FY 2012 CONSOLIDATED FINANCIAL RESULTS

(April 1, 2012 to March 31, 2013)

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1. FINANCIAL RESULTS FOR THE FISCAL YEAR 2012 (April 1, 2012 to March 31, 2013)

(1) Consolidated Results of Operations

	Net sales (millions of yen)		Operating income (millions of yen)		Ordinary income (millions of yen)		Net income (millions of yen)	
Fiscal Year 2012	126,386	(-4.1%)	4,625	(14.3%)	4,047	(34.1%)	2,272	(420.9%)
Fiscal Year 2011	131,803	(-9.0%)	4,048	(-34.2%)	3,018	(-39.3%)	436	－

Note1: Comprehensive income: FY 2012: 6,878 million yen (－%) FY 2011: 197 million yen (－%)

Note2: Indication of percentages shows the ratio of increase or decrease from the previous fiscal year.

	Net income per share	Diluted net income per share	Net income to shareholders' equity	Ordinary income to total assets	Operating income to net sales
Fiscal Year 2012	18.73yen	−	6.3%	2.8%	3.7%
Fiscal Year 2011	3.60yen	−	1.3%	2.2%	3.1%

Reference: Equity in net income/loss non-consolidated subsidiaries and/or affiliates: FY 2012: －yen FY 2011: －yen

(2) Consolidated Financial Position (Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Fiscal Year 2012	148,517	39,436	26.4%	322.92 yen
Fiscal Year 2011	136,130	33,293	24.3%	272.21 yen

Reference: Shareholders' equity: Mar./2013: 39,174 million yen Mar./2012: 33,027 million yen

(3) Consolidated Results of Cash Flows (Millions of yen)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) Investing activities	Net cash provided by (used in) financing activities	Balance of cash and cash equivalents at the end of year
Fiscal Year 2012	6,339	(6,390)	1,294	12,036
Fiscal Year 2011	5,345	(8,614)	509	9,822

2. DIVIDEND INFORMATION

	Dividend per share					Total amount of annual dividend (millions of yen)	Dividend payout ratio (consolidated)	Dividend to total net assets (consolidated)
	First quarter	Second quarter	Third quarter	Fiscal-year-end	Annual			
FY 2011	−	0.00yen	−	3.00yen	3.00yen	363	83.4%	1.1%
FY 2012	−	3.00yen	−	3.00yen	6.00yen	727	32.0%	2.0%
FY 2013 (forecast)	−	3.00yen	−	3.00yen	6.00yen		15.5%	

3. FY 2013 CONSOLIDATED FINANCIAL FORECAST (April 1, 2013 to March 31, 2014)

(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
Second quarter (cummulative)	68,700	(10.1%)	2,900	(53.1%)	2,200	(84.8%)	1,000	(167.1%)	8.24yen
Full Year	146,200	(15.7%)	8,600	(85.9%)	7,200	(77.9%)	4,700	(106.8%)	38.74yen

4. OTHER

(1) Changes in significant subsidiaries during the fiscal year (changes in particular subsidiaries accompanying the change in scope of consolidation): Yes

One subsidiary newly consolidated (Sanken North America, Inc.)

(2) Changes in accounting policies, changes in accounting estimates, restatement of revisions

- Changes in accounting policies according to revision of accounting standards, etc. : No
- Changes in accounting policies due to reasons other than above : Yes
- Changes in accounting estimates : Yes
- Restatement of revisions : No

(3) Number of shares outstanding (common share)

- Number of shares outstanding at the end of the period (including treasury stock)	Mar./2013:	125,490,302	Mar./2012:	125,490,302
- Number of treasury stocks at the end of the period	Mar./2013:	4,177,195	Mar./2012:	4,160,433
- Average number of shares outstanding during the fiscal year	Mar./2013:	121,323,229	Mar./2012:	121,342,990

(Reference) SUMMARY OF NON-CONSOLIDATED FINANCIAL RESULTS

1. NON-CONSOLIDATED FINANCIAL RESULTS FOR THE FISCAL YEAR 2011 (April 1, 2012 to March 31, 2013)

(1) Non-consolidated Results of Operations

	Net sales (millions of yen)		Operating income (millions of yen)		Ordinary income (millions of yen)		Net income (millions of yen)	
Fiscal Year 2012	88,869	(-1.4%)	184	—	720	—	337	−
Fiscal Year 2011	90,174	(-8.8%)	-2,374	—	-2,423	—	-2,879	−

Note: Indication of percentages shows the ratio of increase or decrease from the previous fiscal year.

