

Highlights of Consolidated Results for the First Half and the Second Quarter of Fiscal Year ending March 31, 2013

Millions of yen (except for per share amounts)			
	Six months ended September 30, 2012	Six months ended September 30, 2011	Change (%)
Net sales	Y 244,525	Y 246,562	-0.8
Operating income	19,626	26,015	-24.6
Current profits	20,040	26,666	-24.8
Net income	14,840	13,555	9.5
(Ref.) Comprehensive income	3,522	(392)	-
Net income per share:			
Basic	Y 55.44	Y 50.65	
Diluted	55.35	50.58	
Dividends per common share	12.00	12.00	
As of September 30, 2012			
Total assets	Y 359,662	Y 370,906	
Net assets	232,395	231,425	
Owners' equity ratio	64.5 %	62.3 %	
Owners' equity per share	Y 866.66	Y 863.01	
(Ref.) Owners' equity	232,012	231,001	
Number of consolidated subsidiaries	60	55	
Number of affiliates using the applied equity method	6	8	

Highlights of Consolidated Forecast for Fiscal Year ending March 31, 2013

Millions of yen (except for per share amounts)			
	[Revised] Year ending March 31, 2013	Year ended March 31, 2012	Change (%)
Net sales	Y 510,000	Y 497,390	2.5
Operating income	30,000	34,183	-12.2
Current profits	30,000	34,351	-12.7
Net income	20,000	19,525	2.4
Net income per share	Y 74.71	Y 72.95	
Dividends per common share	24.00	24.00	
[Revised] Year ending March 31, 2013			
Net sales	Y 510,000	Y 530,000	-3.8
Operating income	30,000	34,000	-11.8
Current profits	30,000	35,000	-14.3
Net income	20,000	23,000	-13.0
Net income per share	Y 74.71	Y 85.93	
Dividends per common share	24.00	24.00	

(Note 1) Forecasted operating results have been changed in this quarterly period.

(Note 2) No change has been made to forecasted dividend per common share in this quarterly period.

Notes:

- The financial statements have been prepared in accordance with accounting principles generally accepted in Japan.
- Amounts less than 1 million yen have been rounded down.
- Yen amounts for the six months ended September 30, 2012 have been translated into U.S. dollars for convenience only, at a uniform rate of US\$1=82.00 yen, in the accompanying consolidated financial statements.
- Operating results for the six months ended September 30, 2012 are based on the following currency exchange rates:
Actual average rates for the six months ended September 30, 2012: US\$=79.43 yen, EURO=101.12 yen
Forecasts for the year ending March 31, 2013 are based on the following currency exchange rates:
Assumed average rates for the fiscal year: US\$=78.74 yen, EURO=100.62 yen
- Number of shares outstanding (including treasury stock): 277,535 thousands as of September 30, 2012, 277,535 thousands as of March 31, 2012
Number of treasury stock outstanding: 9,827 thousands as of September 30, 2012, 9,866 thousands as of March 31, 2012
Number of weighted average shares (first half): 267,682 thousands during the period ended September 30, 2012, 267,650 thousands during the period ended September 30, 2011

The above-mentioned forecasts are the results of estimations based on outlook for economic environment and predictions at the time of this announcement. The actual results of business performance may sometimes differ from these forecasts due to various factors.

CONSOLIDATED BALANCE SHEETS

	Millions of yen		Thousands of U.S. dollars
	As of September 30, 2012	As of March 31, 2012	As of September 30, 2012
ASSETS			
Current assets			
Cash and cash equivalents	Y 51,540	Y 59,536	\$ 628,543
Trade receivables	62,904	65,634	767,124
Inventories	85,141	76,483	1,038,312
Other current assets	21,707	24,392	264,726
Total current assets	<u>221,293</u>	<u>226,047</u>	<u>2,698,706</u>
Net property, plant and equipment	69,433	69,945	846,746
Intangible fixed assets	19,575	19,915	238,729
Other assets	49,359	54,997	601,946
Total assets	<u>Y 359,662</u>	<u>Y 370,906</u>	<u>\$ 4,386,126</u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Short-term debt	Y 13,779	Y 19,466	\$ 168,048
Trade payables	37,344	35,978	455,426
Other current liabilities	55,264	62,034	673,954
Total current liabilities	<u>106,389</u>	<u>117,478</u>	<u>1,297,428</u>
Long-term liabilities			
Long-term debt	700	500	8,537
Other long-term liabilities	20,177	21,501	246,073
Total liabilities	<u>127,267</u>	<u>139,480</u>	<u>1,552,038</u>
Net assets			
Shareholders' equity			
Capital stock	19,209	19,209	234,267
Capital surplus	16,159	16,151	197,063
Retained earnings	255,878	243,725	3,120,474
Treasury stock	(11,642)	(11,672)	(141,978)
Total shareholders' equity	<u>279,605</u>	<u>267,413</u>	<u>3,409,825</u>
Other comprehensive income			
Unrealized gain (loss) on available-for-sale securities	493	2,176	6,018
Deferred gain (loss) under hedge accounting	7	(184)	94
Foreign currency translation adjustments	(48,094)	(38,404)	(586,513)
Total other comprehensive income	<u>(47,592)</u>	<u>(36,412)</u>	<u>(580,401)</u>
Stock acquisition rights	378	420	4,610
Minority interests	4	3	54
Total net assets	<u>232,395</u>	<u>231,425</u>	<u>2,834,088</u>
Total liabilities and net assets	<u>Y 359,662</u>	<u>Y 370,906</u>	<u>\$ 4,386,126</u>

