

Consolidated Financial Statements-Summary

For the Fiscal Year ended March 31,2011

May 13, 2011

(All financial information has been prepared in accordance with generally accepted accounting principles in Japan)

KUBOTEK CORPORATION

Code No. : 7709
 Stock Exchange Listed : Tokyo Stock Exchange-1st Section
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Date of annual general meeting of shareholders (scheduled) : June 24, 2011

Date of submission of annual security report (scheduled) : June 27, 2011

(Million yen: amounts less than one million yen are omitted)

1. Financial Results of FY2010 (April 1,2010 through March 31,2011)

(1) Consolidated Operating Results

(Percentage figures indicate year-on-year change)

	Net Sales		Operating Income (Loss)		Ordinary Income (Loss)		Net Income (Loss)	
FY2010	5,041	97.6%	531	—%	510	—%	449	—%
FY2009	2,550	(49.0)%	(434)	—%	(474)	—%	(504)	—%

(Reference) Comprehensive income FY2010: ¥ 470 million (—%) FY 2009: ¥ (505) million (—%)

	Net Income per Share (Yen)	Diluted Net Income per Share	ROE [Ratio of Net Income to Shareholder's Equity]	ROA [Ratio of ordinary Income/Total Assets]	Ratio of Operating Income/Net Sales
FY2010	3,267.97	—	25.9%	8.7%	10.5%
FY2009	(3,664.80)	—	(28.7)%	(8.3)%	(17.1)%

(Reference) Equity in earnings of affiliated FY2010: ¥ — million FY 2009: ¥ — million

(2) Consolidated Financial Positions

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
FY2010	6,198	1,974	31.9%	14,339.27
FY2009	5,559	1,502	27.0%	10,916.60

(Reference) Net Assets FY2010: ¥ 1,974 million FY2009: ¥ 1,502 million

(3) Consolidated Cash Flows

	From Operating Activities	From Investing Activities	From Financing Activities	Cash and Cash Equivalents at the end of period
FY2010	1,251	(182)	(122)	2,269
FY2009	(269)	(160)	409	1,326

2. Cash Dividends

(Record date)	Dividends per Share					Total Dividends for the Year	Ratio of Earnings to Dividends	Ratio of Dividends to Shareholder's Equity
	First Quarter	Second Quarter	Third Quarter	Year-End	Annual			
FY2009	—	0.00	—	0.00	0.00	—	—	—
FY2010	—	0.00	—	0.00	0.00	—	—	—
FY2011	—	0.00	—	0.00	0.00	—	—	—

3. Consolidated Financial Forecasts for the Fiscal Year ending March 31,2012

(Percentage figures indicate year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per share (Yen)
Interim FY 2011	2,300	(11.2)%	75	(80.3)%	60	(83.7)%	50	(84.8)%	363.16
FY 2011	4,300	(14.7)%	110	(79.3)%	75	(85.3)%	50	(88.9)%	363.16

4. Other information

- (1) Changes in important subsidiaries during the period (changes of particular fully owned subsidiaries associated with changes in the scope of consolidation): None
- (2) Changes in accounting principles and procedures and in presentation, etc. used in the preparation of consolidated financial statements (matters stated in important notes concerning the basis of preparation of consolidated financial statements).
- ① Changes due to revision of accounting standards, etc.: Yes
- ② Changes other than stated in item ① : No
- (3) Number of shares issued (share of common stock)
- ① Number of shares issued at the end of the fiscal Year (including treasury stock)
As of March 31, 2011: 138,300 shares; As of March 31, 2010: 138,300shares
- ② Number of treasury shares at the end of the fiscal year
As of March 31, 2011: 620 shares; As of March 31, 2010: 620shares
- ③ Average number of shares outstanding during the term
Ended March 31, 2011: 137,680 shares; Ended March 31, 2010: 137,680shares

(Reference)