	Net income per share	Diluted net income per share
Fiscal Year 2012	2.78yen	−
Fiscal Year 2011	-23.73yen	−

(2) Non-consolidated Financial Position (Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Fiscal Year 2012	119,011	28,773	24.2%	237.18yen
Fiscal Year 2011	114,150	29,044	25.4%	239.38yen

Reference: Shareholders' equity: Mar./2013: 28,773 million yen Mar./2012: 29,044 million yen

* 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 forcast. For assumptions and notes regarding the forcasts, refer to "Qualitative Information concerning the Forecast of Consolidated Business Results ".

1. OPERATING RESULTS

(1) ANALYSIS OF OPERATING RESULTS

1) OVERVIEW OF THE CURRENT PERIOD

GENERAL REVIEW

Conditions in the global economy have remained as adverse as ever during the current consolidated fiscal period, as the European economy remained sluggish due to the debt issues in southern European countries and the Chinese economy continued to slow down due to monetary tightening and decreasing exports to Europe. The economy in the U.S. showed partial signs of recovery such as a gradual improvement in the employment situation and housing problems. The Japanese economy remained constrained overall mainly as a consequence of the sluggish European economy, deteriorating relations between Japan and China, and the ongoing yen appreciation up to the third quarter, even though corporate profits showed signs of improvement due to the trend toward yen depreciation from the fourth quarter onward. In the electronics industry of which the Company group belongs to, the business environment remained harsh. Demand for TVs remained low, and sales of air conditioners in emerging countries increased at a slower pace than expected. Further, the demand for automotive products, which had previously shown favorable increases, temporarily dropped due to the termination of the eco-car subsidy and deterioration of the relationship between Japan and China.

To accelerate operating development in an "environmentally-friendly and energy saving" market, which is less susceptible to economic conditions, the Company group has shifted its resources to markets where energy-saving technologies are absolutely required, most notably, automotive, white goods, industrial equipment, and LED lighting. To this end, the Company group has aggressively promoted various structural reforms, including measures to accelerate the miniaturization or promotion of eight-inch production lines in the front-end wafer processes and the startup of semiconductor assembly lines in China with an aim to shorten supply chains to customer factories.

For the business results of the current consolidated fiscal year, consolidated net sales were ¥126,386 million, a decrease of ¥5,416 million (4.1%) compared to the previous period. This was mainly attributable to two factors: our efforts to expand sales of energy-saving-oriented products, one of the strengths of the Company, were not effective enough to offset the declining sales of products for Japanese TV set manufacturers and sales decreases linked to the ongoing yen appreciation to the third quarter. Despite the decline in sales, we succeeded in various measures to improve profitability such as the reallocation of plants, the discontinuation of unprofitable products, and moves towards thoroughly constraining fixed costs. As a result, we recorded consolidated operating income of ¥4,625 million, an increase of ¥577 million (14.3%) compared to the previous period, and consolidated ordinary income of ¥4,047 million, an increase of ¥1,028 million (34.1%) compared to the previous period. Consequently, the Company group recorded current consolidated net income of ¥2,272 million, an increase of 1,836 million (420.9%). While sales declined as a whole, we successfully secured income.

OVERVIEW OF THE BUSINESS BY SEGMENTS

Semiconductor Devices

In this segment, demand for automotive products temporarily declined due to the unsatisfactory sales of Japanese cars in the Chinese market in the third quarter, but sales of automotive products progressed favorably as a whole as it was boosted by an ongoing response to the business continuity plan (BCP) and development of electrification. Though sales of products for white goods exceeded the levels of the same period in the previous year, they fell short of the planned targets, mainly due to the extensive influence of the deteriorating European economy and a delay in demand expansion for products for energy-saving air conditioners in the Chinese market. In addition, stagnant demand continued to weigh heavily on sales of products for TVs following the previous period. For LED lighting products, our work to expand sales channels brought about the hoped-for results in improving sales. As a result, consolidated net sales for this segment were ¥95,692 million, an increase of ¥397 million (0.4%) as compared to the previous period, and consolidated operating income was ¥7,990 million, an increase of ¥1,163 million (17.0%) as compared to the previous period, due to measures to improve profitability through structural reform.

CCFLs

In this segment, the demand for products for TVs remained low. As a result, consolidated net sales for this segment was ¥880 million, making a significant decrease of ¥1,085 million (55.2%). For income, we recorded consolidated operating loss of ¥1,316 million (a consolidated operating loss of ¥1,575 million in the previous period), although income improved to some degree.

Power Modules

In this segment, sales of products for OA equipment such as multifunctional printers progressed favorably in the first half but stagnated in the second half. Meanwhile, sales of consumer products such as TVs continued to plod along sluggishly from the end of the previous period. As a result, consolidated net sales for this segment were ¥14,295 million, a decrease of ¥3,727 million (20.7%) as compared to the previous period. For income, we recorded consolidated operating loss of ¥1,038 million (a consolidated operating loss of ¥1,034 million in the previous period), as a result of lower sales.

