May 13, 2010

Consolidated Financial Results for the Fiscal 2009

Name: **Tokyo Rope Manufacturing Co., Ltd.**
Listing: **Tokyo Stock Exchange, Osaka Securities Exchange**
Stock code number: **5981**
URL: **http://www.tokyorope.co.jp**
Representative: **Shigeto Tanaka, President**
Contact: **Kazunori Sato, Executive Officer & General Manager, General Affairs Dept.**
Phone: **+81-3-6366-7777**
Annual Meeting of Shareholders: **June 29, 2010**
Date of issue of Financial Report: **June 29, 2010**
Start of cash dividend payments: **June 11 2010**

1. Fiscal 2009 (April 1, 2009–March 31, 2010)

(1) Results of Operations

(Millions of yen, except per share data, rounded down; percentage figures denote year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
		(% change from previous year)		(% change)		(% change)		(% change)
Fiscal 2009	¥72,138	–9.6%	¥2,256	–29.3%	¥1,623	–30.8%	¥ 425	—
Fiscal 2008	79,759	+1.7	3,191	–21.4	2,344	–29.8	–176	—

	Net income per share	Net income per share (fully diluted)	ROE	Ordinary income/ total assets	Operating income/ net sales
	(Yen)	(Yen)	(%)	(%)	(%)
Fiscal 2009	¥ 2.91	¥2.90	1.1%	1.6%	3.1%
Fiscal 2008	–1.19	—	–0.4	2.2	4.0

Note: Gain/loss on investments based on equity method
Fiscal 2009: ¥–52 million
Fiscal 2008: ¥6 million

(2) Financial Position

(Millions of yen, except per share data, rounded down)

	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
Fiscal 2009	¥103,538	¥42,919	39.0%	¥276.00
Fiscal 2008	104,877	42,125	37.8	271.66

Note: Equity capital at year-end
Fiscal 2009: ¥40,394 million
Fiscal 2008: ¥39,694 million

(3) Cash Flows

(Millions of yen, rounded down)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
Fiscal 2009	¥2,154	¥–1,929	¥–352	¥1,645
Fiscal 2008	3,669	–3,698	53	1,756

2. Cash Dividends

(Cut-off date)	Cash dividends per share (Yen) 1st quarter	2nd quarter	3rd quarter	Year-end	Full year	Total dividends paid (full year) (Millions of yen)	Payout ratio (consolidated)	Dividends paid/ Net assets (consolidated) (%)
Fiscal 2008	¥—	¥0.00	¥—	¥2.50	¥2.50	¥365	—	0.9%
Fiscal 2009	—	0.00	—	2.50	2.50	365	85.9%	0.9
Fiscal 2010 (est.)	—	—	—	—	—		—	

Note: At present, the cash dividend forecast for fiscal 2010 is undecided.

3. Forecast for Fiscal 2010 (April 1, 2010–March 31, 2011)

(Millions of yen, rounded down; percentage figures denote year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
First 2 quarters	—	—	—	—	—	—	—	—	—
Full year	¥74,000	2.6%	¥3,000	33.0%	¥2,600	60.2%	¥1,200	182.2%	¥8.20

Note: Forecasts for the first two quarters are undetermined due to difficulty in making calculations at this time, and so are not included in the above table. For reasons, please refer to the "(1) Consolidated Business Results" section of this report.

4. Other

(1) Important changes in scope of consolidation during period: No

(2) Changes in accounting principles, procedures, disclosure methods, etc., pertaining to preparation of consolidated financial statements (changes to major basic items for preparing quarterly financial reports)
1. Changes associated with changes in accounting standards: Yes
2. Other changes: No

(3) Shares outstanding (common stock) at year-end
1. Number of shares outstanding (including treasury stock)
Fiscal 2009: 162,682,420
Fiscal 2008: 162,682,420
2. Number of treasury shares outstanding
Fiscal 2009: 16,325,627
Fiscal 2008: 16,561,889

(Reference) Summary of Non-Consolidated Financial Results

1. Financial Results for Fiscal 2009 (April 1, 2009–March 31, 2010)

(1) Results of Operations

(Millions of yen, except per share data, rounded down; percentage figures denote year-on-year change)

