

Financial Flash Report for the Fiscal Year Ended March 31, 2013

Company name: EIKEN CHEMICAL CO., LTD. Listing: TSE, First Section
 Securities code: 4549 URL: <http://www.eiken.co.jp/en/>
 Representative: Tetsuya Teramoto, President & CEO
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 Scheduled date of Ordinary General Meeting of Shareholders: June 21, 2013
 Scheduled date of dividend payment: June 4, 2013
 Scheduled date of filing of Annual Securities Report: June 24, 2013

(Millions of yen rounded down)

1. Consolidated Performance for the Fiscal Year Ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(1) Consolidated Operating Results

(% figures represent year-on-year increase or decrease)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 2013	28,645	3.4	2,548	7.8	2,812	10.6	2,453	68.0
Fiscal year ended March 2012	27,702	0.5	2,363	(12.8)	2,543	(8.4)	1,460	(12.7)

(Note) Comprehensive income: As of March 31, 2013: 2,786 million yen. 82.8% As of March 31, 2012: 1,524 million yen. (5.0%)

	Net income per share	Diluted net income per share	ROE	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 2013	134.98	133.56	10.9	8.2	8.9
Fiscal year ended March 2012	80.38	79.66	7.0	7.7	8.5

(Reference) Investment profit or loss on equity method: March 2013: — million yen. March 2012: — million yen.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2013	35,138	23,679	67.0	1,294.26
As of March 31, 2012	33,124	21,459	64.4	1,174.24

(Reference) Shareholders' equity: As of March 31, 2013: 23,526 million yen. As of March 31, 2012: 21,330 million yen.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 2013	2,228	3,418	(1,242)	9,568
Fiscal year ended March 2012	1,713	(1,634)	(964)	5,165

2. Dividends

	Dividends per share					Total dividends (annual)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Annual			
Fiscal year ended March 2012	—	12.00	—	18.00	30.00	544	37.3	2.6
Fiscal year ended March 2013	—	15.00	—	20.00	35.00	636	25.9	2.8
Fiscal year ending March 2014 (Forecast)	—	15.00	—	15.00	30.00		31.7	

3. Forecasts of Consolidated Performance for the Fiscal Year Ending March 31, 2014

(April 1, 2013 to March 31, 2014)

(% figures represent year-on-year increase or decrease)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	14,970	2.3	1,390	(6.4)	1,400	(11.8)	890	(10.4)	48.96
Full year	29,760	3.9	2,690	5.6	2,700	(4.0)	1,720	(29.9)	94.62

4. Others

(1) Changes in material subsidiaries during the period (changes in scope of consolidation): None

(2) Changes in accounting policies, Changes in accounting estimates, Restatements

(1) Changes due to revisions to accounting standards, etc.: Yes

(2) Other changes in accounting policies : None

(3) Changes in accounting estimates: Yes

(4) Restatements: None

(3) Number of outstanding shares (common stocks)

1) Number of shares outstanding at term-end (including treasury stocks)

As of March 31, 2013: 21,770,719shares

As of March 31, 2012: 21,770,719shares

2) Number of treasury stock at term-end

As of March 31, 2013: 3,592,829 shares

As of March 31, 2012: 3,605,197 shares

3) Average number of shares outstanding during the period

As of March 31, 2013: 18,175,310 shares

As of March 31, 2012: 18,165,531 shares

【Reference】Non-consolidated Financial Summaries

1. Non-Consolidated Performance for the Year Ended March 31, 2013

(April 1, 2012 to March 31, 2013)

(1) Non-Consolidated Operating Results

(% figures represent year-on-year increase or decrease)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 2013	28,626	3.3	2,575	9.2	2,761	10.1	2,401	68.9
Fiscal year ended March 2012	27,706	0.5	2,357	(13.6)	2,507	(10.9)	1,422	(16.8)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 2013	132.15	130.76
Fiscal year ended March 2012	78.30	77.60

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2013	35,430	23,960	67.2	1,309.75
As of March 31, 2012	33,588	21,901	64.8	1,198.53

(Reference)

