

Consolidated Financial Statements

For the Fiscal Year Ended March 31, 2011

May 13, 2011

Company name T. RAD Co., Ltd.	Stock Exchange Tokyo Stock Exchange First-Section
Code No. 7236	URL http://www.trad.co.jp
Representative President	Hiromi Kanoh
Investor Relations Managing Director	Yoshitaka Momose T E L +81-3-3373-1101
Date of the general meeting of shareholders	June 28, 2011
Date of submitting Annual Report	June 28, 2011
Due date of starting payment of dividends	June 29, 2011

1. Consolidated Financial Results for Fiscal Year Ended March 31, 2011 (April 1, 2010– March 31, 2011)

(1) Consolidated Results of Operations (Millions of Yen, except per share amounts)

	Sales	Operating Income	Ordinary Income	Net Income
	%	%	%	%
Year Ended March 31, 2011	83,437	4,765	4,951	4,248
Year Ended March 31, 2010	65,097	△157	117	395

(Note) Comprehensive Income March 31, 2011: 3,566 million yen (54.3%)
 March 31, 2010: 2,311 million yen (—%)

	Net Income per Share	Diluted Net Income per Share	ROE	Ordinary Income / Total Assets	Operating Income / Net Sales
	yen	yen	%	%	%
Year Ended March 31, 2011	58.47	50.95	14.5	7.8	5.7
Year Ended March 31, 2010	5.55	5.30	1.6	0.2	△0.2

(Reference) Equity in earnings (losses) of affiliates March 31, 2011 : 716 million yen
 March 31, 2010 : 672 million yen

(2) Consolidated Financial Positions (Millions of yen)

	Total Assets	Net Assets	Ratio of Shareholders' Equity to Total Assets	Shareholders' Equity per Share
			%	yen
Year Ended March 31, 2011	63,406	33,343	51.0	401.64
Year Ended March 31, 2010	63,700	27,031	41.1	367.53

(Reference) Shareholders equity March 31, 2011 : 32,338 million yen
 March 31, 2010 : 26,166 million yen

(3) Consolidated Cash Flows (Millions of yen)

	Net cash provided by operating activities	Net cash used in investment activities	Net cash used in financing activities	Cash and cash equivalents at end of the period
Year Ended March 31, 2011	5,912	△1,857	△4,570	6,595
Year Ended March 31, 2010	5,988	△3,026	△1,578	7,515

2. Dividends (Millions of yen)

(Record Date)	Dividends per Share			Total Dividends (Annual)	Dividend Ratio (Consolidated)	Dividend per Net Assets (Consolidated)
	Interim	Year End	Annually			
Year Ended March 31, 2010	—	2.00yen	2.00yen	142	36.0	0.6
Year Ended March 31, 2011	4.00yen	5.00yen	9.00yen	686	15.4	2.3
Year Ended March 31, 2012 (Forecast)	—	—	—	—	—	—

(Note) The dividend forecasts for the fiscal year ending March 31, 2012 is not determined, therefore Company will release the information when expectation would be able in the future.

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2012 (April 1, 2011 - March 31, 2012)

The Company is currently unable to reasonably calculate a forecast of the consolidated financial results for the fiscal year ending March 31, 2012 due to the impact of the Great East Japan Earthquake that occurred on March 11, 2011. Therefore the company will disclose a forecast of the consolidated financial results as soon as it would be available.

4. Others

- (1) Relocation of important subsidiaries during the period None
 (Relocation of specific subsidiaries by changing consolidated range)
- (2) Change of accounting method of issuing consolidated financial statements, and of indication
 (Described in Notes)
- ① Change in amendment of accounting standard Yes
 ② Change in other reason of ① None
- (3) The number of outstanding stocks (Common stocks)
- ① The number of shares outstanding at the end of March 31, 2011 81,777,391 March 31, 2010 74,777,392
 (including treasury stocks)
- ② The number of treasury stocks at the end of March 31, 2011 1,261,483 March 31, 2010 3,582,285
- ③ Yearly average shares March 31, 2011 72,661,502 March 31, 2010 71,198,705

(Reference) Non-consolidated Financial Result

1. Non-consolidated Result for Fiscal Year Ended March 31, 2011 (April 1 2010 ~ March 31 2011)

(1) Non-consolidated Operating Result (Millions of yen, except per share amounts)

	Sales		Operating Income		Ordinary Income		Net Income	
		%		%		%		%
Year Ended March 31, 2011	61,419	29.4	2,895	—	3,323	—	2,156	—
Year Ended March 31, 2010	47,431	△28.5	△814	—	△614	—	△391	—

	Net Income per Share	Diluted Net Income per Share
Year Ended March 31, 2011	29.68 yen	26.20 yen
Year Ended March 31, 2010	△5.50 yen	—

(2) Non-consolidated Financial Position

(Millions of yen)

	Total Assets	Net Assets	Ratio of Shareholders' Equity to Total Assets		Net Assets per Share
				%	
Year Ended March 31, 2011	51,278	28,312	54.9		349.82 yen
Year Ended March 31, 2010	50,881	23,340	45.6		325.80 yen

(Reference) Shareholders' Equity at end of March 31, 2011 : 28,166 million yen
 March 31, 2010 : 23,195 million yen

(Note) Implementation status of audit procedures.

This Financial Results report for 2010 was exempt from financial audit which was based on Financial Instruments and Exchange Law of Japan. As of the 2010 financial report disclosing, financial audit for 2010 financial statements is in progress.

1. Business Result

(1) Overview of Results for This Fiscal Year

① Fiscal Year Business Performance

(i) General Overview

The business condition had been gradually recovering in this consolidated fiscal year. However, due to the Great East Japan Earthquake the situation becomes unclear.

