

FOR IMMEDIATE RELEASE:

Furusato Announces Financial Results for the Year Ended March 31, 2013 [Japanese GAAP]

Osaka, Japan, May 7, 2013 – Furusato Industries, Ltd. announced its financial results for the year ended March 31, 2013. All financial information has been prepared in accordance with accounting principles generally accepted in Japan. The following summary of the financial results is unaudited and for reference only.

Stock Exchange Listings : The First Section of the Tokyo Stock Exchange
The First Section of the Osaka Securities Exchange
Securities Code : 8087

All figures are rounded down to the nearest million yen.

CONSOLIDATED FINANCIAL RESULTS

1. Business Results

	Year Ended March 31, 2013	Year Ended March 31, 2012
Operating Results:	(Millions of Yen)	(Millions of Yen)
Net Sales	¥ 75,084	¥ 73,625
Operating Income	2,212	2,215
Ordinary Income	2,488	2,500
Net Income	1,288	1,171
ROE (Net Income to Net Assets)	4.4%	4.1%
ROA (Ordinary Income to Total Assets)	5.2%	5.4%
Operating Income to Net Sales	2.9%	3.0%
Per Share Data:	(Yen)	(Yen)
Net Income	¥ 88.10	¥ 78.82
	As of March 31, 2013	As of March 31, 2012
Financial Position:	(Millions of Yen)	(Millions of Yen)
Total Assets	¥ 47,532	¥ 47,978
Net Assets	30,040	29,186
Net Assets to Total Assets	63.2%	60.8%
Per Share Data:	(Yen)	(Yen)
Net Assets	¥ 2,066.57	¥ 1,978.13
Cash Flows:	(Millions of Yen)	(Millions of Yen)
Net Cash Provided by Operating Activities	¥ 2,200	¥ 468
Net Cash Used in Investing Activities	(261)	(61)
Net Cash Used in Financing Activities	(455)	(272)
Cash and Cash Equivalents at End of Period	8,404	6,921

Notes:

1. Comprehensive income
 - Year ended March 31, 2013: ¥1,310 million, 14.7%
 - Year ended March 31, 2012: ¥1,143 million, 271.9%
2. Material changes in subsidiaries during this period
(Changes in scope of consolidations resulting from change in subsidiaries): No
3. Changes in accounting policies, accounting estimates, and retrospective restatements
 - 1) Changes in accounting policies based on revisions of accounting standards: Yes
 - 2) Changes in accounting policies other than 1) above based on revisions of accounting standard: No
 - 3) Changes in accounting estimates: Yes
 - 4) Retrospective restatements: No
4. Number of issued and outstanding shares (common stock)
 - 1) Number of issued and outstanding shares at the end of period (including treasury stock)
 - March 31, 2013: 14,574,366 shares
 - March 31, 2012: 15,574,366 shares
 - 2) Number of treasury stock at the end of period
 - March 31, 2013: 38,121 shares
 - March 31, 2012: 819,986 shares
 - 3) Average number of shares (quarterly period-YTD)
 - March 31, 2013: 14,629,960 shares
 - March 31, 2012: 14,867,990 shares

2. Dividends

	Dividends Per Share (Yen)					Total Dividends (Annual) Millions of Yen	Dividend Payout Ratio (Consolidated) %	Dividend on Net Assets (Consolidated) %
	1Q	2Q	3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen			
Fiscal Year Ended March 31, 2012	-	5.00	-	15.00	20.00	295	25.4	1.0
Fiscal Year Ended March 31, 2013	-	5.00	-	17.50	22.50	327	25.5	1.2
Fiscal Year Ending March 31, 2014 (Forecast)	-	5.00	-	17.50	22.50		25.1	

CONSOLIDATED EARNINGS FORECAST FOR FISCAL 2013, ENDING MARCH 31, 2014

	Six Months Ending September 30, 2013	Year Ending March 31, 2014
Operating Results:	(Millions of Yen)	(Millions of Yen)
Net Sales	¥ 36,380	¥ 75,000
Operating Income	830	2,110
Ordinary Income	965	2,325
Net Income	545	1,305
Per Share Data:	(Yen)	(Yen)
Net Income	¥ 37.49	¥ 89.78

[REFERENCE] NON-CONSOLIDATED FINANCIAL RESULTS

	Year Ended March 31, 2013	Year Ended March 31, 2012
Operating Results:	(Millions of Yen)	(Millions of Yen)
Net Sales	¥ 22,866	¥ 21,224
Operating Income	940	782
Ordinary Income	1,063	963
Net Income	423	406
Per Share Data:	(Yen)	(Yen)
Net Income	¥ 28.92	¥ 27.34

	As of March 31, 2013	As of March 31, 2012
Financial Position:	(Millions of Yen)	(Millions of Yen)
Total Assets	¥ 27,339	¥ 27,054
Net Assets	21,302	21,357
Net Assets to Total Assets	77.9%	78.9%
Per Share Data:	(Yen)	(Yen)
Net Assets	¥ 1,465.47	¥ 1,447.52

NON-CONSOLIDATED EARNINGS FORECAST FOR FISCAL 2013, ENDING MARCH 31, 2014

	Six Months Ending September 30, 2013	Year Ending March 31, 2014
Operating Results:	(Millions of Yen)	(Millions of Yen)
Net Sales	¥ 11,500	¥ 24,000
Operating Income	380	1,025
Ordinary Income	440	1,090
Net Income	245	590
Per Share Data:	(Yen)	(Yen)
Net Income	¥ 16.85	¥ 40.59

*The forecasts involve our management's assumptions, prospects and plans based on the information currently available. Actual results may differ materially from the expectations depending on various factors.