Shareholders' equity: As of March 31, 2013: 23,808 million yen

As of March 31, 2012: 21,771 million yen

3. Forecasts of Non-Consolidated Performance for the Fiscal Year Ending March 31, 2014

(April 1, 2013 to March 31, 2014)

(% figures represent year-on-year increase or decrease)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	14,950	2.2	1,390	(5.8)	1,400	(11.8)	890	(10.4)	48.96
Full year	29,700	3.8	2,680	4.1	2,690	(2.6)	1,710	(28.8)	94.07

* Indication regarding the implementation status of the audit procedures

This financial flash report is not the subject of the audit procedures based on the Financial Instruments and Exchange Act, and at the point in time when this financial flash report was disclosed, the audit procedures for financial statements based on the Financial Instruments and Exchange Act had not been completed.

* Explanations for the appropriate use of earnings forecast, and remarks

1. The above earnings forecast is based on the information that was available as of the release date of this document. The actual business performance may differ from the forecast due to various factors. Please refer to page 2 "1. Operating Results, (1) Analysis of operating results" for further information concerning these projections.

1. Operating results

(1) Analysis of operating results

During the fiscal year ended March 31, 2013, in the Japanese clinical diagnostic reagents market, for laboratory testing fees as a result of the fee revision by the government, even though laboratory testing fees for tests including the microbiological test and gene test were raised in the fiscal year 2012, laboratory testing fees for tests including the biochemical test and blood test were reduced, therefore overall laboratory testing fees remained roughly flat. The difficult management environment due to medical cost containment policies by the central government continues and each company is required to improve efficiency and streamline management further.

Under this environment, the EIKEN group has been striving to expand sales of our major products in Japan in line with our new management framework, "EIKEN ROAD MAP 2009", in addition to efforts to expand overseas development mainly in the U.S.A and Europe.

As a result, the net sales of the current consolidated fiscal year were increased 3.4% year over year to 28,645 million yen and we have achieved a continuous increase in sales for 13 terms.

The following are sales for each type of product; 1) The sales of microbiological reagents, sales of such diagnostic reagents for drug sensitivity tests as "Frozen Plate 'EIKEN'" and "KB Disc 'EIKEN'" decreased, but sales of other diagnostic reagents for drug sensitivity tests such as "Dry Plate 'EIKEN'" and new product "Immuno Catch Noro", a detection kit for norovirus launched November, 2012 increased 1.8% year over year to 4,624 million yen. 2) The sales of general-purpose reagents increased 2.5% year over year to 2,022 million yen along with sales of the reagent designed for the automatic urine analyzer "Uropaper α III EIKEN". (3) In immunological and serological reagents, the sales of fecal occult blood diagnostic reagents, the sales of "LZ Test 'EIKEN'", which is a reagent for general-purpose automatic analyzers, and the sales of "AIA reagents, HbA1c reagents" of TOSOH CORPORATION introduced and sold by our company increased. As a result, the sales of immunological and serological reagents increased 3.6% to 15,652 million yen. (4) For clinical chemistry reagents, the sales of overall products grew at a sluggish pace, and as a result, the sales of clinical chemistry reagents decreased 5.9% year over year to 695 million yen. 5) The sales of culture media for the equipment, food and environment category decreased 0.3% to 2,353 million yen. (6) The sales of others (medical devices/molecular genetics-related products) increased 11.0% year over year to 3,296 million yen as a result of robust sales in medical devices and molecular genetics (LAMP method)-related products.

Overseas sales were increased 15.1% year over year to 1,949 million yen as a result of an increase in sales of fecal occult blood diagnostic reagents.

Regarding expenses, the sales cost ratio improved 1.4 points on a year-over-year basis mainly due to a change in the product composition ratio of sales.

The selling, general and administrative expense ratio decreased 1.8 points year over year and decreased 192 million yen.

As a result, operating income increased 7.8% year over year to 2,548 million yen, ordinary income increased 10.6% year over year to 2,812 million yen. Net income was 2,453 million yen (increased 68.0% year over year). In addition, we have posted extraordinary income of 991 million yen from the gain made on sale of the land that we previously intended to use for construction of our head office.

