

FINANCIAL STATEMENTS
FOR
THE 55TH FISCAL YEAR

FROM 1 APRIL, 2010
TO 31 MARCH, 2011

日 東 工 器 株 式 会 社
NITTO KOHKI CO., LTD.

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NITTO KOHKI CO., LTD.

CONSOLIDATED BALANCE SHEET

AS OF 31 MARCH 2011
(In Millions Japanese Yen)

ASSETS		LIABILITIES and NET ASSETS	
account title	amount	account title	amount
<u>CURRENT ASSETS</u>	<u>31,073</u>	<u>CURRENT LIABILITIES</u>	<u>4,768</u>
Cash & Deposits	17,238	Notes Payable and Accounts Payable, Trade	1,948
Notes Receivable and Accounts Receivable, Trade	5,581	Leased Liabilities	54
Marketable Securities	2,999	Income Taxes Payable	1,115
Merchandise and Finished Goods	2,538	Accrued Bonuses	526
Work in Progress	177	Asset Bonuses to Directors	12
Raw Material and Supplies	1,625	Liability for Disaster Loss	3
Deferred Tax Assets	696	Other	1,092
Other	228	<u>LONG-TERM LIABILITIES</u>	<u>2,229</u>
Allowance for Doubtful Accounts	(12)	Leased Liabilities	191
		Allowance for Employee's Retirement Benefits	1,681
<u>FIXED ASSETS</u>	<u>13,147</u>	Allowance for Director's Retirement Benefits	168
Tangible Fixed Assets	<u>10,858</u>	Asset Retirement Obligations	25
Buildings and Structures	5,450	Other	163
Machinery and Vehicle Equipments	568	<u>TOTAL LIABILITIES</u>	<u>6,998</u>
Tools, Furniture, Fixtures and Others	485	<u>NET ASSETS</u>	
Land	4,072	Total Shareholders' Equity	<u>38,231</u>
Leased Assets	245	Common Stock	1,850
Construction in Progress	35	Capital Surplus	1,925
Intangible Fixed Assets	<u>147</u>	Retained Earnings	35,371
Investments and Other Assets	<u>2,141</u>	Treasury Stock	(916)
Investments in Securities	1,020	Accumulated Other Comprehensive Income	<u>(1,172)</u>
Long-term Loans	178	Unrealized Holding Gains on Securities	123
Deferred Tax Assets	707	Translation Adjustment	(1,296)
Other	250	Minority Interests	<u>163</u>
Allowance for Doubtful Accounts	(15)	<u>TOTAL NET ASSETS</u>	<u>37,222</u>
TOTAL ASSETS	44,220	TOTAL LIABILITIES AND NET ASSETS	44,220

CONSOLIDATED STATEMENT OF INCOMEFROM : 1 APRIL 2010
TO : 31 MARCH 2011

(In Millions Japanese Yen)

account title	amount	
Net Sales		22,633
Cost of Sales		12,006
Gross Profit		10,627
Selling, General and Administrative Expenses		7,810
Operating Income		2,816
Non-operating Income		
Interest Income	79	
Other	126	205
Non-operating Expenses		
Cash Discounts	81	
Other	36	117
Ordinary Income		2,904
Extraordinary Income		4
Extraordinary Losses		188
Income before Income Taxes		2,719
Income Taxes-current	1,268	
Income Taxes-deferred	(268)	
Other	115	1,115
Minority Interests		7
Net Income		1,596

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FROM : 1 APRIL 2010

TO : 31 MARCH 2011

(In Millions Japanese Yen)

	Shareholders' Equity				
	Capital	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at Beginning of Period	1,850	1,925	34,146	(916)	37,006
Cash Dividends			(371)		(371)
Net Income			1,596		1,596
Repurchase of Treasury Stock				(0)	(0)
Total Changes in the Period			1,225	(0)	1,224
Balance at End of Period	1,850	1,925	35,371	(916)	38,231

	Difference of Valuation, Translation and Other Adjustments			Minority Interests	Total Net Assets
	Unrealized Holding Gains on Securities	Translation Adjustment	Total Difference of Valuation, Translation and Other Adjustments		
Balance at Beginning of Period	123	(908)	(785)	173	36,394
Cash Dividends					(371)
Net Income					1,596
Repurchase of Treasury Stock					(0)
Net Changes of Items Other than Shareholders' Equity	0	(387)	(387)	(9)	(397)
Total Changes in the Period	0	(387)	(387)	(9)	827
Balance at End of Period	123	(1,296)	(1,172)	163	37,222

CONSOLIDATED STATEMENT OF CASH FLOWS

FROM : 1 APRIL 2010

TO : 31 MARCH 2011

(In Millions Japanese Yen)

account title	amount
Cash Flows from Operating Activities:	
Income before Income Taxes	2,719
Depreciation and Amortization	970
Net Increase in Provisions	296
Net Increase in Assets	(776)
Net Increase in Liabilities	583
Others	(25)
Sub Total	3,768
Interest and Dividends Received	93
Interest Paid	(0)
Income Taxes Paid	(119)
Net Cash provided by Operating Activities	3,742
Cash flows from Investing Activities:	
Increase in Time Deposits	(24,571)
Decrease in Time Deposits	24,286
Payments for Purchases of Fixed Assets	(512)
Others	(25)
Net Cash Used in Investing Activities	(823)
Cash flows from Financing Activities:	
Payments for Purchase of Treasury Stock	(0)
Dividends Paid	(372)
Others	(45)
Net Cash Used in Financing Activities	(418)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(237)
Net Increase in Cash and Cash Equivalents	2,262
Cash and Cash Equivalents at the Beginning of the Year	6,922
Cash and Cash Equivalents at the End of the Year	9,185

