

# FY 2013 SECOND QUARTER (CUMULATIVE) CONSOLIDATED FINANCIAL RESULTS

(April 1, 2013 to September 30, 2013)

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## 1. FINANCIAL RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 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)
Six months ended Sep.30,2013	68,631 (10.0%)	2,729 (44.1%)	2,228 (87.2%)	2,936 (684.3%)
Six months ended Sep.30,2012	62,376 (-5.7%)	1,894 (45.6%)	1,190 (222.1%)	374 (-%)

Note1: Comprehensive income: 4,551 million yen (-%) for the year ended Sep.30, 2013 / -1,415 million yen (-%) for the year ended Sep.30, 2012

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

	Net income per share (yen)	Diluted net income per share (yen)
Six months ended Sep.30,2013	24.21	—
Six months ended Sep.30,2012	3.09	—

### (2) Consolidated Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
As of September 30, 2013	154,906	43,619	27.9%
As of March 31, 2013	148,517	39,436	26.4%

Reference: Shareholders' equity: 43,294 million yen as of Sep.30, 2013 / 39,174 million yen as of Mar.31, 2013

## 2. DIVIDEND INFORMATION

	Dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal-year-end	Annual
Fiscal year 2012	—	3.00yen	—	3.00yen	6.00yen
Fiscal year 2013	—	3.00yen			
Fiscal year 2013 (forecast)			-	3.00yen	6.00yen

Note: Revision to recently disclosed dividend forecast: No

## 3. FISCAL YEAR 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
Full Year	146,200 (15.7%)	8,600 (85.9%)	7,200 (77.9%)	6,700 (194.8%)	55.23yen

Note: Revision to recently disclosed financial forecast: Yes

#### 4. OTHER

- (1) Changes in significant subsidiaries during the six months ended September 30, 2012 (changes in particular subsidiaries accompanying the change in scope of consolidation): No
- (2) Application of particular accounting method for quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, restatements
- Changes in accounting policies according to the revision of accounting standards, etc. : No
  - Changes in accounting policies due to reasons other than above : No
  - Changes in accounting estimates : No
  - Restatements : No

(4) Number of shares outstanding (common share)

- Number of shares outstanding at the end of the period (including treasury stock)
- Number of treasury stocks at the end of the period
- Average number of shares outstanding during six months ended September 30

Sep./2013:	125,490,302	Mar./2013:	125,490,302
Sep./2013:	4,195,849	Mar./2013:	4,177,195
Apr./2013-Sep./2013	121,305,486	Apr./2012-Sep./2012	121,327,410

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

# **1. QUALITATIVE INFORMATION ABOUT CONSOLIDATED BUSINESS RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2013**

## **(1) QUALITATIVE INFORMATION OF CONSOLIDATED OPERATING RESULTS**

In the electronics industry for the six months ended September 30, 2013, demand remained on a moderate recovery trend as a whole. The US economy remained on a trend toward improvement against a backdrop of higher personal consumption and employment circumstances, China sustained its economic growth at a slowing pace, and the European economy showed signs of recovery after its long period of sluggishness. Under these circumstances, the Company group targets the “environmentally-friendly and energy saving” and “green energy” markets under its basic policy for fiscal 2013, and strives to increase the scale of sales and accelerate overseas expansion, especially for product categories where energy-savings technologies are absolutely required, such as automotive products, white goods, industrial equipment, and LED lighting. Through these efforts, net sales during the six months ended September 30, 2013 were ¥68,631 million, an increase of ¥6,255 million (10.0%) as compared to the same period in the previous year, thanks mainly to stronger sales of semiconductor devices, along with higher sales overall attributable to the weaker yen. Operating income and ordinary income both increased, as we recorded operating income of ¥2,729 million, an increase of ¥834 million (44.1%) as compared to the same period in the previous year and ordinary income of ¥2,228 million, an increase of ¥1,038 million (87.2%) as compared to the same period in the previous year. These results were attributable to increased sales and an improved product mix resulting from the Company group’s focus on automotive products and white goods markets, together with the effects of various measures to improve profitability by constraining fixed costs, etc. Quarterly net income was ¥2,936 million, an increase of ¥2,562 million (684.3%) as compared to the same period in the previous year, thanks to increased ordinary income and the recording of income taxes-deferred resulted from the deferred tax assets posted by a US subsidiary. We achieved increases in both net sales and income as compared to the same period in the previous year.

Overview of business by segment is as follows.

In the semiconductor device business, sales of automotive products progressed favorably thanks to the development of automotive electrification. Sales of products for white goods remained steady as we focused on our efforts to increase sales of products for refrigerators and washers along with air conditioners. As a result, consolidated net sales from this segment were ¥54,523 million, an increase of ¥7,211 million (15.2%) as compared to the same period in the previous year, and consolidated operating income was ¥5,188 million, an increase of ¥1,692 million (48.4%) as compared to the same period in the previous year.