Vision of the next fiscal year ending March 31, 2014

In the next term, the current trend of high growth is expected to continue as the results of the emergency economic policy measures will become more prominent centering on the public enterprises on the one hand, and exports will recover against the background of improvements in the economies of foreign countries as well as the weak yen rates on the other, but in the area of clinical diagnostic industry, business environment is expected to remain severe due to the measures implemented by the state to curb medical expenses. For that reason, companies of the industry will most probably continue to need to address such issues as further increases of efficiency, streamlining of operations, and active expansion overseas.

With this business environment in mind, and also considering the fact that this term shall be the intermediate stage of our "EIKEN ROAD MAP 2009" policy, we decided to make a focused effort aiming for globalization of the group as a whole by such measures as a further expansion of the market share of our core products on the domestic market, acceleration of the expansion of our fecal occult blood diagnostic reagents in foreign countries, global expansion of products and licenses related to genetic screening (LAMP method), and strengthening of the production and sales system in China.

In the earnings forecast for the next term, we set the sales as 29,760 million yen (an increase of 3.9% year-on-year), the operating income at 2,690 million yen (an increase of 5.6% year-on-year), and ordinary income at 2,700 million yen (a decrease of 4.0% year-on-year). The Company posted as extraordinary income the profit we made on a sale effected during this consolidated fiscal year of land we previously intended to use for construction of our head office, but in the next term we do not expect any large sums to be posted either as extraordinary income or as extraordinary loss, which is why the net income for the year was set at 1,720 million yen (a decrease of 29.9% year-on-year).

(2) Analysis regarding financial situation

① Capital, liabilities, and net assets

The company's financial standing as of the end of this consolidated fiscal year is as follows.

When compared to the end of the previous fiscal year, total assets increased by 2,014 million yen, liabilities decreased by 205 million yen and net assets increased by 2,219 million yen.

Our equity ratio increased to 67.0% compared to 64.4% at the end of the previous fiscal year.

Major increases and decreases in the category of assets included a 4,273 million yen increase in cash and deposits resulting from sale of the land that we previously intended to use for construction of our head office, 128 million yen increase in notes and accounts receivable, 869 million yen increase in inventories.

Tangible fixed assets decreased by 3,563 million yen, mainly due to sale of the land.

In the liabilities, notes and accounts payable-trade increased 484 million yen, long-term loans decreased 472 million yen due to payment.

In the category of net assets, retained earnings increased by 1,851 million yen due to recording of net income for the current year, despite payment of dividends.

② Cash flows

The consolidated cash and cash equivalents (hereafter referred to as “funds”) at the end of the current consolidated fiscal year was 9,568 million yen, an increase of 4,403 million yen from the last consolidated fiscal year. Each cash flow during the current consolidated fiscal year are as follows;

(Cash flows from operating activities)

The funds from the operating activities concluded with an increase of 2,228 million yen (it was an increase of 1,713 million yen in the last consolidated fiscal year).

The depreciation cost was 1,040 million yen.

(Cash flows from investing activities)

The funds from investing activities concluded with a increase by 3,418 million yen (it was a decrease of 1,634 million yen in the last consolidated fiscal year).

(Cash flows from financing activities)

The funds from financing activities have decreased by 1,242 million yen (it was an decrease of 964 million yen in the last consolidated fiscal year).

(Reference) Trend of indicators related to cash flow

	FY3/09	FY3/10	FY3/11	FY3/12	FY3/13
Equity capital ratio (%)	65.8	65.5	62.3	64.4	67.0
Equity capital ratio based on the market value (%)	40.2	58.1	54.0	61.0	68.5
Interest-bearing debt to cash flow ratio (year)	0.1	0.1	0.8	0.9	0.5
Interest coverage ratio (times)	647.8	636.4	184.3	70.8	109.2

Equity capital ratio: equity capital/total asset

Equity capital ratio based on the market value: total value of shares/total asset

Interest-bearing debt to cash flow ratio: interest-bearing ratio /cash flow

Interest coverage ratio: cash flow/interest payment

(Note 1) All are calculated using the consolidated finance-based figure.