Power Systems

In this segment, orders received for products for telecommunication facilities progressed favorably as corporate investments for mobile phone stations increased in the second half of the year. Products for public agencies planned to harness demand for restoration failed to attain actual results because orders for power supply facilities had yet to move into full swing. Sales of products for private demand remained sluggish because of the still protracted weakness of corporate investments. In markets for private demand, sales of “environmentally-friendly and energy saving” related products such as photovoltaic power conditioners expanded in the second half, though not at a level high enough to buoy sales as a whole in this segment. As a result, consolidated net sales for this segment were ¥15,517 million, a decrease of ¥1,001 million (6.1%) as compared to the previous period, and consolidated operating income was ¥1,078 million, a decrease of ¥704 million (39.5%) as compared to the previous period.

2) FORECAST OF THE NEXT TERM

We expect that the global economy will progress on a gradual recovery trend throughout the next period. In the electronics industry, markets for “eco-friendly and energy saving, and green energy” related products are expected to expand. The Company group will focus on achieving the goal for fiscal 2013 based on our basic policy of increasing the scale of sales and accelerating our overseas expansion. For the full-year of consolidated business results, we expect net sales of ¥146,200 million, operating income of ¥8,600 million, ordinary income of ¥7,200 million, and net income of ¥4,700 million. These figures are based on an exchange rate of 1US$=¥93 for the fiscal year ending March 31, 2014.

(Note)

The forecast described above is based upon information available as of the present time and assumptions we considered valid. Please be advised that there is a host of uncertain factors that could greatly impact actual performance, including global economic trends, the introduction of new products and their acceptance or lack thereof, and the impact of fair-market-value accounting.

(2) ANALYSIS OF FINANCIAL CONDITIONS

1) STATUS OF ASSETS, LIABILITIES AND NET ASSETS

Assets as of the end of the current consolidated fiscal year were ¥148,517 million, an increase of ¥12,387 million from the end of the previous consolidated fiscal year. This was mainly due to an increase in cash and deposits of ¥2,177 million, notes and accounts receivable-trade of ¥1,955 million, work in process of ¥2,821 million and noncurrent assets of ¥3,643 million.

Liabilities were ¥109,081 million, an increase of ¥6,243 million from the end of the previous consolidated fiscal year. This was mainly due to an increase in long-term loans payable of ¥4,993 million, bonds payable of 10,000 million and a decrease in short-term loans payable of ¥8,941 million.

Net assets were ¥39,436 million, an increase of ¥6,143 million from the end of the previous consolidated fiscal year. This was mainly due to an increase in retained earnings of ¥2,272 million and foreign currency translation adjustment of ¥4,481 and a decrease in capital surplus of ¥729 million.

2) STATUS OF CASH FLOW

Balance of cash and cash equivalents as of the end of the current consolidated fiscal year was ¥12,036million, an increase of ¥2,213 million as compared with the end of the previous consolidated fiscal year.

Net cash provided by operating activities was ¥6,339 million, an increase of ¥994 million as compared with the previous year. This was mainly due to an increase in income before income taxes and mynority interests.

Net cash used in investing activities was ¥6,390 million, a decrease of ¥2,224 million as compared with the previous year. This was mainly due to a decrease in purchase of property, plant and equipment.

Net cash provided by financing activities was ¥1,294 million, an increase of ¥784 million as compared with the previous year. This was mainly due to an increase in proceeds from issuance of bonds.

Our index trend concerning the financial conditions of the Company Group is as follows.

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Equity ratio	38.8%	28.2%	25.1%	24.3%	26.4%
Equity ratio on the basis of market price	20.8%	32.9%	44.9%	35.0%	30.7%
Redemption years for liabilities	4.3 years	11.6 years	8.7 years	13.1 years	11.8 years
Interest coverage ratio	21.0 times	6.3 times	11.3 times	7.6 times	9.4 times

Equity ratio:	Equity / Total assets
Equity ratio on the basis of market price:	Total amount of market price of stocks / Total assets
Redemption years for liabilities:	Interest-bearing debts / Cash flow from operating activities
Interest coverage ratio:	Cash flow from operating activities / Interest paid

(3) PROFIT DISTRIBUTION POLICY, AND DIVIDENDS OF THIS FISCAL YEAR AND NEXT FISCAL YEAR

The management of the Company places distribution of profits to our shareholders as one of the most important corporate policies, and is committed to ensure steady and stable stream of dividends through improvements in our profitability and enhancement of our financial conditions while securing the internal reserves necessary to develop businesses and strengthen a management foundation for the future. In view of the business results for the current consolidated fiscal year, future business environment, and other factors, we have set the year-end dividend for the current period to ¥3 per share. As a result, the annual dividend for the current period will be ¥6 per share, including the interim dividend. Year-end dividends are scheduled to be appropriated by capital surplus. For an annual dividend in the next period, we expect it to be ¥6 share (¥3 for both the interim and year-end dividends), considering the forecast of business results for the fiscal year ending March 31, 2014 and other factors.