For the CCFL business, sales of products for TVs decreased. As a result, consolidated net sales from this segment were ¥117 million, a decrease of ¥504 million (81.2%) as compared to the same period in the previous year. For income, we recorded consolidated operating loss of ¥420 million (consolidated operating loss of ¥384 million in the same period in the previous year) linked to sales decline.

For the PM business, sales progressed favorably for adapters, which contribute to the miniaturization and weight reduction of the main bodies of TVs and printers, and power-supply units for office MFP, while sales for power-supply units for audio products remained sluggish. As a result, consolidated net sales from this segment were ¥7,956 million, a decrease of ¥374 million (4.5%) as compared to the same period in the previous year. For income, we recorded consolidated operating loss of ¥1,036 million (consolidated operating loss of ¥305 million in the same period in the previous year) linked to sales decline.

For the PS business, sales of products for public agencies remained steady while corporate investments for telecommunication facilities decreased, sales of products for electric power companies remained sluggish, and sales of products for green energy fell below the planned targets. As a result, consolidated net sales from this segment were ¥6,035 million, a decrease of ¥78 million (1.3%) as compared to the same period in the previous year, and consolidated operating income was ¥101 million, a decrease of ¥162 million (61.6%) as compared to the same period in the previous year.

## (2) QUALITATIVE INFORMATION OF CONSOLIDATED FINANCIAL POSITION

### 1) Status of Assets, Liabilities and Net Assets

Assets as of the end of September 30, 2013 were ¥154,906 million, an increase of ¥6,388 million from the end of the previous consolidated fiscal year. This was mainly due to an increase in inventories of ¥2,223 million and noncurrent assets of ¥1,812 million and deferred tax assets of ¥1,314 million and software of ¥882 million.

Liabilities were ¥111,286 million, an increase of ¥2,205 million from the end of the previous consolidated fiscal year. This was mainly due to an increase in loans payable of ¥9,194 million and commercial papers of 5,000 million yen and a decrease in bonds payable of ¥10,000 million.

Net Assets were ¥43,619 million, an increase of ¥4,183 million from the end of the previous consolidated fiscal year. This was mainly due to an increase in retained earnings of ¥8,755 and foreign currency translation adjustment of ¥1,325 million and decrease in capital surplus of ¥6,180 million.

### 2) Status of Cash Flows

Balance of cash and cash equivalents at the end of the six months ended September 30, 2013 was ¥11,795 million, a decrease of ¥241 million as compared to the end of the previous consolidated fiscal year.

Net cash provided by operating activities was ¥2,190 million, an increase of ¥464 million as compared to the same period in the previous fiscal year. This was mainly due to an increase in income before income taxes and minority interests and a decrease in cash outflow by an increase in notes and accounts payable-trade.

Net cash used in investing activities was ¥5,455 million, an increase of ¥2,915 million as compared to the same period in the previous fiscal year. This was mainly due to an increase in cash outflow by purchase of property, plant and equipment.

Net cash provided by financing activities was ¥2,777 million, an increase of ¥1,795 million as compared to the same period in the previous fiscal year. This was mainly due to an increase in cash inflow by commercial papers and an increase in cash outflow by repayment of bonds payable.

## (3) QUALITATIVE INFORMATION OF CONSOLIDATED FINANCIAL FORECAST

The US economy is expected to remain on a moderate recovery trend and the economic slowdown in China is projected to gradually stabilize to a moderate level. Meanwhile, efforts of the European economy to curb recession are starting to succeed, though employment conditions in Europe are still stringent and personal consumption looks unlikely to steadily recover. We therefore expect the global economy to remain unpredictable, as before. Under these circumstances, the Company group will focus on increasing the scale of sales and accelerating overseas development of “environmentally-friendly and energy saving” and “green energy” related products, of which the market expansion is expected, and will make concerted efforts to achieve the group plan for fiscal 2013. As stated in the “Notice of Recording of Deferred Tax Assets and Income Taxes-Deferred” announced on August 8, 2013, we recorded income taxes-deferred due to deferred tax assets posted by a US subsidiary. In consideration of these factors, we revise the forecast of consolidated business results announced on May 10, 2013, as follows.

