

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT.  
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## Consolidated Financial Results for the Year Ended March 31, 2011 (Japan GAAP) (Fiscal year ended March 31, 2011)

### Company name: DIC Corporation

Listing Code number: 4631

URL: <http://www.dic-global.com/en/>

Representative: Kazuo Sugie, Representative Director, President and CEO

Contact Person: Hiroyuki Ninomiya, Corporate Controller, Accounting Department

Preparation of Supplemental Explanatory Materials: Yes

Holding of Annual Financial Results Meeting: Yes (for security analysts and institutional investors, etc.)

May 11, 2011

Stock exchange: Tokyo

Head Office: Tokyo

Tel: +81 (3) 3272-4511

Annual Meeting of Shareholders : June 22, 2011

Dividend Payment : June 23, 2011

Scheduled filing date of securities report : June 23, 2011

### 1. Consolidated Financial Results for the Fiscal Year 2010 (From April 1, 2010 to March 31, 2011)

Note: Yen amounts are rounded to the nearest million, except for per share information.

#### (1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%
FY2010	778,964	2.8	37,152	33.6	31,701	66.1	15,761	520.5
FY2009	757,849	-18.7	27,814	9.7	19,081	25.6	2,540	-4.1

Note: Comprehensive income (JPY million): FY2010 -5,604 (— %), FY2009 11,168 (— %)

	Earnings per share basic		Earnings per share diluted		ROE (Return on equity)	Ordinary income ratio to total assets	Operating income ratio to net sales
	JPY	JPY	JPY	JPY	%	%	%
FY2010	17.60	—	—	—	15.1	4.4	4.8
FY2009	3.21	—	—	—	2.6	2.6	3.7

Notes: 1) Equity in earnings of affiliates (JPY million): FY2010 1,999, FY2009 2,165

2) The percentages of changes for net sales, operating income, ordinary income and net income represent rate of increases or decreases from the results of the previous fiscal year.

#### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio to total assets	Shareholders' equity per share
	JPY (million)	JPY (million)	%	JPY
FY2010	703,760	130,379	15.3	117.44
FY2009	749,866	122,829	13.5	127.72

Note: Shareholders' equity (JPY million): FY2010 107,748, FY2009 101,034

#### (3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	JPY (million)	JPY (million)	JPY (million)	JPY (million)
FY2010	30,910	-12,340	-26,299	22,884
FY2009	39,456	-12,477	-15,985	29,549

### 2. Cash dividends

(Record date)	Cash dividends per share					Dividends in total (Annual)	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual			
	JPY	JPY	JPY	JPY	JPY			
FY2009	—	2.00	—	2.00	4.00	3,164	124.6	3.2
FY2010	—	2.00	—	2.00	4.00	3,670	22.7	3.3
FY2011 (Plan)	—	2.00	—	2.00	4.00		20.4	

### 3. Forecast for Consolidated Operating Results for the Fiscal Year Ending March 31, 2012 (From April 1, 2011 to March 31, 2012)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share basic	
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY	JPY
FY2011 First-half	370,000	-5.9	19,000	-8.7	15,000	-20.8	9,000	-26.4	9.81	
FY2011	760,000	-2.4	43,000	15.7	35,000	10.4	18,000	14.2	19.62	

#### **4. Others**

(1) Changes in the scope of consolidation for significant subsidiaries during the fiscal year ended March 31, 2011 : No

(2) Changes in the significant accounting policies

- 1) Adoption of new accounting standards : Yes
- 2) Others : No

(3) Number of common stocks

- 1) Number of common stocks issued at the end of period, including treasury stocks  
FY2010 919,372,048 shares, FY2009 792,872,048 shares
- 2) Number of treasury stocks at the end of period  
FY2010 1,862,844 shares, FY2009 1,814,322 shares
- 3) Average number of common stocks issued during period, excluding treasury stocks  
FY2010 895,664,490 shares, FY2009 791,078,986 shares

Note: **Implementation status of annual audit procedures**

Although presented consolidated financial results are not subject to annual audit procedures based on the Financial Instruments and Exchange Law, the consolidated financial statement annual audit procedures have not been completed at the time of disclosure of these financial results.

