U-SHIN LTD. and its Consolidated Subsidiaries

Consolidated Financial Statements

For the year ended November 30, 2012

Consolidated Balance Sheet

U-SHIN LTD. and consolidated subsidiaries

As of November 30, 2012

ASSETS	Millions of Yen 2012	Millions of Yen 2011	Thousands of U.S. dollars (Note 1) 2012
Current Assets			
Cash and cash equivalents (Note 12)	¥ 33,718	¥ 35,404	$ 410,599
Receivables			
Trade notes and accounts (Note 12)	15,363	16,143	187,084
Other	1,393	445	16,968
Allowance for doubtful accounts	(423)	(289)	(5,149)
Marketable securities (Notes 5, 12)	23	4,000	284
Inventories (Note 3)	9,106	7,774	110,886
Deferred tax assets (Note 9)	1,257	555	15,306
Prepaid expenses and other current assets	1,289	456	15,673
Total Current Assets	61,726	64,488	751,651
Property, Plant and Equipment			
Land	7,931	8,031	96,577
Buildings and structures	14,122	9,211	171,963
Machinery and equipment	17,559	16,843	213,820
Tools, furniture and fixtures	17,607	16,723	214,411
Construction in progress	3,142	728	38,260
Total	60,361	51,536	735,031
Accumulated depriciation	(35,265)	(32,606)	(429,427)
Net Property, Plant and Equipment	25,096	18,930	305,604
Investments and Other Assets			
Investment securities (Notes 5, 12)	6,607	5,715	80,451
Investments in unconsolidated subsidiaries and an associated company (Note 12)	252	252	3,067
Deferred tax assets (Note 9)	115	404	1,403
Other assets	3,391	1,901	41,302
Total Investment and Other Assets	10,365	8,272	126,223
Total	¥ 97,187	¥ 91,690	$ 1,183,478

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen 2012	Millions of Yen 2011	Thousands of U.S. dollars (Note 1) 2012
LIABILITIES			
Current Liabilities			
Payables			
Trade notes and accounts (Note 12)	¥ 5,620	¥ 5,215	$ 68,441
Other	9,149	6,011	111,416
Short-term bank loans (Notes 6, 12)	5,600	4,800	68,193
Current portion of long-term bonds (Notes 6, 12)	400	1,200	4,871
Current portion of long-term bank loans (Notes 6, 12)	7,392	4,872	90,010
Current portion of long-term lease obligations (Note 6)	748	25	9,106
Accrued expenses	1,545	1,337	18,817
Income tax payable	126	673	1,538
Deferred tax liabilities (Note 9)	6	1	70
Other current liabilities	1,504	341	18,313
Total Current Liabilities	32,090	24,475	390,775
Long-term Liabilities			
Long-term bonds (Notes 6, 12)	1,700	200	20,701
Long-term bank loans (Notes 6, 12)	30,065	32,657	366,116
Long-term lease obligations (Note 6)	651	685	7,928
Deferred tax liabilities (Note 9)	101	86	1,235
Liability for employees' retirement benefit (Note 7)	1,303	1,239	15,864
Other long-term liabilities	146	167	1,768
Total Long-term Liabilities	33,966	35,034	413,612
Total Liabilities	66,056	59,509	804,387
COMMITMENTS AND CONTINGENT LIABILITIES (Note 13)			
EQUITY (Note 8)			
Common Stock — authorized, 78,657,000 shares; issued, 31,995,502 shares in 2012 and 31,995,502 shares in 2011	12,016	12,016	146,328
Capital surplus	12,122	12,122	147,613
Retained earnings	9,230	11,157	112,400
Treasury stock — at cost, 986,794 shares in 2012 and 1,401,448 shares in 2011	(585)	(831)	(7,129)
Accumulated other comprehensive income:			
Unrealized gain on securities available-for-sale	683	166	8,320
Foreign currency translation adjustments	(2,363)	(2,476)	(28,780)
Total	31,103	32,154	378,752
Minority interests	28	27	339
Total Equity	31,131	32,181	379,091
Total	¥ 97,187	¥ 91,690	$ 1,183,478

See notes to consolidated financial statements.

Consolidated Statement of Operations

U-SHIN LTD. and consolidated subsidiaries

For the year ended November 30, 2012

	Millions of Yen		Thousands of U.S. dollars (Note 1)
	2012	2011	2012
Net sales	¥ 61,160	¥ 58,411	$ 744,769
Cost of goods sold	51,217	48,775	623,686
Gross profit	9,943	9,636	121,083
Selling, general and administrative expenses	7,324	5,819	89,193
Operating income	2,619	3,817	31,890
Other income (expenses)			
Interest and dividend income	183	188	2,229
Foreign exchange gain (loss)	513	(268)	6,247
Insurance income	-	503	-
Interest expenses	(638)	(562)	(7,765)
Commitment fee	(495)	(268)	(6,029)
Loss on sales of property, plant and equipment, Loss on disposal of property, plant and equipment	(42)	(69)	(510)
Impairment Loss (Note 4)	(902)	(416)	(10,986)
After-care of products	(2,654)	(115)	(32,318)
Other, net	(193)	254	(2,352)
Other expences - net	(4,228)	(753)	(51,484)
Income (loss) before income taxes and minority interests	(1,609)	3,064	(19,594)
Income taxes (Note 9)			
Current			
Current period	585	1,431	7,128
Previous periods	-	110	-
Deferred	(654)	(75)	(7,974)
Total income taxes	(69)	1,466	(846)
Net income (loss) before minority interests	(1,540)	1,598	(18,748)
Minority interests in net loss	(2)	(3)	(23)
Net income (loss)	¥ (1,538)	¥ 1,601	$ (18,725)

