

ADVANEX INC.
Flash Report(Consolidated Basis) --Summary
Results for fiscal year ended March 31, 2013



May 10, 2013

Company name: ADVANEX INC.
 Code number: 5998
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 Date of the General Meeting of the Shareholders: June 20, 2013
 Filing date of quarterly securities report: June 21, 2013
 Supplementary explanation material for quarterly financial results
 Holding of presentation meeting for quarterly financial results

Stock listings: Tokyo Stock Exchange
 URL <http://www.advanex.co.jp>

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Yes
 Yes

(Figures less than ¥1 million have been omitted.)

1. Performance

(1) Operating results

Years ended March 31, 2013

Percentages indicate year-on-year increase (decrease).

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2013	23,551	(6.5)	426	(30.3)	542	15.4	478	111.2
2012	25,191	(19.9)	612	10.9	470	43.9	226	---

Note: Comprehensive income(millions of yen): Mar. 2013: 1,302 (650.8%) Mar.2012: 173 (---%)

	Net income per share	Net income per share after dilution	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
2013	11.52	---	14.0	2.9	1.8
2012	5.60	---	8.7	2.4	2.4

Reference : Gain (Loss) on investment by equity method: Year ended March 31, 2013---

Year ended March 31, 2012: ---

(2) Financial position

At March 31, 2013

(Figures less than ¥1 million have been omitted.)

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2013	18,469	4,072	22.0	97.75
2012	18,416	2,967	15.0	66.37

(Reference) Total shareholders' equity: March 31, 2013: ¥4,055 million, March 31, 2012: ¥2,755 million

(3) Cash flows

Years ended March 31, 2013

(Figures less than ¥1 million have been omitted.)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
2013	1,857	(1,275)	(1,002)	2,362
2012	1,435	(802)	(248)	2,534

2. Dividends

Years ended March 31, 2013

Record date	Dividends per share				
	First quarter -end dividends	Second quarter -end dividends	Third quarter -end dividends	Year-end dividends	Total
	Yen	Yen	Yen	Yen	Yen
2012	---	---	---	0.00	0.00
2013	---	---	---	1.00	1.00
2014 (Forecast)	---	--	---	1.50	1.50

Record date	Total amount of dividends (for the entire fiscal year)	Payout ratio (consolidated)	Dividends-to- net assets ratio (consolidated)
	Millions of yen	%	%
2012	0	0.0	0.0
2013	41	8.7	1.2
2014 (Forecast)		31.1	

3. Forecasts for the Fiscal Year Ended March 31, 2013

Percentages indicate year-on-year increase (decrease).

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim period	12,900	7.0	290	19.7	150	57.0
Fiscal year	26,300	11.7	700	63.9	430	(20.7)

	Net income (loss)		Net income (loss) per share
	Millions of yen	%	Yen
Interim period	40	(68.7)	0.96
Fiscal year	200	(58.2)	4.82

4. Other

1. Significant changes in subsidiaries during the subject fiscal year (Transfer of particular subsidiaries following a change in the scope of consolidation): No
Additions: 0 Deletions: 0
2. Changes in accounting principles, procedures, presentations, etc.
 - a. Changes associated with revision of accounting standards, etc: Yes
 - b. Changes other than a.: No
 - c. Changes in accounting estimates: Yes
 - d. Restatement: No
3. Number of shares outstanding (Common stock)
Number of shares outstanding at fiscal year-end(including treasury stock):

2013: 41,533,708 shares 2012: 41,533,708shares
Number of shares of treasury stock at fiscal year-end:
2013: 42,283shares 2012: 22,946shares
Average Number of outstanding at term-end:
2013: 41,499,337shares 2012: 40,388,167shares

(Reference) FLASH REPORT (NON-CONSOLIDATED BASIS)

(1) Operating results

Years ended March 31, 2013

Percentages indicate year-on-year increase (decrease).

	Net sales		Operating income		Ordinary income (loss)		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2013	7,572	(7.9)	(99)	---	644	78.2	595	111.3
2012	8,222	(1.2)	391	26.8	361	105.0	281	---

	Net income per share	Net income per share after dilution
	Yen	Yen
2013	14.35	---
2012	6.98	---

(2) Financial position

At March 31, 2013

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2013	9,719	1,518	15.5	36.20
2012	10,050	901	8.8	21.32

(Reference) Total shareholders' equity: March 31, 2013: ¥1,501 million, March 31, 2012: ¥884 million

Note: The business forecasts presented in this report are based on information available to the management at the time of preparation, and are subject to a number of risks and uncertainties. Actual results may differ materially from those projected due to a wide range of factors.

