

Corporate Name: Nifco Inc. (URL: <http://www.nifco.com>)

May 10, 2010

Stock Exchange: TSE 1st section; Code Number: 7988

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Ordinary general meeting of shareholders to be held on: June 24, 2010

Dividend disbursement to be started on: June 25, 2010

Yuka Shoken Hokokusho to be submitted on: June 24, 2010

Summary of Consolidated Financial Results for Fiscal Year Ended March 31, 2010

(These figures are rounded to the nearest million yen.)

1. Consolidated Financial Results for FY2009 (April 1, 2009 to March 31, 2010)

(1) Consolidated financial results (The percentages denote year-on-year change.)

	Net sales		Operating profit		Recurring profit	
	Million yen	%	Million yen	%	Million yen	%
FY2009	107,505	-12.3	8,553	18.2	8,118	17.5
FY2008	122,518	-13.5	7,237	-50.6	6,906	-54.3

	Net income		Net income per share	Diluted net income per share
	Million yen	%	Yen	Yen
FY2009	4,468	13.6	83.83	-
FY2008	3,934	-60.5	74.60	73.86

	Return on equity (ROE)	Recurring profit/ Total assets	Operating profit/ Net sales
	%	%	%
FY2009	6.0	6.9	8.0
FY2008	5.2	6.0	5.9

Reference: Investment profit (loss) on equity method: -146 million yen in FY2009; 125 million yen in FY2008

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2009	122,670	79,067	62.5	1,438.56
FY2008	112,140	74,559	64.5	1,355.98

Reference: Equity capital: 76,678 million yen in FY2009; 72,279 million yen in FY2008

(3) Consolidated cash flows

(Unit: Millions of yen)

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of the period
FY2009	13,814	(8,702)	(3)	34,108
FY2008	11,021	(13,613)	10,503	28,711

2. Dividends

	Dividend per share					Total amount of dividends (annual)	Payout ratio (consolidated basis)	Ratio of dividends to net assets (consolidated basis)
	At end of first quarter	At end of second quarter	At end of third quarter	Fiscal year-end	Annual			
	Yen	Yen	Yen	Yen	Yen			
FY2008	-	30.00	-	24.00	54.00	2,878	72.4	3.7
FY2009	-	10.00	-	20.00	30.00	1,599	35.8	2.1
FY2010 (forecast)	-	20.00	-	20.00	40.00		35.5	

3. Forecasts for FY2010 (April 1, 2010 to March 31, 2011)

(The percentages denote year-on-year change.)

	Net sales		Operating profit		Recurring profit		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Consolidated 2nd quarter FY 2010 (YTD)	55,000	13.4	4,600	156.9	4,400	221.6	2,700	393.6	50.65
FY2010	112,000	4.2	10,000	16.9	9,800	20.7	6,000	34.3	112.57

4. Others

- (1) Changes in principal subsidiaries during the fiscal year (changes in specific subsidiaries which involve changes in the scope of consolidation): None
- (2) Changes in the principles and procedures of accounting concerning the preparation of consolidated financial statements and in the methods of presentation, etc. (stated in “Changes in Significant Accounting Policies for Preparing Consolidated Financial Statements”)
- 1) Changes following the revision of accounting standards, etc.: Yes
- 2) Changes other than 1): No
- *Note: For further information, refer to “Significant Accounting Policies for Preparing Consolidated Financial Statements” on page 20
- (3) Number of shares outstanding (common stocks)
- 1) Number of shares outstanding at end of the period (including treasury stocks):
- | | | |
|--|------------------------|-----------------------|
| | 53,754,477 in FY 2009; | 53,754,477 in FY 2008 |
|--|------------------------|-----------------------|
- 2) Number of treasury stocks at end of the period:
- | | | |
|--|---------------------|--------------------|
| | 452,137 in FY 2009; | 450,361 in FY 2008 |
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Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for FY2009 (April 1, 2009 to March 31, 2010)

(1) Non-consolidated financial results (The percentages denote year-on-year change.)

	Net sales		Operating profit		Recurring profit	
	Million yen	%	Million yen	%	Million yen	%
FY2009	55,732	-5.2	3,795	96.9	5,186	53.2
FY2008	58,805	-15.1	1,927	-70.7	3,384	-65.6

	Net income		Net income per share	Diluted net income per share
	Million yen	%	Yen	Yen
FY2009	660	-67.2	12.40	-
FY2008	2,014	-68.6	38.18	37.83

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2009	102,409	67,962	66.4	1,274.94
FY2008	96,504	68,686	71.2	1,288.47

Reference: Equity capital: 67,962 million yen in FY2009; 68,686 million yen in FY2008

* Proper use of forecasts and other special instructions:

Forward-looking statements or projections included in this document, including earnings projections, are based on currently available information and certain premises that are judged to be rational at the time of writing. Actual results may differ greatly from the forecast figures depending on various factors. For notes in using earnings projections and assumptions for premises thereof and specific revisions of earnings projections regarding note 1 listed above, refer to “1. Business Results, (1) Analysis of Business Results” on page 3.

1. Business Results

(1) Analysis of Business Results

During the fiscal year under review, the Japanese economy finally started showing signs of recovery mainly due to stimulus measures taken by various countries to cope with the global economic recession as a result of the financial crisis that began in autumn 2008. The recovery was particularly noticeable in Asia, centering on increased domestic demand in China.

Under these circumstances, although there were signs of recovery in the manufacturing and sales of Japanese and South Korean automobile manufacturers, automobile manufacturers reduced inventories in the first half of the fiscal year, thus consolidated sales this fiscal year were 107,505 million yen (down 12.3% y-o-y). On the profit front, consolidated operating profit was 8,553 million yen (up 18.2% y-o-y) thanks to efforts for earnings recovery, including an attempt to reduce fixed costs and improving production efficiency. Recurring profit was 8,118 million yen (up 17.5% y-o-y) and net income for the fiscal year under review was 4,468 million yen (up 13.6% y-o-y).

Business results by main business segment are as follows.

(i) Industrial Plastic Parts and Components Business

[For domestic automobile industry]

Though the car manufacturing volume sharply decreased due to a global economic slowdown in the first half of the fiscal year, it got on a recovery track in the latter half thanks to the effect of tax cuts and subsidies for eco-friendly vehicles. Following this favorable turn, sales of Nifco also recovered. However, both sales and profits of Nifco were below the levels a year earlier because of the increased ratio of manufacturing volume of subcompact cars, in which the amount of installed Nifco products is relatively small.

Automobile manufacturers are pushing forward with the development of vehicles that have excellent safety performance and energy-efficient engines which meet environmental criteria and with local production in such expanding markets as China and India. In the meantime, Nifco has been working on the development of fuel-related parts that address environmental issues and further expanding applications of plastic fasteners that contribute to weight reduction as well as enhancing the supply system to respond to local production by its customers.

[For overseas automobile industry]

Both sales and income of Nifco's overseas consolidated subsidiaries were lower than the previous fiscal year on a full-year basis due to a decline in the overseas car manufacturing volume of Japanese automobile manufacturers resulting from the influence of the economic slowdown from the previous fiscal year, although performance in the China region started recovering ahead of other regions in the second half of the fiscal year.

Therefore, the Nifco Group has been taking various rationalization measures including postponing the construction of a plant of an overseas subsidiary and merging two U.S. subsidiaries (merger completed as of April 1, 2009). As a result, profitability recovered from the latter half of the fiscal year, and an operating profit ratio of double digits (10% or more) was ensured.

[For other industries]

In the housing equipment market, sales of "finetech" motion parts, aimed at enhancing a sense of high quality as well as safety and comfort, are increasing steadily. In particular, Nifco's parts for doors, kitchens and other storage containers are available in a wider range of variations and are highly valued in the market.

"Nifco's Idea House," which opened last year, has been very favorably accepted and visited by many people from industrial circles such as automobiles and home electronics, not to mention the housing equipment industry. This year, we will continue to actively develop proposal activities by making renovations to this house, adding newly developed products as well as improved items.

In the electronics-related market, Nifco is very trusted by customers to produce and provide high-performance parts including fasteners, dampers, clutches and hinges, and it has also built a structure of local development, production and local procurement mainly in Asia, in response to its customers' shift towards globalization. Further, in Nifco's buckle business, it is promoting closer tie-ups with the Company's overseas subsidiaries and trying to improve awareness by actively giving demonstrations at overseas exhibitions and to expand business.

As a result of the foregoing, sales and operating profit from the industrial plastic parts and components business amounted to 89,512 million yen (down 11.8% y-o-y) and 10,848 million yen (up 14.4% y-o-y), respectively.

(ii) Bedding and Furniture Business

Nifco's subsidiary, Simmons Co., Ltd., and Asian subsidiaries of Simmons manufacture and sell high-quality beds in Japan and other parts of Asia.

Sales amounted to 13,522 million yen (down 13.7% y-o-y) because of the economic slowdown and the quieting down of the new inaugurations of foreign-affiliated hotels in the Tokyo metropolitan area.

Operating profit was 1,011 million yen (down 31.0% y-o-y) primarily on account of the increased initial cost attendant upon consolidating the functions of the previously used Zama Plant and Atsugi Logistics Center and relocating them to the Simmons Fujiyama Plant in May 2009.

(iii) Other Businesses

Nifco's other business activities center on the newspapers and publishing business and the business of electronics parts. The newspapers and publishing business faces harsh business conditions due to the diversification of media. Nifco is therefore making efforts to reduce costs.

With regard to the business of electronics parts, the Company transferred some of its shares (70% of the shares it held) in a subsidiary engaged in the business in November 2009, and the subsidiary became a company that comes under the equity method of accounting. As a result, sales and operating loss of other businesses were 4,470 million yen and 288 million yen, respectively.

[Earnings outlook for FY2010]

For the next fiscal year, Nifco expects demand to remain robust in the industrial plastic parts and components business, which is the mainstay business of the Company, with demand growth projected in Asia, notably China.

Under these circumstances, the Nifco Group will strive to enhance and maintain its structure by rationalizing manufacturing and reducing fixed expenses in addition to developing new products.

As a result, the Company projects consolidated sales of 112,000 million yen (up 4.2% y-o-y), operating profit of 10,000 million yen (up 16.9%), recurring profit of 9,800 million yen (up 20.7%) and net income of 6,000 million yen (up 34.3%)

[Assumptions for calculation of earnings forecast for the next fiscal year]

The Nifco Group's assumptions for the exchange rates of major currencies are 90 yen to the Dollar, 7.0 yen per 100 Korean Won and 115 yen to the Euro. We project a decrease of net sales of approximately 1,600 million yen and a decline of operating profit of nearly 200 million yen compared with the figures when using the same rate as the previous fiscal year.

*Cautions to be taken when utilizing earnings projections

Forward-looking statements or projections are based on the judgment of the management of the Company based on currently available information, and include latent risks and uncertainties. Please note that actual results may differ greatly from the forecast figures depending on various factors.

(2) Analysis of Financial Status

(Unit: Millions of yen)

	FY2009	FY2008	Change
Total assets	122,670	112,140	10,530
Shareholders' equity	76,678	72,279	4,399
Shareholders' equity ratio (%)	62.5	64.5	-2.0p

(Unit: Millions of yen)

	FY2009	FY2008	Change
Cash flow from operating activities	13,814	11,021	2,792
Cash flow from investing activities	(8,702)	(13,613)	4,910
Cash flow from financing activities	(3)	10,503	-10,507
Translation gains and losses	288	(2,951)	3,240
Increase/decrease in cash and cash equivalents	5,397	4,960	437
Balance of cash and cash equivalents at the beginning of term	28,711	23,750	4,960
Balance of cash and cash equivalents at the end of term	34,108	28,711	5,397

Balance of borrowings and bonds payable at the end of term	19,371	17,197	2,173
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Total assets increased by 10,530 million yen from the end of the previous term to 122,670 million yen. This is mainly attributed to the increase in notes and accounts receivable of 5,899 million yen resulting from the increased trade volume in the fourth quarter and the increase in cash and deposits of 6,096 million yen.

Total liabilities rose 6,022 million yen compared with the end of the previous consolidated fiscal year to 43,603 million yen. This is mainly due to the increase in notes and accounts payable of 2,543 million yen as a result of the increased trade volume in the fourth quarter and to the increase in long-term indebtedness of 2,464 million yen because the Company borrowed money from outside in order to increase liquidity on hand.

Equity capital increased by 4,399 million yen from the end of the previous term to 76,678 million yen. This is caused mainly by the increase in retained earnings of 2,655 million yen.

As a result, the shareholders' equity ratio dropped 2.0 percentage points year-on-year to 62.5%.

- Cash flow from operating activities

Cash flow from operating activities increased by 2,792 million yen compared with the previous term to 13,814 million yen. This was mainly due to increased funds from net income before income taxes of 1,884 million yen and corporate tax refund.

- Cash flow from investing activities

Cash flow used in investing activities decreased by 4,910 million yen in comparison with the previous term to 8,702 million yen. This was primarily attributable to the decrease in expenditure to acquire fixed assets of 3,781 million yen, since a new plant of Simmons was constructed in the previous fiscal year and capital expenditure was curbed in the current fiscal year.