(4) BUSINESS RISK, etc.

Our Group has been developing business on a global scale in the electronics industry, in which technology advancement and changes in product cycles have been significant, allocating production and sales bases in Japan, and various countries in Asia, Europe and the United States. Under such circumstances, as major business risks identified by our Group, strategic risks, external environment risks, and internal environment risks can be pointed out. As strategic risks, there are such risks as success or failure in development of new products conforming to market needs, the capacity to respond to price competition, occurrence of overseas imitation goods and infringement on patent rights in relation to intellectual property rights and financing problems at the time of decreased credibility. As external environment risks, in addition to the impact of a deteriorating economic environment as a global economic trend, advancement of a stronger yen, occurrence of various disasters, including natural disasters, fires, disruption of social and communication infrastructures mainly at production bases and material suppliers. Further, it is a concern that such unexpected country risks will arise as regarding significant changes in laws and regulations and taxation systems of various countries, war and terrorism. As risks related to the internal environment, it is a concern that violations of laws and regulations, environmental problems, quality problems, fraudulent use and leakage of information in connection with expansion of information systems may occur. In the event that any one of these risks or several of them occur and result in a decrease in social credibility and stagnation of business activities or occurrence of great losses, it may adversely affect the performance and financial condition of our Group.

2. GROUP COMPANIES

In our business group, we have 30 consolidated subsidiaries.

Our group produces and sells Semiconductor Devices, CCFLs, Power Modules (PM), Power Systems (PS) and other related products and services associated therewith. The business lines and roles of the group companies are as follows.

Division	Major Products	Company Name
Semiconductor Devices	Semiconductor Devices Power IC Control IC Hall-effect IC Bipolar Transistor MOSFET IGBT Thyristor Rectifier Diode Light Emitting Diode (LED)	Sanken Electric Co., Ltd. Subsidiaries Ishikawa Sanken Co., Ltd. (Manufacturer) Yamagata Sanken Co., Ltd. (Manufacturer) Kashima Sanken Co., Ltd. (Manufacturer) Fukushima Sanken Co., Ltd. (Manufacturing and Sales) Sanken Optoproducts Co., Ltd. (Manufacturer) Dalian Sanken Electric Co., Ltd. (Manufacturer) Sanken NorthAmerica, Inc. (Development, Manufacturing and Sales) Allegro MicroSystems, LLC. (Development, Manufacturing and Sales) Polar Semiconductor, LLC. (Manufacturer) Allegro MicroSystems Philippines, Inc. (Manufacturer) Allegro MicroSystems Philippines Realty, Inc. (Real estate leasing) Allegro Microsystems (Thailand) Co., Ltd. (Manufacturer) Allegro MicroSystems Europe Limited (Sales company) Allegro MicroSystems Argentina S.A. (IC design) Allegro MicroSystems Business Development, Inc. (Sales and Technical service) Allegro (Shanghai) Micro Electronics Commercial & Trading Co., Ltd. (Sales company) Sanken Power Systems (UK) Limited (Sales and Technical service) Korea Sanken Co., Ltd. (Manufacturer) Sanken Electric Korea Co., Ltd. (Sales and Technical service) Sanken Electric (Shanghai) Co., Ltd. (Sales and Technical service) Sanken Electric Hong Kong Co., Ltd. (Sales and Technical service) Taiwan Sanken Electric Co., Ltd. (Sales and Technical service) Sanken Electric Singapore Pte. Ltd. (Sales company)
CCFLs	CCFLs Cold Cathode Fluorescent Lamp (CCFL)	Sanken Electric Co., Ltd. Subsidiaries Sanken Optoproducts Co., Ltd. (Manufacturer) Korea Sanken Co., Ltd. (Manufacturer) Sanken Electric (Shanghai) Co., Ltd. (Sales and Technical service) Taiwan Sanken Electric Co., Ltd. (Sales and Technical service)
PM	Power Modules Switching Mode Power Supply unit Transformer	Sanken Electric Co., Ltd. Subsidiaries Dalian Sanken Electric Co., Ltd. (Manufacturing and Sales) Dalian Sanken Trading Co., Ltd. (Sales company) Sanken Power Systems (UK) Limited (Sales company) PT. Sanken Indonesia (Manufacturing and Sales) Sanken Electric (Shanghai) Co., Ltd. (Sales company) Sanken Electric Hong Kong Co., Ltd. (Sales company) Taiwan Sanken Electric Co., Ltd. (Sales company) Sanken Electric Singapore Pte. Ltd. (Sales company) Sanken Electric (Malaysia) Sdn. Bhd. (Sales company)
PS	Power Systems Uninterruptible Power Supply (UPS) DC Power Supply Inverter Airway Beacon System General Purpose Power Supply	Sanken Electric Co., Ltd. Subsidiaries Sanken Optoproducts Co., Ltd. (Manufacturer) Sanken L.D. Electric (Jiangyin) Co., Ltd. (Manufacturing and Sales) Sanken Densetsu Co., Ltd. (Power supply sales and Installation work)
Others		Subsidiaries Sanken Business Service Co., Ltd. (Business service) Sanken Logistics Co., Ltd. (Logistics)