(Note 2) The total value of shares is calculated based on the number of issued shares except for treasury share.

(Note 3) The sales cash flow is used to calculate the operating cash flow.

(Note 4) The interest-bearing deficit includes all interesting bearing deficits on the consolidated balance sheet.

(3) Basic principle regarding profit distribution and dividend of the current and next term

Returning the profit to shareholders is one of the most important tasks of our company's management. Our company's basic principles are to implement a stable dividend policy by strengthening the financial component and fulfilling the internal funds that are necessary to carry out active business operation, and to distribute the surplus funds twice a year as interim dividend and year-end dividend. Specifically, based on the above principles, we aim at providing the consolidated dividend payout ratio of more than 30%. The organization to determine these dividends is specified in our company's articles of incorporation as follows: "Based on the Corporate Law Article 459, Paragraph 1, the board meeting can determine the dividends of surplus funds."

Having considered the business results of the current business year, we set the common dividend of the current term at 15 yen per share; also, as the Company posted extraordinary income of 991 million yen from gain on sales of non-current assets (land we previously intended to use for construction of our head office), it was decided as a part of redistribution of profits to add a bonus dividend of 5 yen, adding up to a year-end dividend of 20 yen per share

On December 3, 2012, 15 yen per share was paid as the interim dividend. Thus, the annual dividend is 35 yen per share.

The regular dividend per share for the next term is planned to be 15 yen for the interim dividend and 15 yen for the year-end dividend.

As for the internally reserved funds, we will effectively use them, based on the mid- and long-term vision, for research and development investment, capital investment, and investment for improving business efficiency in order to strengthen the company's business foundation.

The capital, which has been acquired with the sale of the land we previously intended to use for construction of our head office, will be utilized to purchase new land for the same purpose. This new location shall be selected taking into account the strengths and weaknesses of the land in times of a disaster and other geographical conditions.

(4) Risk of our business

The followings are the major risks that might affect the EIKEN Group's financial situation and operating results. We are aware of these risks and strive to avoid them. If we do encounter these risks, we will promptly and adequately respond to them.

Please note that there are various risks that might give an adverse impact on our financial situation and operating results at present and in the future. The following risks are determined as of the end of the current consolidated fiscal year, and do not encompass all the risks of the Group.

1) Lowering medical fee policy

The Japanese government has been undertaking a drastic reform of medical systems and lowering the pharmaceutical prices and testing fees once in two years as part of the medical fee controlling policy.

If this lowering medical fee policy is carried out continuously, there is a possibility that it might give an adverse impact on the Group's financial situation and operating results.

2) Development and sales competition among corporations

The Group has been working on research and development quickly and efficiently as well as developing new products and improving existing products. The development race in conjunction with technology advancement in the clinical diagnostics industry is intensifying, and there is continuous development and sales competition against the other companies' products. As a result, the competition might have an adverse impact on the Group's financial situation and operating results.

3) Quality issue

The Group is manufacturing our products under the strict quality control within the framework of the regulations related to the Pharmaceutical Affairs Act and quality management system. However, there is no guarantee that all products will not have any quality issues. If a serious quality issue occurs, we may take a measure of recalling the product. That might result in the decline in sales and increase in the cost, and eventually might have an adverse impact on the Group's financial situation and operating results.

4) Critical law suit

If the Group is sued against issues related to product liability, labor, intellectual property, trading, or others in Japan and overseas, it might give an adverse impact on the Group's financial situation and operating results.

5) IT systems and personal information

The Group is using various IT systems. Our business may be disturbed if we encounter a system failure due to disasters etc. Furthermore, we maintain various types of personal information for our business. Leaking the information due to unforeseen circumstances may cause law suit and loss of social credibility; thus it might give an adverse impact on the Group's financial situation and operating results.

6) Halting operation of factory

If a disaster such as fire, earthquake or serious facility accident occurs, some technical issues arise, or the supply of the raw materials stops, the factory and our subcontractor manufacturing may stop its operation or its operation may be limited; thus it might have an adverse impact on the Group's financial situation and operating results.

