Summary of Financial Results (Consolidated)
for the Fiscal 2010 Ending March 31, 2011[Japanese GAAP]

May 13, 2011

Listed Company Name:	ESPEC CORP.
Listed Stock Exchange:	Tokyo, Osaka Stock Exchanges, First Section
Securities Code:	6859
Homepage:	http://www.espec.co.jp
Representative:	Masaaki Ishida, President
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Annual General Shareholders' Meeting (Scheduled):	June 24, 2011
Dividends payment beginning day:	June 27, 2011
Filing of Securities Report (*Yuka shoken hokokusho*)(Scheduled):	June 27,2011
Preparing Supplementary Material on Financial Results:	Yes
Holding Financial Results Presentation Meeting:	Yes (For Institutional Investors)
U.S. GAAP Accounting standard:	Not Adopted

(Rounded off to nearest million yen)

1. Consolidated financial results for the fiscal 2010, ending March 31, 2011 (April 1, 2010 ~ March 31, 2011)

(1) Consolidated operating results (% figures are rates of change in comparison to the same period last year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
Year Ended March 31, 2011	29,589	24.5	1,391	-	1,683	-	1,654	-
Year Ended March 31, 2010	23,775	(31.9)	(738)	-	(565)	-	(2,630)	-

(Reference) Statements of comprehensive income Year Ended March 31, 2011 ¥1,302million (-%) Year Ended March 31, 2010 ¥(2,336)million (-%)

	Net Income Per Share	Net Income Per Share, Diluted	Net Income to Shareholders' Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
Year Ended March 31, 2011	70.03	-	6.1	4.6	4.7
Year Ended March 31, 2010	(110.84)	-	(9.5)	(1.5)	(3.1)

(Reference) Equity in earnings of affiliates Year Ended March 31, 2011 ¥161million Year Ended March 31, 2010 ¥77million

(2) Consolidated Financial Standing

	Total Assets	Net Assets	Shareholders' Equity Ratio	Shareholders' Equity Per Share of Common Stock
	¥ millions	¥ millions	%	Yen
As of March 31, 2011	37,905	27,580	72.4	1,169.00
As of March 31, 2010	34,837	26,637	76.0	1,115.34

(Reference) Shareholders' equity As of March 31, 2011 ¥27,425million As of March 31, 2010 ¥26,468million

(3) Consolidated Status on Cash Flows

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash and Cash Equivalents at End of Year
	¥ millions	¥ millions	¥ millions	¥ millions
Year Ended March 31, 2011	1,133	(230)	(327)	9,819
Year Ended March 31, 2010	2,670	(128)	(718)	9,374

2. Dividends

	Dividend Per Share					Total Cash Dividend (Annual)	Dividend Payout Ratio (Consolidated)	Dividend on Equity (Consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Term-end	Annual			
	Yen	Yen	Yen	Yen	Yen	¥ millions	%	%
Year Ended March 31, 2010	-	5.00	-	3.00	8.00	189	-	0.7
Year Ended March 31, 2011	-	5.00	-	10.00	15.00	353	21.4	1.3
Year Ended March 31, 2012 (Forecast)	-	5.00	-	10.00	15.00		25.1	

3. Forecast of Consolidated Operating Results for the Fiscal 2011 Ending March 31, 2012(April 1, 2011 ~ March 31, 2012)

(% figures for the whole term are rates of change in comparison to last year and % figures for the consolidated 2nd quarter are rates of change in comparison to the same quarter last year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	Yen
Six Months Ended September 30, 2011	14,500	12.3	400	(27.3)	500	(26.6)	400	(48.5)	17.05
Full-term	31,500	6.5	1,300	(6.6)	1,450	(13.9)	1,400	(15.4)	59.67

4. Other

(1) Transfers of important subsidiaries during this quarter (transfers of specified subsidiaries entailing changes in the scope of consolidation): No

New (Company name:) Excluded (Company name:)

