

3. Forecasts of consolidated financial results for the year ending March 31, 2012

(Millions of yen, except per share data and percentage)

	Six months ending September 30, 2011		Year ending March 31, 2012	
	Amount	Change (%)	Amount	Change (%)
Net Sales	115,000	(4.1)	260,000	8.6
Operating Income	11,000	(33.5)	30,000	(6.7)
Ordinary Income	10,000	(30.6)	32,000	(2.2)
Net Income	7,000	(36.3)	23,000	(6.0)
Net Income per share (Yen)	21.44		70.44	
Cash dividends per share (Yen)	10.00		20.00	

Notes: Revision of forecasts of consolidated financial results during this period - None.

4. Others

- (1) Significant changes in subsidiaries during this period (changes in specified subsidiaries, "tokutei kogaisha" defined in the "Cabinet Office Ordinance on Disclosure of Corporate Information, etc.", involving a change of the scope of consolidation during this period) : None
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements : None
- (3) Changes in accounting policies, accounting estimates or retrospective restatement
- i. Changes due to revisions of accounting standards : None
 - ii. Changes in accounting policies other than the above (i) : Yes

Change in inventory valuation

In connection with the elimination of Last-in, First-out method under Japanese accounting standards recently, which aimed at convergence with IFRS, the company reviewed its inventory valuation methodology with a view to unify accounting policies applied to its subsidiaries. As a result of the review, some of its subsidiaries applying US GAAP elected to change their inventory valuation method, from the first in, first out (FIFO) method or the last in, first out (LIFO) method to weighted average cost method from this first quarter of 2011.

The change in accounting policy was applied retrospectively, and the comparatives have been restated.

As compared to the results before the change, operating income, ordinary income and income before tax for the previous first quarter were increased by ¥10 million, respectively. Retained earnings as of beginning of the previous year was increased by 506 million due to cumulative effects of the change.

- iii. Changes in accounting estimates : None
 - iv. Retrospective restatement : None
- (4) Number of shares outstanding (Common Shares)

	June 30, 2011	March 31, 2011
Number of shares outstanding at period end including treasury stocks	337,560,196	337,560,196
Number of treasury stocks at period end	11,048,349	11,043,485
<u>Three months ended June 30,</u>	<u>2011</u>	<u>2010</u>
Average number of shares outstanding over period	326,514,259	326,591,970

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2011	As of March 31, 2011
Assets		
Current assets		
Cash and bank deposits	43,870	49,177
Notes and accounts receivable trade	51,065	50,080
Securities	42,645	42,037
Inventories	86,099	81,925
Other	17,926	18,587
Allowance for doubtful accounts	(121)	(127)
Total current assets	241,484	241,682
Non-current assets		
Tangible assets		
Buildings and structures	48,196	48,179
Machinery and vehicles	47,848	46,812
Other	45,504	42,238
Total tangible assets	141,549	137,229
Total intangible assets	2,703	2,657
Investments and other assets		
Investment securities	75,771	72,293
Other	25,512	26,148
Allowance for doubtful accounts	(214)	(218)
Total investments and other assets	101,069	98,223
Total non-current assets	245,323	238,110
Total assets	486,808	479,793

	(Millions of yen)	
	As of June 30, 2011	As of March 31, 2011
Liabilities		
Current liabilities		
Notes and accounts payable trade	23,467	23,330
Short-term borrowings	5,179	5,121
Current portion of long-term borrowings	10,117	10,107
Income taxes payable	1,044	3,247
Provision	1,709	2,647
Other	27,018	28,146
Total current liabilities	68,537	72,601
Long-term liabilities		
Long-term bonds payable	20,000	20,000
Long-term borrowings	37,908	34,000
Liability for employees' retirement benefits	16,166	16,162
Other	12,988	13,083
Total long-term liabilities	87,062	83,246
Total liabilities	155,599	155,848
Net assets		
Shareholders' equity		
Common stock	69,849	69,849
Capital surplus	85,136	85,136
Retained earnings	203,566	200,829
Treasury stock	(14,422)	(14,415)
Total shareholders' equity	344,129	341,399
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	4,305	4,826
Deferred gain on derivatives under hedge accounting	61	32
Foreign currency translation adjustments	(32,812)	(37,525)
Post retirement benefit liability adjustments of foreign subsidiaries	(1,688)	(1,655)
Total accumulated other comprehensive income	(30,134)	(34,322)
Stock acquisition rights	698	698
Minority interests	16,514	16,169
Total net assets	331,208	323,945
Total liabilities and net assets	486,808	479,793

