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Accounting Report for the Third Quarter of Fiscal Year Ending March 2012 (April 1, 2011 - December 31, 2011)

Consolidated Financial Highlights for the Third Quarter of Fiscal Year Ending March 2012 (April 1, 2011 - December 31, 2011)

Operating Results

(Millions of yen)

	1st Quarter to 3rd Quarter		
	April 1, 2011 to Dec.31, 2011	(For reference) April 1, 2010 to Dec.31, 2010	YoY (%)
Net sales	236,542	267,182	89
Operating profit (loss)	8,791	9,416	-
Ordinary income (loss)	6,511	6,530	-
Net income (loss)	4,409	2,193	-

Sales by Segments

(Millions of yen)

	1st Quarter to 3rd Quarter		
	April 1, 2011 to Dec.31, 2011	(For reference) April 1, 2010 to Dec.31, 2010	YoY (%)
Car Electronics	77,707	80,558	96
Professional Systems	67,142	67,210	100
Home & Mobile Electronics	59,274	79,167	75
Entertainment	28,139	33,742	83
Others	4,279	6,502	66
Total	236,542	267,182	89

Major Products in Each Segment

Car Electronics	Car Audio, Car AV Systems and Car Navigation Systems
Professional Systems	Land Mobile Radio Equipment, Video Surveillance Equipment, Commercial Audio, Video and Display Equipment
Home & Mobile Electronics	Video Cameras, LCD TVs, Projectors, Pure Audio and AV Accessories
Entertainment	Music and video software, such as CDs and DVDs
Other projects	Radio Frequency ID Systems, Weather Satellite Data Reception Systems, Other Electronic Devices, Recording Media, Interior Furniture, etc.

1. Qualitative Information on 3Q Operating Results

(1) Qualitative Information Concerning the Consolidated Operating Results

(Overview of the first nine months of the current fiscal year)

During the first nine months of the fiscal year ending March 2012, the global economy saw slowed economic growth even in some emerging countries. This was primarily due to the fiscal and financial problems and sluggish employment conditions in Europe and the U.S. With regard to the Japanese economy, production activities and consumer spending were severely hit by the Great East Japan Earthquake on March 11, 2011 (hereafter, "the Earthquake"). Though the Japanese economy indicated signs of recovery in and after the second quarter, the pace of recovery slow down mainly due to the historically strong yen and floods following heavy rains in central Thailand since July 2011 (hereafter, "Thai floods").

Under such circumstances, net sales of the JVC KENWOOD Group for the first nine months of the year under review declined from the year before. This was due to the effects of the reduction and transfer of some operations under the structural reforms implemented in the previous fiscal year in addition to the strong yen, the Earthquake and the Thai floods. Operating profit decreased year on year, primarily because most of the effects of the Thai floods, which had been taken into account in the earnings forecast for the fiscal year ending March 2012, dated October 28, 2011, occurred in the current third quarter, in addition to the impact of the Earthquake. However, operating profit decreased only slightly from a year earlier thanks to smooth growth in profits of the OEM segment and the domestic after-market segment of the Car Electronics business and the Land Mobile Radio segment of the Professional Systems business in line with the new mid-term business plan and to cost reduction efforts under the structural reforms, implemented in the previous fiscal year. Ordinary income remained unchanged from a year ago due to improved non-operating profit and loss, while net income grew sharply thanks to the decrease in extraordinary losses. Hence, the Group made a significant step forward in its aim to post net income on a full-year basis, which is a target under the mid-term business plan.

Profit-and-loss exchange rates actually used in preparing the financial statements for the first nine months of the fiscal year were as follows:

	1st Quarter		2nd Quarter		3rd Quarter	
Profit-and-loss exchange rates	U.S. dollar Euro	About 82 yen About 117 yen	U.S .dollar Euro	About 78 yen About 110 yen	U.S. dollar Euro	About 77 yen About 104 yen
FY2010 (Reference)	U.S. dollar Euro	About 92 yen About 117 yen	U.S. dollar Euro	About 86 yen About 111 yen	U.S. dollar Euro	About 83 yen About 112 yen

* Net Sales

Consolidated net sales for the first nine months of the fiscal year under review were 236,542 million yen, down approximately 30.6 billion yen (down 11.5%) from a year before.