(2) Changes in the principles, procedures, and presentation methods, etc, of accounting methods

1) Changes associated with the revision of accounting standards : yes

2) Changes other than those in 1) : No

(3) Number of outstanding shares (ordinary shares)

1)Number of outstanding shares at end of term(Including treasury stock):	As of March 31, 2011	23,781,394 shares	As of March 31, 2010	23,781,394 shares
2) Quantity of treasury stock at end of term:	As of March 31, 2011	320,872 shares	As of March 31, 2010	50,138 shares
3)Average number of shares during the term:	Year Ended March 31, 2011	23,618,434 shares	Year Ended March 31, 2010	23,731,348 shares

* Disclosure Regarding Enactment of Audit Procedures

This earnings report is not subject to the audit procedures stipulated by Japan's Financial Instruments and Exchange Act. As of the date of release of this report, the Company's financial statements were undergoing audit procedures stipulated by the Financial Instruments and Exchange Act.

* Explanation of appropriate use of results forecasts and other matters of note

Statements concerning the future such as the results forecasts, etc., included in this document are based on currently available information and certain assumptions judged reasonable and actual results, etc., may differ due to various factors.

Index of Attached Material

1. Operating Results

（1）Analysis of concerning the Operating Results

① Operating Results for Fiscal 2010

ESPEC CORP. would like to express its deepest sympathies and condolences to those whose lives have been impacted by the Great East Japan Earthquake that struck on March 11, 2011.
We offer our sincerest hopes for a swift recovery in the region hardest hit by this disaster, and will continue to offer our support for such efforts going forward.

During fiscal 2010, ended March 31, 2011, the Japanese economy moved initially toward a gradual recovery, reflecting a rebound in exports to emerging markets and benefits from government economic measures. However, in addition to concerns over worsening economic conditions triggered by extreme exchange rate volatility, escalating natural resource prices, and other factors, the economy was severely damaged by the unprecedented natural disaster that struck near the end of the term.
The ESPEC Group did not experience any injuries to employees or their family members due to the disaster. As for the Company's business sites, although the Sendai Sales Office and the Utsunomiya Technocomplex were physically damaged, these sites have already been repaired and normal business activities have resumed. The Company's main production sites, meanwhile, are located outside the disaster zone. As such, production was not directly impacted. Consequently, the March 2011 disaster had only a negligible effect on the Company's business performance for the year.
Among the Company's main customers, R&D investments started to recover for electronic component and equipment makers, and within the automotive industry. At the same time, favorable market conditions saw semiconductor and battery makers pursue assertive capital investments. Certain other customers, however, were damaged or otherwise impacted in ways connected to the massive earthquake in March.
Under these circumstances, the Company concentrated on the launch of new products and introducing model changes to satisfy the need of customers to reduce their time and energy cost for testing products. In tandem, the Company worked to strengthen sales by maximizing synergies from a merger with two subsidiaries. The primary goal of these efforts was improve profitability and other metrics by further streamlining management.
As a consolidated result, the amount of orders-received in fiscal 2010 rose 34.5% year on year to ¥30,924 million and net sales increased 24.5% to ¥29,589 million. This increase in sales, combined with a larger-than-planned reduction in fixed costs and improved cost efficiency, resulted in ¥1,391 million in operating income, reversing losses incurred a year earlier, and ¥1,654 million in net income for the year.

	Year Ended March 31, 2010 (¥ millions)	Year Ended March 31, 2011 (¥ millions)	Rate of change (%)
Orders-Received	22,989	30,924	34.5
Net Sales	23,775	29,589	24.5
Operating Income (Loss)	(738)	1,391	-
Ordinary Income (Loss)	(565)	1,683	-
Net income(Loss)	(2,630)	1,654	-

② Performance by Segment

<Equipment Business>

In environmental test chambers, the Company developed and launched equipment for manufacturing batteries, in addition to developing and launching new energy-saving models mainly in the core product line of thermal shock chamber and Walk-in type temperature and humidity chamber. In Japan along with strengthening contact with customers following the merger of two subsidiaries, the thrust in marketing was focused on battery-related R&D applications. Turning to overseas markets, the Company sought to develop new customers in South Korea and Taiwan, and took steps to reinforce its sales capabilities in China and other emerging markets in Asia. The result was a substantial year-on-year increase in orders-received and sales, as well as a major and positive turnaround to operating profit.