- Cash flow from financing activities

Cash flow used in financing activities was 3 million yen on account of the expenditure of a dividend payment of 1,813 million yen and repayments of short-term borrowings despite income from long-term loans payable of 2,951 million yen.

As a result of the above, the balance of cash and cash equivalents at the end of this term increased by 5,397 million yen, compared to the end of the previous term, to 34,108 million yen.

Further, Nifco has continued commitment line agreements worth 10,500 million yen to ensure means for stable financing in order to respond to the changing economic environment.

	FY2005	FY2006	FY2007	FY2008	FY2009
Shareholders' equity ratio (%)	58.1	65.0	66.8	64.5	62.5
Shareholders' equity ratio based on market value (%)	108.0	137.9	100.1	50.7	93.4
Ratio of cash flows to interest-bearing liabilities (Year)	1.0	0.7	0.3	1.7	1.4
Interest coverage ratio (times)	34.2	39.1	80.5	34.9	43.7

Notes: Shareholders' equity ratio: shareholders' equity / total assets

Shareholders' equity ratio based on capital value: market capitalization / total assets

Ratio of cash flows to interest-bearing liabilities: interest-bearing liabilities / cash flows

Interest coverage ratio: cash flows / interest payment

* All indicators are calculated based on consolidated financial figures.

* Market capitalization is obtained by multiplying the closing quotation at the end of the term by the number of outstanding shares (after subtracting treasury stock) at the end of the term.

* Cash flows from operating activities in the consolidated statement of cash flows are used. Interest-bearing liabilities cover all liabilities which are posted in the consolidated balance sheets and for which interest is paid. Interest paid posted in the consolidated statement of cash flows are used as interest payment.

(3) Basic Policies for Profit Sharing and Dividends for this Term and the Following Terms

Nifco decided to pay 20 yen per share as the year-end ordinary dividend for the fiscal year ended March 31, 2010 as announced on March 1, 2010, since earnings of the Company during the current fiscal year were firm. As a result, the annual dividend per share including the interim dividend of 10 yen per share will be 30 yen per share.

Further, the Company has set the payout ratio for the full year at a third (33%) of the consolidated net income, but the annual dividend amount is set for 30 yen, which exceeds the payout ratio, to place value on returns to shareholders.

For the dividend of the next fiscal year, we currently expect to pay 40 yen per share for the full year, up 10 yen from the current fiscal year, (20 yen for the interim dividend and 20 yen for the year-end dividend) despite the severe management environment, by taking into consideration the achievement of projected profits in which the effects of continuous efforts for earnings recovery, reduction of fixed expenses and other measures are factored in.

(4) Business Risks

Among the risks the Nifco Group has to keep in mind in promoting its businesses, those shown below are thought to be the important issues that could exert a serious effect on the judgment of investors. In the meantime, the Group proactively discloses generally important issues from the perspective of investors when making judgments, even for risks which we deem to be highly unlikely.

Also, because apart from these risks, it is impossible to deny the possibility of risks that would ordinarily be difficult to suppose becoming suddenly apparent along with expansion or changes to operational activities, Nifco always makes efforts to implement appropriate measures to avoid such unpredictable risks and to respond in cases where such risks occur.

Matters in this document concerning the future are judgments made on the date of submission of Nifco Group's Financial Results (May 10, 2010).

(i) Economic conditions

While the Nifco Group's sales ratio to automobile manufacturers, notably to major Japanese automobile manufacturers, is at a high level, demand for products from these automobile manufacturers is susceptible to the world's economic trends, especially economic conditions in countries and regions such as Japan, the U.S. and China, which are the major markets.

To give an example, the earnings and financial conditions of the Group were adversely affected because automobile production by automobile manufacturers substantially decreased on account of the global economic slowdown and rapid shrinking of automobile demand after the collapse of Lehman Brothers.

(ii) Price competition risk

Although the Nifco Group is striving to set proper product prices for the industrial plastic parts and components, its mainstay business, there are intensifying requests by automobile manufacturers, its main customers, for cost reductions.

Given the circumstances, earnings and financial conditions of the Group may be adversely affected if it is exposed to product price competition which is greater than expected in an effort to win orders.

(iii) Risks from fluctuation in prices and related to procurement of raw materials

Since prices of raw materials which the Nifco Group uses change significantly following fluctuation in prices of crude oil and naphtha, and earnings and financial conditions of the Group may be adversely affected if

the Group is unable to pass those raw material price increases on to product prices sufficiently, or cannot proceed with replacing them with inexpensive raw materials. In addition, earnings and financial conditions of the Group may be subject to negative impacts if it is unable to procure raw materials as scheduled owing to factors such as emergencies at suppliers of raw materials.

(iv) Exchange rate fluctuation risk

The overseas sales ratio of the Nifco Group has been at a high level, posting 42.0% in the previous fiscal year and 39.7% in the current fiscal year, but exports from the Company are only about 4%, and most of our overseas sales are attributed to local sales of products manufactured by overseas subsidiaries. Therefore, the rate at which the Company suffers from actual loss by exchange rate fluctuations is low, even with a rapid rise of the yen.

However, changes in exchange rates do affect the consolidated financial statements because financial statement figures of the overseas subsidiaries in local currencies are converted into yen for the consolidated financial statements.

(v) Risk from defective products

The Nifco Group produces products in line with strict quality control standards. However, if defective products are distributed on the market for some reasons, making the Group liable for product quality, it will not only need to pay huge costs for compensation and other related costs but also lose the trust of customers. As a result of the above, earnings and financial conditions of the Group may be adversely affected.

(vi) Country risk

In response to the globalization of users, mainly Japanese automobile manufacturers, the Nifco group has expanded its overseas bases in order to be able to respond properly and promptly to their needs. However, it is possible to anticipate business operations sometimes becoming difficult in countries and regions where overseas bases are located because of factors such as changes in political policies, laws and regulations and tax systems, unpredictable political and economic instabilities, outbreaks of social movements and disorders and social turmoil from spread of communicable diseases such as a new type of influenza.

Consequently, the Nifco Group has set a policy of not distributing its manufacturing bases unevenly in specific countries or regions. Should the above situations occur, however, earnings and financial conditions of the Group may be adversely affected.

(vii) The risk of natural disasters, such as earthquakes

Apart from the three main domestic plants (Sagamihara, Nagoya and Utsunomiya), the Nifco group is strengthening manufacturing capabilities at two manufacturing subsidiaries located in Yamagata and Kumamoto. Furthermore, the Nifco group is pressing ahead with the further decentralization of its manufacturing bases overseas as well, as evidenced by the fact that it established a company and a plant in the U.S.

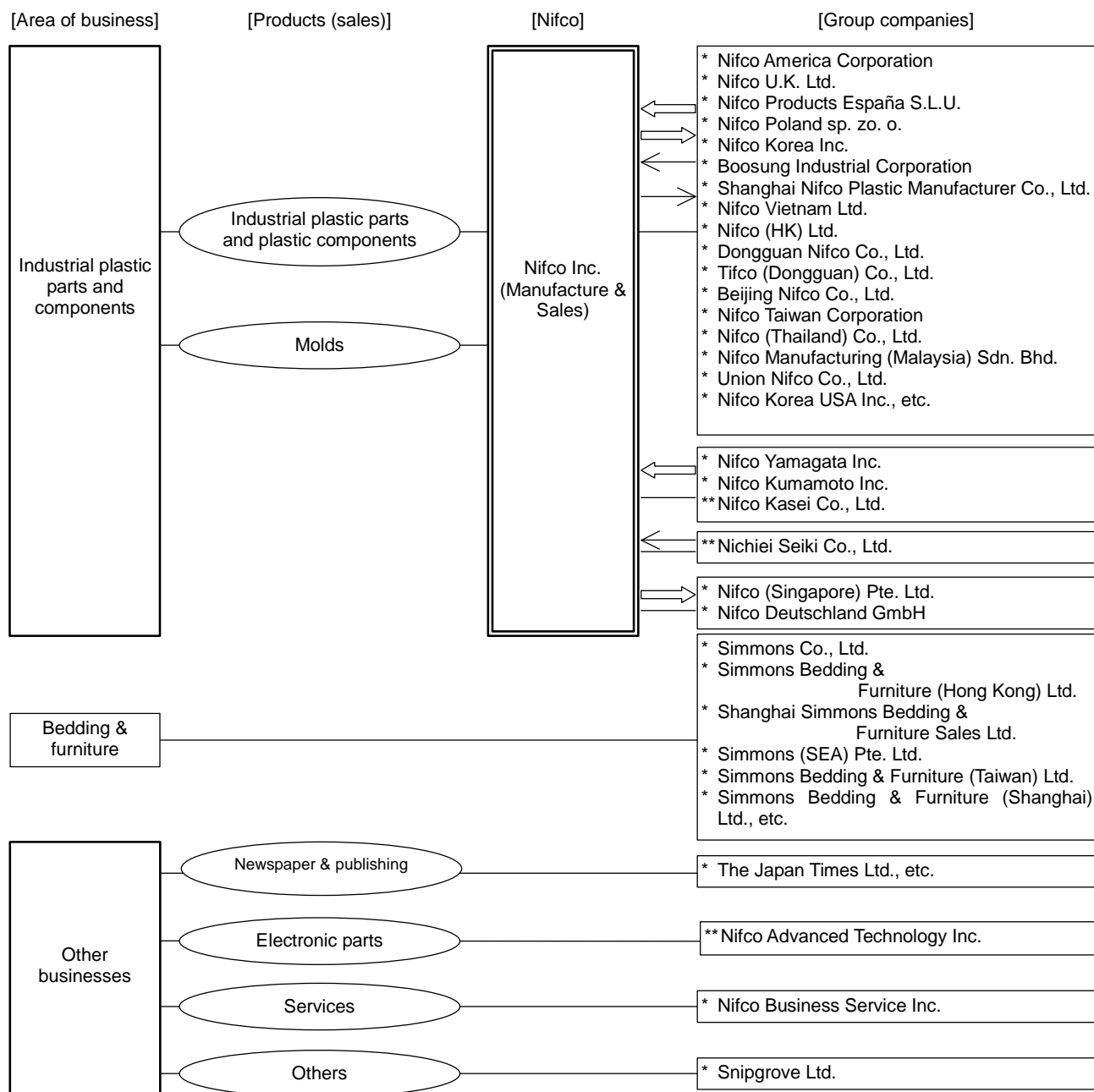
In addition, as well as advancing earthquake-resistant measures for offices to limit damage to a minimum, the Nifco group is introducing a system to confirm the safety of all employees, and is engaged in creating a business continuity plan that allows a swift recovery structure, even supposing that an encounter with a natural disaster does occur.

However, earnings and financial conditions of the Nifco Group may be adversely affected in the event where production facilities, etc. suffer some sort of damage from natural disasters such as earthquakes and rainstorms or contingencies at manufacturing bases of the Group to cause manufacturing and sale of products to be delayed or suspended.

Since the performance of the Group is easily affected by factors that have a serious influence on the management results of the Group, especially the increase or decrease in automobile manufacturing based on the trends in the world economy, the Group is rapidly and appropriately responding to the environmental and structural changes surrounding the automobile industry.

2. Relations among Group Companies

The group of companies consists of the parent company (“Nifco”), 33 subsidiaries, and 4 affiliated companies. The relationship between these companies is shown in the diagram below.



(Note)* = Subsidiaries, ** = Affiliated companies

⇨ Flow of products → Flow of molds

3. Management Policies

(1) Basic corporate management policies

Ever since its corporate establishment, Nifco has maintained a basic policy of targeting global growth as the world's No. 1 company in the field of functional precision plastic parts with profit expansion, customer orientation and unlimited creativity as key concepts based on the basic principles of "profit return to shareholders," "social contribution" and "growth and happiness of employees" through its business activities.

The Company believes that, in order to become the No. 1 enterprise, it is necessary to lead the field in terms of market share/profitability, name recognition/brand authority, technological/product development capabilities, product quality and responsiveness to customers.

In carrying out and realizing these basic strategies, Nifco has put its corporate philosophy into written form as "Principles for all of Nifco's corporate members" and its corporate culture as "Nifco Spirit" and is enlightening and imbuing all employees at home and abroad with such Principles and Spirit, with a view to encouraging all employees of the Nifco Group to share the corporate philosophy and corporate culture that it has continuously been building since its establishment.

Furthermore, Nifco established the Nifco Corporate Behavior Charter, making it a basic tenet of its corporate conduct that its Group companies both at home and abroad act with corporate social responsibility (CSR) in mind, and it has put this tenet into practice. In particular, from its 52nd year of operation (FY2003), Nifco has prepared an Environmental Report every year, available publicly on its website to make its efforts known widely, regarding environmental issues as a challenge common to all human beings.

(2) Targeted management indices

Nifco started the five-year management plan "ANS III" in FY2008. Because of the violent changes in the economic environment after the collapse of Lehman Brothers, Nifco will review the target management indices, also considering the future manufacturing plans of Japanese automobile manufacturers, our major customers. The revised specific management indices will be separately disclosed as soon as they are established.