	Net sales	(% change)	Operating income	(% change)	Ordinary income	(% change)	Net income	(% change)
Fiscal 2009	¥48,020	–13.0%	¥ 872	–69.9%	¥ 711	–73.8%	¥659	44.5%
Fiscal 2008	55,202	+6.0	2,901	–8.5	2,712	–6.6	456	–90.4

	Net income per share (Yen)	Net income per share (fully diluted) (Yen)
Fiscal 2009	¥4.51	¥4.50
Fiscal 2008	3.07	3.07

(2) Financial Position

(Millions of yen, except per share data, rounded down)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (Yen)
Fiscal 2009	¥91,355	¥40,056	43.8%	¥273.69
Fiscal 2008	92,280	39,231	42.5	268.49

Note: Equity capital at year-end
Fiscal 2009: ¥40,056 million
Fiscal 2008: ¥39,231 million

Appropriate use of business forecasts; other special items

1. The above estimates are based on information available to the Company on the date of this report's announcement. Due to unforeseen circumstances, however, actual results may differ from such estimates.
2. With respect to the cash dividends for fiscal 2010, the Company hopes to propose forecasts while closely watching forward trends, and plans to swiftly disclose its dividend forecast as soon as such disclosure becomes possible.

1. Performance and Financial Position

(1) Consolidated Business Results

1) Fiscal 2009 Results

In fiscal 2009, ended March 31, 2010, growth in China and other emerging countries and stimulus measures by various governments helped the world economy stage a moderate recovery from the sudden economic recession sparked by the financial crisis in the autumn of 2008. In Japan, however, economic conditions remained challenging amid a strong Japanese yen, lackluster capital investment, and no strong signs of improvement in the employment situation. This was despite an increase in external demand centered on emerging countries and signs of a turnaround in consumption owing to economic stimulus measures.

Facing these conditions, the Tokyo Rope Group worked hard to improve earnings in each of its business areas. Despite such efforts, languishing demand in the Wire Rope & Steel Cord segment had a significant impact on the Group's overall performance. As a result, consolidated net sales for the year amounted to ¥72,138 million, down 9.6% from the previous year.

Due to the impact of the decline in sales in the Wire Rope & Steel Cord segment, operating income declined 29.3%, to ¥2,256 million, and ordinary income fell 30.8%, to ¥1,623 million. Although the Group recorded an ordinary loss of ¥524 million in the first quarter, the second quarter saw a return to profitability with ordinary income of ¥199 million. This trend continued in the third and fourth quarters, with ordinary income of ¥831 million and ¥1,117 million, respectively.

During the year, the Group posted a gain on the sale of investment securities and an extraordinary loss of ¥1,597 million on the sale of the former factory site in Kokura. As a result, net income amounted to ¥425 million, compared with a net loss of ¥176 million in the previous year.

Our results by business segment were as follows:

Wire Rope & Steel Cord

In the wire rope category, the ongoing effects of the economic recession resulted in sluggish demand for rope, primarily in the construction machinery and civil engineering sectors. Sales volumes of wire for submarine cables were down on the previous year due to the deferment of projects.

In the steel cord category, domestic sales dropped considerably year-on-year, due mainly to the ongoing slump in demand for tire cord used in truck and bus tires. This was despite signs of recovery in domestic demand in the second half of the period for tire cord used for the reinforcement of passenger vehicle tires. Although we anticipated an increase in orders for saw wire, actual orders remained largely unchanged from the previous year. This stemmed from a downturn in the European market, which had a negative impact on Japanese manufacturers and led to diminished demand for saw wire in Japan as well.

By contrast, orders for both tire cord and saw wire received by Tokyo Rope (Changzhou) Co., Ltd., a subsidiary in China, increased steadily.

As a result, total sales in the Wire Rope & Steel Cord segment amounted to ¥39,585 million, down 13.4% from the previous year.

Product Development

In the industrial machinery category, sluggish capital investment resulted in a year-on-year fall in sales of wire saws, ultra-hard alloys, automatic weighing machines, and bagging machines. However, in the road safety equipment category, we recorded an increase in sales of noise barrier (acryl type) and other items.

Accordingly, total sales in the Product Development segment edged up 0.2%, to ¥23,434 million.

Real Estate

Sales in this segment remained mostly unchanged, falling 2.4%, to ¥1, 380 million.