RESULTS OF OPERATIONS AND FINANCIAL POSITION (YEAR ENDED MARCH 31, 2013)**1. Analysis of Operating Results****(1) Overview of Results**

During the year ended March 31, 2013, Japanese economic outlook remained uncertain due mainly to a prolonged European debt crisis and territorial disputes with neighboring countries along with economic growth slowdown in emerging countries. Meanwhile, there were some signs of a recovery, reflecting the rise in stock prices and the yen depreciation caused by anticipation of positive effects of economic and fiscal policy of the new administration formed at the end of last year as well as reconstruction demand from the Great East Japan Earthquake.

With regard to the business environment related to Furusato group, the capital investment in the manufacturing sector continued a slowdown according to the statistics of Orders Received for Machinery while the Indices of Industrial Production, indicating factory operating ratio, was on a downward trend in the second half of fiscal 2012. The steel frame building demand showed an upward trend, but stayed at approximately three-quarters of the level before Lehman Shock according to the statistics of Building Starts.

Under this business environment, in Furusato group, the Equipment and Tools Business and the Machine and Facility Business turned to a decrease from the middle of this fiscal year. Meanwhile, the Construction and Piping Products Business was steady.

Consequently, during the period under review, consolidated net sales increased by 2.0% year over year to ¥75,084 million. On the earnings front, operating income decreased by 0.1% year over year to ¥2,212 million and ordinary income decreased by 0.5% year over year to ¥2,488 million. Accordingly, net income increased by 10.0% year over year to ¥1,288 million due mainly to a reduction in income taxes despite recording impairment loss of ¥136 million under an extraordinary loss.

(2) Analysis of Results by Segment**1) Equipment and Tools Business**

In the Equipment and Tools Business, overall net sales decreased by 1.5% year over year to ¥38,039 million. The Industrial Equipment Business decreased by 3.7% year over year due to a slowdown in Chinese economy, the Machine and Tools for Automotive Business increased by 1.8% year over year, impacted by a rebound in automotive sales, and the Housing Equipment Business increased by 13.5% year over year. Consequently, overall operating income amounted to ¥897 million, down 14.3% year over year.

2) Machine and Facility Business

In the Machine and Facility Business, overall net sales increased by 2.7% year over year to ¥14,194 million. The Machine Tool Business increased by 6.1% year over year by offsetting a decline in the second half of fiscal 2012 with favorable performance in the first half. The Factory Automation Business decreased by 8.1% year over year despite showing an upward trend at the end of this fiscal year. Consequently, overall operating income was ¥384 million, up 40.1% year over year.

3) Construction and Piping Products Business

In the Construction and Piping Products Business, overall net sales increased by 7.7% year over year to ¥22,851 million. The Steel Frame Building Supplies Business was up 7.8% year over year, reflecting a recovery trend in the steel frame building demand with softening unit prices. The Piping Products Business was up 7.5% year over year due mainly to new customer development. Consequently, overall operating income increased by 20.1% year over year to ¥940 million.

(3) Earnings Forecast for fiscal 2013, ending March 31, 2014

With regard to the future forecast, Japanese economy is expected to recover, led by the economic policy of the new administration while there is uncertainty about economic trends in western countries and the impact by participation in TPP along with raising energy and raw material costs due to the yen depreciation.

Under this business environment, Furusato group will aim for a sustainable growth by developing our businesses from the customer's perspective in line with the improvement of productivity.

During the year ending March 31, 2014, we forecast net sales of ¥75,000 million, operating income of ¥2,110 million, ordinary income of ¥2,325 million and net income of ¥1,305 million.

2. Overview of Consolidated Financial Position and Cash Flows

〈Total assets〉

As of March 31, 2013, total assets decreased by ¥446 million to ¥47,532 million from the end of the previous

fiscal year. According to a breakdown of the change, total current assets decreased by ¥398 million from the fiscal 2011 year-end. That was due primarily to a decrease in notes and accounts receivable-trade of ¥1,934 million despite an increase in cash and deposits of ¥1,423 million and an increase in merchandise and finished goods of ¥243 million. Total non-current assets decreased by ¥47 million.

〈Total liabilities〉

Total liabilities decreased by ¥1,300 million to ¥17,492 million from the fiscal 2011 year-end. According to a breakdown of the change, total current liabilities decreased by ¥1,172 million from the fiscal 2011 year-end. That was due primarily to a decrease in notes and accounts payable-trade of ¥863 million and a decrease in income taxes payable of ¥320 million. Total noncurrent liabilities decreased by ¥127 million from the fiscal 2011 year-end. That was due primarily to a decrease in provision for retirement benefits of ¥131 million.