Before the earthquake, the domestic business condition of our group was favorable, mainly due to the strong orders for Construction and Industrial Machines in China. Also for Automobile Industry, the domestic demand decreased due to the termination of “eco-car” subsidy, however our sale of Automobile Industry remained steady due to the favorable sales of vehicles contain our products. Concerning overseas business also recovered because the sales of Automobile Industry and Construction and Industrial Machines were favorable. As a result, the consolidated net income of our group significantly increased compared to the preceding fiscal year.

The profit also greatly increased compared to the preceding fiscal year, because of the continuous improvement of profitability such as reduction of fixed costs and improving productivity from last year and stable sales in both parent company and overseas subsidiary.

As a result, the consolidated sales in the fiscal year increased to 83,437 million yen (increased by 18,339 million yen and 28.1% compared to the preceding fiscal year), consolidated operating income increased to 4,765 million yen (increased by 4,923 million yen compared to the preceding fiscal year), consolidated ordinary income increased to 4,951 million yen (increased by 4,834million yen compared to the preceding fiscal year), consolidated net income increased to 4,248 million yen (increased by 3,853 million yen compared to the preceding fiscal year).

(ii) Overview in Business Unites

<Heat Exchangers for Automobiles>

In Parent Company, sales significantly increased due to favorable sales of commercial vehicles and light vehicles, even though demand decreased due to termination of “eco-car” subsidy. Concerning overseas business, sales in North America decreased, however, the sales in Thailand, Indonesia and China was favorable. Consequently, the sales of this business unit increased to 39,016million yen (increased by 3,613million yen and 10.2% compared to the preceding fiscal year)

<Heat Exchangers for Construction industrial Machines>

In Parent Company, sales significantly increased due to favorable sales of export models to China and large models for mining. Concerning overseas business, sales increased due to increase of local production in China and the stabilization of the production due to the end of inventory adjustment in North America. Consequently, the sales of this units increased to 28,401million yen (increased by 12,011million yen and 73.3% compared to the preceding fiscal year)

<Heat Exchangers for Air Conditioners>

In Parent Company, sales just slightly increased due to continuous transferring of customers’ production base to overseas. Concerning overseas business, sales increased due to the end of inventory adjustment of customers in Europe. Consequently, the sales of this business unit increased to 11,273million yen (increased by 1,818million yen and 19.2% compared to the preceding fiscal year)

<Others>

The sales of other products increased to 4,746million yen (increased by 895million yen and 23.2% compared to the preceding fiscal year) We didn’ t have any human suffering and damages to production bases from the Great East Japan Earthquake occurred in March 11, 2011. As a result of planned power outage we did irregular operation in Hadano factory, but it operates normally now.

② Fiscal Year Financial Forecast

The production of our main customers is unstable since the earthquake on March 11, 2011. For this reason, it is difficult to estimate a forecast for the fiscal year ending March 31, 2012 at this time. Therefore the company will disclose a forecast of the consolidated financial results as soon as it would be available.

(2) Analysis of Financial Status

① Status of Assets, Liabilities and Net Assets

Total consolidated asset at the end of this fiscal year was 63,406million yen, and decreased by 293million yen compared to the end of the preceding consolidated fiscal year. There was the increase of the account receivable of sales, however the capital investment was smaller than depreciation and this was the main reason of decrease of assets. The liability was 30,063million yen, and decreased by 6,604million yen compared to the end of the preceding consolidated fiscal year. The main factor of decrease was repayment of loan and decrease of bonds with share warrant due to the exercise of warrant. The net assets were 33,343million yen and increased by 6,311million yen compared to the end of the preceding consolidated fiscal year.

② Status of Cash Flow

Cash and cash equivalents in this consolidated fiscal year was 6,595million yen, decreased by 919million yen. Cash flow from operating activity increased in cash by 5,912million yen. Even cash decreased by 3,650million yen due to increase of working capitals, cash increased by 4,592million yen from the income before taxes and minority interests and 4,112million yen from the depreciation.

Cash flow from investing activity decreased in cash by 1,857million yen. Even there was income of selling investments in securities by 953million yen, it decreased mainly due to expenditure of tangible fixed assets by 2,543million yen. Cash flow from financing activities was decreased in cash by 4,570million yen. This is a result of repayment of debt which decreased by 3,897million yen.

(3) Basic Policy for Profit Sharing and Dividends in This and Next Fiscal Years

The company places return of profits to shareholders as the most important policy, through improvement of company quality and reinforcement of operating foundations, and allocate appropriate dividends based on the business results to the shareholders.

The dividends at the end of this fiscal year shall be allocated 5yen per share (increased dividends of 3yen compared to the end of the preceding fiscal year), since the recovery of business results is remarkable. Consequently, annual dividends shall be 9yen per share (increased dividends of 7yen compared to the preceding fiscal year), combined with the interim dividends of 4yen per share (increased the interim dividends of 4yen compared to the preceding fiscal year).

The dividend payment plan for the next fiscal year has not been determined, as it is difficult to estimate a financial forecast for fiscal year 2011. Therefore, we will disclose the dividend payment plan with financial forecast as soon as when it would be available.