Other

Sales of fiber rope and petroleum products both continued to suffer the effects of domestic economic stagnation. Consequently, total sales in the Other segment fell 16.2%, to ¥7,738 million.

2) Outlook for Fiscal 2010

The operating environment surrounding the Group is expected to remain challenging amid ongoing stagnation of the Japanese economy. Going forward, the performance of the Group is increasingly uncertain due to significant increases in the price of wire rod, a core material, from the beginning of fiscal 2009, as well as projections of subsequent quarterly price revisions.

Facing these challenges, the Tokyo Rope Group will work hard to address changes in the price of raw materials. At the same time, we will steadily implement our new medium-term business plan, entitled "Quest for Total Cable

Technology (TCT-I)," covering the two-year period from April 2010 to March 2012. Through these initiatives, we will strive to improve our business performance and build a solid foundation that will serve as a platform for renewed progress.

The rising price of wire rod and the difficulty in estimating its effect on product prices make it difficult to forecast results for the coming fiscal year. The Group's consolidated forecasts for fiscal 2010 are net sales of ¥74.0 billion, ordinary income of ¥2.6 billion, and net income of ¥1.2 billion. Forecasts for the first two quarters of fiscal 2010 have are undecided.

New performance forecasts will be disclosed as soon as possible. We intend to announce forecasts for the first two-quarter period when the first quarter results are released, and to revise full-year forecasts as necessary.

(2) Financial Position

1) Assets, Liabilities and Net Assets

At March 31, 2010, the Tokyo Rope Group had total assets of ¥103,538 million, down ¥1,339 million from a year earlier. This was mainly due to decreases in inventories and property, plant, and equipment.

Total liabilities declined ¥2,132 million, to ¥60,619 million, due mainly to a decrease in notes and accounts payable.

Net assets increased ¥793 million, to ¥42,919 million. Contributing factors included a decrease in unrealized losses on securities owing to rising share prices, and the posting of net income for the year under review.

2) Cash Flows

At March 31, 2010, cash and cash equivalents totaled ¥1,645 million, down ¥110 million from a year earlier.

For the year, net cash provided by operating activities amounted to ¥2,154 million. Major factors included income before depreciation and a decrease in inventories. This was despite an increase in working capital stemming from an increase in notes and accounts receivable and a decrease in notes and accounts payable.

Net cash used in investing activities totaled ¥1,929 million, mainly due to purchases of property, plant, and equipment.

Net cash used in financing activities was ¥352 million, mainly reflecting the payment of cash dividends.

(Reference) Cash Flow Indicators

	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009
Equity ratio (%)	42.3	43.3	40.0	37.8	39.0
Equity ratio based on market price (%)	44.8	33.4	23.9	31.5	36.6
Debt coverage (years)	3.3	2.4	5.2	6.5	11.3
Interest coverage ratio (times)	13.8	16.0	8.1	5.6	3.3

Notes:
Equity ratio: Equity capital/Total assets
Equity ratio based on market price: Total stock value based on market price/Total assets
Debt coverage: Interest-bearing debt/Operating cash flow
Interest coverage ratio: Operating cash flow/Interest paid

1. Each index is calculated based on consolidated financial figures.
2. Market value of total stock is calculated by multiplying the stock price (closing price at the end of the year) by the number of shares outstanding at the end of the year.
3. Operating cash flow is calculated using net cash provided by operating activities (listed in the Consolidated Statements of Cash Flows).
4. Interest-bearing debt refers to liabilities listed in the Consolidated Balance Sheets that incur interest.

(3) Profit Appropriation Policy; Cash Dividends

With respect to returning profits to shareholders, the Tokyo Rope Group's basic policy is to appropriate earnings according to its consolidated financial performance. At the same time, we seek to secure funds for stable dividend payments and retain sufficient earnings to prepare for medium- and long-term changes in the business environment. Retained earnings are used to advance new businesses, develop new products, build production and sales systems in Japan and overseas, and undertake share buybacks—which in turn helps secure future profits for shareholders.

The Company plans to pay a year-end cash dividend of ¥2.50 per share.

In fiscal 2010, we intend to comply with the aforementioned dividend policy. At this stage, however, we have not yet made a numerical determination. The dividend amount will be decided after extensive consideration of the Company's performance and financial position going forward.