3. MANAGEMENT POLICIES

(1) BASIC MANAGEMENT POLICY

The Company established its “Management Philosophy” in April 2003 in order to clarify the future direction of the Company. Extrapolating our philosophy and selecting semiconductor operations as our core business, we will continue our efforts to innovate our technical capabilities and creativity, and to extend our global business based on original technology. We will also strive to maintain a firm management foundation in order to maximize the corporate value of the Company and to become a socially and environmentally responsible corporate citizen.

(2) MANAGEMENT GOALS

The Company group has established a mid-term business plan for the three-year period commencing in April 2012. For the fiscal period ending March 31, 2015, we will try to achieve consolidated net sales of ¥200 billion and consolidated operating income ratio of 10% or more.

(3) MID AND LONG-TERM MANAGEMENT STRATEGIES

“Power Electronics” has been established as a business domain in the mid-term business plan. By taking full advantage of eco-friendly and energy saving solutions (Eco-Solutions), the Company group expands global markets (Expansion), evolves its development, production, sales, and human resources (Evolution), and pursues its corporate image at a higher stage (Next stage). It accordingly has selected the following as the plan slogan: “Power Electronics for Next “E” Stage.” The following describes the basic policy.

FUNDAMENTAL POLICY OF THE PLAN

1. Foster a Corporate Culture with Global Vision

1）Develop business strategies to expand the markets we serve globally

2）Increase competitiveness in emerging markets by expanding local manufacturing operations

3）Enhance customer confidence by developing a global quality management structure

4）Expand the global purchasing structure and increase overseas procurement

5）Develop global talent and make maximum use of resources in the Sanken Group

6）Improve global talent management in engineering, manufacturing and sales functions by utilizing the local staff of Sanken Group Companies

2. Realize a Growth Strategy Focused on the Environmentally-Friendly and Energy Saving Market

1）Define and apply appropriate organizational resources, and develop new products targeted for growth markets

2）Develop an aggressive business strategy to increase share of the growing environmentally-friendly and energy saving market such as Automotive, White Goods, LED lighting and Industrial equipment

3）Maintain continuous growth of sensor business through aggressive investment

4）Increase standard product business such as Mobile application

5）Enhance Module, Power MOSFET and IGBT business

6）Penetrate new markets such as servers by promoting power supply units offering the highest efficiency in the industry

7）Promote products into the new energy application and environmentally-friendly infrastructure market

8）Differentiate Sanken Group solutions by providing customers with total solutions

3. Promote New Product Development through Expanded Technical Marketing and Program Management

1）Introduce a technical marketing function to define product opportunities

2）Define and focus development themes, enhance program management

3）Improve development efficiency and cycle time by separating technology development and product development

4）Improve flexibility of development and production efficiency by utilizing standard packages

5）Develop new product by utilizing technology synergy of all business units

6）Develop and commercialize next generation semiconductor devices (GaN, SiC)

4. Improve Competitiveness by Enhancing Design, Manufacturing, Sales and FAE Functions

1）Enhance cost competiveness by realizing the combined capabilities of design, manufacturing and production technologies

2）Accelerate diversification of production equipment procurement, including purchasing manufacturing equipment overseas

3）Enhance Business Continuity Plan (BCP) at production sites and along the supply chain

4）Restructure and enhance the sales and FAE organization to implement the growth strategy

5）Develop new customers by expanding sales channels

6）Stimulate new demand in current markets with existing devices

5. Maximize the Use of Resources within the Sanken Group, and Enhance Financial Performance

1）Improve management efficiency through maximum utilization of Sanken Group resources

2）Enrich the corporate culture through targeted employee education programs

3）Improve the productivity of every employee

4）Develop high value-added products through collaboration of Sanken, Allegro and PSI

5）Implement next generation ERP system to optimize operations

6）Reduce interest bearing debt by realizing return on investments in short term, and reducing inventory days

(4) TASKS TO BE ADDRESSED

Looking into the future of the global economy, we expect that overall the gradual recovery trend will continue, as the economy is expected to improve in the US and China in spite of the ongoing economic downturn in Europe. In Japan, corporate earnings are expected to improve thanks to the further yen depreciation and high stock prices. In the electronics industry of which the Company group belongs to, we expect the markets for “eco-friendly and energy saving, and green energy” related products to further expand. Demand for electronic parts conducive to energy saving is expected to gain strong momentum.