(2) Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2011	Three months ended June 30, 2010
Net sales	60,106	58,287
Cost of sales	40,068	37,114
Gross profit	20,038	21,173
Selling, general and administrative expenses	11,610	11,278
Operating income	8,427	9,895
Non-operating income	1,188	2,189
Interest income	274	236
Dividend income	394	499
Gain on evaluation of derivative	331	972
Other	186	481
Non-operating expenses	1,334	3,013
Interest expense	273	279
Foreign exchange loss	346	2,132
Equity in loss of unconsolidated subsidiaries and associated companies	626	374
Other	89	226
Ordinary income	8,280	9,071
Extraordinary income	2	16
Gain on sales of fixed assets	2	16
Extraordinary loss	20	67
Loss on sales and disposals of fixed assets	20	67
Income before income taxes and minority interests	8,262	9,020
Income taxes - total	1,962	1,979
Income taxes -current	1,099	844
Income taxes -deferred	863	1,134
Income before minority interests	6,299	7,041
Minority interests in earnings of consolidated subsidiaries	290	661
Net income	6,009	6,379

(3) Consolidated Statement of Comprehensive Income (Millions of yen)

	Three months ended June 30, 2011	Three months ended June 30, 2010
Income before minority interests	6,299	7,041
Other comprehensive income		
Unrealized (losses) on available-for-sale securities	(548)	(2,385)
Deferred gains (losses) on hedges	33	(30)
Foreign currency translation adjustments	4,863	516
Share of other comprehensive income of associates accounted for by using the equity method	(1)	(1)
Post retirement benefit liability adjustments of foreign subsidiaries	(33)	-
Total other comprehensive income	4,312	(1,901)
Comprehensive Income	10,611	5,139
Comprehensive Income attributable to:		
Owners of the parent company	10,197	4,454
Minority interests	414	685

6. Note on the Assumption as a Going Concern

Not applicable

7. Segment Information

Three months ended June 30, 2011						(Millions of yen)
	Power	Ceramics	Electronics	Total	Elimination or Adjustment	Consolidated
Sales						
Sales to customers	14,335	29,424	16,346	60,106	-	60,106
Intersegment sales	8	48	-	56	(56)	-
Total sales	14,343	29,473	16,346	60,163	(56)	60,106
Operating income (loss)	(1,475)	7,564	2,315	8,405	21	8,427

Notes:

1. As stated in "4. Others (3) Changes in accounting policies, accounting estimates or retrospective restatement", some of the foreign subsidiaries changed their inventory valuation method, and the change in accounting policy was applied retrospectively to the comparative first quarter ended March 31, 2010. Consequently, operating loss of Power Business segment decreased by ¥16 million, and operating income of Electronics Business segment decreased by ¥5 million for the first quarter of 2010, respectively, when compared to the figures before retrospective adjustments.

2. Main products by business segment

Business Segment	Main products
Power	Insulators, hardware for insulator assemblies, current limiting arching horn, bushing shells, fuse cut-outs, APM, line arrester and NAS (sodium-sulfur) batteries
Ceramics	Automotive ceramics for exhaust gas purification, corrosion-resistant ceramic apparatuses for chemical industries, gas analyzer, industrial heating systems, refractory products and radioactive waste treatment systems
Electronics	Beryllium copper wrought products, molds and ceramic components for electronics and semiconductor manufacturing equipment

Three months ended June 30, 2010						(Millions of yen)
	Power	Ceramics	Electronics	Total	Elimination or Adjustment	Consolidated
Sales						
Sales to customers	14,040	29,482	14,764	58,287	-	58,287
Intersegment sales	10	100	-	110	(110)	-
Total sales	14,050	29,582	14,764	58,398	(110)	58,287
Operating income (loss)	(129)	7,466	2,556	9,892	2	9,895

Beginning with the year ended on March 31, 2011, the Company applied "Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Statement No.17, March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, March 21, 2008). The business segments in the above table were categorized in consideration of internal corporate policies.

8. Significant changes in stockholder's equity

Not applicable