

Highlights of Consolidated Results for the First Half and the Second Quarter of Fiscal Year ending March 31, 2012

Millions of yen (except for per share amounts)			
	Six months ended September 30, 2011	Six months ended September 30, 2010	Change (%)
Net sales	Y 246,562	Y 246,176	0.2
Operating income	26,015	21,534	20.8
Current profits	26,666	23,008	15.9
Net income	13,555	14,291	-5.1
(Ref.) Comprehensive income	(392)	643	-
Net income per share:			
Basic	Y 50.65	Y 53.40	
Diluted	50.58	53.33	
Dividends per common share	12.00	12.00	
As of			
	September 30, 2011	As of March 31, 2011	
Total assets	Y 356,630	Y 372,645	
Net assets	217,183	220,468	
Owners' equity ratio	60.8 %	59.1 %	
(Ref.) Owners' equity	Y 216,857	Y 220,122	
Number of consolidated subsidiaries	55	54	
Number of affiliates using the applied equity method	8	8	

Highlights of Consolidated Forecast for Fiscal Year ending March 31, 2012

Millions of yen (except for per share amounts)			
	[Revised] Year ending March 31, 2012	Year ended March 31, 2011	Change (%)
Net sales	Y 500,000	Y 502,830	-0.6
Operating income	33,500	36,092	-7.2
Current profits	34,500	38,612	-10.7
Net income	19,500	26,238	-25.7
Net income per share			
	Y 72.85	Y 98.03	
Dividends per common share			
	24.00	24.00	
[Revised] [Previous]			
	Year ending March 31, 2012	Year ending March 31, 2012	Change (%)
Net sales	Y 500,000	Y 520,000	-3.8
Operating income	33,500	35,500	-5.6
Current profits	34,500	36,000	-4.2
Net income	19,500	21,000	-7.1
Net income per share			
	Y 72.85	Y 78.46	
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 to forecasted dividend 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 six months ended September 30, 2011 have been translated into U.S. dollars for convenience only, at a uniform rate of US\$1=83.00 yen, in the accompanying consolidated financial statements.
- Operating results for the six months ended September 30, 2011 are based on the following currency exchange rates:
Actual average rates for the six months ended September 30, 2011: US\$=79.73 yen, EURO=114.09 yen
Forecasts for the year ending March 31, 2012 are based on the following currency exchange rates:
Assumed average rates for the fiscal year: US\$=77.67 yen, EURO=109.83 yen
- Number of shares outstanding (including treasury stock): 277,535 thousands as of September 30, 2011, 277,535 thousands as of March 31, 2011
Number of treasury stock outstanding: 9,869 thousands as of September 30, 2011, 9,887 thousands as of March 31, 2011
Number of weighted average shares (first half): 267,650 thousands during the period ended September 30, 2011, 267,639 thousands during the period ended September 30, 2010

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 September 30, 2011	As of March 31, 2011	As of September 30, 2011
ASSETS			
Current assets			
Cash and cash equivalents	Y 60,342	Y 67,239	\$ 727,018
Trade receivables	59,216	63,910	713,450
Inventories	77,028	72,255	928,056
Other current assets	21,275	25,612	256,326
Total current assets	<u>217,862</u>	<u>229,017</u>	<u>2,624,850</u>
Net property, plant and equipment	67,033	68,159	807,635
Intangible fixed assets	19,066	20,845	229,711
Other assets	52,668	54,623	634,559
Total assets	<u>Y 356,630</u>	<u>Y 372,645</u>	<u>\$ 4,296,755</u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Short-term debt	Y 18,584	Y 9,136	\$ 223,910
Trade payables	36,789	33,615	443,245
Other current liabilities	62,358	70,169	751,307
Total current liabilities	<u>117,732</u>	<u>112,921</u>	<u>1,418,462</u>
Long-term liabilities			
Long-term debt	500	15,250	6,024
Other long-term liabilities	21,215	24,005	255,604
Total liabilities	<u>139,447</u>	<u>152,176</u>	<u>1,680,090</u>
Net assets			
Shareholders' equity			
Capital stock	19,209	19,209	231,444
Capital surplus	16,150	16,156	194,585
Retained earnings	241,023	230,351	2,903,896
Treasury stock	(11,670)	(11,688)	(140,612)
Total shareholders' equity	<u>264,713</u>	<u>254,029</u>	<u>3,189,313</u>
Other comprehensive income			
Unrealized gain (loss) on available-for-sale securities	1,448	2,445	17,448
Deferred gain (loss) under hedge accounting	381	(90)	4,597
Foreign currency translation adjustments	(49,685)	(36,261)	(598,621)
Total other comprehensive income	<u>(47,855)</u>	<u>(33,906)</u>	<u>(576,576)</u>
Stock acquisition rights	322	338	3,881
Minority interests	3	7	47
Total net assets	<u>217,183</u>	<u>220,468</u>	<u>2,616,665</u>
Total liabilities and net assets	<u>Y 356,630</u>	<u>Y 372,645</u>	<u>\$ 4,296,755</u>

