

Consolidated financial reports under Japanese GAAP for the nine months ended December 31, 2006

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Consolidated Financial Highlights

	(Nine months ended) December 31		(Fiscal year ended)
	2006	2005	March 31, 2006
(Millions of yen)			
Net sales	257,743	209,514	284,884
Operating income	40,200	32,397	41,513
Ordinary income	41,865	34,030	43,130
Net income	25,939	20,767	25,104
Total assets	404,802	364,053	386,235
Net assets	280,794	251,442	260,766
Cash flow from			
- Operating activities	16,236	16,938	34,749
- Investing activities	(12,696)	(12,569)	(30,691)
- Financing activities	(5,553)	(3,430)	(2,457)
Cash and cash equivalents	41,757	42,143	43,304
Per share (Yen)			
Net income			
- Basis	117.34	93.78	112.82
- Diluted	111.41	88.83	106.91
Equity	1,267.10	1,128.88	1,166.97
Equity ratio (%)	69.0%	68.7%	67.1%

Consolidated Financial Forecast

	(Millions of yen)		
	Fiscal year ending March 31, 2007	(Reference) Fiscal year ended March 31, 2006	Changes
Net sales	342,000	284,884	20.0%
Operating income	52,400	41,513	26.2%
Ordinary income	54,000	43,130	25.2%
Net income	33,600	25,104	33.8%
Net income per share (Basis)	152.09yen	112.82 yen	

Disclaimer regarding forward-looking statements.

This document contains forward-looking statements. These statements are based on internal projections and estimates and should not be interpreted as representation that quantitative or qualitative objectives therein will be fulfilled.

Consolidated Financial Statements

Consolidated Balance Sheet

	(Millions of yen)					
	December 31		March 31			
	2006	2005	2006	2005	2006	2005
Assets						
Current assets:						
Cash and time deposit	53,760	55,773	64,327			
Notes and accounts receivable, trade	65,921	55,256	54,243			
Securities	20,198	24,633	24,070			
Inventories	61,189	45,207	51,127			
Deferred tax assets	7,384	7,349	8,505			
Other current assets	9,340	8,235	8,853			
Allowance for doubtful accounts	(243)	(270)	(224)			
Total current assets	217,551	196,185	210,902	53.7%	53.9%	54.6%
Fixed assets:						
Tangible assets:						
Building and structures	40,637	40,910	41,087			
Machinery and vehicles	41,836	34,146	36,557			
Land	16,708	16,242	16,385			
Construction in progress	10,303	6,018	4,744			
Other tangible assets	2,181	2,013	1,917			
Total tangible assets	111,667	99,331	100,691	27.6%	27.3%	26.1%
Intangible assets:						
Software	487	165	199			
Consolidated goodwill	809	616	581			
Total intangible assets	1,296	781	780	0.3%	0.2%	0.2%
Investment and other assets:						
Investment securities	71,117	64,757	70,884			
Deferred tax assets	1,120	1,147	1,173			
Other assets	2,134	1,948	1,894			
Allowance for doubtful accounts	(86)	(99)	(91)			
Total investment and other assets	74,286	67,753	73,860	18.4%	18.6%	19.1%
Total fixed assets	187,251	167,867	175,332	46.3%	46.1%	45.4%
Total assets	404,802	364,053	386,235	100.0%	100.0%	100.0%

(Millions of yen)