(4) Business Risks

A summary of the various risks that could affect the Group's financial position and business performance is given below. Forward-looking statements included in the summary below are based on the Group's judgments as of March 31, 2010.

1) Economic Trends

Economic conditions worldwide and in Japan can potentially affect the activity levels of key sectors, including the tire and construction industries, which represent the main sources of demand for the Group. This could have a negative impact on the Group's business performance.

2) Availability and Fluctuating Prices of Raw Materials

The Group makes regular purchases of key raw materials, namely wire rod, zinc, and fiber core. If the availability of such materials is restricted due to worldwide supply-demand pressures, however, the activity levels of the Group could decline as a consequence. In addition, rising prices of steel, caused by surging prices of iron ore and coal, could have a negative impact on the Groups' business performance.

3) Overseas Operational Factors

Outside of Japan, the Group has business operations in China and Vietnam. If those countries experience political and/or economic turmoil, social unrest resulting from the spread of disease or terrorism, or legal constraints, the Group's business activities could be restricted as a consequence.

4) Natural Disasters and Accidents

The advent of earthquakes, fires, and other large-scale disasters, as well as equipment-related accidents, could impede the Group's production activities and incur substantial restoration expenses. The Group's financial position and business performance could be affected as a consequence.

5) Falling Share Prices

The Group holds shares in some business partners in the interests of pursuing common medium- and long-term business strategies. If the market values of those shares decline, the Group may need to incur devaluation losses. Moreover, Company's pension assets may decline and its retirement benefits expenses may increase as a result of declines in share prices.

2. Business Policies

The Tokyo Rope Group has formulated a new medium-term business plan, entitled "Quest for Total Cable Technology (TCT-I)," Phase I of which covers the two-year period from April 2010 to March 2012. Reflecting the Group's medium- and long-term vision, the aim of the plan is to achieve sustainable growth and maximize corporate value. To this end, the Group will channel business resources into various growth fields, including solar power generation, petroleum and mining development, and infrastructure development in emerging countries. At the same time, in Japan we will implement drastic measures to raise cost competitiveness.

(1) Overview of Plan

Performance Indicators (Consolidated)

	Step Up 8-7 (FY2007-2009 average)	FY2009 (result)	TCT-I (FY2011 target)
Net sales	¥78.7 billion	¥72.1 billion	¥80 billion
Ordinary income ratio	3%	2%	7% or higher
Overseas sales ratio	7%	10%	20-30%

Business Resource Allocation Plan

	Step Up 8-7 (FY2007-2009)	TCT-I (FY2010-2011)
Capital expenditure plan, including overseas investments	¥9.0 billion (3 years) (¥3.0 billion/year)	¥14.0 billion (2 years) (¥7.0 billion/year)
R&D expenses	¥0.6 billion/year	¥1 billion/year

(2) New Vision: Quest for Total Cable Technology

In recent years, customers have demanded higher material strength, as well as lighter and longer materials with longer lifespans made possible through hybridization. At the same time, their needs have become increasingly diverse and sophisticated as they demand greater safety and lower costs through application of diagnostic technologies.

The Tokyo Rope Group has acquired a wealth of technologies from its provision of its broad product lineup of wire, wire rope, and fiber rope, and their derivatives used in engineering to every industry in Japan. Our development activities include software for diagnostic technologies, as well as technologies for developing carbon fiber and other materials.

The Tokyo Rope Group has embarked upon a new growth phase by leveraging its position as a globally competitive and unique supplier with a diverse range of cable solutions.

(3) Specific Initiatives

1) Cultivating Growth Markets

The Tokyo Rope Group will advance its activities in growth markets by maximizing the diversity (materials, size, application) and depth (cables, terminals, soundness diagnostic technology of wire rope/cable, production machinery, engineering) of its product lineup.

Specifically, we will supply saw wire and wire saws for photovoltaic cell manufacturers and materials for petroleum and mining development projects. We will focus on the Group's carbon fiber business, engineering products used for infrastructure development in CIS countries, and on our diagnostic and measurement businesses of wire rope/cable.