(3) Medium- and long-term management strategy of the Company

Since the management environment has greatly changed from the time ANS III was established, as shown above, the Company will need to review management plans. Specific management strategies will be separately disclosed, along with numerical targets and management indices, as soon as they are decided.

(4) Tasks the Company faces

Based on the experience when the automobile manufacturing volume sharply declined after the collapse of Lehman Brothers, the current business issue is how to maintain and enhance a system to ensure operating profits under such circumstances. The Company also believes that improving customer satisfaction on a global basis is a challenge.

To this end, the Company will implement cost reduction measures without exceptions to lower the break-even point, review the businesses regardless of precedents and strengthen the new product development system to increase the amount of the Company's products installed in each automobile and find new customers. Further, we will rebuild the information system so that we can properly cope with globalization.

In addition, as a financial challenge, we shall in principle handle demand for funds in subsidiaries by making loans and investments within the Group, and we will make efforts to restore the financial conditions of subsidiaries with financial problems by carrying out measures to improve their performance.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of yen)

	FY2008 (As of March 31, 2009)	FY2009 (As of March 31, 2010)
Assets		
Current Assets		
Cash and deposits	30,870	36,966
Notes and accounts receivable	18,663	24,562
Marketable securities	803	3,579
Merchandise and finished goods	6,312	6,364
Work in process	1,546	1,216
Raw materials and supplies	2,350	2,445
Deferred tax assets	914	1,134
Income taxes receivable	1,678	183
Others	2,641	2,439
Allowance for doubtful accounts	(83)	(75)
Total Current Assets	65,698	78,817
Fixed Assets		
Tangible fixed assets		
Buildings and structures	22,688	23,460
Accumulated depreciation	(10,094)	(10,935)
Buildings and structures (net base)	12,594	12,524
Machinery, equipment and vehicles	19,002	19,653
Accumulated depreciation	(13,881)	(14,910)
Machinery, equipment and vehicles (net base)	5,121	4,743
Molds	45,910	48,056
Accumulated depreciation	(42,659)	(45,560)
Molds (net base)	3,250	2,495
Tools, furniture and fixtures	9,783	10,284
Accumulated depreciation	(7,963)	(8,324)
Tools, furniture and fixtures (net base)	1,819	1,960
Land	11,229	11,904
Construction in progress	2,423	1,726
Others	202	348
Accumulated depreciation	(126)	(142)
Others (net base)	76	206
Total Tangible Fixed Assets	36,515	35,560
Intangible fixed assets		
Goodwill	885	424
Others	1,031	710
Total Intangible Fixed Assets	1,917	1,135

(Unit: Millions of yen)

	FY2008 (As of March 31, 2009)	FY2009 (As of March 31, 2010)
Investments and other assets		
Investment securities	6,409	5,615
Deferred tax assets	506	381
Others	1,167	1,185
Allowance for doubtful accounts	(74)	(26)
Total Investments and Other Assets	8,008	7,157
Total Fixed Assets	46,441	43,852
Total Assets	112,140	122,670
Liabilities		
Current Liabilities		
Notes and accounts payable	10,096	12,639
Short-term borrowings	1,253	744
Current maturities of long-term indebtedness within one year	112	330
Other payables	1,443	2,267
Income taxes payable	509	2,074
Accrued bonuses	1,118	1,091
Others	5,135	3,779
Total Current Liabilities	19,668	22,927
Long-term Liabilities		
Bonds payable	15,000	15,000
Long-term indebtedness	831	3,295
Accrued severance and retirement benefits	81	-
Deferred tax liabilities	514	680
Liability for severance and retirement benefits	1,292	1,449
Liability for directors' retirement benefits	28	-
Others	163	250
Total Long-term Liabilities	17,912	20,676
Total Liabilities	37,580	43,603
Net Assets		
Shareholders' Equity		
Common stock	7,290	7,290
Additional paid-in capital	11,651	11,651
Retained earnings	62,367	65,023
Treasury stocks	(1,060)	(1,064)
Total Shareholders' Equity	80,248	82,900

(Unit: Millions of yen)

	FY2008 (As of March 31, 2009)	FY2009 (As of March 31, 2010)
Valuation, Translation Adjustments and Others		
Net unrealized gain on securities	(75)	363
Revaluation reserve for land	(85)	(85)
Foreign currency translation adjustments	(7,808)	(6,500)
Total of Valuation, Translation Adjustments and Others	(7,969)	(6,221)
Minority Shareholders' Interests	2,280	2,388
Total Net Assets	74,559	79,067
Total Liabilities and Net Assets	112,140	122,670

(2) Consolidated Statements of Income

(Unit: Millions of yen)

	FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
Net sales	122,518	107,505
Cost of sales	88,419	74,927
Gross profit	34,098	32,578
Selling, general and administrative expenses		
Packing and transportation expenses	4,943	4,821
Advertising expenses	1,199	978
Compensations, salaries and allowances	7,901	7,014
Employees' bonuses	1,484	1,188
Provision for bonuses	690	636
Pension benefits	484	465
Other personal expenses	1,703	1,396
Rent expenses	1,490	1,216
Traveling and transportation expenses	811	608
Depreciation	1,061	1,059
Research and development expenses	517	393
Amortization of goodwill	47	74
Bad debt expenses	34	28
Others	4,487	4,143
Total general and administrative expenses	26,861	24,025
Operating profit	7,237	8,553
Non-operating profits		
Interest income	537	299
Dividends received	56	43
Income from industrial property	70	5
Investment gains on equity method	125	-
Others	271	235
Total non-operating profits	1,061	584
Non-operating expenses		
Interest expenses	315	325
Bond issuance cost	80	-
Foreign exchange losses	377	417
Loss on revaluation of securities	456	-
Investment losses on equity method	-	146
Others	162	130
Total non-operating expenses	1,392	1,019
Recurring profit	6,906	8,118

(Unit: Millions of yen)

	FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
Extraordinary profits		
Gains on sales of fixed assets	8	37
Gains on redemption of securities	-	35
Gains on sales of investment securities	1,131	35
Subsidy income	-	86
Others	24	34
Total extraordinary profits	1,164	229
Extraordinary losses		
Loss on disposal of fixed assets	65	66
Loss on revaluation of investment securities	387	-
Impairment loss	674	556
Directors' retirement benefits	1,272	-
Others	166	337
Total extraordinary losses	2,566	959
Net income before income taxes	5,504	7,388
Corporate, residential and business taxes	1,245	2,910
Adjustment for corporate taxes	249	(315)
Total corporate taxes	1,495	2,595
Minority interests	74	325
Net income	3,934	4,468

(3) Consolidated Statement of Changes in Net Assets

(Unit: Millions of yen)

	FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
Shareholders' equity		
Common stock		
Balance at beginning of period	7,290	7,290
Balance at end of period	7,290	7,290
Additional paid-in capital		
Balance at beginning of period	11,651	11,651
Balance at end of period	11,651	11,651
Retained earnings		
Balance at beginning of period	62,970	62,367
Increase/decrease in effect of changes in accounting policies applied to foreign subsidiaries	36	-
Change during consolidated FY		
Dividends of retained earnings	(3,357)	(1,812)
Net income	3,934	4,468
Disposal of treasury stocks	(1,147)	(0)
Others	(67)	-
Total changes during consolidated FY	(638)	2,655
Balance at end of period	62,367	65,023
Treasury stocks		
Balance at beginning of period	(4,802)	(1,060)
Change during consolidated FY		
Acquisition of treasury stocks	(11)	(4)
Disposal of treasury stocks	3,753	1
Total changes during consolidated FY	3,742	(3)
Balance at end of period	(1,060)	(1,064)
Total shareholders' equity		
Balance at beginning of period	77,109	80,248
Increase/decrease in effect of changes in accounting policies applied to foreign subsidiaries	36	-
Change during consolidated FY		
Dividends of retained earnings	(3,357)	(1,812)
Net income	3,934	4,468
Acquisition of treasury stocks	(11)	(4)
Disposal of treasury stocks	2,605	1
Others	(67)	-
Total changes during consolidated FY	3,103	2,651
Balance at end of period	80,248	82,900

(Unit: Millions of yen)

	FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 200 to March 31, 2010)
Valuation, translation adjustment and others		
Net unrealized gain on securities		
Balance at beginning of period	71	(75)
Change during consolidated FY		
Changes in items other than shareholders' equity during consolidated FY (net base)	(146)	439
Total changes during consolidated FY	(146)	439
Balance at end of period	(75)	363
Revaluation reserve for land		
Balance at beginning of period	(85)	(85)
Balance at end of period	(85)	(85)
Foreign exchange translation adjustments		
Balance at beginning of period	2,099	(7,808)
Change during consolidated FY		
Changes in items other than shareholders' equity during consolidated FY (net base)	(9,908)	1,308
Total changes during consolidated FY	(9,908)	1,308
Balance at end of period	(7,808)	(6,500)
Total of Valuation, Translation adjustments and others		
Balance at beginning of period	2,085	(7,969)
Change during consolidated FY		
Changes in items other than shareholders' equity during consolidated FY (net base)	(10,055)	1,747
Total changes during consolidated FY	(10,055)	1,747
Balance at end of period	(7,969)	(6,221)
Minority shareholders' interests		
Balance at beginning of period	1,883	2,280
Change during consolidated FY		
Changes in items other than shareholders' equity during consolidated FY (net base)	396	108
Total changes during consolidated FY	396	108
Balance at end of period	2,280	2,388

(Unit: Millions of yen)

	FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
Total net assets		
Balance at beginning of period	81,078	74,559
Increase/decrease in effect of changes in accounting policies applied to foreign subsidiaries	36	-
Change during consolidated FY		
Dividends of retained earnings	(3,357)	(1,812)
Net income	3,934	4,468
Acquisition of treasury stocks	(11)	(4)
Disposal of treasury stocks	2,605	1
Others	(67)	-
Changes in items other than shareholders' equity during consolidated FY (net base)	(9,658)	1,855
Total changes during consolidated FY	(6,555)	4,507
Balance at end of period	74,559	79,067

(4) Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
Cash Flows from Operating Activities		
Net income before income taxes	5,504	7,388
Depreciation	7,979	6,623
Impairment loss	674	556
Amortization of goodwill	47	74
Increase (decrease) in allowance for doubtful accounts	22	(44)
Increase (decrease) in accrued bonuses	(65)	2
Increase (decrease) in retirement allowances	300	204
Interest income and dividends received	(593)	(343)
Interest expenses	315	325
Bond issuance cost	80	-
(Gains) loss on revaluation of securities	456	-
Foreign currency exchange (gains) loss	132	142
Investment (gains) loss on equity method	(125)	146
(Gains) loss on redemption of securities	-	(35)
(Gains) loss on sales of fixed assets	(8)	(37)
(Gains) loss on disposal of fixed assets	65	66
(Gains) loss on sales of investment securities	(1,131)	(35)
(Gains) loss on revaluation of investment securities	387	-
(Increase) decrease in trade receivables	8,512	(5,977)
(Increase) decrease in inventories	26	(236)
(Increase) decrease in other assets	465	109
Increase (decrease) in trade payables	(6,283)	3,409
Increase (decrease) in accrued directors' retirement benefits	(881)	-
Increase (decrease) in other liabilities	(931)	573
Decrease / increase in consumption taxes receivable / payable	-	451
Others	159	328
Subtotal	15,108	13,692
Interest income and dividends received	779	340
Interest paid	(317)	(316)
Corporate taxes refund (paid)	(4,549)	97
Net cash provided by operating activities	11,021	13,814

(Unit: Millions of yen)

	FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
Cash Flows from Investing Activities		
Increase in time deposits	(3,329)	(4,044)
Decrease in time deposits	3,331	2,877
Expenditures for purchase of marketable securities	(1,297)	(3,103)
Proceeds from sales and redemption of marketable securities	1,019	2,532
Expenditures for tangible fixed assets	(10,731)	(6,950)
Proceeds from sales of tangible fixed assets	180	55
Expenditures for purchases of investment securities	(4,292)	(555)
Proceeds from sales of investment securities	1,130	626
Payments for acquisition of shares of subsidiary	(27)	(74)
Proceeds from acquisition of shares of subsidiary accompanying the change in the scope of consolidation	338	-
Payments for acquisition of shares of subsidiary accompanying the change in the scope of consolidation	-	(148)
Others	65	80
Net cash provided by (used in) investing activities	(13,613)	(8,702)
Cash Flows from Financing Activities		
Proceeds from short-term borrowings	10,957	1,983
Repayments of short-term borrowings	(12,764)	(2,538)
Repayments of liabilities for finance leases	(92)	(47)
Proceeds from long-term loans payable	1,022	2,951
Repayments of long-term indebtedness	(8)	(277)
Proceeds from issuance of bonds	14,919	-
Payment for redemption of bonds	(83)	-
Proceeds from stock issuance to minority shareholders	78	-
Proceeds from sales of treasury stocks	14	1
Expenditures for purchases of treasury stocks	(5)	(4)
Cash dividends	(3,357)	(1,813)
Cash dividends to minority shareholders	(177)	(256)
Net cash provided by (used in) financing activities	10,503	(3)
Foreign exchange rate adjustment	(2,951)	288
Net increase (decrease) in cash and cash equivalents	4,960	5,397
Cash and cash equivalents-beginning balance	23,750	28,711
Cash and cash equivalents-ending balance	28,711	34,108

