

# FY 2010 First Quarter Consolidated Financial Results

(April 1, 2010 to June 30, 2010)

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## 1. Financial Results for the three months ended June 30, 2010

### (1) Consolidated Results of Operations (Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Three months ended Jun.30,2010	35,339 (30.4%)	694 -	231 -	-589 -
Three months ended Jun.30,2009	27,110 (-38.2%)	-5,840 -	-6,277 -	-6,457 -

	Net income per share	Diluted net income per share
Three months ended Jun.30,2010	-4.86 yen	-
Three months ended Jun.30,2009	-53.17 yen	-

Note: Indication of percentages show the ratio of increase or decrease from the first quarter of the previous year.

### (2) Consolidated Financial Position (Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of June 30, 2010	129,052	35,773	27.3 %	290.10 yen
FY 2009	131,908	37,761	28.2 %	306.54 yen

(Reference) Shareholders' equity: Jun./2010: 35,216 million yen (Mar./2010: 37,214 million yen)

## 2. Dividend Information

(Record date)	Dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal-year-end	Annual
FY 2009	-	0.00yen	-	0.00yen	0.00yen
FY 2010	-				
FY 2010 (forecast)		3.00yen	-	3.00yen	6.00yen

Note: Change of the forecast in the first quarter of the fiscal year ended March 31, 2011: None

## 3. FY 2010 Consolidated Financial Forecast (April 1, 2010 to March 31, 2011) (Millions of Yen)

	Net sales (percentage change from the previous year)	Operating income (percentage change from the previous year)	Ordinary income (percentage change from the previous year)	Net income (percentage change from the previous year)	Net income per share
Six months ended Sep.30,2010	73,500 (19.3%)	2,500 -	1,800 -	800 -	6.59yen
Year ending Mar. 31, 2011	150,000 (11.8%)	6,500 -	5,000 -	3,000 -	24.70yen

Note: Change of the forecast in the first quarter of the fiscal year ended March 31, 2011: None

#### 4. Other

- (1) Changes in significant subsidiaries during the three months ended June 30, 2010 (changes in particular subsidiaries accompanying the change in scope of consolidation): No
- (2) Application of simplified accounting and particular accounting method: Yes
- (3) Changes in accounting principles, method and representation
  - (a) Changes in connection with the accounting standards, etc. : Yes
  - (b) Changes due to reason other than (a) : Yes
- (4) Number of shares outstanding (common stock)
  - Number of shares outstanding at the end of the period (including treasury stock)  
Jun./2010: 125,490,302 (Mar./2010: 125,490,302)
  - Number of treasury stocks at the end of the period  
Jun./2010: 4,095,102 (Mar./2010: 4,089,747)
  - Average number of shares outstanding during the three months ended June 30  
Apr.-Jun./2010: 121,398,218 (Apr.-Jun./2009: 121,453,852)

\* The above description about future matters including financial forecast is based upon information available as of the present time and assumptions we considered valid. Due to various factors, our actual performance could greatly differ from the forecast. For assumptions and notes regarding the forecasts, refer to "Qualitative Information concerning the Forecast of Consolidated Business Results".

# **1. QUALITATIVE INFORMATION ABOUT CONSOLIDATED BUSINESS RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2010**

## **(1) Qualitative Information of Consolidated Operating Results**

In the electronics industry for the current first quarter consolidated fiscal period, demand recovered to the level before the financial crisis in many markets due to the growth of economics in “emerging country markets” and the recovery of the US economy. The environment surrounding the Company group continued to be severe, however, as material procurement became more difficult in connection with the rapid increase in demand and a continuing trend in appreciation of the yen due to financial problems in Europe. Under such circumstances, the Company group focused on development and sales of “eco-friendly and energy saving” related products and we also reinforced efforts in “emerging country markets” to increase the scale of sales. We have also focused on securing profits by making efforts to constrain fixed costs, which had already been significantly reduced in the previous year. As a result, net sales in the first quarter consolidated fiscal period were 35,339 million yen, an increase of 30.4% as compared to the same period in the previous year. For income, operating income was 694 million yen (operating loss of 5,840 million yen in the same period in the previous year) and ordinary income was 231 million yen (ordinary loss of 6,277 million yen in the same period in the previous year). Due to payment of corporate taxes by overseas subsidiaries, etc., the Company group recorded quarterly net loss of 589 million yen (quarterly net loss of 6,457 million yen in the same period in the previous year).

Overview of business by segment is as follows.

In the semiconductor device business, flat-panel TVs, white goods and automotive products remained steady following the previous year. OA and industrial products also progressed favorably upon recovery of demand through the resumption of corporate capital investments. As a result, net sales from the segment were 24,485 million yen, an increase of 8,490 million yen as compared to the same period in the previous year and operating income was 1,592 million yen (operating loss of 2,627 million yen in the same period in the previous year).