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1. Business Performance and Financial Position

(1) Analysis of Business Performance

During the fiscal year under review, Japanese economy once showed steady upturn with rising demand for reconstruction after the Great East Japan Earthquake in the first half. However, in the second half, the economic recovery was hampered primarily by global economic slowdowns mainly in Europe and emerging markets, and deteriorating Japan-China relations. Against this backdrop, automotive industry, which is closely related to our business, set a record for vehicle sales thanks to soaring domestic sales with a help of government subsidies for eco-friendly car purchases and bullish sales in North America and South East Asian countries. OA equipment market, which is also intimately related to our business, saw demand declining mainly owing to economic slowdowns in Europe and China. Under these circumstances, although our sales to automotive industry grew compared to the previous fiscal year, sales to OA equipment and PC related markets plummeted. As for Hinge business, which became unprofitable, the amount of loss was reduced significantly as a result of business downsizing, according to a drop in sales year on year.

As a result, consolidated net sales of Advanex group for the fiscal year under review decreased 6.5% year on year to ¥23,551 million. Operating income dropped 30.3% year on year to ¥426 million. Ordinary income increased 15.4% to ¥542 million, reflecting an exchange gain recorded from weaker yen. Net income jumped 111.2% year on year to ¥478 million, due primarily to an extraordinary income recorded for received insurance payment for our Thai factory, which was damaged by severe floods in 2011.

Results for each operating segment are as follows;

[Precision Springs]

In domestic market, sales to automotive market increased while sales of profitable products to OA equipment and PC related markets decreased significantly, thus leading the domestic earnings to deteriorate. For the overseas markets, sales in Thailand improved compared to the previous fiscal year, when our Thai plant suffered from severe floods, but rises in costs such as labor cost brought down the earnings. In addition, our subsidiary in the UK recorded poor performance mainly due to stagnant European economy. As a result, sales of this segment declined 2.9% year on year to ¥12,960 million and segment income dropped 67.1% to ¥298 million.

[Plastics]

In markets abroad, increased sales to automotive market and others boosted earnings in Vietnam. In domestic market, although sales to automotive market delivered steady results, sales to OA equipment market dropped mainly due to our customers' production shift to overseas. In addition, earnings in Japan and China deteriorated primarily owing to increased labor costs such as bonuses and wage hikes. As a result, net sales of this segment decreased 0.7% year on year to ¥10,090 million and segment income dropped 41.8% to ¥142 million.

[Hinges]

Sales of hinge units decreased as a result of downsizing of business to mobile phone market and disposal of PC related business. However, the amount of loss was reduced significantly in light of our efforts such as raising selling prices and reducing fixed costs such as labor cost. As a result, net sales of this segment decreased 70.3% year on year to 499 million and segment loss amounted to ¥27 million, which was a loss of ¥559 million in the previous fiscal year.

(Outlook for the coming fiscal year)

It is expected that economic slump will continue in Europe mainly due to fiscal austerity measures, yet global economy is expected to show signs of mild recovery thanks to bullish US economy and growth in emerging markets. In Japan, the economy is expected to show more upward trend from the second half as a result of drastic easing measures taken by Bank of Japan and the government's economy-boosting measures.

Amid these circumstances, our sales to automotive market in both Precision springs and Plastic businesses are expected to grow and sales to OA equipment market is also expected to recover gradually.

For these factors, for the coming fiscal year, Advanex group is projecting consolidated net sales of ¥26,300 million, an increase of 11.7% and operating income of ¥700 million (an 63.9% increase year on year). By excluding the impact of the extraordinary income of insurance payment for Thai factory and exchange gains recorded for this fiscal year under review, ordinary income is forecasted to total ¥430 million (a 20.7% decrease year on year) and net income to total ¥200 million. (a 58.2% decrease year on year)

These forecasts assume an exchange rate of ¥90 to the US dollar.

(2) Analysis of Financial Position

Total assets on a consolidated basis at fiscal year-end increased ¥52 million year on year to ¥18,469 million.

Main reasons for this change are as follows;

1. Assets

In assets section, cash and time deposits decreased ¥252 million and trade notes and accounts receivable dropped ¥485 million due to a decline in sales. Thus, total amount of current assets decreased ¥539 million. In addition, total amount of fixed assets increased ¥592 million due mainly to capital investments in Thailand. This change reflects a ¥545 million, a ¥11 million and a ¥35 million increases in tangible fixed assets, intangible fixed assets and investment and other assets respectively.

2. Liabilities

For the liabilities section, total liabilities amounted to ¥14,397 million, a ¥1,052 million drop compared to the previous fiscal year-end. This change is due mainly to a ¥1,023 million decrease in total amount of current liabilities reflecting a ¥428 million and a ¥436 million decreases in trade notes and accounts payable and short-term borrowings respectively. The total amount of long-term liabilities decreased ¥28 million, reflecting a ¥188 million drop in long-term borrowings and an increase in retirement allowance for employees.