2. Subsidiaries and Affiliates

Company name	Location	Activities	Capital (Thousands)	Stake in a subsidiary (%)	Relations
Consolidated subsidiaries					
T. RAD North America, Inc. (Note5)	Hopkinsville, Kentucky, U. S. A	Manufacture and sales of heat exchanger	USD 37,550	100.0	○
Towa Unyu Co., td.	Higashiura, Chita, Aichi, Japan	Transport industry	JPY 48,900	100.0 (13.0)	
T. RAD (Thailand)Co.,Ltd.	Chachoengsao, Thailand	Manufacture and sales of heat exchanger	THB 390,500	100.0	○
Asuni Co.,Ltd.	Isehara, kanagawa, Japan	Sales of heat exchanger	JPY 15,325	100.0 (50)	
Towa Kosan.,Ltd.	Minami, Nagoya, Aichi, Japan	Property management	JPY 334,720	100.0 (7.3)	○
T. RAD ITALIA S.p.A.	Torino, Italy	Manufacture and sales of heat exchanger	EUR 4,500	100.0	○
T. RAD (Zhongshan)Co.,Ltd.	Zhongshen, Guangdong, China	Manufacture and sales of heat exchanger	CNY 107,601	90.0	○
T. RAD Czech s. r. o.	Unhost, Czech	Manufacture and sales of heat exchanger	CZK 250,000	90.0	○
PT. T. RAD INDONESIA	Bekasi, Java, Indonesia	Manufacture and sales of heat exchanger	US 4,800	90.0 (40.0)	○
TRM Corporation B.V.	Amsterdam, Holland	Holding Company of TRM LLC	EUR 9,318	75.0	○
TRM LLC	Nizhniyi Novgorod, Russia	Manufacture and sales of heat exchanger	RUB 466,598	75.00 (75.0)	
TRD(Jining)Co.,Ltd	Jining China	Manufacture and sales of heat exchanger	CNY 3,000	90.0 (90.0)	○
Equity-method affiliates					
TORC Co.,Ltd.	Chachoengsao, Thailand	Manufacture and sales of heat exchanger	THB 60,000	45.0	○
Qingdao Toyo Radiator Co, Ltd.	Qingdao, China	Manufacture and sales of heat exchanger	CNY 45,292	39.0	○
TATA TOYO RADIATOR, Ltd.	Pune, India	Manufacture and sales of heat exchanger	INR 320,000	40.2	
Qingdao Toyo H/E Co.,Ltd.	Qingdao, China	Manufacture and sales of heat exchanger	CNY 40,856	39.0	○
Behr-Toyo Engine Cooling System k. k.	Shinagawa, Tokyo Japan	Manufacture and sales of heat exchanger.	JPY 30,000	50.0	

Notes: 1. “()” in “Stake in a subsidiary” means “indirect possession” .

2. “○” in “Relations” means “Directors concurrently same as Directors of Subsidiaries” .

3. T. RAD North America, Inc. TRAD (Thailand)Co.,Ltd. T. RAD ITALIA S.p.A. T. RAD (Zhongshan) Co.,Ltd. T. RAD Czech s.r.o. TRM Corporation B.V. TRM LLC are specified subsidiaries.

4. 12 subsidiaries and 5 Affiliates mentioned above, don't submit annual securities reports.

5. Although the sales exceed not only 10% of consolidated sales, but also 90% of sales in the segment “North America” , and therefore financial information is excluded.

6. TRM Corporation B.V. is the holding company of TRM LLC produces radiator in Russia.

3. Management Policy

(1) Basic Policy for Company Management

Our basic philosophy is to “contribute to social progress by means of supplying superior products” and “pursue enduring development of the company and happiness of customers, shareholders, employees and local communities.” Furthermore, in order to succeed in global competition, we aim to develop attractive products and improve business performance through efficiency improvement in productivity while securing customer satisfaction quality.

(2) Target Management Index

In addition to sales (the size of the company), we focus on ordinary income margin (profitability), and return on equity (capital efficiency). We are committed to improving these figures and enhancing our financial positions.

(3) Medium- to Long-Term Business Strategies

T.RAD Group has been implementing the four-year 9th medium term management plan “T.RAD-9” from April 2010, which lists “radical reform for high profitability” (foundation for survival) and “promotion of products and engineering strategies for expansion of business” (foundation for growth) as basic strategies. We are promoting global activities to achieve the final goal of JPY 110 billion on consolidated sales.

In starting the second year of “T.RAD-9,” we will seek to further enhance and promote our commitment towards reform for high profitability and expansion of business.

(4) Future Issues

As a result of the earthquake on March 11, the Japanese economy has decelerated with the global economy, and we expect to face a very challenging period. We understand that the outlook of the environment surrounding the T. RAD Group is difficult, as production by major customers remain sluggish from the effect of the disaster. In response to the economic downturns after the Lehman Shock, we have worked towards realization of the first basic policy listed in “T.RAD-9,” the reform for high profitability. Activities such as reduction of fixed costs, reduction of indirect costs through improvement of business efficiency, and cut down of costs through enhancement of productivity have resulted in significant improvement of breakeven point, facilitating our reform towards a financial structure that mitigates the effect of negative changes in the environment on revenue. We will further promote and accelerate these activities during this fiscal year, to overcome the difficult environment and create a stronger financial foundation.

Market demand in the automotive is expected to shift further towards hybrid and electric cars, as well as anti-idling, as a result of tighter fuel regulations and heightened awareness on environmental issues. In addition, emerging markets are expected to expand further, centrally on affordable compact cars. The construction equipment markets are also gradually shifting towards environment-friendly hybrid machineries. In the residential equipment markets, energy saving highly efficient water heaters and household fuel-cell systems are becoming more common.

Under such circumstances, we will implement the second basic policy, the “promotion of products and engineering strategies for expansion of business,” by development of next generation heat exchangers that meets the needs of the markets of hybrid automobiles, electronic automobiles and fuel-cell automobiles etc., and by development of fuel cell battery heat exchangers and products aimed at new markets. We will expand our business through aggressively deploying such as participation in development of electric automobiles.