1. Financial Results of FY2010(April 1,2010 through March 31,2011)

(1)Non-consolidated Operating Results

(Percentage figures indicate year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Net Income	
FY2010	4,730	105.2%	502	—%	458	—%	403	—%
FY2009	2,305	(51.7)%	(450)	—%	(507)	—%	(537)	—%

	Net Income per Share (Yen)	Diluted Net Income per Share
FY2010	2,930.92	—
FY2009	(3,905.02)	—

(2)Non-consolidated Financial Positions

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
FY2010	6,121	1,867	30.5%	13,565.89
FY2009	5,523	1,465	26.5%	10,643.59

(Reference) Net Assets: FY2010: ¥1,867million FY2009: ¥1,465million

Disclaimer Regarding Forecast Statements

Statements made in this release with respect to Kubotek's forecast for FY2011, are based on assumptions and beliefs in light of the information currently available to us, and therefore investors should not place undue reliance on them as they make a judgment about their investment. Kubotek cautions investors that a number of important factors could cause actual results to differ materially from those discussed in the forecast statements. Our major product of display inspection systems, such as for liquid crystal display are for highly competitive markets characterized by keen demand for production efficiency, quick adaptation of emerging new materials and rapid development of production technology. And this industry is strongly affected by factors such as demand fluctuation, the general trend of capital market, pricing pressures, and general economic conditions in East Asia market. Moreover, exchange rates between yen and other currencies in which Kubotek possibly makes significant sales or in which Kubotek's assets and liabilities are denominated, may change to influence the business performances, though Kubotek's business is yen-based so far.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen: amounts less than one thousand yen are omitted)

	FY2009 (As of Mar. 31,2010)	FY2010 (As of Mar. 31,2011)
Assets		
Current assets		
Cash and deposits	1,419,379	2,364,087
Notes and accounts receivable-trade	1,214,759	1,015,575
Merchandise and finished goods	2,855	3,458
Work in process	607,123	528,538
Raw materials and supplies	364,802	252,279
Other	34,483	68,662
Allowance for doubtful accounts	(157,933)	(63,321)
Total current assets	3,485,470	4,169,279
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	1,022,788	1,022,547
Accumulated depreciation	(456,594)	(485,344)
Buildings and structures, net	566,193	537,202
Machinery, equipment and vehicles	60,043	60,016
Accumulated depreciation	(53,100)	(50,871)
Machinery, equipment and vehicles, net	6,943	9,145
Tools, furniture and fixtures	758,981	586,094
Accumulated depreciation	(672,837)	(519,534)
Tools, furniture and fixtures, net	86,144	66,559
Land	1,117,578	1,117,578
Total property, plant and equipment	1,776,860	1,730,485
Intangible assets		
Goodwill	96,666	76,666
Software	136,958	134,317
Other	2,285	2,285
Total intangible assets	235,910	213,269
Investments and other assets		
Investment securities	32,202	33,912
Other	48,318	70,814
Allowance for doubtful accounts	(19,572)	(19,425)
Total investments and other assets	60,949	85,302
Total noncurrent assets	2,073,720	2,029,057
Total assets	5,559,191	6,198,337
Liabilities		
Current liabilities		
Notes and accounts payable-trade	700,316	901,649
Short-term loans payable	2,000,000	1,200,000
Current portion of long-term loans payable	321,000	721,000
Income taxes payable	6,218	61,529
Other	367,695	395,449
Total current liabilities	3,395,229	3,279,628
Noncurrent liabilities		
Bonds payable	100,000	100,000
Long-term loans payable	515,000	794,000
Deferred tax liabilities	-	425
Provision for retirement benefits	38,250	42,527
Other	7,712	7,525
Total noncurrent liabilities	660,963	944,478
Total liabilities	4,056,192	4,224,107
Net assets		
Shareholders' equity		
Capital stock	1,951,750	1,951,750
Retained earnings	(402,373)	47,559
Treasury stock	(81,658)	(81,658)
Total shareholders' equity	1,467,718	1,917,651
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,798	612
Foreign currency translation adjustment	33,481	55,965
Total accumulated other comprehensive income	35,279	56,578
Total net assets	1,502,998	1,974,230
Total liabilities and net assets	5,559,191	6,198,337