3. Net assets

Net assets amounted to ¥4,072 million, a ¥1,104 million increase from the previous fiscal year-end. This is due mainly to recorded net income of ¥478 million and a ¥799 million increase in foreign exchange adjustment reflecting weaker yen. In addition, the amount of minority interests decreased ¥195 million, upon our additional acquisition of M.A.C. TECHNOLOGY (MALAYSIA) SDN. BHD. shares.

The status of various cash flows and the main factors behind changes are explained below.

1. Cash flow from operating activities

Net cash provided by operating activities increased ¥1,857 million. Recorded net income before taxes, reserved fund from depreciation and decrease in trade notes receivable are the primary factors of this increase.

2. Cash flow from investing activities

Fund decreased ¥1,275 million by investing activities. Capital investments for Advanex, Daiichi Kasei, and subsidiaries in Asian countries are the main reasons for this change.

3. Cash flow from financing activities

Fund decreased ¥1,002 million by financing activities. Repayment of interest-bearing debts is the primary reason for this change.

(Reference)

Trends in cash flow indices are shown below:

Years ended March 31	2009	2010	2011	2012	2013
Shareholders' equity ratio (%)	14.7	13.3	11.8	15.0	22.0
Shareholders' equity ratio, based on market value (%)	11.8	13.6	14.9	21.2	19.3
Cash flow vs. interest-bearing debt ratio (%)	13.0	108.1	8.8	7.8	4.0
Interest coverage ratio	3.0	0.3	3.8	4.2	8.4

Shareholders' equity ratio: total shareholders' equity / total assets

Shareholders' equity ratio, based on market value: total market value of stocks / total assets

Cash flow vs. interest-bearing debt ratio: interest-bearing debt / operating cash flow

Interest coverage ratio: operating cash flows / interest payments

Notes: 1. All indexes are calculated on a consolidated basis.

2. The total market value of stocks is calculated based on number of shares outstanding after excluding treasury stock.
3. "Operating cash flows" refers to cash flows used in operating activities as shown in the consolidated cash flow statements.
4. "Interest-bearing debt" refers to all debts listed in the consolidated balance sheets on which the Company pays interest. "

(3) Basic policy for earning distribution and dividend for the current and coming fiscal terms

Since the fiscal year ending March 31, 2008, the company has been suspending its dividend payments in light of its business performance. At the 64th ordinary general meeting of shareholders in 2012, however, decreases in amounts of capital stock and capital reserve and appropriation of surplus was resolved for the purpose of covering losses. Thus, on July 31, 2012, the company executed these decreases and appropriation. Also, losses were covered by measures such as receiving dividends from subsidiaries, which allowed the company to secure fund to pay dividends. Therefore, for the first time in six fiscal years, the company will resume dividend payment and plans to pay dividend of 1 yen per share for the fiscal year under review.

Going forward, the company is considering share buyback, while striking the balance between appropriate and stable distribution of profits and sufficient fund reserve to realize stable operation as well as further boost performance and business platform.

Dividend for the coming fiscal year is expected to increase by 0.5 yen year on year to be 1.5 yen per share.

2. Management policy

(1) Basic management policy of Advanex

Our group's mission (corporate ethics and meaning of our existence) is "Pure Satisfaction network for a better world" and our goal is to grow seamlessly by creating ideas in the precision technology field and offering suitable solutions. Keeping this policy in mind, our group will emphasize on consolidated management and continue shifting towards a company aspect where one can present suitable proposals, adding on our own value and satisfaction to our customers by fully utilizing our human resource network and technical knowledge.

(2) Management Indicators the Company is Targeting

The Advanex group has set medium-term targets on consolidated basis as follows; net sales of ¥40,000 million, operating income of 10% and ROE at 15%.

(3) Medium Term Management Strategies and Priorities

The Advanex Group will strive as a team to focus on the priorities outlined below in the recognition that its key missions are to boost its corporate value and achieve sustained growth.

1) Strengthen the Base of Precision Spring Business

1. Enhance Global Business Foundation

The company's Global business developing office and group companies all over the world will work hand in hand to realize the group's mid-term target of actively expanding business to regions we haven't operated.

In Asia, in addition to prompt launch of Changzhou factory in China, which already has been resolved and planned, we intend to expand our business base in Thailand and Vietnam, and to enter new markets namely India and Indonesia.

In Europe, in addition to the group's existing business operation in the UK, we intend to make new entries and expand our business to Central Europe and Eastern Europe, where major manufacturers have production bases.

In the US, we intend to expand our current business base in the west to the entire nation including Midwest and Eastern area by enhancing online order-taking activities. Also, we will consider expansion of our factory in Mexico to further grow business in the Central and South America.

