

Consolidated Financial Statement:

for the year ended March 31,2013

Sansei Yusoki Co., LTD

Consolidated balance sheets

(Unit 1000Yen)

	2012-03-31	2013-03-31
Assets		
Current assets		
Cash and deposits	5,638,359	5,475,234
Notes and accounts receivable-trade	5,953,713	5,760,117
Securities	809,305	404,404
Work in process	272,475	362,325
Raw materials and supplies	269,860	634,302
Deferred tax assets	263,155	404,358
Other	39,169	239,969
Allowance for doubtful accounts	△10,248	△5,482
Total current assets	13,235,789	13,275,230
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,340,380	5,679,508
Accumulated depreciation	△1,354,849	△2,050,045
Buildings and structures, net	2,985,531	3,629,462
Machinery, equipment and vehicles	902,972	2,433,801
Accumulated depreciation	△705,102	△1,807,325
Machinery, equipment and vehicles, net	197,870	626,475
Land	2,615,073	3,708,986
Construction in progress	6,954	33,945
Other	622,199	708,131
Accumulated depreciation	△470,124	△545,233
Other, net	152,074	162,898
Total property, plant and equipment	5,957,504	8,161,768
Intangible assets		
Goodwill	358,765	3,310,621
Other	93,096	1,280,393
Total intangible assets	451,862	4,591,014
Investments and other assets		
Investment securities	4,631,192	5,204,981
Long-term loans receivable	55,288	50,195
Deferred tax assets	261,975	608,130
Other	818,340	889,283
Allowance for doubtful accounts	△10,436	△8,997
Total investments and other assets	5,756,360	6,743,593
Total noncurrent assets	12,165,727	19,496,377
Total assets	25,401,517	32,771,608

(Unit 1000Yen)

	2012-03-31	2013-03-31
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,122,005	1,103,209
Short-term loans payable	-	868,398
Current portion of long-term loans payable	-	326,016
Income taxes payable	212,400	425,850
Accrued consumption taxes	72,144	63,439
Advances received	246,320	619,528
Provision for bonuses	308,104	348,216
Provision for directors' bonuses	30,000	30,000
Provision for loss on construction contracts	52,788	14,618
Deferred tax liabilities	-	9,369
Other	345,228	862,042
Total current liabilities	2,388,991	4,670,688
Noncurrent liabilities		
Long-term loans payable	-	2,088,144
Long-term accounts payable-other	374,399	852,033
Deferred tax liabilities	-	571,907
Provision for retirement benefits	822,168	1,081,093
Other	119,661	177,832
Total noncurrent liabilities	1,316,228	4,771,010
Total liabilities	3,705,220	9,441,699
Net assets		
Shareholders' equity		
Capital stock	3,251,279	3,251,279
Capital surplus	2,989,057	2,989,057
Retained earnings	16,714,458	16,762,036
Treasury stock	△1,510,037	△466,739
Total shareholders' equity	21,444,757	22,535,633
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	251,538	592,322
Foreign currency translation adjustment	-	132,554
Total accumulated other comprehensive income	251,538	724,877
Minority interests	-	69,397
Total net assets	21,696,296	23,329,908
Total liabilities and net assets	25,401,517	32,771,608

Consolidated statements of (comprehensive) income

(Unit 1000Yen)