〈Net assets〉

Net assets increased by ¥854 million to ¥30,040 million from the end of the previous fiscal year. This was attributed to net income of ¥1,288 million, dividends from surplus of ¥294 million and purchase of treasury stock of ¥162 million.

〈Cash flows〉

Cash and cash equivalents (hereinafter referred to as "cash") as of March 31, 2013 increased by ¥1,482 million from the beginning of fiscal 2012 to ¥8,404 million (in fiscal 2011, ¥6,921 million) due to an increase in cash from operating activities and a decrease in cash from investment activities and financing activities.

〈Net cash from operating activities〉

Net cash provided by operating activities was ¥2,200 million (in fiscal 2011, net cash provided by operating activities ¥468 million). Factors behind the result were income before income taxes of ¥2,353 million, a decrease in notes and accounts receivable-trade of ¥1,972 million, and depreciation and amortization of ¥357 million, despite income taxes paid of ¥1,333 million and a decrease in notes and accounts payable-trade of ¥818 million.

〈Net cash from investing activities〉

Net cash used in investing activities totaled ¥261 million (in fiscal 2011, net cash used in investing activities ¥61 million), mainly resulting from payments for guarantee deposits of ¥167 million and purchases of property, plant and equipment of ¥98 million.

〈Net cash from financing activities〉

Net cash used in financing activities was ¥455 million (in fiscal 2011, net cash provided by financing activities ¥272 million). That was mainly owing to cash dividends paid of ¥293 million and purchase of treasury stock of ¥162 million.

3. Basic Policy for Distribution of Profits, Dividends for FY2012 and Dividends Forecasts for FY2013

Furusato regards our dividend policy as one of the critical management issues and adopts the following policy:

- (1) In order to increase the returns to shareholders over the long term, we strive to reinforce our profit structure. Internal capital resources will be secured for active investment in growing businesses.
- (2) The target annual dividend payout ratio is approximately 25% of consolidated net income. In case that the annual dividend per share based on the above dividend payout ratio is less than ¥10, we aim to continue to pay ¥10 as the stable dividend returns to our shareholders.

Note: Amount is rounded up by ¥0.5.

¥0.01 - ¥0.49; ¥0.5

¥0.51 - ¥0.99; ¥1.0

In accordance with this policy, Furusato plans to pay a year-end dividend of ¥17.5 per share, resulting in an annual dividend of ¥22.5 per share together with the interim dividend of ¥5.0 per share already paid.

The annual dividend for the year ending March 31, 2014 is expected to be ¥22.5 per share (¥5.0 for interim and ¥17.5 for year-end dividend).

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	Thousands of Yen	
	March 31, 2012	March 31, 2013
	Amounts	Amounts
Assets		
Current assets:		
Cash and deposits	¥ 7,016,031	¥ 8,439,749
Notes and accounts receivable-trade	24,028,203	22,093,890
Merchandise and finished goods	2,783,521	3,026,877
Work in process	538,112	469,472
Raw materials and supplies	158,181	143,440
Deferred tax assets	328,804	321,182
Other	244,822	206,807
Allowance for doubtful accounts	(38,622)	(41,046)
Total current assets	35,059,054	34,660,373
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	6,883,102	6,825,889
Accumulated depreciation	(4,452,647)	(4,623,717)
Buildings and structures, net	2,430,455	2,202,171
Land	6,698,875	6,653,870
Other	3,258,855	3,243,190
Accumulated depreciation	(2,951,422)	(2,923,057)
Others, net	307,433	320,133
Total property, plant and equipment	9,436,764	9,176,175
Intangible assets:		
Total intangible assets	61,749	48,763
Investments and other assets:		
Investment securities	2,268,341	2,314,679
Prepaid pension cost	99,722	119,235
Deferred tax assets	101,420	42,469
Other	1,058,840	1,248,710
Allowance for doubtful accounts	(106,938)	(77,881)
Total investments and other assets	3,421,387	3,647,212
Total noncurrent assets	12,919,901	12,872,151
Total assets	¥ 47,978,955	¥ 47,532,524

Note: All figures are rounded down to the nearest thousand yen.

	Thousands of Yen	
	March 31, 2012	March 31, 2013
	Amounts	Amounts
Liabilities		
Current liabilities:		
Notes and accounts payable-trade	¥ 15,577,306	¥ 14,714,133
Income taxes payable	863,658	542,795
Provision for bonuses	485,223	505,359
Provision for directors' bonuses	26,780	25,180
Reserve for loss on disaster	8,431	7,762
Provision for removal expenses of noncurrent assets	-	52,000
Other	865,228	806,932
Total current liabilities	17,826,627	16,654,162
Noncurrent liabilities:		
Deferred tax liabilities	450,064	437,818
Provision for retirement benefits	341,326	209,842
Other	174,800	190,546
Total noncurrent liabilities	966,191	838,207
Total liabilities	18,792,818	17,492,369
Net Assets		
Shareholders' equity:		
Capital stock	5,232,413	5,232,413
Capital surplus	6,135,350	5,975,224
Retained earnings	17,536,634	18,108,452
Treasury stock	(442,468)	(22,220)
Total shareholders' equity	28,461,930	29,293,870
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	724,207	746,284
Total accumulated other comprehensive income	724,207	746,284
Total net assets	29,186,137	30,040,154
Total liabilities and net assets	¥ 47,978,955	¥ 47,532,524

Note: All figures are rounded down to the nearest thousand yen.

