



#### 4. Others

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

(2) Application of the specific method for accounting treatment for preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of period (including treasury stock shares)

As of Dec. 31, 2011:	9,878,040 shares	As of Mar. 31, 2011:	9,878,040 shares
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2) Number of treasury stock shares at the end of period

As of Dec. 31, 2011:	672,620 shares	As of Mar. 31, 2011:	509,334 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2011:	9,344,751 shares	Nine months ended Dec. 31, 2010:	9,368,762 shares
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Note 1: Indication of quarterly review procedure implementation status

This report of quarterly consolidated financial results is exempted from quarterly review procedures based on the Financial Instruments and Exchange Law. At the time of disclosure, the review process for these consolidated statements has been completed.

Note 2: Cautionary statement with respect to forward-looking statements and other special items

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company. Actual results are affected by various factors and may differ substantially. For discussion of the assumptions and other factors considered by the Company in preparing the above projections, please refer to page 3 of the attachments "Qualitative Information Regarding Consolidated Forecast."

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## **1. Qualitative Information on Quarterly Consolidated Financial Performance**

### **(1) Qualitative Information Regarding Consolidated Results of Operations**

The Japanese economy for the first nine months of the current fiscal year continued to look uncertain about the future due to serious shortage of electricity, slowdown in export growth and rapid appreciation of yen, while production was on the path to recovery as the supply chains disrupted by the Great East Japan Earthquake were restored.

The global economy continues to face uncertainty over the future prospect, which is characterized by the deepening fiscal crisis in European countries as well as the sentiment of economic slowdown in the emerging countries. In the electronic devices market, which is the Group's main market area, demand for smartphones and tablet terminals grew but that for PCs, liquid crystal display TVs and other digital home appliances stayed sluggish due to global economic slowdown.

In this management environment, the Group has focused its management efforts on thorough cost reductions, development of high value-added products and aggressive proposal and sales activities so as to make its operations more profitable.

As a result, consolidated sales in the first nine months of current fiscal year were 30,289 million yen (up 0.6% year-over-year), operating income 3,945 million yen (down 9.3%), ordinary profit 3,905 million yen (down 7.4%), and net income 2,303 million yen (down 24.6%).

Performance by business segment is shown as below.

#### **1) Surface finishing materials business**

The conditions remained harsh in the domestic business as production activity dropped in the wake of the Great East Japan Earthquake. In addition, more Japanese companies considered moving their manufacturing bases abroad for diversification of risks triggered by disruption of the supply chain, and also in order to get rid of rapid appreciation of the yen and the prolonged electric power shortage. Looking at the overseas market situation, there is uncertainty over the future economic growth due to downturn in Europe, coupled with slowdown in China and other emerging economies. While there remains to be a strong demand of the mainstay plating chemicals for printed wire boards (PWBs) for smartphones and tablet terminals, profits have been eroded by weak PC sales and intensifying competition in the emerging markets. Plating chemicals for hard disks failed to meet the forecast along with weakness in the PC market. Sales of other plating chemicals were adversely affected by the floods in Thailand and consequently decreased to the level below those for the second half.

As a result, sales in the surface finishing materials business decreased 3.0% year-over-year to 24,254 million yen, and operating income decreased 11.3% to 3,224 million yen.

#### **2) Surface finishing machinery business**

In China, there arises a trend of decline in the capital investment primarily because the government has tightened the monetary policy to curb inflation. Reflecting this trend, the customer interest in our hard chrome plating equipment, which had so far been strong, seems to have been waned recently. While a defensive attitude towards capital investment is still prevailing as uncertainty over the future prospect in the domestic market has not been swept off, we were successful in winning several big orders from customers in the IT-related industry who had decided to make a large-scale preemptive investment to expand capacity to make next-generation products. Nevertheless, we are still indeed in a very difficult bidding environment.

As a result, sales in the surface finishing machinery business increased 33.0% year-over-year to 3,320 million yen, while there was an operating loss of 7 million yen (an operating income of 66 million yen in the same period previous fiscal year).