Note: **Explanation of the appropriate use of performance forecasts, and other special items**

The above forecasts of future performance are based on information available to the Company at the present time and are subject to potential risks and uncertainty. Accordingly, the users should be aware that actual results may differ from any expressed future performance herein due to various factors.

## Analysis of Results of Operations

The fiscal years of DIC Corporation and its domestic subsidiaries, with the exception of one company, end on March 31, while those of its overseas subsidiaries end on December 31. Accordingly, this document presents the accounts for the fiscal year ended March 31, 2011, of DIC and its domestic subsidiaries and for the fiscal year ended December 31, 2010, of its overseas subsidiaries.

### (1) Overview of Operating Results

In the fiscal year ended March 31, 2011, economic conditions continued to improve gradually in Japan, notwithstanding the impact of the Great East Japan Earthquake from mid-March forward, and in overseas markets.

In this environment, net sales rose 2.8%, to ¥779.0 billion. This was attributable mainly to booming demand in Asia, particularly in the People's Republic of China (PRC), which countered falling demand for printing inks in developed countries and the appreciation of the yen.

Operating income advanced 33.6%, to ¥37.2 billion, reflecting the increase in net sales, an improved product mix and rationalization measures, among others.

Ordinary income increased 66.1%, to ¥31.7 billion, owing to such factors as a decrease in interest expense.

Net income climbed 6.2 times, to ¥15.8 billion, despite the incurrence of an extraordinary loss due to the Great East Japan Earthquake.

(Billions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2010	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Net sales	¥779.0	¥757.8	2.8%	6.3%
Operating income	37.2	27.8	33.6%	36.9%
Ordinary income	31.7	19.1	66.1%	—
Net income	15.8	2.5	6.2 times	—

Note: The exchange rates used to translate the results of overseas DIC Group companies for the fiscal years ended March 31, 2011 and 2010, respectively, are as follows:

Fiscal year ended March 31, 2011: ¥87.69/US\$1.00 (average for the year ended December 31, 2010)

Fiscal year ended March 31, 2010: ¥93.51/US\$1.00 (average for the year ended December 31, 2009)

## (2) Segment Results

(Billions of yen)

	Net sales				Operating income (loss)			
	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2010	Change (%)	Change (%) excluding the impact of foreign currency fluctuations	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2010	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Printing Inks & Supplies	<b>¥404.4</b>	¥415.4	-2.6%	2.6%	<b>¥16.1</b>	¥15.4	4.2%	10.0%
Neo-Graphic Arts Materials	<b>110.1</b>	97.6	12.8%	18.1%	<b>2.9</b>	1.3	2.3 times	2.1 times
Synthetic Resins	<b>157.0</b>	143.6	9.3%	10.2%	<b>14.7</b>	11.3	30.1%	30.1%
Chemical Solution Materials	<b>151.0</b>	141.1	7.0%	7.3%	<b>6.8</b>	4.3	59.9%	59.5%
Others	<b>4.0</b>	3.3	20.7%	7.8%	<b>0.8</b>	0.7	10.0%	6.2%
Corporate and Eliminations	<b>(47.5)</b>	(43.2)	—	—	<b>(4.1)</b>	(5.1)	—	—
Total	<b>¥779.0</b>	¥757.8	2.8%	6.3%	<b>¥37.2</b>	¥27.8	33.6%	36.9%

Effective April 1, 2010, the DIC Group revised its business segments as shown in the table above with the aim of building on its basic materials and core technologies to grow its businesses in a manner that responds to changing social imperatives. Details of this reorganization are shown in the following diagram. Figures herein for the fiscal year ended March 31, 2010, have been restated to reflect this change.