Under these circumstances, the Company group will set out the basic policy of expanding the scale of sales and accelerating overseas expansion and will achieve the planned target of fiscal 2013, the second year of the 2012 Mid-term Business Plan (the “12 Mid Plan”), by strengthening its efforts in “eco-friendly and energy saving, and green energy markets,” “emerging country markets,” and “general-purpose products markets.” To achieve the plan, we newly developed a cross-sectional Global Marketing Division in the Engineering Headquarters effective on April 1, 2013. Based on this organization, we will extend marketing activities by further reinforcing cooperation between development and sales, and will increase the sales of new products. We will also expand overseas sales by adhering closely to customers and strengthening FAE functions at overseas bases. For technology development, we will pursue efficiency enhancement, miniaturization, and weight reduction of power conditioners in areas where the demand for “eco-friendly and energy saving” products is increasing. For production, we will accelerate overseas development using overseas foundry and EMS and overseas procurement of equipment and materials. Effective on March 30, 2013, the Company group established Sanken North America, Inc., a controlling company to oversee subsidiaries in North America, in order to enhance management agility and raise efficiency in that region. Through these efforts, we will achieve our goals for fiscal 2013, the second year of the 12 Mid Plan.

4. CONSOLIDATED FINANCIAL STATEMENTS

(1) CONSOLIDATED BLANCE SHEETS

Millions of yen

ASSETS	March 31 2012	**March 31 2013**
Current assets		
Cash and deposits	9,901	**12,079**
Notes and accounts receivable-trade	29,989	**31,945**
Merchandise and finished goods	11,391	**11,735**
Work in process	18,269	**21,090**
Raw materials and supplies	10,855	**11,140**
Deferred tax assets	391	**1,210**
Other	3,542	**2,936**
Allowance for doubtful accounts	(60)	**(61)**
Total current assets	84,280	**92,077**
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	16,246	**17,035**
Machinery, equipment and vehicles, net	17,399	**18,210**
Tools, furniture and fixtures, net	691	**759**
Land	4,281	**4,921**
Lease assets, net	4,081	**4,259**
Construction in progress	4,601	**5,758**
Total property, plant and equipment	47,301	**50,945**
Intangible assets		
Software	234	**802**
Other	687	**889**
Total intangible assets	922	**1,691**
Investments and other assets		
Investment securities	1,622	**1,769**
Deferred tax assets	176	**196**
Other	2,075	**2,079**
Allowance for doubtful accounts	(249)	**(242)**
Total investments and other assets	3,624	**3,803**
Total noncurrent assets	51,849	**56,439**
Total assets	136,130	**148,517**

Millions of yen

LIABILITIES AND NET ASSETS	March 31 2012	**March 31 2013**
Liabilities		
Current liabilities		
Notes and accounts payable-trade	18,530	**16,235**
Short-term loans payable	23,746	**14,805**
Current portion of bonds	—	**20,000**
Commercial papers	14,500	**13,000**
Lease obligations	1,044	**1,238**
Income taxes payable	514	**526**
Accrued expenses	6,516	**8,818**
Other	1,078	**2,323**
Total current liabilities	65,930	**76,948**
Noncurrent liabilities		
Bonds payable	20,000	**10,000**
Long-term loans payable	7,506	**12,500**
Lease obligations	3,201	**3,157**
Deferred tax liabilities	356	**868**
Provision for retirement benefits	4,073	**5,128**
Provision for directors' retirement benefits	45	**20**
Asset retirement obligations	60	**60**
Other	1,662	**397**
Total noncurrent liabilities	36,906	**32,132**
Total liabilities	102,837	**109,081**
Net assets		
Shareholders' equity		
Capital stock	20,896	**20,896**
Capital surplus	18,302	**17,573**
Retained earnings	7,220	**9,493**
Treasury stock	(3,922)	**(3,926)**
Total shareholders' equity	42,497	**44,037**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15	**141**
Foreign currency translation adjustment	(9,485)	**(5,004)**
Total accumulated other comprehensive income	(9,469)	**(4,862)**
Minority interests	265	**262**
Total net assets	33,293	**39,436**
Total liabilities and net assets	136,130	**148,517**

(2) CONSOLIDATED STATEMENTS OF INCOME AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Millions of yen