### [Forecast of Consolidated Business Results for the Full-year ending March 31, 2014]

	Forecast of the consolidated business results of the full-year ending March 31, 2014	Increase or decrease as compared to the same period in the previous year	Forecast of the consolidated results of the full-year announced in May 2013
Net Sales	146,200	15.7%	146,200
Operating Income	8,600	85.9%	8,600
Ordinary Income	7,200	77.9%	7,200
Net Income	6,700	194.8%	4,700

(Millions of Yen)

## 2. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

### (1) QUARTERLY CONSOLIDATED BALANCE SHEETS

Millions of yen

	March 31 2013	September 30 2013
<b>ASSETS</b>		
Current assets		
Cash and deposits	12,079	<b>11,905</b>
Notes and accounts receivable-trade	31,945	<b>31,215</b>
Merchandise and finished goods	11,735	<b>12,077</b>
Work in process	21,090	<b>22,371</b>
Raw materials and supplies	11,140	<b>11,741</b>
Deferred tax assets	1,210	<b>2,549</b>
Other	2,936	<b>3,335</b>
Allowance for doubtful accounts	(61)	<b>(62)</b>
Total current assets	<u>92,077</u>	<u><b>95,134</b></u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	17,035	<b>18,551</b>
Machinery, equipment and vehicles, net	18,210	<b>18,850</b>
Tools, furniture and fixtures, net	759	<b>891</b>
Land	4,921	<b>4,935</b>
Lease assets, net	4,259	<b>3,822</b>
Construction in progress	5,758	<b>5,707</b>
Total property, plant and equipment	<u>50,945</u>	<u><b>52,757</b></u>
Intangible assets		
Software	802	<b>1,684</b>
Other	889	<b>991</b>
Total intangible assets	<u>1,691</u>	<u><b>2,675</b></u>
Investments and other assets		
Investment securities	1,769	<b>2,124</b>
Deferred tax assets	196	<b>172</b>
Other	2,079	<b>2,284</b>
Allowance for doubtful accounts	(242)	<b>(242)</b>
Total investments and other assets	<u>3,803</u>	<u><b>4,338</b></u>
Total noncurrent assets	<u>56,439</u>	<u><b>59,772</b></u>
Total assets	<u><u>148,517</u></u>	<u><u><b>154,906</b></u></u>

	March 31 2013	September 30 2013
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current liabilities		
Notes and accounts payable-trade	16,235	16,525
Short-term loans payable	14,805	29,000
Current portion of bonds	20,000	—
Commercial papers	13,000	18,000
Lease obligations	1,238	1,224
Income taxes payable	526	398
Provision for directors' bonuses	—	25
Accrued expenses	8,818	7,797
Other	2,323	699
Total current liabilities	<u>76,948</u>	<u>73,669</u>
Noncurrent liabilities		
Bonds payable	10,000	20,000
Long-term loans payable	12,500	7,500
Lease obligations	3,157	2,687
Deferred tax liabilities	868	1,130
Provision for retirement benefits	5,128	4,876
Provision for directors' retirement benefits	20	16
Asset retirement obligations	60	60
Other	397	1,345
Total noncurrent liabilities	<u>32,132</u>	<u>37,616</u>
Total liabilities	<u>109,081</u>	<u>111,286</u>
Net assets		
Shareholders' equity		
Capital stock	20,896	20,896
Capital surplus	17,573	11,392
Retained earnings	9,493	18,249
Treasury stock	(3,926)	(3,935)
Total shareholders' equity	<u>44,037</u>	<u>46,603</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	141	370
Foreign currency translation adjustment	(5,004)	(3,679)
Total accumulated other comprehensive income	<u>(4,862)</u>	<u>(3,308)</u>
Minority interests	<u>262</u>	<u>325</u>
Total net assets	<u>39,436</u>	<u>43,619</u>
Total liabilities and net assets	<u><u>148,517</u></u>	<u><u>154,906</u></u>

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

Millions of yen

<b>QUARTERLY CONSOLIDATED STATEMENTS OF INCOME</b>	Six months ended Sep.30, 2012	Six months ended Sep.30, 2013
Net sales	62,376	<b>68,631</b>
Cost of sales	48,995	<b>52,381</b>
Gross profit	<u>13,380</u>	<u><b>16,249</b></u>
Selling, general and administrative expenses	11,486	<b>13,520</b>
Operating income	<u>1,894</u>	<u><b>2,729</b></u>
Non-operating income		
Interest income	2	4
Dividends income	18	19
Foreign exchange gains	—	103
Miscellaneous income	222	157
Total non-operating income	<u>243</u>	<u><b>285</b></u>
Non-operating expenses		
Interest expenses	341	430
Foreign exchange losses	295	—
Miscellaneous loss	311	355
Total non-operating expenses	<u>947</u>	<u><b>786</b></u>
Ordinary income	<u>1,190</u>	<u><b>2,228</b></u>
Extraordinary income		
Gain on sales of noncurrent assets	207	0
Total extraordinary income	<u>207</u>	<u><b>0</b></u>
Extraordinary loss		
Loss on retirement of noncurrent assets	40	13
Loss on sales of noncurrent assets	—	2
Loss on valuation of investment securities	68	—
Total extraordinary losses	<u>108</u>	<u><b>15</b></u>
Income before income taxes and minority interests	<u>1,288</u>	<u><b>2,212</b></u>
Income taxes	927	(707)
Income before minority interests	<u>361</u>	<u><b>2,920</b></u>
Minority interests in loss	(12)	(15)
Net income	<u><u>374</u></u>	<u><u><b>2,936</b></u></u>

