

Consolidated Balance Sheets

As of December 31,2009 and 2008

Assets	Millions of Yen		Thousands of U.S.Dollars
	2008	2009	(1US\$=¥92. 10) 2009
Current assets:			
Cash on hand and in banks	¥1,353	¥1,460	\$15,860
Notes and accounts receivable-trade	5,376	5,475	59,453
	<u>6,730</u>	<u>6,936</u>	<u>75,313</u>
Less: allowance for doubtful accounts	(8)	(1)	(20)
	<u>6,721</u>	<u>6,934</u>	<u>75,293</u>
Inventories	6,083	4,823	52,368
Deferred tax assets	102	84	920
Other current assets	330	248	2,693
Total current assets	<u>13,237</u>	<u>12,090</u>	<u>131,275</u>
Property,plant and equipment:			
Land	2,775	2,475	26,875
Buildings and structures	8,668	9,127	99,107
Machinery, equipment and vehicles	18,376	19,225	208,746
Construction in progress	1,148	350	3,803
Other	2,971	3,085	33,506
	<u>33,939</u>	<u>34,264</u>	<u>372,040</u>
Less: accumulated depreciation	(20,076)	(21,992)	(238,788)
Total property,plant and equipment	<u>13,862</u>	<u>12,272</u>	<u>133,251</u>
Intangible fixed assets:			
Leasehold right	63	105	1,147
Right of using facilities	12	12	140
Consolidation adjust account	-	58	631
Other intangible fixed assets	22	17	190
Total intangible fixed assets	<u>98</u>	<u>194</u>	<u>2,110</u>
Investments and other assets:			
Investment securities	164	165	1,799
Long-term loans receivable	2	431	4,680
Long-term accounts receivable-other	1,164	1,566	17,013
Deferred tax assets	21	17	193
Other investments	88	70	761
	<u>1,442</u>	<u>2,251</u>	<u>24,448</u>
Less: allowance for doubtful accounts	(1,009)	(1,925)	(20,901)
Total investments and other assets	<u>433</u>	<u>326</u>	<u>3,547</u>
Total assets	<u>¥27,633</u>	<u>¥24,884</u>	<u>\$270,185</u>

Consolidated Balance Sheets

As of December 31,2009 and 2008

Liabilities and Net assets	Millions of Yen		Thousands of U.S.Dollars
	2008	2009	(1US\$=¥92.10) 2009
Current liabilities:			
Notes and accounts payable-trade	¥6,036	¥5,479	\$59,498
Short-term loans payable	3,076	2,546	27,651
Current portion of long-term loans payable	3,825	3,798	41,239
Income taxes payable	46	33	365
Notes payable-facilities	513	46	509
Other current liabilities	920	773	8,397
Total current liabilities	<u>14,418</u>	<u>12,678</u>	<u>137,661</u>
Long-term liabilities:			
Long-term loans payable	5,542	5,879	63,834
Deferred tax liabilities	444	119	1,295
Deferred tax liabilities for land revaluation	259	259	2,818
Reserve for retirement benefits	1,853	1,701	18,478
Reserve for directors' retirement benefits	64	60	661
Other long-term liabilities	237	225	2,443
Total long-term liabilities	<u>8,402</u>	<u>8,245</u>	<u>89,531</u>
Net assets:			
Shareholders' equity:			
Capital stock	3,508	3,508	38,097
Capital surplus	1,824	496	5,386
Retained earnings	(848)	(243)	(2,643)
Treasury stock	(3)	(3)	(42)
Total shareholders' equity	<u>4,480</u>	<u>3,757</u>	<u>40,798</u>
Valuation and translation adjustments:			
Net unrealized (losses) on securities	(3)	(10)	(113)
Revaluation reserve for land	389	389	4,227
Foreign currency translation adjustments	(863)	(690)	(7,495)
Total valuation and translation adjustments	<u>(477)</u>	<u>(311)</u>	<u>(3,382)</u>
Minority interests	<u>808</u>	<u>513</u>	<u>5,576</u>
Total net assets	<u>4,811</u>	<u>3,959</u>	<u>42,992</u>
 Total liabilities and net assets	 <u>¥27,633</u>	 <u>¥24,884</u>	 <u>\$270,185</u>