2. Enhance Business in Japan

For the past few years, along with the yen becoming stronger, our customer had gradually shifted their production bases out of Japan, which caused our sales to be on a declining trend. Against this backdrop, we will introduce company system to make domestic business financially self-sufficient and to clarify where responsibilities lie. Also, the company will enhance its domestic business operation by drastically delegating authorities to realize prompt decision-making. In order to efficiently conduct sales activities and to win new customers, our sales team will be in charge of each area, instead of industry.

As for target markets, in addition to OA equipment and automotive market, our current main targets, we will strive to expand our business to medical market, as well as making new entry into toy, furniture, lifeline (such as electricity, gas, water supply, railways and roads) and infrastructure

markets.

3. Run Standardized Product Business

In addition to our main custom-made and production-to-order business to major customers, we will actively expand standardized product business for general purpose use. By being ready for immediate off-the-shelf delivery in small quantity, we will further promote increase in sales by utilizing sales channels such as trading companies, wholesalers and online shopping sites. Initially, we will start this type of business in domestic market, while targeting to expand this business to hold 10% of domestic sales before deploying to overseas markets.

4. Business diversification and market expansion through M&A

For the purpose of expanding the groups existing business as well as to diversify product range, to enter new markets and to win new customers, we will actively seek opportunities to acquire spring manufacturers through M&A activities.

2) Strengthen Plastic Business

With some of Daiichi Kasei's strengths, namely its R&D, assembly and precision plastic molding technologies, we will further enhance the development and proposal of function products centering on gear/motor units.

As for insert molding business, which integrates Advanex's metal processing technology and Daiichi Kasei's plastic injection forming technology, we will establish ultraprecise insert molding technology to expand market and increase product sales.

As for ceramic products for optical connectors, business has continuously shown strong results reflecting market expansions in emerging markets. On top of this, we intend to grow business to semiconductor related markets.

In addition to existing target markets, such as OA equipment and automotive markets, we'd like to expand our product range to meet the needs of housing related market to make it our third pillar of target market. Furthermore, the group will also strengthen global business operation and expand production in China and Vietnam to further boost earnings.

3) Downsizing and Reorganization of Hinge Business

The company was successfully made the impact of losses in Hinge business on consolidated business performance insignificant by withdrawing from business to mobile phone market and disposing PC related business. Going forward, this segment will further cooperate with unit or rotary technology teams to establish new and profitable products for automotive, housing-related, medical and other markets. At the same time, we will establish standardized product selection to improve sales.

4) Formulate Business Continuity Plan

On top of crisis management know-how the company established through our experiences on earthquakes, Group Quality Assurance office will lead a prompt formulation of management plan for events which could threaten business continuity. By fulfilling the company's responsibilities in society, we will strive to mitigate risks to sustain the interests of all the stakeholders including shareholders, creditors, customers and employees.

5) Enhance Corporate Management and seek for the group's optimal management

As corporate governance with high effectiveness is believed to be the utmost task on a consolidated basis, Advanex will seek for the group's total optimization further than ever by reinforcing its internal structure and maintaining partnership with our group companies.

3-1 CONSOLIDATED BALANCE SHEETS

(Thousands of yen)

	As of March 31, 2013	As of March 31, 2012
ASSETS		
Current assets:		
Cash and time deposits	2,424,724	2,677,452
Trade notes and accounts receivable	4,945,432	5,430,587
Finished goods	951,073	735,737
Work in process	617,516	563,056
Raw materials and stored items	958,440	1,004,397
Deferred income tax	153	103
Other current assets	413,703	472,889
Allowance for doubtful accounts	(18,636)	(51,875)
Total current assets	10,292,407	10,832,349
Fixed assets:		
Tangible fixed assets		
Buildings and structures	8,817,228	8,578,437
Accumulated depreciation	(7,219,433)	(6,930,676)
Buildings and structures, net	1,597,795	1,647,761
Machinery and equipment	11,125,366	10,122,791
Accumulated depreciation	(8,879,442)	(8,082,141)
Machinery and equipment, net	2,245,924	2,040,649
Land	2,190,360	2,157,700
Leased assets	205,346	223,126
Accumulated depreciation	(79,893)	(61,567)
Leased assets, net	125,452	161,559
Others	3,842,571	3,330,317
Accumulated depreciation	(3,069,821)	(2,950,818)
Other, net	772,749	379,499
Total tangible fixed assets	6,932,282	6,387,169
Intangible fixed assets		
Software	60,447	34,504
Leased assets	39,690	68,767
Others	104,744	89,842
Total intangible fixed assets	204,882	193,114
Investments and other assets		
Investment in securities	133,634	103,748
Stocks of subsidiaries and affiliates	285,666	284,808
Deferred income tax	5,032	5,050
Real estate for investment	748,321	721,120