For the CCFL business, orders received continued to be sluggish due to the impact of rapid changes in market structure that had started last year. As a result, net sales from the segment were 2,145 million yen, a decrease of 1,294 million yen as compared to the same period in the previous year. For income, although we tried to improve profitability by optimization of production systems and cost improvements, we were forced to record an operating loss of 223 million yen (operating loss of 1,958 million yen in the same period in the previous year).

For the PM business, sales of products for OA and industrial machines progressed favorably upon resumption of corporate capital investments. As a result, net sales from the segment were 5,839 million yen, an increase of 782 million yen as compared to the same period in the previous year, but transportation costs, etc., increased to meet delivery dates as a result of material procurement difficulties and we recorded an operating loss of 243 million yen (operating loss of 516 million yen in the same period in the previous year).

For the PS business, sales of products for mobile phone stations progressed favorably in the domestic market following the previous year, and also in the Chinese market, sales remained steady due to the growth in orders received for general-purpose inverters. As a result, net sales from the segment were 2,869 million yen, an increase of 251 million yen as compared to the same period in the previous year and operating income was 84 million yen (operating loss of 141 million yen in the same period in the previous year).

(Note)

1. From the current first quarter consolidated fiscal period, “Accounting Standard for Disclosures about Segment of an Enterprise and Related information” (ASBJ Statement No.17, March 27, 2009) and “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Guidance No. 20, March 21, 2008) has been applied and our businesses are classified into four segments of “semiconductor device business,” “CCFL business,” “PM business” and “PS business.”
2. In the text above, the figures in the same period in the previous year for the “semiconductor device business” and “CCFL business” are for reference purposes only.

## **(2) Qualitative Information of Consolidated Financial Position**

### **1) Status of Assets, Liabilities and Net Assets**

Total assets at the end of the current first quarter consolidated fiscal period were 129,052 million yen, a decrease of 2,855 million yen from the end of the previous consolidated fiscal period. This was mainly due to a decrease in notes and accounts receivable-trade of 2,688 million yen.

Liabilities were 93,279 million yen, a decrease of 867 million yen from the end of the previous consolidated fiscal period. This was mainly due to a decrease in notes and accounts payable-trade of 1,150 million yen.

Net assets were 35,773 million yen, a decrease of 1,987 million yen from the end of the previous consolidated fiscal period. This was mainly due to a decrease in retained earnings of 589 million yen and a decrease in foreign currency translation adjustment of 1,226 million yen.

## **2) Status of Cash Flow**

Balance of cash and cash equivalents at the end of the current first quarter consolidated fiscal period was 12,481 million yen, an increase of 366 million yen as compared to the end of the previous consolidated fiscal period.

Net cash provided by operating activities was 2,985 million yen, an increase of 5,134 million yen as compared to the same period in the previous year. This was mainly due to an increase in income before income taxes and minority interests.

Net cash used in investing activities was 2,250 million yen, an increase of 1,405 million yen as compared to the same period in the previous year. This was mainly due to an increase in cash outflow by acquisition of tangible fixed assets.

Net cash used in financing activities was 89 million yen, an increase of 2,881 million yen as compared to the same period in the previous year. This was mainly due to a decrease in proceeds from long-term loans payable.

## **(3) Qualitative Information of Consolidated Financial Forecast**

We expect the recovery trend to continue against the backdrop of economic growth of emerging countries, but the effects from economic stimulus measures will gradually erode and there is concern that a lowering in demand will occur in many countries. In addition, it is now uncertain how much the recovery stagnation risk of the US economy and the financial problems in Europe will affect the real economy in the future. Under such circumstances, the Company group will continue to launch new “eco-friendly and energy saving” products in markets and in “emerging countries” and also focus on reorganization and reinforcement of production systems. Through these measures, we will make efforts to increase sales, centering on semiconductor devices, our core business, to achieve the forecast of business results published on May 7, 2010.