	As of March 31 2012	As of March 31 2013
Net sales	13,689,909	14,912,799
Cost of sales	10,122,661	10,573,849
Gross profit	3,567,247	4,338,950
Selling, general and administrative expenses	2,598,700	3,431,651
Operating income	968,547	907,299
Non-operating income		
Interest income	50,915	36,046
Dividends income	68,196	62,711
Dividends income of insurance	71,159	157,722
Other	23,715	62,516
Total non-operating income	213,986	318,997
Non-operating expenses		
Interest expenses	–	25,964
Commission fee	13,463	34,173
Other	175	14,723
Total non-operating expenses	13,638	74,861
Ordinary income	1,168,894	1,151,435
Extraordinary income		
Gain on sales of noncurrent assets	–	861
Total extraordinary income	–	861
Extraordinary loss		
Loss on abandonment of noncurrent assets	558	11,457
Loss on valuation of investment securities	8,569	79,520
Loss on valuation of membership	462	–
Loss on sales of membership	1,840	–
Total extraordinary losses	11,430	90,977
Income before income taxes and minority interest	1,157,464	1,061,318
Income taxes–current	517,887	624,814
Income taxes–deferred	△44,906	△72,853
Total income taxes	472,980	551,960
Income before minority interests	684,483	509,357
Minority interests in loss	–	△5,735
Net income	684,483	515,093

Consolidated statements of changes in net assets

(Unit 1000Yen)

	As of March 31 2012	As of March 31 2013
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	3,251,279	3,251,279
Balance at the end of current period	3,251,279	3,251,279
Capital surplus		
Balance at the beginning of current period	2,989,057	2,989,057
Changes of items during the period		
Disposal of treasury stock	–	△225,097
Transfer of loss on disposal of treasury stock	–	225,097
Total changes of items during the period		
Balance at the end of current period	2,989,057	2,989,057
Retained earnings		
Balance at the beginning of current period	16,257,173	16,714,458
Changes of items during the period		
Dividends from surplus	△227,198	△242,418
Net income	684,483	515,093
Transfer of loss on disposal of treasury stock	–	△225,097
Total changes of items during the period	457,285	47,577
Balance at the end of current period	16,714,458	16,762,036
Treasury stock		
Balance at the beginning of current period	△1,509,842	△1,510,037
Changes of items during the period		
Purchase of treasury stock	△195	△14,911
Disposal of treasury stock	–	1,058,209
Total changes of items during the period	△195	1,043,298
Balance at the end of current period	△1,510,037	△466,739
Total shareholders' equity		
Balance at the beginning of current period	20,987,667	21,444,757
Changes of items during the period		
Dividends from surplus	△227,198	△242,418
Net income	684,483	515,093
Purchase of treasury stock	△195	△14,911
Disposal of treasury stock	–	833,112
Transfer of loss on disposal of treasury stock	–	–
Total changes of items during the period	457,090	1,090,875
Balance at the end of current period	21,444,757	22,535,633
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	275,184	251,538
Changes of items during the period		
Net changes of items other than shareholders' equity	△23,645	340,783
Total changes of items during the period	△23,645	340,783
Balance at the end of current period	251,538	592,322
Deferred gains or losses on hedges		
Balance at the beginning of current period	2,269	–
Changes of items during the period		
Net changes of items other than shareholders' equity	△2,269	–
Total changes of items during the period	△2,269	–
Balance at the end of current period	–	–
Foreign currency translation adjustment		
Balance at the beginning of current period	–	–
Changes of items during the period		
Net changes of items other than shareholders' equity	–	132,554
Total changes of items during the period	–	132,554
Balance at the end of current period	–	132,554
Total accumulated other comprehensive income		
Balance at the beginning of current period	277,454	251,538
Changes of items during the period		
Net changes of items other than shareholders' equity	△25,915	473,338
Total changes of items during the period	△25,915	473,338
Balance at the end of current period	251,538	724,877
Minority interests		
Balance at the beginning of current period	1,988,671	–
Changes of items during the period		
Net changes of items other than shareholders' equity	△1,988,671	69,397
Total changes of items during the period	△1,988,671	69,397
Balance at the end of current period	–	69,397
Total net assets		
Balance at the beginning of current period	23,253,793	21,696,296
Changes of items during the period		
Dividends from surplus	△227,198	△242,418
Net income	684,483	515,093
Purchase of treasury stock	△195	△14,911
Disposal of treasury stock	–	833,112
Transfer of loss on disposal of treasury stock	–	–
Net changes of items other than shareholders' equity	△2,014,587	542,736
Total changes of items during the period	△1,557,496	1,633,612
Balance at the end of current period	21,696,296	23,329,908