	As of March 31, 2013	As of March 31, 2012
Accumulated depreciation	(344,201)	(326,323)
Real estate for investment, net	404,119	394,797
Others	212,886	216,990
Allowance for doubtful accounts	(1,260)	(1,260)
Total investments and other assets	1,040,078	1,004,134
Total fixed assets	8,177,243	7,584,418
Total assets	18,469,651	18,416,767
LIABILITIES		
Current liabilities:		
Trade notes and accounts payable	3,463,918	3,892,379
Short-term borrowings	4,422,031	4,859,002
Long-term borrowings due within one year	1,290,787	1,466,081
Lease obligations	55,659	95,354
Accrued income taxes	185,232	140,535
Allowance for bonus	136,440	137,395
Other current liabilities	883,080	870,312
Total current liabilities	10,437,150	11,461,060
Long-term liabilities:		
Long-term borrowings	1,556,584	1,744,864
Lease obligations	155,004	195,808
Deferred tax liabilities	345,901	308,356
Retirement allowance for employees	1,644,576	1,491,161
Reserves for environmental measures	4,506	7,106
Asset retirement obligations	38,522	38,234
Other long-term liabilities	214,940	202,681
Total long-term liabilities	3,960,036	3,988,212
Total liabilities	14,397,187	15,449,273
NET ASSETS		
Shareholders' equity		
Common stock	1,000,000	3,451,610
Capital surplus	256,717	2,551,467
Retained earnings	3,682,130	(1,541,812)
Treasury stock	(4,624)	(3,525)
Total shareholders' equity	4,934,222	4,457,740
Accumulated other comprehensive income		
Valuation gain (loss) on other securities	21,144	(4,580)
Foreign exchange adjustment	(899,543)	(1,698,141)
Total accumulated other comprehensive income	(878,398)	(1,702,722)
Warrants	16,640	16,640

	As of March 31, 2013	As of March 31, 2012
Minority interests	---	195,836
Total net assets	4,072,464	2,967,494
Total liabilities and net assets	18,469,651	18,416,767

3-2 CONSOLIDATED STATEMENTS OF INCOME

(Thousands of yen)

	Year ended March 31, 2013	Year ended March 31, 2012
Net sales	23,551,040	25,191,367
Cost of sales	18,752,890	19,849,884
Gross income	4,798,149	5,341,482
Selling, general and administrative expenses		
Delivery	358,484	396,017
Salary	1,802,618	1,927,693
Reserves for bonuses allowance	38,254	28,341
Reserves for retirement allowance	90,952	55,230
Reserves for doubtful accounts	2,921	12,311
Depreciation and amortization	87,795	89,712
Others	1,990,146	2,219,235
Total selling, general and administrative expenses	4,371,173	4,728,541
Operating income	426,975	612,940
Non-operating income		
Interests	10,531	8,829
Dividends	1,815	1,484
Rental fees	91,834	87,132
Foreign exchange gains	234,318	---
Insurance bonuses	272	8,506
Subsidy income	14,117	14,647
Equity in earnings of affiliates	5,537	13,653
Others	71,112	139,191
Total non-operating income	429,540	273,443
Non-operating expenses		
Interests	234,211	249,447
Foreign exchange loss	---	79,737
Payment indemnity expense	1,696	1,997
Others	78,152	84,942
Total non-operating expenses	314,059	416,126
Ordinary income or loss	542,457	470,257

	Year ended March 31, 2013	Year ended March 31, 2012
Extraordinary income		
Gain on sales of noncurrent assets	8,731	1,751
Gain on liquidation of subsidiaries	--	15,431
Gain on negative goodwill	5,627	--
Reversal of provision for retirement benefits	--	72,285
Insurance income	176,150	90,650
Others	1,075	10,039
Total extraordinary income	191,585	190,158
Extraordinary loss		
Loss on sale of fixed assets	951	799
Loss on disposal of noncurrent assets	1,307	6,069
Loss on change in equity	--	85,375
Loss on valuation of investment securities	17,188	8,243
Impairment loss	66,002	128,996
Loss on disaster	--	85,615
Loss on litigation	--	32,321
Others	--	292
Total extraordinary loss	85,450	347,713
Income or Loss before income taxes and minority interests	648,591	312,702
Income, local and enterprise taxes	146,898	114,444
Adjustment for income taxes	23,630	(17,656)
Total income taxes	170,528	96,788
Loss before minority interests	478,063	215,914
Minority interests	--	(10,476)
Net income or loss	478,063	226,390

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Thousands of yen)