2) Expansion of Overseas Business to Improve Earnings Power

During the period of the previous medium-term business plan, the Group boosted its activities and established and expanded production facilities overseas, primarily in emerging markets. These efforts concentrated on the steel cord, wire rope, and engineering categories.

We will continue to look at expanding overseas production sites in order to build an optimum supply network for growth markets around the world. Through these initiatives, we will increase the percentage of earnings generated in overseas markets. Whereas in fiscal 2009 around 10% of the Company's sales was generated overseas, we project this to increase to between 20% and 30% in fiscal 2011.

3) Development of New Products and Production Methods

Guided by the concept of Total Cable Technology, we will develop and boost sales both in Japan and overseas of new products and new production methods. Through these new additions to our lineup, we will help our customers reduce costs, enhance quality by reducing weight and increasing strength and lifespan, and raise safety levels.

4) Rigorous Cost-Cutting in Domestic Operations

Under the new medium-term plan, we will ensure stable earnings by all of the Group's plants in Japan. These domestic plants will serve as bases for the development and manufacture of high-value-added products. At the same time, they will respond flexibly to any gaps between demand and production capacity, and will reduce costs by making drastic improvements to productivity.

(4) Deployment of Business Resources

1) Capital Investment Plan (including overseas investment)

The Tokyo Rope Group will concentrate strategic investment overseas in order to expand its business and earnings and ensure the speedy cultivation of growth markets. During the two-year period of Phase I of the plan, we will invest a total of ¥14.0 billion.

2) R&D Expenditures

To achieve the goals of the Total Cable Technology plan, we will promote basic research and product development that comprehensively addresses customer needs. To this end, we will allocate ¥1.0 billion annually on R&D expenditures, up around 70% from the previous medium-term plan.

(5) Payout Ratio Target

Subject to achieving our profit targets, we intend to maintain a payout ratio of 30%, the same as for the previous medium-term plan.

The Tokyo Rope Group will work as one in order to realize its new medium-term plan, and thus build a springboard for further dramatic progress in fiscal 2012 and beyond. We will strive to be a Company that earns the trust of all stakeholders, including shareholders, customers, suppliers, and employees.

3. Consolidated Financial Statements

(1) Balance Sheets

(Millions of yen, rounded down)

	Fiscal 2008 (At March 31, 2009)	Fiscal 2009 (At March 31, 2010)
ASSETS		
Current assets		
Cash and bank deposits	¥ 1,775	¥ 1,665
Notes and accounts receivable	17,614	20,751
Commodities and products	6,093	4,638
Goods in process	5,242	4,160
Materials and supplies	3,359	3,103
Deferred tax assets	1,833	1,157
Other	3,966	4,770
Allowance for doubtful accounts	(114)	(71)
Total current assets	39,771	40,174
Fixed assets		
Property, plant and equipment		
Buildings and structures (net)	9,769	9,409
Machinery and vehicles (net)	15,618	15,044
Land	20,497	18,382
Trust assets (net)	8,435	8,181
Construction in progress	775	469
Other (net)	704	1,243
Total property, plant and equipment	55,799	52,731
Intangibles	793	722
Investments and other assets		
Investment securities	4,267	5,394
Deferred tax assets	1,230	1,608
Other	3,206	3,224
Allowance for doubtful accounts	(228)	(348)
Total investments and other assets	8,475	9,879
Total fixed assets	65,068	63,332
Deferred assets	38	30
Total assets	104,877	103,538

(Millions of yen, rounded down)

	Fiscal 2008 (At March 31, 2009)	Fiscal 2009 (At March 31, 2010)
LIABILITIES		
Current liabilities		
Notes and accounts payable	¥ 14,714	¥ 11,676
Short-term borrowings	14,352	22,300
Accrued expenses	1,857	2,814
Reserve for employees' bonuses	1,066	978
Other	1,895	1,965
Total current liabilities	33,886	39,737
Long-term liabilities		
Long-term loans	9,273	2,000
Deferred tax liabilities	122	81
Deferred tax liabilities due to revaluation	7,506	6,651
Reserve for employees' retirement bonuses	3,297	3,770
Reserve for directors' retirement bonuses	201	174
Long-term deposits in trust	6,880	6,544
Long-term advances received	719	411
Other	865	1,248
Total long-term liabilities	28,865	20,881
Total liabilities	62,751	60,619
NET ASSETS		
Shareholders' equity		
Common stock	15,074	15,074
Capital surplus	8,567	8,571
Retained earnings	8,424	9,732
Treasury stock	(3,087)	(3,052)
Total shareholders' equity	28,978	30,325
Valuation/translation adjustments		
Net unrealized gain/loss on securities	(444)	44
Deferred hedging gains or losses	(0)	—
Land revaluation difference	11,294	10,046
Translation adjustments	(133)	(22)
Total valuation/translation adjustments	10,715	10,068
Minority interests	2,431	2,524
Total net assets	42,125	42,919
Total liabilities and net assets	104,877	103,538

