

**HISAKA WORKS, LTD.**  
**NON CONSOLIDATED BALANCE SHEETS**  
**March 31, 2009 and 2010**

	<b>Thousands of Yen</b>	
	<b>2009</b>	<b>2010</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	930,510	1,647,435
Notes receivable-trade	2,831,618	2,016,618
Accounts receivable-trade	7,335,041	5,610,208
Short-term investment securities	500,000	—
Finished goods	61,772	24,061
Semi-finished goods	3,404,062	1,665,030
Raw materials	5,398,412	2,149,841
Work in process	1,535,745	770,576
Supplies	131,038	105,924
Deferred tax assets	904,510	947,890
Short-term loans receivable	866,000	550,000
Other	116,441	196,846
Allowance for doubtful accounts	(20,000)	(20,000)
<b>Total current assets</b>	<b>23,995,153</b>	<b>15,664,433</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings	14,173,003	12,708,672
Accumulated depreciation	(3,156,959)	(2,996,112)
Buildings, net	11,016,043	9,712,560
Structures	554,209	464,078
Accumulated depreciation	(250,891)	(220,869)
Structures, net	303,317	243,208
Machinery and equipment	8,327,220	8,352,989
Accumulated depreciation	(4,627,324)	(5,363,935)
Machinery and equipment, net	3,699,895	2,989,053
Vehicles	129,797	126,811
Accumulated depreciation	(100,292)	(104,203)
Vehicles, net	29,504	22,607
Tools, furniture and fixtures	2,889,724	2,940,410
Accumulated depreciation	(2,645,286)	(2,786,466)
Tools, furniture and fixtures, net	244,437	153,943
Land	1,245,857	1,600,857
Construction in progress	5,565	12,757
<b>Total property, plant and equipment</b>	<b>16,544,622</b>	<b>14,734,989</b>
<b>Intangible assets</b>		
Software	104,213	74,527
Lease assets	—	11,361
<b>Total intangible assets</b>	<b>104,213</b>	<b>85,888</b>
<b>Investments and other assets</b>		
Investment securities	12,098,571	13,004,855
Stocks of subsidiaries and affiliates	84,100	801,420
Long-term loans receivable	690,000	690,000
Long-term prepaid expenses	27,490	20,447
Life insurance funds	1,067,511	737,597
Claims provable in bankruptcy, claims provable in rehabilitation and other	38,946	39,730
Deferred tax assets	611,347	377,077
Other	627,687	441,898
Allowance for doubtful accounts	(618,946)	(669,730)
<b>Total investments and other assets</b>	<b>14,626,708</b>	<b>15,443,296</b>
<b>Total noncurrent assets</b>	<b>31,275,544</b>	<b>30,264,174</b>
<b>Total assets</b>	<b>55,270,698</b>	<b>45,928,607</b>

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	<b>Thousands of Yen</b>	
	<b>2009</b>	<b>2010</b>
<b>Liabilities</b>		
Current liabilities		
Notes payable-trade	976,272	125,768
Accounts payable-trade	6,611,483	3,412,577
Short-term loans payable	4,800,000	—
Lease obligations	—	5,973
Accounts payable-other	134,175	90,461
Accrued expenses	456,852	593,230
Income taxes payable	603,535	—
Accrued consumption taxes	—	415,290
Advances received	776,709	90,857
Deposits received	63,317	70,882
Provision for product warranties	113,900	60,100
Provision for bonuses	640,000	420,000
Total current liabilities	<u>15,176,246</u>	<u>5,285,142</u>
Noncurrent liabilities		
Lease obligations	—	6,102
Provision for retirement benefits	—	263,354
Other	98,642	27,161
Total noncurrent liabilities	<u>98,642</u>	<u>296,619</u>
Total liabilities	<u>15,274,888</u>	<u>5,581,762</u>
<b>Net assets</b>		
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 surpluses	<u>8,814,450</u>	<u>8,814,450</u>
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	65,175	42,754
General reserve	18,500,000	18,500,000
Retained earnings brought forward	7,440,774	7,224,285
Total retained earnings	<u>27,243,450</u>	<u>27,004,540</u>
Treasury stock	<u>(232,790)</u>	<u>(238,620)</u>
Total shareholders' equity	<u>39,975,110</u>	<u>39,730,369</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	7,833	601,686
Deferred gains or losses on hedges	12,866	14,788
Total valuation and translation adjustments	<u>20,699</u>	<u>616,475</u>
Total net assets	<u>39,995,810</u>	<u>40,346,845</u>
Total liabilities and net assets	<u>55,270,698</u>	<u>45,928,607</u>