	Year ended March 31, 2013	Year ended March 31, 2012
Loss before minority interests	478,063	215,914
Other comprehensive income		
Valuation difference on available-for-sale securities	24,593	(6,037)
Foreign currency translation adjustment	798,598	(36,864)
Share of other comprehensive income of associates accounted for using equity method	1,131	454
Accumulated other comprehensive income	824,323	(42,447)
Comprehensive income	1,302,387	173,467
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,302,387	189,666
Comprehensive income attributable to minority interests	---	(16,199)

3-3 CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Thousands of yen)

	Year ended March 31, 2013	Year ended March 31, 2012
Shareholders' equity		
Common stock		
Balance at the end of previous fiscal year	3,451,610	3,451,610
Changes		
Transfer to other capital surplus from capital stock	(2,451,610)	---
Total Changes	(2,451,610)	---
Balance at the end of current fiscal year	1,000,000	3,451,610
Capital surplus		
Balance at the end of previous fiscal year	2,551,467	2,571,319
Changes		
Transfer to other capital surplus from capital stock	2,451,610	---
Transfer to capital surplus from retained earnings	(4,746,361)	---
Disposal of treasury stock	---	(688)
Increase by share exchanges	---	(19,163)
Total Changes	(2,294,750)	(19,851)
Balance at the end of current fiscal year	256,717	2,551,467
Retained earnings		
Balance at the end of previous fiscal year	(1,541,812)	(1,768,202)
Changes		
Dividends from surplus	---	---
Net loss	478,063	¥ 226,390
Transfer to capital surplus from retained earnings	4,746,361	---
Disposal of treasury stock	(481)	---
Total Changes	5,223,942	226,390
Balance at the end of current fiscal year	3,682,130	(1,541,812)
Treasury stock		
Balance at the end of previous fiscal year	(3,525)	(134,463)
Changes		
Acquisition of treasury stock	(2,432)	(1,676)
Disposal of treasury stock	1,333	132,614
Total Changes	(1,099)	130,937
Balance at the end of current fiscal year	(4,624)	(3,525)
Total shareholders' equity		
Balance at the end of previous fiscal year	4,457,740	4,120,263
Changes		
Dividends from surplus	---	---
Net loss	478,063	226,390
Acquisition of treasury stock	(2,432)	(1,676)

	Year ended March 31, 2013	Year ended March 31, 2012
Disposal of treasury stock	851	131,926
Increase by share exchanges	---	(19,163)
Total Changes	476,482	337,476
Balance at the end of current fiscal year	4,934,222	4,457,740

	Year ended March 31, 2013	Year ended March 31, 2012
Accumulated other comprehensive income		
Revaluation gain on other securities		
Balance at the end of previous fiscal year	(4,580)	389
Changes		
Changes (net) in non-shareholders' equity items	25,725	(4,970)
Total Changes	25,725	(4,970)
Balance at the end of current fiscal year	21,144	(4,580)
Foreign exchange adjustments		
Balance at the end of previous fiscal year	(1,698,141)	(1,667,000)
Changes		
Changes (net) in non-shareholders' equity items	798,598	(31,141)
Total Changes	798,598	(31,141)
Balance at the end of current fiscal year	(899,543)	(1,698,141)
Total accumulated other comprehensive income		
Balance at the end of previous fiscal year	(1,702,722)	(1,666,610)
Changes		
Changes (net) in non-shareholders' equity items	824,323	(36,111)
Total Changes	824,323	(36,111)
Balance at the end of current fiscal year	(878,398)	(1,702,722)
Warrants		
Balance at the end of previous fiscal year	16,640	23,721
Changes		
Changes (net) in non-shareholders' equity items	--	(7,081)
Total Changes	--	(7,081)
Balance at the end of current fiscal year	16,640	16,640
Minority interests		
Balance at the end of previous fiscal year		
Changes	195,836	682,910
Changes (net) in non-shareholders' equity items	(195,836)	(487,074)
Total Changes	(195,836)	(487,074)
Balance at the end of current fiscal year	--	195,836
Total net assets		
Balance at the end of previous fiscal year	2,967,494	3,160,285
Changes		
Dividends from surplus	--	--
Net loss	478,063	226,390
Acquisition of treasury stock	(2,432)	(1,676)
Disposal of treasury stock	851	131,926

Increase by share exchanges	--	(19,163)
Changes (net) in non-shareholders' equity items	628,487	(530,268)
Total changes	1,104,969	(192,791)
Balance at the end of current fiscal year	4,072,464	2,967,494

3-4 CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands of yen)