	Yen		U.S. dollars
Per Share of Common Stock:			
Basic net income (loss)	¥ (50.08)	¥ 52.32	$ (0.61)
Cash dividends applicable to the year	10.00	10.00	0.12

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income (Loss)

U-SHIN LTD. and consolidated subsidiaries

For the year ended November 30, 2012

	Millions of Yen		Thousands of U.S. dollars (Note 1)
	2012	2011	2012
Net income (loss) before minority interests	¥ (1,540)	¥ 1,598	$ (18,748)
Other comprehensive income (loss) (Note 14):			
Unrealized gain (loss) on securities available-for-sale	517	(93)	6,295
Foreign currency translation adjustments	116	(720)	1,408
Total other comprehensive income (loss)	633	(813)	7,703
Comprehensive income (loss)	¥ (907)	785	(11,045)
Total comprehensive income (loss) attributable to:			
Owners of the parent	¥ (908)	790	(11,052)
Minority interests	1	(5)	7

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

U-SHIN LTD. and consolidated subsidiaries

For the year ended November 30, 2012

	Thouosands	Millions of yen								
						Accumulated other comprehensive income				
	Number of Shares of Common Stock Outstanding	Common stock	Capital surplus	Retained earninigs	Treasury stock	Unrealized gain(loss) on available-for-sale securities	Foreign currency translation adjustments	Total	Minority interests	Total equity
Balance at November 30, 2010	30,594	¥ 12,016	¥ 12,122	¥ 9,801	¥ (831)	¥ 259	¥ (1,758)	¥ 31,609	¥ 30	¥ 31,639
Cash dividends, ¥8.00 per share	-	-	-	(245)	-	-	-	(245)	-	(245)
Net income	-	-	-	1,601	-	-	-	1,601	-	1,601
Purchase of treasury stock	(0)	-	-	-	(0)	-	-	(0)	-	(0)
Net changes other than shareholders' equity	-	-	-	-	-	(93)	(718)	(811)	(3)	(814)
Total changes during the year	(0)	-	-	1,356	(0)	(93)	(718)	545	(3)	542
Balance at November 30, 2011	30,594	12,016	12,122	11,157	(831)	166	(2,476)	32,154	27	32,181
Cash dividends, ¥11.00 per share	-	-	-	(336)	-	-	-	(336)	-	(336)
Net loss	-	-	-	(1,538)	-	-	-	(1,538)	-	(1,538)
Net changes of scope of consolidation	-	-	-	(7)	-	-	-	(7)	-	(7)
Loss on disposal of treasury stock	-	-	-	(46)	-	-	-	(46)	-	(46)
Purchase of treasury stock	(0)	-	-	-	(0)	-	-	(0)	-	(0)
Disposal of treasury stock	415	-	-	-	246	-	-	246	-	246
Net changes other than shareholders' equity	-	-	-	-	-	517	113	630	1	631
Total changes during the year	415	-	-	(1,927)	246	517	113	(1,051)	1	(1,050)
Balance at November 30, 2012	31,009	¥ 12,016	¥ 12,122	¥ 9,230	¥ (585)	¥ 683	¥ (2,363)	¥ 31,103	¥ 28	¥ 31,131

	Thousands of U.S. dollars (Note 1)								
					Accumulated other comprehensive income				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gain(loss) on available-for-sale securities	Foreign currency translation adjustments	Total	Minority interests	Total equity
Balance at November 30, 2011	$ 146,328	$ 147,613	$ 135,865	$ (10,123)	$ 2,024	$ (30,157)	$ 391,550	$ 332	$ 391,882
Cash dividends, $0.12 per share	-	-	(4,098)	-	-	-	(4,098)	-	(4,098)
Net loss	-	-	(18,725)	-	-	-	(18,725)	-	(18,725)
Net changes of scope of consolidation	-	-	(81)	-	-	-	(81)	-	(81)
Loss on disposal of treasury stock	-	-	(561)	-	-	-	(561)	-	(561)
Purchase of treasury stock	-	-	-	(2)	-	-	(2)	-	(2)
Disposal of treasury stock	-	-	-	2,996	-	-	2,996	-	2,996
Net changes other than stockholders' equity	-	-	-	-	6,296	1,377	7,673	7	7,680
Total changes during the year	-	-	(23,465)	2,994	6,296	1,377	(12,798)	7	(12,791)
Balance at November 30, 2012	$ 146,328	$ 147,613	$ 112,400	$ (7,129)	$ 8,320	$ (28,780)	$ 378,752	$ 339	$ 379,091

