Notes to Consolidated Financial Statements

Years ended March 31, 2013 and 2012 Casio Computer Co., Ltd. and Consolidated Subsidiaries

1. Basis of Presenting Consolidated Financial Statements

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

The accompanying consolidated financial statements have been restructured and translated into English (with certain expanded disclosure) from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Certain supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2013, which is ¥94 to U.S.$1. The convenience translation should not be construed as a representation that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. Significant Accounting Policies

Consolidation

The accompanying consolidated financial statements include the accounts of the Company and significant subsidiaries (together with the Company, the "Group") which the Company controls through majority voting rights or existence of certain conditions. Stocks of affiliates of which the Company has the ability to exercise significant influence over operating and financial policies are accounted for using the equity method.

In the elimination of investments in subsidiaries, the portion of assets and liabilities of a subsidiary attributable to the subsidiary's shares acquired by the Company are recorded based on the fair value as of the respective dates when such shares are acquired. The amounts of assets and liabilities attributable to minority shareholders of the subsidiary are determined using the financial statements of the subsidiary.

Material intercompany balances, transactions and profits have been eliminated in consolidation.

The difference between the cost and underlying fair value of the net assets of investments in subsidiaries at acquisition is included in other assets and is amortized on a straight-line basis over five years.

Cash flow statements

In preparing the consolidated statements of cash flows, cash on hand, readily available deposits and short-term highly liquid investments with maturities not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

Foreign currency translation

All monetary assets and liabilities denominated in foreign currencies are translated at the current exchange rates at the balance sheet date, and the translation gains and losses are credited or charged to income.

Assets and liabilities of foreign subsidiaries are translated into yen at the current exchange rate at the balance sheet date while their revenue and expenses are translated at the average exchange rate for the period. Differences arising from such translation are included in net assets as foreign currency translation adjustment and minority interests.

Securities

Debt securities designated as held-to-maturity are carried at amortized cost. Other securities, except for trading securities ("available-for-sale securities") for which fair value is readily determinable, are stated at fair value as of the end of the period with unrealized gains and losses, net of applicable deferred tax assets or liabilities, not reflected in earnings but directly reported as a separate component under net assets. The cost of such securities sold is determined primarily by the moving-average method. Available-for-sale securities for which fair value is not readily determinable are stated primarily at moving-average cost.

Derivatives and hedge accounting

The accounting standard for financial instruments requires companies to state derivative financial instruments at fair value and to recognize changes in the fair value as gains or losses unless derivative financial instruments are used for hedging purposes.

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Group defers recognition of gains or losses resulting from changes in the fair value of derivative financial instruments until the related losses or gains on the hedged items are recognized.

Also, if interest rate swap contracts are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swaps is added to or deducted from the interest on the assets or liabilities for which the swap contract is executed.

The Group uses forward foreign currency contracts and interest rate swaps as derivative financial instruments only for the purpose of mitigating future risks of fluctuations of foreign currency exchange rates with respect to foreign currency assets and liabilities and of interest rate increases with respect to cash management.

Forward foreign currency and interest rate swap contracts are subject to risks of foreign currency exchange rate changes and interest rate changes, respectively.

The derivative transactions are executed and managed by the Company's Finance Department in accordance with the established policies and within the specified limits on the amounts of derivative transactions allowed.

Allowance for doubtful accounts

The allowance for doubtful accounts is provided at an amount sufficient to cover probable losses on the collection of receivables. For the Group, the amount of the allowance is determined based on past write-off experience and an estimated amount of probable bad debt based on a review of the collectability of individual receivables.

Inventories

The Company and its consolidated subsidiaries state inventories primarily at the lower of cost (first-in, first-out) or net realizable values at year-end.

Property, plant and equipment

Property, plant and equipment is stated at cost. Depreciation is principally determined by the declining-balance method at rates based on estimated useful lives except for the following buildings. The building of the head office of the Company and buildings, excluding building fixtures, acquired on or after April 1, 1998 are depreciated using the straight-line method. The depreciation period ranges from 2 years to 60 years for buildings and structures, from 2 years to 12 years for machinery, equipment and vehicles, and from 1 year to 20 years for tools, furniture and fixtures.

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

Effective from the fiscal year ended March 31, 2013, the Company and its consolidated subsidiaries in Japan have recorded depreciation for property, plant and equipment acquired on or after April 1, 2012 using the depreciation method based on the amended Corporation Tax Act, in accordance with the amendment of the Corporation Tax Act. This change had a negligible impact on earnings.

Software costs

Software is categorized by the following purposes and amortized using the following two methods.

Software for market sales: The production costs for the master product are capitalized and amortized over no more than 3 years on a projected revenue basis.

Software for internal use: The acquisition costs of software for internal use are amortized over 5 years using the straight-line method.

The amount of software costs capitalized is included in other assets in the consolidated balance sheets.

Lease assets

(Finance leases which do not transfer ownership of the leased property to the lessee)

Lease assets are divided into the two principal categories of property, plant and equipment and intangible assets included in other under investments and other assets. The former consists primarily of facilities (machinery and equipment, tools, furniture and fixtures) while the latter consists of software. The assets are depreciated on a straight-line basis on the assumption that the lease term is the useful life and the residual value is zero.

Provision for retirement benefits

Under the terms of the employees' severance and retirement plan, eligible employees are entitled under most circumstances, upon mandatory retirement or earlier voluntary severance, to severance payments based on compensation at the time of severance and years of service.

For employees' severance and retirement benefits, the Company and some of its consolidated subsidiaries in Japan provide a defined benefit plan.

The Company and its consolidated subsidiaries in Japan received permission from the Minister of Health, Labour and Welfare, for release from the obligation of paying benefits for employees' prior services relating to the substitutional portion of the Welfare Pension Insurance Scheme. Afterwards, the welfare pension insurance plan was changed to the defined benefit plan.

The Company and some of its consolidated subsidiaries in Japan also provide a defined contribution plan. In addition, the Company has established an employee retirement benefits trust.

The liabilities and expenses for retirement benefits are determined based on the amounts actuarially calculated using certain assumptions.

(Additional information)

On April 1, 2012, the Company and certain consolidated subsidiaries transferred part of the defined benefit plan to the defined contribution plan. In conjunction with this change, the "Guidance on Accounting for Transfers between Retirement Benefit Plans" (ASBJ Guidance No. 1) was applied.