In semiconductor equipment, business was brisk in burn-in systems for semiconductor makers. This led to a major year-on-year increase in orders-received and sales for semiconductor-related equipment compared to the previous year. The increase in sales of burn-in systems, meanwhile, spurred a turnaround to operating profit.

In FDP equipment, the Company proposed reengineering the equipment it delivered in the past to improve tact time, primarily to makers in Taiwan. However, orders-received and sales ended lower for the year. The Company posted an operating loss in FDP equipment, as the lack of sales growth outweighed benefits gained from fixed cost reductions.

As a result, the Equipment Business as a whole saw orders-received of ¥24,557 million, net sales of ¥23,529 million and operating income of ¥1,202 million.

< Service Business >

In after-sales service and engineering, the Company strove to win maintenance contracts through greater intra-group coordination in sales and a related service campaign drive. This was coupled with proposals for a new communications network system capable of controlling the operation of ESPEC products over the Internet. As a result, while orders-received rose year on year, sales were largely unchanged. Operating income was lower for the year, as cost reductions associated with smaller component inventories failed to fully offset an increase in personnel expenses from a higher headcount in service.

In commissioned tests and facility rentals, both orders-received and sales decreased year on year, as demand from major customers failed to recover. This outcome came despite efforts to develop a new testing menu better tailored to customer needs and joint sales promotion activities with product marketing. Earnings, however, improved sharply over the previous year, with operating income showing a profit as a result of benefits from measures to reduce fixed expenses implemented the year before.

As a result, in the Service Business as a whole, orders-received were ¥5,320 million, net sales were ¥5,027 million and operating income was ¥263 million.

<Other Business>

In the other business, brisk business in vegetation factories drove overall orders-received and sales higher year on year, to ¥1,170 million and ¥1,158 million, respectively. The segment posted an operating loss for the year, due to increases in sales promotion and other expenses for vegetation factories.

Consolidated operating results by segment for the fiscal 2010

	Orders-Received	Net Sales	Operating Income (loss)
	¥ millions	¥ millions	¥ millions
Equipment Business	24,557	23,529	1,202
Service Business	5,320	5,027	263
Other Business	1,170	1,158	(77)
Elimination	(124)	(125)	1
Total	30,924	29,589	1,391

* Due to changes in the classification of operating segments that were made in line with changes in accounting standards, consolidated operating results by segment for the fiscal 2009 have been omitted.

③ Outlook for fiscal year 2011

Although the operating environment surrounding the ESPEC Group has gradually recovered, lingering uncertainty caused by the March 2011 disaster remains. Consequently, automakers, electronics manufacturers and other major customers are likely to take a cautious stance with respect to capital investment. At the same time, concerns over Japan's electric power supply due to the crippling incident at a key nuclear power plant is expected to spur more acute needs around energy efficiency among customers. In this context, the ESPEC Group will drum up replacement demand and expand sales by launching new energy-saving products. In tandem, the Group will augment its commissioned test facilities and propose energy-saving upgrades to products already delivered to customers. Outside of Japan, economic development is projected to continue in Asia's emerging markets, most notably in China. To this end, the Group will take steps to grow sales by putting a sales structure in place and launching new products. Along with an aggressive PR campaign that should attract new orders touting the superiority of its energy device equipment, especially newly developed battery manufacturing equipment, the Group will focus on expanding the vegetation factory business to answer consumer demands for better food safety and reliability.