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

U-SHIN LTD. and consolidated subsidiaries

For the year ended November 30, 2012

	Millions of Yen		Thousands of U.S. dollars (Note 1)
	2012	2011	2012
Operating Activities			
Income (loss) before income taxes and minority interests	¥ (1,609)	¥ 3,064	$ (19,594)
Adjustments for:			
Income taxes paid	(1,602)	(2,132)	(19,509)
Depreciation and amortization	2,507	2,335	30,531
Impairment loss	902	416	10,986
Foreign exchange loss (gain)	(317)	195	(3,859)
Changes in assets and liabilities, net of effects:			
Decrease in trade notes and accounts receivable	895	259	10,900
Increase in inventories	(1,140)	(666)	(13,888)
Increase (decrease) in payables	3,006	(511)	36,610
Other, net	304	135	3,702
Net cash provided by operating activities	2,946	3,095	35,879
Investing Activities			
Purchases of property, plant and equipment	(8,706)	(7,133)	(106,013)
Purchases of intangible assets	(294)	(117)	(3,582)
Other, net	(577)	(467)	(7,029)
Net cash used in investing activities	(9,577)	(7,717)	(116,624)
Financing Activities			
Net increase in short-term bank loans	800	600	9,742
Proceeds from long-term bank loans	4,000	27,000	48,709
Repayment of long-term bank loans	(4,072)	(2,549)	(49,588)
Proceeds from issue of bonds	2,000	-	24,355
Redemption of bonds	(1,300)	(200)	(15,830)
Proceeds from sale and lease back	665	-	8,101
Pledged deposits accompanied with lease back	(593)	-	(7,225)
Dividends paid	(337)	(245)	(4,100)
Other, net	167	-	2,026
Net cash provided by financing activities	1,330	24,606	16,190
Foreign currency translation adjustments on cash and cash equivalents	(345)	(282)	(4,204)
Net increase (decrease) in cash and cash equivalents	(5,646)	19,702	(68,759)
Cash and cash equivalents at the beginning of year	39,404	19,702	479,840
Net decrease in cash and cash equivalents due to exclusion from scope of consolidation	(40)	-	(482)
Cash and cash equivalents at the end of year	¥ 33,718	¥ 39,404	$ 410,599

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

U-SHIN LTD. and consolidated subsidiaries
For the year ended November 30, 2012

1. Basis of Presentation of Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2011 consolidated financial statements to conform to the classifications used in 2012.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which U-SHIN LTD. (the “Company”) is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥82.12 to $1, the approximate rate of exchange at November 30, 2012. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. Summary of Significant Accounting Policies

a. Consolidation

The consolidated financial statements as of November 30, 2012 include the accounts of the Company and its 11 significant (11 in 2011) subsidiaries (together, the “Group”). Consolidation of the remaining subsidiaries would not have a material effect on the accompanying consolidated financial statements.

Under the control concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated.

Investments in the remaining subsidiaries and an associated company which are not consolidated or accounted for by the equity method are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is also eliminated.

(i) Consolidated subsidiaries
Number of consolidated subsidiaries: 11
SANWA SEISAKUSHO LTD.
TOKYO SOKUTEIKIZAI CO., LTD.
U-SHIN SHOWA LTD.
U-SHIN TRANSPORT LTD.
YAMATO SEIKO LTD.
YUHSHIN U.S.A. LIMITED.
U-SHIN MANUFACTURING (ZHONGSHAN) CO., LTD.
ORTECH MALAYSIA SDN. BHD.
U-SHIN (THAILAND) CO., LTD.
U-SHIN EUROPE LTD.
U-SHIN AUTOPARTS MEXICO, S.A. DE C.V.

(ii) Unconsolidated subsidiaries

The major unconsolidated subsidiary is U-SHIN MANUFACTURING (SUZHOU) CO., LTD.

Consolidation of the remaining subsidiaries would not have a material effect on the accompanying consolidated financial statements.

b. Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements

In May 2006, the Accounting Standards Board of Japan（the "ASBJ"）issued ASBJ Practical Issues Task Force (PITF) No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements." PITF No. 18 prescribes that the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements.

However, financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States of America tentatively may be used for the consolidation process, except for the following items which should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (1) amortization of goodwill; (2) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; (3) expensing capitalized development costs of R&D; (4) cancellation of the fair value model accounting for property, plant and equipment and investment properties and incorporation of the cost model accounting; and (5) exclusion of minority interests from net income, if contained in net income.

c. Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand, deposits with banks and financial institutions which are unrestricted as to withdrawal or use, and which mature or become due within three months of the date of acquisition.

d. Allowance for Doubtful Accounts

The allowance for doubtful accounts is stated in amounts considered to be appropriate based on the Group's past credit loss experience and an evaluation of potential losses in the receivables outstanding.

e. Inventories

Inventories are stated at the lower of cost, determined by the weighted-average cost method, or net selling value.

f. Property, Plant and Equipment

Property, plant and equipment are stayed at cost. Depreciation is computed by the declining-balance method while the straight-line method is applied to buildings, tools, furniture and fixtures (mold) except for attached facilities of buildings acquired after April 1, 1998. The range of useful lives is from 3 to 50 years for buildings and structures, from 2 to 12 years for machinery and equipment.

g. Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

h. Investment Securities

Investment securities are classified as available-for-sale securities and are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. The cost of securities sold is determined by the moving average method. Non-marketable securities are stated at cost determined by the moving average method. For other-than-temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

i. Employees' Retirement Benefits

The Company and certain domestic subsidiaries have severance lump-sum payment plans and defined contribution pension plans. Certain overseas subsidiaries have severance lump-sum payment plans and defined contribution plans. The liability for employees' retirement benefits is provided at an amount based on the projected benefit obligation at the balance sheet date. Unrecognized prior service cost is charged to income by the straight-line method over the 10 years which are within the average remaining years of service of the employees. An actuarial adjustment is charged to income by the straight-line method over the following 10 years which are within the average remaining years of service of the employees.

j. Income Taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted income tax rates to the temporary differences.

The Group files a tax return under the consolidated corporate-tax system, which allows companies to base tax payments on the combined profits or losses of the parent company and its wholly owned domestic subsidiaries.

k. Foreign Currency Transactions

All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of income.

l. Foreign Currency Financial Statements

The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation are shown as "Foreign currency translation adjustments" under accumulated other comprehensive income in a separate component of equity. Revenue and expense accounts of consolidated foreign subsidiaries are translated into yen at the average exchange rate.

m. Derivatives and Hedging Activities

The Group uses derivative financial instruments to manage its exposures to fluctuations in interest rates. Interest rate swaps are utilized by the Group to reduce interest rate risks. The Group does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments are classified and accounted for as follows: all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statement of income.

Interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements is recognized and included in interest expense.

n. Per Share Information

Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted net income per share of common stock assumes full conversion of the outstanding convertible notes and bonds at the beginning of the year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax and full exercise of outstanding warrants.

Diluted net income per share is not disclosed because no potential common shares exist.

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

o. Accounting Changes and Error Corrections

In December 2009, the ASBJ issued ASBJ Statement No. 24, “Accounting Standard for Accounting Changes and Error Corrections” and ASBJ Guidance No. 24, “Guidance on Accounting Standard for Accounting Changes and Error Corrections.”
Accounting treatments under this standard and guidance are as follows:
(a) Changes in accounting policies
When a new accounting policy is applied following revision of an accounting standard, the new policy is applied retrospectively unless the revised accounting standard includes specific transitional provisions, in which case the entity shall comply with the specific transitional provisions.
(b) Changes in presentation
When the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation.
(c) Changes in accounting estimates
A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.
(d) Corrections of prior-period errors
When an error in prior-period financial statements is discovered, those statements are restated.

p. New Accounting Pronouncements

Accounting Standard for Retirement Benefits - On May 17, 2012, the ASBJ issued ASBJ Statement No. 26, “Accounting Standard for Retirement Benefits” and ASBJ Guidance No. 25, “Guidance on Accounting Standard for Retirement Benefits,” which replaced the Accounting Standard for Retirement Benefits that had been issued by the Business Accounting Council in 1998 with an effective date of April 1, 2000, and the other related practical guidance, and followed by partial amendments from time to time through 2009.

(a) Treatment in the balance sheet
Under the current requirements, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are not recognized in the balance sheet, and the difference between retirement benefit obligations and plan assets (hereinafter, “deficit or surplus”), adjusted by such unrecognized amounts, is recognized as a liability or asset.
Under the revised accounting standard, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss shall be recognized within equity (accumulated other comprehensive income), after adjusting for tax effects, and any resulting deficit or surplus shall be recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits).

(b) Treatment in the statement of income and the statement of comprehensive income
The revised accounting standard does not change how to recognize actuarial gains and losses and past service costs in profit or loss.
Those amounts would be recognized in profit or loss over a certain period no longer than the expected average remaining working lives of the employees. However, actuarial gains and losses and past service costs that arose in the current period and have not yet been recognized in profit or loss shall be included in other comprehensive income and actuarial gains and losses and past service costs that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period shall be treated as reclassification adjustments.

(c) Amendments relating to the method of attributing expected benefit to periods and relating to the discount rate and expected future salary increases
The revised accounting standard also made certain amendments relating to the method of attributing expected benefit to periods and relating to the discount rate and expected future salary increases.

This accounting standard and the guidance for (a) and (b) above are effective for the end of annual periods beginning on or after April 1, 2013, and for (c) above are effective for the beginning of annual periods beginning on or after April 1, 2014, or for the beginning of annual periods beginning on or after April 1, 2015, subject to certain disclosure in March 2015, both with earlier application being permitted from the beginning of annual periods beginning on or after April 1, 2013. However, no retrospective application of this accounting standard to consolidated financial statements in prior periods is required.

The Company expects to apply the revised accounting standard from the end of the annual period beginning on December 1, 2013, and is in the process of measuring the effect of applying the revised accounting standard.

3. Inventories

Inventories as of November 30, 2012 and 2011, consisted of the following:

	Millions of Yen				Thousands of U.S. dollars	
	2012		2011		2012	
Finished products	¥	3,595	¥	2,956	$	43,777
Work in process		1,542		1,165		18,777
Raw material and supplies		3,969		3,653		48,332
Total	¥	9,106	¥	7,774	$	110,886

4. Long-Lived Assets

The Group reviewed its long-lived assets for impairment as of November 30, 2012. As a result, the Group recognized an impairment loss of ¥902 million ($10,986 thousand) as other expense for certain asset groups of Missouri, Kure and Kaita due to a continuous operating loss at those units and the carrying amounts of the relevant assets were written down to the recoverable amounts. The recoverable amount of Missouri asset group was measured at their value in use and the discount rate used for computation of the present value of future cash flows was zero. The recoverable amounts of the Kure and Kaita groups were measured at their net selling price.

The Group reviewed its long-lived assets for impairment as of November 30, 2011. As a result, the Group recognized an impairment loss of ¥416 million as other expense for certain asset groups of Missouri, Ohtawara and Higashihiroshima due to a continuous operating loss at those units and the carrying amounts of the relevant assets were written down to the recoverable amounts. The recoverable amount of Missouri and Ohtawara asset group was measured at their value in use and the discount rate used for computation of the present value of future cash flows was zero. The recoverable amounts of the Higashihiroshima group were measured at their net selling price.