## 2. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

### (1) Quarterly Consolidated Balance Sheets

	Millions of yen	
	June 30 2010	March 31 2010 (Summary)
<b>ASSETS</b>		
Current assets		
Cash and deposits	12,652	12,300
Notes and accounts receivable-trade	29,596	32,285
Merchandise and finished goods	10,128	10,497
Work in process	14,971	14,443
Raw materials and supplies	11,118	10,821
Deferred tax assets	109	106
Other	3,139	3,343
Allowance for doubtful accounts	(72 )	(71 )
Total current assets	<u>81,645</u>	<u>83,725</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	16,874	17,423
Machinery, equipment and vehicles, net	15,932	15,816
Tools, furniture and fixtures, net	976	899
Land	4,378	4,436
Lease assets, net	502	528
Construction in progress	4,056	3,924
Total property, plant and equipment	<u>42,720</u>	<u>43,029</u>
Intangible assets		
Software	181	193
Other	630	649
Total intangible assets	<u>811</u>	<u>842</u>
Investments and other assets		
Investment securities	1,951	2,252
Deferred tax assets	144	144
Other	2,028	2,162
Allowance for doubtful accounts	(249 )	(249 )
Total investments and other assets	<u>3,874</u>	<u>4,309</u>
Total noncurrent assets	<u>47,407</u>	<u>48,182</u>
Total assets	<u><u>129,052</u></u>	<u><u>131,908</u></u>

	<b>June 30 2010</b>	March 31 2010 (Summary)
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current liabilities		
Notes and accounts payable-trade	<b>20,685</b>	21,836
Short-term loans payable	<b>15,354</b>	15,642
Commercial papers	<b>15,000</b>	15,000
Income taxes payable	<b>639</b>	521
Deferred tax liabilities	<b>240</b>	263
Provision for directors' bonuses	<b>12</b>	-
Accrued expenses	<b>7,478</b>	6,837
Other	<b>1,133</b>	1,133
Total current liabilities	<b>60,543</b>	61,233
Noncurrent liabilities		
Bonds payable	<b>20,000</b>	20,000
Long-term loans payable	<b>8,050</b>	8,060
Deferred tax liabilities	<b>644</b>	765
Provision for retirement benefits	<b>3,010</b>	3,053
Provision for directors' retirement benefits	<b>33</b>	33
Asset retirement obligations	<b>60</b>	-
Other	<b>937</b>	999
Total noncurrent liabilities	<b>32,735</b>	32,913
Total liabilities	<b>93,279</b>	94,147
Net assets		
Shareholders' equity		
Capital stock	<b>20,896</b>	20,896
Capital surplus	<b>21,246</b>	21,246
Retained earnings	<b>4,953</b>	5,543
Treasury stock	<b>(3,900 )</b>	(3,898 )
Total shareholders' equity	<b>43,196</b>	43,788
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	<b>46</b>	225
Foreign currency translation adjustment	<b>(8,026 )</b>	(6,799 )
Total valuation and translation adjustments	<b>(7,980 )</b>	(6,574 )
Subscription rights to shares	<b>294</b>	287
Minority interests	<b>262</b>	259
Total net assets	<b>35,773</b>	37,761
Total liabilities and net assets	<b>129,052</b>	131,908

## (2) Quarterly Consolidated Statements of Income

Millions of yen

	Three months ended Jun.30,2009	Three months ended Jun.30,2010
Net sales	27,110	<b>35,339</b>
Cost of sales	27,512	<b>28,703</b>
Gross profit (loss)	<u>(402 )</u>	<u><b>6,636</b></u>
Selling, general and administrative expenses	5,437	<b>5,941</b>
Operating income (loss)	<u>(5,840 )</u>	<u><b>694</b></u>
Non-operating income		
Interest income	7	<b>3</b>
Dividends income	14	<b>17</b>
The government subsidy for employment adjustment	137	-
Miscellaneous income	127	<b>92</b>
Total non-operating income	<u>287</u>	<u><b>112</b></u>
Non-operating expenses		
Interest expenses	200	<b>166</b>
Compensation expense	5	<b>8</b>
Depreciation of inactive noncurrent assets	240	-
Foreign exchange losses	182	<b>266</b>
Miscellaneous loss	95	<b>134</b>
Total non-operating expenses	<u>724</u>	<u><b>575</b></u>
Ordinary income (loss)	<u>(6,277 )</u>	<u><b>231</b></u>
Extraordinary income		
Gain on sales of noncurrent assets	0	<b>0</b>
Total extraordinary income	0	<b>0</b>
Extraordinary loss		
Loss on retirement of noncurrent assets	54	<b>6</b>
Impairment loss	4	-
Special retirement expenses	12	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	<b>84</b>
Other	-	<b>0</b>
Total extraordinary losses	<u>71</u>	<u><b>91</b></u>
Income (loss) before income taxes and minority interests	<u>(6,348 )</u>	<u><b>140</b></u>
Income taxes	138	<b>731</b>
Loss before minority interests	<u>-</u>	<u><b>(590 )</b></u>
Minority interests in loss	<u>(29 )</u>	<u><b>(0 )</b></u>
Net loss	<u>(6,457 )</u>	<u><b>(589 )</b></u>