### **3) Plating job business**

Production in the automotive industry, a major source of demand for the Group's products, once fell sharply in the wake of the Great East Japan Earthquake, but it picked up substantially following the rapid recovery of the disrupted supply chains for the components. In domestic plating job operations, we worked to improve profitability through restructuring including the downsizing or withdrawal of unprofitable divisions.

As a result, sales in the plating job business increased 2.0% year-over-year to 2,287 million yen, and operating income increased 18.9% to 420 million yen.

### **4) Real estate rental business**

Sales were nearly flat year-over-year, with operating income increased slightly, due to a decline in the occupancy rate and rents of office buildings.

As a result, sales in the real estate rental business decreased 2.1% year-over-year to 565 million yen, and operating income increased 3.8% to 297 million yen.

Please note that internal sales and transfers generated between segments are included in the above results for segment.

## **(2) Qualitative Information Regarding Consolidated Financial Position**

Total assets increased 596 million yen from the end of the previous fiscal year to 46,259 million yen at the end of the third quarter of the current fiscal year. This was primarily attributable to an 836 million yen increase in notes and accounts receivable-trade, a 459 million yen increase in work in process and a 939 million yen increase in construction in progress. On the other hand, we posted a 1,536 million yen decrease in cash and deposits with banks and a 150 million yen decrease in investment securities.

Liabilities increased 489 million yen to 12,635 million yen. This was primarily attributable to a 1,003 million yen increase in other current liabilities resulting from an 843 million yen rise in advances received, and a 250 million yen increase in current portion of long-term loans payable. On the other hand, we posted a 554 million yen decrease in notes and accounts payable-trade and a 297 million yen decrease in income taxes payable.

Net assets increased 107 million yen to 33,623 million yen. This was primarily attributable to a 1,787 million yen increase in retained earnings. On the other hand, we posted a 1,192 million yen decrease in foreign currency translation adjustments.

As a result, equity ratio decreased by 0.7 percentage points from the end of the previous fiscal year to 69.3%.

## **(3) Qualitative Information Regarding Consolidated Forecast**

We maintain consolidated forecast we announced on May 13, 2011.

Actual results are affected by various factors and may differ substantially.

## **2. Matters Related to Summary Information (Others)**

### **(1) Changes in Consolidated Subsidiaries during the Period**

Not applicable.

### **(2) Application of the Specific Method for Accounting Treatment for Preparation of Quarterly Consolidated Financial Statements**

Not applicable.

### **(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements**

Not applicable.

**3. Quarterly Consolidated Financial Statements****(1) Consolidated Balance Sheets**

(Thousands of yen)

	FY2011 (As of Mar. 31, 2011)	Third quarter of FY2012 (As of Dec. 31, 2011)
Assets		
Current assets		
Cash and deposits with banks	17,101,358	15,564,969
Notes and accounts receivable-trade	9,693,432	10,529,985
Marketable securities	22,807	20,077
Merchandise and finished goods	1,561,944	1,539,587
Work in process	1,497,910	1,957,695
Raw materials and supplies	1,014,966	1,062,539
Deferred tax assets	264,464	328,272
Other current assets	622,169	754,747
Allowance for doubtful accounts	(42,186)	(42,369)
Total current assets	31,736,867	31,715,506
Fixed assets		
Tangible fixed assets		
Buildings and structures	14,691,943	14,509,465
Accumulated depreciation	(7,731,244)	(7,743,559)
Buildings and structures, net	6,960,699	6,765,905
Machinery and vehicles	5,919,762	5,603,509
Accumulated depreciation	(4,662,936)	(4,412,465)
Machinery and vehicles, net	1,256,826	1,191,043
Land	2,775,784	2,913,242
Lease assets	73,384	92,721
Accumulated depreciation	(18,022)	(22,325)
Lease assets, net	55,362	70,395
Construction in progress	210,215	1,150,130
Other tangible fixed assets	2,983,151	3,000,955
Accumulated depreciation	(2,333,213)	(2,392,229)
Other tangible fixed assets, net	649,938	608,725
Total tangible fixed assets	11,908,826	12,699,442
Intangible assets	213,998	176,941
Investments and other assets		
Investment securities	770,486	619,881
Long-term loans receivable	21,156	18,963
Deferred tax assets	49,916	63,822
Long-term deposits with banks	600,000	600,000
Other investments and other assets	389,424	394,481
Allowance for doubtful accounts	(28,104)	(29,717)
Total investments and other assets	1,802,879	1,667,432
Total fixed assets	13,925,704	14,543,816
Total assets	45,662,571	46,259,323