As business forecasts for fiscal 2011, the ESPEC Group is projecting net sales of ¥31.5 billion, up 6.5% from the previous year. Operating income is projected at ¥1.3 billion. Along with a vigorous approach to expenditures, including costs for the development of new products and sales promotion expenses, this estimate reflects the absence of pressures from personnel costs in the previous year, as well as increased costs from other activities. Going forward, the Company will disclose as necessary any changes in the direct or indirect impacts that were initially envisioned from the Great East Japan Earthquake, or any ensuing nuclear incident that could adversely affect its business performance.

Forecast of Consolidated Operating Results for the Fiscal 2011 Ending March 31, 2012(April 1, 2011 ~ March 31, 2012)
(% figures for the whole term are rates of change in comparison to last year and
% figures for the consolidated 2nd quarter are rates of change in comparison to the same quarter last year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	Yen
Six Months Ended September 30, 2011	14,500	12.3	400	(27.3)	500	(26.6)	400	(48.5)	17.05
Full-term	31,500	6.5	1,300	(6.6)	1,450	(13.9)	1,400	(15.4)	59.67

Forecast of Consolidated Operating Results by Segment (Full-term)

	Orders-Received	Net Sales	Operating Income
Equipment Business	¥ millions 24,400	¥ millions 25,000	¥ millions 1,100
Service Business	5,500	5,400	350
Other Business	1,300	1,300	(150)
Elimination	(200)	(200)	0
Total	31,000	31,500	1,300

* There are marked seasonal fluctuations in the Group's performance based on quarterly sales because of a strong trend towards contractual deliveries occurring in the 2nd and 4th consolidated quarters as a result of customers' budget implementation.

(2) Basic Policy on Profit Distributions and Dividends for Fiscal 2010 and 2011

The Company recognizes the return of profits to shareholders as an important management priority, and believes that constantly raising enterprise value is the key element in ensuring improved shareholder returns. Regarding the dividend for fiscal 2010, based on ESPEC's commitment to consistent dividend payments and its consolidated payout ratio, the Company plans to raise its year-end dividend to ¥10 per share. Together with the payment of an interim dividend of ¥5 per share, the Company will pay an annual dividend of ¥15 per share for fiscal 2010.

For fiscal 2011, in the interest of maintaining consistent dividend payments, current projections are for an annual dividend of ¥15 per share, including an interim dividend of ¥5 per share.

(3) Business Risks

①Risk of Fluctuation in Business Performance

The ESPEC Group's main customers are manufacturers in the electronic components, electronic devices, and automotive sectors. Consequently, the Group's business performance is strongly affected by trends in business and capital investment in these industries. ESPEC works to swiftly develop products that meet its customers' diverse needs. At the same time, the Company strives to minimize fluctuations in its own business performance by responding to requests for customization and developing customers in sectors outside of electronics. These efforts notwithstanding, lower levels of capital investment among the Group's main customers due to protracted economic weakness and other factors may adversely impact the business performance of the ESPEC Group.

Furthermore, although the ESPEC Group commands a high market share in Japan, the Japanese market is also a maturing one. As such, the Group is reliant on overseas markets for growth in this business. Emerging markets, particularly the fast-growing markets of Asia, are witnessing entry by a host of companies from around the world, a situation that is fueling intense price competition. The ESPEC Group was among the first in the industry to establish multiple bases in China and Southeast Asia, and has a business framework in place for coping with rapid market expansion. Nevertheless, the Group's business performance may be adversely impacted by competition with U.S. and European environmental test chamber makers, who enjoy a large share of the market in their home countries, as well as by Chinese and Taiwanese manufacturers, who are aiming to enter the market by flooding it with low-priced products.