## 【Reorganization of Segments】

### ( Previous Segments )

#### Graphic Arts

- Printing inks
- Printing supplies
- Organic pigments
- Color and Comfort

#### Electronics and Information Materials

- Imaging and reprographic products
- Liquid crystal materials
- Engineering plastics
- Hollow-fiber membranes

#### Industrial Materials

- Synthetic resins
- Additives and chemicals

#### High Performance and Applied Products

- Special compounds and colorants
- Building materials
- Petrochemical-related products
- Pressure-sensitive adhesive materials
- Plastic molded products

### ( New Segments )

#### Printing Inks & Supplies

- Printing inks
- Printing supplies

#### Neo-Graphic Arts Materials

- Organic pigments
- Imaging and reprographic products
- Liquid crystal materials

#### Synthetic Resins

- Synthetic resins
- Additives and chemicals

#### Chemical Solution Materials

- Special compounds and colorants
- Building materials
- Packaging materials  
(formerly petrochemical-related products)
- Pressure-sensitive adhesive materials
- Plastic molded products
- Engineering plastics
- Hollow-fiber membranes
- Color and Comfort

This reorganization is an important part of DIC's effort to shift from a product-specific to a market-focused management approach—thereby maximizing synergies and giving full play to the DIC Group's comprehensive capabilities—under its "DIC 102" medium-term management plan and to the realization of its "Color and Comfort by Chemistry" management vision.

Segment results in key markets are as follows. Year-on-year percentage changes in squared parentheses represent increases or decreases excluding the impact of foreign currency fluctuations. Interregional transactions within the Printing Inks & Supplies segment are included. Accordingly, the aggregates of regional net sales and operating income figures below differ from the figures presented above.

### Printing Inks & Supplies

#### *Japan*

Net sales	¥97.5 billion	Change	5.0%
Operating income	¥3.2 billion	Change	-13.5%

Although demand for gravure inks remained level for use on beverage containers and in food packaging, offset inks and news inks struggled, a consequence of such factors as falling demand for use in publishing and advertising leaflets and declining print runs and page counts for newspapers. Nonetheless, overall sales of printing inks in Japan rose, bolstered by the assumption of commercial rights for the domestic printing inks business of The Inctec Inc., effective from the third quarter of the previous fiscal year.

The segment reported a decline in operating income in the period under review, owing to the aforementioned sales results, as well as to rising raw materials prices, among others.

#### *The Americas and Europe*

Net sales	¥256.6 billion	Change	-6.9%	[0.9%]
Operating income	¥7.6 billion	Change	-3.4%	[7.4%]

Sales in North America and Europe advanced, owing to firm sales of inks for use in advertising leaflets and catalogs, and of packaging inks, which countered falling sales of publishing and news inks, a consequence of shrinking print runs for newspapers and magazines, among others. Central and South America also saw an increase in sales, thanks to elevated demand for all products, notably mainstay packaging inks. As a result, sales in the Americas and Europe were essentially level in local currency terms, but down after translation into yen as a result of the appreciation of the Japanese currency.

Operating income rose in local currency terms, bolstered by cost reductions achieved through rationalization efforts and other factors, but declined after translation owing to the strength of the yen.

### **Asia and Oceania**

Net sales	¥61.0 billion	Change	13.8%	[14.1%]
Operating income	¥5.6 billion	Change	28.9%	[30.6%]

Sales were up in both the PRC and Southeast Asia, the former bolstered by brisk sales of gravure inks and offset inks to export markets and the latter by firm sales of gravure inks. In Oceania, sales declined, despite brisk sales of gravure inks, as offset inks struggled. In India, sales rose, buoyed by a major upsurge in sales of news inks, together with robust sales of offset inks and gravure inks. As a consequence, overall sales in Asia and Oceania advanced.

Segment operating income increased, supported primarily by the aforementioned sales results.

### **Neo-Graphic Arts Materials**

Net sales	¥110.1 billion	Change	12.8%	[18.1%]
Operating income	¥2.9 billion	Change	2.3 times	[2.1 times]

Sales of organic pigments rose both in Japan and overseas, reflecting robust sales for use in color filters, as well as for use in plastics, among others. Sales of jet inks also increased sharply both in Japan and overseas. Sales of TFT LCs, which had struggled, were up substantially as shipments to major customers for use in LCD televisions expanded rapidly from late in the third quarter.

The segment reported higher operating income, despite an inventory valuation loss on LC materials, owing to the aforementioned sales increase, as well as to such factors as an improved product mix.