In the first nine months of the fiscal year, sales increased in the OEM segment and the domestic after-market segment of the Car Electronics business and the Land Mobile Radio segment of the Professional Systems business, which are pushing forward with growth strategies in line with the new mid-term business plan. However, overall sales of the Professional Systems business and those of the Car Electronics business did not grow, reflecting an advance in the appreciation of the yen from a year earlier, the impact of the Earthquake from the first quarter to the first half of the second quarter and the effects of the Thai Floods that concentrated in the current third quarter. Therefore, net sales of JVC KENWOOD declined from a year before due to a realignment of products and regions in part of the Home & Mobile Electronics business, which was implemented in the previous fiscal year, and a transfer of a logistics contracting subsidiary in the Entertainment business effective April 1, 2011.

*Operating Profit

Consolidated operating profit for the first nine months of the fiscal year under review was 8,791 million yen, down approximately 0.6 billion yen (down 6.6%) from a year before.

In the first nine months of the fiscal year, the occurrence of most of assumed effects of the Thai floods in the current third quarter in addition to the impact of the Earthquake up to the second quarter greatly caused profits to decline, primarily affecting part of profits of the Professional Systems business and the Car Electronics business. However, operating profit of JVC KENWOOD saw only a slight year-on-year decrease, since the effects of sales expansion became visible in the OEM segment and the domestic after-market segment of the Car Electronics business and the Land Mobile Radio segment of the Professional Systems business, while the Home & Mobile Electronics business returned to the black thanks to the effects of the structural reforms implemented in the previous fiscal year.

*Ordinary Income

Ordinary income for the first nine months of the fiscal year under review was 6,511 million yen, unchanged from a year earlier, reflecting an improvement in non-operating profit and loss despite the decrease in operating profit.

In the first nine months of the fiscal year, non-operating profit decreased approximately 0.8 billion yen on year, mainly because adjustment of past patent royalties, which was posted in the previous fiscal year, was not posted in the fiscal year under review. Meanwhile, non-operating expenses declined about 1.4 billion yen from the year before. This was due to decreases in interest expense and loans commission mainly as a result of the decrease and longer terms in loans payable and absence of provision for product warranties, which was posted in the previous fiscal year due to a realignment of products and regions, although expenses concerning the merger as of October 1, 2011 were posted.

*Net Income

In the first nine months of the fiscal year under review, the Group posted a net income of 4,409 million yen, up approximately 2.2 billion yen (about twice) from the year before. This was thanks to an improvement in extraordinary profit and loss.

Extraordinary losses in the first nine months of the fiscal year decreased roughly 8.2 billion yen from a year earlier. This was primarily because the structural reforms were completed as of the end of the previous fiscal year and employment structural reform expenses and loss on sales of fixed assets dropped considerably. Meanwhile, extraordinary profit declined by about 3.9 billion yen year on year, due chiefly to the decline in gain on sales of fixed assets.

(Net Sales, Profits and Losses by Business Segment)

Net sales and operating profit (loss) by business segment are as follows:

Operating profit (loss) by business segment is consistent with segment profit (loss).

First nine months of the fiscal year ending March 2012 (from April 1 to December 31, 2011) (Millions of yen)

Business Segment		First Nine Months of FYE3/'12	First Nine Months of FYE3/'11	Year-on-year comparison
Car Electronics	Net sales	77,707	80,558	(2,851)
	Operating profit	4,360	6,024	(1,664)
Professional Systems	Net sales	67,142	67,210	(68)
	Operating profit	1,630	1,847	(217)
Home & Mobile Electronics	Net sales	59,274	79,167	(19,893)
	Operating profit	1,433	(378)	+1,811
Entertainment	Net sales	28,139	33,742	(5,603)
	Operating profit	1,150	1,901	(751)
Others	Net sales	4,279	6,502	(2,223)
	Operating profit	216	20	+196
Total	Net sales	236,542	267,182	(30,640)
	Operating profit	8,791	9,416	(625)
	Ordinary income	6,511	6,530	(19)
	Net income	4,409	2,193	+2,216

* Car Electronics Business

Net sales in the Car Electronics Business for the first nine months of the fiscal year under review declined about 2.9 billion yen (down 3.5%) year on year to 77,707 million yen and operating profit decreased about 1.7 billion yen (down 27.6%) to 4,360 million yen. The decreases were due to the concentration of the impact of the Thai floods in the current third quarter in addition to the strong yen and the effects of the Earthquake up to the second quarter.