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Thousands of Yen			
	Year ended March 31, 2012		Year ended March 31, 2013	
	Amounts		Amounts	
Net sales	¥	73,625,554	¥	75,084,421
Cost of sales		63,099,439		64,172,176
Gross profit		10,526,114		10,912,245
Selling, general and administrative expenses:				
Freightage and packing expenses		927,812		993,811
Provision of allowance for doubtful accounts		(30,530)		7,801
Provision for directors' bonuses		26,780		25,180
Salaries, allowances and bonuses		3,683,414		3,779,079
Provision for bonuses		424,481		444,259
Retirement benefit expenses		168,121		168,614
Other		3,110,960		3,280,500
Total selling, general and administrative expenses		8,311,038		8,699,246
Operating income		2,215,075		2,212,998
Non-operating income:				
Interest income		8,061		11,539
Dividends income		40,578		37,487
Purchase discounts		441,885		435,097
Rent income		31,497		30,874
Other		19,717		22,139
Total non-operating income		541,741		537,138
Non-operating expenses:				
Interest expenses		2		-
Sales discounts		234,793		237,341
Cost of lease revenue		4,372		3,881
Other		17,575		20,568
Total non-operating expenses		256,744		261,791
Ordinary income		2,500,072		2,488,345
Extraordinary income:				
Gain on sales of noncurrent assets		-		984
Gain on sales of investment securities		15,344		-
Subsidy income		14,983		-
Total extraordinary income	¥	30,327	¥	984

Note: All figures are rounded down to the nearest thousand yen.

Thousands of Yen

	Year ended	Year ended
	March 31, 2012	March 31, 2013
	Amounts	Amounts
Extraordinary loss:		
Loss on retirement of noncurrent assets	¥ -	¥ 9,540
Impairment loss	206,903	72,746
Provision for removal expenses of noncurrent assets	-	52,000
Loss on valuation of investment securities	56,179	-
Loss on disaster	6,215	1,933
Total extraordinary loss	269,298	136,220
Income before income taxes	2,261,100	2,353,109
Income taxes-current	1,007,975	1,014,761
Income taxes-deferred	81,250	49,473
Total income taxes	1,089,226	1,064,234
Income before minority interests	1,171,874	1,288,875
Net income	¥ 1,171,874	¥ 1,288,875

Note: All figures are rounded down to the nearest thousand yen.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	Thousands of Yen	
	Year ended March 31, 2012	Year ended March 31, 2013
	Amounts	Amounts
Income before minority interests	¥ 1,171,874	¥ 1,288,875
Other comprehensive income:		
Valuation difference on available-for-sale securities	(28,627)	22,076
Total other comprehensive income	(28,627)	22,076
Comprehensive income:	1,143,247	1,310,952
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,143,247	1,310,952
Comprehensive income attributable to minority interests	¥ -	¥ -

Note: All figures are rounded down to the nearest thousand yen.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED)

	Thousands of Yen	
	Year ended March 31, 2012	Year ended March 31, 2013
	Amounts	Amounts
Shareholders' equity		
Capital stock:		
Balance at the beginning of current period	¥ 5,232,413	¥ 5,232,413
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	5,232,413	5,232,413
Capital surplus:		
Balance at the beginning of current period	6,135,350	6,135,350
Changes of items during the period		
Retirement of treasury stock	-	(582,730)
Transfer to capital surplus from retained earnings	-	422,603
Total changes of items during the period	-	(160,126)
Balance at the end of current period	6,135,350	5,975,224
Retained earnings:		
Balance at the beginning of current period	16,513,750	17,536,634
Changes of items during the period		
Dividends from surplus	(148,990)	(294,453)
Net income	1,171,874	1,288,875
Transfer to capital surplus from retained earnings	-	(422,603)
Total changes of items during the period	1,022,883	571,818
Balance at the end of current period	17,536,634	18,108,452
Treasury stock:		
Balance at the beginning of current period	(318,860)	(442,468)
Changes of items during the period		
Purchase of treasury stock	(123,608)	(162,481)
Retirement of treasury stock	-	582,730
Total changes of items during the period	(123,608)	420,248
Balance at the end of current period	(442,468)	(22,220)
Total shareholders' equity:		
Balance at the beginning of current period	27,562,654	28,461,930
Changes of items during the period		
Dividends from surplus	(148,990)	(294,453)
Net income	1,171,874	1,288,875
Purchase of treasury stock	(123,608)	(162,481)
Retirement of treasury stock	-	-
Transfer to capital surplus from retained earnings	-	-
Total changes of items during the period	899,275	831,940
Balance at the end of current period	¥ 28,461,930	¥ 29,293,870

Note: All figures are rounded down to the nearest thousand yen.