	December 31		March 31	
	2006	2005	2006	2005
Liabilities				
Current liabilities:				
Accounts payable, trade	34,345	22,135	29,513	
Short-term borrowing	14,141	9,234	10,462	
Bonds due within one year	10,000	-	10,000	
Income taxes payable	5,565	7,719	11,044	
Deferred tax liabilities	215	217	215	
Other current liabilities	17,995	22,058	23,055	
Total current liabilities	82,262	61,365	84,290	
	20.3%	16.8%	21.8%	
Fixed liabilities:				
Bonds	16,099	26,900	16,099	
Employee retirement benefit liability	14,367	14,192	14,186	
Accrued severance indemnities for officers	688	922	985	
Negative consolidated goodwill	58	-	-	
Deferred tax liabilities	9,559	8,346	9,042	
Other fixed liabilities	971	883	864	
Total fixed liabilities	41,744	51,245	41,178	
	10.3%	14.1%	10.7%	
Total liabilities	124,007	112,610	125,468	
	30.6%	30.9%	32.5%	
Net assets				
Shareholders' equity:				
Common stock	47,869	47,869	47,869	
Capital surplus	55,169	54,864	55,167	
Retained earnings	158,509	133,867	138,202	
Less, treasury stock at cost	(10,015)	(6,879)	(6,454)	
Total shareholder's equity	251,533	229,721	234,784	
	62.1%	63.1%	60.8%	
Valuation and adjustment:				
Net unrealized gains on available-for-sale securities	28,820	24,968	27,831	
Foreign currency translation adjustment	(973)	(4,667)	(3,403)	
Total valuation and adjustment	27,847	20,300	24,428	
	6.9%	5.6%	6.3%	
Minority interests in consolidated subsidiaries	1,414	1,420	1,552	
	0.4%	0.4%	0.4%	
Total net assets	280,794	251,442	260,766	
	69.4%	69.1%	67.5%	
Total liabilities and net assets	404,802	364,053	386,235	
	100.0%	100.0%	100.0%	

Consolidated Statement of Operations

	(Millions of yen)					
	Nine months ended December 31				Fiscal year ended March 31	
	2006		2005		2006	
Net sales	257,743	100.0%	209,514	100.0%	284,884	100.0%
Costs of goods sold	185,477	72.0%	147,856	70.6%	203,337	71.4%
Gross profit on sales	72,265	28.0%	61,657	29.4%	81,547	28.6%
Selling, general and administrative expenses	32,065	12.4%	29,260	13.9%	40,033	14.0%
Operating income	40,200	15.6%	32,397	15.5%	41,513	14.6%
Other income:						
Interest income	946		554		834	
Dividend income	707		458		460	
Amortization of consolidated goodwill	15		-		-	
Income of rentals on fixed assets	585		589		804	
Equity in net earnings of affiliates	579		574		673	
Foreign exchange gain	121		484		485	
Miscellaneous income	765		811		1,020	
Total other income	3,722	1.4%	3,473	1.6%	4,279	1.5%
Other expenses:						
Interest expenses	655		460		674	
Depreciation of rentals on fixed assets	454		517		701	
Loss on disposal of inventory	52		136		299	
Donation	274		-		-	
Warranty	299		377		500	
Miscellaneous expenses	319		348		486	
Total other expenses	2,056	0.8%	1,840	0.9%	2,662	1.0%
Ordinary income	41,865	16.2%	34,030	16.2%	43,130	15.1%
Extraordinary profit:						
Gain on sales of fixed assets	48		13		16	
Gain on sales of investment securities	17		0		10	
Total extraordinary profit	66	0.0%	13	0.0%	26	0.0%
Extraordinary losses:						
Loss on sales or disposal of fixed assets	421		433		633	
Impairment loss on fixed assets	-		737		737	
Depreciation expenses resulting from revision of residual value	-		-		2,749	
Loss on sales of investment securities	-		-		5	
Total extraordinary losses	421	0.1%	1,170	0.5%	4,125	1.4%
Income before income taxes and minority interests	41,510	16.1%	32,873	15.7%	39,032	13.7%
Income taxes:						
Current	14,377		12,706		16,926	
Deferred	1,015		(715)		(3,161)	
Total income taxes	15,393	6.0%	11,991	5.7%	13,765	4.8%
Less, minority interests in net income of consolidated subsidiaries	177	0.0%	113	0.1%	162	0.1%
Net income	25,939	10.1%	20,767	9.9%	25,104	8.8%