Our Corporate Policy for FY2011 focuses on ① safe working environment created by all members (raising awareness of “safety-first”); ② high quality products that satisfy clients (quality improvement); and ③ securing business and promotion of long-term strategy (globalization). In addition to the promotion of the basic policies listed in “T.RAD-9,” all of us will mitigate together the effect of the earthquake on revenue, achieve the goals set in “T.RAD-9” and work toward further advancement in the future.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	March 31, 2010		March 31, 2011		Increase / Decrease	
	Amount	%	Amount	%	Amount	Ratio
(Assets)						
Current Assets						
Cash and bank deposits	5,693		5,370		△323	△5.7
Notes and accounts receivable	16,643		19,082		2,439	14.7
Marketable securities	1,885		1,397		△488	25.9
Merchandise and finished goods	1,228		1,728		500	40.7
Work in process	441		442		1	0.2
Raw materials and supplies	2,784		2,790		6	0.2
Deferred tax assets	1,055		1,346		291	27.6
Other current assets	1,823		2,138		315	17.3
Allowance for doubtful accounts	△35		△27		8	—
Total Current Assets	31,522	49.5	34,269	54.1	2,747	8.7
Fixed Assets						
Tangible fixed assets						
Buildings and structures	14,959		15,221		262	1.8
Accumulated depreciation	△9,096		△9,486		△390	△4.3
Building and structures ,net	5,863		5,735		△128	△2.2
Property and equipment	30,157		28,966		△1,191	△3.9
Accumulated depreciation	△20,084		△20,773		△689	△3.4
Property and equipment ,net	10,072		8,193		△1,879	△18.7
Land	2,120		2,082		△38	△1.8
Lease assets	1,813		1,789		△24	△1.3
Accumulated depreciation	△667		△960		△293	△43.9
Lease assets ,net	1,145		828		△317	△27.7
Construction in progress	1,113		660		△453	△40.7
Other tangible fixed assets	19,797		19,880		83	0.4
Accumulated depreciation	△18,226		△18,602		△376	△2.1
Other tangible fixed assets ,net	1,571		1,278		△293	18.7
Total Tangible fixed assets	21,886	34.4	18,778	29.6	△3,108	14.2
Intangible fixed assets						
Goodwill	21		18		△3	△14.3
Lease assets	0		0		0	0
Other intangible fixed assets	529		793		264	49.9
Total intangible assets	552		812		260	47.1
Investments and other assets						
Investment securities	8,605		8,502		△103	△1.2
Long-term loans	6		4		△2	△33.3
Deferred tax assets	16		35		19	118.8
Others	1,153		1,046		△107	△9.3
Allowance for doubtful accounts	△43		△43		0	—
Total of investments and assets	9,738		9,545		△193	△2.0
Total Fixed Assets	32,177	50.5	29,137	45.9	△3,040	△9.4
Total Assets	63,700	100.0	63,406	100.0	△294	△0.5

	Year Ended March 31, 2010		Year Ended March 31, 2011		Increase / Decrease	
	Amount	%	Amount	%	Amount	Ratio
(Liabilities)						
Current Liabilities						
Notes and accounts payable, trade	10,268		9,871		△397	△3.9
Short-term loans	12,270		6,321		△5,949	△48.5
Lease obligations	491		404		△87	△17.7
Income taxes payable	92		335		243	264.1
Accrued expenses	1,522		1,899		377	24.8
Accrued bonuses to employees	858		1,332		474	55.2
Accrued bonuses to directors	1		74		73	73.0
Reserve for product warranty	84		112		28	33.3
Notes payable for construction expenditure	128		128		0	0.0
Deferred tax liability	5		—		△5	—
Others	977		1,056		79	8.1
Total Current Liabilities	26,701		21,536		△5,165	△19.3
Long-term liabilities						
Bonds with share warrant	4,053		1,248		△2,805	△69.2
Long-term debt	2,041		3,583		1,542	75.6
Lease obligations	1,670		1,176		△494	△29.6
Deferred tax liabilities	1,580		2,036		456	28.9
Accrued retirement benefits for employees	364		177		△187	△51.4
Accrued retirement benefits for directors and corporate auditors	6		6		0	0.0
Asset retirement obligation	-		85		85	-
Negative goodwill	40		37		△3	△7.5
Others	209		175		△34	16.3
Total Long-term liabilities	9,967		8,526		△1,441	14.5
Total Liabilities	36,668	57.6	30,063	47.4	△6,605	△18.0
(Net Assets)						
Shareholders' Equity						
Common stock	7,245		8,295		1,050	14.5
Capital surplus	6,077		7,200		1,123	18.5
Retained earnings	15,174		18,995		3,821	25.2
Treasury stock	△1,120		△394		△726	△64.8
Total Shareholders' Equity	27,376	43.0	34,097	53.8	6,721	24.6
Valuation and translation adjustments						
Net unrealized holding gains on securities	178		512		334	187.6
Deferred gain/loss on hedge activities	△8		—		8	—
Foreign currency translation adjustments	△1,380		△2,271		△891	64.6
Total Valuation and translation adjustments	△1,209		△1,758		△549	△45.4
Share warrant	144		145		1	0.7
Minority Interests in consolidated subsidiaries	720		858		138	19.2
Total Net Assets	27,031	42.4	33,343	52.6	6,312	23.4
Total Liabilities and Net Assets	63,700	100.0	63,406	100.0	△294	0.5

Note: All amounts less than one million yen have been disregarded.