The effect of this transfer was recorded as other income of ¥385 million ($4,096 thousand) for the fiscal year ended March 31, 2013.

Provision for directors' retirement benefits

The annual provision for accrued retirement benefits for directors and statutory auditors of the Company and certain subsidiaries is calculated to state the liability at the amount that would be required if all directors and corporate auditors had retired at each balance sheet date.

Income taxes

Taxes on income consist of corporation, inhabitants' and enterprise taxes.

The Group recognizes tax effects of temporary differences between the financial statement and the tax basis of assets and liabilities. The provision for income taxes is computed based on the income before income taxes and minority interests included in the statements of income of each company of the Group. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences.

Appropriations of retained earnings

Appropriations of retained earnings are accounted for and reflected in the accompanying consolidated financial statements when approved by the shareholders.

Amounts per share of common stock

Net income per share of common stock is computed based on the weighted average number of shares of common stock outstanding during each fiscal year (less the treasury stock).

Cash dividends per share represent the actual amount applicable to the respective years.

Reclassifications

Certain reclassifications have been made in the 2012 consolidated financial statements to conform to the 2013 presentation.

Accounting standard and guidance that are yet to be adopted

"Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, issued on May 17, 2012)
"Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, issued on May 17, 2012)

(1) Overview

From the standpoint of improving financial reporting and considering international trends, the aforementioned accounting standard and guidance principally reflect the following amendments: Changes in the treatment of unrecognized actuarial differences and prior service costs; Amendments to the determination of projected benefit obligation and current service costs; and Enhanced disclosures.

(2) Planned Effective Dates

The Company plans to adopt the above accounting standard and guidance effective from the end of the fiscal year ending March 31, 2014. However, amendments to the determination of retirement benefit obligations and current service costs are scheduled to be applied from the beginning of the fiscal year ending March 31, 2015.

(3) Effect of Adopting this Accounting Standard and Guidance

The Company is currently evaluating the effect of adopting this accounting standard and guidance on the consolidated financial statements at the time of preparation of these statements.

3. Cash and Cash Equivalents

(1) Cash and cash equivalents at March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Cash and deposits	**¥ 56,029**	¥ 53,128	**$ 596,053**
Time deposits over three months	**(10,267)**	(10,075)	**(109,223)**
Debt securities within three months to maturity	**36,098**	38,227	**384,021**
Short-term loans receivable with resale agreement	**15,490**	19,430	**164,787**
Cash and cash equivalents	**¥ 97,350**	¥100,710	**$1,035,638**

(2) Breakdown of decrease in assets and liabilities resulting from transfer of business

For 2012

The following table provides a breakdown of the decrease in assets and liabilities resulting from the transfer of the wafer level package (WLP)-related business formerly operated by the Company and its consolidated subsidiary Casio Micronics Co., Ltd., in addition to details regarding the monetary amount received from the transferred business and proceeds from transfer of business.

	Millions of Yen
	2012
Current assets	¥2,006
Noncurrent assets	2,546
Total assets	4,552
Current liabilities	1,985
Noncurrent liabilities	345
Total liabilities	2,330
Compensation for share transfer	600
Cash and cash equivalents	(230)
Proceeds from transfer of business	370

(3) Significant non-cash transactions

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Assets relating to finance lease transactions	**¥683**	¥841	**$7,266**
Obligations relating to finance lease transactions	**719**	882	**7,649**

4. Inventories

Inventories at March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Finished goods	**¥39,665**	¥29,358	**$421,968**
Work in process	**5,573**	5,955	**59,287**
Raw materials and supplies	**8,877**	10,276	**94,436**
Total	**¥54,115**	¥45,589	**$575,691**

5. Fair Value of Financial Instruments

Information on financial instruments for the years ended March 31, 2013 and 2012:

(1) Qualitative information on financial instruments

1) Policies for using financial instruments

The Group invests surplus funds in highly secure financial assets, and funds required for working capital and capital investments are raised through the issuance of bonds or loans from financial institutions such as banks. Derivatives are used to avoid the risks described hereinafter and no speculative transactions are entered into.

2) Details of financial instruments used and risks involved, and how they are managed

Notes and accounts receivable—trade are exposed to customers' credit risk. To minimize that risk, the Group periodically monitors the due date and the balance of the accounts.

Securities and investment securities are primarily highly secure and highly-rated debt securities and shares in companies with which the Group has business relations, and are exposed to market price fluctuation risk. The Group periodically monitors the market price and reviews the status of these holdings.

Operating payables comprising notes and accounts payable—trade and accounts payable—other have the due date of within one year.

Operating payables, loans payable, and bonds payable are subject to liquidity risk (the risk of an inability to pay by the due date). However, the Group manages liquidity risk by maintaining short-term liquidity in excess of a certain level of consolidated sales or by other means.

The Group uses derivative transactions of forward foreign currency contracts to hedge currency fluctuation risks arising from assets and liabilities denominated in foreign currencies, as well as interest rate swap contracts to fix the cash flows associated with loans payable and bonds payable or to offset market fluctuation risks. The Group utilizes and manages derivative transactions following the internal regulations for them, which stipulates policy, objective, scope, organization, procedures and financial institutions to deal with, and has an implementation and reporting system for derivative transactions reflecting proper internal control functions.

3) Supplemental information on fair values

The fair value of financial instruments is calculated based on quoted market price or, in case where there is no market price, by making a reasonable estimation. Because the preconditions applied include a floating element, estimation of fair value may vary. The contract amounts, as presented in Note 7 "Derivative Transactions," do not reflect market risk.

(2) Fair values of financial instruments

The following table summarizes book value and fair value of the financial instruments, and the difference between them as of March 31, 2013 and 2012. Items for which fair value is difficult to estimate are not included in the following table (see Note 2 on P28).

