts	(2,264)	(2,484)
Total current assets	15,203,225	15,363,586
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	3,705,782	3,937,555
Accumulated depreciation	(2,160,639)	(2,253,404)
Buildings and structures, net	1,545,143	1,684,150
Machinery, equipment and vehicles	2,079,999	1,991,546
Accumulated depreciation	(1,856,193)	(1,813,641)
Machinery, equipment and vehicles, net	223,806	177,904
Land	2,035,325	2,035,325
Construction in progress	358,468	152,004
Other	1,694,638	1,575,622
Accumulated depreciation	(1,454,108)	(1,371,973)
Other, net	240,529	203,649
Total property, plant and equipment	4,403,272	4,253,035
Intangible assets		
Other	43,783	49,819
Total intangible assets	43,783	49,819
Investments and other assets		
Investment securities	13,558	14,594
Real estate for investment	862,063	928,980
Other	62,635	70,180
Total investments and other assets	938,257	1,013,755
Total noncurrent assets	5,385,313	5,316,610
Total assets	20,588,539	20,680,197

(Unit: Thousands of yen)

	Current Consolidated Accounting Year (As of March 31, 2011)	Current Consolidated Accounting Year (As of March 31, 2012)
Liabilities		
Current liabilities		
Accounts payable-trade	220,953	312,594
Income taxes payable	42,345	45,941
Other	418,322	374,924
Total current liabilities	681,621	733,460
Noncurrent liabilities		
Provision for retirement benefits	323,081	366,991
Long-term accounts payable-other	145,370	145,370
Long-term guarantee deposited	111,364	94,231
Long-term lease deposited	19,037	19,037
Other	1,346	1,995
Total noncurrent liabilities	600,199	627,625
Total liabilities	1,281,820	1,361,085
Net assets		
Shareholders' equity		
Capital stock	6,791,682	6,791,682
Capital surplus	10,571,419	10,571,419
Retained earnings	2,888,137	2,921,991
Treasury stock	(427,188)	(427,218)
Total shareholders' equity	19,824,051	19,857,875
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(3,098)	(2,378)
Foreign currency translation adjustment	(514,234)	(514,234)
Total valuation and translation adjustments	(517,332)	(544,939)
Subscription rights to shares	—	6,175
Total net assets	19,306,718	19,319,111
Total liabilities and net assets	20,588,539	20,680,197

(2) Consolidated Income Statement

(Unit: Thousands of yen)

	Current Consolidated Accounting Year (from April 1, 2010 to March 31, 2011)	Current Consolidated Accounting Year (from April 1, 2011 to March 31, 2012)
Net sales	4,779,554	4,781,672
Cost of sales	3,290,561	3,180,201
Gross profit	1,488,992	1,601,471
Selling, general and administrative expenses	1,653,394	1,597,624
Operating loss	(164,401)	3,847
Non-operating income		
Interest income	34,960	29,386
Dividends income	350	372
Rent of real estate for investment	38,400	39,835
Royalty income	4,714	3,334
Insurance and dividends income	67,915	1,080
Subsidy income	31,058	481
Other	29,088	8,786
Total non-operating income	206,488	83,277
Non-operating expenses		
Rent cost of real estate	12,256	11,244
Foreign exchange losses	43,952	25,836
Loss on valuation of derivatives	3,919	2,323
Other	1,232	2,345
Total non-operating expenses	61,359	41,750
Ordinary loss	(19,273)	45,374
Extraordinary income		
Gain on sales of noncurrent assets	75,472	45,041
Reversal of allowance for doubtful accounts	154	—
Gain on transfer of business	—	15,760
Total extraordinary income	75,626	60,802
Extraordinary loss		
Loss on retirement of noncurrent assets	16,257	6,145
Loss on sales of noncurrent assets	28,482	—
Impairment loss	239,530	—
Business structure improvement expenses	216,964	—
Loss on disaster	11,470	975
Total extraordinary losses	512,705	7,120
Loss before income taxes and minority interests	(456,352)	99,056
Income taxes-current	62,769	70,145
Income taxes-deferred	(7,080)	(4,943)
Total income taxes	55,688	65,202
Net loss	(512,040)	33,853

(3) Statement of Changes in Consolidated Shareholders' Equity

(Unit: Thousands of yen)

	Current Consolidated Accounting Year (from April 1, 2010 to March 31, 2011)	Current Consolidated Accounting Year (from April 1, 2011 to March 31, 2012)
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	3,400,178	2,888,137
Changes of items during the period		
Net loss	(512,040)	33,853
Total changes of items during the period	(512,040)	33,853
Balance at the end of current period	2,888,137	2,921,991
Treasury stock		
Balance at the end of previous period	(427,143)	(27,188)
Changes of items during the period		
Purchase of treasury stock	(45)	(29)
Total changes of items during the period	(45)	(29)
Balance at the end of current period	(427,188)	(427,218)
Total shareholders' equity		
Balance at the end of previous period	20,336,137	19,824,051
Changes of items during the period		
Net loss	(512,040)	33,853
Purchase of treasury stock	(45)	(29)
Total changes of items during the period	(512,085)	33,823
Balance at the end of current period	19,824,051	19,857,875

