

CONSOLIDATED BALANCE SHEETS (1/2)

(Millions of Yen)

	As of Jun.30, 2008	As of Mar.31, 2008
<u>ASSETS</u>		
Current assets:		
Cash and deposits	234,062	274,885
Trade receivables	932,862	1,086,580
Securities	5,806	3,569
Finished products	154,639	147,070
Raw materials and supplies	127,726	128,309
Work in process	951,448	889,473
Deferred income taxes	118,423	114,548
Others	312,590	298,125
Allowance for doubtful receivables	(7,156)	(5,677)
Total current assets	2,830,404	2,936,886
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	314,247	316,559
Machinery and transportation equipment	269,847	272,442
Tools, equipment and furniture	78,714	82,779
Land	153,068	153,615
Leased assets	126	-
Construction in progress	50,807	50,256
Subtotal	866,811	875,653
Intangible fixed assets:		
Goodwill	4,182	4,926
Others	22,497	24,110
Subtotal	26,679	29,037
Investments and advances:		
Investment securities	662,588	609,248
Long-term loans and advances	2,760	3,119
Deferred income taxes	7,588	7,411
Others	67,151	74,281
Allowance for doubtful accounts	(13,714)	(18,490)
Subtotal	726,374	675,570
Total fixed assets	1,619,865	1,580,261
TOTAL ASSETS	4,450,270	4,517,148

CONSOLIDATED BALANCE SHEETS (2/2)

(Millions of Yen)

	As of Jun.30, 2008	As of Mar.31, 2008
<u>LIABILITIES</u>		
Current liabilities:		
Trade payables	695,314	733,500
Bank loans	77,098	233,801
Current portion of long-term debt	84,651	85,416
Current portion of debentures	40,300	40,300
Reserve for product warranties	21,934	23,660
Reserve for losses on construction contracts	7,591	6,893
Advance payments received on contracts	585,886	469,285
Others	209,335	233,037
Total current liabilities	1,722,112	1,825,894
Long-term liabilities:		
Debentures	285,359	286,057
Long-term debt	713,128	719,818
Deferred tax liabilities	110,741	94,134
Reserve for retirement allowance	95,610	89,936
Reserve for treatment of PCB waste	4,300	4,300
Others	56,711	56,577
Total long-term liabilities	1,265,851	1,250,824
TOTAL LIABILITIES	2,987,964	3,076,719
<u>NET ASSETS</u>		
Stockholders' equity:		
Common stock	265,608	265,608
Capital surplus	203,895	203,893
Retained earnings	774,989	787,007
Treasury stock	(5,057)	(5,045)
Total stockholders' equity	1,239,436	1,251,464
Valuation, translation adjustments and others:		
Net unrealized gains on investment securities	185,226	157,546
Deferred gains or losses on hedges	2,375	7,346
Foreign currency translation adjustments	(6,624)	3,847
Total valuation, translation adjustments and others	180,977	168,739
Share subscription rights	549	549
Minority interests	41,342	19,676
TOTAL NET ASSETS	1,462,305	1,440,429
TOTAL LIABILITIES AND NET ASSETS	4,450,270	4,517,148

CONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	FY2008 First 3 Months (From Apr.1 to Jun.30, 2008)
Net sales	698,342
Cost of sales	599,257
Gross profit	99,084
Selling, general and administrative expenses:	
Provision of allowance for doubtful accounts	4
Directors' compensations, salaries and allowances	30,131
Research and development expenses	10,797
Expenses for inquiries	5,761
Others	30,119
Total selling, general and administrative expenses	76,814
Operating income	22,270
Non-operating income:	
Interest income	1,609
Dividend income	3,988
Equity in earnings of unconsolidated subsidiaries and affiliates	1,846
Foreign exchange gain	9,854
Others	1,692
Total non-operating income	18,991
Non-operating expenses:	
Interest expense	4,934
Loss on disposal of fixed assets	844
Others	2,525
Total non-operating expenses	8,304
Ordinary income	32,957
Extraordinary loss:	
Effect of the application of the accounting standard for measurement of inventories	33,436
Total extraordinary loss	33,436
Loss before income taxes and minority interests	(478)
Income taxes	(177)
Minority interests	(491)
Net income	189

Reference

Financial Statements for the First Quarter of the Previous Fiscal Year

CONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	FY2007 First 3 Months (From Apr 1 to Jun 30, 2007)
Net sales	685,710
Cost of sales	590,546
Gross profit	95,164
Selling, general and administrative expenses	70,418
Operating income	24,745
Non-operating income:	
Interest and dividend income	5,365
Equity in earnings of unconsolidated subsidiaries and affiliates	667
Other income	1,638
Total non-operating income	7,671
Non-operating expenses:	
Interest expense	4,721
Foreign exchange losses	3,396
Other expenses	2,833
Total non-operating expenses	10,950
Ordinary income	21,466
Extraordinary income:	
Gains on sales of fixed assets	5,721
Total extraordinary income	5,721
Income before income taxes and minority interests	27,188
Income taxes	10,241
Minority interests	(76)
Net income	17,023

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of Yen)

	Three months ended Jun. 30, 2008
Cash flows from operating activities:	
Loss before income taxes and minority interests	(478)
Adjustments to reconcile loss before income taxes and minority interests to net cash provided by operating activities	
Depreciation and amortization	33,242
Increase in reserve for retirement allowance	5,836
Interest and dividend income	(5,597)
Interest expense	4,934
Equity in earnings of unconsolidated subsidiaries and affiliates	(1,846)
Losses on disposal of fixed assets	844
(Increase) decrease in receivables	136,461
(Increase) decrease in inventories and advances to suppliers	(91,966)
(Increase) decrease in other assets	(16,801)
Increase (decrease) in payables	(25,263)
Increase (decrease) in advance payments received on contracts	126,702
Increase (decrease) in other liabilities	26,451
Others	(5,692)
Subtotal	186,826
Interest and dividends received	5,966
Interest paid	(4,366)
Payments for income taxes	(34,469)
Net cash provided by operating activities	153,957
Cash flows from investing activities:	
Net decrease in time deposits	505
Proceeds from sales and redemption of marketable securities	21
Purchases of property, plant, equipment and intangible assets	(35,989)
Proceeds from sales of property, plant, equipment and intangible assets	1,819
Purchases of investment securities	(10,555)
Proceeds from sales and redemption of investment securities	95
Disbursement of long-term loans	(11)
Collection of long-term loans	1,402
Others	80
Net cash used in investing activities	(42,632)
Cash flows from financing activities:	
Net decrease in bank loans	(153,590)
Proceeds from long-term debt	3,991
Repayment of long-term debt	(8,400)
Proceeds from issuance of stock to minority stockholders of subsidiaries	23,486
Dividends paid to stockholders	(9,520)
Dividends paid to minority stockholders of subsidiaries	(489)
Others	(12)
Net cash provided by (used in) financing activities	(144,536)
Effect of exchange rate changes on cash and cash equivalents	(4,997)
Net decrease in cash and cash equivalents	(38,209)
Cash and cash equivalents at beginning of year	262,852
Cash and cash equivalents at end of period	224,642