5. Investments securities

The costs and aggregate fair values of investment securities as of November 30, 2012 and 2011, were as follows:

	Millions of Yen							
	2012							
	Cost		Unrealized gain		Unrealized loss		Carrying amount	
Securities classified as:								
Available-for-sale:								
Equity securities	¥	5,437	¥	1,495	¥	(441)	¥	6,491
Debt securities		-		-		-		-
Other		23		-		(0)		23
Total	¥	5,460	¥	1,495	¥	(441)	$	6,514

	Millions of Yen							
	2011							
	Cost		Unrealized gain		Unrealized loss		Carrying amount	
Securities classified as:								
Available-for-sale:								
Equity securities	¥	5,303	¥	985	¥	(708)	¥	5,580
Debt securities		-		-		-		-
Other		4,023		-		(1)		4,022
Total	¥	9,326	¥	985	¥	(709)	$	9,602

	Thousands of U.S.dollars			
	2012			
	Cost	Unrealized gain	Unrealized loss	Carrying amount
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 66,191	¥ 18,209	¥ (5,365)	$ 79,035
Debt securities	-	-	-	-
Other	287	-	(3)	284
Total	¥ 66,478	¥ 18,209	¥ (5,368)	$ 79,319

The impairment losses on available-for-sale equity securities for the year ended November 30, 2012, were ￥41 million.

6. Short-term Bank Loans, Long-term Debt and Lease Liabilities

(1)Short-term bank loans, long-term debt and lease liabilities

Short-term bank loans at November 30, 2012 and 2011, consisted of notes and bank overdrafts. The annual interest rates applicable to the short-term bank loans averaged 0.6% and 0.7% at November 30, 2012 and 2011, respectively.

Long-term debt as of November 30, 2012 and 2011, consisted of the following:

	Millions of Yen		Thousands of U.S. dollars
	2012	2011	2012
Long-term loans payable maturing through 2018 (Average interest rates were 1.5% and 1.5% at November 30, 2012 and 2011, respectively.)			
Unsecured loans	¥ 37,457	¥ 37,529	$ 456,126
Bonds	2,100	1,400	25,572
Lease obligations	1,399	710	17,034
Total	¥ 40,956	¥ 39,639	$ 498,732
Less current portion	(8,540)	(6,097)	(103,987)
Long-term debt, less current portion	¥ 32,416	¥ 33,542	$ 394,745

Annual maturities of long-term debt, excluding finance leases, at November 30, 2012, were as follows:

Year Ending November 30	Millions of Yen	Thousands of U.S. dollars
2013	¥ 7,792	$ 94,881
2014	5,868	71,462
2015	4,804	58,494
2016	10,793	131,435
2017	9,000	109,596
2018	1,300	15,830
Total	¥ 39,557	$ 481,698

Annual maturities of finance lease at November 30, 2012, were as follows:

Year Ending November 30	Millions of Yen	Thousands of U.S. dollars
2013	¥ 748	$ 9,106
2014	27	335
2015	624	7,593
Total	¥ 1,399	$ 17,034

(2) Loan Commitment

The Company has commitment line contracts with 18 banks for effective financing. The commitment amount, outstanding balance and available funds of these contracts as of November 30,2012 and 2011, were as follows:

	Millions of Yen		Thousands of U.S. dollars
	2012	2011	2012
Commitment line contract	¥ 28,000	¥ 8,000	$ 340,964
Actual loan balance	1,800	1,000	21,919
Available funds	¥ 26,200	¥ 7,000	$ 319,045

7. Liability for Employees' Retirement Benefits

The Company and certain domestic subsidiaries have severance lump-sum payment plans and defined contribution pension plans. Certain overseas subsidiaries have severance lump-sum payment plans and defined contribution plans. The liability for employees' retirement benefits is provided at an amount based on the projected benefit obligation at the balance sheet date. Unrecognized prior service cost is charged to income by the straight-line method over the 10 years which are within the average remaining years of service of the employees. An actuarial adjustment is charged to income by the straight-line method over the following 10 years which are within the average remaining years of service of the employees.

The liability for employees' retirement benefits at November 30, 2012 and 2011, consisted of the following:

	Millions of Yen		Thousands of U.S. dollars
	2012	2011	2012
Projected benefit obligations	¥ 1,400	¥ 1,397	$ 17,049
Unrecognized actuarial (gain) loss	(97)	(124)	(1,185)
Unrecognized prior service cost	-	(34)	-
Net liability	¥ 1,303	¥ 1,239	$ 15,864

The components of net periodic benefit costs are as follows:

	Millions of Yen		Thousands of U.S. dollars
	2012	2011	2012
Service cost	¥ 88	¥ 100	$ 1,069
Interest cost	26	25	309
Amortization of prior service cost	34	37	416
Recognized actuarial loss	33	30	403
Defined contribution plan's expenses	69	66	842
Net periodic benefit costs	¥ 250	¥ 258	$ 3,039

Assumptions used for the years ended November 30, 2012 and 2011, are set forth as follows:

	2012	2011
Period attribution method for retirement benefits forecasted amount	Straight-line	Straight-line
Discount rate	2.0%	2.0%
Recognized period of actuarial gain / loss	10 years	10 years
Amortization period of prior service cost	10 years	10 years

8. Equity

Japanese companies are subject to the Companies Act of Japan (the “Companies Act”). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(1) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. For companies that meet certain criteria including (1) having a Board of Directors, (2) having independent auditors, (3) having an Audit & Supervisory Board, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Company cannot do so because it does not meet all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (noncash assets) to shareholders subject to a certain limitation and additional requirements. Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company are so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than 3 million yen.

(2) Increases/decreases and transfer of common stock, reserve and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon the payment of such dividends, until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(3) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula.

Under the Companies Act, stock acquisition rights are presented as a separate component of equity.