(2) Consolidated Statements of Income

(Millions of yen)

	Year Ended March 31, 2010		Year Ended March 31, 2011		Increase / Decrease	
	Amount	%	Amount	%	Amount	%
Net sales	65,097		83,437		18,340	28.2
Cost of sales	59,796		72,349		12,553	21.0
Gross income	5,301		11,087		5,786	109.1
Selling, general and administrative expense	5,458	8.4	6,321	7.6	863	15.8
Operating income	△157		4,765		4,922	3135.0
Non-operating Income						
Interest	53		31		△22	△41.5
Dividend received	102		109		7	6.9
Equity in earnings of affiliates	672		716		44	6.5
Exchange gains	115		-		△115	—
Silent partnership interest income	—		120		120	—
Gain on valuation of derivatives	93		-		△93	—
Others	256		116		△140	△54.7
Total-operating income	1,294	2.0	1,093	1.3	△201	△15.5
Non-operating expense						
Interest expense	326		210		△116	△35.6
Bond interest	53		97		44	83.1
Loss on sales of investment securities	111		123		12	10.8
Loss on investment in silent partnership	215		—		△215	—
Evaluation loss of marketable securities	270		75		△195	72.2
Exchange losses	-		327		327	—
Others	41		70		29	70.7
Total Non-operating expense	1,019	1.6	907	1.1	△112	△11.0
Ordinary income	117	0.2	4,951	6.0	4,834	4131.6
Extraordinary income						
Gains on sales of fixed assets	96		75		△21	△21.9
Allowance for doubtful accounts	-		0		0	—
Gain on change in equality	36		—		△36	—
Compensation received	—		22		22	—
Total Extra ordinary income	132	0.2	97	0.1	△35	△26.5
Extraordinary loss						
Disposal losses of fixed assets	75		116		41	54.7
Devaluation losses of investment securities	-		56		56	-
Loss on sales of fixed assets	1		3		2	200.0
Impairment loss	99		180		81	81.8
Special retirement expenses	69		26		△37	△53.6
Impact of account asset retirement obligation	—		72		72	—
Others	4		—		△4	—
Total Extraordinary loss	250		457		207	82.8
Income before income taxes and minority interests	△0		4,592		4,592	—
Corporation, resident and business taxes	362		453		91	25.1
Adjustment for corporate and other taxes	△831		△87		△918	△110.5
Total income taxes	△468		365		833	178.0

(Millions of yen)

	Year Ended March 31, 2010		Year Ended March 31, 2011		Increase / Decrease	
	Amount	%	Amount	%	Amount	%
Income before adjustment minority interests	—		4,226		4,226	—
Minority interests	72		△22		△94	130.6
Net income	395	0.6	4,248	5.1	3,853	975.4

Note: All amounts less than one million yen have been disregarded.

Consolidated Comprehensive income Year Ended March 31, 2011

	Year Ended March 31, 2010		Year Ended March 31, 2011		Increase / Decrease	
	Amount	%	Amount	%	Amount	%
Income before adjustment minority interests	—		4,226		4,226	—
Others comprehensive income						
Valuation difference on available-for-sale securities	—		334		334	—
Deferred gains or losses on hedges	—		8		8	—
Foreign currency translation adjustment	—		△852		△852	—
Share of other comprehensive income of associates accounted for using equity method	—		△149		△149	—
Total others comprehensive income	—		△659		△659	—
Comprehensive income	—		3,566		3,566	—
(Breakdown)						
Comprehensive income attributable to owners of the parent	—		3,699		3,699	—
Comprehensive income attributable to minority interests	—		△133		△133	—

(3) Consolidated Statement of Net Assets

For the Fiscal Year Ended March 31, 2011

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
As of March 31, 2010	7,245	6,077	15,174	△1,120	27,376
Change of the period					
Issuance of new shares	1,050	1,127			2,177
Dividend of retained earnings			△427		△427
Net income			4,248		4,248
Acquisition of treasury stock				△3	△3
Dispose of treasury stock		△4		729	725
Change of accounts other than shareholders' equity (Net)					
Total change of the period	1,050	1,123	3,821	725	6,720
As of March 31, 2011	8,295	7,200	18,995	△394	34,097

(Millions of yen)

	Valuation and translation adjustment				Share warrant	Minority interests in consolidated subsidiaries	Total Net Assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total others comprehensive income			
As of March 31, 2010	178	△8	△1,380	△1,209	144	720	27,031
Change of the period							
Issuance of new shares							2,177
Dividend of retained earnings							△427
Net income							4,248
Acquisition of treasury stock							△3
Dispose of treasury stock							725
Change of accounts other than shareholders' equity (Net)	334	8	△891	△548	1	138	△409
Total change of the period	334	8	△891	△548	1	138	6,311
As of March 31, 2011	512	—	△2,271	△1,758	145	858	33,343

Note: All amounts less than one million yen have been disregarded.

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	March 31, 2010	March 31, 2011	Increase / Decrease
	Amount	Amount	Amount
Cash flows from operating activities			
Income before income taxes and minority interests or lost before income taxes and minority interests(Δ)	$\Delta 0$	4,592	4,592
Depreciation and amortization	4,578	4,112	$\Delta 466$
Impairment loss	99	180	81
Amortization of goodwill	1	$\Delta 1$	0
Amortization of negative goodwill	$\Delta 3$	—	—
Changes in directors' severance and retirement benefits(Δ decreased)	$\Delta 2$	0	2
Decrease of reserve for employees' retirement benefits (Δ decrease)	$\Delta 14$	$\Delta 143$	$\Delta 129$
Decrease of allowance for doubtful accounts (Δ decrease)	8	$\Delta 3$	$\Delta 11$
Changes in allowance for bonus to employees(Δ decrease)	191	474	283
Changes in allowance for bonus to directors(Δ decrease)	1	72	71
Changes in reserve for product warranty(Δ decrease)	$\Delta 93$	30	123
Interest and dividend income	$\Delta 151$	$\Delta 133$	18
Interest expenses	379	308	71
Foreign exchange losses(Δ profit)	10	29	19
Equity in earnings of affiliates(Δ profit)	$\Delta 672$	$\Delta 716$	$\Delta 44$
Disposal losses of property and equipment	75	116	41
Changes in notes and account receivables, trade (Δ increase)	260	$\Delta 2,788$	$\Delta 3,048$
Changes in inventories (Δ increase)	948	$\Delta 786$	$\Delta 1,734$
Changes in notes and accounts payable(Δ decrease)	610	$\Delta 74$	$\Delta 684$
Gains/losses on sales of marketable securities(Δ profit)	68	123	55
Devaluation losses of investment securities(Δ profit)	270	75	$\Delta 195$
Loss on valuation of derivatives (Δ profit)	$\Delta 93$	1	94
Silent partner ship investment income(Δ profit)	215	$\Delta 120$	$\Delta 335$
Gains/losses on sales of tangible assets(Δ profit)	$\Delta 95$	$\Delta 71$	24
Changes in other current assets(Δ increase)	$\Delta 518$	$\Delta 49$	469
Changes in other current liabilities(Δ decrease)	126	568	442
Other, net	29	189	160
Sub-Total	6,233	5,985	$\Delta 248$
Interest and dividends received	472	363	$\Delta 109$
Interest expenses paid	$\Delta 334$	$\Delta 227$	107
Income taxes paid	$\Delta 382$	$\Delta 209$	173
Net cash provided by operating activities	5,988	5,912	$\Delta 76$

