

**HISAKA WORKS, LTD.**  
**NON CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS**  
For the years ended March 31, 2009 and 2010

	<b>Thousands of Yen</b>	
	<b>2009</b>	<b>2010</b>
Net sales	35,092,142	24,465,807
Cost of sales		
Beginning finished goods	57,224	61,772
Cost of products manufactured	26,962,982	20,030,519
Total	27,020,207	20,092,291
Ending finished goods	61,772	24,061
Cost of finished goods sold	26,958,435	20,068,230
Gross profit	8,133,707	4,397,576
Selling, general and administrative expenses		
Selling expenses	2,431,789	1,969,230
General and administrative expenses	980,854	812,880
Total selling, general and administrative expenses	3,412,643	2,782,111
Operating income	4,721,063	1,615,465
Non-operating income		
Interest income	17,731	7,160
Interest on securities	186,781	124,772
Dividends income	164,669	128,086
Gain on sales of securities	2,660	—
Other	61,079	34,617
Total non-operating income	432,923	294,636
Non-operating expenses		
Interest expenses	50,808	9,154
Maintenance cost of inactive non current assets	76,028	79,422
Other	9,769	5,762
Total non-operating expenses	136,606	94,339
Ordinary income	5,017,380	1,815,762
Extraordinary loss		
Loss on retirement of noncurrent assets	233,105	739,790
Completion ceremony expense	46,402	—
Loss on valuation of securities	1,534,282	123,000
Provision of allowance for doubtful accounts	580,000	50,000
Total extraordinary losses	2,393,791	912,790
Income before income taxes	2,623,589	902,971
Income taxes-current	1,431,000	515,000
Income taxes-deferred	(409,461)	(217,837)
Total income taxes	1,021,538	297,162
Net income	1,602,051	605,809