Going concern issues

None

Significant Accounting Policies for Preparing Consolidated Financial Statements

Item	FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
1. Scope of Consolidation	<p>All subsidiaries are consolidated. There are 35 consolidated subsidiaries. Names of consolidated subsidiaries are listed in “Group companies” of “2. Relations among Group Companies.”</p> <p>-Subsidiary included in consolidation by additional acquisition of shares during the current consolidated accounting period Union Nifco Co., Ltd.</p> <p>-Newly established subsidiary during the current consolidated accounting period: Nifco Korea USA Inc. Other one subsidiary</p>	<p>All subsidiaries are consolidated. There are 33 consolidated subsidiaries. Names of consolidated subsidiaries are listed in “Group companies” of “2. Relations among Group Companies.”</p> <p>-Subsidiary excluded from consolidation because it became an affiliated company that comes under the equity method of accounting by partial sale of shares during the current consolidated accounting period: Nifco Advanced Technology Inc.</p> <p>- Subsidiary that ceased to exist because it was absorbed by Nifco America Corporation: Nifco North America Inc.</p>
2. Application of the Equity Method	<p>Equity method is applied to all affiliated companies, which currently number 3.</p> <p>-Company excluded from the application of the equity method because it became a consolidated subsidiary by additional share acquisition during the current consolidated accounting period Union Nifco Co., Ltd.</p> <p>Names of these affiliated companies are listed in “Group companies” of “2. Relations among Group Companies.”</p> <p>Of the companies that come under the equity method of accounting, we use financial statements which are prepared as of the respective closing date for those companies whose closing date differs from the consolidated closing date.</p>	<p>Equity method is applied to all affiliated companies, which currently number 4.</p> <p>-Company included in affiliated companies that comes under the equity method of accounting by partial sale of shares during the current consolidated accounting period: Nifco Advance Technology Inc.</p> <p>Names of these affiliated companies are listed in “Group companies” of “2. Relations among Group Companies.”</p> <p>Of the companies that come under the equity method of accounting, we use financial statements which are prepared as of the respective closing date for those companies whose closing date differs from the consolidated closing date.</p>

Item	FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
3. Closing Date of Period of Consolidated Subsidiaries	<p>Subsidiaries whose closing date differs from that of the Company (March 31)</p> <p>Closing of accounts on December 31: Nifco Korea Inc. Nifco Korea USA Inc. The Japan Times Ltd. Simmons Bedding & Furniture (Hong Kong) Ltd. Nifco America Corporation Nifco North America Inc. Shanghai Nifco Plastic Manufacturer Co., Ltd. Nifco Products España S.L.U. Taiwan Industrial Fastener Corporation Dongguan Nifco Co., Ltd. Tifco (Dongguan) Co., Ltd. Nifco (Thailand) Co., Ltd. Union Nifco Co., Ltd. Nifco (Hong Kong) Ltd. Beijing Nifco Co., Ltd. Nifco Vietnam Ltd. Nifco Poland sp. zo. o. Nifco Deutschland GmbH Nifco U.K. Ltd. Snipgrove Ltd. Nifco Manufacturing (Malaysia) Sdn. Bhd. Nifco (Singapore) Pte. Ltd. Other 8 subsidiaries</p> <p>In preparing the consolidated financial statements, financial statements of these companies as of the said account closing date, except adjustments necessary for consolidation purposes, are made in respect of important transactions that took place between January 1, 2009 and the consolidated account closing date of March 31, 2009.</p>	<p>Subsidiaries whose closing date differs from that of the Company (March 31)</p> <p>Closing of accounts on December 31: Nifco Korea Inc. Nifco Korea USA Inc. The Japan Times Ltd. Simmons Bedding & Furniture (Hong Kong) Ltd. Nifco America Corporation Shanghai Nifco Plastic Manufacturer Co., Ltd. Nifco Products España S.L.U. Taiwan Industrial Fastener Corporation Dongguan Nifco Co., Ltd. Tifco (Dongguan) Co., Ltd. Nifco (Thailand) Co., Ltd. Union Nifco Co., Ltd. Nifco (Hong Kong) Ltd. Beijing Nifco Co., Ltd. Nifco Vietnam Ltd. Nifco Poland sp. zo. o. Nifco Deutschland GmbH Nifco U.K. Ltd. Snipgrove Ltd. Nifco Manufacturing (Malaysia) Sdn. Bhd. Nifco (Singapore) Pte. Ltd. Other 8 subsidiaries</p> <p>In preparing the consolidated financial statements, financial statements of these companies as of the said account closing date, except adjustments necessary for consolidation purposes, are made in respect of important transactions that took place between January 1, 2010 and the consolidated account closing date of March 31, 2010.</p>

Item	FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
	<p>employees of the Company and its domestic consolidated subsidiaries, a reserve is booked essentially on the basis of the anticipated amount to be disbursed.</p> <p>(iii) Reserve for severance and retirement benefits: The Company sets aside at the end of each year a sum which is calculated as the retirement allowances which would be payable as of the end of the year together the increased retirement liabilities generated during the period. Any shortfalls in the Company's tax-qualified pension program are expensed by straight-line method beginning with the consolidated accounting year in which such shortfalls accrued over the designated number of years (5 to 10 years) but not exceeding the mean number of remaining years of service of the employees. Any actuarial difference is expensed by straight-line method beginning with the accounting year in which such difference accrued over the designated number of years (10 years) but not exceeding the mean number of remaining years of service of the employees. For some subsidiaries, such difference is expensed by straight-line method over a period of 5 years beginning with the next accounting year in which such difference accrued.</p> <p>(iv) Reserve for directors' retirement benefits: In order to provide for the expenditures of compensatory money to be paid to retiring directors and executive officers, the required amount for payment at the end of term as prescribed mainly by the internal regulations is booked by some of its consolidated subsidiaries.</p>	<p>(iii) Reserve for severance and retirement benefits: Same as left.</p> <p>[Change in accounting policies] The Company and its consolidated subsidiaries adopted the "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No. 19, July 31, 2008) from the current consolidated fiscal year. This change had no impact on operating profit, recurring profit or net income before income taxes.</p> <p>(iv) Reserve for directors' retirement benefits: Same as left.</p>
(4) Criteria for converting significant foreign currency assets and liabilities to Japanese yen	Foreign currency claims and obligations are converted into Japanese yen at the relevant spot exchange rates prevailing on the closing date, and any conversion difference is treated as profit or loss. Assets and liabilities of foreign subsidiary companies are translated into Japanese yen using the exchange rate at the end of term, and profits and losses are translated into Japanese yen using the average exchange rate of the period. Any losses or gains thus generated are included as foreign currency translation adjustments and minority interests as part of net assets.	Same as left.
(5) Deferred assets	Bond issuance cost is recognized as an expense when expended.	—————
(6) Policies for other items in the balance sheets	(i) Consumption and other taxes: The amounts accrued for consumption and local taxes are deducted from net sales and expenses.	(i) Consumption and other taxes: Same as left.
5. Valuations of the assets and liabilities of consolidated subsidiaries	The assets and liabilities of consolidated subsidiaries are partly valued at market place.	Same as left.
6. Amortization of goodwill and negative goodwill	Goodwill and negative goodwill are amortized in equal amounts over 5-year term.	Goodwill and negative goodwill are amortized in equal amounts over an estimated period in which investment effects will be revealed.

Item	FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
7. Scope of cash and cash equivalents in the Consolidated Statements of Cash Flows	Consists of cash-on-hand, deposits that can be withdrawn on demand, as well as short-term investments which can be converted easily into cash and carry little or no risk of fluctuation, with a maturity date of less than 3 months from the date of acquisition.	Same as left.

Changes in Significant Accounting Policies for Preparing Consolidated Financial Statements

FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
<p>[Change in evaluation of inventories]</p> <p>Effective from this consolidated fiscal year, the Company has adopted “Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9, issued on July 5, 2006).</p> <p>As a result of this change, operating profit, recurring profit and net income before income taxes all fell by 13 million yen compared with those calculated under the previous method.</p> <p>The effects on segment information from the above change are described in the relevant section.</p>	<p>_____</p>
<p>[Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements]</p> <p>Effective from this consolidated fiscal period, the Company has adopted “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (Practical Issues Task Force No. 18, issued on May 17, 2006)” and implemented necessary revisions for the purpose of consolidated account settlement.</p> <p>In the meantime, the above change has had only a minor effect on earnings results of the Company for this consolidated fiscal period.</p>	<p>_____</p>
<p>[Changes in the method of converting profits and expenses of overseas subsidiaries into yen]</p> <p>Although the Company previously converted profits and expenses of overseas subsidiaries into yen based on the spot exchange rate on the date of account settlement, it has adopted a new method of converting profits and expenses of overseas subsidiaries into yen based on the average exchange rate during the period effective from this consolidated fiscal period.</p> <p>We made the above change to equalize the effect on periodic profit and loss because of expansion of scale of operation of overseas subsidiaries and rapid changes in exchange rates so that the Company will be able to reflect more appropriate periodic profit and loss in the consolidated financial statements.</p> <p>As a result of this change, sales, operating profit, recurring profit and net income before income taxes increased by 9,635 million yen, 920 million yen, 1,013 million yen and 938 million yen, respectively, compared with those calculated under the previous method.</p> <p>The effects on segment information from the above change are described in the relevant section.</p>	<p>_____</p>
<p>[Accounting standards for lease transactions]</p> <p>Financial lease transactions not involving transfer of the ownership of leased properties to the lessees were traditionally treated in the same manner as ordinary lease transactions. From this consolidated fiscal year, however, “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, issued on June 17, 1993, First Subcommittee of Business Accounting Council, revised on March 30, 2007) and “Guidelines on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16, issued on January 18, 1994, Accounting System Committee of the Japanese Institute of Certified Public Accountants, revised on March 31, 2007) are applied.</p> <p>Further, financial lease transactions not involving transfer of the ownership of leased properties to the lessees, in which the lease transaction start date is before the first application year, are continuously treated in the same manner as ordinary lease transactions.</p> <p>In the meantime, the above change has had only a minor effect on earnings results of the Company for this consolidated fiscal period.</p>	<p>_____</p>

Changes to the Method of Presentation

FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
<p>[Consolidated Balance Sheets]</p> <p>As the “Cabinet Office Ordinance on the Partial Revision of Regulations for Terminology, Forms and Preparation of Financial Statements” (Government Office Ordinance No. 50, issued on August 7, 2008) is applied, what were stated as “inventories” in the previous consolidated fiscal year are classified and stated in the “merchandise and finished goods,” “work in process” and “raw materials and supplies” from this consolidated fiscal year.</p> <p>Further, “merchandise and finished goods,” “work in process” and “raw materials and supplies” included in “inventories” of the previous consolidated fiscal year are 7,851 million yen, 1,315 million yen and 2,840 million yen, respectively.</p>	<p>[Consolidated Balance Sheets]</p> <p>1. “Accrued severance and retirement benefits,” which had been independently presented until the previous consolidated fiscal year,” is included in “Others” in this consolidated fiscal year since it became insignificant in terms of amount.</p> <p>Further, “Accrued severance and retirement benefits,” included in “Others” in this consolidated fiscal year, is 75 million yen.</p> <p>2. “Liability for directors’ retirement benefits,” which had been independently presented until the previous consolidated fiscal year,” is included in “Others,” since it becomes insignificant in terms of amount.</p> <p>Further, “Liability for directors’ retirement benefits,” included in “Others” in this consolidated fiscal year, is 32 million yen.</p> <p>[Consolidated Statement of Cash Flows]</p> <p>1. “Increase (decrease) in consumption taxes receivable / payable” under cash flows provided by (used in) operating activities, included in “Increase (decrease) in other liabilities” in the previous consolidated fiscal year, is now separately classified and stated from this consolidated fiscal year, since it has become significant in terms of amount.</p> <p>“Decrease in consumption taxes receivable / payable” included in “Increase (decrease) in other liabilities” in the previous consolidated fiscal year was 216 million yen.</p> <p>2. “Increase (decrease) in accrued directors’ retirement benefits” under cash flows provided by (used in) operating activities is included in “Others” in this consolidated fiscal year since it has become insignificant in terms of amount.</p> <p>“Decrease in accrued directors’ retirement benefits” included in “Others” in this consolidated fiscal year is 5 million yen.</p>