CONSOLIDATED STATEMENTS OF INCOME

	Millions of yen		Thousands of U.S. dollars
	Six months ended	Six months ended	Six months ended
	September 30, 2012	September 30, 2011	September 30, 2012
Net sales	Y 244,525	Y 246,562	\$ 2,982,014
Cost of sales	138,901	135,123	1,693,924
Gross profit	105,623	111,438	1,288,090
Selling, general and administrative expenses	85,996	85,423	1,048,740
Operating income	19,626	26,015	239,350
Non-operating income (expenses):			
Interest and dividend income	598	596	7,303
Interest expenses	(202)	(329)	(2,471)
Other, net	17	384	210
Current profits	20,040	26,666	244,392
Extraordinary income (expenses):			
Gain (Loss) on sales and disposals of property, plant and equipment, net	(141)	(78)	(1,721)
Other, net	(601)	622	(7,336)
Income before income taxes	19,297	27,210	235,335
Income taxes	4,456	13,654	54,353
Income before minority interests	14,840	13,556	180,982
Minority interests in net income	0	0	3
Net income	Y 14,840	Y 13,555	\$ 180,979
Net income per share:	Yen	Yen	U.S. dollars
Basic	Y 55.44	Y 50.65	\$ 0.68
Diluted	55.35	50.58	0.68

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Millions of yen		Thousands of U.S. dollars
	Six months ended	Six months ended	Six months ended
	September 30, 2012	September 30, 2011	September 30, 2012
Income before minority interests	Y 14,840	Y 13,556	\$ 180,982
Other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities	(1,654)	(925)	(20,180)
Deferred gain (loss) under hedge accounting	192	472	2,345
Foreign currency translation adjustments	(9,827)	(13,424)	(119,847)
Share of other comprehensive income of associates	(28)	(71)	(345)
Total other comprehensive income (loss)	(11,318)	(13,949)	(138,027)
Comprehensive income	Y 3,522	Y (392)	\$ 42,955
Comprehensive income attributable to:			
Owners of the Company	Y 3,522	Y (393)	\$ 42,952
Minority interests	0	0	3