7) Overseas business expansion

The Group is expanding our sales activity in the North America, Europe, and Asia. Furthermore, we also established an overseas subsidiary in China mainly to manufacture and sell reagents in September, 2004. This kind of global businesses may involve risks of unexpected changes of laws and regulations, political instability or economic factors, drastic change of exchange rate, or social confusion arising from war/terrorism/turmoil/epidemic and other factors. When such an incidence occurs, we may receive an adverse impact on the Group's financial situation and operating results.

8) Intellectual property right

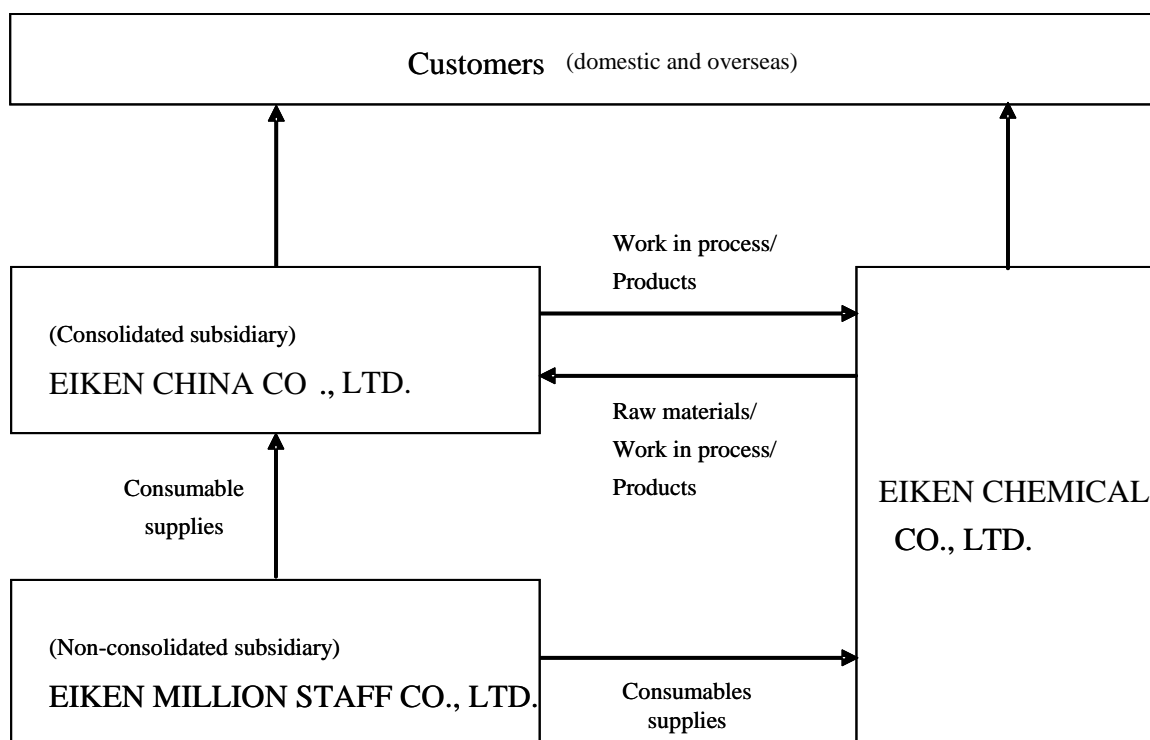
The product of the Group is protected by patent rights and utility model rights for a certain period of time. We strictly manage our intellectual property right including patent rights and utility model rights and always monitor our products to protect their rights from a third party or not to violate third party's intellectual rights by our products. However, if our intellectual property rights are violated by a third party, or if our products violate a third party's intellectual property rights, we may receive an adverse impact on the Group's financial situation and operating results.

2. Situation of the EIKEN Group

The EIKEN Group is composed of us (EIKEN CHEMICAL CO., LTD.), a consolidated subsidiary (EIKEN CHINA CO., LTD.), and a non-consolidated subsidiary (EIKEN MILLION STAFF CO., LTD). Our main business is to manufacture and sell reagents.