(2) Statements of Income

(Millions of yen, rounded down)

	Fiscal 2008 (April 1, 2008– March 31, 2009)	Fiscal 2009 (April 1, 2009– March 31, 2010)
Net sales	¥79,759	¥72,138
Cost of sales	66,633	60,019
Gross profit	13,126	12,119
Selling, general and administrative expenses	9,934	9,862
Operating income	3,191	2,256
Other income		
Interest income	45	26
Dividend income	146	120
Transfer from allowance for doubtful accounts	107	—
Other	244	301
Total other income	544	448
Other expenses		
Interest expense	666	654
Loss on disposal of fixed assets	173	—
Other	551	428
Total other expenses	1,391	1,082
Ordinary income	2,344	1,623
Extraordinary income		
Gain on sales of investment securities	—	565
Gain on sales of golf memberships	—	0
Compensation for relocation	73	—
Total extraordinary income	73	566
Extraordinary expenses		
Loss on sales of fixed assets	—	1,597
Impairment loss	309	—
Loss of valuation of inventories	97	—
Loss on sales of investment securities	188	1
Loss on valuation of investment securities	512	0
Loss on valuation of golf membership	3	0
Levies	78	—
Total extraordinary expenses	1,189	1,599
Income before income taxes	1,228	589
Income taxes	464	702
Income tax adjustment	1,045	(606)
Total income taxes	1,510	96
Minority interests in earnings (losses) of affiliates	(105)	68
Net income (loss)	(176)	425

(3) Statements of Changes in Shareholders' Equity

(Millions of yen, rounded down)

	Fiscal 2008 (April 1, 2008– March 31, 2009)	Fiscal 2009 (April 1, 2009– March 31, 2010)
Shareholders' equity		
Common stock		
Balance at end of previous term	¥15,074	¥15,074
Changes during term in review		
Total changes during term	—	—
Balance at end of term in review	15,074	15,074
Capital surplus		
Balance at end of previous term	8,566	8,567
Changes during term in review		
Disposal of treasury stock	(0)	4
Other	1	—
Total changes during term	1	4
Balance at end of term in review	8,567	8,571
Earned surplus		
Balance at end of previous term	8,948	8,424
Changes during term in review		
Distribution of earned surplus	(376)	(365)
Net income (loss)	(176)	425
Reversal of unrealized losses from land revaluation	188	1,248
Change in consolidation scope	(159)	—
Total changes during term	(524)	1,308
Balance at end of term in review	8,424	9,732
Treasury stock		
Balance at end of previous term	(2,317)	(3,087)
Changes during term in review		
Purchase of treasury stock	(787)	(33)
Disposal of treasury stock	18	68
Total changes during term	(769)	34
Balance at end of term in review	(3,087)	(3,052)
Total shareholders' equity		
Balance at end of previous term	30,271	28,978
Changes during term in review		
Distribution of earned surplus	(376)	(365)
Net income (loss)	(176)	425
Reversal of unrealized losses from land revaluation	188	1,248
Purchase of treasury stock	(787)	(33)
Disposal of treasury stock	17	72
Change in consolidation scope	(159)	—
Other	1	—
Total changes during term	(1,292)	1,346
Balance at end of term in review	28,978	30,325

(Millions of yen, rounded down)

