

5. Unconsolidated Financial Statements

(1) Unconsolidated Balance Sheets

	(Millions of yen)	
	Fiscal 2008 (As of March 31, 2009)	Fiscal 2009 (As of March 31, 2010)
Assets		
Current assets		
Cash and deposits	54,426	111,853
Trade notes receivable	4,517	1,939
Trade accounts receivable	177,479	166,403
Marketable securities	201,942	145,973
Merchandise and products	36,415	38,299
Work in process	26,126	30,980
Raw materials and supplies	20,453	22,941
Advance Payments	7	884
Prepaid expenses	2,244	2,104
Deferred tax assets	160,607	194,709
Other current assets	25,428	21,820
Allowance for doubtful receivables	(6)	(4)
Total current assets	<u>709,638</u>	<u>737,901</u>
Fixed assets		
Tangible fixed assets		
Buildings	49,257	54,883
Structures	5,117	6,117
Machinery and equipment	18,410	20,045
Vehicles	55	43
Tools, instruments and fixtures	3,153	3,867
Land	20,786	20,950
Lease assets	2,458	2,441
Construction in progress	13,224	64,006
Total tangible fixed assets	<u>112,460</u>	<u>172,351</u>
Intangible fixed assets	4,476	7,221
Investments and other assets		
Investment securities	105,690	112,312
Equity in subsidiaries and affiliates	406,397	407,500
Investments in capital	6	46
Investments in subsidiaries and affiliates	43,129	43,129
Long-term loans to employees	86	153
Long-term prepaid expenses	409	247
Long-term deposits	25,961	4,029
Prepaid pension costs	34,020	37,685
Deferred tax assets	28,449	17,131
Allowance for doubtful receivables	(90)	(97)
Total investments and other assets	<u>644,057</u>	<u>622,134</u>
Total fixed assets	<u>760,994</u>	<u>801,705</u>
Total Assets	<u>1,470,631</u>	<u>1,539,606</u>

	(Millions of yen)	
	Fiscal 2008 (As of March 31, 2009)	Fiscal 2009 (As of March 31, 2010)
Liabilities		
Current liabilities		
Trade notes payable	246	—
Trade accounts payable	47,648	46,872
Other accounts payable	54,343	64,831
Accrued expenses	50,089	48,686
Income taxes payable	56,364	33,796
Deposits received	6,825	21,968
Reserve for loss on sales return	481	489
Reserve for sales rebates	4,813	4,604
Reserve for sales promotion	600	520
Reserve for employees' bonuses	22,820	23,377
Reserve for directors' bonuses	200	160
Other current liabilities	23	139
Total current liabilities	244,452	245,443
Long-term liabilities		
Lease obligations	2,585	2,636
Reserve for employees' retirement benefits	5,309	6,223
Reserve for SMON compensation	2,779	2,618
Other long term liabilities	3,776	1,560
Total long-term liabilities	14,449	13,038
Total liabilities	258,901	258,481
Net Assets		
Shareholder's equity		
Common stock	63,541	63,541
Capital surplus		
Additional paid-in capital	49,638	49,638
Total capital surpluses	49,638	49,638
Retained earnings		
Legal reserve	15,885	15,885
Other retained earnings	1,040,768	1,103,437
Provision for retirement benefits	5,000	5,000
Reserve for dividends	11,000	11,000
Reserve for R&D	2,400	2,400
Reserve for capital improvements	1,054	1,054
Reserve for promotion of exports	434	434
Reserve for extraordinary write-down	126	—
Reserve for compression of fixed assets	6,268	6,506
General reserve	914,500	814,500
Unappropriated retained earnings	99,985	262,544
Total retained earnings	1,056,653	1,119,323
Treasury stock	(1,055)	(967)
Total shareholder's equity	1,168,777	1,231,535
Valuation and translation adjustments		
Unrealized gain on securities	42,636	49,439
Deferred hedge gain/loss	232	(14)
Total valuation and translation adjustments	42,868	49,424
Stock acquisition rights	86	166
Total net assets	1,211,731	1,281,125
Total liabilities and net assets	1,470,631	1,539,606

(2) Unconsolidated Statements of Income

	(Millions of yen)	
	Fiscal 2008 (From April 1, 2008 to March 31, 2009)	Fiscal 2009 (From April 1, 2009 to March 31, 2010)
Net sales	874,079	871,720
Cost of sales		
Beginning balance of merchandise and products	31,325	36,415
Purchases of merchandize during the period	151,513	153,911
Cost of production	81,876	76,205
Total	264,714	266,531
Ending balance of merchandise and products	36,415	38,299
Provision for sales returns	—	8
Reversal of provision for sales returns	60	—
Total cost of sales	228,239	228,240
Gross profit	645,840	643,480
Selling, general and administrative expenses		
Selling expenses	61,253	52,921
General and administrative expenses	340,859	343,168
Total selling, general and administrative expenses	402,112	396,089
Operating income	243,727	247,391
Non-operating income		
Interest income	666	764
Interest on securities	1,659	343
Dividend income	13,951	12,044
Gains from foreign exchange	605	1,260
Gain on transfer of operation	5,207	5,693
R&D costs received for previous years	3,663	—
Other non-operating income	7,605	9,268
Total non-operating income	33,355	29,373
Non-operating expenses		
Interest expenses	149	167
Fixed assets removal costs	1,065	11,245
Donations and contributions	2,459	3,562
Depreciation & amortization	128	—
Loss on valuation of investment securities	760	387
Other non-operating expenses	2,869	4,221
Total non-operating expenses	7,429	19,581
Ordinary income	269,653	257,183
Extraordinary income		
Gains on sales of fixed assets	16	—
Gains on sales of shares of affiliates	102	—
Total extraordinary income	118	—
Extraordinary loss		
Evaluation loss on shares of affiliates	35,614	—
Total extraordinary losses	35,614	—
Income before income taxes	234,157	257,183
Corporate income, resident and business taxes	120,876	78,142
Corporate income tax and other adjustments	(36,231)	(27,321)
Total corporate income tax and other taxes	84,645	50,821
Net income	149,513	206,362