	March 31, 2010	March 31, 2011	Increase / Decrease
	Amount	Amount	Amount
Cash flows from investing activities			
Proceeds from withdrawal of time deposits	109	15	△94
Payments into time deposits	△34	△18	16
Payments for purchases of marketable securities	△2,195	—	△2,195
Proceeds from sales of marketable securities	2,424	—	△2,424
Payments for purchases of tangible fixed assets	△3,560	△2,543	1,017
Proceeds from sales of tangible fixed assets	313	293	△20
Purchase of intangible assets	△50	△268	△218
Payments for purchases of investment securities	△1,510	△298	1,212
Proceeds from sales of investment securities	1,483	953	△530
Payments for lending to employees	△11	△1	10
Collection of loans receivable	5	3	△2
Other, net	△0	6	6
Net cash used in investing activities	△3,026	△1,857	1,169
Cash flows from financing activities			
Net increase in short-term loans(decrease△)	△5,541	△5,900	△359
Proceeds from long-term loan	574	2,390	1,816
Repayments for long-term loans	△329	△386	△57
Proceeds from stock issuance to minority shareholders	310	251	△59
Proceeds from issuance of bonds	3,986	—	△3,986
Payments for acquisition of treasury stock	△1	△3	△2
dividends paid	△71	△427	△356
dividends paid for minorities	△16	△15	1
Others	△489	△478	11
Net cash used in financing activities	△1,578	△4,570	△2,992
Effects of exchange rate changes on cash and cash equivalents	50	△404	△454
Net increase/decrease in cash and cash equivalents(decrease △)	1,435	△919	△2,354
Cash and cash equivalents at the beginning of the year	6,080	7,515	1,437
Cash and cash equivalents at the end of the year	7,515	6,595	△920

Note: All amounts less than one million yen have been disregarded.

(5) Segment Information

①FY2009 (from April 1, 2009 to March 31, 2010)

(Amount: million yen)

	Japan	North America	Europe	Asia	Total	Elimination & Unallocated	Consolidated
Net Sales:							
(1) Outside customers sales	44,146	8,103	3,179	9,668	65,097	—	65,097
(2) Inter-segment sales	3,660	26	110	86	3,882	(3,882)	—
Total	47,806	8,129	3,289	9,754	68,980	(3,882)	65,097
Operating expenses	48,468	7,961	3,840	8,882	69,153	(3,898)	65,255
Operating income(loss)	△662	167	△551	872	△173	15	△157
Assets	56,276	4,453	7,016	7,280	75,028	(11,327)	63,700

Notes: 1. Regional divisions are determined by geographic proximity.

2. The main countries by region are The United States in North America; Italy, Czech and Russia in Europe; Thailand, China and Indonesia in Asia.

	North America	Europe	Asia	Other	Total
I Overseas sales	7,881	3,613	10,026	507	22,029
II Consolidated sales					65,097
III Ratio of overseas sales to consolidated sales (%)	12.1	5.6	15.4	0.8	33.8

Notes 1. Regional divisions are determined by proximity.

2. The main countries by region are The United States in North America; Belgium, France, England, Italy, Czech and Germany in Europe; India, Thailand, China and Indonesia in Asia; and Africa and South America in others.

3. Overseas sales are the sales made in countries or area other than Japan.

②FY2010 (from April 2010 to March 31, 2011)

(i) General information about reportable segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the board or officers meeting to make decision about resource allocation and to assess their performance.

Businesses of the Group is manufacturing and selling of heat exchangers for Automobile Industry and others. We have local corporations in The United States, Europe (Italy, Czech, Russia), Asia (Thailand, Indonesia) and China other than domestic operation which is operated by us. Each corporation has independent business unites which operate business activities by producing main sell products in the area.

Therefore, Our Group consists of Our Company and local corporations which is based on the structure of manufacturing and selling, so 「Japan」, 「The United States」, 「Europe」, 「Asia」, and 「China」 are our five reportable segments.

In each reportable segment manufactures and sells heat exchangers for Automobile, Construction and Industrial Machines and Air Conditioners.

(ii) Calculation method of sales, profits or losses, and assets by reportable segment

The accounting method for the reportable segments is the same as basis of preparation for the consolidated financial statements. The segment profits or losses are based on operating income or loss. Inter-segment sales are based on the prevailing market prices. The segment assets are based on total asset.

(iii) Sales, profit or losses, and assets by reportable segments.