CONSOLIDATED STATEMENTS OF INCOME

	Millions of yen		Thousands of U.S. dollars
	Six months ended	Six months ended	Six months ended
	September 30, 2011	September 30, 2010	September 30, 2011
Net sales	Y 246,562	Y 246,176	\$ 2,970,629
Cost of sales	135,123	139,254	1,627,995
Gross profit	111,438	106,922	1,342,634
Selling, general and administrative expenses	85,423	85,387	1,029,197
Operating income	26,015	21,534	313,436
Non-operating income (expenses):			
Interest and dividend income	596	719	7,181
Interest expenses	(329)	(499)	(3,971)
Other, net	384	1,254	4,638
Current profits	26,666	23,008	321,285
Extraordinary income (expenses):			
Gain (Loss) on sales and disposals of property, plant and equipment, net	(78)	(63)	(944)
Other, net	622	(3,220)	7,499
Income before income taxes	27,210	19,725	327,840
Income taxes	13,654	5,947	164,515
Income before minority interests	13,556	13,778	163,326
Minority interests in net income	0	(512)	1
Net income	Y 13,555	Y 14,291	\$ 163,325
Net income per share:	Yen	Yen	U.S. dollars
Basic	Y 50.65	Y 53.40	\$ 0.61
Diluted	50.58	53.33	0.61

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Millions of yen		Thousands of U.S. dollars
	Six months ended	Six months ended	Six months ended
	September 30, 2011	September 30, 2010	September 30, 2011
Income before minority interests	Y 13,556	Y 13,778	\$ 163,326
Other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities	(925)	(1,484)	(11,155)
Deferred gain (loss) under hedge accounting	472	(679)	5,692
Foreign currency translation adjustments	(13,424)	(10,928)	(161,740)
Share of other comprehensive income of associates	(71)	(42)	(858)
Total other comprehensive income (loss)	(13,949)	(13,134)	(168,061)
Comprehensive income	Y (392)	Y 643	\$ (4,735)
Comprehensive income attributable to:			
Owners of the Company	Y (393)	Y 1,156	\$ (4,736)
Minority interests	0	(512)	1