	Year ended March 31, 2013	Year ended March 31, 2012
Cash flows from operating activities		
Loss before income taxes and minority interests	648,591	312,702
Depreciation and amortization	987,249	972,670
Asset-impairment losses	66,002	128,996
Increase (decrease) in allowance for doubtful accounts	(35,747)	(8,760)
Increase (decrease) in allowance for bonuses	(5,474)	39,399
Increase (decrease) in retirement benefits	150,054	22,405
Interest and dividends receivable	(12,347)	(10,313)
Rental fees receivable	(91,834)	(87,132)
Interest payable	234,211	249,447
Loss on sales of trade notes	12,437	18,284
(Gain) loss on differences of foreign exchange	(33,540)	(22,298)
(Gain) loss on sale of fixed assets	(7,780)	(952)
(Gain) loss on disposal of fixed assets	1,307	6,069
Decrease (increase) in notes and accounts receivable	17,188	8,243
Decrease (increase) in inventories	(165,100)	8,506
Decrease (increase) in notes and accounts receivable-trade	817,239	405,661
Decrease (increase) in inventories	(13,942)	62,798
Increase (decrease) in notes and accounts payable	(757,555)	(458,080)
Increase (decrease) in accrued consumption taxes	(2,382)	84,986
Others	112,230	47,835
Subtotal	1,920,807	1,762,758
Proceeds from interest and dividend receivable	13,308	10,818
Proceeds from rental fees	91,834	87,132
Compensation for damage paid	165,100	8,506
Proceeds from dividends income from affiliates accounted for by equity method	5,498	5,498
Other proceeds	5,100	2,987
Payment of interests	(220,621)	(252,431)
Payments of sales of trade notes	(12,437)	(18,284)
Payment of income taxes	(110,634)	(171,733)
Net cash provided by operating activities	1,857,957	1,435,251

(Thousands of yen)

	Year ended March 31, 2013	Year ended March 31, 2012
Cash flows from investing activities		
Payments on purchase of tangible fixed assets	(1,136,735)	(797,962)
Proceeds from sales of tangible fixed assets	25,021	4,007
Payments on purchase of intangible fixed assets	(33,529)	(15,555)
Proceeds from sales of intangible fixed assets	1,812	2,305
Payments on purchase of investment securities	(20,803)	(21,475)
Purchase of stocks of subsidiaries and affiliates	(189,889)	---
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	---	120,842
Payments on paying in time deposits	---	(150,475)
Proceeds from withdrawal of time deposits	83,158	64,400
Others	(4,215)	(8,202)
Net cash used in investing activities	(1,275,179)	(802,116)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(429,003)	1,515,818
Proceeds from long-term borrowings	1,141,016	1,574,752
Repayments on long-term borrowings	(1,566,803)	(3,266,301)
Payments on acquisition of treasury stocks	(2,434)	(1,694)
Proceeds from disposal of treasury stocks	1,333	281
Others	(146,249)	(71,809)
Net cash used in financing activities	(1,002,138)	(248,952)
Effect of exchange rate changes on cash and cash equivalents	248,087	(49,183)
Net increase (decrease) in cash and cash equivalents	(171,273)	334,999
Cash and cash equivalents at the beginning of year	2,534,107	2,464,296
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	---	(265,188)
Cash and cash equivalents at the end of year	2,362,834	2,534,107

3-5 SEGMENT INFORMATION

(SEGMENT INFORMATION)

1. Summary of reporting segments

Our reporting segments are segments for which separated financial information is available and subject to periodical reviews in order for the Management Meeting to determine the distribution of management resources and evaluate performance.

The Company formulates comprehensive domestic and overseas strategies per kinds of products in headquarters to deploy its business activities. Thus, the Company consists of segments by business on the basis of products dealt in, and "Precision Springs", "Plastics", and "Hinges" are reporting segments.

"Precision Springs" includes production and sales of compression/expansion/torsion springs, wire forming, and thin plate springs, etc. "Plastics" is production and sales of plastic injection molding, etc. "Hinges" is sales of high performance hinge, etc.

2. Information related to sales and profit or loss amounts by reporting segment

Year ended March 31, 2013

(Thousands of yen)

	Precision springs	Plastics	Hinges	Total
Net sales:				
Net sales to third parties	12,960,839	10,090,385	499,815	23,551,040
Intra-group net sales and transfers	78,730	12,023	---	90,754
Total sales	13,039,570	10,102,409	499,815	23,641,795
Segment income (loss)	298,877	142,873	(27,043)	414,707
Segment assets	14,545,739	4,661,332	48,132	19,255,204
Segment liability	8,565,506	6,127,383	1,548,446	16,241,336
Others				
Depreciation	528,931	502,233	19,998	1,051,164
Impairment loss	20,104	---	45,898	66,002
Net increase in tangible and intangible fixed assets	694,479	493,373	6,784	1,194,637

4-1 CONDENSED NON-CONSOLIDATED BALANCE SHEETS

(Thousands of yen)