The main business of EIKEN CHINA CO., LTD in China is the manufacturing of our diagnostic reagents. From the current consolidated fiscal year, they also began sales of clinical diagnostics. The main business of EIKEN MILLION STAFF CO., LTD is insurance service as well as purchase and sales of OA equipment. The business structure is shown as follows;

[Business structure]



3. Management principle

(1) Basic principle of company management

The EIKEN Group's management philosophy is "We protect the health of the public through health care services". Under this philosophy, we set up the following management vision; "The EIKEN group is dedicated to leveraging expertise as a medical testing pioneer in order to increase corporate value by protecting the health of the public with products and services that customers can trust." By implementing this management vision in the entire group, we will strive to continually increase corporate value, contribute to the prosperity of our client companies, and fulfill our duties to our shareholders.

(2) Target management indicators

We are aiming at the early achievement of consolidated net sales of 30,000 million yen and an overseas sales ratio of more than 10%. In addition, we will implement management focusing on solidity and profitability and aim at achieving an operating margin of more than 10% at an early stage.

(3) Mid- to long term management strategy

The "EIKEN ROAD MAP 2009" is a new management plan celebrating the 70th anniversary of our founding. The year 2018 is our company's 80th anniversary, and the "EIKEN ROAD MAP 2009" sets this year as a goal. Its grand vision is "to realize the global corporation 'EIKEN' as a medical testing pioneer to protect the health of the public by 2018". Therefore, we set the "clinical diagnostics business" and "food and environment testing business" as our main business domains, and we aim at achieving steady growth and an increase in profitability in these domains. Furthermore, we are aiming at creating new businesses for future growth.

Our basic strategy is as follows;

- a) Increase the share of our own products in the domestic market
- b) Promote globalization
- c) Sophisticate the core technologies
- d) Improve productivity
- e) Establish market supremacy
- f) Create new businesses/new market
- g) Implement strategic collaboration
- h) Improve corporate brand

(4) Priority issues of the company

The following are our priority issues during the next year, we will develop a plan of action based on these issues and work towards becoming the global corporation "EIKEN".

- a) Promote globalization
- b) Provision of high-value added products/services
- c) Improve productivity
- d) Develop human resources
- e) Reinforcement of total risk management system
- f) Thoroughness of compliance

4. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	FY 2012 (As of March 31, 2012)	FY 2013 (As of March 31, 2013)
ASSETS		
Current assets		
Cash and deposits	5,295	9,568
Notes and accounts receivable-trade	9,079	9,208
Lease investment assets	203	239
Merchandise and finished goods	2,830	3,703
Work in process	883	846
Raw materials and supplies	595	630
Deferred tax assets	459	501
Other	508	595
Total current assets	19,856	25,293
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	13,889	14,009
Accumulated depreciation	(9,219)	(9,592)
Buildings and structures, net	4,669	4,416
Machinery, equipment and vehicles	4,992	4,789
Accumulated depreciation	(4,315)	(3,889)
Machinery, equipment and vehicles, net	677	899
Tools, furniture and fixtures	2,874	2,883
Accumulated depreciation	(2,628)	(2,657)
Tools, furniture and fixtures, net	246	226
Land	4,447	1,006
Lease assets	609	690
Accumulated depreciation	(262)	(325)
Lease assets, net	346	364
Construction in progress	89	0
Total property, plant and equipment	10,476	6,913
Intangible assets	361	429
Investments and other assets		
Investment securities	297	666
Prepaid pension cost	557	276
Deferred tax assets	96	61
Other	1,485	1,503
Allowance for doubtful accounts	(6)	(6)
Total Investments and other assets	2,429	2,501
Total noncurrent assets	13,267	9,845
Total assets	33,124	35,138

(Millions of yen)