②Risk Associated with Increasing Overseas Sales Ratio

The ratio of sales from outside Japan for the ESPEC Group accounted for a high 35.1% of Group total sales on a consolidated basis in the fiscal year ended March 31, 2011. Moreover, this percentage is expected to rise further in the future. In terms of business development overseas, the Group's efforts may be hindered by any number of factors that could result in difficult to foresee social turmoil in the countries and regions where it operates. These factors include, but are not limited to, terrorism, political instability, natural disasters, and outbreaks of new strains of influenza or other pandemic diseases. Such problems, should they arise, could adversely impact the Group's financial position and business performance.

With regard to foreign exchange risk, the ESPEC Group believes that its exposure is relatively limited due to hedging operations carried out within certain limits under its risk management policy, as well as the fact that a large proportion of the Group's export revenues is denominated in Japanese yen.

③Risk Associated with Export Regulations

The Company's products and technologies are subject to laws and regulations governing exports, such as the Foreign Exchange and Foreign Trade Control Law and its directives (export trade management directive, foreign exchange directive), as well as a related ministerial directive that came into force on April 1, 2010. Based on this, the Group makes every effort to gain a clear picture of export destinations, buyers, uses, and transaction channels as stipulated in the latest legislation. Nevertheless, there is a possibility of resale by the buyer or other parties to countries and users who might use the products or technologies for manufacturing weapons of mass destruction or conventional armaments. The use of the Group's products and technologies by unanticipated parties in applications for which they were not intended could ultimately have an adverse effect on the ESPEC Group's business performance.

④Risks Associated with Dependency on Suppliers

The ESPEC Group procures a variety of parts and materials from suppliers. Similarly, the Group engages third-party processing companies as a means of coping with varying manufacturing volumes and efficiently acquiring knowledge of various manufacturing technologies. The Group implements strict transaction controls aimed at these entities, grades them on their quality assurance programs and production and environmental management systems, and provides guidance where necessary, in an effort to cultivate mutual relationships of trust. However, the Group's own production efforts could become compromised if procurement from these suppliers and third-party processing services is halted due to bankruptcy, an exit from business, or similar factors. In addition, suppliers could provide defective components, leading to serious production delays. In the worst case, this situation could require expensive countermeasures, such as a recall of products already sold.

⑤Risk in Cases of Significant Damage to Key Facilities from Earthquakes or Other Natural Disasters

The ESPEC Group's key manufacturing and R&D facilities are located in Japan. If these key facilities were to suffer major damage from an earthquake or other natural disaster, it would not only interfere with the Group's ability to operate, but could potentially require huge sums for repairs or rebuilding. Even in cases in which the Company itself is not directly damaged, business activities could be severely undermined by secondary damage, such as limitations on the supply of electric power and other infrastructure, and the inability to procure necessary components and materials from suppliers.

⑥Risk of Steep Rise in Raw Material Procurement Costs

The raw materials for the products manufactured by the ESPEC Group consist primarily of stainless steel, steel, copper and aluminum. Procurement prices of these materials fluctuate in line with movements on international commodity markets. In the event of a sudden steep rise in raw materials prices, there is a possibility that the Group's business performance will be adversely affected.

2. Management Policy

(1) Basic policy for management of the company

The Group's mission statement is "To provide a more reliable living environment through services built on environmental creation technology". We believe firmly that growth of the Group in itself serves to achieve this mission, and that this also improves value exchangeability between the Group's various stakeholders, including its shareholders. As a full member of society, one of the Group's key management policies is "respect for social norms and respect for laws", and we regard improvements to value exchangeability as one of our management strategies. We aim to become a company which possesses "outstanding service as a result of its broad-ranging technology and a concentration of knowledge that creates a new level of expectation in our customers", as well as to become "a highly social company that quickly adapts to social change and people's wishes through sensitivity and dynamic preparation". We intend to implement ongoing improvements to corporate value.

(2) Management index target

The Group uses the ratio of operating income to sales as an important management index from the perspective of improving business growth and profitability.

(3) The company's medium to long-term management strategy and challenges facing the company

The ESPEC Group had prepared a medium-term management plan running from the fiscal year ending March 31, 2012, to March 31, 2014. However, in light of the Great East Japan Earthquake, the Group has chosen to revaluate this plan.