The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

9. Income Tax

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in effective statutory tax rate of approximately 40.3 % for the years ended November 30, 2012 and 2011, are as follows:

	Millions of Yen		Thousands of U.S. dollars
	2012	2011	2012
Deferred tax assets:			
Allowance for retirement benefits	¥ 475	¥ 501	$ 5,781
Land	640	737	7,798
Impairment loss	682	428	8,308
After-care of products	822	94	10,007
Allowance for doubtful accounts	221	187	2,694
Inventories	213	341	2,591
Accured bonus	238	238	2,898
Other	524	472	6,373
Valuation allowance	(2,100)	(1,942)	(25,571)
Total	¥ 1,715	¥ 1,056	$ 20,879
Deferred tax liabilities:			
Unrealized gain on investments	¥ (372)	¥ (111)	$ (4,528)
Other	(78)	(73)	(947)
Total	¥ (450)	¥ (184)	$ (5,475)
Net deferred tax assets	¥ 1,265	¥ 872	$ 15,404

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of income for the years ended November 30, 2012 and 2011, is as follows:

	2012	2011
Statutory effective tax rate	- %	40.3 %
Valuation allowance	-	5.3
Difference of tax rate between Japan and overseas	-	3.4
Tax reduction of test and research cost	-	△ 3.4
Other, net	-	1.6
Income tax after adjusting tazx effect accounting	- %	47.2 %

The reconciliation of significant differences between the statutory tax rate and effective tax rate is not reported for the year ended November 30, 2012, because a loss before income taxes and minority interests was recorded.

10. Research and Development Costs

Research and development costs charged to income were ¥1,832 million ($22,309 thousand) and ¥1,729 million for the years ended November 30, 2012 and 2011, respectively.

11. Related Party Disclosures

Transactions of the Company with associated companies for the year ended November 30, 2012 and 2011, were as follows:

	Millions of Yen		Thousands of U.S. dollars
	2012	2011	2012
C.T. Charlton & Associates, Inc.			
Commission for sales representation	¥ 44	¥ -	$ 533
Commission for advisory	¥ 1,069	¥ -	$ 13,013

12. Financial Instruments and Related Disclosures

(1) Policy for financial instruments

The Company uses financial instruments, mainly bank loans, bonds and capital increase for fund raising. Derivatives are not used for speculative purposes, but to avoid financial risks as described below. The Group manages exposure to credit risk by limiting investments to highly liquid and high credit rated financial instruments.

(2) Nature and extent of risks arising from financial instruments and risk management for financial instruments

Operating credits such as notes and accounts receivable are exposed to customers' credit risks, but the Company manages due dates and balances by customer, by identifying and responding to default risks at an early stage. Investment securities are mainly stocks and short-term monetary trusts related to safe investments. Although stocks are exposed to risks of fluctuation in market price, they are mainly comprised of stocks of companies with which the Company has business relationships, and the Company periodically updates the fair value of listed companies' stocks in order to manage the risk of loss. The due date of payment is within one year related to operating debts such as notes and accounts payable. Bank loans are funds raised related to equipment funds and operation funds and a part of them are exposed to risks of fluctuation in interest rate. The Company uses derivative transactions (interest rate swap transactions) as a means of hedging against the risks of fluctuation in payment interest rates and to fix interest expense.

Derivatives are interest rate swap transactions entered into for the purpose of hedging against the risks of fluctuation in payment interest rates of bank loans. The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value, but the differential paid or received under the swap agreements is recognized and included in interest expense or income. In addition, the fair value of such interest rate swaps is included in hedged items such as long-term debt. The credit risk is not significant by limiting derivatives to high credit rated financial institutions. The basic principles of derivative transactions are approved by management of the finance department based on the internal guidelines which prescribe the authority and the limits for each transaction.

(3) Fair value of financial instruments

Fair values of financial instruments are based on quoted prices in active markets. If a quoted price is not available, another rational valuation technique is used instead.

(4) Fair value of financial instruments as of November 30, 2012 and 2011.

	Millions of Yen		
	2012		
	Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	¥ 33,718	¥ 33,718	¥ -
Trade notes and accounts receivable	15,363		
Allowance for doubtful accounts	(166)		
	15,197	15,197	-
Marketable and investment securities	6,514	6,514	-
Investments in unconsolidated subsidiaries and an associated company	125	124	(1)
Total	¥ 55,554	¥ 55,553	¥ (1)
Trade notes and accounts payable	¥ 5,620	¥ 5,620	¥ -
Short-term bank loans	5,600	5,600	-
Current portion of long-term bonds	400	399	(1)
Current portion of long-term bank loans	7,392	7,399	7
Long-term bonds	1,700	1,664	(36)
Long-term bank loans	30,065	30,402	337
Total	¥ 50,777	¥ 51,084	¥ 307
Derivatives transaction	¥ -	¥ -	¥ -

	Millions of Yen		
	2011		
	Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	¥ 35,404	¥ 35,404	¥ -
Trade notes and accounts receivable	16,143		
Allowance for doubtful accounts	(183)		
	15,960	15,960	-
Marketable and investment securities	9,602	9,602	-
Investments in unconsolidated subsidiaries and an associated company	125	124	(1)
Total	¥ 61,091	¥ 61,090	¥ (1)
Trade notes and accounts payable	¥ 5,215	¥ 5,215	¥ -
Short-term bank loans	4,800	4,800	-
Current portion of long-term bonds	1,200	1,194	(6)
Current portion of long-term bank loans	4,872	4,885	13
Long-term bonds	200	199	(1)
Long-term bank loans	32,657	32,792	135
Total	¥ 48,944	¥ 49,085	¥ 141
Derivatives transaction	¥ -	¥ -	¥ -