In the after-market segment, where the overseas sales ratio is high, car audios and car navigation systems both maintained high market shares in the U.S. and European markets. However, sales and operating profit in the segment declined due to changes in the situation in Europe and the Middle East as well as the effects of the strong yen, the Earthquake and the Thai floods. Meanwhile, sales and operating profit increased and market shares grew significantly in the domestic market thanks to the big hit of Saisoku-Navi, an SSD-type of AV car navigation system, though production and sales opportunities declined due to the lack of parts caused by the Earthquake and the Thai floods.

In the OEM segment, shipments of factory-installed products for automobile manufacturers were sluggish in the first quarter and there was a lack of parts because of the Thai floods in the current third quarter. However, the Group was able to minimize the decrease in production and sales opportunities by procuring substitute parts and making design changes attendant upon such procurement. Meanwhile, orders received for an SSD-type AV car navigation system (dealer option product), whose full-fledged shipments began in the second quarter, and CD/DVD drive mechanisms to be mounted in vehicles remained robust, contributing to the business expansion of the OEM segment.

* Professional Systems Business

In the Professional Systems business, net sales in the first nine months of the fiscal year under review remained unchanged from a year earlier at 67,142 million yen and operating profit decreased approximately 0.2 billion yen (down 11.7%) to 1,630 million yen. Though the concentration of the impact of the Thai floods in the current third quarter in addition to the effects of the Earthquake up to the second quarter significantly affected sales and operating profit of the business solutions segment, the adverse effects were absorbed by the Land Mobile Radio segment, which remained brisk.

The Land Mobile Radio segment, in which the overseas sales ratio is high, expanded net sales and operating profit, as steady growth in orders received for NEXEDGE, a proprietary professional digital radio system, and professional radio systems for emerging markets absorbed the effects of the strong yen, the Earthquake and the Thai floods.

The business solutions segment saw its production and sales opportunities decline sharply due to the discontinuation of operations at a plant in Navanakorn Industrial Estate in mid-October 2011 as a result of the Thai floods, in addition to the decline in sales opportunities in the domestic market due to the Earthquake. Though substitute production started at the Yokosuka Business Center in December 2011, the delay in production and shipments has not been resolved. In addition, cost increased due to the procurement of substitute parts and substitute production. As a result, net sales of this segment decreased sharply and the Group posted an operating loss in this business.

* Home & Mobile Electronics Business

In the Home & Mobile Electronics business, the Group posted an operating profit for the third straight quarter since the first quarter of the fiscal year under review, which brought the total operating profit for the first nine months of the fiscal year to 1,433 million yen, as the Group saw effects from structural reforms and the impact of the Earthquake and the Thai floods was only slight. This was an improvement of roughly 1.8 billion yen year on year. Net sales decreased approximately 19.9 billion yen (down 25.1%) to 59,274 million yen, mainly reflecting a realignment of some products and regions implemented in the previous fiscal year.

In the camcorder segment, profit and loss improved significantly, although net sales decreased year on year. This improvement was attributable to robust sales in the domestic market thanks to the introduction of a group of new products with enhanced added values, realized by installing a newly developed processor, in addition to the effects of the structural reforms carried out in the previous fiscal year. The improvement was achieved despite the drop in sales in overseas markets caused by changes in demand.

In the display segment, the profit and loss situation improved remarkably, resulting in equilibrium between profit and loss in the current third quarter. This improvement was attributable to the effects of structural reforms implemented in the previous fiscal year, a shift to a business model with a light asset burden after termination of in-house development and production in May 2011 and income from brand licensing that began in the North American market in July 2011.

The home audio segment benefited from the effects of a realignment of some products and regions implemented in the previous fiscal year and a shift to a fabless production structure through outsourcing of production. As a result, the home audio segment was able to minimize the deterioration of profit and loss, though sales decreased year on year due to the reduction of the market.