The ESPEC Group has positioned "Creation of Powerful Products and Powerful Factories" as its fundamental management policy for the fiscal year ending March 31, 2012. Viewing "products" and "production site functions" as key to its competitiveness as a manufacturer, the Group will strive to create powerful products this term. In parallel, efforts will be made to reinforce production site functions by enhancing the Group's fundamental capabilities as a manufacturer—namely design, procurement and manufacturing. To this end, the Group will pursue the priority strategies outlined below.

[Key Priority Strategies]

1. Bolster responsiveness to customization requests to meet new needs and expand profitability
2. Raise recognition of the energy device systems business and expand sales
3. Establish a business base for the vegetation factory business and expand sales
4. Strengthen ability to respond to customers by leveraging benefits from the merger of three subsidiaries and review operational processes to boost profitability
5. Grow sales by developing business strategy in step with market expansion in China and the rest of Asia

As an immediate issue, determine whether ESPEC products owned by customers were damaged in the Great East Japan Earthquake. If damage is found, every effort will be made to support customers in reestablishing business continuity. Actions will include moving quickly to restore damaged products to working order, as well as responding swiftly to customer requests for the relocation, replacement or new installation of their devices.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011
Assets		
Current assets		
Cash and deposits	7,569	8,511
Notes and accounts receivable-trade	9,886	12,090
Short-term investment securities	1,800	1,300
Merchandise and finished goods	155	225
Work in process	1,102	1,527
Raw materials and supplies	974	1,039
Deferred tax assets	255	524
Other	1,102	1,457
Allowance for doubtful accounts	(19)	(11)
Total current assets	22,828	26,666
Noncurrent assets		
Property, plant and equipment		
Building and structure	8,883	8,829
Accumulated depreciation	(5,429)	(5,662)
Buildings and structures, net	3,454	3,166
Machinery, equipment and vehicles	1,173	1,172
Accumulated depreciation	(907)	(947)
Machinery, equipment and vehicles, net	266	224
Tools, furniture and fixtures	3,007	3,079
Accumulated depreciation	(2,698)	(2,699)
Tools, furniture and fixtures, net	308	380
Land	4,428	4,413
Lease assets	17	47
Accumulated depreciation	(3)	(9)
Lease assets, net	13	38
Construction in progress	12	7
Total property, plant and equipment	8,483	8,230
Intangible assets		
Other	425	285
Total Intangible assets	425	285
Investments and other assets		
Investment securities	1,906	1,637
Deferred tax assets	69	17
Other	1,229	1,157
Allowance for doubtful accounts	(105)	(89)
Total investments and other assets	3,099	2,723
Total noncurrent assets	12,008	11,239
Total assets	34,837	37,905

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,928	5,654
Short-term loans payable	170	200
Current portion of long-term loans payable	10	10
Income taxes payable	118	62
Provision for bonuses	229	366
Provision for directors' bonuses	5	7
Provision for product warranties	136	188
Other	1,702	2,046
Total current liabilities	6,302	8,535
Noncurrent liabilities		
Long-term loans payable	201	168
Deferred tax liabilities	167	103
Provision for retirement benefits	74	42
Provision for directors' retirement benefits	44	44
Negative goodwill	26	-
Asset retirement obligations	-	49
Deferred tax liabilities for land revaluation	717	716
Other	664	665
Total noncurrent liabilities	1,896	1,789
Total liabilities	8,199	10,325
Net assets		
Shareholders' equity		
Capital stock	6,895	6,895
Capital surplus	7,172	7,172
Retained earnings	13,829	15,294
Treasury stock	(53)	(202)
Total shareholders' equity	27,844	29,160
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	197	166
Deferred gains or losses on hedges	(2)	(5)
Revaluation reserve for land	(826)	(828)
Foreign currency translation adjustment	(745)	(1,067)
Total Accumulated other comprehensive income	(1,376)	(1,734)
Minority interests	169	155
Total net assets	26,637	27,580
Total liabilities and net assets	34,837	37,905