	Thousands of U.S.dollars		
	2012		
	Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	$ 410,599	$ 410,599	$ -
Trade notes and accounts receivable	187,084		
Allowance for doubtful accounts	(2,022)		
	185,062	185,062	-
Marketable and investment securities	79,319	79,319	-
Investments in unconsolidated subsidiaries and an associated company	1,525	1,515	(10)
Total	$ 676,505	$ 676,495	$ (10)
Trade notes and accounts payable	$ 68,441	$ 68,441	$ -
Short-term bank loans	68,193	68,193	-
Current portion of long-term bonds	4,871	4,857	(14)
Current portion of long-term bank loans	90,010	90,095	85
Long-term corporate bonds	20,701	20,268	(433)
Long-term bank loans	366,116	370,222	4,106
Total	$ 618,332	$ 622,076	$ 3,744
Derivatives transaction	$ -	$ -	$ -

Cash and cash equivalents, Trade notes and accounts receivable
The carrying amounts of “Cash and cash equivalents” and “Trade notes and accounts receivable” approximate fair value because they are settled in the short-term.

Marketable and investment securities, Investments in unconsolidated subsidiaries and an associated company

The fair values of investment securities are measured at the quoted market price of the stock exchange for stocks, and at quoted market prices obtained from the financial institution for investment trusts.

Trade notes and accounts payable, Short-term loans

The carrying amounts of “Trade notes and accounts payable” approximate fair value because they are settled in the short-term.

Current portion of long-term bonds, Long-term bonds
The fair values of bonds are calculated by discounting the total amounts of principal and interest to present value using the interest rate assumed when similar new bonds are issued.

Current portion of long-term bank loans, Long-term bank loans

The fair values of long-term bank loans are calculated by discounting the total amounts of principal and interest to present value using the interest rate assumed when a similar new borrowing occurs.

Long-term bank loans with the interest rate swaps which qualify for hedge accounting and meet specific matching criteria are calculated by discounting principal and interest transacted together with the payments on the interest rate swap to present value using the interest rate adapted and rationally estimated when a similar borrowing occurs.

Derivatives

Since interest rate swaps which qualify for hedge accounting and meet specific matching criteria are transacted together with long-term bank loans which are considered as the hedge objects, those fair values are also included in the fair values of long-term bank loans. Fair value information is included in Note 13.

(5) Carring amount of financial instruments whose fair values cannot be reliably determined

	Millions of Yen		Thousands of U.S. dollars
	2012	2011	2012
Unlisted stocks	¥ 116	¥ 113	$ 1,416
Subsidiaries' stocks	¥ 102	¥ 102	$ 1,238

(6) Maturity analysis for financial credit and securities with maturity after the date of consolidation

	Millions of Yen			
	2012			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	¥ 33,718	¥ -	¥ -	¥ -
Trade notes and accounts receivable	15,363	-	-	-
Marketable and investment securities:				
Securities available-for-sale with maturity				
Other	23	-	-	-
Total	¥ 49,104	¥ -	¥ -	¥ -

	Millions of Yen			
	2011			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	¥ 35,404	¥ -	¥ -	¥ -
Trade notes and accounts receivable	16,143	-	-	-
Marketable and investment securities:				
Securities available-for-sale with maturity				
Other	4,000	22	-	-
Total	¥ 55,547	¥ 22	¥ -	¥ -

	Thousands of U.S.dollars			
	2012			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	$ 410,599	$ -	$ -	$ -
Trade notes and accounts receivable	187,084	-	-	-
Marketable and investment securities:				
Securities available-for-sale with maturity				
Other	284	-	-	-
Total	$ 597,967	$ -	$ -	$ -

13. Derivatives

The Group enters into interest rate swap contracts to manage its interest rate exposures on certain liabilities.

All derivative transactions are entered into to hedge interest exposures incorporated within the Group's business. Accordingly, market risk in these derivatives is basically offset by opposite movements in the value of the hedged assets or liabilities.

Because the counterparties to these derivatives are limited to major international financial institutions, the Group does not anticipate any losses arising from credit risk.

Derivative transactions entered into by the Group have been made in accordance with internal policies which regulate the authorization and credit limit amount.

(1) Derivative transactions to which hedge accounting is not applied as of November 30, 2012 and 2011.

There are no derivative transactions to which hedge accounting is not applied as of November 30, 2012 and 2011.

(2) Derivative transactions to which hedge accounting is applied as of November 30, 2012 and 2011.

	Millions of Yen						
	2012						
	Hedge item		Contract amount		Contract amount due after one year		Fair value
Interest rate swaps:							
floating rate receipt, fixed rate payment	Long-term bank loans	¥	21,305	¥	21,025	¥	Note 1

	Millions of Yen						
	2011						
	Hedge item		Contract amount		Contract amount due after one year		Fair value
Interest rate swaps:							
floating rate receipt, fixed rate payment	Long-term bank loans	¥	24,265	¥	20,805	¥	Note 1

	Thousands of U.S. dollars						
	2012						
	Hedge item		Contract amount		Contract amount due after one year		Fair value
Interest rate swaps:							
floating rate receipt, fixed rate payment	Long-term bank loans	$	259,437	$	256,028	$	Note 1

Note 1

Interest rate swaps which qualify for hedge accounting and meet specific matching criteria has been applied are accounted for together with long-term debt designated as the hedged item. Therefore, their fair values are included in the fair value of the hedged long-term debt.