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2010 to March 31, 2011)	Previous Consolidated Accounting Year (from April 1, 2011 to March 31, 2012)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(1,012)	(3,098)
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,085)	720
Total changes of items during the period	(2,085)	720
Balance at the end of current period	(3,098)	(2,378)
Foreign currency translation adjustment		
Balance at the end of previous period	(255,936)	(514,234)
Changes of items during the period		
Net changes of items other than shareholders' equity	(258,298)	(28,327)
Total changes of items during the period	(258,298)	(28,327)
Balance at the end of current period	(514,234)	(542,561)
Total valuation and translation adjustments		
Balance at the end of previous period	(256,948)	(517,332)
Changes of items during the period		
Net changes of items other than shareholders' equity	(260,384)	(27,607)
Total changes of items during the period	(260,384)	(27,607)
Balance at the end of current period	(517,332)	(544,939)
Subscription rights to shares		
Balance at the end of previous period	－	－
Changes of items during the period		
Net changes of items other than shareholders' equity	－	6,175
Total changes of items during the period	－	6,175
Balance at the end of current period	－	6,175
Total net assets		
Balance at the end of previous period	20,079,188	19,306,718
Changes of items during the period		
Net loss	(512,040)	33,853
Purchase of treasury stock	(45)	(29)
Net changes of items other than shareholders' equity	(260,384)	(29)
Total changes of items during the period	(772,469)	12,392
Balance at the end of current period	19,306,718	19,319,111

(4) Consolidated Cash Flow Statement

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2010 to March 31, 2011)	Previous Consolidated Accounting Year (from April 1, 2011 to March 31, 2012)
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	(456,352)	99,056
Depreciation and amortization	283,381	248,316
Amortization of goodwill	3,808	－
Impairment loss	239,530	－
Interest and dividends income	(35,310)	(29,758)
Proceeds from rent income	(38,400)	(39,835)
Loss (gain) on transfer of business	－	(15,760)
Loss (gain) on sales of noncurrent assets	(46,989)	(45,041)
Loss on retirement of noncurrent assets	16,257	6,145
Income insurance	(67,915)	(1,080)
Increase (decrease) in allowance for doubtful accounts	(418)	324
Increase (decrease) in long-term accounts payable-other	(2,117)	－
Increase (decrease) in provision for retirement benefits	(5,453)	43,910
Foreign exchange losses (gains)	14,129	(7,917)
Decrease (increase) in notes and accounts receivable-trade	(166,889)	(99,248)
Decrease (increase) in inventories	102,192	(223,030)
Decrease (increase) in other current assets	5,271	(61,839)
Increase (decrease) in notes and accounts payable-trade	41,911	106,317
Increase (decrease) in accounts payable	(144,058)	(50,617)
Increase (decrease) in other current liabilities	(73,490)	(1,418)
Subtotal	(330,912)	(71,478)
Interest and dividends income received	55,983	27,355
Income taxes refund	21,182	11,405
Income taxes paid	(66,707)	(76,764)
Net cash provided by (used in) operating activities	(320,454)	(109,481)
Net cash provided by (used in) investing activities		
Payments into time deposits	(16,097,649)	(14,607,176)
Proceeds from withdrawal of time deposits	16,321,535	14,661,855
Purchase of property, plant and equipment	(323,318)	(261,718)
Proceeds from sales of property, plant and equipment	294,604	132,536
Purchase of intangible assets	－	(7,041)
Purchase of investment securities	(307)	(316)
Payments for guarantee deposits	(802)	－
Proceeds from collection of guarantee deposits	35,300	－
Proceeds from rental of real estate for investment	38,400	39,835
Repayment of insurance	125,440	－
Proceeds from transfer of business	－	2,956
Other payments	(3,028)	(2,956)
Other proceeds	1,208	3,027
Net cash provided by (used in) investing activities	391,384	(38,998)
Net cash provided by (used in) financing activities		
Purchase of treasury stock	(45)	(29)
Net cash provided by (used in) financing activities	(45)	(29)
Effect of exchange rate change on cash and cash equivalents	(117,536)	(16,848)
Net increase (decrease) in cash and cash equivalents	(46,651)	(165,358)
Cash and cash equivalents at beginning of period	1,671,388	1,624,736
Cash and cash equivalents at end of period	1,624,736	1,459,378

(Segment Information by Business Type)

Previous Consolidated Accounting Year (from April 1, 2010 to March 31, 2011)

(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	893,551	3,886,002	4,779,554	–	4,779,554
(2) Internal sales amount or transfer amount between segments	–	–	–	–	—
Total	893,551	3,886,002	4,779,554	–	4,779,554
Operating (Loss)	(354,605)	190,204	(164,401)	–	(164,401)

Current 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

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