	(Thousands of yen)	
	FY2011 (As of Mar. 31, 2011)	Third quarter of FY2012 (As of Dec. 31, 2011)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	5,533,154	4,978,265
Short-term loans payable	753,375	751,738
Current portion of long-term loans payable	36,750	286,928
Lease obligations	13,903	19,220
Income taxes payable	1,046,567	749,210
Accrued bonuses	136,985	47,106
Allowance for directors' bonuses	75,000	56,250
Notes payable-facilities	4,452	5,956
Deferred tax liabilities	4,684	7,442
Other current liabilities	1,639,567	2,643,040
<b>Total current liabilities</b>	<b>9,244,442</b>	<b>9,545,159</b>
<b>Long-term liabilities</b>		
Long-term loans payable	346,970	416,921
Long-term guarantee deposit	578,725	592,075
Lease obligations	40,550	51,175
Deferred tax liabilities	1,547,916	1,603,437
Allowance for employees' retirement benefits	193,201	233,702
Allowance for directors' retirement benefits	147,489	143,999
Negative goodwill	9,218	7,490
Other long-term liabilities	37,174	41,392
<b>Total long-term liabilities</b>	<b>2,901,247</b>	<b>3,090,193</b>
<b>Total liabilities</b>	<b>12,145,690</b>	<b>12,635,353</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	1,336,936	1,336,936
Capital surplus	1,644,653	1,644,653
Retained earnings	34,014,054	35,801,790
Treasury stock	(2,070,582)	(2,523,867)
<b>Total shareholders' equity</b>	<b>34,925,062</b>	<b>36,259,513</b>
<b>Accumulated other comprehensive income</b>		
Cumulative securities holding gain	207,019	125,347
Foreign currency translation adjustments	(3,154,431)	(4,346,815)
<b>Total accumulated other comprehensive incomes</b>	<b>(2,947,411)</b>	<b>(4,221,468)</b>
<b>Minority interests</b>	<b>1,539,230</b>	<b>1,585,924</b>
<b>Total net assets</b>	<b>33,516,881</b>	<b>33,623,969</b>
<b>Total liabilities and net assets</b>	<b>45,662,571</b>	<b>46,259,323</b>

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**  
**(For the Nine-month Period)**

(Thousands of yen)

	First nine months of FY2011 (Apr. 1, 2010 – Dec. 31, 2010)	First nine months of FY2012 (Apr. 1, 2011 – Dec. 31, 2011)
Sales	30,107,912	30,289,637
Cost of goods sold	20,633,771	20,910,484
Gross profit	9,474,140	9,379,153
Selling, general and administrative expenses	5,122,519	5,433,830
Operating income	4,351,620	3,945,322
Non-operating income		
Interests received	42,273	64,688
Dividends received	13,568	13,678
Gains on valuable resources recovery	54,269	16,314
Other non-operating income	44,354	64,381
Total non-operating income	154,466	159,062
Non-operating expenses		
Interest expense	24,653	30,379
Sales discounts	3,648	5,289
Exchange losses	223,914	127,636
Other non-operating expenses	36,510	35,596
Total non-operating expenses	288,727	198,901
Ordinary profit	4,217,359	3,905,483
Extraordinary income		
Gains on sales of fixed assets	2,426	7,769
Gains on sales of investment securities	99,092	-
Total extraordinary income	101,518	7,769
Extraordinary loss		
Losses on disposal and sales of fixed assets	44,515	120,855
Losses on valuation of investment securities	-	1,928
Loss on radio interference prevention	80,446	-
Total extraordinary losses	124,962	122,784
Net income before income taxes and minority interests	4,193,916	3,790,469
Income taxes-current	1,156,619	1,271,176
Income taxes-deferred	(237,139)	46,316
Total income taxes	919,480	1,317,492
Income before minority interests	3,274,435	2,472,976
Minority interests in income	218,114	169,962
Net income	3,056,321	2,303,014
Minority interests in income	218,114	169,962
Income before minority interests	3,274,435	2,472,976
Other comprehensive income		
Cumulative securities holding gain	(25,432)	(81,672)
Foreign currency translation adjustments	(946,512)	(1,315,651)
Total other comprehensive income	(971,945)	(1,397,324)
Comprehensive income	2,302,490	1,075,652
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,190,692	1,028,957
Comprehensive income attributable to minority interests	111,798	46,694