			Millions of Yen
For 2013	Book value	Fair value	Difference
Assets			
[1] Cash and deposits	**¥ 56,029**	**¥ 56,029**	**¥ —**
[2] Notes and accounts receivable—trade	**50,490**	**50,490**	**—**
[3] Securities and investment securities			
a. Held-to-maturity debt securities	**3,298**	**3,308**	**10**
b. Available-for-sale securities	**81,348**	**81,348**	**—**
Total assets	**¥191,165**	**¥191,175**	**¥ 10**
Liabilities			
[1] Notes and accounts payable—trade	**¥ 35,709**	**¥ 35,709**	**¥ —**
[2] Short-term loans payable	**4,400**	**4,400**	**—**
[3] Accounts payable—other	**18,777**	**18,777**	**—**
[4] Bonds payable	**31,278**	**31,680**	**402**
[5] Long-term loans payable	**77,900**	**78,384**	**484**
Total liabilities	**¥168,064**	**¥168,950**	**¥886**
Derivative transactions *	**¥ (222)**	**¥ (222)**	**¥ —**

For 2013	Thousands of U.S. Dollars Book value	Fair value	Difference
Assets			
[1] Cash and deposits	$ 596,053	$ 596,053	$ —
[2] Notes and accounts receivable—trade	537,128	537,128	—
[3] Securities and investment securities			
a. Held-to-maturity debt securities	35,085	35,191	106
b. Available-for-sale securities	865,404	865,404	—
Total assets	$2,033,670	$2,033,776	$ 106
Liabilities			
[1] Notes and accounts payable—trade	$ 379,883	$ 379,883	$ —
[2] Short-term loans payable	46,809	46,809	—
[3] Accounts payable—other	199,755	199,755	—
[4] Bonds payable	332,745	337,022	4,277
[5] Long-term loans payable	828,723	833,872	5,149
Total liabilities	$1,787,915	$1,797,341	$9,426
Derivative transactions *	$ (2,362)	$ (2,362)	$ —

For 2012	Millions of Yen Book value	Fair value	Difference
Assets			
[1] Cash and deposits	¥ 53,128	¥ 53,128	¥ —
[2] Notes and accounts receivable—trade	57,923	57,923	—
[3] Securities and investment securities			
a. Held-to-maturity debt securities	14,000	14,000	—
b. Available-for-sale securities	66,263	66,263	—
Total assets	¥191,314	¥191,314	¥ —
Liabilities			
[1] Notes and accounts payable—trade	¥ 49,682	¥49,682	¥ —
[2] Short-term loans payable	3,817	3,817	—
[3] Accounts payable—other	17,764	17,764	—
[4] Bonds payable	30,710	31,135	425
[5] Long-term loans payable	77,457	77,881	424
Total liabilities	¥179,430	¥180,279	¥849
Derivative transactions *	¥ (210)	¥ (210)	¥ —

* Net receivables and payables, which are derived from derivative transactions, are presented in net amounts, and any item for which the total becomes a net liability is indicated in parentheses.

Note 1: Method for calculating the fair value of financial instruments and matters related to investment securities and derivative transactions

Assets

[1] Cash and deposits, [2] Notes and accounts receivable—trade

Since these items are short-term and the fair value approximates the book value, the book value is used as fair value.

[3] Securities and investment securities

The fair value of equity securities is the market price, while the fair value of debt securities is the market price or the price quoted by the correspondent financial institution. Since certificates of deposit and commercial paper are short-term, and the fair value approximates the book value, the book value is used as fair value.

See Note 6 "Securities" for information on securities categorized by holding purposes.

Liabilities

[1] Notes and accounts payable—trade, [2] Short-term loans payable, [3] Accounts payable—other

Since these items are short-term and the fair value approximates the book value, the book value is used as fair value.

[4] Bonds payable

The fair value of bonds payable is calculated by using the discounted cash flow, based on the sum of the principal and total interest over the remaining period and credit risk.

[5] Long-term loans payable

The fair value of long-term loans payable with fixed interest rates is the sum of the principal and total interest discounted by the rate that is applied if a new loan is made. Since long-term loans payable with floating interest rates reflect market interest rates over the short term, and the fair value approximates the book value, the book value is used as fair value. However, those that are subject to special treatment interest rate swaps are measured by taking the sum of the principal and total interest associated with the interest rate swap and discounting it by the rate that is reasonably estimated and applied if a new loan is made (see Note 7 "Derivative Transactions").

Derivative transactions

See Note 7 "Derivative Transactions."

Note 2: Financial instruments of which fair value is difficult to estimate

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
	Book value	Book value	Book value
Unlisted shares	**¥2,894**	¥2,748	**$30,787**

The market price of the above shares is not available and the future cash flow cannot be estimated. Therefore, the fair value is difficult to estimate. Hence, these are not included in "[3] Securities and investment securities" on P27.

Note 3: Monetary claims, securities and investment securities with repayment due dates after March 31, 2013 and 2012:

Millions of Yen

For 2013	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	**¥ 56,029**	**¥ —**	**¥—**	**¥—**
Notes and accounts receivable—trade	**50,490**	**—**	**—**	**—**
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	**—**	**—**	**—**	**—**
(2) Corporate bonds	**—**	**—**	**—**	**—**
(3) Others	**3,298**	**—**	**—**	**—**
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	**—**	**—**	**—**	**—**
b. Corporate bonds	**20,600**	**5,000**	**—**	**—**
c. Others	**24,700**	**—**	**—**	**—**
(2) Others	**8,500**	**—**	**—**	**—**
Total	**¥163,617**	**¥5,000**	**¥—**	**¥—**

Thousands of U.S. Dollars

For 2013	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	**$ 596,053**	**$ —**	**$—**	**$—**
Notes and accounts receivable—trade	**537,128**	**—**	**—**	**—**
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	**—**	**—**	**—**	**—**
(2) Corporate bonds	**—**	**—**	**—**	**—**
(3) Others	**35,085**	**—**	**—**	**—**
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	**—**	**—**	**—**	**—**
b. Corporate bonds	**219,149**	**53,191**	**—**	**—**
c. Others	**262,766**	**—**	**—**	**—**
(2) Others	**90,425**	**—**	**—**	**—**
Total	**$1,740,606**	**$53,191**	**$—**	**$—**

Millions of Yen

For 2012	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	¥53,128	¥ —	¥—	¥—
Notes and accounts receivable—trade	57,923	—	—	—
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	—	—	—	—
(2) Corporate bonds	—	—	—	—
(3) Others	14,000	—	—	—
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	—	—	—	—
b. Corporate bonds	30,300	5,000	—	—
c. Others	1,400	8,000	—	—
(2) Others	4,174	—	—	—
Total	¥160,925	¥13,000	¥—	¥—