The AV accessories segment remained highly profitable, as was the case in the previous fiscal year, thanks to brisk sales of headphones. In the projector segment, operating profit increased as a consequence of a growth in sales of high-value-added models, including projectors that can handle 3D images.

* Entertainment Business

In the Entertainment business, net sales decreased approximately 5.6 billion yen (down 16.6%) year on year to 28,139 million yen and operating profit declined about 0.8 billion yen (down 39.5%) to 1,150 million yen in the first nine months of the fiscal year under review due to the transfer of a consolidated subsidiary coupled with a sluggish market and other factors.

In the content business, sales remained robust thanks to a series of big hits in music, and strong sales in animation as well as rights-related income relevant to music.

Among hits during the first nine months of the fiscal year were: “SMAP AID,” an album, and other groups of works of SMAP, “Miyagi Live – Asueno March –,” a DVD, of Keisuke Kuwata, “Yasashikunaritai,” a single, and “45 STONES,” an album, of Kazuyoshi Saito at Victor Entertainment, Inc.; and “FIGHT,” an album, and other groups of works of Kanjani Eight, “BEGIN no shimauta/omototakeo no ga best” of BEGIN and “Asu to iuhi ga,” a single, of Masafumi Akikawa at Teichiku Entertainment.

The OEM business was affected by the transfer of Nippon Record Center Co., Ltd., a subsidiary engaged in logistics of music and video software, effective April 1, 2011, while orders received for production of optical discs suffered from sluggish market.

(2) Qualitative Information Concerning the Consolidated Financial Position

(Analysis of assets, liabilities, and net assets)

* Assets

Total assets declined from the end of the previous fiscal year approximately 23.9 billion yen to 236,715 million yen. This was due primarily to the decline in the yen-equivalent value of assets held by overseas affiliates following the further appreciation of the yen compared with the level at the end of the previous fiscal year. It also resulted from decreases in trade notes and accounts receivable and the sale of idle tangible fixed assets, etc.

* Liabilities

Liabilities declined about 21.5 billion yen from the end of the previous fiscal year to 186,383 million yen. This was due to decreases in other accounts payable and accrued expenses following the payment of employment structural reform expenses in the previous fiscal year.

Meanwhile, interest-bearing debts (sum of loans payable and bonds payable) decreased roughly 1.1 billion yen from the end of the previous fiscal year to 91,903 million yen. This was primarily a result of further payment of loans payable to financial institutions.

The net debt (amount obtained by subtracting cash and deposits from interest-bearing debts) increased about 3.6 billion yen from the end of the previous fiscal year to 31,637 million yen.

JVC KENWOOD merged with Victor Company of Japan, Limited through absorption effective October 1, 2011. JVC issued its No. 7 Unsecured Bond (12.0 billion yen) in August 2007 and it is scheduled to be due for redemption in August 2012. The Group extended the maturity date of this bond by one year for 50% (6.0 billion yen) of the amount, and by three years for the remaining 50% (6.0 billion yen) on August 25, 2011. In conjunction with this accounting measure, the Group reassessed the present value of the No. 7 Unsecured Bond and reflected this reassessment in the consolidated balance sheets.

*** Net Assets**

Retained earnings increased about 63.9 billion yen from the end of the previous fiscal year to 22,565 million yen. This was due to the elimination of loss that arose by transferring other capital surplus to retained earnings, as stated in the "Notice on Elimination of Loss Cumulated by Transfer of Other Capital Surplus to Retained Earnings," as of May 13, 2011. It also resulted from the Group's posting of a net income in the first nine months of the fiscal year under review. Total shareholders' equity increased about 4.4 billion yen from the end of the previous fiscal year to 77,905 million yen.

Total net assets decreased approximately 2.4 billion yen from the end of the previous fiscal year to 50,331 million yen. This was primarily because a foreign currency translation adjustment related to investment in overseas affiliates decreased about 7.4 billion yen, due to the yen's appreciation against major foreign currencies including the U.S. dollar and the euro compared with the level at the end of the previous fiscal year although shareholders' equity increased, with its ratio up by 0.7 percentage points from the end of the previous fiscal year to 20.7%.

(Cash flow analysis)

*** Cash flows from operating activities**

Net cash provided by operating activities for the first nine months of the fiscal year under review was 2,882 million yen, down approximately 13.9 billion yen from the year before. This was primarily due to the expenditure relating to employment structural reform carried out in the previous fiscal year, despite a rise in income mainly from increases in income before income taxes and accounts payable.