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Thousand yen: amounts less than one thousand yen are omitted)

	FY2009 (Apr. 2009-Mar. 2010)	FY2010 (Apr. 2010-Mar. 2011)
Net sales	2,550,712	5,041,393
Cost of sales	1,823,640	3,392,535
Gross profit	727,072	1,648,857
Selling, general and administrative expenses	1,162,004	1,117,500
Operating income (loss)	(434,932)	531,357
Non-operating income		
Interest income	430	408
Dividends income	39	74
Rent income	11,544	11,455
Foreign exchange gains	62	1,722
Other	346	842
Total non-operating income	12,424	14,503
Non-operating expenses		
Interest expenses	45,896	35,362
Bond issuance cost	6,583	-
Other	-	188
Total non-operating expenses	52,479	35,550
Ordinary income (loss)	(474,988)	510,309
Extraordinary income		
Gain on sales of noncurrent assets	1,004	9,523
Gain on amortization of guarantee deposit for prior periods	1,053	-
Gain on transfer of guarantee deposits	-	1,518
Total extraordinary income	2,057	11,042
Extraordinary loss		
Loss on sales of noncurrent assets	3	21
Loss on retirement of noncurrent assets	79	13,886
Loss on valuation of investments in capital of subsidiaries and affiliates	6,867	-
Total extraordinary losses	6,950	13,907
Income (loss) before income taxes and minority interests	(479,881)	507,444
Income taxes-current	6,481	57,510
Income taxes for prior periods	18,206	-
Total income taxes	24,688	57,510
Income before minority interests	-	449,933
Net income (loss)	(504,569)	449,933

Consolidated statements of comprehensive income

(Thousand yen: amounts less than one thousand yen are omitted)

	FY2009 (Apr. 2009-Mar. 2010)	FY2010 (Apr. 2010-Mar. 2011)
Income before minority interests	-	449,933
Other comprehensive income		
Valuation difference on available-for-sale securities	-	(1,185)
Foreign currency translation adjustment	-	22,484
Total other comprehensive income	-	21,298
Comprehensive income	-	471,231
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	-	471,231
Comprehensive income attributable to minority interests	-	-

(3) Consolidated Statements of Changes in Net Assets

(Thousand yen: amounts less than one thousand yen are omitted)

	FY2009 (Apr. 2009-Mar. 2010)	FY2010 (Apr. 2010-Mar. 2011)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	1,951,750	1,951,750
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	<u>1,951,750</u>	<u>1,951,750</u>
Retained earnings		
Balance at the end of previous period	102,195	(402,373)
Changes of items during the period		
Net income (loss)	(504,569)	449,933
Total changes of items during the period	<u>(504,569)</u>	<u>449,933</u>
Balance at the end of current period	<u>(402,373)</u>	<u>47,559</u>
Treasury stock		
Balance at the end of previous period	(81,658)	(81,658)
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	<u>(81,658)</u>	<u>(81,658)</u>
Total shareholders' equity		
Balance at the end of previous period	1,972,287	1,467,718
Changes of items during the period		
Net income (loss)	(504,569)	449,933
Total changes of items during the period	<u>(504,569)</u>	<u>449,933</u>
Balance at the end of current period	<u>1,467,718</u>	<u>1,917,651</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(935)	1,798
Changes of items during the period		
Net changes of items other than shareholders' equity	2,734	(1,185)
Total changes of items during the period	<u>2,734</u>	<u>(1,185)</u>
Balance at the end of current period	<u>1,798</u>	<u>612</u>
Foreign currency translation adjustment		
Balance at the end of previous period	37,471	33,481
Changes of items during the period		
Net changes of items other than shareholders' equity	(3,990)	22,484
Total changes of items during the period	<u>(3,990)</u>	<u>22,484</u>
Balance at the end of current period	<u>33,481</u>	<u>55,965</u>
Total valuation and translation adjustments		
Balance at the end of previous period	36,536	35,279
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,256)	21,298
Total changes of items during the period	<u>(1,256)</u>	<u>21,298</u>
Balance at the end of current period	<u>35,279</u>	<u>56,578</u>
Total net assets		
Balance at the end of previous period	2,008,823	1,502,998
Changes of items during the period		
Net income (loss)	(504,569)	449,933
Net changes of items other than shareholders' equity	(1,256)	21,298
Total changes of items during the period	<u>(505,825)</u>	<u>471,231</u>
Balance at the end of current period	<u>1,502,998</u>	<u>1,974,230</u>