Note 4: Bonds and long-term loans payable and other interest-bearing liabilities with repayment due dates after March 31, 2013 and 2012

Millions of Yen

For 2013	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Short-term loans payable	**¥ 4,400**	**¥ —**	**¥ —**	**¥—**	**¥—**	**¥ —**
Bonds payable	**10,000**	**6,278**	**15,000**	**—**	**—**	**—**
Long-term loans payable	**25,000**	**47,900**	**—**	**—**	**—**	**5,000**
Total	**¥39,400**	**¥54,178**	**¥15,000**	**¥—**	**¥—**	**¥5,000**

Thousands of U.S. Dollars

For 2013	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Short-term loans payable	**$ 46,809**	**$ —**	**$ —**	**$—**	**$—**	**$ —**
Bonds payable	**106,383**	**66,787**	**159,574**	**—**	**—**	**—**
Long-term loans payable	**265,957**	**509,575**	**—**	**—**	**—**	**53,191**
Total	**$419,149**	**$576,362**	**$159,574**	**$—**	**$—**	**$53,191**

Millions of Yen

For 2012	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Short-term loans payable	¥3,817	¥ —	¥ —	¥ —	¥—	¥ —
Bonds payable	—	10,000	5,710	15,000	—	—
Long-term loans payable	—	25,000	47,457	—	—	5,000
Total	¥3,817	¥35,000	¥53,167	¥15,000	¥—	¥5,000

6. Securities

(1) Held-to-maturity debt securities

	Millions of Yen		
	2013		
	Book value	Fair value	Difference
Securities with fair values exceeding book values	**¥3,298**	**¥3,308**	**¥10**
Securities other than the above	**—**	**—**	**—**
Total	**¥3,298**	**¥3,308**	**¥10**

	Thousands of U.S. Dollars		
	2013		
	Book value	Fair value	Difference
Securities with fair values exceeding book values	**$35,085**	**$35,191**	**$106**
Securities other than the above	**—**	**—**	**—**
Total	**$35,085**	**$35,191**	**$106**

	Millions of Yen		
	2012		
	Book value	Fair value	Difference
Securities with fair values exceeding book values	¥14,000	¥14,000	¥—
Securities other than the above	—	—	—
Total	¥14,000	¥14,000	¥—

(2) Available-for-sale securities

Securities with book values exceeding acquisition costs:

	Millions of Yen		
	2013		
	Book value	Acquisition cost	Difference
Equity securities	**¥18,262**	**¥12,064**	**¥6,198**
Debt securities	**50,356**	**50,308**	**48**
Others	**8,502**	**8,502**	**0**
Total	**¥77,120**	**¥70,874**	**¥6,246**

	Thousands of U.S. Dollars		
	2013		
	Book value	Acquisition cost	Difference
Equity securities	**$194,276**	**$128,340**	**$65,936**
Debt securities	**535,702**	**535,192**	**510**
Others	**90,447**	**90,447**	**0**
Total	**$820,425**	**$753,979**	**$66,446**

	Millions of Yen		
	2012		
	Book value	Acquisition cost	Difference
Equity securities	¥ 7,599	¥ 4,545	¥ 3,054
Debt securities	37,371	37,291	80
Others	4,174	4,174	—
Total	¥49,144	¥46,010	¥3,134

Securities other than the above:

	Millions of Yen		
	2013		
	Book value	Acquisition cost	Difference
Equity securities	**¥4,228**	**¥4,686**	**¥(458)**
Debt securities	**—**	**—**	**—**
Others	**—**	**—**	**—**
Total	**¥4,228**	**¥4,686**	**¥(458)**

	Thousands of U.S. Dollars		
	2013		
	Book value	Acquisition cost	Difference
Equity securities	**$44,979**	**$49,851**	**$(4,872)**
Debt securities	**—**	**—**	**—**
Others	**—**	**—**	**—**
Total	**$44,979**	**$49,851**	**$(4,872)**

	Millions of Yen		
	2012		
	Book value	Acquisition cost	Difference
Equity securities	¥ 9,734	¥11,874	¥(2,140)
Debt securities	7,379	7,391	(12)
Others	6	8	(2)
Total	¥17,119	¥19,273	¥(2,154)

Note: Acquisition cost is presented based on book values after posting of impairment loss.

(3) Available-for-sale securities sold in the years ended March 31, 2013 and 2012:

Millions of Yen 2013	Sales amount	Gross realized gains	Gross realized losses
Equity securities	¥—	¥—	¥—
Debt securities	—	—	—
Others	—	—	—
Total	¥—	¥—	¥—

Thousands of U.S. Dollars 2013	Sales amount	Gross realized gains	Gross realized losses
Equity securities	$—	$—	$—
Debt securities	—	—	—
Others	—	—	—
Total	$—	$—	$—

Millions of Yen 2012	Sales amount	Gross realized gains	Gross realized losses
Equity securities	¥562	¥133	¥—
Debt securities	—	—	—
Others	—	—	—
Total	¥562	¥133	¥—

(4) Securities impaired

Certain securities are impaired for the year ended March 31, 2013. An impairment loss of ¥733 million ($7,798 thousand), comprising ¥728 million ($7,745 thousand) on "available-for-sale securities" for which fair value was readily determinable, and ¥5 million ($53 thousand) on other securities has been recorded for the year ended March 31, 2013. No impairment of securities was recorded for the year ended March 31, 2012.

With respect to impairment loss, investment securities with a fair value that has declined by 50% or more against their acquisition costs are booked as impairment loss. Among investment securities that have declined by 30% or more, but less than 50% against their acquisition costs, those that have been comprehensively assessed and deemed as unlikely to recover their value are also booked as impairment loss.