*** Cash flows from investing activities**

Net cash used in investing activities in the first nine months of the fiscal year under review was 4,094 million yen, a decrease of about 10.6 billion yen year on year in cash provided by investing activities. This was primarily due to a decline of about 10.2 billion yen in proceeds from the sale of tangible fixed assets.

*** Cash flows from financing activities**

Net cash used in financing activities in the first nine months of the fiscal year under review was 884 million yen, down approximately 10.6 billion yen year on year. This was chiefly due to an increase of roughly 5.7 billion yen in short-term loans payable as funds were procured from financial institutions, and a decrease of about 5.9 billion yen in payment expenses for long-term loans payable.

As of the end of the first nine months of the fiscal year under review, cash and cash equivalents totaled 60,190 million yen.

(3) Qualitative Information Concerning the Consolidated Earnings Forecast

JVC KENWOOD revised earnings forecast for the full fiscal year ending March 2012 as of October 28, taking into consideration the results for the first six months of the fiscal year and earnings prospects in and after the current third quarter and incorporating the effects of the Thai floods (net sales: down 8.0 billion yen; operating profit: down 2.0 billion yen).

Most of the assumed amount of the impact of the Thai floods occurred in the current third quarter and part of the impact is expected to remain in the fourth quarter. We plan to keep the amount of the impact on a full-year basis within the assumed scope through substitute production that started at the Yokosuka Business Center in December 2011 and production at the Thai Plant, which partially resumed in January 2012, in conjunction with the substitute production. Also, the Home & Mobile Electronics business and the Entertainment business continue to post stable operating income thanks to an improvement in the profit and loss situation, while the OEM segment and the domestic after-market segment of the Car Electronics business and the Land Mobile Radio segment of the Professional Systems business, which are proceeding with growth strategies, are growing smoothly in line with the new mid-term business plan. Accordingly, we decided to make no change to earnings forecast for the full fiscal year.

The secondary offering of shares of common stock of the Company, which was announced in the "Notice on

Secondary Offering of Share and Change of Top Shareholder," dated October 28, 2011, has no impact on the management, business and financial conditions of the Company or the consolidated performance of the fiscal year under review.

With regard to the capital and business alliance with Shinwa International Holdings Limited (Shinwa) and investments in Shinwa, which were announced in the "Notice on Capital and Business Alliance with In-Car Device Manufacturing Company and Acquisition of the Company's Shares," dated January 5, 2012, we are currently proceeding with necessary procedures. We will announce the timing of accounting for Shinwa using the equity method when the procedures end.

(For reference)

As stated in the "Notice on Occurrence of Extraordinary Loss (Loss on Extinguishment of Tie-in Shares) Attendant upon Absorption-type Merger of Subsidiaries," which was separately released today, JVC KENWOOD will post approximately 2.8 billion yen in extraordinary loss (loss on extinguishment of tie-in shares) in its non-consolidated financial statements following the absorption-type merger of three operating companies by JVC KENWOOD effective October 1, 2011. However, the posting of this extraordinary loss has no impact on our consolidated financial statements, since the companies that merged were our wholly owned subsidiaries.

We will announce non-consolidated earnings for the full fiscal year under review concurrently with our consolidated earnings on a full-year basis. We plan to absorb the impact of the said extraordinary loss with our non-consolidated earnings in and after the current third quarter and others. We will determine the dividend for the fiscal year under review by the time we announce business results for the current fiscal year, after discerning the non-consolidated profit and loss and non-consolidated financial conditions in and after the current third quarter.

