

## Summary of Consolidated Quarterly Financial Statements for the Second Quarter of the Term Ending March 2012 (Japan GAAP)

November 10, 2011

Name of Listed Company: **TSUMURA & CO.** Exchange: First Section of Tokyo Stock Exchange  
 Code: 4540 URL: <http://www.tsumura.co.jp>  
 Representative: Position: President & Representative Director Name: Junichi Yoshii  
 Contact: Position: Executive Officer, Manager of Corporate Communications DEPT, Director Name: Terukazu Kato  
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Scheduled date of dividend payment commencement: December 5, 2011

Preparation of supplementary materials for the quarterly financial statements: Yes.

Holding of the quarterly results briefing: Yes, for institutional investors, securities analysts, and press.

(Figures are rounded down to the nearest one million yen.)

1. Consolidated business results for the second quarter of the term ending March 2012 (from April 1, 2011 to September 30, 2011)

(1) Financial results (total sum)

(Figures in percentages denote the year-on-year change.)

	Net sales		Operating profit		Recurring income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Second quarter ended September 30, 2011	45,862	1.1	9,831	0.2	9,911	0.9	5,141	-13.1
Second quarter ended September 30, 2010	45,375	1.9	9,811	9.5	9,818	10.9	5,913	15.7

(Note) Comprehensive income Second quarter ended September 30, 2011: 5,495 million yen (22.6%)  
 Second quarter ended September 30, 2010: 4,480 million yen (—%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Second quarter ended September 30, 2011	72.90	—
Second quarter ended September 30, 2010	83.85	—

(2) Consolidated financial conditions

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Second quarter ended September 30, 2011	143,896	94,515	64.7
FY 3/2011	141,549	91,154	63.5

(Reference) Shareholders' equity: Second quarter ended September 30, 2011: 93,170 million yen FY 3/2011: 89,856 million yen

2. Dividends

	Dividend per share				
	End of Q1	End of Q2	End of Q3	End of FY	Total
	Yen	Yen	Yen	Yen	Yen
F Y 3/2011	—	28.00	—	30.00	58.00
F Y 3/2012	—	30.00	—	—	—
FY 3/2012 (Projection)	—	—	—	30.00	60.00

(Note) Revisions to dividends projection published most recently: No

3. Projections of consolidated business results for the term ending March 2012 (From April 1, 2011 to March 31, 2012)

(Figures in percentage show the rate of increase or decrease from the previous fiscal year.)

	Net sales		Operating profit		Recurring income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	96,600	1.9	21,700	0.7	21,900	0.8	12,200	-5.8	172.98

(Note) Revisions to business results projection published most recently: Yes.

3. Consolidated Quarterly Financial Statements  
(i) Consolidated Quarterly Balance Sheets

	(Unit: million yen)	
	Previous fiscal year (March 31, 2011)	End of second quarter under review (September 30, 2011)
<b>Assets</b>		
Current assets		
Cash and time deposits	17,219	16,646
Trade notes and accounts receivable	34,625	29,110
Merchandise and finished goods	3,672	5,127
Work in process	6,461	6,599
Raw materials and stores	11,923	14,894
Other	5,171	7,547
Less allowance for doubtful receivables	-6	-5
Total current assets	79,068	79,920
Long-term assets		
Property, plant and equipment, at cost		
Buildings and structures	44,639	45,411
Other	49,741	51,617
Accumulated depreciation	-52,226	-53,154
Property, plant and equipment, net	42,154	43,873
Intangible fixed assets	250	228
Investment and other assets		
Investment in securities	14,600	14,460
Other	5,504	5,442
Less allowance for doubtful receivables	-28	-29
Total investment and other assets	20,076	19,873
Total long-term assets	62,481	63,975
Total assets	141,549	143,896
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable trade	1,912	2,666
Short-term payable loans	22,957	21,957
Accrued income taxes	4,403	3,969
Allowance for sales returns	12	12
Other	12,520	12,120
Total current liabilities	41,807	40,724
Long-term liabilities		
Accrued employees' retirement and severance benefits	1,825	1,882
Other	6,762	6,773
Total long-term liabilities	8,587	8,655
Total liabilities	50,394	49,380

	Previous fiscal year (March 31, 2011)	End of second quarter under review (September 30, 2011)
Net Assets		
Shareholders' equity		
Common stock	19,487	19,487
Capital surplus	1,940	1,940
Retained earnings	70,075	73,101
Treasury stock	-383	-383
Total shareholders' equity	91,120	94,145
Accumulated other comprehensive income		
Difference on valuation of other marketable securities	-1,059	-682
Deferred hedge gain or loss	-351	-616
Difference on revaluation of land	1,772	1,772
Foreign currency translation	-1,624	-1,448
Total accumulated other comprehensive income	-1,263	-975
Minority interests in consolidated subsidiaries	1,298	1,344
Total net assets	91,154	94,515
Liabilities and net assets	141,549	143,896