Thousands of Yen

	Year ended March 31, 2012		Year ended March 31, 2013	
	Amounts		Amounts	
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities:				
Balance at the beginning of current period	¥	752,834	¥	724,207
Changes of items during the period				
Net changes of items other than shareholders' equity		(28,627)		22,076
Total changes of items during the period		(28,627)		22,076
Balance at the end of current period		724,207		746,284
Total accumulated other comprehensive income:				
Balance at the beginning of current period		752,834		724,207
Changes of items during the period				
Net changes of items other than shareholders' equity		(28,627)		22,076
Total changes of items during the period		(28,627)		22,076
Balance at the end of current period		724,207		746,284
Total net assets				
Balance at the beginning of current period		28,315,489		29,186,137
Changes of items during the period				
Dividends from surplus		(148,990)		(294,453)
Net income		1,171,874		1,288,875
Purchase of treasury stock		(123,608)		(162,481)
Retirement of treasury stock		-		-
Transfer to capital surplus from retained earnings		-		-
Net changes of items other than shareholders' equity		(28,627)		22,076
Total changes of items during the period		870,648		854,017
Balance at the end of current period	¥	29,186,137	¥	30,040,154

Note: All figures are rounded down to the nearest thousand yen.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Thousands of Yen	
	Year ended March 31, 2012	Year ended March 31, 2013
	Amounts	Amounts
Net cash provided by (used in) operating activities:		
Income before income taxes	¥ 2,261,100	¥ 2,353,109
Depreciation and amortization	318,970	357,508
Impairment loss	206,903	72,746
Increase (decrease) in provision for directors' bonuses	13,134	(1,600)
Increase (decrease) in provision for retirement benefits	(111,845)	(131,484)
Decrease (increase) in prepaid pension costs	(28,515)	(19,512)
Increase (decrease) in provision for bonuses	20,937	20,136
Increase (decrease) in allowance for doubtful accounts	(67,746)	(26,632)
Interest and dividends income	(48,640)	(49,027)
Interest expenses	2	-
Loss (gain) on sales of investment securities	(15,344)	-
Loss (gain) on valuation of investment securities	56,179	-
Decrease (increase) in notes and accounts receivable-trade	(3,967,644)	1,972,806
Decrease (increase) in inventories	19,309	(159,974)
Increase (decrease) in notes and accounts payable-trade	2,116,652	(818,081)
Other	126,417	(85,053)
Subtotal	899,870	3,484,942
Interest and dividend income received	47,925	49,130
Interest expenses paid	(2)	-
Income taxes paid	(495,708)	(1,333,812)
Income taxes refund	1,023	-
Other	14,983	-
Net cash provided by (used in) operating activities	468,091	2,200,260
Net cash provided by (used in) investing activities:		
Payments into time deposits	(103,717)	(77,802)
Proceeds from withdrawal of time deposits	83,007	136,720
Purchase of property, plant and equipment	(118,994)	(98,395)
Purchase of investment securities	(135,345)	(19,407)
Proceeds from sales of investment securities	233,852	-
Payments for guarantee deposits	(9,376)	(167,628)
Other	(10,617)	(35,161)
Net cash provided by (used in) investing activities	(61,191)	(261,675)
Net cash provided by (used in) financing activities:		
Purchase of treasury stock	(123,608)	(162,481)
Cash dividends paid	(148,994)	(293,468)
Net cash provided by (used in) financing activities	(272,602)	(455,949)
Net increase (decrease) in cash and cash equivalents	134,297	1,482,635
Cash and cash equivalents at beginning of the period	6,787,115	6,921,413
Cash and cash equivalents at end of the period	¥ 6,921,413	¥ 8,404,049

Note: All figures are rounded down to the nearest thousand yen.

SEGMENT INFORMATION

a. Segment information

1. Outline of business segments reported

The business segments reported are the segments of Furusato Group for which separate financial information is available and for which operating income/loss amounts are evaluated regularly by executive management in deciding how to allocate resources and in assessing performance.

Furusato Group comprises of three segments, the "Equipment and Tools Business", the "Machine and Facility Business" and the "Construction and Piping Products Business".

The Equipment and Tools Business offers mainly equipments and tools to the manufacturing industry and equipments to the housing market.

The Machine and Facility Business offers primarily machine tools and facilities installed in production lines.

The Construction and Piping Products Business sells fastening products, hardware, welding materials, piping supplies, etc. and manufactures and sells turnbuckle braces and foundation bolts, etc.

2. Information on net sales, operating income (loss), assets, liabilities and other items by business segment reported

Year Ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(Thousands of Yen)

	Net sales			Operating income	Assets	Other items	
	To customers	Intersegment	Total			Depreciation, amortization	Increase in tangible and intangible fixed assets
Business segment reported							
Equipment and Tools	¥ 38,600,891	¥ 795,113	¥ 39,396,004	¥ 1,047,463	¥ 18,283,906	¥ 64,902	¥ 19,148
Machine and Facility	13,815,259	241,761	14,057,021	274,533	4,717,818	10,414	4,200
Construction and Piping Products	21,209,403	15,507	21,224,910	782,991	16,816,926	241,443	123,417
Subtotal	73,625,554	1,052,382	74,677,936	2,104,989	39,818,652	316,760	146,767
Adjustment (*1)	-	(1,052,382)	(1,052,382)	110,086	8,160,303	2,210	-
Total amounts on the consolidated statements of income (*2)	¥ 73,625,554	-	¥ 73,625,554	¥ 2,215,075	¥ 47,978,955	¥ 318,970	¥ 146,767

Note:

1. Adjustment

(1) Adjustment of operating income amounted to ¥110,086 thousand, which includes elimination of intersegment transaction of ¥112,397 thousand and adjustment of inventory of ¥(2,310) thousand.