	Fiscal 2008 (April 1, 2008– March 31, 2009)	Fiscal 2009 (April 1, 2009– March 31, 2010)
Valuation/translation gains or losses		
Net unrealized gains or losses on securities		
Balance at end of previous term	¥ 744	¥ (444)
Changes during term in review		
Changes during term not related to shareholders' equity (net)	(1,188)	489
Total changes during term	(1,188)	489
Balance at end of term in review	(444)	44
Deferred hedging gains or losses		
Balance at end of previous term	—	(0)
Changes during term in review		
Changes during term not related to shareholders' equity (net)	(0)	0
Total changes during term	(0)	0
Balance at end of term in review	(0)	—
Unrealized losses from land revaluation		
Balance at end of previous term	11,483	11,294
Changes during term in review		
Reversal of unrealized losses from land revaluation	(188)	(1,248)
Changes during term not related to shareholders' equity (net)	—	—
Total changes during term	(188)	(1,248)
Balance at end of term in review	11,294	10,046
Translation adjustments		
Balance at end of previous term	814	(133)
Changes during term in review		
Changes during term not related to shareholders' equity (net)	(948)	110
Total changes during term	(948)	110
Balance at end of term in review	(133)	(22)
Total valuation/translation gains or losses		
Balance at end of previous term	13,042	10,715
Changes during term in review		
Reversal of unrealized losses from land revaluation	(188)	(1,248)
Changes during term not related to shareholders' equity (net)	(2,137)	600
Total changes during term	(2,326)	(647)
Balance at end of term in review	10,715	10,068
Minority interests		
Balance at end of previous term	2,663	2,431
Changes during term in review		
Changes during term not related to shareholders' equity (net)	(231)	93
Total changes during term	(231)	93
Balance at end of term in review	2,431	2,524

	Fiscal 2008 (April 1, 2008– March 31, 2009)	Fiscal 2009 (April 1, 2009– March 31, 2010)
		(Millions of yen, rounded down)
Total net assets		
Balance at end of previous term	¥45,976	¥42,125
Changes during term in review		
Distribution of earned surplus	(376)	(365)
Net income (loss)	(176)	425
Reversal of unrealized losses from land revaluation	—	—
Purchase of treasury stock	(787)	(33)
Disposal of treasury stock	17	72
Change in consolidation scope	(159)	—
Other	1	—
Changes during term not related to shareholders’ equity (net)	(2,369)	694
Total changes during term	(3,850)	793
Balance at end of term in review	42,125	42,919

(4) Statements of Cash Flows

(Millions of yen, rounded down)

	Fiscal 2008 (April 1, 2008– March 31, 2009)	Fiscal 2009 (April 1, 2009– March 31, 2010)
Operating activities		
Income before income taxes	¥1,228	¥ 589
Depreciation	3,724	3,724
Impairment loss	309	—
Amortization of negative goodwill	(11)	(10)
Increase (decrease) in allowance for doubtful accounts	(64)	79
Increase (decrease) in reserve for employees' bonuses	(30)	(87)
Increase (decrease) in reserve for employees' retirement bonuses	512	473
Increase (decrease) in reserve for directors' retirement bonuses	38	33
(Gain) loss on sales of fixed assets	—	1,597
Loss of valuation of inventories	97	—
(Gain) loss on valuation of investment securities	512	0
Loss on valuation of golf membership	3	0
Levies	78	—
Interest expense	666	654
Interest and dividend income	(192)	(147)
Equity in (earning) losses of affiliates	(6)	52
(Gain) loss on sales investments securities	188	(564)
Subsidy revenue	—	10
(Increase) decrease in notes and accounts receivable	1,483	(3,407)
(Increase) decrease in inventories	(2,998)	2,825
Net (increase) decrease in other assets	(24)	(291)
Increase (decrease) in notes and accounts payable	(652)	(2,969)
Net increase (decrease) in accrued consumption tax	(165)	207
Net increase (decrease) in other liabilities	138	412
Subtotal	4,835	3,183
Interest and dividends received	192	148
Directors' retirement bonuses paid	(24)	(144)
Payment of levies	(72)	—
Interest paid	(653)	(661)
Income tax paid	(608)	(371)
Net cash provided by operating activities	3,669	2,154
Investing activities		
Purchases of investment securities	(494)	(1,454)
Proceeds from sales of investment securities	340	1,390
Payment for investments in affiliates	(40)	(360)
Loans extended	(81)	(187)
Proceeds from loans recovered	102	147
Purchases of property, plant and equipment	(3,056)	(2,339)
Proceeds from sales of property, plant and equipment	70	977
Other	(540)	(103)
Net cash used in investing activities	(3,698)	(1,929)