	As of March 31, 2013	As of March 31, 2012
ASSETS		
Current assets:		
Total current assets	3,609,206	3,720,187
Fixed assets:		
Tangible fixed assets	1,537,201	1,667,477
Intangible fixed assets	64,110	97,740
Investments and other assets	4,509,033	4,564,956
Total fixed assets	6,110,345	6,330,174
Total assets	9,719,551	10,050,361
LIABILITIES		
Current liabilities:		
Total current liabilities	6,427,614	7,230,083
Long-term liabilities:		
Total long-term liabilities	1,773,422	1,918,779
Total liabilities	8,201,036	9,148,862
NET ASSETS		
Shareholders' equity		
Common stock	1,000,000	3,451,610
Capital surplus	250,000	2,544,750
Retained earnings	237,681	(5,103,894)
Treasury stock	(4,624)	(3,525)
Total shareholders' equity	1,483,056	888,940
Valuation and translation adjustments		
Total valuation and translation adjustments	18,817	(4,082)
Total net assets	1,518,514	901,498
Total liabilities and net assets	9,719,551	10,050,361

4-2 CONDENSED NON-CONSOLIDATED STATEMENTS OF INCOME

(Thousands of yen)

	Year ended March 31, 2013	Year ended March 31, 2012
Net sales	7,572,221	8,222,661
Cost of sales	5,882,260	6,051,954
Gross income	1,689,960	2,170,706
Selling, general and administrative expenses	1,789,432	1,778,802
Operating income	(99,472)	391,903
Non-operating income	912,620	334,572
Non-operating expenses	168,209	364,577
Ordinary income	644,938	361,898
Extraordinary gain	21,946	75,191
Extraordinary loss	55,346	139,702
Income or loss before income taxes	611,538	297,388
Income, local and enterprise taxes	15,841	15,423
Net income or loss	595,697	281,964

4-3 CONDENSED NON-CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Thousands of yen)

	Year ended March 31, 2013	Year ended March 31, 2012
Shareholders' equity		
Common stock		
Balance at the end of previous fiscal year	3,451,610	3,451,610
Changes		
Total Changes	(2,451,610)	---
Balance at the end of current fiscal year	1,000,000	3,451,610
Capital surplus		
Balance at the end of previous fiscal year	2,544,750	2,564,602
Changes		
Total Changes	(2,294,750)	(19,851)
Balance at the end of current fiscal year	250,000	2,544,750
Retained earnings		
Balance at the end of previous fiscal year	(5,303,894)	(5,585,859)
Changes		
Total Changes	5,541,577	281,964
Balance at the end of current fiscal year	237,681	(5,103,894)
Treasury stock		
Balance at the end of previous fiscal year	(3,525)	(134,463)
Changes		
Acquisition of treasury stock	(2,432)	(1,676)
Disposal of treasury stock	1,333	132,614
Total Changes	(1,099)	130,937
Balance at the end of current fiscal year	(4,624)	(3,525)
Total shareholders' equity		
Balance at the end of previous fiscal year	888,940	495,890
Changes		
Dividends from surplus	---	---
Net profit or loss	595,697	(281,964)
Acquisition of treasury stock	(2,432)	(1,676)
Disposal of treasury stock	852	131,926
Increase by share exchanges	---	(19,163)
Total Changes	594,116	393,050
Balance at the end of current fiscal year	1,483,056	888,940

	Year ended March 31, 2013	Year ended March 31, 2012
Revaluation and translation differences		
Revaluation gain on other securities		
Balance at the end of previous fiscal year	(4,082)	2,143
Changes		
Changes (net) in non-shareholders' equity items	22,899	(6,225)
Total Changes	22,899	(6,225)
Balance at the end of current fiscal year	18,817	(4,082)
Total evaluation and translation differences		
Balance at the end of previous fiscal year	(4,082)	2,143
Changes		
Changes (net) in non-shareholders' equity items	22,899	(6,225)
Total Changes	22,899	(6,225)
Balance at the end of current fiscal year	18,817	(4,082)
Warrants		
Balance at the end of previous fiscal year	16,640	19,136
Changes		
Changes (net) in non-shareholders' equity items	---	(2,496)
Total Changes	---	(2,496)
Balance at the end of current fiscal year	16,640	16,640
Total net assets		
Balance at the end of previous fiscal year	901,498	517,169
Changes		
Dividends from surplus	---	---
Net profit or loss	595,697	281,964
Acquisition of treasury stock	(2,432)	(1,676)
Disposal of treasury stock	852	131,926
Increase by share exchanges	---	(19,163)
Changes (net) in non-shareholders' equity items	22,899	(8,721)
Total Changes	617,016	384,329
Balance at the end of current fiscal year	1,518,514	901,498