Consolidated Statement of Net Assets

	(Millions of yen)									
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on available-for-sale securities	Foreign currency translation adjustment	Total valuation and adjustment	Minority interests in consolidated subsidiaries	Total net assets
Balance at March 31, 2006	47,869	55,167	138,202	(6,454)	234,784	27,831	(3,403)	24,428	1,552	260,766
Net income	-	-	25,939	-	25,939	-	-	-	-	25,939
Dividends	-	-	(5,529)	-	(5,529)	-	-	-	-	(5,529)
Bonus to directors and corporate auditors	-	-	(103)	-	(103)	-	-	-	-	(103)
Sales of treasury stock	-	2	-	2	4	-	-	-	-	4
Purchase of treasury stock	-	-	-	(3,563)	(3,563)	-	-	-	-	(3,563)
Other, net	-	-	-	-	-	988	2,430	3,418	(138)	3,280
Total change	-	2	20,306	(3,561)	16,748	988	2,430	3,418	(138)	20,028
Balance at December 31, 2006	47,869	55,169	158,509	(10,015)	251,533	28,820	(973)	27,847	1,414	280,794

Consolidated Statement of Capital Surplus and Retained Earnings

	(Millions of yen)	
	Nine months ended December 31, 2005	Fiscal year ended March 31, 2006
Capital surplus:		
Balance at the beginning of the period	54,826	54,826
Increases due to:		
Profit from treasury stock disposition	38	340
Balance at the end of the period	54,864	55,167
Retained earnings:		
Balance at the beginning of the period	117,394	117,394
Increases due to:		
Net income	20,767	25,104
Decreases due to:		
Dividends	(4,207)	(4,207)
Bonuses to directors and corporate auditors	(88)	(88)
Balance at the end of the period	133,867	138,202

Consolidated Statement of Cash Flows

	(Millions of yen)		
	Nine months ended December 31		Fiscal year ended March 31
	2006	2005	2006
Cash flow from operating activities:			
Income before income taxes and minority interests	41,510	32,873	39,032
Depreciation	13,636	10,792	18,017
Impairment loss on fixed assets	-	737	737
Amortization of consolidated goodwill	128	29	64
Increase in allowance for retirement benefit for employees	167	447	433
Interest and dividend income	(1,654)	(1,012)	(1,295)
Equity in net earnings of affiliates	(579)	(574)	(673)
Interest expenses	655	460	674
Gain on sales of investment securities	(17)	(0)	(10)
Loss on sales of investment securities	-	-	5
Gain on sales of fixed assets	(48)	(13)	(16)
Loss on sales or disposal of fixed assets	421	433	633
Net increase in accounts receivable, trade	(10,698)	(12,146)	(10,005)
Net (increase) / decrease in inventory	(8,887)	1,827	(3,003)
Net increase / (decrease) in accounts payable, trade	3,268	(2,126)	1,558
Other, net	(3,053)	(3,866)	315
Subtotal	34,848	27,860	46,467
Interest and dividend received	1,679	1,197	1,481
Interest paid	(595)	(403)	(670)
Income taxes paid	(19,696)	(11,717)	(12,528)
Net cash provided by operating activities	16,236	16,938	34,749
Cash flow from investing activities:			
Net decrease / (increase) in fixed-term deposit	9,624	5,783	(2,565)
Purchase of securities	(9,694)	(10,099)	(15,560)
Sales of securities	16,040	10,974	19,927
Purchase of investment securities	(601)	(5,360)	(8,318)
Sales of investment securities	24	1,007	1,027
Purchase of shares of subsidiaries	(562)	(67)	(67)
Net decrease by acquisition of share of a new subsidiary	-	(468)	(468)
Purchase of tangible fixed assets	(27,422)	(14,267)	(24,560)
Sales of tangible fixed assets	321	48	84
Net (increase) / decrease in loans	(3)	3	9
Other, net	(422)	(123)	(198)
Net cash used in investing activities	(12,696)	(12,569)	(30,691)
Cash flow from financing activities:			
Net increase in short-term borrowing	3,646	908	2,076
Proceeds from issuance of common stock of a subsidiary	-	-	16
Purchase of treasury stock and fractional shares	(3,563)	(134)	(210)
Sales of treasury stock and fractional shares	4	1	4
Dividends paid	(5,529)	(4,066)	(4,205)
Other, net	(111)	(138)	(139)
Net cash used in financing activities	(5,553)	(3,430)	(2,457)
Effect of exchange rate changes on cash and cash equivalents	466	680	1,179
Net increase in cash and cash equivalents	(1,546)	1,618	2,779
Cash and cash equivalents at beginning of the period	43,304	40,524	40,524
Cash and cash equivalents at end of the period	41,757	42,143	43,304