(3) Unconsolidated Statements of Changes in Net Assets

	(Millions of yen)	
	Fiscal 2008 (From April 1, 2008 to March 31, 2009)	Fiscal 2009 (From April 1, 2009 to March 31, 2010)
Shareholder's equity		
Common stock		
Beginning balance	63,541	63,541
Change during the period		
Total changes	—	—
Ending balance	63,541	63,541
Capital surplus		
Capital reserve		
Beginning balance	49,638	49,638
Change during the period		
Total changes	—	—
Ending balance	49,638	49,638
Other capital surplus		
Beginning balance	0	—
Change during the period		
Treasury stock disposition	(0)	—
Total changes	(0)	—
Ending balance	—	—
Retained earnings		
Legal reserve		
Beginning balance	15,885	15,885
Change during the period		
Total changes	—	—
Ending balance	15,885	15,885
Other retained earnings		
Provision for retirement benefits		
Beginning balance	5,000	5,000
Change during the period		
Total changes	—	—
Ending balance	5,000	5,000
Reserve for dividends		
Beginning balance	11,000	11,000
Change during the period		
Total changes	—	—
Ending balance	11,000	11,000
Reserve for R&D		
Beginning balance	2,400	2,400
Change during the period		
Total changes	—	—
Ending balance	2,400	2,400

	(Millions of yen)	
	Fiscal 2008 (From April 1, 2008 to March 31, 2009)	Fiscal 2009 (From April 1, 2009 to March 31, 2010)
Reserve for capital improvements		
Beginning balance	1,054	1,054
Change during the period		
Total changes	—	—
Ending balance	1,054	1,054
Reserve for promotion of exports		
Beginning balance	434	434
Change during the period		
Total changes	—	—
Ending balance	434	434
Reserve for extraordinary write-down		
Beginning balance	399	126
Change during the period		
Withdrawal of reserve for extraordinary write-down	(273)	(126)
Total changes	(273)	(126)
Ending balance	126	—
Reserve for compression of fixed assets		
Beginning balance	6,516	6,268
Change during the period		
Provision to Reserve for compression of fixed assets	10	615
Withdrawal of reserve for compression of fixed assets	(257)	(378)
Total changes	(247)	238
Ending balance	6,268	6,506
General reserve		
Beginning balance	1,214,500	914,500
Change during the period		
Withdrawal of general reserve	(300,000)	(100,000)
Total changes	(300,000)	(100,000)
Ending balance	914,500	814,500
Unappropriated retained earnings		
Beginning balance	394,251	99,985
Change during the period		
Dividends from surplus	(142,522)	(143,681)
Withdrawal of general reserve	300,000	100,000
Withdrawal of reserve for extraordinary write-down	273	126
Provision to Reserve for compression of fixed assets	(10)	(615)
Withdrawal of reserve for compression of fixed assets	257	378
Net income	149,513	206,362
Treasury stock disposition	(7)	(12)
Cancellation of treasury stock	(601,770)	—
Total changes	(294,266)	162,559
Ending balance	99,985	262,544

	(Millions of yen)	
	Fiscal 2008 (From April 1, 2008 to March 31, 2009)	Fiscal 2009 (From April 1, 2009 to March 31, 2010)
Treasury stock		
Beginning balance	(322,631)	(1,055)
Change during the period		
Treasury stock buyback	(280,268)	(34)
Treasury stock disposition	73	122
Cancellation of treasury stock	601,770	—
Total changes	321,576	88
Ending balance	(1,055)	(967)
Total shareholder's equity		
Beginning balance	1,441,988	1,168,777
Change during the period		
Dividends from surplus	(142,522)	(143,681)
Net income	149,513	206,362
Treasury stock buyback	(280,268)	(34)
Treasury stock disposition	66	111
Total changes	(273,211)	62,758
Ending balance	1,168,777	1,231,535
Valuation and translation adjustments		
Beginning balance	84,568	42,636
Change during the period		
Net change in other items than shareholders' equity during the period	(41,949)	6,802
Total changes	(41,949)	6,802
Ending balance	42,636	49,439
Deferred hedge gain/loss		
Beginning balance	(17)	232
Change during the period		
Net change in items other than shareholders' equity during the period	249	(246)
Total changes	249	(246)
Ending balance	232	(14)
Stock acquisition right		
Beginning balance	—	86
Change during the period		
Net change in other items than shareholders' equity during the period	86	80
Total changes	86	80
Ending balance	86	166
Total net assets		
Beginning balance	1,526,556	1,211,731
Change during the period		
Dividends from surplus	(142,522)	(143,681)
Net income	149,513	206,362
Treasury stock buyback	(280,268)	(34)
Treasury stock disposition	66	111
Net change in other items than shareholders' equity during the period	(41,615)	6,636
Total changes	(314,826)	69,395
Ending balance	1,211,731	1,281,125

(4) Notes regarding assumption of a going concern

No events to be noted for this purpose.