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Millions of yen		Thousands of
	Six months ended September 30, 2012	Six months ended September 30, 2011	Six months ended September 30, 2012
	Y	Y	\$
OPERATING ACTIVITIES:			
Income before income taxes	19,297	27,210	235,335
Adjustments for:			
Depreciation and amortization	10,845	10,627	132,264
Impairment loss	91	67	1,111
Amortization of goodwill	773	853	9,433
Provision for (Reversal of) allowance for doubtful accounts	157	392	1,925
Provision for (Reversal of) retirement benefits	301	(408)	3,671
Provision for (Reversal of) product warranty	(465)	(647)	(5,672)
Interest and dividend income	(598)	(596)	(7,303)
Interest expenses	202	329	2,471
Foreign exchange loss (gain)	329	1,301	4,022
Equity in loss (earnings) of affiliates	(96)	(241)	(1,176)
Valuation loss (gain) on derivatives	(609)	(1,472)	(7,438)
Loss (Gain) on sales and disposals of property, plant and equipment, net	141	78	1,721
Loss (Gain) on sales of investment securities	(0)	(6)	(1)
Valuation loss (gain) on investment securities	164	64	2,001
Compensations receivable	-	(596)	-
Loss from liquidation of a subsidiary	125	-	1,529
Decrease (Increase) in trade notes and accounts receivable	(419)	139	(5,116)
Decrease (Increase) in inventories	(12,714)	(11,476)	(155,052)
Increase (Decrease) in trade notes and accounts payable	962	4,187	11,738
Increase (Decrease) in accrued expenses	(2,708)	(502)	(33,031)
Other, net	(723)	141	(8,824)
Cash generated from operations	15,055	29,447	183,608
Interest and dividends received	695	786	8,488
Interest paid	(243)	(328)	(2,966)
Compensations received	96	-	1,180
Income taxes paid	(2,042)	(9,261)	(24,903)
Net cash provided by operating activities	Y 13,563	Y 20,643	\$ 165,407
INVESTING ACTIVITIES:			
Disbursement for purchases of property, plant and equipment	(9,399)	(9,908)	(114,626)
Proceeds from sales of property, plant and equipment	682	641	8,325
Disbursement for purchases of intangible assets	(2,699)	(1,771)	(32,918)
Proceeds from sales of intangible assets	-	3	-
Disbursement for purchases of investment securities	(285)	(31)	(3,477)
Proceeds from sales of investment securities	0	256	5
Disbursement for purchases of shares in affiliates	(996)	(345)	(12,158)
Proceeds from liquidation of a subsidiary	-	380	-
Disbursement for payment of investments in affiliates	-	(2,081)	-
Proceeds from collection of long-term loans	13	6	163
Other, net	(458)	1,800	(5,597)
Net cash used in investing activities	Y (13,143)	Y (11,050)	\$ (160,283)
FINANCING ACTIVITIES:			
Increase (Decrease) in short-term borrowings, net	10,792	(5,500)	131,618
Proceeds from borrowings of long-term debt	200	250	2,439
Disbursement for repayment of lease obligations	(905)	(1,921)	(11,042)
Disbursement for bond redemption	(15,000)	-	(182,927)
Decrease (Increase) in treasury stock, net	7	(1)	91
Cash dividends paid	(3,225)	(3,224)	(39,332)
Net cash used in financing activities	Y (8,130)	Y (10,397)	\$ (99,152)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(2,688)	(5,436)	(32,782)
Net increase (decrease) in cash and cash equivalents	(10,398)	(6,240)	(126,811)
Cash and cash equivalents at beginning of period	58,731	65,100	716,243
Cash and cash equivalents of newly consolidated subsidiaries	1,209	794	14,754
Cash and cash equivalents at end of period	Y 49,543	Y 59,654	\$ 604,186

SEGMENT INFORMATION

	Millions of yen		Thousands of U.S. dollars	
	Six months ended September 30, 2012	Six months ended September 30, 2011	Six months ended September 30, 2012	
Printing & Solutions				
Net sales				
Unaffiliated customers	Y 159,387	Y 165,031	\$ 1,943,754	
Intersegment	-	-	-	
Total	159,387	165,031	1,943,754	
Operating income	12,392	18,661	151,130	
Personal & Home				
Net sales				
Unaffiliated customers	Y 14,926	Y 14,496	\$ 182,036	
Intersegment	-	-	-	
Total	14,926	14,496	182,036	
Operating income	984	1,343	12,008	
Machinery & Solution				
Net sales				
Unaffiliated customers	Y 37,896	Y 38,807	\$ 462,152	
Intersegment	-	-	-	
Total	37,896	38,807	462,152	
Operating income	4,381	5,735	53,434	
Network & Contents				
Net sales				
Unaffiliated customers	Y 25,330	Y 22,352	\$ 308,913	
Intersegment	-	-	-	
Total	25,330	22,352	308,913	
Operating income (loss)	1,214	(271)	14,815	
Others				
Net sales				
Unaffiliated customers	Y 6,983	Y 5,873	\$ 85,159	
Intersegment	4,734	4,021	57,732	
Total	11,717	9,895	142,891	
Operating income	676	546	8,246	
Adjustment				
Net sales				
Unaffiliated customers	Y -	Y -	\$ -	
Intersegment	(4,734)	(4,021)	(57,732)	
Total	(4,734)	(4,021)	(57,732)	
Operating income (loss)	(23)	-	(283)	
Consolidated				
Net sales				
Unaffiliated customers	Y 244,525	Y 246,562	\$ 2,982,014	
Intersegment	-	-	-	
Total	244,525	246,562	2,982,014	
Operating income	19,626	26,015	239,350	

Note:

Main products in each business segment are as follows:

Printing & Solutions	Printers, Multi-function printers, Electronic stationeries,
Personal & Home	Home sewing machines
Machinery & Solution	Industrial sewing machines, Machine tools
Network & Contents	Online karaoke, Contents distribution services
Others	Sales of products other than those above, and so forth