

(3) Consolidated Cash Flow Results

	Net cash provided by operating activities	Net cash provided by (used in) investing activities	Net cash used in financing activities	Ending balance of cash and cash equivalents
	¥ million	¥ million	¥ million	¥ million
Year ended March 31, 2009	1,547	1,614	(1,155)	31,839
Year ended March 31, 2008	2,018	(2,972)	(1,129)	33,717

2. Dividends

(Record Date)	Dividend per share (yen)					Total dividends (annual)	Dividend payout ratio (consolidated)	Total dividends to net assets (consolidated)
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of Fiscal Year	Annual total			
	¥	¥	¥	¥	¥	¥ million	%	%
Year ended March 31, 2008	–	¥15.00	–	¥15.00	¥30.00	¥1,068	50.3	1.1
Year ended March 31, 2009	–	¥15.00	–	¥15.00	¥30.00	¥1,068	–	1.2
Year ending March 31, 2010 (forecasted)	–	¥15.00	–	¥15.00	¥30.00		–	

3. Consolidated Financial Forecasts for the Year Ending March 31, 2010

(Percentages represent rate of increase (decrease) from the prior year.)

	Net sales		Operating loss		Ordinary loss		Net loss		Net loss per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Six months ending September 2009	16,870	(35.4)	(4,850)	–	(4,470)	–	(4,420)	–	(124.11)
Year ending March 31, 2010	37,770	(16.9)	(6,920)	–	(6,250)	–	(6,310)	–	(177.18)

4. Other

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes of consolidation scope): None
- (2) Changes in accounting principles and procedures, and presentation methods concerning the preparation of consolidated financial statements (matters stated in “Preparation of the Consolidated Financial Statements – Changes in Significant Matters”)
 - a) Changes based on revisions of accounting standards, etc.: Yes
 - b) Other changes: None

Note: Refer to (6) Preparation of the Consolidated Financial Statements – Significant Matters on page 18 and (7) Preparation of the Consolidated Financial Statements – Changes in Significant Matters on page 24 for details.

(3) Number of issued and outstanding shares (common stock)

a) Number of shares issued and outstanding at year end (including treasury shares)

March 31, 2009: 36,190,872 shares March 31, 2008: 36,190,872 shares

b) Number of treasury shares at year end

March 31, 2009: 576,646 shares March 31, 2008: 576,513 shares

Note: Refer to "Per Share Information" on page 30 for the number of shares used as the basis for computation of net income per share (consolidated).

(Reference) Summary of Non-Consolidated Business Results

1. Non-consolidated Results for the Year Ended March 31, 2009

(1) Non-consolidated Operating Results

(Percentages represent rate of increase (decrease) from the prior year.)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Year ended March 31, 2009	27,770	(26.2)	(2,884)	–	(2,572)	–	(4,809)	–
Year ended March 31, 2008	37,632	(5.9)	983	(75.2)	1,429	(71.1)	(1,009)	–

	Net income (loss) per share	Diluted net income per share
	¥	¥
Year ended March 31, 2009	(135.05)	–
Year ended March 31, 2008	(28.34)	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
March 31, 2009	81,974	75,612	92.2	2,123.10
March 31, 2008	92,201	82,130	89.1	2,306.11

(Reference) Equity capital

March 31, 2009: ¥75,612 million March 31, 2008: ¥82,130 million

2. Non-consolidated Financial Forecasts for the Year Ending March 31, 2010

(Percentages represent rate of increase (decrease) from the same related prior year period.)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)		Net income (loss) per share	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥	
Six months ending September 2009	10,140	(41.6)	(3,590)	–	(3,500)	–	(3,560)	–		(99.96)
Year ending	23,520	(15.3)	(4,780)	–	(4,660)	–	(4,770)	–		(133.94)

March 31, 2010				
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* Explanation regarding appropriate use of financial forecasts and other special notes

The Company released the above forecasts based on certain data and information available as of the date of announcement. Accordingly, actual financial results may differ from these forecasts due to potential risks and various factors. With respect to the financial forecasts, please refer to 1. Business Results (1) Analysis on Business Results on page 5 of the attached documents.

1. Business Results

(1) Analysis on Business Results

(Business results for the year ended March 31, 2009)

In the consolidated fiscal year ended March 31, 2009, the economic environment surrounding the Noritsu Group (the "Group") recovered from price hikes of various commodities including crude oil, but underwent a deepening financial crisis triggered by the subprime loan issues in the United States and has suffered from a worldwide financial contraction.

Furthermore, both capital investment and private consumption were slow worldwide due to the ongoing yen appreciation and stock price declines, as a recessionary phase continued across the world.

Under these circumstances, the Group continued its prior year aim of increasing printing demand, and thoroughly reviewed its photography related business.

However, film printing demand decreased drastically in emerging markets, although digital printing demand increased as digital cameras spread worldwide. Overall printing demand for minilab shops remained severe due to the global weakening consumption trend.

As a result, net sales for the current consolidated fiscal year were ¥45,434 million (down 27.5% from the prior fiscal year), consisting of domestic sales of ¥6,972 million (down 21.7% from the prior fiscal year) and overseas sales of ¥38,461 million (down 28.4% from the prior fiscal year).

Selling, general and administrative expenses totaled ¥25,368 million (down 7.2% from the prior fiscal year) due to implementation of personnel cost reductions and expense cuts through group-wide structural reforms, while the operating loss was ¥1,864 million (operating income of ¥4,190 million for the prior fiscal year) due to a significant decrease in net sales.

Non-operating income and expenses were ¥693 million (down 0.6% from the prior fiscal year), about the same as last year. However, the net loss for the year was ¥3,864 million (net income of ¥2,126 million for the prior fiscal year) due to special losses of ¥405 million for settlement costs related to cancellation of an agency agreement in Spain, ¥719 million for losses on sales and write-down of investment securities and a ¥195 million yen loss on liquidation of a subsidiary in China, plus a ¥620 million yen reversal of deferred tax assets.

The geographic breakdown of Group sales was as follows:

[Japan]

In our core photography related business, market conditions grew increasingly severe, although we actively proposed improvements to the customer attraction ability of our minilab shops and supported shop-front printing efficiency. Total sales for Japan dropped to ¥6,972 million, down 21.7% from the prior fiscal year.

[North America]

North America is our most significant market, representing more than 30% of our consolidated sales, and we have therefore been reinforcing our sales strategies by customer according to the market. However, the pace of new store openings by major customers slowed drastically due to credit contraction from the financial crisis and sluggish consumption. Total sales for North America decreased significantly to ¥16,064 million, down 31.8% from the prior fiscal year.

[Europe]

European customers, in addition to expecting a shift from silver-halide equipment to dry printing equipment, were affected by the same North American financial crisis induced credit contraction and decreased consumption,

resulting in a significantly negative customer market. Total sales for Europe decreased to ¥8,506 million, down 19.4% from the prior fiscal year.

[Asia and Oceania]

The market in Asia and Oceania exhibited conservative buying trends among customers, affected by credit contraction and sluggish consumption due to steep yen appreciation and the financial crisis. Total sales for Asia and Oceania decreased significantly to ¥7,421 million, down 34.4% from the prior fiscal year.

[Other]

Overall sales in other regions were slow due to the same reasons as for Asia and Oceania. Total sales for other regions decreased significantly to ¥6,469 million, down 22.0% from the prior fiscal year.

As a result, the Group's overseas sales for the current fiscal year totaled ¥38,461 million, down 28.4% from the prior fiscal year. The percentage of overseas sales to total consolidated sales was 84.7%, down 1.1 points compared to the prior fiscal year.

The following is the product-line breakdown of our sales.

[Minilab system equipment]

Sales of our core product minilab system equipment were ¥28,501 million, down 27.3% from the prior fiscal year.

[Options and repair parts]

Sales of options and repair parts were ¥8,344 million, down 39.2% from the prior fiscal year.

[Others]

Sales of other products were ¥8,588 million, down 11.5% from the prior fiscal year. This was due mainly to decreases in service income of ¥5,801 million (down 5.0% from the prior fiscal year) and in other sales of ¥2,526 million (down 22.4% from the prior fiscal year).