(ii) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income  
Consolidated Quarterly Statements of Income / For the Second Quarter Consolidated Accumulative Term

(Unit: million yen)

	Previous second quarter (From April 1, 2010 to September 30, 2010)	Second quarter under review (From April 1, 2011 to September 30, 2011)
Net sales	45,375	45,862
Cost of sales	14,017	14,167
Gross profit	31,357	31,695
Selling, general and administrative expenses	21,545	21,864
Operating profit	9,811	9,831
Other income		
Interest received	16	26
Dividend income	162	243
Gain from investments by equity method	48	1
Other	118	79
Total other income	345	350
Other expenses		
Interest expenses	135	121
Foreign exchange loss	182	130
Other	21	17
Total other expenses	339	270
Recurring income	9,818	9,911
Extraordinary gain		
Gain on sales of fixed assets	0	—
Gain on sales of investment securities	1	—
Total extraordinary gain	1	—
Extraordinary loss		
Loss on sales of fixed assets	1	9
Loss on retirement of fixed assets	44	46
Loss on sales of investment securities	—	1
Loss on valuation of investment securities	0	671
Loss due to disasters	—	298
Total extraordinary loss	45	1,027
Income before income taxes and minority interests	9,773	8,883
Corporate income taxes	3,815	3,697
Income before minority interests	5,958	5,186
Profit of minority shareholders	44	44
Net income	5,913	5,141

Consolidated Quarterly Statements of Comprehensive Income / For the Second Quarter Consolidated Accumulative Term  
(Unit: million yen)

	Previous second quarter (From April 1, 2010 to September 30, 2010)	Second quarter under review (From April 1, 2011 to September 30, 2011)
Income before minority interests	5,958	5,186
Other comprehensive income		
Difference on valuation of other marketable securities	-764	377
Deferred hedge gain or loss	-538	-265
Foreign currency translation adjustments	-162	191
Share of other comprehensive income of associates accounted for using equity method	-12	4
Total other comprehensive income	-1,477	308
Comprehensive income	4,480	5,495
(Breakdown)		
Comprehensive income attributable to owners of the parent	4,463	5,430
Comprehensive income attributable to minority interests	16	64

## (iii) Consolidated Quarterly Statements of Cash Flows

(Unit: million yen)

	Previous second quarter (From April 1, 2010 to September 30, 2010)	Second quarter under review (From April 1, 2011 to September 30, 2011)
Cash flows from operating activities		
Income before income taxes	9,773	8,883
Depreciation	1,712	1,849
Increase (decrease) in allowance for doubtful receivables	-6	0
Interest and dividends	-178	-269
Interest expenses	135	121
Loss (gain) from investments by equity method	-48	-1
Loss (profit) on sales and disposition of property, plant and equipment	36	56
Decrease (increase) in receivables	-150	5,517
Decrease (increase) in inventories	-284	-4,531
Increase (decrease) in liabilities on purchases	-109	481
Loss (gain) on sales of securities and investment securities	-1	1
Loss (gain) on valuation of securities and investment securities	0	671
Increase (decrease) in accrued employees' retirement and severance benefits	93	57
Others, net	-1,505	-2,973
Subtotal	9,466	9,864
Interest and dividends received	212	205
Interest paid	-134	-121
Income taxes paid	-5,069	-4,287
Cash flows from operating activities	4,474	5,662
Cash flows from investing activities		
Purchase of property, plant and equipment	-2,433	-3,422
Proceeds from sales of property, plant and equipment	23	1
Purchase of intangible assets	-32	-15
Purchase of securities and investment securities	-5	-5
Proceeds from sale and redemption of securities and investment securities	8	22
Purchase of treasury stock of subsidiaries in consolidation	-1,000	—
Increase in loans	-5	-4
Collection of loans	5	304
Deposits of time deposits (more than three months)	-18	-17
Refunds of time deposits (more than three months)	23	23
Other	-9	-10
Cash flows from investing activities	-3,443	-3,123
Cash flows from financing activities		
Increase in short-term loans	130	—
Repayments of short-term loans	-260	-1,000
Repayments of long-term debt	-23	—
Acquisition of treasury common stock	-0	-0
Cash dividends	-1,619	-2,113
Cash dividends paid to minority shareholders	—	-18
Other	-11	-13
Cash flows from financing activities	-1,785	-3,145
Effect of exchange rate changes on cash and cash equivalents	-22	39
Net increase (decrease) in cash and cash equivalents	-777	-567
Cash and cash equivalents at beginning of the term	15,381	17,198
Cash and cash equivalents at end of the term	14,603	16,631