### **Synthetic Resins**

Net sales	¥157.0 billion	Change	9.3%	[10.2%]
Operating income	¥14.7 billion	Change	30.1%	[30.1%]

Factors such as higher demand for applications in the electrical and electronics industries in Asia, especially in the PRC, contributed to higher sales of such products as waterborne polyurethane resins, alkyl phenols and plasticizers. Sales of epoxy resins also advanced, despite flagging demand for use in copper-clad laminates and encapsulators in the second half.

Operating income rose, reflecting an improved product mix and increased sales, as outlined above, among others.

### Chemical Solution Materials

Net sales	¥151.0 billion	Change	7.0%	[7.3%]
Operating income	¥6.8 billion	Change	59.9%	[59.5%]

Factors including expanded demand from export markets for use in automotive components, and from the housing and construction industries, supported higher sales of polyphenylene sulfide (PPS) compounds, while rising demand in Asia, particularly in the PRC, bolstered sales of high-performance optical materials and industrial adhesive tapes. The segment also saw higher sales of plastic colorants—driven by robust demand from the housing and construction industries—and of polystyrene, reflecting a sharp increase in demand, primarily for use in lightweight containers.

Operating income rose, bolstered by the aforementioned sales results, as well as by an improved product mix, among others.

## Operating Results Forecast for the Fiscal Year Ending March 31, 2012

### (3) Overview

Although economic conditions worldwide are expected to continue improving, particularly in the United States, the outlook for the DIC Group's operating environment remains uncertain, owing to the impact of the Great East Japan Earthquake on the domestic economy, as well as to such factors as rising raw materials prices and trends in foreign exchange markets.

In this environment, the Group will press ahead with the implementation of measures outlined in “DIC 102”—its current medium-term management plan—under which it will adopt a management style designed to maximize the Group's collective capabilities. At the same time, it will work to further expand sales of high-value-added products and achieve greater cost reductions. As indicated in the table below, DIC currently forecasts increases in both consolidated net sales and operating income excluding the impact of foreign currency fluctuations.



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(Billions of yen)

	<b>Fiscal year ended March 31, 2012 (Forecast)</b>	Fiscal year ended March 31, 2011	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Net sales	<b>¥760.0</b>	<b>¥779.0</b>	-2.4%	1.2%
Operating income	<b>43.0</b>	<b>37.2</b>	15.7%	19.4%
Ordinary income	<b>35.0</b>	<b>31.7</b>	10.4%	—
Net income	<b>18.0</b>	<b>15.8</b>	14.2%	—

Note: The exchange rates used to translate the results of overseas DIC Group companies for the fiscal year ending March 31, 2012 and the fiscal year ended March 31, 2011, respectively, are as follows:

Fiscal year ending March 31, 2012: ¥85.00/US\$1.00 (average for the year ending December 31, 2011) (estimate)

Fiscal year ended March 31, 2011: ¥87.69/US\$1.00 (average for the year ended December 31, 2010) (actual)

#### (4) Segment Results Forecast

(Billions of yen)

	Net sales				Operating income (loss)			
	<b>Fiscal year ending March 31, 2012 (Forecast)</b>	Fiscal year ended March 31, 2011	Change (%)	Change (%) excluding the impact of foreign currency fluctuations	<b>Fiscal year ending March 31, 2012 (Forecast)</b>	Fiscal year ended March 31, 2011	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Printing Inks & Supplies	<b>¥392.6</b>	¥404.4	-2.9%	3.1%	<b>¥16.9</b>	¥16.1	5.3%	14.2%
Neo-Graphic Arts Materials	<b>113.6</b>	110.1	3.2%	6.2%	<b>10.2</b>	2.9	3.6 times	3.4 times
Synthetic Resins	<b>158.3</b>	157.0	0.9%	1.9%	<b>15.3</b>	14.7	4.1%	4.3%
Chemical Solution Materials	<b>147.2</b>	151.0	-2.5%	-2.1%	<b>7.4</b>	6.8	8.7%	9.0%
Others	<b>0.5</b>	4.0	-87.7%	-88.2%	<b>(0.2)</b>	0.8	Into the red	Into the red
Corporate and Eliminations	<b>(52.3)</b>	(47.5)	—	—	<b>(6.6)</b>	(4.1)	—	—
Total	<b>¥760.0</b>	¥779.0	-2.4%	1.2%	<b>¥43.0</b>	¥37.2	15.7%	19.4%

### **Disclaimer Regarding Forward-Looking Statements**

Statements herein, other than those of historical fact, are forward-looking statements that reflect management's projections based on information available as of the publication date. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from such statements. These risks and uncertainties include, but are not limited to, economic conditions in Japan and overseas, market trends, raw materials prices, interest rate trends, currency exchange rates, conflicts, litigations, disasters and accidents, as well as the possibility the Company will incur special losses related to the restructuring of its operations.

## Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011
(Assets)		
Current assets		
Cash and deposits	29,549	22,957
Notes and accounts receivable-trade	182,053	185,391
Merchandise and finished goods	71,631	66,305
Work in process	9,225	8,708
Raw materials and supplies	43,063	47,238
Deferred tax assets	7,303	9,796
Other	27,602	22,699
Allowance for doubtful accounts	(8,668)	(8,296)
Total current assets	361,758	354,798
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	245,416	229,230
Accumulated depreciation	(147,542)	(141,764)
Buildings and structures, net	97,874	87,466
Machinery, equipment and vehicles	392,766	373,874
Accumulated depreciation	(314,173)	(308,334)
Machinery, equipment and vehicles, net	78,593	65,540
Tools, furniture and fixtures	58,327	54,569
Accumulated depreciation	(49,073)	(46,825)
Tools, furniture and fixtures, net	9,254	7,744
Land	59,828	54,728
Construction in progress	6,848	5,153
Total property, plant and equipment	252,397	220,631
Intangible assets		
Goodwill	1,704	1,808
Other	12,177	10,509
Total intangible assets	13,881	12,317
Investments and other assets		
Investment securities	30,404	30,873
Long-term loans receivable	796	571
Deferred tax assets	42,349	38,611
Other	48,933	46,458
Allowance for doubtful accounts	(652)	(499)
Total investments and other assets	121,830	116,014
Total noncurrent assets	388,108	348,962
Total assets	749,866	703,760

## Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	121,661	121,224
Short-term loans payable	16,477	23,951
Current portion of long-term loans payable	35,116	42,506
Commercial papers	200	—
Current portion of bonds	25,000	5,000
Lease obligations	263	751
Income taxes payable	4,267	3,539
Deferred tax liabilities	633	832
Provision for bonuses	2,911	2,815
Provision for loss on disaster	—	2,250
Other	64,453	61,511
Total current liabilities	270,981	264,379
Noncurrent liabilities		
Bonds payable	41,000	36,000
Long-term loans payable	258,889	222,962
Lease obligations	725	6,476
Deferred tax liabilities	3,077	6,930
Provision for retirement benefits	29,391	22,135
Provision for product defect compensation	1,000	—
Asset retirement obligations	—	1,019
Other	21,974	13,480
Total noncurrent liabilities	356,056	309,002
Total liabilities	627,037	573,381
(Net assets)		
Shareholders' equity		
Capital stock	82,423	91,154
Capital surplus	80,027	88,758
Retained earnings	27,131	39,475
Treasury stock	(648)	(657)
Total shareholders' equity	188,933	218,730
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	278	(73)
Deferred gains or losses on hedges	(217)	(293)
Pension liabilities adjustments	(22,036)	(18,117)
Foreign currency translation adjustment	(65,924)	(92,499)
Total accumulated other comprehensive income	(87,899)	(110,982)
Minority interests	21,795	22,631
Total net assets	122,829	130,379
Total liabilities and net assets	749,866	703,760

## Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Net sales	757,849	778,964
Cost of sales	604,808	619,632
Gross profit	153,041	159,332
Selling, general and administrative expenses		
Freightage and packing expenses	13,458	13,471
Employees' salaries and allowances	42,930	39,935
Provision of allowance for doubtful accounts	—	1,235
Provision for bonuses	1,078	1,085
Retirement benefit expenses	6,852	4,776
Other	60,909	61,678
Total selling, general and administrative expenses	125,227	122,180
Operating income	27,814	37,152
Non-operating income		
Interest income	1,486	1,153
Dividends income	205	245
Foreign exchange gains	—	278
Equity in earnings of affiliates	2,165	1,999
Other	2,561	2,255
Total non-operating income	6,417	5,930
Non-operating expenses		
Interest expenses	7,459	7,077
Foreign exchange losses	1,147	—
Other	6,544	4,304
Total non-operating expenses	15,150	11,381
Ordinary income	19,081	31,701
Extraordinary income		
Gain on sales of subsidiaries and affiliates' stocks	—	2,570
Gain on transfer of business	736	1,459
Insurance income	—	990
Gain on sales of noncurrent assets	707	161
Reversal of allowance for doubtful accounts	478	—
Total extraordinary income	1,921	5,180
Extraordinary loss		
Loss on disposal of noncurrent assets	3,005	5,400
Provision for loss on disaster	—	2,250
Severance costs	3,115	1,267
Impairment loss	5,987	832
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	692
Loss on disaster	—	137
Loss on business withdrawal	611	—
Loss on liquidation of subsidiaries and affiliates	240	—
Total extraordinary losses	12,958	10,578
Income before income taxes and minority interests	8,044	26,303
Income taxes-current	5,877	8,194
Income taxes-deferred	(1,633)	196
Total income taxes	4,244	8,390
Income before minority interests	—	17,913
Minority interests in income	1,260	2,152
Net income	2,540	15,761

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Income before minority interests	—	17,913
Other comprehensive income		
Valuation difference on available-for-sale securities	—	(379)
Deferred gains or losses on hedges	—	(75)
Pension liabilities adjustments	—	3,919
Foreign currency translation adjustment	—	(26,583)
Share of other comprehensive income of associates accounted for using equity method	—	(399)
Total other comprehensive income	—	(23,517)
Comprehensive income	—	(5,604)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	—	(7,322)
Comprehensive income attributable to minority interests	—	1,718

## Consolidated Statements of Changes in Net Assets

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Shareholders' equity		
Capital stock		
Balance at the end of previous period	82,423	82,423
Changes of items during the period		
Issuance of new shares	—	8,731
Total changes of items during the period	—	8,731
Balance at the end of current period	82,423	91,154
Capital surplus		
Balance at the end of previous period	80,027	80,027
Changes of items during the period		
Issuance of new shares	—	8,731
Total changes of items during the period	—	8,731
Balance at the end of current period	80,027	88,758
Retained earnings		
Balance at the end of previous period	28,546	27,131
Changes of items during the period		
Dividends from surplus	(3,955)	(3,417)
Net income	2,540	15,761
Total changes of items during the period	(1,415)	12,344
Balance at the end of current period	27,131	39,475
Treasury stock		
Balance at the end of previous period	(642)	(648)
Changes of items during the period		
Purchase of treasury stock	(6)	(9)
Total changes of items during the period	(6)	(9)
Balance at the end of current period	(648)	(657)
Total shareholders' equity		
Balance at the end of previous period	190,354	188,933
Changes of items during the period		
Issuance of new shares	—	17,462
Dividends from surplus	(3,955)	(3,417)
Net income	2,540	15,761
Purchase of treasury stock	(6)	(9)
Total changes of items during the period	(1,421)	29,797
Balance at the end of current period	188,933	218,730
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(506)	278
Changes of items during the period		
Net changes of items other than shareholders' equity	784	(351)
Total changes of items during the period	784	(351)
Balance at the end of current period	278	(73)