Regarding the Group's R&D activities, we have firmly established our management principle of "Customer First R&D Management" since our foundation. To respect people's thoughts and feelings attached to each photograph, we have focused our energy on R&D activities to accommodate customer needs and pursued R&D for leading image technologies in the field of total imaging. Total R&D costs of the Group for the current fiscal year amounted to ¥2,846 million (including ¥630 million of testing and research costs recorded as general production costs). Major new product development for the current fiscal year were the high resolution and high definition digital minilabs "QSS-37HD Series," the high capacity dry minilab "D703" featuring a double roll paper system, the dry minilab "D502" exclusively designed for sheet paper use with automatic double-sided printing capability, and the photo book binding system "NPB-1," that can provide added value to the photography business.

(Outlook for the Fiscal Year Ending March 31, 2010)

In the photography related market in which we operate, we anticipate further increased demand for dry minilabs with lower unit prices than silver-halide equipment, and increasingly severe market conditions.

To cope with these difficult conditions, we will release to the markets the high capacity dry minilab "D703" and the dry minilab "D502" exclusively designed for sheet paper use with automatic double-sided printing capability, and deploy marketing strategies optimized for each region or country. We will also pursue reviews of our cost structure on a group-wide basis and promote further cost reductions to improve our profitability.

With respect to the consolidated business results for the full year ending March 31, 2010, we forecast net sales of ¥37.7 billion, an operating loss of ¥6.9 billion, an ordinary loss of ¥6.2 billion and a net loss of ¥6.3 billion.

With respect to non-consolidated business results for the year ending March 31, 2010, we forecast net sales of ¥23.5 billion, an operating loss of ¥4.7 billion, an ordinary loss of ¥4.6 billion and a net loss of ¥4.7 billion.

The U.S. dollar exchange rate used for the consolidated business forecasts was assumed to be ¥95 (the prior year actual rate was ¥102.02).

(2) Analysis of Financial Position

(Status of assets, liabilities, net assets and cash flows)

Total assets as of the end of the current consolidated fiscal year were ¥96,448 million, a ¥19,042 million decrease compared to the end of the prior consolidated fiscal year.

Current assets decreased by ¥18,173 million. This was mainly due to a ¥7,079 million decrease in marketable securities, a ¥6,049 million decrease in notes receivable and accounts receivable-trade, and a ¥4,290 million decrease in inventories.

Noncurrent assets decreased by ¥868 million. This was mainly due to a ¥1,936 million decrease in property, plant and equipment attributable to depreciation, disposals and sales, etc. and a ¥1,711 million increase in investment securities.

Total liabilities decreased by ¥6,727 million. This was mainly due to a ¥3,378 million decrease in notes payables and accounts payable-trade, a ¥953 million decrease in advances received included in other current liabilities, and a ¥454 million decrease in deferred tax liabilities classified under non-current liabilities.

Total net assets decreased by ¥12,314 million. This was mainly due to a ¥4,581 million decrease in retained earnings and a ¥7,733 million decrease in total valuation and translation adjustments.

[Cash flows from operating activities]

Cash flows from operating activities contributed to increase cash and cash equivalents ("Cash") by ¥1,547 million. Primary factors for increases in Cash were a ¥3,427 million decrease in trade receivables, a ¥2,428 million decrease in depreciation costs and a ¥2,300 million decrease in inventories. Primary factors for decreases in Cash were a ¥3,292 million decrease in trade payables and loss before income taxes of ¥2,504 million.

[Cash flows from investing activities]

Cash flows from investing activities contributed to increase Cash by ¥1,614 million. A primary factor for increase in Cash was a net increase of ¥9,502 million from redemptions of marketable securities. A primary factor for decrease in Cash was a net decrease of ¥5,748 million from acquisitions of investment securities, etc.

[Cash flows from financing activities]

Cash flows from financing activities contributed to decrease Cash by ¥1,155 million, mainly due to dividend

payments.

As a result, the ending balance of cash and cash equivalents as of the end of the current consolidated fiscal year was ¥31,839 million, a decrease of ¥1,878 million compared to the prior consolidated fiscal year.

(3) Basic Policy for Profit Distribution and Dividends for the Current and Following Fiscal Years

We believe the distribution of profits to shareholders is one of our important commitments. Accordingly, our fundamental management policy is to provide stable and continuous distributions as we strive to strengthen our long-term operating foundation.

Based on this policy, year-end dividends for the current year will be ¥15 per share as previously forecasted. Total annual dividends including interim dividends will be ¥30 per share.

With regard to dividends for the following fiscal year, annual dividends are forecasted as ¥30 per share (including interim dividend of ¥15 per share) based on the same policy.

(4) Risk Information

Disclosures were omitted due to no occurrence of new risks since those stated in the recent annual securities report (submitted on June 30, 2008).

2. Group Information

The Group consists of Noritsu Koki Co., Ltd. (the Company) and 24 subsidiaries and associated companies that engage mainly in the business of manufacturing and selling photo processing equipment.

With respect to changes for the current consolidated fiscal year, Japan Environmental Development, Inc., was excluded from the scope of the application of the equity method since the effect of its net loss for the year and retained earnings were not material, and was not significant for the Group as a whole.

Noritsu (Shanghai) Electronics Equipment Manufacturing Co., Ltd. has been undergoing liquidation procedures after the liquidation was approved at the meeting of the Board of Directors held on May 23, 2008.

As there was no significant change in the Business Outline and the Company Business Lines stated in the recent annual securities report (submitted on June 30, 2008), the related disclosures were omitted.

3. Management Policy

(1) Basic Management Policy

As an industry leading manufacturer, the Group's stands on its management principle of "Customer First R&D Management" and basic policies to contribute to society through constant initiatives to meet the needs of our customers and create attractive products using our own innovation and know-how.

(2) Targeted Management Index

Recognizing our management challenge to secure stable profitability, and rationally considering the changing operating environment and our management strategies as a whole, we have set a target return on assets (ROA) of 4.3% to be attained by 2013 as our current mid-term vision.

(3) Medium to Long-Term Management Strategy and Issues to be Addressed

The business and market environment surrounding the Group is changing significantly.

In the photography market, the demand for digital printing has been growing, while the demand for film printing has been significantly decreasing in the emerging markets.

A conservative buying trend has been seen due to a wait-and-see attitude toward an expected shift from mainstay minilabs to dry minilabs featuring inkjet methods, etc.

Simultaneously, appetite for capital investments has declined due to restrained new store openings in the retail industry mainly in North America, affected by the U.S. financial crisis and yen appreciation.

Due to these changes in the business and market environment, we anticipate the following impacts.

– Changes in market environment –

- 1) Shrinking silver-halide equipment market
 - Decline in investments in silver-halide equipment by major North American customers
 - Decline in investments due to wait-and-see attitudes by silver-halide equipment users in other regions and segments
 - Weakening market prices
- 2) Fiercer competition for dry printing equipment
 - Lowered unit prices for dry printing equipment

The Group has set the following priority challenges and will strengthen activities to promptly respond to these changes in the market environment.

– Our priority challenges –

- 1) Early implementation of effective measures for the shift from silver-halide to dry printing business models
 - Early development of sales structure and methods suitable for dry printing equipment
 - Development of frameworks for increases in the consumable goods business
- 2) Implementation of measures to become a solution provider in the imaging business
 - Prompt actions to expand product and service networks for one-stop shopping

The Group will promote the following measures on a mid-term basis to strengthen the company.

- 1) Transforming into a solution provider in the imaging business
- 2) Researching and analyzing new business areas outside the imaging business for early entry, development and expansion

– Practical measures for challenges –

- 1) Restructuring cost structure
 - Reducing manufacturing costs
 - Reducing selling and administrative expenses
- 2) Redeveloping marketing strategies
 - Strategic promotion to create imaging markets = refocus [+]
 - Enhancement and enlargement of product and service line-up
 - Reinforcing sales channels
 - Strengthening alliance strategies
- 3) New business expansion
 - Enforcing imaging business
 - Expanding imaging related business

- Launching businesses in new business areas
- 4) Rejuvenation of corporate culture
- Activating communication
 - Restructuring personnel system
 - Effective use of internal business proposals

Based on the above, we aim to achieve the ROA rate of 4.3% on a long-term basis as our managerial goal, and commit ourselves to expand our business operations and improve business results.

Although we promoted the new mid-term management vision “Play to Win” released on October 1, 2008, based on our operational basic policies, due to the sudden negative changes in economic conditions and business environment, management released the revised new mid-term management vision “Play to Win” on May 15, 2009, which revised the target ROA from 8.0% to 4.3%.