Consolidated statements of cash flows

(Unit 1000Yen)

	As of March 31 2012	As of March 31 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,157,464	1,061,318
Depreciation and amortization	284,789	593,976
Amortization of goodwill	39,862	141,237
Increase (decrease) in provision for bonuses	1,389	△47,887
Increase (decrease) in provision for loss on construction contracts	△115,746	△38,169
Increase (decrease) in provision for retirement benefits	83,918	109,147
Increase (decrease) in allowance for doubtful accounts	△5,084	△6,204
Interest and dividends income	△119,111	△98,757
Interest expenses	-	25,964
Loss (gain) on valuation of investment securities	8,569	79,520
Loss (gain) on sales of noncurrent assets	-	△861
Loss on abandonment of noncurrent assets	558	11,457
Loss (gain) on sales of membership	1,840	-
Decrease (increase) in notes and accounts receivable-trade	△627,210	1,610,096
Decrease (increase) in inventories	106,787	△44,658
Increase (decrease) in notes and accounts payable-trade	△132,187	△495,214
Increase (decrease) in advances received	73,697	△94,739
Increase (decrease) in accrued consumption taxes	72,144	△49,618
Decrease (increase) in consumption taxes refund receivable	18,340	-
Decrease (increase) in other assets	23,187	△53,785
Increase (decrease) in other liabilities	76,222	△140,436
Other, net	-	7,398
Subtotal	949,431	2,569,784
Interest and dividends income received	120,880	100,666
Interest expenses paid	-	△25,520
Income taxes paid	△489,363	△576,987
Net cash provided by (used in) operating activities	580,948	2,067,943
Net cash provided by (used in) investing activities		
Payments into time deposits	△493,339	△1,023,216
Proceeds from withdrawal of time deposits	733,540	1,023,216
Purchase of securities	△400,428	△232
Proceeds from sales and redemption of securities	1,978,345	104,120
Purchase of investment securities	△600,000	△609,425
Proceeds from sales and redemption of investment securities	630,000	759,870
Purchase of investments in subsidiaries	△2,347,300	-
Purchase of investments in subsidiaries resulting change in scope of consolidation	-	△2,576,667
Purchase of property, plant and equipment	△247,546	△176,403
Proceeds from sales of property, plant and equipment	-	1,266
Purchase of intangible assets	△36,958	△51,216
Payments of loans receivable	△20,995	△13,230
Collection of loans receivable	18,966	18,722
Other, net	△5,601	1,817
Net cash provided by (used in) investing activities	△791,317	△2,541,378
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-	695,238
Proceeds from long-term loans payable	-	2,550,000
Repayment of long-term loans payable	-	△2,130,369
Redemption of bonds	-	△699,600
Repayments of lease obligations	△5,211	△7,343
Purchase of treasury stock	△195	△93
Cash dividends paid	△227,062	△241,716
Cash dividends paid to minority shareholders	△40,000	-
Net cash provided by (used in) financing activities	△272,468	166,115
Effect of exchange rate change on cash and cash equivalents	-	144,196
Net increase (decrease) in cash and cash equivalents	△482,838	△163,123
Cash and cash equivalents at beginning of period	6,080,823	5,597,985
Cash and cash equivalents at end of period	5,597,985	5,434,862

Consolidated statements of comprehensive income

(Unit 1000Yen)

	As of March 31 2012	As of March 31 2013
Income before minority interests	684,483	509,357
Other comprehensive income		
Valuation difference on available-for-sale securities	△23,645	340,783
Deferred gains or losses on hedges	△2,269	—
Foreign currency translation adjustment	—	132,554
Total other comprehensive income	△25,915	473,338
Comprehensive income	658,567	982,696
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	658,567	988,432
Comprehensive income attributable to minority interests	—	△5,735