(4) Consolidated Statements of Cash Flows

(Thousand yen: amounts less than one thousand yen are omitted)

	FY2009 (Apr. 2009-Mar. 2010)	FY2010 (Apr. 2010-Mar. 2011)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(479,881)	507,444
Depreciation and amortization	295,816	221,942
Amortization of goodwill	3,333	20,000
Increase (decrease) in allowance for doubtful accounts	99,491	(94,209)
Increase (decrease) in provision for retirement benefits	137	4,277
Interest and dividends income	(470)	(482)
Interest expenses	45,896	35,362
Foreign exchange losses (gains)	451	(76)
Loss (gain) on sales of property, plant and equipment	(1,001)	(9,523)
Loss on retirement of property, plant and equipment	79	13,907
Loss on valuation of investments in capital of subsidiaries and affiliate	6,867	-
Decrease (increase) in notes and accounts receivable-trade	127,097	187,169
Decrease (increase) in inventories	(102,445)	170,378
Increase (decrease) in accrued consumption taxes	(35,255)	9,187
Increase (decrease) in notes and accounts payable-trade	(314,904)	203,942
Increase (decrease) in advances received	56,282	44,768
Decrease (increase) in prepaid expenses	44,515	(41,613)
Other, net	64,388	15,099
Subtotal	(189,600)	1,287,574
Interest and dividends income received	341	385
Interest expenses paid	(51,715)	(30,906)
Income taxes paid	(28,297)	(5,452)
Net cash provided by (used in) operating activities	(269,271)	1,251,601
Net cash provided by (used in) investing activities		
Payments into time deposits	-	(1,426)
Purchase of investments in capital of subsidiaries	-	(16,311)
Purchase of investment securities	(2,436)	(2,470)
Purchase of property, plant and equipment	(3,300)	(14,508)
Proceeds from sales of property, plant and equipment	2,502	10,038
Purchase of intangible assets	(10,552)	(1,441)
Purchase of software	(148,345)	(151,130)
Other, net	1,183	(5,405)
Net cash provided by (used in) investing activities	(160,949)	(182,654)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	50,000	(800,000)
Proceeds from long-term loans payable	500,000	1,000,000
Repayment of long-term loans payable	(232,000)	(321,000)
Proceeds from issuance of bonds	93,416	-
Other, net	(2,104)	(1,750)
Net cash provided by (used in) financing activities	409,311	(122,750)
Effect of exchange rate change on cash and cash equivalents	(104)	(2,980)
Net increase (decrease) in cash and cash equivalents	(21,014)	943,215
Cash and cash equivalents at beginning of period	1,347,735	1,326,720
Cash and cash equivalents at end of period	1,326,720	2,269,936

Segment Information

(1) Overview of reportable segments

The Company's reportable segments are components of an entity for which separate financial information is available and evaluated regularly by the director in determining the allocation of management resources and in assessing performance. The Kubotek group of companies operates manufacture and sale of Inspection systems, 3D solution systems and Media & Network products, and is managed under the two regions of Japan and U.S.A. Each region is managed as an independent unit, expanding business activities based on the development of a comprehensive strategy for each region. The Group's results are therefore reported based on these two segments, Japan and U.S.A.