- Notes in Relation to the Consolidated Balance Sheets

FY2008 (As of March 31, 2009)	FY2009 (As of March 31, 2010)
<p>1. Accumulated impairment loss is included in accumulated depreciation in “Tangible fixed assets”.</p> <p>2. Items related to affiliated companies Items related to affiliated companies are as follows: Investment securities (shares) 179 million yen</p> <p>3. In accordance with the law concerning revaluation of land holdings (No. 34; enacted on March 31, 1998), a revaluation of business land held by the Company’s subsidiary The Japan Times Ltd. was carried out on March 31, 2002. In accordance with the law to amend this law concerning land revaluation (No. 24; enacted on March 31, 1999), the difference between the valuation and the book value of the land are included in “Revaluation reserve for land” as a part of the Net assets. [Revaluation method] A valuation based on method prescribed in the law on the revaluation of land (No. 119; enacted on March 31, 1998) [Date of revaluation] March 31, 2002</p> <p>4. Commitment line agreement The Company has executed commitment line agreements with 11 financial institutions to secure stable financing. The outstanding balance of loans as of the end of this consolidated accounting period under these agreements is as follows: Total amount of commitment line 10,500 million yen <u>Balance of loans made</u> - million yen Differences 10,500 million yen</p>	<p>1. Accumulated impairment loss is included in accumulated depreciation in “Tangible fixed assets”.</p> <p>2. Items related to affiliated companies Items related to affiliated companies are as follows: Investment securities (shares) 181 million yen</p> <p>3. In accordance with the law concerning revaluation of land holdings (No. 34; enacted on March 31, 1998), a revaluation of business land held by the Company’s subsidiary The Japan Times Ltd. was carried out on March 31, 2002. In accordance with the law to amend this law concerning land revaluation (No. 24; enacted on March 31, 1999), the difference between the valuation and the book value of the land are included in “Revaluation reserve for land” as a part of the Net assets. [Revaluation method] A valuation based on method prescribed in the law on the revaluation of land (No. 119; enacted on March 31, 1998) [Date of revaluation] March 31, 2002</p> <p>4. Commitment line agreement The Company has executed commitment line agreements with 11 financial institutions to secure stable financing. The outstanding balance of loans as of the end of this consolidated accounting period under these agreements is as follows: Total amount of commitment line 10,500 million yen <u>Balance of loans made</u> - million yen Differences 10,500 million yen</p>

- Notes in Relation to the Consolidated Statements of Income

FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)																														
<p>1. Gain on disposal of fixed assets is mainly attributed to sale of tools, furniture and fixtures and machinery and equipment.</p> <p>2. Loss on disposal of fixed assets is mainly attributable to disposal of molds.</p> <p>3. Research and development expenses included in general administrative expenses and manufacturing costs in the current period are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">General administrative expenses</td> <td style="text-align: right;">517 million yen</td> </tr> <tr> <td><u>Manufacturing costs in the current period</u></td> <td style="text-align: right;"><u>1,192 million yen</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">1,710 million yen</td> </tr> </table> <p>4. Impairment loss</p> <p style="padding-left: 20px;">The Nifco Group recorded impairment loss on the following asset and asset group.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 30%;">Location</th> <th style="width: 30%;">Use</th> <th style="width: 40%;">Type of asset</th> </tr> </thead> <tbody> <tr> <td>Zama plant (Zama, Kanagawa)</td> <td>Bed manufacturing plant</td> <td>Buildings and Land</td> </tr> <tr> <td>Nifco U.K. Ltd. (Cleveland, U.K.)</td> <td>Manufacturing facility for industrial plastic parts and components</td> <td>Machinery and equipment</td> </tr> </tbody> </table> <p style="margin-top: 10px;">The Nifco Group groups business assets for internal use by the unit of office or consolidated subsidiary, and lease properties and assets to be disposed (idle assets) by individual property.</p> <p style="margin-top: 10px;">The book value of buildings and land no longer used on account of the plant transfer and machinery and equipment no longer used on account of reduced manufacturing was reduced to the recoverable value, and the relevant decrease in value was posted to the extraordinary loss as an impairment loss (674 million yen). It consists of 651 million yen for the Zama Plant (150 million yen for buildings and 500 million yen for land) and 22 million yen for Nifco U.K. Limited.</p> <p style="margin-top: 10px;">The recoverable value of the relevant assets was determined by the net sale value, and buildings and land are appraised at real estate appraisal amount.</p>	General administrative expenses	517 million yen	<u>Manufacturing costs in the current period</u>	<u>1,192 million yen</u>	Total:	1,710 million yen	Location	Use	Type of asset	Zama plant (Zama, Kanagawa)	Bed manufacturing plant	Buildings and Land	Nifco U.K. Ltd. (Cleveland, U.K.)	Manufacturing facility for industrial plastic parts and components	Machinery and equipment	<p>1. Gain on disposal of fixed assets is mainly attributed to sale of tools, furniture and fixtures and machinery and equipment.</p> <p>2. Loss on disposal of fixed assets is mainly attributable to disposal of molds.</p> <p>3. Research and development expenses included in general administrative expenses and manufacturing costs in the current period are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">General administrative expenses</td> <td style="text-align: right;">393 million yen</td> </tr> <tr> <td><u>Manufacturing costs in the current period</u></td> <td style="text-align: right;"><u>966 million yen</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">1,360 million yen</td> </tr> </table> <p>4. Impairment loss</p> <p style="padding-left: 20px;">The Nifco Group recorded impairment loss on the following asset and asset group.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 30%;">Location</th> <th style="width: 30%;">Use</th> <th style="width: 40%;">Type of asset</th> </tr> </thead> <tbody> <tr> <td>The Japan Times Ltd. (Minato-ku, Tokyo)</td> <td>Other businesses</td> <td>Goodwill; Buildings and structures; Machinery, equipment and vehicles; and Tools, furniture and fixtures</td> </tr> <tr> <td>Nifco Products España S.L.U. (Barcelona, Spain)</td> <td>Industrial plastic parts and components business</td> <td>Goodwill</td> </tr> </tbody> </table> <p style="margin-top: 10px;">The Nifco Group groups business assets for internal use by the unit of office or consolidated subsidiary, and lease properties and assets to be disposed (idle assets) by individual property.</p> <p style="margin-top: 10px;">With regard to assets held by subsidiaries that continue to post a loss from operating activities and goodwill that has become unrecoverable due to the worsening of business conditions, we reduced their book value to the recoverable value, respectively, and posted the relevant decrease in value to the extraordinary losses as an impairment loss (556 million yen). It consists of 295 million yen for The Japan Times Ltd. (195 million yen for goodwill, 6 million yen for buildings and structures, 6 million yen for machinery, equipment and vehicles, 4 million yen for tools, furniture and fixtures and 82 million yen for others) and 260 million yen for Nifco Products España S.L.U.</p> <p style="margin-top: 10px;">The recoverable value of the relevant assets was determined by the net sale value, and buildings and land are appraised at real estate appraisal amount.</p>	General administrative expenses	393 million yen	<u>Manufacturing costs in the current period</u>	<u>966 million yen</u>	Total:	1,360 million yen	Location	Use	Type of asset	The Japan Times Ltd. (Minato-ku, Tokyo)	Other businesses	Goodwill; Buildings and structures; Machinery, equipment and vehicles; and Tools, furniture and fixtures	Nifco Products España S.L.U. (Barcelona, Spain)	Industrial plastic parts and components business	Goodwill
General administrative expenses	517 million yen																														
<u>Manufacturing costs in the current period</u>	<u>1,192 million yen</u>																														
Total:	1,710 million yen																														
Location	Use	Type of asset																													
Zama plant (Zama, Kanagawa)	Bed manufacturing plant	Buildings and Land																													
Nifco U.K. Ltd. (Cleveland, U.K.)	Manufacturing facility for industrial plastic parts and components	Machinery and equipment																													
General administrative expenses	393 million yen																														
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The Japan Times Ltd. (Minato-ku, Tokyo)	Other businesses	Goodwill; Buildings and structures; Machinery, equipment and vehicles; and Tools, furniture and fixtures																													
Nifco Products España S.L.U. (Barcelona, Spain)	Industrial plastic parts and components business	Goodwill																													
<p>5. The year-end inventories are in the amount after the write-down following the reduced profitability, and the following appraisal losses are included in the cost of sales.</p> <p style="text-align: right; margin-top: 10px;">41 million yen</p>	<p>_____</p>																														

- Notes in Relation to the Consolidated Statement of Changes in Net Assets
For FY2008 (April 1, 2008 to March 31, 2009)

1. Matters concerning type and aggregate number of issued and outstanding stocks and type and number of treasury stocks

	No. of stocks as of end of previous consolidated fiscal year	No. of stocks increased during this consolidated fiscal year	No. of stocks decreased during this consolidated fiscal year	No. of stocks as of end of this consolidated fiscal year
Issued and outstanding stocks				
Common stocks	53,754,477	-	-	53,754,477
Total	53,754,477	-	-	53,754,477
Treasury stocks				
Common stocks (Note 1, 2)	2,034,905	2,819	1,587,363	450,361
Total	2,034,905	2,819	1,587,363	450,361

Notes: 1. The increase of 2,819 common stocks in the treasury stock category represents a purchase of odd-lot certificates.
2. The decrease of 1,587,363 common stocks in the treasury stock category represents a decrease of 7,000 stocks through exercise of stock options, a decrease of 1,576,295 stocks through conversion of convertible bonds, a decrease of 1,068 stocks through sales of odd-lot certificates and a decrease of 3,000 shares through disposal.

2. Matters concerning equity warrant and treasury equity warrant

Not applicable

3. Matters concerning dividends

(1) Amount of dividends paid

(Resolution)	Type of stock	Aggregate amount of dividends (million yen)	Amount of dividend per share (yen)	Base date	Effective date
Ordinary general meeting of shareholders held on June 24, 2008	Common stock	1,758	34	March 31, 2008	June 25, 2008
Board of Directors held on October 29, 2008	Common stock	1,599	30	September 30, 2008	December 1, 2008

(2) Dividends whose base dates fall within this fiscal period but whose effective dates fall after the end of this fiscal period

(Resolution)	Type of stock	Aggregate amount of dividends (million yen)	Source of dividends	Amount of dividend per share (yen)	Base date	Effective date
Ordinary general meeting of shareholders held on June 24, 2009	Common stock	1,279	Retained earnings	24	March 31, 2009	June 25, 2009

For FY2009 (April 1, 2009 to March 31, 2010)

1. Matters concerning type and aggregate number of issued and outstanding stocks and type and number of treasury stocks

	No. of stocks as of end of previous consolidated fiscal year	No. of stocks increased during this consolidated fiscal year	No. of stocks decreased during this consolidated fiscal year	No. of stocks as of end of this consolidated fiscal year
Issued and outstanding stocks				
Common stocks	53,754,477	-	-	53,754,477
Total	53,754,477	-	-	53,754,477
Treasury stocks				
Common stocks (Note 1, 2)	450,361	2,812	1,036	452,137
Total	450,361	2,812	1,036	452,137

Notes: 1. The increase of 2,812 common stocks in the treasury stock category represents a purchase of odd-lot certificates.

2. The decrease of 1,036 common stocks in the treasury stock category represents a decrease of 614 stocks through sales of odd-lot certificates and a decrease of 422 shares through a change in equity ratio held by affiliated companies.

2. Matters concerning equity warrant and treasury equity warrant

Not applicable

3. Matters concerning dividends

(1) Amount of dividends paid

(Resolution)	Type of stock	Aggregate amount of dividends (million yen)	Amount of dividend per share (yen)	Base date	Effective date
Ordinary general meeting of shareholders held on June 24, 2009	Common stock	1,279	24	March 31, 2009	June 25, 2009
Board of Directors held on October 29, 2009	Common stock	533	10	September 30, 2009	December 1, 2009

(2) Dividends whose base dates fall within this fiscal period but whose effective dates fall after the end of this fiscal period

(Resolution)	Type of stock	Aggregate amount of dividends (million yen)	Source of dividends	Amount of dividend per share (yen)	Base date	Effective date
Ordinary general meeting of shareholders held on June 24, 2010	Common stock	1,066	Retained earnings	20	March 31, 2010	June 25, 2010