Millions of yen

QUARTERLY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	Six months ended Sep.30, 2012	<b>Six months ended Sep.30, 2013</b>
Income before minority interests	361	<b>2,920</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	(306)	<b>229</b>
Foreign currency translation adjustment	(1,470)	<b>1,401</b>
Total other comprehensive income	(1,777)	<b>1,630</b>
Comprehensive income	(1,415)	<b>4,551</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(1,407)	<b>4,491</b>
Comprehensive income attributable to minority interests	(8)	<b>60</b>



**(3) QUARTERLY CONSOLIDATED STATEMENTS OF CASH FLOWS**

Millions of yen

	Six months ended Sep.30, 2012	Six months ended Sep.30, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,288	2,212
Depreciation and amortization	3,559	4,049
Increase (decrease) in allowance for doubtful accounts	(0)	(1)
Increase (decrease) in provision for retirement benefits	469	(281)
Interest and dividends income	(21)	(24)
Interest expenses	341	430
Decrease (increase) in notes and accounts receivable-trade	1,061	1,288
Decrease (increase) in inventories	(1,232)	(1,482)
Increase (decrease) in notes and accounts payable-trade	(2,603)	(199)
Other, net	129	(2,759)
Subtotal	2,991	3,232
Interest and dividends income received	21	24
Interest expenses paid	(345)	(393)
Income taxes paid	(941)	(672)
Net cash provided by (used in) operating activities	1,726	2,190
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(2,773)	(4,979)
Proceeds from sales of property, plant and equipment	237	55
Purchase of intangible assets	(125)	(343)
Payments of loans receivable	(5)	(2)
Collection of loans receivable	12	7
Other, net	115	(192)
Net cash provided by (used in) investing activities	(2,540)	(5,455)
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term loans payable	424	8,802
Increase (decrease) in commercial papers	1,500	5,000
Repayments of finance lease obligations	(566)	(648)
Proceeds from long-term loans payable	5,000	—
Repayment of long-term loans payable	(5,012)	—
Proceeds from issuance of bonds	—	9,954
Redemption of bonds	—	(20,000)
Proceeds from issuance of common stock assigned to minority shareholders of consolidated subsidiaries	—	41
Proceeds from sales of treasury stock	0	—
Purchase of treasury stock	(2)	(8)
Cash dividends paid	(361)	(362)
Net cash provided by (used in) financing activities	982	2,777
Effect of exchange rate change on cash and cash equivalents	(163)	245
Net increase (decrease) in cash and cash equivalents	5	(241)
Cash and cash equivalents at beginning of period	9,822	12,036
Cash and cash equivalents at end of period	9,828	11,795

**(4) SEGMENT INFORMATION****[Information on Net Sales, Incomes or Losses by Individual Reportable Segments]****SIX MONTHS ENDED SEPTEMBER 30, 2012**

Millions of yen

	Reportable Segments				Total	Adjusted Amount	Amount stated in Quarterly Consolidated Statements of Income
	Semi-conductor Devices	CCFL	PM	PS			
Sales							
(1) Sales to Customers	47,311	621	8,330	6,113	62,376	—	62,376
(2) Intersegment Sales or Transfer	680	—	552	0	1,233	(1,233)	—
Total	47,991	621	8,883	6,114	63,610	(1,233)	62,376
Operating Income (loss) by segment	3,495	(384)	(305)	263	3,069	(1,174)	1,894

**SIX MONTHS ENDED SEPTEMBER 30, 2013**

Millions of yen

	Reportable Segments				Total	Adjusted Amount	Amount stated in Quarterly Consolidated Statements of Income
	Semi-conductor Devices	CCFL	PM	PS			
Sales							
(1) Sales to Customers	54,523	117	7,956	6,035	68,631	—	68,631
(2) Intersegment Sales or Transfer	562	—	396	2	960	(960)	—
Total	55,085	117	8,352	6,037	69,592	(960)	68,631
Operating Income (loss) by segment	5,188	(420)	(1,036)	101	3,831	(1,102)	2,729