## Consolidated Statements of Changes in Net Assets

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Deferred gains or losses on hedges		
Balance at the end of previous period	(113)	(217)
Changes of items during the period		
Net changes of items other than shareholders' equity	(104)	(76)
Total changes of items during the period	(104)	(76)
Balance at the end of current period	(217)	(293)
Pension liabilities adjustments		
Balance at the end of previous period	(20,529)	(22,036)
Net changes of items during the period		
Net changes of items other than shareholders' equity	(1,507)	3,919
Total changes of items during the period	(1,507)	3,919
Balance at the end of current period	(22,036)	(18,117)
Foreign currency translation adjustment		
Balance at the end of previous period	(73,877)	(65,924)
Changes of items during the period		
Net changes of items other than shareholders' equity	7,953	(26,575)
Total changes of items during the period	7,953	(26,575)
Balance at the end of current period	(65,924)	(92,499)
Total accumulated other comprehensive income		
Balance at the end of previous period	(95,025)	(87,899)
Changes of items during the period		
Net changes of items other than shareholders' equity	7,126	(23,083)
Total changes of items during the period	7,126	(23,083)
Balance at the end of current period	(87,899)	(110,982)
Minority interests		
Balance at the end of previous period	13,586	21,795
Changes of items during the period		
Net changes of items other than shareholders' equity	8,209	836
Total changes of items during the period	8,209	836
Balance at the end of current period	21,795	22,631
Total net assets		
Balance at the end of previous period	108,915	122,829
Changes of items during the period		
Issuance of new shares	—	17,462
Dividends from surplus	(3,955)	(3,417)
Net income	2,540	15,761
Purchase of treasury stock	(6)	(9)
Net changes of items other than shareholders' equity	15,335	(22,247)
Total changes of items during the period	13,914	7,550
Balance at the end of current period	122,829	130,379



## Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	8,044	26,303
Depreciation and amortization	35,370	32,954
Amortization of goodwill	689	662
Increase (decrease) in allowance for doubtful accounts	(432)	435
Increase (decrease) in provision for bonuses	1,816	(33)
Interest and dividends income	(1,691)	(1,398)
Equity in (earnings) losses of affiliates	(2,165)	(1,999)
Interest expenses	7,459	7,077
Loss (gain) on sales and retirement of noncurrent assets	2,298	5,239
Impairment loss	5,987	832
Loss (gain) on sales of stocks of subsidiaries and affiliates	—	(2,570)
Loss on withdrawal from business	611	—
Loss on liquidation of subsidiaries and affiliates	240	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	692
Loss (gain) on transfer of business	(736)	(1,459)
Decrease (increase) in notes and accounts receivable-trade	(29,454)	(13,408)
Decrease (increase) in inventories	20,819	(8,133)
Increase (decrease) in notes and accounts payable-trade	12,971	6,377
Other, net	(8,251)	(5,358)
Subtotal	53,575	46,213
Interest and dividends income received	1,759	1,203
Interest expenses paid	(7,621)	(7,250)
Income taxes paid	(8,257)	(9,256)
Net cash provided by (used in) operating activities	39,456	30,910
Net cash provided by (used in) investing activities		
Payments into time deposits	—	(77)
Proceeds from withdrawal of time deposits	141	—
Purchase of property, plant and equipment	(22,269)	(19,935)
Proceeds from sales of property, plant and equipment	2,241	931
Purchase of intangible assets	(1,303)	(868)
Proceeds from sales of intangible assets	7	41
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	—	3,107
Purchase of subsidiaries and affiliates securities	(84)	(255)
Proceeds from sale of subsidiaries and affiliates securities	6,526	110
Purchase of investment securities	(2,015)	(1,280)
Proceeds from sales and redemption of investment securities	313	113
Proceeds from transfer of business	450	2,400
Payments for transfer of business	(1,396)	(1,218)
Proceeds from recollection of long-term notes receivable	4,676	4,385
Other, net	236	206
Net cash provided by (used in) investing activities	(12,477)	(12,340)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(60,346)	9,117
Increase (decrease) in commercial papers	(10,196)	(200)
Proceeds from long-term loans payable	105,087	12,793
Repayment of long-term loans payable	(38,116)	(36,677)
Proceeds from issuance of bonds	23,000	—
Redemption of bonds	(31,000)	(25,000)
Proceeds from issuance of common stock	—	17,462
Cash dividends paid	(3,955)	(3,417)
Cash dividends paid to minority shareholders	(281)	(556)
Net decrease (increase) in treasury stock	(6)	(9)
Other, net	(172)	188
Net cash provided by (used in) financing activities	(15,985)	(26,299)
Effect of exchange rate change on cash and cash equivalents	(1,539)	1,064
Net increase (decrease) in cash and cash equivalents	9,455	(6,665)
Cash and cash equivalents at beginning of period	20,094	29,549
Cash and cash equivalents at end of period	29,549	22,884