4. Consolidated Financial Statements*(1) Consolidated Balance Sheets*

	(Millions of yen)	
	March 31, 2008	March 31, 2009
ASSETS		
Current Assets		
Cash and bank deposits	¥27,367	¥27,034
Notes receivable and accounts receivable-trade	13,898	7,849
Marketable securities	18,472	11,393
Inventories	15,649	-
Merchandise and products	-	10,425
Work in process	-	673
Raw materials and supplies	-	258
Deferred tax assets	1,480	550
Other	2,485	2,899
Allowance for doubtful accounts	(568)	(473)
Total current assets	78,784	60,610
Noncurrent Assets		
Property, plant and equipment	32,464	31,393
Buildings and structures	8,256	7,782
Machinery and equipment	12,827	12,686
Land	23	66
Construction in progress	21,115	20,033
Other	(47,501)	(46,714)
Accumulated depreciation	27,185	25,248
Total property, plant and equipment	1,914	1,678
Intangible assets		
Investments and other assets		
Investment securities	* ¹ 4,747	* ¹ 6,459
Long-term loans receivable	544	525
Prepaid pension costs	560	461
Deferred tax assets	196	338
Other	1,827	1,384
Allowance for doubtful accounts	(271)	(258)
Total investments and other assets	7,605	8,910
Total noncurrent assets	36,705	35,837
TOTAL ASSETS	¥115,490	¥96,448

(Continued)

(Translation)

Noritsu Co., Ltd. (7744)

Financial Information for the Fiscal Year Ended March 31, 2009

(Millions of yen)

	March 31, 2008	March 31, 2009
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Notes payable and accounts payable-trade	¥7,832	¥4,454
Income taxes payable	630	417
Deferred tax liabilities	7	32
Allowance for employee bonuses	701	588
Allowance for guaranteed liabilities	189	216
Allowance for product warranties	688	553
Other	6,366	4,372
Total current liabilities	16,416	10,636
Long-term Liabilities		
Deferred tax liabilities	465	11
Liability for employee retirement benefits	22	23
Other	1,623	1,129
Total long-term liabilities	2,111	1,164
Total liabilities	18,528	11,801
NET ASSETS		
Shareholders' Equity		
Capital stock	7,025	7,025
Capital surplus	17,913	17,913
Retained earnings	70,724	66,143
Treasury stock	(1,210)	(1,211)
Total shareholders' equity	94,452	89,871
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	598	(42)
Deferred gain on derivatives under hedge accounting	0	—
Foreign currency translation adjustments	1,911	(5,182)
Total valuation and translation adjustments	2,509	(5,224)
Total net assets	96,961	84,646
TOTAL LIABILITIES AND NET ASSETS	¥115,490	¥96,448

(Translation)

Noritsu Co., Ltd. (7744)

Financial Information for the Fiscal Year Ended March 31, 2009

(2) Consolidated Statements of Operations

	(Millions of yen)	
	Year ended March 31, 2008	Year ended March 31, 2009
NET SALES	¥62,633	¥45,434
COST OF SALES	* ¹ * ² 31,109	* ¹ * ² 21,930
Gross profit	31,523	23,504
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	* ² * ³ 27,333	* ² * ³ 25,368
Operating income (loss)	4,190	(1,864)
NON-OPERATING INCOME		
Interest income	1,245	1,228
Dividend income	72	41
Equity in earnings of associated companies	–	63
Other	597	384
Total non-operating income	1,915	1,717
NON-OPERATING EXPENSES		
Interest expense	11	9
Sales discounts	96	61
Foreign exchange loss	688	655
Equity in losses of associated companies	169	–
Other	253	297
Total non-operating expenses	1,218	1,024
Ordinary income (loss)	4,887	(1,171)
SPECIAL GAINS		
Gain on sales of fixed assets	* ⁴ 406	* ⁴ 22
Reversal of allowance for doubtful accounts	98	80
Reversal of allowance for guaranteed liabilities	21	–
Other	3	1
Total special gains	530	105
SPECIAL LOSSES		
Loss on sales and disposal of fixed assets	* ⁵ 209	* ⁵ 116
Loss on sales of investment securities	–	41
Loss on write-down of investment securities	–	678
Loss from impairment	* ⁶ 609	* ⁶ –
Provision for prior year product warranties	407	–
Special retirement benefits	* ⁷ 149	* ⁷ –
Loss on liquidation of a subsidiary	–	195
Contract settlement cost	* ⁸ –	* ⁸ 405
Total special losses	1,374	1,437
INCOME (LOSS) BEFORE INCOME TAXES	4,043	(2,504)
Corporate income, inhabitant and enterprise taxes		
- Current	1,136	812
- Deferred	780	547
Total income taxes	1,916	1,360
Net income (loss) for the year	¥2,126	¥ (3,864)

(3) Consolidated Statements of Changes in Shareholders' Equity and Net Assets

	(Millions of yen)	
	Year ended March 31, 2008	Year ended March 31, 2009
Shareholders' Equity		
Capital stock		
Prior year ending balance	¥7,025	¥7,025
Current year ending balance	7,025	7,025
Capital surplus		
Prior year ending balance	17,913	17,913
Current year ending balance	17,913	17,913
Retained earnings		
Prior year ending balance	69,666	70,724
Effect of applying Practical Issues Task Force (PITF) No. 18	-	325
Increase attributable to change in fiscal year end of a consolidated subsidiary	-	25
Changes during the year		
Distribution from surplus	(1,068)	(1,068)
Net income (loss) for the year	2,126	(3,864)
Total changes for the year	1,057	(4,932)
Current year ending balance	70,724	66,143
Treasury stock		
Prior year ending balance	(1,210)	(1,210)
Changes during the year		
Acquisitions of treasury shares	(0)	(0)
Total changes for the year	(0)	(0)
Current year ending balance	(1,210)	(1,211)
Total shareholders' equity		
Prior year ending balance	93,394	94,452
Effect of PITF No. 18 application	-	325
Increase attributable to change in fiscal year end of a consolidated subsidiary	-	25
Changes during the year		
Distribution from surplus	(1,068)	(1,068)
Net income (loss) for the year	2,126	(3,864)
Acquisition of treasury shares	(0)	(0)
Total changes for the year	1,057	(4,932)
Current year ending balance	¥94,452	¥89,871

(Continued)

(Translation)

Noritsu Co., Ltd. (7744)

Financial Information for the Fiscal Year Ended March 31, 2009

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Valuation and Translation Adjustments		
Unrealized gain (loss) on available-for-sale securities		
Prior year ending balance	¥922	¥598
Changes during the year		
Changes in items other than shareholders' equity items (net)	(323)	(640)
Total changes for the year	(323)	(640)
Current year ending balance	598	(42)
Deferred gain (loss) on derivatives under hedge accounting		
Prior year ending balance	(0)	0
Changes during the year		
Changes in items other than shareholders' equity items (net)	0	(0)
Total changes for the year	0	(0)
Current year ending balance	0	–
Foreign currency translation adjustments		
Prior year ending balance	2,311	1,911
Changes during the year		
Changes in items other than shareholders' equity items (net)	(400)	(7,093)
Total changes for the year	(400)	(7,093)
Current year ending balance	1,911	(5,182)
Total valuation and translation adjustments		
Prior year ending balance	3,232	2,509
Changes during the year		
Changes in items other than shareholders' equity items (net)	(723)	(7,733)
Total changes for the year	(723)	(7,733)
Current year ending balance	2,509	(5,224)
Net Assets		
Prior year ending balance	96,627	96,961
Effect of PITF No. 18 application	–	325
Increase attributable to change in fiscal year end of a consolidated subsidiary	–	25
Changes during the year		
Distribution from surplus	(1,068)	(1,068)
Net income (loss) for the year	2,126	(3,864)
Acquisition of treasury shares	(0)	(0)
Changes in items other than shareholders' equity items (net)	(723)	(7,733)
Total changes for the year	334	(12,666)
Current year ending balance	¥96,961	¥84,646