(Millions of yen, rounded down)

	Fiscal 2008 (April 1, 2008– March 31, 2009)	Fiscal 2009 (April 1, 2009– March 31, 2010)
Financing activities		
Net increase (decrease) in short-term borrowings	¥ 1,308	¥ 604
Proceeds from long-term borrowings	2,000	—
Repayment of long-term borrowings	(2,103)	—
Repayment of construction support funds	—	(600)
Cash dividends paid	(378)	(365)
Purchase of treasury stock	(791)	38
Other	17	(29)
Net cash used in financing activities	53	(352)
Effect of exchange rate changes on cash and cash equivalents	(176)	15
Net increase (decrease) in cash and cash equivalents	(151)	(110)
Cash and cash equivalents at beginning of term	1,891	1,756
Increase in cash and cash equivalents due to new inclusions in consolidation	53	—
Decrease in cash and cash equivalents due to exclusions from consolidation	(37)	—
Cash and cash equivalents at end of term	1,756	1,645

Segment Information

1. Business Segment Information

Fiscal 2008 (April 1, 2008–March 31, 2009)

(Millions of yen)

	Wire rope & steel cord	Product development	Real estate	Other	Total	Elimination/ corporate	Consolidation
1. Net sales and Operating income/losses							
Net sales							
(1) Sales to outside customers	¥45,709	¥23,396	¥1,414	¥9,239	¥79,759	¥ —	¥79,759
(2) Intersegment sales or transfers	133	355	—	1,413	1,903	(1,903)	—
Total	45,842	23,752	1,414	10,653	81,662	(1,903)	79,759
Operating expenses	44,540	23,185	597	10,148	78,471	(1,903)	76,568
Operating income	1,302	567	816	504	3,191	—	3,191
2. Assets, Depreciation, Impairment loss, and Capital participations:							
Assets	63,005	18,781	14,495	7,190	103,473	1,404	104,877
Depreciation	2,830	427	337	129	3,724	—	3,724
Impairment loss	252	56	—	0	309	—	309
Capital participations	2,808	414	3	145	3,372	—	3,372

Fiscal 2009 (April 1, 2009–March 31, 2010)

(Millions of yen)

	Wire rope & steel cord	Product development	Real estate	Other	Total	Elimination/ corporate	Consolidation
1. Net sales and Operating income/losses							
Net sales							
(1) Sales to outside customers	¥39,585	¥23,434	¥1,380	¥7,738	¥72,138	¥ —	¥72,138
(2) Intersegment sales or transfers	207	187	—	888	1,282	(1,282)	—
Total	39,792	23,622	1,380	8,626	73,421	(1,282)	72,138
Operating expenses	39,877	22,474	666	8,146	71,164	(1,282)	69,882
Operating income (loss)	(85)	1,147	714	480	2,256	—	2,256
2. Assets, Depreciation, Impairment loss, and Capital participations:							
Assets	61,680	18,125	14,254	7,855	101,915	1,622	103,538
Depreciation	2,849	402	340	132	3,724	—	3,724
Impairment loss	—	—	—	—	—	—	—
Capital participations	2,620	194	50	133	2,999	—	2,999

2. Segment Information by Business Location

(April 1, 2008–March 31, 2009)
Segment information by business location is omitted, as more than 90% of sales from all business segments are generated in Japan.

(April 1, 2009–March 31, 2010)
Segment information by business location is omitted, as more than 90% of sales from all business segments are generated in Japan.

3. Overseas Sales

(April 1, 2008–March 31, 2009)
Overseas sales information is omitted, as less than 10% of the Company’s sales are generated overseas.

(April 1, 2009–March 31, 2010)

	China	Other regions	Total
Overseas sales (¥ millions)	5,259	2,133	7,393
Consolidated net sales (¥ millions)	—	—	72,138
Ratio of overseas sales in net sales (%)	7.3	3.0	10.3

Notes: 1. Countries and regions are classified according to geographical proximity.
2. Main countries and regions in each segment
(1) Other regions: Thailand, Philippines, etc.
3. “Overseas sales” refers to sales of the Company and its consolidated subsidiaries in countries and regions outside of Japan.