Consolidated Statements of Income

For the years ended December 31,2009 and 2008

	Millions of Yen		Thousands of U.S.Dollars (1US\$=¥92.10)
	2008	2009	2009
Net sales	¥38,712	¥26,429	\$286,968
Cost of sales	32,713	23,315	253,152
Gross profit	5,999	3,114	33,815
Selling,general and administrative expenses	4,368	3,085	33,500
Operating income	1,630	29	314
Non-operating income:			
Interest and dividend income	35	28	305
Rent income	4	2	22
Material supplying income	11	16	183
Other	112	98	1,065
	163	145	1,576
Non-operating expenses:			
Interest expenses	417	387	4,205
Equity in loss of an affiliate	914	-	-
Foreign exchange losses	330	30	332
Other	222	275	2,991
	1,884	693	7,529
Ordinary income(loss)	(90)	(519)	(5,638)
Extraordinary gains:			
Gain on sales of fixed assets	1	2	26
Reversal of allowance for doubtful accounts	51	66	725
	52	69	751
Extraordinary losses:			
Loss on valuation of inventories	-	90	986
Loss on sales or disposal of fixed assets	18	5	54
Loss on valuation of investment securities	55	-	-
Loss on litigation	148	-	-
Special retirement expenses	-	178	1,940
Business structure improvement expenses	255	-	-
Provision of allowance for doubtful accounts	1,009	-	-
	1,487	274	2,981
Income(loss) before income taxes	(1,525)	(724)	(7,868)
Income taxes - Current	118	50	550
Income taxes - Deferred	271	(199)	(2,164)
Minority interests in income(loss) of consolidated subsidiaries	(7)	(99)	(1,076)
Net income(loss)	¥(1,907)	¥(476)	\$(5,178)
	Yen		U.S.Dollars
Per share:			
Net income(loss)	¥(45.86)	¥(11.46)	\$(0.12)
Weighted average number of shares	41,596,885	41,595,525	

Consolidated Statements of Changes in Net Assets

For the years ended December 31,2009 (January 1, 2009 - December 31, 2009)

(Millions of Yen)

	Shareholders' equity					Valuation and translation adjustments				Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized (losses)gains on securities	Revaluation reserve for land	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of December 31,2008	¥3,508	¥1,824	¥(848)	¥(3)	¥4,480	¥(3)	¥389	¥(863)	¥(477)	¥808	¥4,811
Effect of changes in accounting policies applied to foreign subsidiaries			¥(246)		¥(246)						¥(246)
Changes of items during the fiscal year											
Transfer of other capital surplus to retained earnings brought forward		(1,328)	1,328		-						-
Net income(loss)			(476)		(476)						(476)
Purchase of treasury stock				(0)	(0)						(0)
Net changes of items other than shareholders' equity						(7)	-	173	166	(294)	(128)
Total changes of items during the fiscal year	-	(1,328)	851	(0)	(477)	(7)	-	173	166	(294)	(605)
Balance as of December 31,2009	¥3,508	¥496	¥(243)	¥(3)	¥3,757	¥(10)	¥389	¥(690)	¥(311)	¥513	¥3,959

(Thousands of U.S.Dollars (1US\$=¥92.10))

	Shareholders' equity					Valuation and translation adjustments				Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized (losses)gains on securities	Revaluation reserve for land	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of December 31,2008	\$38,097	\$19,811	\$(9,216)	\$(41)	\$48,652	\$(33)	\$4,227	\$(9,378)	\$(5,185)	\$8,778	\$52,246
Effect of changes in accounting policies applied to foreign subsidiaries			\$(2,674)		\$(2,674)						\$(2,674)
Changes of items during the fiscal year											
Transfer of other capital surplus to retained earnings brought forward		(14,425)	14,425		-						-
Net income(loss)			(5,178)		(5,178)						(5,178)
Purchase of treasury stock				(1)	(1)						(1)
Net changes of items other than shareholders' equity						(80)	-	1,883	1,803	(3,202)	(1,399)
Total changes of items during the fiscal year	-	(14,425)	9,247	(1)	(5,179)	(80)	-	1,883	1,803	(3,202)	(6,579)
Balance as of December 31,2009	\$38,097	\$5,386	\$(2,643)	\$(42)	\$40,798	\$(113)	\$4,227	\$(7,495)	\$(3,382)	\$5,576	\$42,992

For the years ended December 31,2008 (January 1, 2008 - December 31, 2008)

(Millions of Yen)

	Shareholders' equity					Valuation and translation adjustments				Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized (losses)gains on securities	Revaluation reserve for land	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of December 31,2007	¥3,508	¥1,979	¥1,083	¥(3)	¥6,568	¥(5)	¥389	¥88	¥471	¥1,086	¥8,127
Changes of items during the fiscal year											
Dividends from surplus		(154)			(154)						(154)
Net income(loss)			(1,907)		(1,907)						(1,907)
Other			(24)		(24)						(24)
Purchase of treasury stock				(0)	(0)						(0)
Net changes of items other than shareholders' equity						2	-	(952)	(949)	(278)	(1,227)
Total changes of items during the fiscal year	-	(154)	(1,932)	(0)	(2,087)	2	-	(952)	(949)	(278)	(3,315)
Balance as of December 31,2008	¥3,508	¥1,824	¥(848)	¥(3)	¥4,480	¥(3)	¥389	¥(863)	¥(477)	¥808	¥4,811