(4) Consolidated Cash Flow Statements

(Millions of yen)		
	Year ended March 31, 2008	Year ended March 31, 2009
Cash flows from operating activities		
Income (loss) before income taxes	¥4,043	¥ (2,504)
Depreciation	2,406	2,428
Loss on impairment	609	–
Increase (decrease) in allowance for doubtful accounts	(258)	88
Decrease in allowance for employee bonuses	(36)	(112)
Increase in allowance for guaranteed liabilities	7	155
Increase (decrease) in allowance for product warranties	454	(94)
Increase in liabilities for employee retirement benefits	0	0
(Increase) decrease in prepaid pension costs	(94)	99
Interest and dividend income	(1,318)	(1,269)
Interest expense	11	9
Foreign exchange loss	138	696
Loss on write-down of investment securities	–	678
Loss on sales of investment securities	–	41
Equity in (earnings) losses of associated companies	169	(63)
(Gain) loss on sales and disposal of property, plant and equipment	(197)	94
(Increase) decrease in trade receivables	(1,901)	3,427
Decrease in inventories	1,850	2,300
Decrease in trade payables	(5,018)	(3,292)
Increase (decrease) in unearned revenue	334	(386)
Other	782	(1,212)
Subtotal	1,983	1,083
Interest and dividend received	1,329	1,288
Interest paid	(10)	(9)
Income taxes paid	(1,284)	(815)
Net cash provided by operating activities	2,018	1,547
Cash flows from investing activities		
Payments for deposits into time deposits	(9,125)	(10,507)
Proceeds from withdrawals from time deposits	9,462	8,905
Payments for purchases of marketable securities	(7,945)	(5,084)
Proceeds from redemptions of marketable securities	5,728	14,586
Payments for purchases of trust beneficiary rights	(3,900)	(1,400)
Proceeds from redemptions of trust beneficiary rights	5,400	1,400
Payments for acquisitions of property, plant and equipment	(1,212)	(785)
Proceeds from sales of property, plant and equipment	1,106	455
Payments for purchases of investment securities	(3,891)	(5,748)
Proceeds from sales of investment securities	541	0
Payments for provision of loans receivable	(486)	(552)
Proceeds from collections of loans receivable	115	34
Other	1,236	310
Net cash provided by (used in) investing activities	¥ (2,972)	¥ 1,614

(Translation)

Noritsu Co., Ltd. (7744)

Financial Information for the Fiscal Year Ended March 31, 2009

(Continued)

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Cash flows from financing activities		
Proceeds from short-term borrowing	¥40	—
Repayments of short-term borrowings	(85)	—
Repayments of finance lease obligations	(15)	¥ (86)
Dividend payments	(1,068)	(1,068)
Payments for purchases of treasury shares	(0)	(0)
Net cash used in financing activities	(1,129)	(1,155)
Exchange loss on cash and cash equivalents	(591)	(4,171)
Decrease in cash and cash equivalents	(2,674)	(2,164)
Beginning balance of cash and cash equivalents	36,391	33,717
Increase in cash and cash equivalents attributable to change in fiscal year end of a consolidated subsidiary	—	286
Ending balance of cash and cash equivalents	* ¥33,717	* ¥31,839

(5) *Notes Regarding Assumption of Going Concern*

No applicable matters.

(6) *Preparation of the Consolidated Financial Statements – Significant Matters*

1. Scope of Consolidation

All subsidiaries, including one domestic subsidiary and 21 overseas subsidiaries, were consolidated.

The Board of Directors passed a resolution to liquidate Noritsu (Shanghai) Electronics Equipment Manufacturing Co., Ltd. at its meeting held on May 23, 2008. The subsidiary is currently undergoing liquidation procedures.

2. Application of Equity Method

N&F Techno Service, Co., Ltd. and one other associated company were accounted for using the equity method.

Commencing with the current consolidated fiscal year, Japan Environmental Development, Inc. was excluded from the application of the equity method because its effect on net income (loss) and retained earnings, etc. for the fiscal year was immaterial, and as a whole, was not material.

3. Fiscal Year of Consolidated Subsidiaries

The fiscal year end of 18 consolidated subsidiaries including Noritsu (Deutschland) GmbH is December 31. The fiscal year end of two consolidated subsidiaries including Noritsu America Corporation is January 31.

To prepare these consolidated financial statements, the respective financial statements of the overseas consolidated subsidiaries for these respective fiscal year ends were used. For consolidation purposes, required adjustments were made for significant transactions that occurred between the subsidiaries' fiscal year end dates and the consolidated fiscal year end date.

The fiscal year end of Noritsu Koki Australia Pty. Limited was changed from December 31 to March 31. As a result of this change, this subsidiary's results for the year from April 1, 2008 to March 31, 2009, were consolidated in the current consolidated fiscal year. The subsidiary's profit and loss for the three-month period from January 1, 2008 to March 31, 2008, were charged to retained earnings, and cash flows for the same period were accounted for as an adjustment to the beginning balance of cash and cash equivalents.

4. Accounting Policies

a. Asset valuation standards and methods

(i) Marketable and investment securities

The Company and its domestic consolidated subsidiary state marketable securities expected to be held to maturity at cost, amortized by the straight-line method. Available-for-sale securities with readily determinable market prices are stated at fair value as of their respective year-end dates, with unrealized gains and losses (net of applicable taxes) reported as a separate component of net assets. The costs of securities sold are calculated using the moving-average method. Other available-for-sale securities without market values are stated at cost determined by the moving-average method.

(ii) Derivatives

The Company and its consolidated subsidiaries value their derivative financial instruments at fair market value.

(iii) Inventories

Inventories held for purposes of ordinary sales

The Company values inventories at cost determined by the average method (with book values written down on the balance sheet based on decreased profitability of assets). The consolidated subsidiaries mainly value inventories at the lower of cost or market, cost being determined by the first-in first-out method.

(Changes in accounting policies)

Effective with the current consolidated fiscal year, the Company and its domestic consolidated subsidiary have applied the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9 announced on July 5, 2006). As a result, operating loss, ordinary loss and loss before taxes, each increased by ¥76 million. The effect on segment information will be explained in the applicable sections.

b. Depreciation and amortization of noncurrent assets

(i) Property, plant and equipment

The Company uses the straight-line method for buildings (excluding fixtures) and the declining-balance method for other tangible fixed assets. The consolidated subsidiaries mainly use the straight-line method.

The useful lives of major depreciable assets are as follows:

Buildings and structures	10 to 50 years
Machinery and equipment	3 to 15 years
Other (tools, furniture and fixtures)	2 to 10 years

(Additional information)

After reviewing the current usage of assets in line with revisions to the Corporate Income Tax Law, the Company and its domestic consolidated subsidiary changed the useful life for machinery and equipment from ten years to seven years in the current consolidated fiscal year. As a result of this change, operating loss, ordinary loss and loss before taxes, each increased by ¥58 million.

The effect on segment information will be explained in the applicable sections.

(ii) Intangible assets

The Company amortizes software using the straight-line method over useful lives (three to five years) determined by the Company. The consolidated subsidiaries amortize software primarily using the straight-line method.

Other intangible assets are amortized using the straight-line method.

c. Accounting for allowances

(i) Allowance for doubtful accounts

The Company and its domestic consolidated subsidiary record allowances for doubtful accounts based on their respective past credit loss experience and specific consideration for receivables deemed doubtful of collection. The overseas consolidated subsidiaries record allowances for doubtful accounts primarily based on the estimated amounts of unrecoverable receivables.

(ii) Allowance for employee bonuses

The Company and its domestic consolidated subsidiary provide for accrued bonuses based on the estimated amounts of future bonus payments to employees earned in the corresponding consolidated fiscal year.

(iii) Allowance for guaranteed liabilities

The Company regards losses attributable to guarantees of lease contracts for customers purchasing Company products as insignificant and recognizes them when incurred. Eight of the consolidated subsidiaries record allowances for such losses at amounts based on their respective historical rates of loss as of their respective year-end dates.

(iv) Allowance for product warranties

The Company and certain consolidated subsidiaries accrue product warranty costs to provide for costs of free-of-charge repairs of products sold, based on past repair experience and estimated future product warranty costs.

(v) Liability for employee retirement benefits

The Company and its domestic consolidated subsidiary provide retirement benefit plans, and record liabilities for employee retirement benefits based on projected benefit obligations and plan assets at the end of the current consolidated fiscal year.

Prior service costs are amortized by the declining-balance method over a period (15 years) equal to or less than the average remaining service years for employees when incurred.

Unrecognized actuarial gains/losses are amortized ratably using the declining-balance method over a period (15 years) equal to or less than the average remaining service years for employees at the date when the actuarial gains/losses were incurred, commencing with the following consolidated fiscal year.

d. Translation of foreign currency-denominated assets and liabilities into Japanese yen

Foreign currency-denominated assets and liabilities are translated into Japanese yen at spot exchange rates as of the consolidated year-end date, with translation differences recognized as gains or losses.