- Notes in Relation to the Consolidated Statements of Cash Flows

FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)																
<p>1. Reconciliation between the sums for cash and cash equivalents as of March 31, 2009 shown on the Balance Sheets</p> <p style="text-align: right;">(Unit: Millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Cash and bank deposits</td> <td style="text-align: right;">30,870</td> </tr> <tr> <td><u>Time deposits of more than 3 months</u></td> <td style="text-align: right;"><u>(2,159)</u></td> </tr> <tr> <td><u>Cash and cash equivalents</u></td> <td style="text-align: right;"><u>28,711</u></td> </tr> </table>	Cash and bank deposits	30,870	<u>Time deposits of more than 3 months</u>	<u>(2,159)</u>	<u>Cash and cash equivalents</u>	<u>28,711</u>	<p>1. Reconciliation between the sums for cash and cash equivalents as of March 31, 2010 shown on the Balance Sheets</p> <p style="text-align: right;">(Unit: Millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Cash and bank deposits</td> <td style="text-align: right;">36,966</td> </tr> <tr> <td>Time deposits of more than 3 months</td> <td style="text-align: right;">(3,426)</td> </tr> <tr> <td><u>Marketable securities within 3 months</u></td> <td style="text-align: right;"><u>568</u></td> </tr> <tr> <td><u>Cash and cash equivalents</u></td> <td style="text-align: right;"><u>34,108</u></td> </tr> </table>	Cash and bank deposits	36,966	Time deposits of more than 3 months	(3,426)	<u>Marketable securities within 3 months</u>	<u>568</u>	<u>Cash and cash equivalents</u>	<u>34,108</u>		
Cash and bank deposits	30,870																
<u>Time deposits of more than 3 months</u>	<u>(2,159)</u>																
<u>Cash and cash equivalents</u>	<u>28,711</u>																
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<u>Marketable securities within 3 months</u>	<u>568</u>																
<u>Cash and cash equivalents</u>	<u>34,108</u>																
<p>2. Non-cash transactions resulting from using treasury stocks when convertible bonds were converted</p> <p style="text-align: right;">(Unit: Millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Decrease in treasury stocks</td> <td style="text-align: right;">3,733</td> </tr> <tr> <td><u>Loss on sales of treasury stocks</u></td> <td style="text-align: right;"><u>(1,145)</u></td> </tr> <tr> <td>Decrease in convertible bonds as a result of <u>conversion</u></td> <td style="text-align: right;"><u>2,587</u></td> </tr> </table>	Decrease in treasury stocks	3,733	<u>Loss on sales of treasury stocks</u>	<u>(1,145)</u>	Decrease in convertible bonds as a result of <u>conversion</u>	<u>2,587</u>	<p>—————</p>										
Decrease in treasury stocks	3,733																
<u>Loss on sales of treasury stocks</u>	<u>(1,145)</u>																
Decrease in convertible bonds as a result of <u>conversion</u>	<u>2,587</u>																
<p>3. Details of assets and liabilities of a company that has newly become a consolidated subsidiary through acquisition of shares</p> <p>Assets and liabilities at the start of consolidation, following the inclusion of Union Nifco Co., Ltd. in consolidation through acquisition of shares, are as follows:</p> <p style="text-align: right;">(Unit: Millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Current Assets</td> <td style="text-align: right;">1,328</td> </tr> <tr> <td>Fixed Assets</td> <td style="text-align: right;">658</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">(626)</td> </tr> <tr> <td>Long-term Liabilities</td> <td style="text-align: right;">(42)</td> </tr> </table>	Current Assets	1,328	Fixed Assets	658	Current Liabilities	(626)	Long-term Liabilities	(42)	<p>2. Details of assets and liabilities of a company that has ceased to be a consolidated subsidiary as a result of sales of shares in this consolidated fiscal year</p> <p>Assets and liabilities at the time of sales, attendant upon the exclusion of Nifco Advanced Technology Inc. from consolidation as a result of sales of shares, are as follows:</p> <p style="text-align: right;">(Unit: Millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Current Assets</td> <td style="text-align: right;">1,595</td> </tr> <tr> <td>Fixed Assets</td> <td style="text-align: right;">78</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">(1,186)</td> </tr> <tr> <td>Long-term Liabilities</td> <td style="text-align: right;">(21)</td> </tr> </table>	Current Assets	1,595	Fixed Assets	78	Current Liabilities	(1,186)	Long-term Liabilities	(21)
Current Assets	1,328																
Fixed Assets	658																
Current Liabilities	(626)																
Long-term Liabilities	(42)																
Current Assets	1,595																
Fixed Assets	78																
Current Liabilities	(1,186)																
Long-term Liabilities	(21)																

- Effective Rates of Income Tax

FY2008 (As of March 31, 2009)	FY2009 (As of March 31, 2010)
1. An explanation of the occurrence of deferred tax assets and liabilities (Unit: Millions of yen)	1. An explanation of the occurrence of deferred tax assets and liabilities (Unit: Millions of yen)
Deferred tax assets:	Deferred tax assets:
Accrued enterprise taxes 20	Accrued enterprise taxes 169
Valuation loss on molds and dies 401	Valuation loss on molds and dies 308
Accrued bonuses 434	Accrued bonuses 421
Evaluation loss on inventories 58	Evaluation loss on inventories 21
Allowance for doubtful receivables 296	Allowance for doubtful receivables 20
Employees' retirement allowances 485	Employees' retirement allowances 579
Directors' retirement allowance 10	Net loss carry-forwards of subsidiaries 1,800
Accrued directors' retirement allowance 32	Loss on valuation of investment securities 45
Net loss carry-forwards of subsidiaries 1,738	Depreciation 89
Loss on valuation of investment securities 94	<u>Others</u> 999
Depreciation 95	Sub-total 4,456
<u>Others</u> 766	<u>Offset with deferred tax liabilities within each entity</u> (1,106)
Sub-total 4,437	<u>Sub-total deferred tax assets</u> 3,350
<u>Offset with deferred tax liabilities within each entity</u> (1,100)	<u>Valuation Allowance</u> (1,834)
<u>Sub-total deferred tax assets</u> 3,336	<u>Total deferred tax assets</u> 1,516
<u>Valuation Allowance</u> (1,915)	
<u>Total deferred tax assets</u> 1,420	
Deferred tax liabilities:	Deferred tax liabilities:
Net unrealized holding gains on securities (1)	Net unrealized holding gains on securities (244)
Reserved surplus for advanced depreciation (616)	Reserved surplus for advanced depreciation (620)
Difference on revaluation of assets of subsidiaries (39)	Difference on revaluation of assets of subsidiaries (33)
Securities for retirement benefits (351)	Securities for retirement benefits (354)
<u>Others</u> (606)	<u>Others</u> (532)
Sub-total (1,615)	Sub-total (1,786)
<u>Offset with deferred tax assets within each entity</u> 1,100	<u>Offset with deferred tax assets within each entity</u> 1,106
<u>Deferred tax liabilities</u> (514)	<u>Deferred tax liabilities</u> (680)
2. An explanation of the difference arising between the statutory rate of corporation tax and other taxes after the application of the effective tax rates and the calculations for tax applied in the Company's balance sheets. (Unit: %)	2. An explanation of the difference arising between the statutory rate of corporation tax and other taxes after the application of the effective tax rates and the calculations for tax applied in the Company's balance sheets. (Unit: %)
Statutory tax rate 40.6	Statutory tax rate 40.6
(adjustments)	(adjustments)
Non-deductible entertainment expenses, etc. 1.3	Non-deductible entertainment expenses, etc. 2.4
Items such as dividend income that are excluded from income permanently -2.2	Items such as dividend income that are excluded from income permanently -4.5
Per-capita inhabitant tax 1.3	Per-capita inhabitant tax 0.4
Tax rate differences between those applied in Japan and the countries of foreign subsidiaries -16.1	Tax rate differences between those applied in Japan and the countries of foreign subsidiaries -10.5
Increase/decrease in valuation allowance 7.7	Increase/decrease in valuation allowance 2.5
Equity-method investment gain -1.0	Equity-method investment gain 0.7
Effect of eliminations on consolidation due to receipt of dividends from subsidiaries 10.0	Effect of eliminations on consolidation due to receipt of dividends from subsidiaries 5.5
Special reduction in tax rate for expenses in relation to research and development -13.1	Special reduction in tax rate for expenses in relation to research and development -4.5
<u>Others</u> -1.5	Difference adjustment in income taxes receivable declaration 2.0
<u>Effective tax rate</u> 27.2	<u>Others</u> 0.2
	<u>Effective tax rate</u> 35.1

- Segment Information

a. Business segment information

- For FY2008 (April 1, 2008 to March 31, 2009)

(Unit: Millions of yen)

	Industrial plastic parts & components	Bedding & furniture	Newspaper & publishing	Other businesses	Total	Elimination & corporate expenses	Consolidated figures
I Net sales and operating profit (loss)							
Net sales							
(1) Sales to customers	101,469	15,662	2,862	2,523	122,518	-	122,518
(2) Inter-segment sales	-	0	20	1	22	(22)	-
Total	101,469	15,663	2,883	2,525	122,541	(22)	122,518
Operating expenses	91,990	14,198	3,219	2,643	112,051	3,229	115,280
Operating profit (loss)	9,479	1,465	(335)	(118)	10,490	(3,252)	7,237
II Assets, depreciation, impairment loss and capital expenditure							
Assets	63,162	14,035	1,225	8,982	87,405	24,734	112,140
Depreciation	7,360	306	4	16	7,688	291	7,979
Impairment loss	22	651	-	-	674	-	674
Capital expenditure	7,900	3,050	29	19	11,001	473	11,474

- For FY2009 (April 1, 2009 to March 31, 2010)

(Unit: Millions of yen)

	Industrial plastic parts & components	Bedding & furniture	Other businesses	Total	Elimination & corporate expenses	Consolidated figures
I Net sales and operating profit (loss)						
Net sales						
(1) Sales to customers	89,512	13,522	4,470	107,505	-	107,505
(2) Inter-segment sales	-	0	31	32	(32)	-
Total	89,512	13,523	4,502	107,538	(32)	107,505
Operating expenses	78,663	12,511	4,790	95,966	2,985	98,952
Operating profit (loss)	10,848	1,011	(288)	11,571	(3,018)	8,553
II Assets, depreciation, impairment loss and capital expenditure						
Assets	69,996	13,046	8,756	91,799	30,935	112,735
Depreciation	6,084	421	16	6,522	101	6,623
Impairment loss	260	-	295	556	-	556
Capital expenditure	5,304	176	23	5,504	70	5,574

Notes 1. The businesses are classified according to types of products and their markets.

2. The main products for each business segment are as follows.

(1) Industrial plastic parts and components:.....Industrial plastic fasteners, precision plastic injection molded, components, etc.

(2) Bedding & furniture:Various types of beds, reclining chairs, etc.

(3) Other businesses:English-language newspaper and other printed media, liquid crystal displays and other electronic components, etc.

3. The consolidated figures for operating expenses for the previous and present year include operating expenses of 3,462 million yen and 3,161 million yen, respectively, which cannot be appropriated to any one segment and are included in Eliminations and Corporate Expenses; these mainly consist of expenses incurred by the administrative operations of the Company's Head Office including its Administration and Accounting Departments.

4. The consolidated figures for the previous and present year includes assets of 36,220 million yen and 45,235 million yen, respectively, which cannot be appropriated to any one segment and are included in Eliminations and Corporate Expenses. These are mainly assets which related to the Administration Division including operating capital (cash), long-term deposits (investment securities), etc.

5. The increase in long-term prepaid expenses is included in capital expenditures.

6. Changes in accounting policies

(Accounting standards regarding measurement of inventories)

As stated in the column of "Changes in Significant Accounting Policies for Preparing Consolidated Financial Statements," the Company has adopted "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, issued on July 5, 2006) from the preceding consolidated fiscal period. As a result, operating profit of "Industrial plastic

parts & components” is smaller than the amount under the previous method by 6 million yen; that of “Bedding & furniture” is smaller by 6 million yen for the preceding consolidated fiscal period.

(Changes in the method of converting profits and expenses of overseas subsidiaries into yen)

As stated in the column of “Changes in Significant Accounting Policies for Preparing Consolidated Financial Statements,” although the Company previously converted profits and expenses of overseas subsidiaries into yen based on the spot exchange rate on the date of account settlement, we have adopted a new method of converting profits and expenses of overseas subsidiaries into yen based on the average exchange rate during the period effective from the preceding consolidated fiscal period. As a result, operating profit of “Industrial plastic parts & components” is larger than the amount under the previous method by 776 million yen; that of “Bedding & furniture” is larger by 143 million yen for the preceding consolidated fiscal period.

7. “Newspapers and publishing business,” which was separately presented in the previous consolidated fiscal year, is included in “Other businesses” from this consolidated fiscal year, since the significance of the business declined. Net sales of the “newspapers and publishing business” to outside customers were 2,370 million yen and its operating loss was 402 million yen in this consolidated fiscal year.

b. Geographic segment information
- For FY2008 (April 1, 2008 to March 31, 2009)

(Unit: Millions of yen)

	Japan	Asia	North America	Europe	Total	Elimination & corporate expenses	Consolidated figures
I Net sales and operating profit (loss)							
Net sales							
(1) Sales to customers	71,252	32,881	11,640	6,744	122,518	-	122,518
(2) Inter-segment sales	3,760	1,228	21	0	5,011	(5,011)	-
Total	75,013	34,110	11,661	6,744	127,530	(5,011)	122,518
Operating expenses	70,079	29,184	11,857	6,473	117,594	(2,313)	115,280
Operating profit (loss)	4,934	4,925	(195)	271	9,935	(2,698)	7,237
II Assets	46,074	25,413	7,458	5,142	84,089	28,050	112,140

- For FY2009 (April 1, 2009 to March 31, 2010)

(Unit: Millions of yen)

	Japan	Asia	North America	Europe	Total	Elimination & corporate expenses	Consolidated figures
I Net sales and operating profit (loss)							
Net sales							
(1) Sales to customers	65,341	28,294	8,654	5,215	107,505	-	107,505
(2) Inter-segment sales	4,296	1,201	1	0	5,499	(5,499)	-
Total	69,637	29,495	8,656	5,215	113,005	(5,499)	107,505
Operating expenses	62,553	25,389	9,007	4,934	101,884	(2,932)	98,952
Operating profit (loss)	7,084	4,106	(350)	280	11,120	(2,567)	8,553
II Assets	45,371	30,175	8,383	6,074	90,006	32,729	122,735

Notes 1. Countries or regions are defined by geographical proximity.