### (3) Quarterly Consolidated Statements of Cash Flows

Millions of yen

	Three months ended Jun.30,2009	Three months ended Jun.30,2010
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(6,348 )	140
Depreciation and amortization	2,773	2,011
Impairment loss	4	-
Increase (decrease) in allowance for doubtful accounts	(3 )	3
Increase (decrease) in provision for retirement benefits	359	136
Interest and dividends income	(22 )	(20 )
Interest expenses	200	166
Decrease (increase) in notes and accounts receivable-trade	(942 )	2,252
Decrease (increase) in inventories	2,320	(1,119 )
Increase (decrease) in notes and accounts payable-trade	(1,561 )	(691 )
Other, net	1,475	789
Subtotal	<u>(1,744 )</u>	<u>3,668</u>
Interest and dividends income received	22	20
Interest expenses paid	(122 )	(85 )
Income taxes paid	(303 )	(618 )
Net cash provided by (used in) operating activities	<u>(2,148 )</u>	<u>2,985</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(761 )	(2,241 )
Proceeds from sales of property, plant and equipment	46	19
Purchase of intangible assets	(25 )	(32 )
Payments of loans receivable	(0 )	(4 )
Collection of loans receivable	4	9
Other, net	(108 )	0
Net cash provided by (used in) investing activities	<u>(845 )</u>	<u>(2,250 )</u>
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term loans payable	(899 )	(27 )
Increase (decrease) in commercial papers	(1,000 )	-
Repayments of finance lease obligations	(19 )	(53 )
Proceeds from long-term loans payable	5,000	-
Repayment of long-term loans payable	-	(6 )
Proceeds from sales of treasury stock	0	-
Purchase of treasury stock	(2 )	(1 )
Cash dividends paid	(286 )	0
Net cash provided by (used in) financing activities	<u>2,791</u>	<u>(89 )</u>
Effect of exchange rate change on cash and cash equivalents	269	(278 )
Net increase (decrease) in cash and cash equivalents	<u>67</u>	<u>366</u>
Cash and cash equivalents at beginning of period	12,891	12,114
Increase in cash and cash equivalents from newly consolidated subsidiary	82	-
Cash and cash equivalents at end of period	<u>13,042</u>	<u>12,481</u>



**(4) Notes on Premise of Going Concern**

none

**(5) Segment Information**

[Segment information by business]

Three months ended Jun.30,2009

Millions of yen

	Semicon- ductor device	PM	PS	Total	Eliminations or unallocated amounts	Consolidated
Sales						
(1) Third parties	19,435	5,056	2,618	27,110	-	27,110
(2) Intersegment	690	75	0	766	(766)	-
Total	20,125	5,132	2,618	27,876	(766)	27,110
Operating income (loss)	(4,585)	(516)	(141)	(5,242)	(597)	(5,840)

[Segment information by geographic area]

Three months ended Jun.30,2009

Millions of yen

	Japan	Asia	North America	Europe	Total	Eliminations or unallocated amounts	Consolidated
Sales							
(1) Third parties	17,447	4,565	3,530	1,566	27,110	-	27,110
(2) Intersegment	2,188	3,637	2,777	2	8,606	(8,606)	-
Total	19,636	8,202	6,308	1,568	35,716	(8,606)	27,110
Operating income	(5,312)	67	(290)	9	(5,525)	(315)	(5,840)

[Overseas Sales]

Three months ended Jun.30,2009

Millions of yen

	Asia	North America	Europe	Total
Overseas sales	11,542	2,026	2,084	15,652
Consolidated sales	-	-	-	27,110
Ratio of overseas sales to consolidated	42.6	7.4	7.7	57.7

[Information about Sales and Operating Income (Loss) by Reporting Segment ]  
 Three months ended Jun.30,2010

Millions of yen

	Reporting Segment				
	Semicon- ductor device	CCFL	PM	PS	Total
Sales					
(1) Third parties	24,485	2,145	5,839	2,869	35,339
(2) Intersegment	577	-	107	0	686
Total	25,062	2,145	5,947	2,870	36,025
Operating income (loss)	1,592	(223)	(243)	84	1,210

[Difference and Main Contents of the Difference between Total Amount of Operating Income (Loss) in Reporting Segment and the Amount stated in Quarterly Consolidated Statements of Income]

Millions of yen

Profit	Amount
Reporting Segment Total	1,210
Elimination of Intercompany Transactions	0
Corporate Expenses	(516)
Adjustment of Inventories	(0)
Operating income stated in Quarterly Consolidated Statements of Income	694

Note: Corporate Expenses are principally the general administrative expenses which are not included in reporting segment.

**(6) Notes on significant changes in the amount of shareholders' equity**

none