	FY 2012 (As of March 31, 2012)	FY 2013 (As of March 31, 2013)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	5,504	3,766
Electronically recorded obligations-operating	—	2,222
Current portion of long-term loans payable	472	472
Lease obligations	346	397
Income taxes payable	756	844
Provision for bonuses	656	655
Provision for sales returns	4	4
Provision for casualty loss	1	—
Asset retirement obligations	0	2
Other	1,756	1,434
Total current liabilities	9,498	9,799
Noncurrent liabilities		
Long-term loans payable	742	270
Lease obligations	719	706
Long-term accounts payable-other	352	345
Provision for environmental measures	5	5
Asset retirement obligations	27	29
Other	318	303
Total noncurrent liabilities	2,165	1,659
Total liabilities	11,664	11,459
NET ASSETS		
Shareholders' equity		
Capital stock	6,897	6,897
Capital surplus	7,892	7,892
Retained earnings	9,981	11,832
Treasury stock	(3,425)	(3,413)
Total shareholders' equity	21,346	23,209
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	55	280
Foreign currency translation adjustment	(70)	37
Total accumulated other comprehensive income	(15)	317
Subscription rights to shares	129	152
Total net assets	21,459	23,679
Total liabilities and net assets	33,124	35,138

(2) Consolidated Statements of Income

(Millions of yen)

	FY 2012 (Fiscal year ended March 31, 2012)	FY 2013 (Fiscal year ended March 31, 2013)
Net sales	27,702	28,645
Cost of sales	16,113	17,063
Gross profit	11,589	11,582
Reversal of provision for sales returns	5	4
Provision for sales returns	4	4
Gross profit-net	11,590	11,582
Selling, general and administrative expenses	9,226	9,034
Operating income	2,363	2,548
Non-operating income		
Interest income	2	6
Dividend income	7	3
Rent income	140	139
Foreign exchange gains	19	55
Subsidy income	—	54
Other	43	42
Total non-operating income	212	301
Non-operating expenses		
Interest expenses	24	20
Commitment fee	3	2
Depreciation and amortization	—	13
Other	5	0
Total non-operating expenses	32	36
Ordinary income	2,543	2,812
Extraordinary income		
Gain on sales and retirement of noncurrent assets	118	992
Total extraordinary income	118	992
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	7	11
Loss on valuation of investment securities	245	—
Provision of allowance for investment loss	3	—
Special extra retirement payments	—	16
Loss on cancellation of leasehold contracts	—	35
Other	14	—
Total extraordinary loss	272	64
Income before income taxes and minority interests	2,389	3,740
Income taxes-current	1,232	1,419
Income taxes-deferred	(303)	(132)
Total income taxes	929	1,287
Income before minority interests	1,460	2,453
Minority interests in income	—	—
Net income	1,460	2,453

Consolidated statements of comprehensive income

(Millions of yen)

	FY 2012 (Fiscal year ended March 31, 2012)	FY 2013 (Fiscal year ended March 31, 2013)
Income before minority interests	1,460	2,453
Other comprehensive income		
Valuation difference on available-for-sale securities	43	224
Foreign currency translation adjustment	20	108
Total other comprehensive income	64	333
Comprehensive income	1,524	2,786
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,524	2,786
Comprehensive income attributable to minority interests	—	—

(3) Consolidated statements of changes in net assets

(Millions of yen)

	FY 2012 (Fiscal year ended March 31, 2012)	FY 2013 (Fiscal year ended March 31, 2013)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	6,897	6,897
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	6,897	6,897
Capital surplus		
Balance at the end of previous period	7,892	7,892
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	7,892	7,892
Retained earnings		
Balance at the end of previous period	9,066	9,981
Changes of items during the period		
Dividends from surplus	(544)	(599)
Net income	1,460	2,453
Disposal of treasury stock	—	(2)
Total changes of items during the period	915	1,851
Balance at the end of current period	9,981	11,832
Treasury stock		
Balance at the end of previous period	(3,425)	(3,425)
Changes of items during the period		
Purchase of treasury stock	(0)	11
Disposal of treasury stock	—	11
Total changes of items during the period	(0)	(0)
Balance at the end of current period	(3,425)	(3,413)
Total shareholders' equity		
Balance at the end of previous period	20,430	21,346
Changes of items during the period		
Dividends from surplus	(544)	(599)
Net income	1,460	2,453
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	—	9
Total changes of items during the period	915	1,863
Balance at the end of current period	21,346	23,209