Assets and liabilities of the consolidated overseas subsidiaries are translated into Japanese yen at spot exchange rates as of their respective year-end dates. Revenues and expenses of the overseas consolidated subsidiaries are translated into Japanese yen at the average exchange rate for the year. Foreign exchange differences arising from the translations are recorded as "Foreign currency translation adjustments" as a component of net assets.

e. Hedge accounting

(i) Hedge accounting

The Company and its overseas consolidated subsidiaries have primarily adopted the deferred hedge accounting method.

(ii) Hedging instruments and hedged items

<u>Hedging Instruments</u>	<u>Hedged Items</u>
Foreign currency forward contracts and currency options	Trade receivables denominated in foreign currencies
Foreign currency forward contracts, currency options and currency swaps	Projected transactions denominated in foreign currencies

(iii) Hedging policy

Future fluctuation risks related to foreign currency denominated receivables are hedged in accordance with internal policies regulating authorizations and credit limit amounts approved by the Board of Directors.

(iv) Evaluation of effectiveness of hedging

Evaluation of the effectiveness of foreign currency forward contracts, currency options and currency swaps has been omitted as their contractual contents are clearly considered highly effective or as they apply to near-term export transactions for which exercisability is extremely high.

5. Valuation of Assets and Liabilities of Consolidated Subsidiaries

Assets and liabilities of consolidated subsidiaries are valued using the full-fair-value method.

6. Scope of Cash in the Consolidated Cash Flow Statements

Cash (cash and cash equivalents) in the consolidated cash flow statements consists of cash on hand, demand deposits and short-term investments that are easily convertible to cash, risk averse to value fluctuations, and redeemable before one year after acquisition. Certain time deposits maturing before one year to be used for payments of trade payables were included in cash equivalents.

7. Consumption Tax

Consumption taxes were excluded from the amounts of all related accounts in this report.

(7) *Preparation of the Consolidated Financial Statements – Changes in Significant Matters*

(Application of the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”)

Commencing with the current consolidated fiscal year, the Company has applied Practical Issues Task Force (PITF) No. 18 “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (May 17, 2006), and made required adjustments for consolidated closing purposes.

As a result of this change, operating loss, ordinary loss and loss before taxes increased by ¥209 million, ¥284 million and ¥289 million, respectively. Also, the beginning balance of retained earnings for the current consolidated fiscal year increased by ¥325 million.

The effect on segment information will be explained in the applicable sections.

(Application of accounting standard for lease transactions)

Finance lease transactions that do not transfer ownership were previously accounted for using accounting treatment similar to ordinary rental transactions. The Company has applied ASBJ Statement No. 13 “Accounting Standard for Lease Transactions” (the First Committee of Business Accounting Council, June 17, 1993 and amended on March 30, 2007) and ASBJ Guidance No. 16 “Guidance on Accounting Standard for Lease Transactions” (the Accounting System Committee of the Japanese Institute of Certified Public Accountants, January 18, 1994 and amended on March 30, 2007), and accounted for lease transactions as ordinary sales and purchase transactions. With respect to depreciation methods for leased assets under financial lease transactions that do not transfer ownership, the straight-line method is applied based on the assumption that the useful life equals the lease term and residual value is zero.

For finance lease transactions that do not transfer ownership with commencement dates prior to the initial year of application of this accounting method, the balance of future minimum lease payments at the end of the prior consolidated fiscal year was regarded as the acquisition cost, with such leased assets recognized as if they were acquired at the beginning of the year.

As a result, as compared with the previous method, ¥106 million of leased assets was accounted for as property, plant and equipment, with no impact on profit and loss.

(Changes in presentation)

Commencing with the current consolidated fiscal year, assets presented as inventories in prior consolidated fiscal years have been separately presented as “merchandise and final products,” “work in process” and “raw materials and supplies” in line with the application of the Cabinet Office Ordinance to Partially Revise the Regulations Concerning the Terminology, Forms and Methods of Preparation of Consolidated Financial Statements, etc. (Cabinet Office Ordinance No. 50 of August 7, 2008). Merchandise and products, work in process, and raw materials and supplies which consisted of inventories as of the end of the prior consolidated fiscal year were ¥14,331 million, ¥1,159 million and ¥157 million, respectively.

(8) Notes to Consolidated Financial Statements

[Notes to Consolidated Balance Sheet]

*1. Investment securities in associated companies are as follows:

Investment securities (shares) ¥193 million

2. Contingent liabilities

(1) Contingent liabilities related to lease contracts of customers who purchased the Company's products under leases are as follows:

(Millions of yen)

	Year ended March 31, 2009
akf bank GmbH & Co.	¥831
Banc of America Vendor Finance, Inc.	565
akf leasing GmbH & Co.	561
Sumitomo Mitsui Finance & Leasing Co., Ltd.	232
Safra Leasing S.A. Arrendamento Mercantil	220
BAL Global Finance Canada Corporation	141
Unibanco Leasing Arrendamento Mercantil S/A	133
Capital Bank Plc	93
Other (24 companies)	598
Total	¥3,379

(2) Contingent liabilities for guarantees issued to financial institutions on behalf of our Seoul Branch's customers who purchased the Company's products are as follows:

(Millions of yen)

	Year ended March 31, 2009
Citibank Korea, Inc.	¥203
SC First Bank	9
Total	¥213

(3) The Company jointly guaranteed financial institution loans of ¥384 million for a business entity owning a building in relation to a store opening by the Group.

[Notes to Consolidated Statements of Operations]

- *1. The ending balance of inventories is the amount after writing down book values based on decreased profitability of assets, and the loss on write-down of inventories stated below is included in cost of sales.

¥76 million

- *2. Research and development costs included in selling, general and administrative expenses and production costs were ¥2,846 million.

- *3. Major items and amounts under selling, general and administrative expenses are as follows:

(Millions of yen)

	Year ended March 31, 2009
Packing and shipping	¥1,938
Advertising	1,068
Provision for product warranties	553
Provision for doubtful accounts	343
Provision for guaranteed liabilities	197
Salaries and bonuses	7,500
Provision for employee bonuses	290
Retirement benefits cost	187
Welfare	1,551
Communication, travel and transportation	1,385
Research and development	2,216
Depreciation	1,175
Rent	845

- *4. The breakdown of gains on sales of noncurrent assets is as follows:

(Millions of yen)

	Year ended March 31, 2009
Machinery and transportation equipment	¥16
Other (tools, furniture and fixtures)	6
Total	¥22

- *5. The breakdown of losses on sales and disposals of noncurrent assets is as follows:

(Losses on retirement)

(Millions of yen)

	Year ended March 31, 2009
Building and structures	¥0
Machinery and transportation equipment	35
Other (tools, furniture and fixtures)	62
Intangible fixed assets	8
Total	¥106

(Losses on sales)

(Millions of yen)

	Year ended March 31, 2009
Buildings and structure	¥0
Machinery and transportation equipment	2
Other (tools, furniture and fixtures)	7
Total	¥10

- *6. Contract settlement cost

A one-off payment was made to CIALIT, S.A. in connection with the cancellation of an exclusive agency agreement.

[Notes to Consolidated Statements of Changes in Shareholders' Equity and Net Assets]

Year ended March 31, 2008

1. Class and total number of issued and outstanding shares

Class of shares	Balance as of March 31, 2007	Share increase during the year	Share decrease during the year	Balance as of March 31, 2008
Common stock (in thousands)	36,190 shares	—	—	36,190 shares

2. Class and total number of treasury stock

Class of shares	Balance as of March 31, 2007	Share increase during the year	Share decrease during the year	Balance as of March 31, 2008
Common stock (in thousands)	576 shares	0 shares	—	576 shares

Note: The common stock treasury share increase of "0 thousand shares" arose from purchases of fractional shares.

3. Dividends

(1) Dividend payments

Resolution	Class of shares	Total dividends	Dividends per share	Record date	Payable date
Annual General Meeting of Shareholders held on June 28, 2007	Common stock	¥534 million	¥15	March 31, 2007	June 29, 2007
Board of Directors Meeting held on November 14, 2007	Common stock	¥534 million	¥15	September 30, 2007	December 7, 2007

(2) Dividends with record date within the consolidated fiscal year ended March 31, 2008, having a payable date in the following consolidated fiscal year

Resolution	Class of shares	Source of dividends	Total dividends	Dividends per share	Record date	Payable date
Annual General Meeting of Shareholders held on June 27, 2008	Common stock	Retained earnings	¥534 million	¥15	March 31, 2008	June 30, 2008

Year ended March 31, 2009

1. Class and total number of issued and outstanding shares

Class of shares	Balance as of March 31, 2008	Share increase during the year	Share decrease during the year	Balance as of March 31, 2009
Common stock (in thousands)	36,190 shares	—	—	36,190 shares

2. Class and total number of treasury shares

Class of shares	Balance as of March 31, 2008	Share increase during the year	Share decrease during the year	Balance as of March 31, 2009
Common stock (in thousands)	576 shares	0 shares	—	576 shares

Note: The common stock treasury share increase of “0 thousand shares” arose from purchase of fractional shares.

