

Highlights of Consolidated Results for the 1st Quarter of Fiscal Year ending March 31, 2014

Millions of yen (except for per share amounts)				
	Three months ended		Three months ended	Change
	June 30,	June 30,	June 30,	(%)
	2013	2012	2012	
Net sales	Y 139,312	Y 120,666		15.5
Operating income	9,388	11,533		-18.6
Current profits	5,874	12,249		-52.0
Net income	1,336	10,300		-87.0
(Ref.) Comprehensive income	11,117	180		-
Net income per share:				
Basic	Y 5.01	Y 38.48		
Diluted	5.00	38.42		
	As of	As of		
	June 30,	March 31,		
	2013	2013		
Total assets	Y 433,862	Y 421,494		
Net assets	286,766	278,769		
Owners' equity ratio	62.4 %	62.4 %		
Owners' equity per share	Y 1,015.14	Y 985.85		
(Ref.) Owners' equity	270,645	262,837		
Number of consolidated subsidiaries	64	60		
Number of affiliates using the applied equity method	5	5		

Highlights of Consolidated Forecast for Fiscal Year ending March 31, 2014

Millions of yen (except for per share amounts)				
	[Revised]	Year ended		Change
	Year ending	March 31,	Year ended	(%)
	March 31,	2014	March 31,	
	2014		2013	
Net sales	Y 585,000	Y 516,066		13.4
Operating income	35,000	29,775		17.5
Current profits	32,000	23,144		38.3
Net income	18,500	17,826		3.8
Net income per share	Y 69.39	Y 66.65		
Dividends per common share	24.00	24.00		
	[Revised]	[Previous]		Change
	Year ending	Year ending		(%)
	March 31,	March 31,		
	2014	2014		
Net sales	Y 585,000	Y 570,000		2.6
Operating income	35,000	32,000		9.4
Current profits	32,000	32,000		-
Net income	18,500	18,500		-
Net income per share	Y 69.39	Y 69.39		
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 in forecasted dividends 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 three months ended June 30, 2013 have been translated into U.S. dollars for convenience only, at a uniform rate of US\$1=94.00 yen, in the accompanying consolidated financial statements.
- Operating results for the three months ended June 30, 2013 are based on the following currency exchange rates:
Actual average rates for the three months ended June 30, 2013: US\$=97.94 yen, EURO=127.35 yen
Forecasts for the year ending March 31, 2014 are based on the following currency exchange rates:
Assumed average rates for the fiscal year: US\$=92.84 yen, EURO=122.78 yen
- Number of shares outstanding (including treasury stock): 277,535 thousands as of June 30, 2013, 277,535 thousands as of March 31, 2013
Number of treasury stock outstanding: 10,927 thousands as of June 30, 2013, 10,925 thousands as of March 31, 2013
Number of weighted average shares (quarterly): 266,610 thousands during the period ended June 30, 2013, 267,668 thousands during the period ended June 30, 2012

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 June 30, 2013	As of March 31, 2013	As of June 30, 2013
ASSETS			
Current assets			
Cash and cash equivalents	Y 68,892	Y 52,320	\$ 732,896
Marketable securities	4,883	10,004	51,954
Trade receivables	75,570	80,418	803,936
Allowance for doubtful accounts	(1,499)	(1,555)	(15,956)
Inventories	91,186	87,679	970,074
Other current assets	19,756	19,685	210,180
Total current assets	<u>258,789</u>	<u>248,554</u>	<u>2,753,085</u>
Net property, plant and equipment	95,713	88,588	1,018,231
Securities investments	31,227	38,612	332,211
Other assets	56,833	54,423	604,615
Allowance for doubtful accounts	(8,702)	(8,684)	(92,582)
Total assets	<u>Y 433,862</u>	<u>Y 421,494</u>	<u>\$ 4,615,561</u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Short-term borrowings	Y 9,423	Y 6,524	\$ 100,251
Trade payables	38,907	32,107	413,907
Other current liabilities	61,858	68,422	658,068
Total current liabilities	<u>110,189</u>	<u>107,054</u>	<u>1,172,225</u>
Long-term liabilities			
Long-term borrowings	12,900	12,700	137,234
Other long-term liabilities	24,007	22,970	255,400
Total liabilities	<u>147,096</u>	<u>142,724</u>	<u>1,564,859</u>
Net assets			
Shareholders' equity			
Capital stock	19,209	19,209	204,361
Capital surplus	16,463	16,463	175,145
Retained earnings	253,450	255,639	2,696,277
Treasury stock	(12,972)	(12,971)	(138,000)
Total shareholders' equity	<u>276,151</u>	<u>278,341</u>	<u>2,937,782</u>
Other comprehensive income			
Unrealized gain (loss) on available-for-sale securities	3,642	2,344	38,751
Deferred gain (loss) under hedge accounting	(954)	(443)	(10,150)
Foreign currency translation adjustments	(8,193)	(17,405)	(87,170)
Total other comprehensive income	<u>(5,505)</u>	<u>(15,503)</u>	<u>(58,569)</u>
Stock acquisition rights	458	458	4,880
Minority interests	15,661	15,473	166,610
Total net assets	<u>286,766</u>	<u>278,769</u>	<u>3,050,703</u>
Total liabilities and net assets	<u>Y 433,862</u>	<u>Y 421,494</u>	<u>\$ 4,615,561</u>