CONSOLIDATED STATEMENTS OF INCOME	Fiscal Year 2011	**Fiscal Year 2012**
Net sales	131,803	**126,386**
Cost of sales	104,820	**98,211**
Gross profit	26,982	**28,174**
Selling, general and administrative expenses	22,934	**23,549**
Operating income	4,048	**4,625**
Non-operating income		
Interest income	9	**6**
Dividends income	30	**28**
Foreign exchange gains	—	**277**
Miscellaneous income	539	**615**
Total non-operating income	579	**928**
Non-operating expenses		
Interest expenses	688	**695**
Foreign exchange losses	167	—
Depreciation of inactive noncurrent assets	174	**248**
Miscellaneous loss	578	**561**
Total non-operating expenses	1,609	**1,506**
Ordinary income	3,018	**4,047**
Extraordinary income		
Gain on sales of noncurrent assets	3	**242**
Total extraordinary income	3	**242**
Extraordinary loss		
Loss on disposal of noncurrent assets	24	**54**
Impairment loss	98	**88**
Loss on disaster	290	—
Loss on valuation of investment securities	—	**47**
Special retirement expenses	61	—
Total extraordinary losses	475	**190**
Income before income taxes and minority interests	2,545	**4,099**
Income taxes-current	2,423	**2,133**
Income taxes-deferred	(320)	**(272)**
Total income taxes	2,102	**1,861**
Income before minority interests	442	**2,238**
Minority interests in income (loss)	6	**(34)**
Net income	436	**2,272**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	Fiscal Year 2011	**Fiscal Year 2012**
		Millions of yen
Income before minority interests	442	**2,238**
Other comprehensive income		
Valuation difference on available-for-sale securities	(197)	**125**
Foreign currency translation adjustment	(47)	**4,514**
Total other comprehensive income	(245)	**4,640**
Comprehensive income	197	**6,878**
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	192	**6,879**
Comprehensive income attributable to minority interests	4	**(1)**

(3) CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Millions of yen

	Fiscal Year 2011	**Fiscal Year 2012**
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	20,896	**20,896**
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	20,896	**20,896**
Capital surplus		
Balance at the beginning of current period	18,667	**18,302**
Changes of items during the period		
Dividends from surplus-other capital surplus	(364)	**(727)**
Disposal of treasury stock	(1)	**(1)**
Total changes of items during the period	(365)	**(729)**
Balance at the end of current period	18,302	**17,573**
Retained earnings		
Balance at the beginning of current period	6,834	**7,220**
Changes of items during the period		
Increare (decrease) from change of fiscal year of consolidated subsidiaries	(50)	—
Net income	436	**2,272**
Total changes of items during the period	386	**2,272**
Balance at the end of current period	7,220	**9,493**
Treasury stock		
Balance at the beginning of current period	(3,916)	**(3,922)**
Changes of items during the period		
Purchase of treasury stock	(8)	**(6)**
Disposal of treasury stock	1	**1**
Total changes of items during the period	(6)	**(4)**
Balance at the end of current period	(3,922)	**(3,926)**
Total shareholders' equity		
Balance at the beginning of current period	42,483	**42,497**
Changes of items during the period		
Increare (decrease) from change of fiscal year of consolidated subsidiaries	(50)	—
Dividends from surplus-other capital surplus	(364)	**(727)**
Net income	436	**2,272**
Purchase of treasury stock	(8)	**(6)**
Disposal of treasury stock	0	**0**
Total changes of items during the period	14	**1,539**
Balance at the end of current period	42,497	**44,037**

Millions of yen

	Fiscal Year 2011	**Fiscal Year 2012**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	212	**15**
Changes of items during the period		
Net changes of items other than shareholders' equity	(197)	**125**
Total changes of items during the period	(197)	**125**
Balance at the end of current period	15	**141**
Foreign currency translation adjustment		
Balance at the beginning of current period	(9,439)	**(9,485)**
Changes of items during the period		
Net changes of items other than shareholders' equity	(45)	**4,481**
Total changes of items during the period	(45)	**4,481**
Balance at the end of current period	(9,485)	**(5,004)**
Total accumulated other comprehensive income		
Balance at the beginning of current period	(9,226)	**(9,469)**
Changes of items during the period		
Net changes of items other than shareholders' equity	(243)	**4,606**
Total changes of items during the period	(243)	**4,606**
Balance at the end of current period	(9,469)	**(4,862)**
Minority interests		
Balance at the beginning of current period	263	**265**
Changes of items during the period		
Net changes of items other than shareholders' equity	1	**(3)**
Total changes of items during the period	1	**(3)**
Balance at the end of current period	265	**262**
Total net assets		
Balance at the beginning of current period	33,520	**33,293**
Changes of items during the period		
Increare (decrease) from change of fiscal year of consolidated subsidiaries	(50)	**—**
Dividends from surplus-other capital surplus	(364)	**(727)**
Net income	436	**2,272**
Purchase of treasury stock	(8)	**(6)**
Disposal of treasury stock	0	**0**
Net changes of items other than shareholders' equity	(241)	**4,603**
Total changes of items during the period	(227)	**6,143**
Balance at the end of current period	33,293	**39,436**