BALANCE SHEET

AS OF 31 MARCH 2011
(In Millions Japanese Yen)

ASSETS		LIABILITIES and NET ASSETS	
account title	amount	account title	amount
CURRENT ASSETS	21,816	CURRENT LIABILITIES	2,746
Cash & Deposits	11,120	Notes Payable, Trade	51
Notes Receivable, Trade	2,043	Accounts Payable, Trade	836
Accounts Receivable, Trade	3,108	Leased Liabilities	17
Marketable Securities	2,999	Accounts Payable, Other	127
Merchandise & Finished Goods	1,881	Income Tax Payable	787
Work in Progress	11	Consumption Tax Payable	60
Raw Materials & Supplies	141	Accrued Expenses	441
Advance Payments	14	Deposits Received	42
Prepaid Expenses	42	Accrued Bonuses	343
Short-term Loans—subsidiaries	50	Accrued Bonuses to Directors	12
Deferred Tax Assets	284	Liability for Disaster Loss	3
Other	119	Other	22
FIXED ASSETS	14,995	LONG-TERM LIABILITIES	1,145
Tangible Fixed Assets	7,837	Leased Liabilities	52
Buildings	4,316	Allowance for Employee's Retirement Benefits	936
Structures	129	Allowance for Directors' Retirement Benefits	168
Machinery & Equipment	11	Long Accounts Payable, Other	48
Vehicles and Delivery Equipment	1	Asset Retirement obligations	20
Tools, Furniture, Fixtures and Other	418	Other	104
Land	2,857	TOTAL LIABILITIES	4,077
Leased Assets	70	NET ASSETS	
Construction in Progress	33	Common Stock	1,850
Intangible Fixed Assets	127	Capital Surplus	1,925
Computer Software	113	Additional Paid-in Capital	1,925
Other	14	Retained Earnings	29,751
Investments and Other Assets	7,030	Legal Reserve	462
Investments in Securities	1,020	Reserve for Equalization of Dividends	220
Investments in Subsidiaries	5,119	Voluntary Reserve	27,800
Long-term Loans	293	Reserve for Interim Dividends	0
Long-term Prepaid Expenses	26	Unappropriated Retained Earnings	1,267
Guaranty Deposits	55	Treasury Stock	(916)
Accumulated Funds of Insurance	48	Total Shareholders' Equity	32,610
Deferred Tax Assets	410		
Other	72	Unrealized Holding Gains on Securities	123
Allowance for Doubtful Accounts	15		
		TOTAL NET ASSETS	32,734
TOTAL ASSETS	36,812	TOTAL LIABILITIES AND NET ASSETS	36,812

INCOME STATEMENTFROM : 1 APRIL 2010
TO : 31 MARCH 2011

(In Millions Japanese Yen)

account title	amount	
Net Sales		19,694
Cost of Sales		11,888
Gross Profit		7,805
Selling, General and Administrative Expenses		6,404
Operating income		1,400
Non-operating Income		
Interest Income	38	
Other	384	423
Non-operating Expenses		
Cash Discounts	81	
Other	27	108
Ordinary Income		1,716
Extraordinary Income		
Gain on sales of fixed assets	1	
Other	0	1
Extraordinary Losses		
Effect of Application of Accounting Standard for Asset Retirement Obligations	13	
Loss on Disposal of Fixed Assets	2	
Disaster Loss	10	27
Income before Income Taxes		1,690
Income Taxes-current	717	
Income Taxes-deferred	(138)	
Other	101	680
Net Income		1,010

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FROM : 1 APRIL 2010

TO : 31 MARCH 2011

(In Millions Japanese Yen)

	Shareholders' Equity						
	Capital	Capital Surplus	Retained Earnings				
			Legal Reserve	Other Retained Earnings			
				Reserve for Interim Dividends	Reserve for Equalization of Dividends	Voluntary Reserve	Unappropriated Retained Earnings
Balance at Beginning of Period	1,850	1,925	462	0	220	27,800	630
Reserve for Interim Dividends				160			(160)
Reversal of Reserve for Interim Dividends				(159)			159
Dividends from Surplus							(371)
Reserve for Voluntary Reserve							
Net Income							1,010
Total Changes in the Period				0			637
Balance at End of Period	1,850	1,925	462	0	220	27,800	1,267

	Shareholders' Equity		Difference of Valuation, Translation and Other Adjustments	Total Net Assets
	Treasury Stock	Total Shareholders' Equity		
			Unrealized Holding Gains on Securities	
Balance at Beginning of Period	(916)	31,972	123	32,095
Dividends from Surplus		(371)		(371)
Net Income		1,010		1,010
Repurchase of Treasury Stock	(0)	(0)		(0)
Net Changes of Items Other than Shareholders' Equity			0	0
Total Changes in the Period	(0)	638	0	638
Balance at End of Period	(916)	32,610	123	32,734