3. Dividends

(1) Dividend payments

Resolution	Class of shares	Total dividends	Dividends per share	Record date	Payable date
Annual General Meeting of Shareholders held on June 27, 2008	Common stock	¥534 million	¥15	March 31, 2008	June 30, 2008
The Board of Directors' Meeting held on October 17, 2008	Common stock	¥534 million	¥15	September 30, 2008	December 5, 2008

(2) Dividends with record date within the consolidated fiscal year ended March 31, 2009, having a payable date in the following consolidated fiscal year

Resolution	Class of shares	Source of dividends	Total dividends	Dividends per share	Record date	Payable date
Annual General Meeting of Shareholders to be held on June 26, 2009	Common stock	Retained earnings	¥534 million	¥15	March 31, 2009	June 29, 2009

[Notes to Consolidated Cash Flow Statements]

Relationship between the ending balance of cash and cash equivalents and accounts stated on the consolidated balance sheet

(Millions of yen)

	Year ended March 31, 2009
Cash and bank deposits	¥27,034
Foreign currency time deposits included in cash and bank deposits accounts	(1,825)
Japanese certificate of deposits included in marketable securities	6,630
Ending balance of cash and cash equivalents	¥31,839

[Segment Information]

1. Information by Business Segment

Year ended March 31, 2008

The Group engages in the sale of photo processing equipment and photographic commodities, and film development and printing services. The photo processing equipment segment represents over 90% of total segment sales and total operating income, respectively. Business segment information has therefore been omitted.

Year ended March 31, 2009

The Group engages in the sale of photo processing equipment and photographic commodities, and film development and printing services. The photo processing equipment segment represents over 90% of total segment sales and total operating income, respectively. Business segment information has therefore been omitted.

2. Geographic Segment Information

Year ended March 31, 2008

(Millions of yen)

	Japan	North America	Europe	Asia and Oceania	Other regions	Total	Eliminations and corporate	Consolidated
I. Sales and operating income (loss)								
Sales								
(1) Sales to external customers	18,545	23,785	10,446	5,758	4,097	62,633	-	62,633
(2) Inter-segment sales or transfers	20,547	647	255	234	125	21,810	(21,810)	-
Total	39,093	24,432	10,702	5,993	4,222	84,444	(21,810)	62,633
Operating expenses	37,973	23,794	11,323	5,596	3,946	82,634	(24,191)	58,442
Operating income (loss)	1,119	638	(621)	396	276	1,809	2,380	4,190
II. Assets	45,606	14,375	8,023	7,269	7,079	82,353	33,137	115,490

Year ended March 31, 2009

(Millions of yen)

	Japan	North America	Europe	Asia and Oceania	Other regions	Total	Eliminations and corporate	Consolidated
I. Sales and operating income (loss)								
Sales								
(1) Sales to external customers	16,292	13,940	7,993	4,062	3,144	45,434	-	45,434
(2) Inter-segment sales or transfers	12,588	21	39	120	191	12,961	(12,961)	-
Total	28,880	13,962	8,032	4,183	3,336	58,395	(12,961)	45,434
Operating expenses	31,719	13,745	9,243	4,258	3,207	62,174	(14,876)	47,298
Operating income (loss)	(2,838)	216	(1,211)	(75)	128	(3,779)	1,914	(1,864)
II. Assets	40,276	11,863	4,211	5,743	4,609	66,703	29,744	96,448

- Notes:
1. There were no non-allocable expenses included in “Eliminations and Corporate” for operating expenses.
 2. Corporate assets included in “Eliminations and corporate” were ¥36,234 million at March 31, 2008 and ¥31,196 million at March 31, 2009, both of which principally consisted of surplus funds retained by the Company (bank deposits, marketable securities, etc.) and funds for long-term investments (investment securities, etc.).
 3. Method of country and regional segmentation and primary countries and regions included in overseas segments
 - (1) Country and regional segmentation were based on geographic proximity and corporate administrative policies.
 - (2) Primary countries and regions included in overseas segment:

North America	The United States and Canada
Europe	Germany, Italy and the United Kingdom
Asia and Oceania	China, Australia and Malaysia
Other regions	Brazil and Mexico
 4. Changes in accounting policy

(Prior consolidated fiscal year)

As stated in “Preparation of the Consolidated Financial Statements – Significant Matters,” the Company and its domestic consolidated subsidiary changed their depreciation method to a method based on the revised Corporate Income Tax Law for property, plant and equipment acquired on and after April 1, 2007, commencing with the consolidated fiscal year ended March 31, 2008. As a result of this change, operating expenses for the current consolidated fiscal year increased by ¥61 million in Japan and operating income decreased by the same amount, compared to the respective amounts that would have resulted under the former accounting policy.

(Current consolidated fiscal year)

 - (1) Accounting standard for the valuation of inventories

As stated in “Preparation of the Consolidated Financial Statements – Significant Matters,” the Company and its domestic consolidated subsidiary have applied “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9 announced on July 5, 2006). As a result of this change, operating expenses for the current consolidated fiscal year increased by ¥76 million in Japan, and operating loss increased by the same amount, as compared with the previous method.
 - (2) Application of the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”

As stated in “Preparation of the Consolidated Financial Statements – Significant Matters,” commencing with the current consolidated fiscal year, the Company has applied Practical Issues Task Force (PITF) No. 18 “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (May 17, 2006), and made required adjustments for consolidated closing purposes. As a result of this change, operating expenses for the current consolidated fiscal year increased by ¥209 million in Europe and operating loss increased by the same amount, as compared with the previous method.
 5. Additional information

(Prior consolidated fiscal year)

As stated in “Preparation of the Consolidated Semiannual Financial Statements – Significant Matters,” under the revised Corporate Income Tax Law, the Company and its domestic subsidiary amortize equally over five years, the difference between a certain memorandum value and 5% of the acquisition price of assets acquired on or before March 31, 2007, beginning in the consolidated fiscal year following the consolidated fiscal year when such

assets are depreciated down to 5% of acquisition price in accordance with methods under the former Corporate Income Tax Law. Such amortization is recorded as part of depreciation expense. As a result of this change, operating expenses increased by ¥218 million in Japan and operating income decreased by the same amount in the current consolidated fiscal year, as compared with the previous method.

(Current consolidated fiscal year)

As stated in “Preparation of the Consolidated Semiannual Financial Statements – Significant Matters,” in line with revisions to the Corporate Income Tax Law, the Company and its domestic consolidated subsidiary changed the useful life for machinery from ten years to seven years in the current consolidated fiscal year. As a result of this change, operating expenses increased by ¥58 million in Japan and operating loss increased by the same amount in the current consolidated fiscal year, as compared with the previous method.

3. Overseas Sales

Year ended March 31, 2008

(Millions of yen)

Classification	North America	Europe	Asia and Oceania	Other regions	Total
I Overseas sales	¥23,558	¥10,558	¥11,318	¥8,291	¥53,726
II Consolidated sales					¥62,633
III Ratio of overseas sales to consolidated sales	37.6 %	16.9 %	18.1 %	13.2 %	85.8 %

Year ended March 31, 2009

(Millions of yen)

Classification	North America	Europe	Asia and Oceania	Other regions	Total
I Overseas sales	¥16,064	¥8,506	¥7,421	¥6,469	¥38,461
II Consolidated sales					¥45,434
III Ratio of overseas sales to consolidated sales	35.4%	18.7%	16.3%	14.3%	84.7%

- Notes:
1. Overseas sales represent sales of the Company and its consolidated subsidiaries in countries or regions other than Japan.
 2. Method of country and regional segmentation and principal countries and regions in each segment
 - (1) Country and regional segmentation were based on geographic proximity and corporate administrative policies.
 - (2) Primary countries and regions in each segment:

North America	The United States and Canada
Europe	Germany, Italy and the United Kingdom
Asia and Oceania	India, China and Australia
Other regions	Brazil and Mexico

[Per Share Information]

	Year ended March 31, 2008	Year ended March 31, 2009
Net assets per share	¥2,722.55	¥2,376.77
Net income per share	¥59.70	¥108.50
	Information for diluted net income per share is not provided due to nonexistence of dilutive shares.	Information for diluted net income per share is not provided due to the Company's net loss position and nonexistence of dilutive shares.