14. Comprehensive Income

The components of other comprehensive income for the years ended November 30, 2012, were as follows:

	Millions of Yen		Thousands of U.S. dollars	
	2012		2012	
Unrealized gain (loss) on available-for-sale securities				
Gains arising during the year	¥	834	$	10,164
Reclassification adjustments to profit or loss		(56)		(685)
Amount before income tax effect		778		9,479
Income tax effect		(261)		(3,184)
Total	¥	517	$	6,295
Foreign currency translation adjustments				
Adjustments arising during the year	¥	116	$	1,408
Total	¥	116	$	1,408
Total other comprehensive income	¥	633	$	7,703

15. Subsequent Events

Appropriations of Retained Earnings

The following appropriations of retained earnings at November 30, 2012 were approved at the shareholders' meeting held on February 27, 2013:

	Millions of Yen		Thousands of U.S. dollars	
Year-end cash dividends, ¥ 5 ($ 0.06) per share	¥	155	$	1,888

16. Segment Information

Under ASBJ Statement No. 17, "Accounting Standard for Segment Information Disclosures" and ASBJ Guidance No. 20, "Guidance on Accounting Standard for Segment Information Disclosures," an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

(1) Description of reporting segments

The Group’s reporting segments are those for which separate financial information is available and regular evaluation by the Company’s management is being performed in order to decide how resources are allocated among the Group. Therefore, the Group’s reporting segments consist of the automotive, industrial equipment, and house security units businesses. The automotive business consists of products such as lock set, electric steering lock, door latch, heater control, door handle, switch and keyless entry and so on. Secondly, the industrial equipment business consists of machine tools and industrial equipment for agriculture and construction, harness, cable wire, electric fuel pump and rotary encoder and so on. Lastly, the home security units business consists of lock for residential, hotel and building, cylinders, handle set, electric lock and so on.

(2) Methods of measurement for the amounts of sales, profit (loss), assets, and other items for each segment

The accounting policies of each reporting segment are consistent with those disclosed in Note 2, “Summary of Significant Accounting Policies.”

(3) Information about sales, profit (loss), assets, and other items

	Millions of Yen				
	2012				
	Automotive Division	Industry Equipment Division	Home Security Units Division	Reconciliations	Consolidated
Net sales:					
Sales to external customers	¥ 40,752	¥ 17,663	¥ 2,745	¥ -	¥ 61,160
Intersegment sales or transfers	234	91	8	(333)	-
Total	¥ 40,986	¥ 17,754	¥ 2,753	¥ (333)	¥ 61,160
Segment profit	¥ 1,132	¥ 1,275	¥ 167	¥ 45	¥ 2,619
Depreciation and amortization	¥ 2,314	¥ 100	¥ 79	¥ 14	¥ 2,507

	Millions of Yen				
	2011				
	Automotive Division	Industry Equipment Division	Home Security Units Division	Reconciliations	Consolidated
Net sales:					
Sales to external customers	¥ 38,129	¥ 17,590	¥ 2,692	¥ -	¥ 58,411
Intersegment sales or transfers	204	47	12	(263)	-
Total	¥ 38,333	¥ 17,637	¥ 2,704	¥ (263)	¥ 58,411
	-	-	-	-	-
Segment profit	¥ 1,863	¥ 1,729	¥ 171	¥ 54	¥ 3,817
Depreciation and amortization	¥ 2,104	¥ 112	¥ 106	¥ 13	¥ 2,335

	Thousands of U.S.dollars				
	2012				
	Automotive Division	Industry Equipment Division	Home Security Units Division	Reconciliations	Consolidated
Net sales:					
Sales to external customers	$ 496,254	$ 215,091	$ 33,424	$ -	$ 744,769
Intersegment sales or transfers	2,843	1,113	103	(4,059)	-
Total	$ 499,097	$ 216,204	$ 33,527	$ (4,059)	$ 744,769
	-	-	-	-	-
Segment profit	$ 13,788	$ 15,529	$ 2,033	$ 540	$ 31,890
Depreciation and amortization	$ 28,183	$ 1,215	$ 965	$ 168	$ 30,531

(4) Information about impairment loss of assets by reportable segments

	Millions of Yen				
	2012				
	Automotive Division	Industry Equipment Division	Home Security Units Division	Reconciliations	Consolidated
Impairment losses of assets	¥ 902	¥ -	¥ -	¥ -	¥ 902

	Millions of Yen				
	2011				
	Automotive Division	Industry Equipment Division	Home Security Units Division	Reconciliations	Consolidated
Impairment losses of assets	¥ 408	¥ 8	¥ -	¥ -	¥ 416

	Thousands of U.S.dollars				
	2012				
	Automotive Division	Industry Equipment Division	Home Security Units Division	Reconciliations	Consolidated
Impairment losses of assets	$ 10,986	$ -	$ -	$ -	$ 10,986

(5) Information about geographical areas

(a) Net Sales

	Millions of Yen				Thousands of U.S. dollars	
	2012		2011		2012	
Net Sales:						
Japan	¥	50,950	¥	48,308	$	620,434
U.S.A		375		380		4,570
Europe		2,984		3,180		36,333
Asia		6,791		6,442		82,701
Other		60		101		731
Total	¥	61,160	¥	58,411	$	744,769

Note: Sales are classified in countries or regions based on the location of customers

(b) Property, plant and equipment

	Millions of Yen				Thousands of U.S. dollars	
	2012		2011		2012	
Property, plant and equipment:						
Japan	¥	16,734	¥	12,844	$	203,780
U.S.A		-		-		-
Europe		1,203		1,355		14,645
Asia		6,228		4,731		75,840
Other		931		-		11,339
Total	¥	25,096	¥	18,930	$	305,604

(7) Information about major customer

	2012				
	Millions of Yen		Thousands of U.S. dollars		Related segment name
	Sales		Sales		
Name of customer:					
Mazda Motor Corporation	¥	15,344	$	186,849	Automotive Division