(2) Net sales, operating income or loss, assets, liabilities, and other items by reportable segments

(Thousand yen: amounts less than one thousand yen are omitted)

	Reportable segments			Other	Total
	Japan	U.S.A.	Total		
Net sales					
Sales to external customers	4,570,231	232,875	4,803,107	238,285	5,041,393
Inter-segment sales or transfers	160,499	12,907	173,406	68,542	241,948
Total	4,730,730	245,782	4,976,513	306,828	5,283,342
Segment operating income (loss)	502,932	(45,298)	457,634	32,075	489,709
Segment assets	6,121,217	139,260	6,260,477	126,827	6,387,305
Other items					
Depreciation and amortization	267,312	3,581	270,893	164	271,057
Goodwill amortization	20,000	—	20,000	—	20,000
Increase in tangible fixed assets or intangible fixed assets	208,118	3,959	212,077	1,090	231,167

(Notes:)

"Other, " which includes the Company's KOREA, does not qualify as a reportable segment.

(3) Reconciliation of published figures and aggregates of reportable segments in FY2010

(Thousand yen)

Net sales	FY2009	FY2010
Reportable segments	2,589,593	4,976,513
Other segment	—	306,828
Elimination of intersegment transactions	(38,880)	(241,948)
Net sales	2,550,712	5,041,393

(Thousand yen)

Operating income	FY2009	FY2010
Reportable segments	(431,777)	457,634
Other segment	—	32,075
Elimination of intersegment transactions	8,136	7,267
Intersegment income adjustment	(30,895)	22,877
Other	19,603	11,502
Operating income (loss)	(434,932)	531,357

(Thousand yen)

Assets	FY2009	FY2010
Reportable segments	5,693,352	6,260,477
Other segment	32,382	126,827
Elimination of intersegment transactions	(89,296)	(166,014)
Intersegment income adjustment	(49,115)	(26,237)
Other	(28,131)	3,284
Total assets	5,559,191	6,198,337

(Thousand yen)

Other items	Reportable segments		Other		Adjustment		Consolidated total	
	FY2009	FY2010	FY2009	FY2010	FY2009	FY2010	FY2009	FY2010
Depreciation	314,036	270,893	—	164	(18,219)	(49,115)	295,816	221,942
Amortization of goodwill	3,333	20,000	—	—	—	—	3,333	20,000
Increase in tangible fixed assets and intangible fixed assets	301,314	212,077	—	1,090	(49,115)	(25,738)	252,198	187,429

(Notes:)

Depreciation, Increase in tangible fixed assets and intangible fixed assets are elimination of intersegment income.

Related Information

FY2010 results (Apr. 2010 - Mar. 2011)

(1) Information by product/service

(Thousand yen)

	Inspection systems	3D solution systems	Media & Network products	Total
Sales to external customers	4,325,919	343,051	372,421	5,041,393

(2) Information by geographical segment

I. Sales

(Thousand yen)

	Japan	Asia	Americas	Others	Total
Sales to external customers	779,231	4,015,808	232,827	13,525	5,041,393

(Notes:)

The Geographic regions are classified by geographic proximity.

II. Tangible fixed assets

Tangible fixed assets information is omitted because the amounts of assets in Japan exceed 90% of the amounts of combined assets of all segments.

(3) Information by major customer

(Thousand yen)

Major customers	Sales	Segments
Wintec Corporation	2,366,876	Japan
Samsung Japan Corporation	765,650	Japan

(Goodwill amortization and unamortized balance by reportable segment)

FY2010 results (Apr. 2010 - Mar. 2011)

(Thousand yen)

	Reportable segment			Other	Total
	Japan	U.S.A.	Total		
Balance as of March 31, 2011	76,666	—	76,666	—	76,666

(Notes:)

- "Other", which includes the Company's KOREA, does not qualify as a reportable segment.
- "Goodwill amortization", see Segment Information (page 8)

Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Thousand yen: amounts less than one thousand yen are omitted)

	FY2009 (As of Mar. 31,2010)	FY2010 (As of Mar. 31,2011)
Assets		
Current assets		
Cash and deposits	1,369,692	2,291,483
Notes receivable-trade	8,378	13,784
Accounts receivable-trade	1,191,612	1,015,520
Merchandise and finished goods	1,211	405
Work in process	607,123	528,538
Raw materials and supplies	364,802	252,279
Prepaid expenses	55,607	90,800
Short-term loans receivable from subsidiaries and affiliates	111,648	207,875
Other	10,818	6,264
Allowance for doubtful accounts	(378,733)	(394,737)
Total current assets	<u>3,342,160</u>	<u>4,012,214</u>
Noncurrent assets		
Property, plant and equipment		
Buildings	979,139	978,898
Accumulated depreciation	(419,123)	(446,838)
Buildings, net	<u>560,015</u>	<u>532,059</u>
Structures	43,649	43,649
Accumulated depreciation	(37,470)	(38,506)
Structures, net	<u>6,178</u>	<u>5,142</u>
Machinery and equipment	34,082	34,082
Accumulated depreciation	(27,932)	(29,126)
Machinery and equipment, net	<u>6,150</u>	<u>4,956</u>
Vehicles	25,236	25,293
Accumulated depreciation	(24,443)	(21,104)
Vehicles, net	<u>793</u>	<u>4,189</u>
Tools, furniture and fixtures	722,314	549,303
Accumulated depreciation	(640,366)	(487,542)
Tools, furniture and fixtures, net	<u>81,948</u>	<u>61,760</u>
Land	1,117,578	1,117,578
Total property, plant and equipment	<u>1,772,664</u>	<u>1,725,686</u>
Intangible assets		
Goodwill	96,666	76,666
Software	168,370	136,809
Software in progress	17,077	22,475
Telephone subscription right	2,285	2,285
Total intangible assets	<u>284,399</u>	<u>238,237</u>
Investments and other assets		
Investment securities	7,802	9,512
Stocks of subsidiaries and affiliates	90,887	90,887
Investments in capital of subsidiaries and affiliates	0	16,311
Long-term loans receivable from subsidiaries and affiliates	344,248	224,505
Claims provable in bankruptcy, claims provable in rehabilitation and other	19,572	19,425
Long-term prepaid expenses	679	522
Guarantee deposits	25,115	27,738
Other	91	106
Allowance for doubtful accounts	(363,820)	(243,930)
Total investments and other assets	<u>124,576</u>	<u>145,079</u>
Total noncurrent assets	<u>2,181,640</u>	<u>2,109,002</u>
Total assets	<u>5,523,801</u>	<u>6,121,217</u>

(Thousand yen: amounts less than one thousand yen are omitted)

	FY2009 (As of Mar. 31,2010)	FY2010 (As of Mar. 31,2011)
Liabilities		
Current liabilities		
Notes payable-trade	448,266	732,191
Accounts payable-trade	229,449	157,600
Short-term loans payable	2,000,000	1,200,000
Current portion of long-term loans payable	321,000	721,000
Current portion of long-term loans payable to subsidiaries and affiliates	-	23,472
Accounts payable-other	101,081	86,291
Accrued expenses	49,251	71,515
Income taxes payable	6,218	55,388
Accrued consumption taxes	5,663	10,935
Advances received	78,224	117,829
Deposits received	4,791	4,323
Unearned revenue	1,576	1,662
Total current liabilities	<u>3,245,523</u>	<u>3,182,209</u>
Noncurrent liabilities		
Bonds payable	100,000	100,000
Long-term loans payable	515,000	794,000
Long-term loans payable to subsidiaries and affiliates	26,264	-
Deferred tax liabilities	-	425
Provision for retirement benefits	38,250	42,527
Provision for loss on business of subsidiaries and affiliates	127,738	127,738
Other	5,615	6,563
Total noncurrent liabilities	<u>812,868</u>	<u>1,071,254</u>
Total liabilities	<u>4,058,392</u>	<u>4,253,464</u>
Net assets		
Shareholders' equity		
Capital stock	1,951,750	1,951,750
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(406,481)	(2,952)
Total retained earnings	<u>(406,481)</u>	<u>(2,952)</u>
Treasury stock	<u>(81,658)</u>	<u>(81,658)</u>
Total shareholders' equity	<u>1,463,610</u>	<u>1,867,139</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,798	612
Total valuation and translation adjustments	<u>1,798</u>	<u>612</u>
Total net assets	<u>1,465,409</u>	<u>1,867,752</u>
Total liabilities and net assets	<u>5,523,801</u>	<u>6,121,217</u>