Notes: 1. Net assets per share were calculated using the following information.

	Year ended March 31, 2008	Year ended March 31, 2009
Total net assets	¥96,961 million	¥84,646 million
Ending balance of net assets applicable to common stock	¥96,961 million	¥84,646 million
Number of common shares used in the computation of net assets per share at year end	35,614,359 shares	35,614,226 shares

2. Net income (loss) per share amounts were calculated using the following information.

	Year ended March 31, 2008	Year ended March 31, 2009
Net income (loss) for the year	¥2,126 million	¥(3,864) million
Net income (loss) for the year applicable to common stock	¥2,126 million	¥(3,864) million
Average number of common stock during the year	35,614,401 shares	35,614,275 shares

5. Nonconsolidated Financial Statements*(1) Balance Sheets*

	(Millions of yen)	
	March 31, 2008	March 31, 2009
ASSETS		
Current Assets		
Cash and bank deposits	¥13,905	¥14,595
Notes receivable	418	117
Accounts receivable-trade	5,787	3,560
Marketable securities	18,472	11,393
Products and goods	1,431	5,912
Semi-finished products	4,923	-
Raw materials	114	-
Work in process	1,159	633
Raw materials and supplies	-	100
Prepaid expenses	202	104
Deferred tax assets	626	-
Short-term loans receivable	245	250
Accounts receivable-other	391	898
Trust beneficiary rights	400	400
Other	121	87
Allowance for doubtful accounts	(46)	(28)
Total current assets	48,154	38,025
Noncurrent Assets		
Property, plant and equipment		
Buildings	25,905	25,974
Accumulated depreciation	(16,739)	(17,221)
Building (net)	9,166	8,752
Structures	3,871	3,872
Accumulated depreciation	(3,233)	(3,296)
Structures (net)	638	575
Machinery and equipment	6,984	6,887
Accumulated depreciation	(5,955)	(6,116)
Machinery and equipment (net)	1,028	770
Vehicles and transportation equipment	175	175
Accumulated depreciation	(158)	(161)
Vehicles and transportation equipment (net)	17	14
Tools, furniture and fixtures	19,558	18,759
Accumulated depreciation	(17,935)	(17,536)
Tools, furniture and fixtures (net)	1,622	1,222
Land	12,230	12,230
Construction in progress	2	54
Total property, plant and equipment	24,705	23,620
Intangible assets		
Software	1,584	1,326
Software in progress	8	79
Other	33	30
Total intangible assets	¥1,626	¥1,436

(Continued)

(Translation)

Noritsu Co., Ltd. (7744)

Financial Information for the Fiscal Year Ended March 31, 2009

(Millions of yen)

	March 31, 2008	March 31, 2009
Investments and other assets		
Investment securities	¥4,522	¥6,260
Investments in subsidiaries and associated companies	7,064	6,992
Equity investments in non-joint stock companies	1	1
Equity investments in subsidiaries and associated companies (non-joint stock companies)	3,402	3,959
Long-term loans receivable	73	54
Long-term loans receivable from subsidiaries and associated companies	700	450
Bankruptcy reorganization claims, etc.	24	26
Long-term prepaid expenses	68	55
Prepaid pension costs	560	461
Long-term time deposits	700	–
Guarantee deposits	70	59
Insurance policy deposits	639	625
Other	29	81
Allowance for doubtful accounts	(142)	(137)
Total investments and other assets	17,714	18,891
Total noncurrent assets	44,046	43,948
TOTAL ASSETS	92,201	81,974
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Notes payable	5	–
Accounts payable-trade	4,962	2,896
Accounts payable-other	1,135	822
Accrued expenses	270	180
Advances received	411	163
Deposits received	66	52
Unearned revenue	420	321
Allowance for employee bonuses	691	578
Allowance for product warranties	519	462
Accounts payable for equipment	238	264
Other	–	0
Total current liabilities	8,721	5,742
Long-term Liabilities		
Deferred tax liabilities	410	–
Long-term accounts payable-other	176	167
Other	762	451
Total long-term liabilities	1,349	619
TOTAL LIABILITIES	¥10,070	¥6,361

(Continued)

(Translation)

Noritsu Co., Ltd. (7744)

Financial Information for the Fiscal Year Ended March 31, 2009

	(Millions of yen)	
	March 31, 2008	March 31, 2009
NET ASSETS		
Shareholders' Equity		
Capital stock	¥7,025	¥7,025
Capital surplus		
Additional paid-in capital	17,913	17,913
Total capital surplus	17,913	17,913
Retained earnings		
Legal reserve	582	582
Other retained earnings		
Deferred capital gain on sale of fixed assets	257	257
Reserve for special depreciation	269	212
General reserve	57,552	55,552
Retained earnings - unappropriated	(858)	(4,679)
Total retained earnings	57,804	51,926
Treasury stock	(1,210)	(1,211)
Total shareholders' equity	81,532	75,654
Valuation and Translation Adjustments		
Unrealized gain (loss) on available-for-sale securities	597	(42)
Total valuation and translation adjustments	597	(42)
Total net assets	82,130	75,612
TOTAL LIABILITIES AND NET ASSETS	¥92,201	¥81,974

(2) Statements of Operations

	(Millions of yen)	
	Year ended March 31, 2008	Year ended March 31, 2009
NET SALES	¥37,632	¥27,770
COST OF SALES		
Beginning balance of products and goods	1,119	1,431
Cost of manufacturing	21,770	17,101
Purchases of goods	611	136
Sub-total	23,501	18,669
Ending balance of products and goods	1,431	1,167
Total cost of sales	22,070	17,501
Gross profit	15,562	10,268
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		
Sales commissions	49	27
Packing and freight charges	1,504	1,213
Advertising	375	520
Product warranty costs	737	-
Provision for product warranties	-	462
Provision for doubtful accounts	49	28
Officer remunerations	270	129
Salaries and bonuses	2,612	2,357
Provision for bonuses	312	279
Retirement benefits costs	137	183
Commissions paid	1,671	1,244
Employee welfare	426	399
Travel and transportation	414	306
Communications	124	99
Taxes and dues	230	196
Depreciation	784	805
Rent	240	232
Research and development	1,628	2,216
Other	3,006	2,450
Total selling, general and administrative expenses	14,578	13,153
Operating income (loss)	983	(2,884)
NON-OPERATING INCOME		
Interest income	324	269
Interest income on marketable securities	142	211
Dividend income	349	287
Rent income	58	-
Other	333	268
Total non-operating income	1,207	1,036
NON-OPERATING EXPENSES		
Foreign exchange loss	727	660
Other	34	63
Total non-operating expenses	761	724
Ordinary income (loss)	¥1,429	¥ (2,572)

(Continued)

(Translation)

Noritsu Co., Ltd. (7744)

Financial Information for the Fiscal Year Ended March 31, 2009

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
SPECIAL GAINS		
Gain on sales of fixed assets	¥139	¥5
Reversal of allowance for doubtful accounts	98	42
Other	3	1
Total special gains	241	48
SPECIAL LOSSES		
Loss on sales of fixed assets	107	0
Loss on disposal of fixed assets	77	91
Loss on sales of investment securities	–	41
Loss on write-down of investment securities	–	678
Loss on write-down of shares of subsidiaries and associated companies	215	–
Loss on write-down of equity investments in subsidiaries and associated companies	–	316
Loss from impairment	609	–
Provision for prior year product warranties	407	–
Special retirement benefits	149	–
Contract settlement cost	–	405
Total special losses	1,565	1,533
INCOME (LOSS) BEFORE INCOME TAXES	105	(4,057)
Income, inhabitant and enterprise taxes		
- Current	309	131
- Deferred	805	620
Total income taxes	1,115	751
NET LOSS FOR THE YEAR	¥ (1,009)	¥ (4,809)

(Translation)

Noritsu Co., Ltd. (7744)

