

" FINANCIAL STATEMENT "
1. " NON CONSOLIDATED BALANCE SHEETS "

| | (Unit : Thousands of Yen) | |
|-------------------------------------|--|---|
| | Previous Accounting Period (March 31, 2010) | Current Accounting Period (March 31, 2011) |
| Assets | | |
| Current assets | | |
| Cash and deposits | 1,647,435 | 4,610,970 |
| Notes receivable-trade | 2,016,618 | 2,239,644 |
| Accounts receivable-trade | 5,610,208 | 5,939,588 |
| Finished goods | 24,061 | 26,077 |
| Semi-finished goods | 1,665,030 | 1,322,865 |
| Raw materials | 2,149,841 | 937,369 |
| Work in process | 770,576 | 956,275 |
| Supplies | 105,924 | 51,388 |
| Deferred tax assets | 947,890 | 1,045,561 |
| Short-term loans receivable | 550,000 | 893,000 |
| Other | 196,846 | 272,145 |
| Allowance for doubtful accounts | (20,000) | (10,000) |
| Total current assets | 15,664,433 | 18,284,886 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings | 12,708,672 | 12,712,307 |
| Accumulated depreciation | (2,996,112) | (3,725,505) |
| Buildings, net | 9,712,560 | 8,986,801 |
| Structures | 464,078 | 464,078 |
| Accumulated depreciation | (220,869) | (262,152) |
| Structures, net | 243,208 | 201,925 |
| Machinery and equipment | 8,352,989 | 8,234,639 |
| Accumulated depreciation | (5,363,935) | (5,892,227) |
| Machinery and equipment, net | 2,989,053 | 2,342,411 |
| Vehicles | 126,811 | 122,382 |
| Accumulated depreciation | (104,203) | (107,141) |
| Vehicles, net | 22,607 | 15,241 |
| Tools, furniture and fixtures | 2,940,410 | 3,004,940 |
| Accumulated depreciation | (2,786,466) | (2,867,057) |
| Tools, furniture and fixtures, net | 153,943 | 137,883 |
| Land | 1,600,857 | 1,969,816 |
| Lease assets | — | 8,114 |
| Accumulated depreciation | — | (676) |
| Lease assets, net | — | 7,438 |
| Construction in progress | 12,757 | — |
| Total property, plant and equipment | 14,734,989 | 13,661,518 |
| Intangible assets | | |
| Software | 74,527 | 62,147 |
| Lease assets | 11,361 | 5,680 |
| Total intangible assets | 85,888 | 67,828 |

HISAKA WORKS, LTD.

(Unit : Thousands of Yen)

| | Previous Accounting Period (March 31, 2010) | Current Accounting Period (March 31, 2011) |
|--|--|---|
| Investments and other assets | | |
| Investment securities | 13,004,855 | 15,560,056 |
| Stocks of subsidiaries and affiliates | 801,420 | 1,001,420 |
| Long-term loans receivable | 690,000 | 640,000 |
| Long-term prepaid expenses | 20,447 | 15,745 |
| Life insurance funds | 737,597 | 737,477 |
| Claims provable in bankruptcy, claims provable in rehabilitation | 39,730 | 102,424 |
| Deferred tax assets | 377,077 | — |
| Other | 441,898 | 442,018 |
| Allowance for doubtful accounts | (669,730) | (682,424) |
| Total investments and other assets | 15,443,296 | 17,816,718 |
| Total noncurrent assets | 30,264,174 | 31,546,065 |
| Total assets | 45,928,607 | 49,830,951 |
| Liabilities | | |
| Current liabilities | | |
| Notes payable-trade | 125,768 | 6,599 |
| Accounts payable-trade | 3,412,577 | 4,940,981 |
| Lease obligations | 5,973 | 7,774 |
| Accounts payable-other | 90,461 | 90,715 |
| Accrued expenses | 593,230 | 322,555 |
| Income taxes payable | — | 346,866 |
| Accrued consumption taxes | 415,290 | — |
| Advances received | 90,857 | 343,906 |
| Deposits received | 70,882 | 65,232 |
| Provision for product warranties | 60,100 | 58,100 |
| Provision for bonuses | 420,000 | 390,000 |
| Total current liabilities | 5,285,142 | 6,572,731 |
| Noncurrent liabilities | | |
| Lease obligations | 6,102 | 6,172 |
| Deferred tax liabilities | — | 737,736 |
| Provision for retirement benefits | 263,354 | 426,930 |
| Other | 27,161 | 27,161 |
| Total noncurrent liabilities | 296,619 | 1,198,001 |
| Total liabilities | 5,581,762 | 7,770,732 |

HISAKA WORKS, LTD.

(Unit : Thousands of Yen)

| | Previous Accounting Period (March 31, 2010) | Current Accounting Period (March 31, 2011) |
|---|--|---|
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 4,150,000 | 4,150,000 |
| Capital surplus | | |
| Legal capital surplus | 5,432,770 | 5,432,770 |
| Other capital surplus | 3,381,680 | 3,381,680 |
| Total capital surplus | 8,814,450 | 8,814,450 |
| Retained earnings | | |
| Legal retained earnings | 1,037,500 | 1,037,500 |
| Other retained earnings | | |
| Reserve for dividends | 200,000 | 200,000 |
| Reserve for reduction entry of replaced property | 42,754 | 42,754 |
| General reserve | 18,500,000 | 18,500,000 |
| Retained earnings brought forward | 7,224,285 | 7,209,985 |
| Total retained earnings | 27,004,540 | 26,990,240 |
| Treasury stock | (238,620) | (248,614) |
| Total shareholders' equity | 39,730,369 | 39,706,076 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 601,686 | 2,348,816 |
| Deferred gains or losses on hedges | 14,788 | 5,326 |
| Total valuation and translation adjustments | 616,475 | 2,354,142 |
| Total net assets | 40,346,845 | 42,060,218 |
| Total liabilities and net assets | 45,928,607 | 49,830,951 |