(2) Adjustment of assets amounted to ¥8,160,303 thousand, which includes elimination of intersegment transaction of ¥(230,800) thousand and corporate assets not allocated to each business segment reported of ¥8,391,104 thousand. The majority of corporate assets are surplus funds, long-term investment funds and assets in Administration section, which do not belong to each business segment reported.

(3) The majority of depreciation and amortization worth ¥2,210 thousand do not belong to business segments reported.

2. Segment operating income is adjusted with operating income on the consolidated statements of income.

Year Ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

(Thousands of Yen)

	Net sales			Operating income	Assets	Other items	
	To customers	Intersegment	Total			Depreciation, amortization	Increase in tangible and intangible fixed assets
Business segment reported							
Equipment and Tools	¥ 38,039,161	¥ 933,972	¥ 38,973,133	¥ 897,630	¥ 17,349,786	¥ 126,225	¥ 17,044
Machine and Facility	14,194,010	279,529	14,473,539	384,745	3,815,513	24,777	3,780
Construction and Piping Products	22,851,250	15,407	22,866,657	940,191	16,865,928	205,158	159,025
Subtotal	75,084,421	1,228,909	76,313,331	2,222,568	38,031,228	356,161	179,850
Adjustment (*1)	-	(1,228,909)	(1,228,909)	(9,569)	9,501,295	1,347	-
Total amounts on the consolidated statements of income (*2)	¥ 75,084,421	-	¥ 75,084,421	¥ 2,212,998	¥ 47,532,524	¥ 357,508	¥ 179,850

Note:

1. Adjustment

(1) Adjustment of operating income amounted to ¥(9,569) thousand, which includes elimination of intersegment transaction of ¥(7,437) thousand and adjustment of inventory of ¥(2,132) thousand.

(2) Adjustment of assets amounted to ¥9,501,295 thousand, which includes elimination of intersegment transaction of ¥(276,993) thousand and corporate assets not allocated to each business segment reported of ¥9,778,289 thousand. The majority of corporate assets are surplus funds, long-term investment funds and assets in Administration section, which do not belong to each business segment reported.

(3) The majority of adjustment of depreciation and amortization are ¥1,347 thousand, do not belong to business segments reported.

2. Segment operating income is adjusted with operating income on the consolidated statements of income.

b. Information on loss on impairment of noncurrent assets by business segment reported

(Thousands of Yen)

Business segment reported	Year Ended March 31, 2012	Year Ended March 31, 2013
Equipment and Tools	¥ -	¥ -
Machine and Facility	-	-
Construction and Piping Products	206,903	72,746
Total	¥ 206,903	¥ 72,746

NON-CONSOLIDATED FINANCIAL RESULTS FOR YEAR ENDED MARCH 31, 2013

NON-CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	Thousands of Yen	
	March 31, 2012 Amounts	March 31, 2013 Amounts
Assets		
Current assets:		
Cash and deposits	¥ 3,911,210	¥ 4,166,022
Notes receivable-trade	3,720,945	3,814,589
Accounts receivable-trade	3,159,181	3,273,985
Merchandise and finished goods	1,167,979	1,406,586
Work in process	538,112	469,472
Raw materials and supplies	158,181	143,440
Advance payments-trade	99,646	-
Prepaid expenses	55,545	56,647
Deferred tax assets	138,144	180,614
Other	10,718	12,676
Allowance for doubtful accounts	(24,771)	(27,647)
Total current assets	12,934,894	13,496,388
Noncurrent assets:		
Property, plant and equipment:		
Buildings	5,878,099	5,737,334
Accumulated depreciation	(3,649,584)	(3,743,340)
Buildings, net	2,228,514	1,993,993
Structures	716,322	724,552
Accumulated depreciation	(636,494)	(648,670)
Structures, net	79,828	75,881
Machinery and equipment	2,313,445	2,311,359
Accumulated depreciation	(2,085,170)	(2,069,177)
Machinery and equipment, net	228,275	242,182
Vehicles	130,363	128,378
Accumulated depreciation	(123,942)	(120,763)
Vehicles, net	6,421	7,615
Tools, furniture and fixtures	585,122	578,854
Accumulated depreciation	(543,644)	(532,060)
Tools, furniture and fixtures, net	41,478	46,794
Land	6,297,057	6,252,052
Construction in progress	-	219
Total property, plant and equipment	8,881,574	8,618,740
Intangible assets:		
Leasehold right	3,215	3,215
Right of trademark	544	465
Software	39,042	24,773
Other	80	69
Total intangible assets	¥ 42,883	¥ 28,523

Note: All figures are rounded down to the nearest thousand yen.