(2) Non-Consolidated Statements of Income

(Thousand yen: amounts less than one thousand yen are omitted)

	FY2009 (Apr. 2009-Mar. 2010)	FY2010 (Apr. 2010-Mar. 2011)
Net sales	2,305,187	4,730,730
Cost of sales		
Beginning finished goods	1,939	1,211
Cost of products manufactured	1,579,313	3,170,765
Transfer from other account	232,615	203,154
License fee	-	153
Total	1,813,867	3,375,285
Ending finished goods	1,211	405
Total cost of sales	1,812,656	3,374,880
Gross profit	492,531	1,355,850
Selling, general and administrative expenses		
Advertising expenses	27,909	22,100
Packing and transportation expenses	22,364	38,767
Directors' compensations	56,957	56,957
Salaries and allowances	216,410	221,168
Legal welfare expenses	32,528	36,275
Welfare expenses	616	538
Bonuses	13,066	31,422
Retirement benefit expenses	7,828	4,976
Entertainment expenses	3,249	2,560
Conference expenses	1,592	2,123
Traveling and transportation expenses	41,432	44,445
Communication expenses	9,719	10,314
Supplies expenses	6,399	7,437
Repair expenses	2,289	2,429
Utilities expenses	8,614	7,995
Commission fee	152,007	147,104
Insurance expenses	3,538	3,496
Depreciation	27,069	23,723
Amortization of goodwill	3,333	20,000
Research and development expenses	91,254	59,593
Rents	58,260	48,070
Rent expenses	1,308	1,131
Taxes and dues	25,696	29,999
Membership fee	774	821
Provision of allowance for doubtful accounts	118,146	17,877
Miscellaneous expenses	10,687	11,581
Total selling, general and administrative expenses	943,056	852,917
Operating income (loss)	(450,525)	502,932

(Thousand yen: amounts less than one thousand yen are omitted)

	FY2009 (Apr. 2009-Mar. 2010)	FY2010 (Apr. 2010-Mar. 2011)
Non-operating income		
Interest income	411	278
Rent income	11,544	11,455
Foreign exchange gains	62	4,752
Other	349	877
Total non-operating income	12,368	17,364
Non-operating expenses		
Interest expenses	43,473	34,268
Bond issuance cost	6,583	-
Provision of allowance for doubtful accounts	18,414	25,622
Other	643	1,416
Total non-operating expenses	69,114	61,306
Ordinary income (loss)	(507,271)	458,990
Extraordinary income		
Gain on sales of noncurrent assets	1,004	9,523
Total extraordinary income	1,004	9,523
Extraordinary loss		
Loss on sales of noncurrent assets	3	21
Loss on retirement of noncurrent assets	79	13,886
Loss on valuation of investments in capital of subsidiaries and affiliate	6,867	-
Total extraordinary losses	6,950	13,907
Income (loss) before income taxes	(513,217)	454,606
Income taxes-current	6,218	51,077
Income taxes for prior periods	18,206	-
Total income taxes	24,425	51,077
Net income (loss)	(537,642)	403,528