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Millions of yen		Thousands of
	Six months ended September 30, 2011	Six months ended September 30, 2010	U.S. dollars Six months ended September 30, 2011
OPERATING ACTIVITIES:			
Income before income taxes	Y 27,210	Y 19,725	\$ 327,840
Adjustments for:			
Depreciation and amortization	10,627	11,108	128,041
Impairment loss	67	1,032	813
Amortization of goodwill	853	1,422	10,286
Provision for (Reversal of) allowance for doubtful accounts	392	823	4,730
Provision for (Reversal of) retirement benefits	(408)	284	(4,916)
Provision for (Reversal of) product warranty	(647)	(225)	(7,800)
Effect of application of accounting standards for asset retirement obligations	-	533	-
Interest and dividend income	(596)	(719)	(7,181)
Interest expenses	329	499	3,971
Foreign exchange loss (gain)	1,301	1,344	15,683
Equity in loss (earnings) of affiliates	(241)	(261)	(2,914)
Valuation loss (gain) on derivatives	(1,472)	473	(17,741)
Loss (Gain) from corrections of previous PL	-	(142)	-
Loss (Gain) on sales and disposals of property, plant and equipment, net	78	63	944
Loss (Gain) on sales of investment securities	(6)	(1)	(80)
Valuation loss (gain) on investment securities	64	22	775
Valuation loss on shares in affiliates	-	2	-
Compensations receivable	(596)	-	(7,190)
Decrease (Increase) in trade notes and accounts receivable	139	(1,974)	1,677
Decrease (Increase) in inventories	(11,476)	(9,386)	(138,265)
Increase (Decrease) in trade notes and accounts payable	4,187	3,205	50,457
Increase (Decrease) in accrued expenses	(502)	(1,766)	(6,055)
Other, net	141	(556)	1,709
Cash generated from operations	29,447	25,507	354,785
Interest and dividends received	786	754	9,479
Interest paid	(328)	(498)	(3,960)
Income taxes paid	(9,261)	(3,775)	(111,586)
Net cash provided by operating activities	Y 20,643	Y 21,988	\$ 248,718
INVESTING ACTIVITIES:			
Disbursement for purchases of property, plant and equipment	(9,908)	(7,971)	(119,385)
Proceeds from sales of property, plant and equipment	641	1,284	7,723
Disbursement for purchases of intangible assets	(1,771)	(1,756)	(21,343)
Proceeds from sales of intangible assets	3	88	46
Disbursement for purchases of investment securities	(31)	(138)	(376)
Proceeds from sales of investment securities	256	42	3,091
Disbursement for purchases of shares in affiliates	(345)	(279)	(4,162)
Proceeds from sales of shares in affiliates	-	0	-
Proceeds from liquidation of a subsidiary	380	654	4,580
Disbursement for payment of investments in affiliates	(2,081)	(344)	(25,082)
Proceeds from transfer of business	-	342	-
Proceeds from collection of long-term loans	6	-	78
Other, net	1,800	(100)	21,695
Net cash used in investing activities	Y (11,050)	Y (8,179)	\$ (133,135)
FINANCING ACTIVITIES:			
Increase (Decrease) in short-term borrowings, net	(5,500)	100	(66,267)
Proceeds from borrowings of long-term debt	250	250	3,012
Disbursement for repayment of long-term borrowings	-	(15)	-
Disbursement for repayment of lease obligations	(1,921)	(1,511)	(23,149)
Decrease (Increase) in treasury stock, net	(1)	(4)	(15)
Cash dividends paid	(3,224)	(2,687)	(38,854)
Net cash used in financing activities	Y (10,397)	Y (3,867)	\$ (125,273)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(5,436)	(3,004)	(65,498)
Net increase (decrease) in cash and cash equivalents	(6,240)	6,935	(75,188)
Cash and cash equivalents at beginning of period	65,100	49,031	784,346
Cash and cash equivalents of newly consolidated subsidiaries	794	-	9,570
Cash and cash equivalents at end of period	Y 59,654	Y 55,967	\$ 718,727

SEGMENT INFORMATION

	Millions of yen		Thousands of U.S. dollars
	Six months ended September 30, 2011	Six months ended September 30, 2010	Six months ended September 30, 2011
Printing & Solutions			
Net sales			
Unaffiliated customers	Y 165,031	Y 167,876	\$ 1,988,337
Intersegment	-	-	-
Total	165,031	167,876	1,988,337
Operating income	18,661	17,748	224,836
Personal & Home			
Net sales			
Unaffiliated customers	Y 14,496	Y 13,712	\$ 174,657
Intersegment	-	-	-
Total	14,496	13,712	174,657
Operating income	1,343	1,257	16,191
Machinery & Solution			
Net sales			
Unaffiliated customers	Y 38,807	Y 29,849	\$ 467,560
Intersegment	-	-	-
Total	38,807	29,849	467,560
Operating income	5,735	3,185	69,098
Network & Contents			
Net sales			
Unaffiliated customers	Y 22,352	Y 27,751	\$ 269,306
Intersegment	-	-	-
Total	22,352	27,751	269,306
Operating income (loss)	(271)	(1,270)	(3,270)
Others			
Net sales			
Unaffiliated customers	Y 5,873	Y 6,985	\$ 70,769
Intersegment	4,021	3,106	48,452
Total	9,895	10,092	119,221
Operating income	546	613	6,581
Adjustment			
Net sales			
Unaffiliated customers	Y -	Y -	\$ -
Intersegment	(4,021)	(3,106)	(48,452)
Total	(4,021)	(3,106)	(48,452)
Operating income	-	-	-
Consolidated			
Net sales			
Unaffiliated customers	Y 246,562	Y 246,176	\$ 2,970,629
Intersegment	-	-	-
Total	246,562	246,176	2,970,629
Operating income	26,015	21,534	313,436

Note:

Main products in each business segment are as follows:

Printing & Solutions	Printers, Multi-function printers, Electronic stationeries,
Personal & Home	Home sewing machines
Machinery & Solution	Industrial sewing machines, Machine tools
Network & Contents	Online karaoke, Contents distribution services
Others	Sales of products other than those above, and so forth