Thousands of Yen

	March 31, 2012 Amounts	March 31, 2013 Amounts
Investments and other assets:		
Investment securities	¥ 1,343,203	¥ 1,307,071
Stocks of subsidiaries and affiliates	3,240,402	3,240,402
Investment in capital	23,205	23,205
Claims provable in bankruptcy, claims provable in rehabilitation and other	39,615	19,055
Prepaid pension cost	99,722	119,235
Long-term prepaid expenses	51,479	73,469
Guarantee deposits	103,043	102,318
Long-term time deposits	300,000	300,000
Other	24,428	27,384
Allowance for doubtful accounts	(29,709)	(16,055)
Total investments and other assets	5,195,392	5,196,087
Total noncurrent assets	14,119,850	13,843,351
Total assets	¥ 27,054,745	¥ 27,339,740
Liabilities		
Current liabilities:		
Notes payable-trade	¥ 1,886,078	¥ 1,953,067
Accounts payable-trade	2,445,188	2,541,218
Accounts payable-other	323,069	404,629
Accrued expenses	32,702	35,561
Income taxes payable	290,070	328,602
Deposits received	12,477	14,234
Provision for bonuses	240,883	258,409
Provision for directors' bonuses	12,750	12,750
Reserve for loss on disaster	8,431	7,762
Provision for removal expenses of noncurrent assets	-	52,000
Other	20,331	19,333
Total current liabilities	5,271,983	5,627,569
Noncurrent liabilities:		
Long-term accounts payable-other	101,529	121,991
Deferred tax liabilities	234,155	197,157
Asset retirement obligations	8,013	8,197
Other	81,824	82,324
Total noncurrent liabilities	425,522	409,670
Total liabilities	¥ 5,697,505	¥ 6,037,240

Note: All figures are rounded down to the nearest thousand yen.

	Thousands of Yen	
	March 31, 2012	March 31, 2013
	Amounts	Amounts
Net Assets		
Shareholders' equity:		
Capital stock	¥ 5,232,413	¥ 5,232,413
Capital surplus:		
Legal capital surplus	5,975,224	5,975,224
Other capital surplus	160,126	-
Total capital surplus	6,135,350	5,975,224
Retained earnings:		
Legal retained earnings	306,475	306,475
Other retained earnings		
General reserve	7,000,000	7,000,000
Retained earnings brought forward	2,654,890	2,360,921
Total retained earnings	9,961,365	9,667,396
Treasury stock	(442,468)	(22,220)
Total shareholders' equity	20,886,661	20,852,814
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	470,577	449,685
Total valuation and translation adjustments	470,577	449,685
Total net assets	21,357,239	21,302,499
Total liabilities and net assets	¥ 27,054,745	¥ 27,339,740

Note: All figures are rounded down to the nearest thousand yen.

NON-CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Thousands of Yen	
	Year ended March 31, 2012	Year ended March 31, 2013
	Amounts	Amounts
Net sales:		
Net sales of goods	¥ 16,150,617	¥ 17,861,185
Net sales of finished goods	5,074,292	5,005,472
Total net sales	<u>21,224,910</u>	<u>22,866,657</u>
Cost of sales:		
Cost of goods sold:		
Beginning goods	1,100,931	994,697
Cost of purchased goods	12,513,443	14,274,600
Total	<u>13,614,374</u>	<u>15,269,298</u>
Ending goods	994,697	1,239,006
Cost of goods sold	<u>12,619,677</u>	<u>14,030,291</u>
Cost of finished goods sold:		
Beginning finished goods	180,789	173,281
Cost of products manufactured	3,865,737	3,746,263
Total	<u>4,046,526</u>	<u>3,919,544</u>
Ending finished goods	173,281	167,579
Cost of finished goods sold	<u>3,873,245</u>	<u>3,751,965</u>
Total	<u>16,492,922</u>	<u>17,782,256</u>
Gross profit	<u>4,731,988</u>	<u>5,084,400</u>
Selling, general and administrative expenses:		
Freightage and packing expenses	649,374	706,172
Provision of allowance for doubtful accounts	(12,331)	10,042
Directors' compensations	95,652	93,800
Provision for directors' bonuses	12,750	12,750
Salaries, allowances and bonuses	1,619,819	1,682,627
Provision for bonuses	180,141	197,309
Retirement benefit expenses	71,672	80,527
Welfare expenses	287,568	306,982
Rent expenses	212,956	211,507
Depreciation	98,178	87,766
Commission fee	214,035	215,493
Other	519,178	539,230
Total selling, general and administrative expenses	<u>3,948,996</u>	<u>4,144,209</u>
Operating income	<u>¥ 782,991</u>	<u>¥ 940,191</u>

Note: All figures are rounded down to the nearest thousand yen.

Thousands of Yen

	Year ended March 31, 2012		Year ended March 31, 2013	
	Amounts		Amounts	
Non-operating income:				
Interest income	¥	4,516	¥	4,745
Dividends income		24,125		19,622
Purchase discounts		32,175		34,976
Rent income		193,299		193,093
Miscellaneous income		31,914		34,933
Total non-operating income		286,031		287,370
Non-operating expenses:				
Cost of lease revenue		84,345		141,665
Miscellaneous loss		21,312		22,245
Total non-operating expenses		105,658		163,910
Ordinary income		963,364		1,063,650
Extraordinary income:				
Gain on sales of noncurrent assets		-		984
Gain on liquidation of subsidiaries and affiliates		79,389		-
Gain on sales of investment securities		15,344		-
Subsidy income		14,983		-
Total extraordinary income		109,716		984
Extraordinary loss:				
Loss on retirement of noncurrent assets		-		9,540
Impairment loss		206,903		148,215
Provision for removal expenses of noncurrent assets		-		52,000
Loss on valuation of investment securities		56,179		-
Loss on disaster		4,660		1,933
Total extraordinary loss		267,743		211,688
Income before income taxes		805,337		852,946
Income taxes-current		374,408		490,703
Income taxes-deferred		24,498		(60,844)
Total income taxes		398,906		429,858
Net income	¥	406,430	¥	423,087

Note: All figures are rounded down to the nearest thousand yen.

NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED)

	Thousands of Yen	
	Year ended March 31, 2012	Year ended March 31, 2013
	Amounts	Amounts
Shareholders' equity:		
Capital stock:		
Balance at the end of previous period	¥ 5,232,413	¥ 5,232,413
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	<u>5,232,413</u>	<u>5,232,413</u>
Capital surplus:		
Legal capital surplus:		
Balance at the end of previous period	5,975,224	5,975,224
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	<u>5,975,224</u>	<u>5,975,224</u>
Other capital surplus:		
Balance at the end of previous period	160,126	160,126
Changes of items during the period		
Retirement of treasury stock	-	(582,730)
Transfer to capital surplus from retained earnings	-	422,603
Total changes of items during the period	-	(160,126)
Balance at the end of current period	<u>160,126</u>	<u>-</u>
Total capital surplus:		
Balance at the end of previous period	6,135,350	6,135,350
Changes of items during the period		
Retirement of treasury stock	-	(582,730)
Transfer to capital surplus from retained earnings	-	422,603
Total changes of items during the period	-	(160,126)
Balance at the end of current period	<u>6,135,350</u>	<u>5,975,224</u>
Retained earnings:		
Legal retained earnings:		
Balance at the end of previous period	306,475	306,475
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	<u>306,475</u>	<u>306,475</u>

Note: All figures are rounded down to the nearest thousand yen.

	Thousands of Yen	
	Year ended March 31, 2012	Year ended March 31, 2013
	Amounts	Amounts
Other retained earnings:		
General reserve		
Balance at the end of previous period	¥ 7,000,000	¥ 7,000,000
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	7,000,000	7,000,000
Retained earnings brought forward:		
Balance at the end of previous period	2,397,450	2,654,890
Changes of items during the period		
Dividends from surplus	(148,990)	(294,453)
Net income	406,430	423,087
Transfer to capital surplus from retained earnings	-	(422,603)
Total changes of items during the period	257,439	(293,969)
Balance at the end of current period	2,654,890	2,360,921
Total retained earnings:		
Balance at the end of previous period	9,703,926	9,961,365
Changes of items during the period		
Dividends from surplus	(148,990)	(294,453)
Net income	406,430	423,087
Transfer to capital surplus from retained earnings	-	(422,603)
Total changes of items during the period	257,439	(293,969)
Balance at the end of current period	9,961,365	9,667,396
Treasury stock:		
Balance at the end of previous period	(318,860)	(442,468)
Changes of items during the period		
Purchase of treasury stock	(123,608)	(162,481)
Retirement of treasury stock	-	582,730
Total changes of items during the period	(123,608)	420,248
Balance at the end of current period	(442,468)	(22,220)
Total shareholders' equity:		
Balance at the end of previous period	20,752,829	20,886,661
Changes of items during the period		
Dividends from surplus	(148,990)	(294,453)
Net income	406,430	423,087
Purchase of treasury stock	(123,608)	(162,481)
Retirement of treasury stock	-	-
Transfer to capital surplus from retained earnings	-	-
Total changes of items during the period	133,831	(33,846)
Balance at the end of current period	¥ 20,886,661	¥ 20,852,814

Note: All figures are rounded down to the nearest thousand yen.

Thousands of Yen

	Year ended March 31, 2012	Year ended March 31, 2013
	Amounts	Amounts
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	¥ 529,753	¥ 470,577
Changes of items during the period		
Net changes of items other than shareholders' equity	(59,175)	(20,892)
Total changes of items during the period	<u>(59,175)</u>	<u>(20,892)</u>
Balance at the end of current period	<u>470,577</u>	<u>449,685</u>
Total valuation and translation adjustments:		
Balance at the end of previous period	529,753	470,577
Changes of items during the period		
Net changes of items other than shareholders' equity	(59,175)	(20,892)
Total changes of items during the period	<u>(59,175)</u>	<u>(20,892)</u>
Balance at the end of current period	<u>470,577</u>	<u>449,685</u>
Total net assets:		
Balance at the beginning of the period	21,282,583	21,357,239
Changes of items during the period		
Dividends from surplus	(148,990)	(294,453)
Net income	406,430	423,087
Purchase of treasury stock	(123,608)	(162,481)
Retirement of treasury stock	-	-
Transfer to capital surplus from retained earnings	-	-
Net changes of items other than shareholders' equity	(59,175)	(20,892)
Total changes during the period	<u>74,656</u>	<u>(54,739)</u>
Balance at the end of the period	<u>¥ 21,357,239</u>	<u>¥ 21,302,499</u>

Note: All figures are rounded down to the nearest thousand yen.