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Year Ended March 31, 2010	Year Ended March 31, 2011
Net sales	23,775	29,589
Cost of sales	17,148	20,370
Gross profit	6,626	9,219
Selling, general and administrative expenses		
Salaries and allowances	2,201	2,376
Development and research expenses	870	1,092
Provision for bonuses	66	107
Provision for product warranties	108	155
Commission fee	812	831
Provision for directors' bonuses	5	7
Other	3,298	3,257
Total selling, general and administrative expenses	7,365	7,827
Operating income (loss)	(738)	1,391
Non-operating income		
Interest income	39	25
Dividends income	50	57
Amortization of negative goodwill	31	26
Equity in earnings of affiliates	77	161
Other	71	85
Total non-operating income	270	357
Non-operating expenses		
Interest expenses	26	12
Loss on sales of securities	14	2
Foreign exchange losses	22	20
Commission fee	16	15
Other	17	13
Total non-operating expenses	97	64
Ordinary income (loss)	(565)	1,683
Extraordinary income		
Gain on sales of noncurrent assets	0	0
Reversal of allowance for doubtful accounts	1	9
Gain on sales of investment securities	-	54
Total extraordinary income	1	63
Extraordinary loss		
Loss on retirement of noncurrent assets	49	5
Loss on valuation of investment securities	115	35
Impairment loss	186	2
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	36
Business structure improvement expenses	598	-
Other	2	5
Total extraordinary loss	953	85
Income(loss) before income taxes	(1,517)	1,661
Income taxes-current	322	215
Income taxes-deferred	786	(227)
Total income taxes	1,108	(12)
Income before minority interests	-	1,674
Minority interests in income	4	19
Net Income (loss)	(2,630)	1,654

Consolidated Statements of Comprehensive Income

	Year Ended March 31, 2010	Year Ended March 31, 2011
Income before minority interests	-	1,674
Other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	-	(31)
Deferred gains or losses on hedges, net of tax	-	(3)
Foreign currency translation adjustment, net of tax	-	(336
Other comprehensive income	-	(371)
Comprehensive income	-	1,302
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	-	1,297
Comprehensive income attributable to minority interests	-	4

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	Year Ended March 31, 2010	Year Ended March 31, 2011
Shareholders' equity		
Capital stock		
Capital stock	6,895	6,895
Changes of items during the period		
Total changes of items during the period	-	-
Capital stock	6,895	6,895
Capital surplus		
Capital surplus	7,172	7,172
Changes of items during the period		
Total changes of items during the period	-	-
Capital surplus	7,172	7,172
Retained earnings		
Retained earnings	16,694	13,829
Changes of items during the period		
Dividends from surplus	(237)	(189)
Net Income(loss)	(2,630)	1,654
Other	2	0
Total changes of items during the period	(2,865)	1,464
Retained earnings	13,829	15,294
Treasury stock		
Treasury stock	(53)	(53)
Changes of items during the period		
Purchase of treasury stock	(0)	(149)
Total changes of items during the period	(0)	(149)
Treasury stock	(53)	(202)
Total shareholders' equity		
Shareholders' equity	30,710	27,844
Changes of items during the period		
Dividends from surplus	(237)	(189)
Net Income(loss)	(2,630)	1,654
Purchase of treasury stock	(0)	(149)
Other	2	0
Total changes of items during the period	(2,865)	1,315
Shareholders' equity	27,844	29,160

(Millions of yen)