The year ended March 31, 2011(from April 1, 2010 to March 31, 2011) (Amount: million yen)

	Japan	North America	Europe	Asia	China	Total	Others	Consolidated
Net Sales:								
(1) Outside customers sales	57,798	8,031	4,216	6,976	5,465	82,488	988	83,437
(2) Inter-segment sales	3,621	42	213	136	32	4,046	2,881	6,928
Total	61,419	8,073	4,430	7,113	5,498	86,535	3,829	90,365
Segment profit or loss	2,897	400	△345	746	860	4,558	209	4,768
Segment assets	56,667	3,839	4,618	3,646	4,004	72,776	2,377	75,154
Other items								
Depreciation	2,858	304	334	440	137	4,075	62	4,137
Investment amount for equity-method affiliate	876	—	—	—	—	876	—	876
Increase of Tangible fix assets and Intangible fix assets	2,384	105	43	310	49	2,893	44	2,938

(Amount: million yen)

(Supplementary Information)

Sales (Consolidated)

(Millions of yen)

Application	March 31, 2011		March 31, 2010		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
For Automobile	39,016	46.8	35,402	54.4	3,613	10.2
For Air Conditioner	11,273	13.5	9,455	14.5	1,818	19.2
For Construction & Industrial Machine	28,401	34.0	16,389	25.2	12,011	73.3
Others	4,746	5.7	3,851	5.9	895	23.2
Total	83,437	100.0	65,097	100.0	18,399	28.2

Notes: All amounts less than one million yen have been disregarded.

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	Year Ended March 31. 2010		Year Ended March 31. 2011		Increase / Decrease	
	Amount	%	Amount	%	Amount	%
(Asset)						
Current Assets						
Cash and bank deposits	1,989		2,214		225	11.3
Note receivable, trade	560		621		61	10.9
Accounts receivable, trade	14,259		15,510		1,251	8.8
Marketable securities	1,793		1,305		△488	△27.2
Finished Goods	994		1,407		413	41.5
Work in process	140		315		175	125.0
Raw Materials and Supplies	923		1,005		82	8.9
Prepaid expense	99		74		△25	△25.3
Deferred Tax Assets	1,040		1,318		278	26.7
Short-term loans receivable from subsidiaries and affiliates	347		67		△280	△80.7
Accounts receivable, others	1,638		1,892		254	15.5
Other current assets	13		13		0	0.0
Allowance for doubtful accounts	△7		△3		4	57.1
Total Current Assets	23,793	46.8	25,742	50.2	1,949	8.2
Fixed assets						
Tangible fixed asset						
Buildings	10,398		10,460		62	0.6
Accumulated depreciation	△6,833		△7,125		△292	△4.3
Buildings ,net	3,565		3,335		△230	△6.5
Structures	1,254		1,267		13	1.0
Accumulated depreciation	△976		△1,010		△34	△3.5
Structures ,net	277		256		△21	7.6
Machinery and equipment	19,704		19,845		141	0.7
Accumulated depreciation	△15,548		△15,975		△427	△2.7
Machinery and equipment ,net	4,156		3,870		△286	△6.9
Vehicles	121		118		△3	△2.5
Accumulated depreciation	△106		△102		4	3.8
Vehicles ,net	14		15		1	7.1
Tools, Fixtures, and furniture	18,071		18,407		336	1.9
Accumulated depreciation	△17,021		△17,484		△463	△2.7
Tools, Fixtures, and furniture ,net	1,049		923		△126	12.1
Land	1,093		1,098		5	0.5
Lease assets	1,745		1,772		27	1.5
Accumulated depreciation	△658		△960		△302	△45.9
Lease assets ,net	1,087		811		△276	△25.4
Construction in progress	181		129		△52	△28.7
Other tangible fixed assets	2		2		0	0.0
Total Fixed assets	11,427	22.5	10,442	20.4	△985	△8.6

(Millions of yen)

	Year Ended March 31. 2010		Year Ended March 31. 2011		Increase / Decrease	
	Amount	%	Amount	%	Amount	%
Intangible fixed assets						
Software	181		344		163	90.0
Lease assets	0		0		0	0.0
Other intangible fixed assets	292		405		113	38.7
Total Intangible fixed assets						
Investments and Other Assets						
Investment securities	6,863		6,562		△301	4.4
Stock of affiliates	3,728		3,279		1	0.02
Investments to affiliates	4,602		4,854		252	5.5
Long-term loans	0		0		0	0.0
Long-term Loans for employees	6		4		△2	△33.3
Long-term prepaid expenses	32		22		△10	△31.3
Insurance reserve fund	107		167		60	56.1
Others	261		256		△5	△1.9
Allowance for doubtful accounts	△43		△43		0	0.0
Allowance for investment losses	△374		△760		△386	103.2
Total Intangible fixed assets	15,485	30.4	14,343	28.0	△1,142	△7.5
Total Fixed assets	27,087	53.2	25,536	49.8	△1,551	△5.7
Total Assets	50,881	100.0	51,278	100.0	397	0.8

(Millions of yen)

	Year Ended March 31, 2010		Year Ended March 31, 2011		Increase / Decrease	
	Amount	%	Amount	%	Amount	%
(Liabilities)						
Current liabilities						
Notes payable, trade	203		101		△102	△50.2
Accounts payable, trade	8,052		8,198		146	1.8
Short-term loans	7,701		3,576		△4,125	△53.6
Lease obligations	302		283		△19	△6.3
Accounts payable, others	483		458		△25	△5.2
Income taxes payable	31		80		49	158.1
Accrued consumption taxes	233		195		△38	△16.3
Accrued expense	1,122		1,377		255	22.7
Advance received	4		9		5	125.0
Deposits received-current	58		56		△2	△3.4
Accrued bonuses to employees	858		1,332		474	55.2
Accrued bonuses to directors	1		74		73	7300.0
Reserve for product warranty	64		91		27	42.2
Notes payable for construction expenditure	128		128		0	0.0
Others	24		4		△20	△83.3
Total Current liabilities	19,270	70.0	15,967	69.5	△3,303	△17.1
Long-term liabilities						
Bonds with share warrant	4,053		1,248		△2,805	△69.2
Long-term debt	1,938		3,512		1,574	81.2
Lease obligations	806		546		△260	△32.2
Deferred tax liabilities	1,269		1,541		272	21.4
Accrued retirement benefits for directors and corporate auditors	125		10		△115	△92.0
Asset retirement obligation	—		63		63	—
Others	76		76		0	0.0
Total Long-term liabilities	8,269	70.0	6,999	69.5	△1,270	15.4
Total liabilities	27,540	100.0	22,966	100.0	△4,574	△16.6