Note: The earnings forecast for the fiscal year ending March 2012, mentioned above, is based on the information obtained by the Company at this time and certain premises judged to be rational. Actual earnings may differ due to various factors.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(JPY in Million)

	Previous Fiscal Year (as of March 31, 2011)	End of current consolidated third quarter (as of Dec.31, 2011)
Assets		
Current assets		
Cash and cash equivalents	64,972	60,265
Trade notes and accounts receivable	51,210	46,050
Merchandise and finished goods	28,249	26,084
Work in process	2,908	3,056
Raw materials and supplies	7,120	8,361
Other current assets	13,585	9,752
Allowance for doubtful accounts	(1,788)	(1,665)
Total current assets	166,258	151,906
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	15,240	13,522
Machinery and equipments, net	3,155	2,666
Tools, furniture and fixtures, net	5,669	4,094
Land	31,401	28,711
Construction in progress	284	844
Total tangible fixed assets	55,750	49,899
Intangible fixed assets		
Goodwill	4,918	4,693
Software	7,111	6,420
Other intangible fixed assets	2,943	2,620
Total intangible fixed assets	14,974	13,735
Investments and other assets		
Investment securities	4,588	4,207
Prepaid pension costs	12,866	11,624
Other investments	7,987	6,560
Allowance for doubtful receivables	(1,936)	(1,626)
Total investments and other assets	23,504	20,767
Total fixed assets	94,229	84,402
Total deferred assets	175	406
Total assets	260,664	236,715

(JPY in Million)

	Previous Fiscal Year (as of March 31, 2011)	End of current consolidated third quarter (as of Dec.31, 2011)
Liabilities		
Current liabilities		
Trade notes and accounts payable	28,378	30,153
Short term loans payable	71,353	72,115
Current portion of bonds payable	-	8,000
Other accounts payable	14,617	5,213
Accrued expenses	31,111	23,664
Income taxes payable	2,505	1,677
Provision for product warranties	3,194	2,605
Provision for sales returns	1,537	1,338
Other current liabilities	9,612	7,219
Total current liabilities	162,310	151,988
Long term liabilities		
Bonds payable	20,000	11,288
Long-term loans payable	1,700	500
Provision for retirement benefits	15,090	14,868
Other long term liabilities	8,823	7,738
Total long term liabilities	45,614	34,395
Total liabilities	207,924	186,383
Net assets		
Shareholders' equity		
Paid-in capital	10,000	10,000
Capital surplus	105,336	45,875
Retained earnings	(41,305)	22,565
Treasury stock	(534)	(535)
Total shareholders' equity	73,496	77,905
Other comprehensive income		
Unrealized gain and loss on available-for-sale securities	267	(67)
Deferred hedge gain and loss	27	-
Land revaluation surplus	2,954	3,209
Foreign currency translation adjustments	(24,715)	(32,108)
Total other comprehensive income	(21,466)	(28,966)
Subscription rights to shares	-	806
Minority interests	709	586
Total net assets	52,739	50,331
Total liabilities and net assets	260,664	236,715

(2) Quarterly Consolidated Statements of Income and Statements of Comprehensive Income
(Accumulated period for consolidated third quarter total period)

(JPY in Million)

	Accumulated period for previous consolidated third quarter total period (Apr.1, 2010 - Dec.31, 2010)	Accumulated period for current consolidated third quarter total period (Apr.1, 2011- Dec.31, 2011)
Net sales	267,182	236,542
Cost of sales	184,000	163,210
Gross profit	83,181	73,331
Selling, general and administrative expenses	73,765	64,540
Operating profit	9,416	8,791
Non-operating profit		
Interest income	148	158
Dividends income	153	237
Foreign exchange gain	1,313	1,335
Adjustment of patent fees for past years	634	-
Other non-operating profit	1,006	686
Total non-operating profit	3,257	2,417
Non-operating expenses		
Interest expense	2,207	2,015
Sales discounts	225	255
Provision for product warranties	1,068	-
Other non-operating expenses	2,641	2,425
Total non-operating expenses	6,143	4,697
Ordinary income	6,530	6,511
Extraordinary profit		
Gain on sales of fixed assets	631	64
Gain on sales of investment securities	1	3
Gain on sales of subsidiaries and affiliates' stocks	659	16
Reversal of business structural reform expenses	34	109
Patent Licensing Royalty	2,909	-
Insurance income for disaster	-	275
Other extraordinary profit	97	8
Total extraordinary profit	4,333	478
Extraordinary loss		
Loss on disposal of fixed assets	389	104
Loss on sales of fixed assets	3,212	68
Impairment loss	1,037	-
Business structural reform expenses	150	230
Employment structural reform expenses	1,909	126
Loss on valuation of inventory for closing business	-	180
Loss on disaster	-	332
Levies	1,546	-
Other extraordinary loss	1,256	251
Total extraordinary loss	9,504	1,294
Income before income taxes	1,359	5,695