(4) CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions of yen

	Fiscal Year 2011	**Fiscal Year 2012**
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,545	**4,099**
Depreciation and amortization	8,467	**7,151**
Impairment loss	98	**88**
Increase (decrease) in allowance for doubtful accounts	(2)	**(13)**
Increase (decrease) in provision for retirement benefits	1,063	**985**
Interest and dividends income	(40)	**(35)**
Interest expenses	688	**695**
Decrease (increase) in notes and accounts receivable-trade	1,140	**(652)**
Decrease (increase) in inventories	(3,999)	**(1,406)**
Increase (decrease) in notes and accounts payable-trade	(1,510)	**(3,445)**
Other, net	(94)	**1,788**
Subtotal	8,356	**9,254**
Interest and dividends income received	39	**36**
Interest expenses paid	(705)	**(673)**
Income taxes paid	(2,345)	**(2,279)**
Net cash provided by (used in) operating activities	5,345	**6,339**
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(8,358)	**(5,921)**
Proceeds from sales of property, plant and equipment	4	**200**
Purchase of intangible assets	(251)	**(807)**
Payments of loans receivable	(19)	**(13)**
Collection of loans receivable	13	**23**
Other, net	(3)	**127**
Net cash provided by (used in) investing activities	(8,614)	**(6,390)**
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term loans payable	1,387	**(5,159)**
Increase (decrease) in commercial papers	(4,500)	**(1,500)**
Repayments of finance lease obligations	(476)	**(1,181)**
Proceeds from long-term loans payable	7,500	**5,000**
Repayment of long-term loans payable	(3,023)	**(5,032)**
Proceeds from issuance of bonds	—	**9,898**
Proceeds from sales of treasury stock	0	**0**
Purchase of treasury stock	(8)	**(6)**
Cash dividends paid	(369)	**(725)**
Net cash provided by (used in) financing activities	509	**1,294**
Effect of exchange rate change on cash and cash equivalents	51	**969**
Net increase (decrease) in cash and cash equivalents	(2,708)	**2,213**
Cash and cash equivalents at beginning of period	12,756	**9,822**
Increase (decrease) in cash and cash equivalents from change of fiscal year of consolidated subsidiaries	(225)	**—**
Cash and cash equivalents at end of period	9,822	**12,036**

4. SEGMENT INFORMATION

FISCAL YEAR 2011 (April 1, 2011 to March 31, 2012) Millions of yen

	Reporting Segment				Total	Adjustment	Amount stated in CONSOLIDATED STATEMENTS OF INCOME
	Semi-conductor Devices	CCFL	PM	PS			
Sales							
(1) Third parties	95,295	1,966	18,022	16,518	131,803	—	131,803
(2) Intersegment	1,403	—	531	0	1,935	(1,935)	—
Total	96,698	1,966	18,554	16,519	133,738	(1,935)	131,803
Income (loss) by segment	6,827	(1,575)	(1,034)	1,782	6,000	(1,951)	4,048
Assets	94,402	5,728	14,667	9,017	123,817	12,312	136,130
Other							
Depreciation	7,870	96	69	144	8,181	285	8,467
Impairment loss	—	—	98	—	98	—	98
Increase in property, plant, equipment and intangible assets	12,341	56	138	85	12,621	264	12,885

FISCAL YEAR 2012 (April 1, 2012 to March 31, 2013) Millions of yen

	Reporting Segment				Total	Adjustment	Amount stated in CONSOLIDATED STATEMENTS OF INCOME
	Semi-conductor Devices	CCFL	PM	PS			
Sales							
(1) Third parties	95,692	880	14,295	15,517	126,386	—	126,386
(2) Intersegment	1,253	—	881	0	2,135	(2,135)	—
Total	96,946	880	15,176	15,517	128,521	(2,135)	126,386
Income (loss) by segment	7,990	(1,316)	(1,038)	1,078	6,714	(2,089)	4,625
Assets	108,329	3,753	14,714	10,046	136,843	11,673	148,517
Other							
Depreciation	6,667	72	65	92	6,898	253	7,151
Impairment loss	—	—	88	—	88	—	88
Increase in property, plant, equipment and intangible assets	7,951	15	143	89	8,200	808	9,008

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