(3) Non-Consolidated Statements of Changes in Net Assets

(Thousand yen: amounts less than one thousand yen are omitted)

	FY2009 (Apr. 2009-Mar. 2010)	FY2010 (Apr. 2010-Mar. 2011)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	1,951,750	1,951,750
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	1,951,750	1,951,750
Retained earnings		
Other retained earnings		
Retained earnings brought forward		
Balance at the end of previous period	131,161	(406,481)
Changes of items during the period		
Net income (loss)	(537,642)	403,528
Total changes of items during the period	(537,642)	403,528
Balance at the end of current period	(406,481)	(2,952)
Total retained earnings		
Balance at the end of previous period	131,161	(406,481)
Changes of items during the period		
Net income (loss)	(537,642)	403,528
Total changes of items during the period	(537,642)	403,528
Balance at the end of current period	(406,481)	(2,952)
Treasury stock		
Balance at the end of previous period	(81,658)	(81,658)
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	(81,658)	(81,658)
Total shareholders' equity		
Balance at the end of previous period	2,001,253	1,463,610
Changes of items during the period		
Net income (loss)	(537,642)	403,528
Total changes of items during the period	(537,642)	403,528
Balance at the end of current period	1,463,610	1,867,139
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(935)	1,798
Changes of items during the period		
Net changes of items other than shareholders' equity	2,734	(1,185)
Total changes of items during the period	2,734	(1,185)
Balance at the end of current period	1,798	612
Total valuation and translation adjustments		
Balance at the end of previous period	(935)	1,798
Changes of items during the period		
Net changes of items other than shareholders' equity	2,734	(1,185)
Total changes of items during the period	2,734	(1,185)
Balance at the end of current period	1,798	612
Total net assets		
Balance at the end of previous period	2,000,318	1,465,409
Changes of items during the period		
Net income (loss)	(537,642)	403,528
Net changes of items other than shareholders' equity	2,734	(1,185)
Total changes of items during the period	(534,908)	402,343
Balance at the end of current period	1,465,409	1,867,752

Supplementary Information

(Production Volume)

(Thousand yen: amounts less than one thousand yen are omitted)

BY REPORTABLE SEGMENTS	Production	Year-on-year (%)
J a p a n	4,535,463	84.6
U . S . A .	232,133	(14.0)
O t h e r	240,437	—
T o t a l	5,008,033	83.6

(Note 1) Intersegment transactions is eliminated

(Note 2) Amounts shown above are stated based on selling price.

(Note 3) Amounts shown above do not include consumption or other taxes.

(Orders Received)

(Thousand yen: amounts less than one thousand yen are omitted)

BY REPORTABLE SEGMENTS	Orders	Year-on-year (%)	Backlog	Year-on-year (%)
J a p a n	4,148,208	6.3	2,713,800	1.4
O t h e r	265,494	—	33,544	—
T o t a l	4,413,702	13.1	2,747,344	2.7

(Note 1) Amounts shown above do not include consumption or other taxes.

(Note 2) There are no order results in U.S.A, because of make to stock.

(Sales Results)

(Thousand yen: amounts less than one thousand yen are omitted)

BY REPORTABLE SEGMENTS	Sales	Year-on-year (%)
J a p a n	4,570,231	100.3
U . S . A .	232,875	(13.6)
O t h e r	238,285	—
T o t a l	5,041,393	97.6

(Note 1) Intersegment transactions is eliminated

(Note 2) Sales results of each major customer and the ratio of sales results to the total sales results of Kubotek.

(Thousand yen: amounts less than one thousand yen are omitted)

MAJOR CUSTOMERS	FY2009 (Apr.2009—Mar.2010)		FY2010 (Apr.2010—Mar.2011)	
	Sales	Ratio(%)	Sales	Ratio(%)
Wintec Corporation	1,101,580	43.2	2,366,876	46.9
Samsung Japan Corporation	414,350	16.2	765,650	15.2

(Note 3) Amounts shown above do not include consumption or other taxes.