Consolidated Statements of Cash Flows

For the years ended December 31,2009 and 2008

	Millions of Yen		Thousands of U.S.Dollars (1US\$=¥92.10)
	Jan'08-Dec'08	Jan'09-Dec'09	Jan'09-Dec'09
Cash flows from operating activities:			
Income(loss) before income taxes	(¥1,525)	(¥724)	(\$7,868)
Depreciation and amortization	1,933	1,885	20,471
Amortization of consolidation adjust accounts	11	-	-
Equity in loss of an affiliate	914	-	-
Increase (decrease) in allowance for doubtful accounts	960	(35)	(388)
Increase (decrease) in reserve for retirement benefits	13	(152)	(1,651)
Increase (decrease) in reserve for directors' retirement benefits	9	(3)	(42)
Interest and dividend income	(35)	(28)	(305)
Interest expenses	417	387	4,205
Foreign exchange losses(gains)	(117)	4	48
Loss on sales or disposal of fixed assets	114	2	27
Loss on valuation of investments securities	55	-	-
Decrease in notes and accounts receivable-trade	1,043	58	638
Decrease in inventories	3	1,350	14,660
(Decrease) in notes and accounts payable-trade	(1,084)	(612)	(6,648)
Other, net	(591)	(13)	(151)
Subtotal	2,123	2,118	22,996
Interest and dividend income received	35	28	305
Interest expenses paid	(438)	(404)	(4,396)
Income taxes paid	(192)	(69)	(758)
Net cash provided by operating activities	1,527	1,671	18,147
Cash flows from investing activities:			
Proceeds from withdrawal of time deposits	-	18	195
Payments for purchase of investments securities	(6)	(6)	(66)
Payments for purchase of fixed assets	(2,461)	(1,102)	(11,968)
Proceeds from sale of fixed assets	4	5	58
Payments of long-term loans receivable	-	(6)	(67)
Proceeds from collection of long-term loans receivable	0	3	33
Purchase of investments in subsidiaries	-	(251)	(2,725)
Other, net	11	17	189
Net cash (used in) investing activities	(2,451)	(1,321)	(14,352)
Cash flows from financing activities:			
Increase (decrease) in short-term loans payable,net	433	(576)	(6,264)
Proceeds from long-term loans payable	5,441	4,300	46,688
Repayments of long-term loans payable	(4,779)	(4,027)	(43,728)
Cash dividends paid	(154)	-	-
Cash dividends paid to minority shareholders	(13)	-	-
Other, net	(0)	(4)	(44)
Net cash provided by (used in) financing activities	926	(308)	(3,349)
Effect of exchange rate changes on cash and cash equivalents	(163)	84	913
Net increase(decrease) in cash and cash equivalents	(160)	125	1,359
Cash and cash equivalents at beginning of current period	1,045	885	9,614
Cash and cash equivalents at end of current period	¥885	¥1,010	\$10,974

Business Segment Information

For the years ended December 31,2009 (January 1, 2009 - December 31, 2009)

	Millions of Yen				
	Capacitor	Printed circuit boards	Total	Elimination or corporate	Consolidated
Sales :					
Outside customers	¥6,187	¥20,242	¥26,429	-	¥26,429
Intersegment	-	-	-	-	-
Total sales	6,187	20,242	26,429	-	26,429
Operating expenses	6,886	19,514	26,400	-	26,400
Operating income(loss)	(¥698)	¥727	¥29	-	¥29

	Thousands of U.S.Dollars (1US\$=¥92. 10)				
	Capacitor	Printed circuit boards	Total	Elimination or corporate	Consolidated
Sales :					
Outside customers	\$67,180	\$219,787	\$286,968	-	\$286,968
Intersegment	-	-	-	-	-
Total sales	67,180	219,787	286,968	-	286,968
Operating expenses	74,769	211,883	286,653	-	286,653
Operating income(loss)	(\$7,588)	\$7,903	\$314	-	\$314

For the years ended December 31,2008 (January 1, 2008 - December 31, 2008)

	Millions of Yen				
	Capacitor	Printed circuit boards	Total	Elimination or corporate	Consolidated
Sales :					
Outside customers	¥10,752	¥27,959	¥38,712	-	¥38,712
Intersegment	-	-	-	-	-
Total sales	10,752	27,959	38,712	-	38,712
Operating expenses	11,004	26,076	37,081	-	37,081
Operating income(loss)	(¥251)	¥1,882	¥1,630	-	¥1,630