	Year Ended March 31, 2010		Year Ended March 31, 2011		Increase / Decrease	
	Amount	%	Amount	%	Amount	%
(Net Assets)						
Shareholders' Equity						
Common stock	7,245		8,295		1,050	14.5
Capital surplus						
Capital reserve	5,905		7,033		1,128	19.1
Other capital reserve	171		167		△4	△2.3
Total Capital surplus	6,077	11.9	7,200	14.0	1,123	18.5
Retained earnings						
Legal reserve	1,097		1,097		0	0.0
Other retained earnings	9,724		11,453		1,729	17.8
Total Retained earnings	10,821		12,551		1,730	16.0
Treasury stock	△1,120		△394		726	65.0
Total Shareholders' Equity	23,024		27,653		4,629	20.1
Valuation and translation adjustments						
Unrealized holding gain on securities	179		512		333	186.0
Deferred gain/loss on hedge activities	△8		—		△8	—
Total Valuation and translation adjustments	170		512		342	201.2
Share warrant	144		145		1	6.9
Total Net Assets	23,340		28,312		4,972	21.3
Total Liabilities and Net Assets	50,881	100.0	51,278	100.0	397	0.8

Note: All amounts less than one million yen have been disregarded,

(2) Non-Consolidated Statements of Income

(Millions of yen)

	Year Ended March 31, 2010		Year Ended March 31, 2011		Increase / Decrease	
	Amount	%	Amount	%	Amount	%
Net sales	47,431		61,419		13,988	29.5
Cost of sales						
Beginning finished goods	1,999		878		△1,121	56.1
Cost of products manufactured	40,783		51,617		10,834	26.6
Purchase of finished goods	784		720		△64	8.2
Transfer from other account	711		514		△197	27.7
Total	44,278		53,729		9,451	21.3
Ending finished goods	120		286		166	138.3
Finished goods transfer to other account	878		1,222		344	39.2
Cost of product sales	43,279		52,221		8,942	20.7
Gross income	4,152		9,197		5,045	121.5
Total Selling, general and administrative expense	4,967		6,302		1,335	26.9
Operating income	△814		2,895		3,709	455.7
Non-operating income						
Interest and dividend income	687		722		35	5.1
Others	334		228		△106	31.7
Total Non-operating income	1,024		953		△71	△6.9
Non-operating expense						
Interest expense	138		92		△46	△33.3
Losses on devaluation of marketable securities	270		75		△195	△72.2
Exchange losses	15		107		92	613.3
Others	397		247		△150	37.8
Total Non-operating expense	825		525		△300	△36.4
Ordinary income	△614		3,323		3937	641.2
Extraordinary income						
Gains from sales of fixed assets	8		59		51	637.5
Others	17		3		△14	△82.4
Total Extraordinary income	26		63		37	142.3
Extraordinary Loss						
Disposal losses of fixed assets	74		107		33	44.6
Provision of allowance for investment loss	374		760		386	103.2
Losses on devaluation of stocks of affiliates	202		451		249	123.3
Impairment loss	99		18		△81	△81.8
Loss on adjustment for charges of accounting standard for asset retirement obligation	—		66		66	
Others	0		0		0	0.0
Total Extraordinary Loss	751		1,405		654	87.1
Income before income taxes	△1,340		1,981		3,321	247.8
Corporate, resident and business taxes	90		59		△31	34.4
Adjustment for corporate and other taxes	△1,038		△234		△804	△77.5
Net income	△391		2,156		2,547	651.4

Note: All amounts less than one million yen have been disregarded,

(3) Non-Consolidated Statements of Net Assets

(Millions of yen)

	Shareholders' Equity								
	Common stock	Capital Surplus			Retained Earnings			Treasury stock	Total Shareholders Equity
		Additional paid-in capital	Other capital surplus	Total capital surplus	Legal reserve	Other retained earnings	Total retained earnings		
As of March 31, 2010	7,245	5,905	171	6,077	1,097	9,724	10,821	△1,120	23,024
Change of the period									
Issuance of new shares	1,050	1,127		1,127					2,177
Dividends						△427	△427		△427
Net income						2,156	2,156		2,156
Acquisition of treasury stock								△3	△3
Dispose of treasury stock			△4	△4				729	725
Change of accounts other than Shareholders' Equity (Net)									
Total change of the period	1,050	1,127	△4	1,123	—	1,729	1,729	725	4,628
As of March 31, 2011	8,295	7,033	167	7,200	1,097	11,453	12,551	△394	27,653

(Millions of yen)

	Valuation and translation adjustment			Share warrant	Total Net Assets
	Unrealized holding gain on securities	Deferred gain/loss on hedge activities	Total valuation and translation adjustments		
As of March 31, 2010	179	△8	170	144	23,340
Change of the period					
Issuance of new shares					2,177
Dividends					△427
Net income					2,156
Acquisition of treasury stock					△3
Dispose of treasury stock					725
Change of accounts other than Shareholders' Equity (Net)	333	8	341	1	343
Total change of the period	333	8	341	1	4,971
As of March 31, 2011	512	—	512	145	28,312

Note: All amounts less than one million yen have been disregarded,