7. Derivative Transactions

The aggregate amounts contracted to be paid or received and the fair values of derivative transactions of the Group at March 31, 2013 and 2012:

Derivative transactions not subject to hedge accounting

(1) Currency-related derivatives

Millions of Yen 2013	Contract amount: Total	Contract amount: Due after one year	Fair value	Realized gain (loss)
Forward contracts:				
To sell:				
Euros	¥3,223	¥—	¥3,381	¥(158)
Chinese yuan	1,650	—	1,939	(289)
Total	¥ —	¥—	¥ —	¥(447)

Thousands of U.S. Dollars 2013	Contract amount: Total	Contract amount: Due after one year	Fair value	Realized gain (loss)
Forward contracts:				
To sell:				
Euros	$34,287	$—	$35,968	$(1,681)
Chinese yuan	17,553	—	20,628	(3,075)
Total	$ —	$—	$ —	$(4,756)

Millions of Yen 2012	Contract amount: Total	Contract amount: Due after one year	Fair value	Realized gain (loss)
Forward contracts:				
To sell:				
British pounds	¥ 597	¥—	¥ 621	¥ (24)
Chinese yuan	3,487	—	3,630	(143)
Total	¥ —	¥—	¥ —	¥(167)

Notes: 1. Fair value of derivative transactions are determined by forward exchange rates.
2. Transactions are transactions other than market transactions.

(2) Interest rate-related derivatives:

	Millions of Yen 2013			
	Contract amount			
	Total	Due after one year	Fair value	Realized gain (loss)
Interest rate swaps:				
Receive fix/Pay float	¥10,000	¥10,000	¥225	¥269
Total	¥10,000	¥10,000	¥225	¥269

	Thousands of U.S. Dollars 2013			
	Contract amount			
	Total	Due after one year	Fair value	Realized gain (loss)
Interest rate swaps:				
Receive fix/Pay float	$106,383	$106,383	$2,394	$2,862
Total	$106,383	$106,383	$2,394	$2,862

	Millions of Yen 2012			
	Contract amount			
	Total	Due after one year	Fair value	Realized gain (loss)
Interest rate swaps:				
Receive fix/Pay float	¥10,000	¥10,000	¥(43)	¥112
Total	¥10,000	¥10,000	¥(43)	¥112

Notes: 1. Fair values of derivative transactions are determined by prices principally reported by the financial institutions with which the Group engages in derivative transactions.
2. Transactions are transactions other than market transactions.

Derivative transactions subject to hedge accounting

(1) Currency-related derivatives

			Millions of Yen 2013		
			Contract amount		
Hedge accounting method	Type	Main hedged item	Total	Due after one year	Fair value
Forward contracts that are subject to appropriated treatment	Forward contracts: To sell				
	Chinese yuan	Foreign-currency deposits	¥ 9,754	¥—	*
	Australian dollars	Foreign-currency Held-to-maturity debt securities	1,298	—	*
Total			¥11,052	¥—	¥—

			Thousands of U.S. Dollars 2013		
			Contract amount		
Hedge accounting method	Type	Main hedged item	Total	Due after one year	Fair value
Forward contracts that are subject to appropriated treatment	Forward contracts: To sell				
	Chinese yuan	Foreign-currency deposits	$103,766	$—	*
	Australian dollars	Foreign-currency Held-to-maturity debt securities	13,808	—	*
Total			$117,574	$—	$—

			Millions of Yen 2012		
			Contract amount		
Hedge accounting method	Type	Main hedged item	Total	Due after one year	Fair value
Forward contracts that are subject to appropriated treatment	Forward contracts: To sell				
	Chinese yuan	Foreign-currency deposits	¥9,839	¥—	*
Total			¥9,839	¥—	¥—

* Since forward contracts that are subject to appropriated treatment are accounted for together with deposits or securities which are hedged items, their fair value is included in the fair value of the said deposits or securities.

(2) Interest rate-related derivatives

Hedge accounting method	Type	Main hedged item	Contract amount Total	Contract amount Due after one year	Fair value
			Millions of Yen 2013		
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	¥22,900	¥12,900	**
Total			¥22,900	¥12,900	¥—

Hedge accounting method	Type	Main hedged item	Contract amount Total	Contract amount Due after one year	Fair value
			Thousands of U.S. Dollars 2013		
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	$243,617	$137,234	**
Total			$243,617	$137,234	$—

Hedge accounting method	Type	Main hedged item	Contract amount Total	Contract amount Due after one year	Fair value
			Millions of Yen 2012		
Forward contracts that are subject to appropriated treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	¥22,457	¥22,457	**
Total			¥22,457	¥22,457	¥—

* Fair values of derivative transactions are determined by prices principally reported by the financial institutions with which the Group engages in derivative transactions.

** Since interest rate swaps that are subject to special treatment are accounted for with long-term loans payable, which are hedged items, their fair value is included in the fair value of the said long-term loans payable.

8. Short-term Loans Payable, Bonds and Long-term Loans Payable and Lease Obligations

Short-term loans payable represent bank loans and their average interest rates were 1.2% and 1.5% per annum at March 31, 2013 and 2012, respectively.

Bonds and long-term loans payable at March 31, 2013 and 2012:

	Millions of Yen 2013	Millions of Yen 2012	Thousands of U.S. Dollars 2013
Euro-yen convertible bonds with stock subscription rights due in 2015*	¥ 250	¥ 250	$ 2,660
1.32% unsecured bonds due in 2014	10,000	10,000	106,383
1.07% unsecured bonds due in 2015	15,000	15,000	159,574
1.785% unsecured Eurobonds due in 2015	6,278	5,710	66,787
Loans principally from banks at average interest rates of 0.5% due within one year**	25,000	—	265,957
Loans principally from banks at average interest rates of 0.6% due over one year**	52,900	77,457	562,766
Total	109,428	108,417	1,164,127
Less amount due within one year	35,000	—	372,340
	¥74,428	¥108,417	$791,787

* Details of issuances of stock subscription rights attached to bonds ("warrants"):
Type of stocks involved: common stock
Price of warrant: gratis
Stock issue price: ¥1,952
Total issue amount: ¥50,000 million
Total value of new stocks issued upon exercise of warrants: —
Warrant-linked: 100%
Period of exercise of warrants: July 3, 2008 to March 17, 2015
Upon request to exercise warrants in question, payments usually required for the issuance of the corresponding number of stocks shall be exempted as the issuer of bonds in question, in return, will be automatically exempted from obligation of redemption of the bonds in lump-sum.
Exercise of warrants in question shall be regarded as an eligible request for exercise of stock subscription rights.