(JPY in Million)

	Accumulated period for previous consolidated third quarter total period (Apr.1, 2010 - Dec.31, 2010)	Accumulated period for current consolidated third quarter total period (Apr.1, 2011- Dec.31, 2011)
Corporate tax, corporate inhabitant tax and corporate enterprise tax	2,484	1,911
Corporate tax and other adjustment	(3,363)	(606)
Income taxes	(879)	1,304
Income before minority interests	2,238	4,391
Minority interests in income	45	(18)
Net income	2,193	4,409

(Statements of Comprehensive Income)

(JPY in Million)

	Accumulated period for previous consolidated third quarter total period (Apr.1, 2010 - Dec.31, 2010)	Accumulated period for current consolidated third quarter total period (Apr.1, 2011- Dec.31, 2011)
Income before minority interests	2,238	4,391
Other comprehensive income		
Unrealized gain and loss on available-for-sale securities	(29)	(335)
Deferred hedge gain and loss	(153)	(27)
Land revaluation surplus	-	255
Foreign currency translation adjustments	(7,759)	(7,288)
Total other comprehensive income	(7,942)	(7,395)
Comprehensive income	(5,704)	(3,004)
Breakdown		
Comprehensive income attributable to owners of the company	(5,739)	(3,089)
Comprehensive income attributable to minority interests	35	85

(3) Consolidated Statement of Cash Flows

(JPY in Million)

	Accumulated period for previous consolidated third quarter total period (Apr.1, 2010 - Dec.31, 2010)	Accumulated period for current consolidated third quarter total period (Apr.1, 2011- Dec.31, 2011)
Cash flows from operating activities:		
Income before income taxes	1,359	5,695
Depreciation	10,542	7,855
Impairment loss	1,037	-
Amortization of goodwill	244	242
Increase (decrease) in provision for retirement benefits	(825)	174
Increase (decrease) in allowance for doubtful accounts	(537)	(141)
Interest and dividends income	(301)	(395)
Interest expense	2,207	2,015
Loss (gain) on sales of investment securities	5	(3)
Loss (gain) on sales of stocks of subsidiaries and affiliates	(659)	(16)
Loss on disposal of fixed assets	389	104
(Gain) loss on sales of fixed assets	2,581	3
(Increase) decrease in trade notes and accounts receivable	7,232	670
(Increase) decrease in inventories	1,513	(1,394)
Increase (decrease) in accounts payable	1,074	4,560
Increase (decrease) in accrued expenses	(4,287)	(6,043)
Other	(166)	(8,461)
Sub-total	21,410	4,866
Interest and dividends received	306	389
Interest paid	(2,189)	(1,934)
Income taxes (paid) refund	(2,734)	(438)
Net cash provided by operating activities	16,792	2,882
Cash flows from investing activities:		
Capital investment (real estate, plants and equipments)	(4,523)	(4,001)
Proceeds from sales of property, plants and equipments	12,632	2,477
Purchase of intangible fixed assets	(2,819)	(2,779)
Proceeds from sales of investment securities	74	4
Proceeds from sales of stocks of subsidiaries and affiliates	700	333
Other	470	(129)
Net cash provided by (used in) investing activities	6,534	(4,094)
Cash flows from financing activities:		
Increase (decrease) in short-term loans payable, net	(3,459)	2,290
Proceeds from long-term loans payable	1,000	-
Repayment of long-term loans payable	(7,855)	(1,960)
Other	(1,165)	(1,215)
Net cash provided by (used in) financing activities	(11,480)	(884)
Effect of exchange rate fluctuations on cash and cash equivalents	(3,328)	(2,606)

(JPY in Million)

	Accumulated period for previous consolidated third quarter total period (Apr.1, 2010 - Dec.31, 2010)	Accumulated period for current consolidated third quarter total period (Apr.1, 2011- Dec.31, 2011)
Net increase (decrease) in cash and cash equivalents	8,518	(4,702)
Cash and cash equivalents at beginning of period	43,408	64,891
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	392	1
Cash and cash equivalents at end of quarter	52,319	60,190