CONSOLIDATED STATEMENTS OF INCOME

	Millions of yen		Thousands of U.S. dollars
	Three months ended	Three months ended	Three months ended
	June 30, 2013	June 30, 2012	June 30, 2013
Net sales	Y 139,312	Y 120,666	\$ 1,482,046
Cost of sales	80,802	68,078	859,606
Gross profit	58,509	52,588	622,440
Selling, general and administrative expenses	49,120	41,054	522,559
Operating income	9,388	11,533	99,881
Non-operating income (expenses):			
Interest and dividend income	355	386	3,780
Interest expenses	(50)	(115)	(537)
Other, net	(3,819)	445	(40,629)
Current profits	5,874	12,249	62,494
Extraordinary income (expenses):			
Gain (Loss) on sales and disposals of property, plant and equipment, net	(68)	(66)	(725)
Other, net	90	(317)	957
Income before income taxes	5,896	11,866	62,726
Income taxes	4,372	1,566	46,514
Income before minority interests	1,523	10,300	16,212
Minority interests in net income	187	(0)	1,996
Net income	Y 1,336	Y 10,300	\$ 14,217
Net income per share:	Yen	Yen	U.S. dollars
Basic	Y 5.01	Y 38.48	\$ 0.05
Diluted	5.00	38.42	0.05

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Millions of yen		Thousands of U.S. dollars
	Three months ended	Three months ended	Three months ended
	June 30, 2013	June 30, 2012	June 30, 2013
Income before minority interests	Y 1,523	Y 10,300	\$ 16,212
Other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities	1,475	(1,204)	15,692
Deferred gain (loss) under hedge accounting	(510)	284	(5,434)
Foreign currency translation adjustments	8,629	(9,191)	91,800
Share of other comprehensive income (loss) of associates	-	(8)	-
Total other comprehensive income (loss)	9,593	(10,119)	102,059
Comprehensive income	Y 11,117	Y 180	\$ 118,271
Comprehensive income attributable to:			
Owners of the Company	Y 10,752	Y 180	\$ 114,391
Minority interests	364	(0)	3,880

SEGMENT INFORMATION

	Millions of yen		Thousands of U.S. dollars	
	Three months ended June 30, 2013	Three months ended June 30, 2012	Three months ended June 30, 2013	
Printing & Solutions				
Net sales				
Unaffiliated customers	Y 97,223	Y 80,515	\$ 1,034,297	
Intersegment	-	-	-	
Total	97,223	80,515	1,034,297	
Operating income	7,504	8,841	79,839	
Personal & Home				
Net sales				
Unaffiliated customers	Y 8,256	Y 7,348	\$ 87,831	
Intersegment	-	-	-	
Total	8,256	7,348	87,831	
Operating income	640	461	6,818	
Machinery & Solution				
Net sales				
Unaffiliated customers	Y 15,912	Y 17,971	\$ 169,287	
Intersegment	-	-	-	
Total	15,912	17,971	169,287	
Operating income	831	1,994	8,844	
Network & Contents				
Net sales				
Unaffiliated customers	Y 11,063	Y 11,043	\$ 117,698	
Intersegment	-	-	-	
Total	11,063	11,043	117,698	
Operating income (loss)	(175)	(177)	(1,866)	
Industrial Part				
Net sales				
Unaffiliated customers	Y 3,762	Y -	\$ 40,026	
Intersegment	-	-	-	
Total	3,762	-	40,026	
Operating income	313	-	3,335	
Others				
Net sales				
Unaffiliated customers	Y 3,093	Y 3,788	\$ 32,907	
Intersegment	2,274	2,172	24,193	
Total	5,367	5,960	57,099	
Operating income	283	415	3,011	
Adjustment				
Net sales				
Unaffiliated customers	Y -	Y -	\$ -	
Intersegment	(2,274)	(2,172)	(24,193)	
Total	(2,274)	(2,172)	(24,193)	
Operating income	(9)	(1)	(103)	
Consolidated				
Net sales				
Unaffiliated customers	Y 139,312	Y 120,666	\$ 1,482,046	
Intersegment	-	-	-	
Total	139,312	120,666	1,482,046	
Operating income	9,388	11,533	99,881	

Note:

Main products in each business segment are as follows:

Printing & Solutions	All-in-Ones, Printers, FAX Machines, Electronic Stationeries, Typewriters
Personal & Home	Home Sewing Machines, etc.
Machinery & Solution	Industrial Sewing Machines, Machine Tools, Garment Printers
Network & Contents	Online Karaoke System, Fitness Lesson System for Fitness Studio, Applications for Smartphones / Tablets, etc.
Industrial Part	Reducers, Gears, etc.
Others	Real Estate, etc.