** An average interest rate is the weighted average rate on the year-end balance of loans payable.

The annual maturities of bonds and long-term loans payable at March 31, 2013:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2014	¥35,000	$372,340
2015	54,428	579,021
2016	15,000	159,574
2017	—	—
2018	—	—
Thereafter	5,000	53,192

The annual maturities of lease obligations at March 31, 2013:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2014	¥623	$6,628
2015	480	5,106
2016	312	3,319
2017	150	1,596
2018	84	894
Thereafter	173	1,840

The lines of credit with the main financial institutions agreed as of March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Line of credit	**¥57,450**	¥57,815	**$611,170**
Unused	**57,450**	57,815	**611,170**

9. Income Taxes

The following table summarizes the significant differences between statutory tax rate and the Group's actual income tax rate for financial statement purposes for the years ended March 31, 2013 and 2012.

	2013	2012
Statutory tax rate	**—%**	40.7%
Increase (reduction) in tax resulting from:		
Nondeductible expenses (Entertainment, etc.)	**—**	11.2
Difference in statutory tax rate (included in foreign subsidiaries)	**—**	(150.2)
Valuation allowance	**—**	179.4
Equity in earnings or losses of affiliates	**—**	122.8
Impact of organizational restructuring	**—**	(816.3)
Decreasing adjustment in deferred tax assets at the year-end due to statutory tax rate	**—**	292.9
Other	**—**	41.5
Actual income tax rate	**—%**	(278.0)%

Note: In the fiscal year ended March 31, 2013, the difference between the statutory tax rate and the actual income tax rate after application of deferred tax accounting was negligible. Accordingly, disclosure has been omitted.

Significant components of deferred tax assets and liabilities as of March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Deferred tax assets:			
Net operating loss carryforwards	**¥ 26,609**	¥ 27,637	**$ 283,075**
Provision for retirement benefits and the related expenses	**6,594**	7,369	**70,149**
Accrued expenses (bonuses to employees)	**1,939**	1,888	**20,628**
Inventories	**1,866**	2,555	**19,851**
Property, plant and equipment	**1,343**	1,175	**14,287**
Other	**5,554**	9,460	**59,085**
Gross deferred tax assets	**43,905**	50,084	**467,075**
Valuation allowance	**(19,740)**	(22,171)	**(210,000)**
Total deferred tax assets	**24,165**	27,913	**257,075**
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	**(2,226)**	(1,119)	**(23,681)**
Unrealized holding gain	**(1,651)**	(1,651)	**(17,564)**
Reserve for advanced depreciation of noncurrent assets	**(96)**	(104)	**(1,021)**
Other	**(64)**	(62)	**(681)**
Total deferred tax liabilities	**(4,037)**	(2,936)	**(42,947)**
Net deferred tax assets	**¥ 20,128**	¥ 24,977	**$ 214,128**

10. Provision for Retirement Benefits

Provision for retirement benefits at March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	**2013**
Projected benefit obligation	**¥ 52,607**	¥ 77,051	**$ 559,649**
Less fair value of pension plan assets*	**(56,095)**	(47,142)	**(596,756)**
Unrecognized actuarial differences	**(13,580)**	(23,899)	**(144,468)**
Unrecognized prior service costs	**17,196**	5,285	**182,936**
Prepaid pension cost	**2,572**	—	**27,362**
Provision for retirement benefits	**¥ 2,700**	¥ 11,295	**$ 28,723**

* Including employee retirement benefit trust

Notes: 1. Certain subsidiaries have adopted the simplified method to calculate projected benefit obligation.

2. For 2013

The Company and its consolidated subsidiaries transferred part of the defined benefit plan to a defined contribution plan. The effect of this transfer was as follows:

Decrease in projected benefit obligations	¥14,834 million	$157,809 thousand
Unrecognized actuarial differences	(4,578)	(48,702)
Unrecognized prior service costs	985	10,479
Increase in prepaid pension cost	¥ 2,495 million	$ 26,543 thousand
Decrease in provision for retirement benefits	8,746	93,043

Furthermore, the Company plans to transfer ¥10,856 million ($115,489 thousand) in assets to the defined contribution plan over a period of 8 years from the fiscal year ended March 31, 2013. Untransferred assets of ¥8,836 million ($94,000 thousand) as of March 31, 2013 were recorded as accounts payable-other under current liabilities and other under noncurrent liabilities.

Retirement benefits expenses for the years ended 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Service cost—benefits earned during the year	¥ 2,111	¥ 2,858	$ 22,457
Interest cost on projected benefit obligation	896	1,638	9,532
Expected return on pension plan assets	(1,486)	(1,344)	(15,808)
Amortization of actuarial differences	2,279	2,058	24,245
Amortization of prior service costs	(1,894)	(865)	(20,149)
Other	1,000	141	10,638
Retirement benefit expenses	¥ 2,906	¥ 4,486	$ 30,915

Note: The discount rate and the rate of expected return on pension plan assets used by the Group are 1.7% and 3.0%, respectively, in both 2013 and 2012.

The estimated amount of all retirement benefits to be paid at the future retirement date is allocated using a points basis in 2013, and allocated equally to each service year using the estimated number of total service years in 2012. Actuarial differences are to be recognized in expenses using the straight-line method over 9–15 years (a certain period not exceeding the average of the estimated remaining service lives commencing with the next period). Prior service costs are to be recognized in expenses using the straight-line method over 9–15 years (a certain period not exceeding the average of the estimated remaining service lives).

11. Net Assets

Under the Japanese Corporation Law ("the Law") and regulations, the entire amount paid for new shares is required to be designated as capital stock. However, a company may, by a resolution of the board of directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

In cases where dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of capital stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. However, all additional paid-in capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the nonconsolidated financial statements of the Company in accordance with the Law.