2. The details of the countries or the regions other than Japan are as follows:

(1) Asia:South Korea, Hong Kong, China, Taiwan, Malaysia, Singapore, Thailand and Vietnam

(2) North America:U.S.A.

(3) Europe:U.K., Spain, Poland and Germany

3. The consolidated figures for operating expenses for the previous and present year include operating expenses of 3,462 million yen and 3,161 million yen, respectively, which cannot be appropriated to any one segment and are included in Eliminations and Corporate Expenses; these mainly consist of expenses incurred by the administrative operations of the Company's Head Office including its Administration and Accounting Departments.

4. The consolidated figures for the previous and present year includes assets of 36,220 million yen and 45,235 million yen, respectively, which cannot be appropriated to any one segment and are included in Eliminations and Corporate Expenses. These are mainly assets which related to the Administration Division including operating capital (cash), long-term deposits (investment securities), etc.

5. Changes in accounting policies
(Accounting standards regarding measurement of inventories)

As stated in the column of "Changes in Significant Accounting Policies for Preparing Consolidated Financial Statements," the Company has adopted "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, issued on July 5, 2006) from the preceding consolidated fiscal period. As a result, operating profit of "Japan" is smaller than the amount under the previous method by 13 million yen for the preceding consolidated period.
(Changes in the method of converting profits and expenses of overseas subsidiaries into yen)

As stated in the column of "Changes in Significant Accounting Policies for Preparing Consolidated Financial Statements," although the Company previously converted profits and expenses of overseas subsidiaries into yen based on the spot exchange rate on the date of account settlement, we have adopted a new method of converting profits and expenses of overseas subsidiaries into yen based on the average exchange rate during the period effective from the preceding consolidated fiscal period. As a result, operating profits of "Asia" and "Europe" are larger than the amount under the previous method by 842 million yen and 111 million yen and the operating profit of "North America" is smaller than under the previous method by 30 million yen for the preceding consolidated period.

c. Overseas sales

- For FY2008 (April 1, 2008 to March 31, 2009)

(Unit: Millions of yen)

	North America	Asia	Europe	Others	Total
I. Overseas sales	11,847	32,948	6,402	210	51,408
II. Consolidated sales	-	-	-	-	122,518
III. The percentage ratio of overseas sales to consolidated net sales (%)	9.7	26.9	5.2	0.2	42.0

- For FY2009 (April 1, 2009 to March 31, 2010)

(Unit: Millions of yen)

	North America	Asia	Europe	Others	Total
I. Overseas sales	9,088	28,532	4,974	84	42,679
II. Consolidated sales	-	-	-	-	107,505
III. The percentage ratio of overseas sales to consolidated net sales (%)	8.5	26.5	4.6	0.1	39.7

Notes 1. Countries or regions are defined by geographical proximity.

2. The details of the countries or the regions other than Japan are as follows:

(1) North America:U.S.A., Canada and Mexico

(2) Asia:South Korea, Taiwan, China, Hong Kong, Thailand, Malaysia, Singapore, etc.

(3) Europe:U.K., Spain, France, Germany, Poland, Czech, Hungary, etc.

(4) Others:Turkey, Australia, etc.

3. Overseas sales include all sales made outside Japan and exports from Japan.

4. Changes in accounting policies

(Changes in the method of converting profits and expenses of overseas subsidiaries into yen)

As stated in the column of "Changes in Significant Accounting Policies for Preparing Consolidated Financial Statements," although the Company previously converted profits and expenses of overseas subsidiaries into yen based on the spot exchange rate on the date of account settlement, we have adopted a new method of converting profits and expenses of overseas subsidiaries into yen based on the average exchange rate during the period effective from the preceding consolidated fiscal period.

As a result, overseas sales of "North America," "Asia," "Europe" and "Others" are increased by 1,434 million yen, 6,348 million yen, 1,769 million yen and 82 million yen for the preceding consolidated period, respectively, compared with those calculated under the previous method. Consolidated sales for FY2008 are increased by 9,635 million yen for the preceding consolidated fiscal period.

- Per Share Information

(Unit: Yen)

FY2008 (April 1, 2008 to March 31, 2009)		FY2009 (April 1, 2009 to March 31, 2010)	
Net assets per share	1,355.98	Net assets per share	1,438.56
Net income per share	74.60	Net income per share	83.83
Diluted net income per share	73.86	Diluted net income per share is not presented, since there are no common stock equivalents that have a dilutive effect.	

Note: The base data for calculating net income per share and diluted net income per share are as follows.

	FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
Amount of net income per share		
Net income (Millions of yen)	3,934	4,468
Net income which belongs to common stock (Millions of yen)	3,934	4,468
Average number of common stock during the fiscal year (thousand shares)	52,740	53,303
Amount of diluted net income per share		
Adjustment of net income (Millions of yen)	3	-
(Of which, interest expenses (after deducting an amount equivalent to taxes))	(0)	(-)
(Of which, clerical commissions (after deducting an amount equivalent to taxes))	(2)	(-)
Increase of common stock (thousand shares)	570	-
(Of which, convertible bonds)	(569)	(-)
(Of which, stock acquisition rights)	(1)	(-)
Common stock equivalents which are not included in the diluted net income per share as they have no dilutive effect	Three types of stock acquisition rights (number of stock acquisition rights: 4,100)	Two types of stock acquisition rights (number of stock acquisition rights: 4,030)

- Important Subsequent Events

Not applicable

- Omission of Disclosure

Disclosure of notes concerning lease transactions, financial instruments, marketable securities, derivatives transactions, pension fund, stock options, transactions with the related parties, and notes in relation to real estate for rent, etc. are omitted as they are deemed to have little effect on the summary of consolidated financial results.

5. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Unit: Millions of yen)

	FY2008 (As of March 31, 2009)	FY2009 (As of March 31, 2010)
Assets		
Current Assets		
Cash and deposits	15,967	23,527
Notes receivable	1,239	1,349
Accounts receivable	9,000	13,510
Marketable securities	467	1,502
Merchandise and finished goods	1,464	1,398
Work in process	340	377
Raw materials and supplies	283	293
Advance payments-trade	6	2
Deferred tax assets	474	708
Short-term loans	3	4
Short-term loans to group companies	5,161	4,349
Receivables	1,693	1,866
Income taxes receivable	1,678	-
Others	74	62
Allowance for doubtful accounts	(11)	(2)
Total Current Assets	37,843	48,950
Fixed Assets		
Tangible fixed assets		
Buildings	14,475	14,475
Accumulated depreciation	(8,020)	(8,384)
Buildings (net base)	6,454	6,091
Other structures	657	657
Accumulated depreciation	(498)	(516)
Other structures (net base)	158	140
Machinery and equipment	6,688	6,690
Accumulated depreciation	(5,547)	(5,577)
Machinery and equipment (net base)	1,140	1,112
Vehicles and transportation	51	45
Accumulated depreciation	(43)	(41)
Vehicles and transportation (net base)	8	4
Tools, furniture and fixtures	6,110	5,957
Accumulated depreciation	(5,304)	(5,275)
Tools, furniture and fixtures (net base)	805	682

(Unit: Millions of yen)

	FY2008 (As of March 31, 2009)	FY2009 (As of March 31, 2010)
Molds	43,203	44,800
Accumulated depreciation	(40,548)	(43,071)
Molds (net base)	2,654	1,728
Land	8,853	8,853
Lease assets	-	8
Accumulated depreciation	-	(0)
Lease assets (net base)	-	7
Construction in progress	1,521	1,192
Total Tangible Fixed Assets	21,599	19,813
Intangible fixed assets		
Software	463	314
Utilization rights	31	30
Total Intangible Fixed Assets	494	344
Investments and other assets		
Investment securities	6,195	5,371
Stocks of group companies	27,161	25,542
Long-term loans to group companies	1,534	1,238
Claims provable in bankruptcy, claims provable in rehabilitation and other	-	2
Long-term prepaid expenses	22	27
Deferred tax assets	1,302	1,038
Others	365	305
Allowance for doubtful accounts	(13)	(226)
Total Investments and Other Assets	36,567	33,300
Total Fixed Assets	58,660	53,458
Total Assets	96,504	102,409

(Unit: Millions of yen)

	FY2008 (As of March 31, 2009)	FY2009 (As of March 31, 2010)
Liabilities		
Current Liabilities		
Notes payable	924	1,128
Accounts payable	7,155	11,195
Other payables	1,078	1,586
Expenses payable	357	387
Income taxes payable	31	1,722
Deposits received	52	52
Accrued bonuses	836	843
Notes payable-equipment	302	129
Accounts payable-equipment	1,119	819
Others	56	43
Total Current Liabilities	11,913	17,908
Long-term Liabilities		
Accrued severance and retirement benefits	81	75
Bonds payable	15,000	15,000
Long-term indebtedness	-	418
Reserve for severance and retirement benefits	802	1,016
Guarantee deposits received	21	21
Others	-	5
Total Long-term Liabilities	15,904	16,538
Total Liabilities	27,817	34,447
Net Assets		
Shareholders' Equity		
Common stock	7,290	7,290
Additional paid-in capital		
Capital reserve	11,651	11,651
Total Additional Paid-in Capital	11,651	11,651
Retained earnings		
Profit reserve	1,793	1,793
Other retained earnings		
Reserve for special account for advanced depreciation of fixed assets	319	292
Contingent reserve	47,700	45,700
Retained earnings brought forward	1,061	1,936
Total Retained Earnings	50,873	49,722
Treasury stocks	(1,055)	(1,058)
Total Shareholders' Equity	68,760	67,605
Valuation, Translation Adjustments and Others		
Net unrealized gain on securities	(74)	357
Total of Valuation, Translation Adjustments and Others	(74)	357
Total Net Assets	68,686	67,962
Total Liabilities and Net Assets	96,504	102,409

(2) Non-consolidated Statements of Income

(Unit: Millions of yen)

	FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
Net sales		
Net sales of finished goods	56,864	54,206
Net sales of merchandise	1,940	1,525
Net sales	58,805	55,732
Cost of sales		
Cost of finished goods sold		
Beginning finished goods	1,818	1,371
Cost of finished goods manufactured	42,451	39,251
Purchase of finished goods	430	203
Total	44,700	40,827
Ending finished goods	1,371	1,305
Cost of finished goods sold	43,328	39,522
Cost of merchandise sold		
Beginning merchandise	177	92
Purchase of merchandise	1,245	1,120
Total	1,422	1,213
Ending merchandise	92	93
Cost of merchandise sold	1,330	1,119
Cost of sales	44,658	40,642
Gross profit	14,147	15,089
Selling, general and administrative expenses		
Packing and transportation expenses	3,184	3,020
Advertising expenses	60	64
Compensations, salaries and allowances	2,990	2,761
Employees' bonuses	825	709
Provision for bonuses	467	433
Pension benefits	321	301
Other personal expenses	714	627
Rent expenses	466	453
Traveling and transportation expense	361	279
Office taxes	82	71
Depreciation	465	442
Research and development expenses	475	312
Commission fee	-	584
Others	1,803	1,234
Total general and administrative expenses	12,219	11,294
Operating profit	1,927	3,795

(Unit: Millions of yen)

	FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
Non-operating profits		
Interest income	199	100
Interest on securities	93	81
Dividends received	1,411	892
Income from industrial property	797	651
Miscellaneous income	233	226
Total non-operating profits	2,736	1,953
Non-operating expenses		
Interest expenses	-	9
Interest on bonds	190	207
Loss on revaluation of securities	456	-
Rent cost of real estate	92	85
Foreign exchange losses	352	183
Bond issuance cost	80	-
Miscellaneous loss	106	77
Total non-operating expenses	1,278	562
Recurring profit	3,384	5,186
Extraordinary profits		
Gains on sales of investment securities	1,131	7
Gain on sales of stocks of group companies	-	144
Gain on prior periods adjustment	355	-
Gains on redemption of securities	-	35
Others	24	20
Total extraordinary profits	1,510	207
Extraordinary losses		
Loss on disposal of fixed assets	57	34
Loss on revaluation of investment securities	387	-
Loss on valuation of stocks of group companies	-	2,540
Reversal of reserve for doubtful accounts	261	222
Directors' retirement benefits	1,272	-
Others	-	75
Total extraordinary losses	1,978	2,872
Net income before income taxes	2,916	2,521
Corporate, residential and business taxes	(65)	2,125
Adjustment for corporate taxes	968	(265)
Total corporate taxes	902	1,860
Net income	2,014	660

(3) Statement of Changes in Net Assets

(Unit: Millions of yen)

	FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
Shareholders' equity		
Common stock		
Balance at beginning of period	7,290	7,290
Balance at end of period	7,290	7,290
Additional paid-in capital		
Capital reserve		
Balance at beginning of period	11,651	11,651
Balance at end of period	11,651	11,651
Total Additional paid-in capital		
Balance at beginning of period	11,651	11,651
Balance at end of period	11,651	11,651
Retained earnings		
Revenue reserve		
Balance at beginning of period	1,793	1,793
Balance at end of period	1,793	1,793
Other retained earnings		
Special reserve for accelerated depreciation		
Balance at beginning of period	352	319
Change during fiscal period		
Provision of reserve for special account for advanced depreciation of fixed assets	-	-
Reversal of reserve for special account for advanced depreciation of fixed assets	(32)	(27)
Total changes during fiscal period	(32)	(27)
Balance at end of period	319	292
Contingent reserve		
Balance at beginning of period	46,200	47,700
Change during fiscal period		
Accumulation of contingent reserve	1,500	-
Reversal of contingent reserve	-	(2,000)
Total changes during fiscal period	1,500	(2,000)
Balance at end of period	47,700	45,700

(Unit: Millions of yen)

	FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
Retained earnings brought forward		
Balance at beginning of period	5,023	1,061
Change during fiscal period		
Dividends of retained earnings	(3,357)	(1,812)
Provision of reserve for special account for advanced depreciation of fixed assets	-	-
Reversal of reserve for special account for advanced depreciation of fixed assets	32	27
Accumulation of contingent reserve	(1,500)	-
Reversal of contingent reserve	-	2,000
Net income	2,014	660
Disposal of treasury stocks	(1,150)	(0)
Total changes during fiscal period	(3,961)	875
Balance at end of period	1,061	1,936
Total retained earnings		
Balance at beginning of period	53,368	50,873
Change during fiscal period		
Dividends of retained earnings	(3,357)	(1,812)
Provision of reserve for special account for advanced depreciation of fixed assets	-	-
Reversal of reserve for special account for advanced depreciation of fixed assets	-	-
Accumulation of contingent reserve	-	-
Reversal of contingent reserve	-	-
Net income	2,014	660
Disposal of treasury stocks	(1,150)	(0)
Total changes during fiscal period	(2,494)	(1,151)
Balance at end of period	50,873	49,722
Treasury stocks		
Balance at beginning of period	(4,802)	(1,055)
Change during fiscal period		
Acquisition of treasury stocks	(5)	(4)
Disposal of treasury stocks	3,753	1
Total changes during fiscal period	3,747	(3)
Balance at end of period	(1,055)	(1,058)
Total shareholders' equity		
Balance at beginning of period	67,507	68,760
Change during fiscal period		
Dividends of retained earnings	(3,357)	(1,812)
Net income	2,014	660
Acquisition of treasury stocks	(5)	(4)
Disposal of treasury stocks	2,602	1
Total changes during fiscal period	1,252	(1,155)
Balance at end of period	68,760	67,605

(Unit: Millions of yen)

	FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
Valuation, translation adjustment and others		
Net unrealized gain on securities		
Balance at beginning of period	66	(74)
Change during fiscal period		
Changes in items other than shareholders' equity during fiscal period	(140)	431
Total changes during fiscal period	(140)	431
Balance at end of period	(74)	357
Total of valuation, translation adjustment and others		
Balance at beginning of period	66	(74)
Change during fiscal period		
Changes in items other than shareholders' equity during fiscal period	(140)	431
Total changes during fiscal period	(140)	431
Balance at end of period	(74)	357
Total net assets		
Balance at beginning of period	67,574	68,686
Change during fiscal period		
Dividends of retained earnings	(3,357)	(1,812)
Net income	2,014	660
Acquisition of treasury stocks	(5)	(4)
Disposal of treasury stocks	2,602	1
Changes in items other than shareholders' equity during fiscal period	(140)	431
Total changes during fiscal period	1,111	(723)
Balance at end of period	68,686	67,962

Going concern issues

None

Changes in Significant Accounting Policies for Preparing Non-consolidated Financial Statements

FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
<p>(Change of method of evaluation of inventories) The Company has adopted "Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9, issued on July 5, 2006) effective from this fiscal year. As a result of this change, operating profit, recurring profit and net income before income taxes all fell by 6 million yen compared with those calculated under the previous method.</p> <p>(Accounting standards for lease transactions) Financial lease transactions not involving transfer of the ownership of leased properties to the lessees were traditionally treated in the same manner as ordinary lease transactions. From this fiscal year, however, "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, issued on June 17, 1993, First Subcommittee of Business Accounting Council, revised on March 30, 2007) and "Guidelines on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16, issued on January 18, 1994, Accounting System Committee of the Japanese Institute of Certified Public Accountants, revised on March 30, 2007) are applied. Further, financial lease transactions not involving transfer of the ownership of leased properties to the lessees, in which the lease transaction start date is before the first application year, are continuously treated in the same manner as ordinary lease transactions. In the meantime, the above change has had only a minor effect on earnings results of the Company for this fiscal year.</p>	<p>_____</p> <p>_____</p> <p>(Change in Accounting Standard for Retirement Benefits) The Company adopted the "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No. 19, July 31, 2008) from this non-consolidated fiscal year. This change had no impact on operating profit, recurring profit or net income before income taxes.</p>

Changes to the Method of Presentation

FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
<p>(Balance Sheets)</p> <p>As the “Cabinet Office Ordinance on the Partial Revision of Regulations for Terminology, Forms and Preparation of Financial Statements” (Government Office Ordinance No. 50, issued on August 7, 2008) is applied, what were stated as “merchandise,” “finished goods,” “raw materials,” and “supplies” in the previous fiscal year are classified and stated in the “merchandise and finished goods” and “raw materials and supplies” from this fiscal year.</p> <p style="text-align: center;">_____</p>	<p style="text-align: center;">_____</p> <p>(Statements of Income)</p> <p>“Commission fee,” which had been included in “Others” of Selling, general and administrative expenses until the previous consolidated fiscal year, is now separately classified and stated from this non-consolidated fiscal year, since it has become significant in terms of amount.</p> <p>The amount of “Commission fee” of the previous fiscal year is 780 million yen.</p>

- Notes in Relation to Non-consolidated Balance Sheets

FY2008 (As of March 31, 2009)				FY2009 (As of March 31, 2010)			
1. Debt guaranty				1. Debt guaranty			
	Balance of guarantees		Details		Balance of guarantees		Details
Guaranteed company	Currency	Amount (Million yen)		Guaranteed company	Currency	Amount (Million yen)	
[Affiliated companies]			[Affiliated companies]				
Nifco North America Inc.	10 million \$	1,029	Bank loan	Nifco America Corporation	10 million \$	930	Bank loan
Nifco (Thailand) Co., Ltd	190 million Thai baht	524	Bank loan	Nifco (Thailand) Co., Ltd	40 million Thai baht	115	Bank loan
Nifco Poland sp.zo.o.	5 million Zloty	135	Bank loan	Nifco Poland sp.zo.o.	11 million Zloty	376	Bank loan
Nifco Products España S.L.U.	3 million Euro	493	Bank loan	Nifco Products España S.L.U.	0.7 million Euro	87	Bank loan
Total	-	2,183	-	Total	-	1,509	-
2. Assets and liabilities of group companies				2. Assets and liabilities of group companies			
The assets and liabilities in connection with group companies included in each entry, other than those listed separately, as largely as follows.				The assets and liabilities in connection with group companies included in each entry, other than those listed separately, as largely as follows.			
Accounts receivable		595 million yen		Accounts receivable		1,065 million yen	
Receivables		933 million yen		Receivables		667 million yen	
Accounts payable		5,204 million yen		Accounts payable		748 million yen	
3. Commitment line agreement				3. Commitment line agreement			
The Company has executed commitment line agreements with 11 financial institutions to secure stable financing.				The Company has executed commitment line agreements with 11 financial institutions to secure stable financing.			
Details of the commitment line agreements are as stated in the "Notes in Relation to the Consolidated Balance Sheets".				Details of the commitment line agreements are as stated in the "Notes in Relation to the Consolidated Balance Sheets".			

- Notes in Relation to Non-consolidated Statements of Income

(Unit: Millions of yen)

FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)																																
<p>1. Dealings of group companies</p> <p>Dealings between group companies and the Company are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Interest income</td> <td style="text-align: right;">1,358</td> </tr> <tr> <td>Income from industrial property</td> <td style="text-align: right;">794</td> </tr> </table> <p>2. Loss on disposal of fixed assets is as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Molds</td> <td style="text-align: right;">26</td> </tr> <tr> <td>Others</td> <td style="text-align: right;">30</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">57</td> </tr> </table> <p>3. Research and development expenses included in SGA and Manufacturing costs are as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">SGA</td> <td style="text-align: right;">475</td> </tr> <tr> <td>Manufacturing costs</td> <td style="text-align: right;">488</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">963</td> </tr> </table> <p>4. The year-end inventories are in the amount after the write-down following the reduced profitability, and the following appraisal losses are included in the cost of sales.</p> <p style="text-align: right;">35 million yen</p> <p>5. Gain on prior periods adjustment</p> <p>Gain on prior periods adjustment represents the amount of adjustment concerning the transfer price of transactions between the Company and its overseas subsidiaries in the previous period.</p>	Interest income	1,358	Income from industrial property	794	Molds	26	Others	30	Total	57	SGA	475	Manufacturing costs	488	Total	963	<p>1. Dealings of group companies</p> <p>Dealings between group companies and the Company are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Interest income</td> <td style="text-align: right;">852</td> </tr> <tr> <td>Income from industrial property</td> <td style="text-align: right;">650</td> </tr> </table> <p>2. Loss on disposal of fixed assets is as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Molds</td> <td style="text-align: right;">7</td> </tr> <tr> <td>Others</td> <td style="text-align: right;">26</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">34</td> </tr> </table> <p>3. Research and development expenses included in SGA and Manufacturing costs are as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">SGA</td> <td style="text-align: right;">312</td> </tr> <tr> <td>Manufacturing costs</td> <td style="text-align: right;">424</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">736</td> </tr> </table> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p>	Interest income	852	Income from industrial property	650	Molds	7	Others	26	Total	34	SGA	312	Manufacturing costs	424	Total	736
Interest income	1,358																																
Income from industrial property	794																																
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Total	34																																
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Manufacturing costs	424																																
Total	736																																

- Notes in Relation to the Non-consolidated Statement of Changes in Net Assets

For FY2008 (April 1, 2008 to March 31, 2009)

Matters concerning type and number of treasury stocks

	No. of stocks as of end of previous non-consolidated fiscal year	No. of stocks increased during this non-consolidated fiscal year	No. of stocks decreased during this non-consolidated fiscal year	No. of stocks as of end of this non-consolidated fiscal year
Common stocks (Note 1, 2)	2,027,435	2,819	1,584,363	445,891

Notes: 1. The increase of 2,819 common stocks in the treasury stock category represents a purchase of odd-lot certificates.

2. The decrease of 1,584,363 common stocks in the treasury stock category represents a decrease of 7,000 stocks through exercise of stock options, a decrease of 1,576,295 stocks through conversion of convertible bonds and a decrease of 1,068 stocks through disposal of odd-lot certificates.

For FY2009 (April 1, 2009 to March 31, 2010)

Matters concerning type and number of treasury stocks

	No. of stocks as of end of previous non-consolidated fiscal year	No. of stocks increased during this non-consolidated fiscal year	No. of stocks decreased during this non-consolidated fiscal year	No. of stocks as of end of this non-consolidated fiscal year
Common stocks (Note 1, 2)	445,891	2,812	614	448,089

Notes: 1. The increase of 2,812 common stocks in the treasury stock category represents a purchase of odd-lot certificates.

2. The decrease of 614 common stocks in the treasury stock category represents disposal of odd-lot certificates.

- Per Share Information

(Unit: Yen)

FY2008 (April 1, 2008 to March 31, 2009)		FY2009 (April 1, 2009 to March 31, 2010)	
Net assets per share	1,288.47	Net assets per share	1,274.94
Net income per share	38.18	Net income per share	12.40
Diluted net income per share	37.83	Diluted net income per share is not presented, since there are no common stock equivalents that have a dilutive effect.	

Note: The base data for calculating net income per share and diluted net income per share are as follows.

	FY2008 (April 1, 2008 to March 31, 2009)	FY2009 (April 1, 2009 to March 31, 2010)
Amount of net income per share		
Net income (Millions of yen)	2,014	660
Net income which belongs to common stock (Millions of yen)	2,014	660
Average number of common stock during the fiscal year (thousand shares)	52,745	53,307
Amount of diluted net income per share		
Adjustment of net income (Millions of yen)	3	-
(Of which, interest expenses (after deducting an amount equivalent to taxes))	(0)	(-)
(Of which, clerical commissions (after deducting an amount equivalent to taxes))	(2)	(-)
Increase of common stock (thousand shares)	570	-
(Of which, convertible bonds)	(569)	(-)
(Of which, stock acquisition rights)	(1)	(-)
Common stock equivalents which are not included in the diluted net income per share as they have no dilutive effect	Three types of stock acquisition rights (number of stock acquisition rights: 4,100)	Two types of stock acquisition rights (number of stock acquisition rights: 4,030)

- Important Subsequent Events
Not applicable

- Omission of Disclosure

Disclosure of notes concerning lease transactions, marketable securities and tax effect accounting are omitted because they are deemed to have little effect on the summary of financial results.