(Millions of yen)

	FY 2012 (Fiscal year ended March 31, 2012)	FY 2013 (Fiscal year ended March 31, 2013)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	11	55
Changes of items during the period		
Net changes of items other than shareholders' equity	43	224
Total changes of items during the period	43	224
Balance at the end of current period	55	280
Foreign currency translation adjustment		
Balance at the end of previous period	(91)	(70)
Changes of items during the period		
Net changes of items other than shareholders' equity	20	108
Total changes of items during the period	20	108
Balance at the end of current period	(70)	37
Total accumulated other comprehensive income		
Balance at the end of previous period	(79)	(15)
Changes of items during the period		
Net changes of item other than shareholders' equity	64	333
Total changes of items during the period	64	333
Balance at the end of current period	(15)	317
Subscription rights to shares		
Balance at the end of previous period	99	129
Changes of items during the period		
Net changes of items other than shareholders' equity	29	22
Total changes of items during the period	29	22
Balance at the end of current period	129	152
Total net assets		
Balance at the end of previous period	20,451	21,459
Changes of items during the period		
Dividends from surplus	(544)	(599)
Net income	1,460	2,453
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	—	9
Net changes of items other than shareholders' equity	93	356
Total changes of items during the period	1,008	2,219
Balance at the end of current period	21,459	23,679

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2012 (Fiscal year ended March 31, 2012)	FY 2013 (Fiscal year ended March 31, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,389	3,740
Depreciation and amortization	1,016	1,040
Impairment loss	245	—
Increase (decrease) in allowance for doubtful accounts	(0)	—
Increase (decrease) in provision for sales returns	(1)	—
Increase (decrease) in provision for environmental measures	1	—
Increase (decrease) in provision for bonuses	5	(1)
Increase (Decrease) in provision for loss on disaster	(9)	(1)
Share-based compensation expenses	29	32
Interest and dividend income	(9)	(10)
Interest expenses	24	20
Foreign exchange losses (gains)	(4)	(49)
Loss (gain) on sales and retirement of property, plant and equipment	(110)	(946)
Loss (gain) on valuation of investment securities	3	—
Decrease (increase) in notes and accounts receivable-trade	(531)	(120)
Decrease (increase) in inventories	(145)	(862)
Decrease (increase) in other current assets	304	(91)
Decrease (increase) in other investments	213	317
Increase (decrease) in notes and accounts payable-trade	(108)	482
Increase (decrease) in other current liabilities	(582)	63
Increase (decrease) in other noncurrent liabilities	1	(21)
Subtotal	2,731	3,574
Interest and dividends income received	9	10
Interest expenses paid	(24)	(20)
Income taxes paid	(1,039)	(1,337)
Income taxes refund	36	1
Net cash provided by (used in) operating activities	1,713	2,228
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(1,742)	(962)
Proceeds from sales of property, plant and equipment	292	4,433
Purchase of intangible assets	(38)	(114)
Purchase of investment securities	—	(20)
Proceeds from sales of investment securities	0	—
Payments into time deposits	(130)	—
Proceeds from withdrawal of time deposits	—	151
Other payments	(18)	(68)
Other proceeds	4	—
Net cash provided by (used in) investing activities	(1,634)	3,418

	(Thousands of yen)	
	FY 2012 (Fiscal year ended March 31, 2012)	FY 2013 (Fiscal year ended March 31, 2013)
Net cash provided by (used in) financing activities		
Repayment of long-term loans payable	(286)	(472)
Proceeds from (payments for) disposition (purchase) of treasury stock	(0)	(0)
Cash dividends paid	(544)	(599)
Other, net	(133)	(171)
Net cash provided by (used in) financing activities	(964)	(1,242)
Effect of exchange rate change on cash and cash equivalents	4	(0)
Net increase (decrease) in cash and cash equivalents	(880)	4,403
Cash and cash equivalents at beginning of period	6,045	5,165
Cash and cash equivalents at end of period	5,165	9,568