12. Lease Transactions

(1) Finance lease transactions which do not transfer the ownership of the leased property to the lessee, and that were concluded prior to the first year for which the new accounting standards were applied

The outstanding future lease payments as of March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Future lease payments:			
Due within one year	¥ 20	¥ 50	$ 213
Due over one year	83	103	883
Total	¥103	¥153	$1,096

Total lease expenses (corresponding to reversal of accumulated impairment loss on lease assets, total assumed depreciation cost and total assumed interest cost) as lessee for the years ended March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Total lease expenses	¥56	¥599	$596
Reversal of accumulated impairment loss on lease assets	—	342	—
Total assumed depreciation cost	48	210	511
Total assumed interest cost	5	19	53

Assumed data as to acquisition cost, accumulated depreciation and net book value of the lease assets under the finance lease contracts as lessee as of March 31, 2013 and 2012:

	Millions of Yen		
	2013		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥232	¥146	¥86
Tools, furniture and fixtures	20	19	1
Other	15	15	0
Total	¥267	¥180	¥87

	Thousands of U.S. Dollars 2013		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	**$2,468**	**$1,553**	**$915**
Tools, furniture and fixtures	**213**	**202**	**11**
Other	**160**	**160**	**0**
Total	**$2,841**	**$1,915**	**$926**

	Millions of Yen 2012		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥264	¥159	¥105
Tools, furniture and fixtures	90	81	9
Other	174	153	21
Total	¥528	¥393	¥135

Notes: 1. In calculating assumed depreciation cost, the lease assets are depreciated on a straight-line basis on the assumption that the lease term is the useful life and the residual value is zero.
2. In calculating the assumed interest cost, the difference between the total lease amount and the assumed acquisition cost is taken as the assumed interest cost. The method of distribution over each period depends on the interest method.

(2) Finance leases

See Note 2 on P24.

(3) Operating leases

The outstanding future noncancellable lease payments as of March 31, 2013 and 2012:

	Millions of Yen 2013	Millions of Yen 2012	Thousands of U.S. Dollars 2013
Future lease payments:			
Due within one year	**¥204**	¥ 63	**$ 2,170**
Due over one year	**740**	321	**7,873**
Total	**¥944**	¥384	**$10,043**

13. Segment Information

(1) Overview of reportable segments

The company's reportable segments consist of the Company's constituent units for which separate financial information is available and which are subject to periodic examination in order for the board of directors to determine the allocation of management resources and evaluate financial results.

The Company designates three areas of segment reporting, which are the "Consumer," "System equipment," and "Others" segments, based on the type of products and services, and the market and consumer categories.

The categories of the main products and services belonging to each reportable segment:

Consumer................ Watches, Clocks, Electronic dictionaries, Electronic calculators, Label printers, Electronic musical instruments, Digital cameras, etc.
System equipment .... Handheld terminals, Electronic cash registers, Office computers, Page printers, Data projectors, etc.
Others .... Molds, etc.

(2) Basis of measurement for net sales, income or loss, assets and others for each reportable segment

The accounting method for the reportable segments is largely in line with the descriptions in Notes 1–2 on P36. Inter-segment profits are based on the market price.

(3) Information on net sales, income or loss, assets and others for each reportable segment

Segment information as of and for the years ended March 31, 2013 and 2012:

Millions of Yen

For 2013	Reportable segments: Consumer	System equipment	Others	Total	Adjustments	Consolidated
Net sales:						
Outside customers	**¥227,861**	**¥41,778**	**¥28,124**	**¥297,763**	**¥ —**	**¥297,763**
Inside Group	**1**	**93**	**3,010**	**3,104**	**(3,104)**	**—**
Total	**227,862**	**41,871**	**31,134**	**300,867**	**(3,104)**	**297,763**
Segment income (loss)	**26,554**	**(702)**	**(293)**	**25,559**	**(5,506)**	**20,053**
Segment assets	**163,099**	**47,125**	**31,321**	**241,545**	**127,777**	**369,322**
Others						
Depreciation and amortization	**5,020**	**2,328**	**811**	**8,159**	**213**	**8,372**
Amortization of goodwill	**97**	**24**	**—**	**121**	**—**	**121**
Investment in equity method affiliates	**—**	**—**	**2,345**	**2,345**	**—**	**2,345**
Increase in property, plant and equipment and intangible assets	**7,594**	**2,831**	**337**	**10,762**	**273**	**11,035**

Thousands of U.S. Dollars

For 2013	Reportable segments: Consumer	System equipment	Others	Total	Adjustments	Consolidated
Net sales:						
Outside customers	$2,424,053	$444,447	$299,191	$3,167,691	$ —	$3,167,691
Inside Group	11	989	32,021	33,021	(33,021)	—
Total	2,424,064	445,436	331,212	3,200,712	(33,021)	3,167,691
Segment income (loss)	282,489	(7,468)	(3,117)	271,904	(58,574)	213,330
Segment assets	1,735,095	501,330	333,202	2,569,627	1,359,330	3,928,957
Others						
Depreciation and amortization	53,404	24,766	8,628	86,798	2,266	89,064
Amortization of goodwill	1,032	255	—	1,287	—	1,287
Investment in equity method affiliates	—	—	24,947	24,947	—	24,947
Increase in property, plant and equipment and intangible assets	80,788	30,117	3,585	114,490	2,904	117,394

Millions of Yen

For 2012	Reportable segments: Consumer	System equipment	Others	Total	Adjustments	Consolidated
Net sales:						
Outside customers	¥215,327	¥43,103	¥43,230	¥301,660	¥ —	¥301,660
Inside Group	4	552	4,834	5,390	(5,390)	—
Total	215,331	43,655	48,064	307,050	(5,390)	301,660
Segment income (loss)	14,643	(2,350)	299	12,592	(3,527)	9,065
Segment assets	151,339	47,055	40,738	239,132	127,080	366,212
Others						
Depreciation and amortization	4,978	2,684	1,437	9,099	178	9,277
Amortization of goodwill	100	24	—	124	—	124
Investment in equity method affiliates	—	—	2,258	2,258	—	2,258
Increase in property, plant and equipment and intangible assets	6,034	2,682	1,048	9,764	138	9,902

Notes: 1. Adjustments are as shown below:

(1) Adjustments to segment income or loss for the years ended March 31, 2013 and 2012 are ¥(5,506) million ($(58,574) thousand) and ¥(3,527) million, respectively. These amounts include corporate expenses that are not allocated to any reportable segment of ¥(5,506) million ($(58,574) thousand) and ¥(3,527) million, respectively. Corporate expenses principally consist of administrative expenses of the parent company and R&D expenses for fundamental research that are not attributable to reportable segments.

(2) Adjustments to segment assets for the years ended March 31, 2013 and 2012 are ¥127,777 million ($1,359,330 thousand) and ¥127,080 million, respectively. These amounts include corporate assets that are not allocated to any reportable segments of ¥127,946 million ($1,361,128 thousand) and ¥127,242 million, respectively.