	Year Ended March 31, 2010	Year Ended March 31, 2011
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Valuation difference on available-for-sale securities	(15)	197
Changes of items during the period		
Net changes of items other than shareholders' equity	213	(31)
Total changes of items during the period	213	(31)
Valuation difference on available-for-sale securities	197	166
Deferred gains or losses on hedges		
Deferred gains or losses on hedges	-	(2)
Changes of items during the period		
Net changes of items other than shareholders' equity	(2)	(3)
Total changes of items during the period	(2)	(3)
Deferred gains or losses on hedges	(2)	(5)
Revaluation reserve for land		
Revaluation reserve for land	(824)	(826)
Changes of items during the period		
Net changes of items other than shareholders' equity	(2)	(1)
Total changes of items during the period	(2)	(1)
Revaluation reserve for land	(826)	(828)
Foreign currency translation adjustment		
Foreign currency translation adjustment	(820)	(745)
Changes of items during the period		
Net changes of items other than shareholders' equity	74	(321)
Total changes of items during the period	74	(321)
Foreign currency translation adjustment	(745)	(1,067)
Total valuation and translation adjustments		
Valuation and translation adjustments	(1,660)	(1,376)
Changes of items during the period		
Net changes of items other than shareholders' equity	283	(358)
Total changes of items during the period	283	(358)
Valuation and translation adjustments	(1,376)	(1,734)
Minority interests		
Minority interests	162	169
Changes of items during the period		
Net changes of items other than shareholders' equity	6	(13)
Total changes of items during the period	6	(13)
Minority interests	169	155
Net assets		
Net assets	29,212	26,637
Changes of items during the period		
Dividends from surplus	(237)	(189)
Net Income(loss)	(2,630)	1,654
Purchase of treasury stock	(0)	(149)
Other	2	0
Net changes of items other than shareholders' equity	290	(372)
Total changes of items during the period	(2,575)	943
Net assets	26,637	27,580

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year Ended March 31, 2010	Year Ended March 31, 2011
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	(1,517)	1,661
Depreciation and amortization	876	712
Impairment loss	186	2
Increase in allowance for doubtful accounts	4	(14)
Decrease in provision for retirement benefits	(6)	(31)
Increase (decrease) in provision for directors' bonuses	2	1
Decrease in provision for directors' retirement benefits	(14)	-
Loss on valuation of investment securities	115	35
Interest and dividends income	(90)	(82)
Interest expenses	26	12
Loss on sales of securities	14	2
Equity in earnings of affiliates	(77)	(161)
Business structure improvement expenses	598	-
Decrease in notes and accounts receivable-trade	2,732	(2,353)
Decrease (increase) in inventories	1,064	(842)
Decrease in notes and accounts payable-trade	(569)	1,823
Other, net	(527)	571
Subtotal	2,819	1,335
Interest and dividends income received	180	135
Interest expenses paid	(27)	(13)
Income taxes (paid) refund	(300)	(325)
Net cash provided by (used in) operating activities	2,670	1,133
Net cash provided by (used in) investing activities		
Payments into time deposits	(30)	-
Proceeds from withdrawal of time deposits	239	-
Purchase of trust beneficiary right	(1,403)	(2,219)
Proceeds from redemption of trust beneficiary right	1,403	1,957
Purchase of property, plant and equipment and intangible assets	(344)	(157)
Proceeds from sales of property, plant and equipment and intangible assets	1	1
Purchase of investment securities	(5)	(2)
Proceeds from sales and redemption of investment securities	9	188
Payments of loans receivable	(1)	(0)
Collection of loans receivable	3	2
Net cash provided by (used in) investing activities	(128)	(230)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	964	630
Decrease in short-term loans payable	(1,345)	(600)
Repayment of long-term loans payable	(11)	(10)
Cash dividends paid	(236)	(188)
Cash dividends paid to minority shareholders	(15)	(1)
Purchase of treasury stock	(0)	(149)
Other, net	(73)	(7)
Net cash provided by (used in) financing activities	(718)	(327)
Effect of exchange rate change on cash and cash equivalents	17	(130)
Net increase in cash and cash equivalents	1,841	444
Cash and cash equivalents at beginning of period	7,533	9,374
Cash and cash equivalents at end of period	9,374	9,819