**(3) Going Concern Assumption**

Not applicable.

**(4) Segment and Other Information**

## I. First nine months of FY2011 (Apr. 1, 2010 – Dec. 31, 2010)

## 1. Information related to sales, profit or loss for each reportable segment (Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment	Amounts shown on consolidated statements of income/ comprehensive income (Note 2)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Total				
Sales									
Sales to third parties	24,792,491	2,483,749	2,242,540	577,638	30,096,420	11,491	30,107,912	-	30,107,912
Internal sales and transfers	216,372	12,468	366	-	229,207	-	229,207	(229,207)	-
Total	25,008,864	2,496,217	2,242,907	577,638	30,325,627	11,491	30,337,119	(229,207)	30,107,912
Segment profit	3,634,755	66,369	353,952	286,518	4,341,595	10,025	4,351,620	-	4,351,620

Notes: 1. The "Other" business segment is not included in any of the four reportable segments, and its sales include loyalty revenues.

2. Segment profit is adjusted to be consistent with operating income shown on the consolidated statements of income and comprehensive income.

## 2. Information related to impairment losses on fixed assets, goodwill, etc. for each reportable segment

Not applicable.

## II. First nine months of FY2012 (Apr. 1, 2011 – Dec. 31, 2011)

## 1. Information related to sales, profit or loss for each reportable segment (Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment	Amounts shown on consolidated statements of income/ comprehensive income (Note 2)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Total				
Sales									
Sales to third parties	24,129,402	3,295,521	2,287,804	565,339	30,278,067	11,570	30,289,637	-	30,289,637
Internal sales and transfers	124,901	24,683	145	-	149,729	-	149,729	(149,729)	-
Total	24,254,303	3,320,204	2,287,949	565,339	30,427,797	11,570	30,439,367	(149,729)	30,289,637
Segment profit (loss)	3,224,461	(7,050)	420,672	297,475	3,935,560	9,762	3,945,322	-	3,945,322

Notes: 1. The "Other" business segment is not included in any of the four reportable segments, and its sales include loyalty revenues.

2. Segment profit is adjusted to be consistent with operating income shown on the consolidated statements of income and comprehensive income.

## 2. Information related to impairment losses on fixed assets, goodwill, etc. for each reportable segment

Not applicable.

**(5) Significant Changes in Shareholders' Equity**

Following the resolution approved at a Board of Directors meeting held on November 11, 2011 to acquire its treasury stock, pursuant to Article 156 which is applicable in accordance with Article 165, Clause 3 of the Company Act, the Company has acquired 163,200 shares (452,997 thousand yen) of its treasury stock. As a result, treasury stock increased 453,285 thousand yen during the period under review to 2,523,867 thousand yen as of the end of the third quarter of the current fiscal year.

*Note: This report of consolidated financial results is solely a translation of summary of Japanese "Kessan Tanshin" (including the attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer English translation. All readers are recommended to refer to the original version in Japanese of the report for complete information.*