(3) Adjustments to depreciation and amortization for the year ended March 31, 2013 and 2012 are ¥213 million ($2,266 thousand) and ¥178 million, respectively. These amounts consist of depreciation and amortization of assets related to administrative divisions that are not attributable to reportable segments.

(4) Adjustments to the increase in property, plant and equipment and intangible assets for the years ended March 31, 2013 and 2012 are ¥273 million ($2,904 thousand) and ¥138 million, respectively. These amounts consist of capital expenditures of administrative divisions that are not attributable to reportable segments.

2. Segment income or loss is reconciled with operating income on the consolidated income statement.

(4) Information about geographic areas

Millions of Yen

For 2013	Japan	North America	Europe	Asia	Others	Total
Net sales	¥132,387	¥32,914	¥43,731	¥60,055	¥28,676	¥297,763

Thousands of U.S. Dollars

For 2013	Japan	North America	Europe	Asia	Others	Total
Net sales	$1,408,372	$350,149	$465,223	$638,883	$305,064	$3,167,691

Millions of Yen

For 2012	Japan	North America	Europe	Asia	Others	Total
Net sales	¥142,400	¥30,613	¥45,989	¥55,307	¥27,351	¥301,660

Note: Sales are classified by country or region where customers are located.

Millions of Yen

For 2013	Japan	North America	Europe	Asia	Others	Total
Property, plant and equipment	¥56,216	¥891	¥410	¥6,798	¥66	¥64,381

Thousands of U.S. Dollars

For 2013	Japan	North America	Europe	Asia	Others	Total
Property, plant and equipment	$598,042	$9,479	$4,362	$72,319	$702	$684,904

(5) Information on impairment loss for each reportable segment

Millions of Yen

For 2013	Consumer	System equipment	Others	Elimination or unallocated amount	Total
Impairment loss	¥ 220	¥ 364	¥26	¥ 37	¥647

Thousands of U.S. Dollars

For 2013	Consumer	System equipment	Others	Elimination or unallocated amount	Total
Impairment loss	$ 2,340	$ 3,872	$277	$ 394	$6,883

Millions of Yen

For 2012	Consumer	System equipment	Others	Elimination or unallocated amount	Total
Impairment loss	¥ 861	¥—	¥487	¥—	¥1,348

(6) Information on amortization of goodwill and unamortized balance in each reportable segment

Millions of Yen

For 2013	Consumer	System equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year	**¥103**	**¥36**	**¥—**	**¥—**	**¥139**
Negative goodwill					
Amortization for the reporting year	**57**	**—**	**1**	**—**	**58**
Balance at the end of the reporting year	**—**	**—**	**—**	**—**	**—**

Thousands of U.S. Dollars

For 2013	Consumer	System equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year	**$1,096**	**$383**	**$—**	**$—**	**$1,479**
Negative goodwill					
Amortization for the reporting year	**606**	**—**	**11**	**—**	**617**
Balance at the end of the reporting year	**—**	**—**	**—**	**—**	**—**

Millions of Yen

For 2012	Consumer	System equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year	¥187	¥60	¥—	¥—	¥247
Negative goodwill					
Amortization for the reporting year	115	—	0	—	115
Balance at the end of the reporting year	57	—	1	—	58

14. Commitments and Contingent Liabilities

At March 31, 2013 and 2012, the Group was contingently liable for trade notes and export drafts discounted with banks in the amount of ¥1,770 million ($18,830 thousand) and ¥1,455 million, respectively.

15. Impairment Loss

For 2013:

The Company and its consolidated subsidiaries post impairment loss.

Use	Type of assets	Location
Business assets	Tools, furniture and fixtures, etc.	Hachioji City, Tokyo, and others
Idle assets	Land	Yufu City, Oita Pref., and others

With respect to business assets, the Company and its consolidated subsidiaries carry out asset grouping principally according to its management accounting categories, which are employed to enable continuous monitoring of the Group's earnings situation. Idle assets are managed on an individual basis.

The Company and its consolidated subsidiaries have applied impairment accounting to business assets whose values are deemed to have significantly declined due to deteriorating business environment and idle assets to make optimal use of these assets in the future. Book value of these assets has been reduced to recoverable amounts and the reduced amounts (¥647 million [$6,883 thousand]) are recognized as "impairment loss."

The breakdown of the losses is: ¥239 million ($2,543 thousand) for tools, furniture and fixtures, ¥326 million ($3,468 thousand) for land, and ¥82 million ($872 thousand) for others.

Recoverable amounts are estimated using net selling prices which are reasonably estimated.

Recoverable amounts for land are calculated based on property tax valuation or roadside land prices and those for other assets are based on estimated disposal values.

For 2012:

The Company and its consolidated subsidiaries post impairment loss.

Use	Type of assets	Location
Business assets	Machinery, equipment and vehicles, tools, furniture and fixtures, software, etc.	Hamura City, Tokyo, and others
Idle assets	Land, buildings and structures, etc.	Chuo City, Yamanashi Pref., and others

With respect to business assets, the Company and its consolidated subsidiaries carry out asset grouping principally according to its management accounting categories, which are employed to enable continuous monitoring of the Group's earnings situation. Idle assets are managed on an individual basis.

The Company and its consolidated subsidiaries have applied impairment accounting to business assets whose values are deemed to have significantly declined due to deteriorating business environment and idle assets to make optimal use of these assets in the future. Book value of these assets has been reduced to recoverable amounts and the reduced amounts (¥1,348 million) are recognized as "loss on disaster," "loss on liquidation of subsidiaries and affiliates," and "impairment loss."

The breakdown of the losses is: ¥297 million for buildings and structures, ¥58 million for machinery, equipment and vehicles, ¥359 million for tools, furniture and fixtures, ¥515 million for land, ¥67 million for software, and ¥52 million for others.

Recoverable amounts are estimated using net selling prices which are reasonably estimated.

Recoverable amounts for land are calculated based on roadside land prices, etc., and those for other assets are based on estimated disposal values.

16. Subsequent Events

Appropriation of retained earnings

At the annual shareholders' meeting held on June 27, 2013, the Company's shareholders approved the payment of a cash dividend of ¥20.00 ($0.21) per share aggregating ¥5,377 million ($57,202 thousand) to registered shareholders as of March 31, 2013.