Note: Reconciliation of cash and time deposits in the consolidated balance sheet to cash and cash equivalents in the consolidated statement of cash flows.

	(Millions of yen)		
	December 31		March 31
	2006	2005	2006
Cash and time deposits	53,760	55,773	64,327
Securities	20,198	24,633	24,070
Subtotal	73,958	80,407	88,397
Time deposits with original maturities of three months or longer	(15,006)	(15,631)	(24,023)
Security other than short-term investments with an original maturity of three months or less	(17,194)	(22,633)	(21,069)
Cash and cash equivalents	41,757	42,143	43,304

Sales Information by Segment

1. Sales Information by Industry Segment

(Millions of yen)

	Nine months ended December 31						Fiscal year ended March 31		
	2006			2005			2006		
	Outside customers	Intersegment sales	Total net sales	Outside customers	Intersegment sales	Total net sales	Outside customers	Intersegment sales	Total net sales
Automotive components	138,858	-	138,858	122,593	-	122,593	165,279	-	165,279
Communication media and technical ceramics	115,282	-	115,282	84,553	-	84,553	116,032	-	116,032
Other	3,602	73	3,675	2,367	52	2,420	3,573	71	3,644
Total	257,743	73	257,816	209,514	52	209,567	284,884	71	284,955
Elimination	-	(73)	(73)	-	(52)	(52)	-	(71)	(71)
Consolidated	257,743	-	257,743	209,514	-	209,514	284,884	-	284,884

2. Sales Information by Geographic Segment

(Millions of yen)

	Nine months ended December 31						Fiscal year ended March 31		
	2006			2005			2006		
	Outside customers	Intersegment sales	Total net sales	Outside customers	Intersegment sales	Total net sales	Outside customers	Intersegment sales	Total net sales
Japan	113,919	116,363	230,283	92,927	92,242	185,170	127,126	123,424	250,551
North America	77,559	655	78,215	61,542	558	62,100	83,583	778	84,361
Europe	42,963	991	43,955	35,618	657	36,275	47,489	1,051	48,541
Other	23,300	721	24,021	19,425	658	20,083	26,684	878	27,563
Total	257,743	118,732	376,475	209,514	94,116	303,630	284,884	126,132	411,017
Elimination	-	(118,732)	(118,732)	-	(94,116)	(94,116)	-	(126,132)	(126,132)
Consolidated	257,743	-	257,743	209,514	-	209,514	284,884	-	284,884

3. Overseas Sales

(Millions of yen)

	Nine months ended December 31				Fiscal year ended March 31	
	2006		2005		2006	
North America	116,081	45.1%	87,441	41.7%	118,330	41.5%
Europe	44,127	17.1%	36,871	17.6%	49,140	17.3%
Asia	26,373	10.2%	22,692	10.8%	31,213	11.0%
Other	21,162	8.2%	18,135	8.7%	24,874	8.7%
Total overseas sales	207,744	80.6%	165,142	78.8%	223,560	78.5%
Consolidated net sales	257,743	100.0%	209,514	100.0%	284,884	100.0%