Financial Information for the Fiscal Year Ended March 31, 2009

(3) Statements of Changes in Shareholders' Equity and Net Assets

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Shareholders' Equity		
Capital stock		
Prior year ending balance	¥7,025	¥7,025
Current year ending balance	7,025	7,025
Capital surplus		
Additional paid-in capital		
Prior year ending balance	17,913	17,913
Current year ending balance	17,913	17,913
Total capital surplus		
Prior year ending balance	17,913	17,913
Current year ending balance	17,913	17,913
Retained earnings		
Legal reserve		
Prior year ending balance	582	582
Current year ending balance	582	582
Other retained earnings		
Deferred capital gain on sale of fixed asset		
Prior year ending balance	257	257
Current year ending balance	257	257
Reserve for special depreciation		
Prior year ending balance	22	269
Changes during the year		
Addition to reserve for special depreciation	252	–
Disposition of reserve for special depreciation	(5)	(56)
Total changes for the year	247	(56)
Current year ending balance	269	212
General reserve		
Prior year ending balance	54,552	57,552
Changes during the year		
Addition to general reserve	3,000	–
Disposition of general reserve	–	(2,000)
Total changes for the year	3,000	(2,000)
Current year ending balance	¥57,552	¥55,552

(Continued)

(Translation)

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Retained earnings - unappropriated		
Prior year ending balance	¥4,466	¥ (858)
Changes during the year		
Addition to reserve for special depreciation	(252)	–
Disposition of reserve for special depreciation	5	56
Addition to general reserve	(3,000)	–
Disposition of general reserve	–	2,000
Distribution from surplus	(1,068)	(1,068)
Net loss the year	(1,009)	(4,809)
Total changes for the year	(5,324)	(3,821)
Current year ending balance	(858)	(4,679)
Total retained earnings		
Prior year ending balance	59,882	57,804
Changes during the year		
Distribution from surplus	(1,068)	(1,068)
Net loss for the year	(1,009)	(4,809)
Total changes for the year	(2,077)	(5,878)
Current year ending balance	57,804	51,926
Treasury stock		
Prior year ending balance	(1,210)	(1,210)
Changes during the year		
Acquisition of treasury shares	(0)	(0)
Total changes for the year	(0)	(0)
Current year ending balance	(1,210)	(1,211)
Total shareholders' equity		
Prior year ending balance	83,610	81,532
Changes during the year		
Distribution from surplus	(1,068)	(1,068)
Net loss for the year	(1,009)	(4,809)
Acquisition of treasury shares	(0)	(0)
Total changes for the year	(2,077)	(5,878)
Current year ending balance	81,532	75,654
Valuation and Translation Adjustments		
Unrealized gain (loss) on available-for-sale securities		
Prior year ending balance	919	597
Changes during the year		
Changes in items other than shareholders' equity items (net)	(322)	(639)
Total changes for the year	(322)	(639)
Current year ending balance	¥597	¥ (42)

(Continued)

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Total valuation and translation adjustments		
Prior year ending balance	¥919	¥597
Changes during the year		
Changes in items other than shareholders' equity items (net)	(322)	(639)
Total changes for the year	(322)	(639)
Current year ending balance	597	(42)
Total Net Assets		
Prior year ending balance	84,530	82,130
Changes during the year		
Distribution from surplus	(1,068)	(1,068)
Net loss for the year	(1,009)	(4,809)
Acquisition of treasury shares	(0)	(0)
Changes in items other than shareholders' equity items (net)	(322)	(639)
Total changes for the year	(2,400)	(6,517)
Current year ending balance	¥82,130	¥75,612

(4) Notes Regarding Assumption of Going Concern

No applicable matters.

(5) Significant Accounting Policies

1. Valuation standards and methods for marketable securities

The Company states marketable securities expected to be held to maturity at cost, amortized by the straight-line method. Available-for-sale securities with readily determinable market prices are stated at fair value as of their respective year-end dates, with unrealized gains and losses (net of applicable taxes) reported as a separate component of net assets. The costs of securities sold are calculated using the moving-average method. Other available-for-sale securities without market values are stated at cost determined by the moving-average method.

2. Valuation standards and methods for derivatives

The Company values their derivative financial instruments at fair market value.

3. Valuation standards and methods for inventories

Inventories held for purposes of ordinary sales

The Company values inventories at cost determined by the average method (with book values written down on the balance sheet based on decreased profitability of assets).

(Changes in accounting policies)

Effective the current fiscal year, the Company has applied "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 announced on July 5, 2006). As a result, operating loss, ordinary loss and loss before taxes, each increased by ¥76 million.

4. Depreciation and amortization of noncurrent assets

Property, plant and equipment

The Company uses the straight-line method for buildings (excluding fixtures) and the declining-balance method for other tangible fixed assets. The useful lives of major depreciable assets are as follows:

Buildings and structures	10 to 50 years
Machinery and equipment	7 years
Other (tools, furniture and fixtures)	2 to 10 years

(Additional information)

After reviewing the current usage of assets in line with revisions to the Corporate Income Tax Law, the Company changed the useful life for machinery and equipment from ten years to seven years in the current fiscal

year. As a result of this change, operating loss, ordinary loss and loss before taxes, each increased by ¥58 million.

Intangible assets

The Company amortizes software using the straight-line method over useful lives (three to five years) determined by the Company and other intangible assets using the straight-line method.

Long-term prepaid expenses

The Company amortizes long-term prepaid expenses using the straight-line method.

5. Translation of foreign currency-denominated assets and liabilities into Japanese yen

Foreign currency-denominated assets and liabilities are translated into Japanese yen at spot exchange rates as of the consolidated fiscal year end date, with translation differences recognized as gains or losses.

6. Accounting for allowances

(i) Allowance for doubtful accounts

The Company records allowances for doubtful accounts based on its respective past credit loss experience and specific consideration of receivables deemed doubtful of collection.

(ii) Allowance for employee bonuses

The Company provides for accrued bonuses based on the estimated amount of future bonus payments to employees earned in the corresponding fiscal year.

(iii) Allowance for product warranties

The Company accrues product warranty costs to provide for costs of free-of-charge repairs of products sold, based on past repair experience and estimated future product warranty costs.

(iv) Liability for employee retirement benefits

The Company has retirement benefit plans, and records liabilities for employee retirement benefits based on projected benefit obligations and plan assets at the end of the current year.

Prior service costs are amortized by the declining-balance method over a period (15 years) equal to or less than the average remaining service years for employees when incurred.

Unrecognized actuarial gains and losses are amortized ratably using the declining-balance method over a period (15 years) equal to or less than the average remaining service years for employees at the date when the actuarial gains and losses were incurred, commencing with the following year.

7. Hedge accounting

(i) Hedge accounting

The Company has primarily adopted the deferred hedge accounting method. Foreign exchange forward contracts and currency swaps used to hedge foreign currency fluctuations related to the Company's foreign currency denominated transactions are translated at the contracted rate if the foreign exchange forward contracts and currency swaps qualify for hedge accounting.

(ii) Hedging instruments and hedged items

Hedging Instruments

Hedged Items

Foreign currency forward contracts and currency options	Trade receivables denominated in foreign currencies
Foreign currency forward contracts, currency options and currency swaps	Projected transactions denominated in foreign currencies
Currency swaps	Loans receivables denominated in foreign currencies

(iii) Hedging policy

The Company hedges future fluctuation risks related to foreign currency denominated receivables in accordance with internal policies regulating the authorization and credit limit amount approved by the Board of Directors as well as all foreign currency denominated loans extended to its overseas subsidiaries.

(iv) Evaluation of effectiveness of hedging

Evaluation of the effectiveness of foreign currency forward contracts, currency options and currency swaps has been omitted as their contractual content is clearly considered highly effective or as they apply to near-term export transactions for which exercisability is extremely high.

8. Preparation of Non-Consolidated Financial Statements – Other Significant Matters

Accounting for consumption taxes

Consumption taxes are excluded from the amounts of all related accounts in this report.

(6) *Changes in Significant Accounting Policies*

(Presentation Change)

Statements of Operations

Product warranty costs (¥55 million for the current fiscal year), which were separately presented until the prior year, accounted for not more than 5% of the total sales, general and administrative expense amount, and were included in “other” under sales, general and administrative expenses in the current fiscal year.

The provision for product warranties (¥45 million for the prior fiscal year), which was included in product warranty costs in the prior fiscal year, was separately presented due to its increased materiality in the current fiscal year.

Rent income (¥56 million for the current fiscal year), which had been separately presented until the prior year, accounted for not more than 10% of the total non-operating income amount, and was included in “other” under non-operating income in the current fiscal year.

6. Other*(1) Changes in corporate officers*

(i) Change in representative

No applicable matters.

(ii) Changes in other corporate officers (scheduled for June 26, 2009)

a. Candidates for directors to be newly appointed

Director Jihei Morimoto (the Company's current special advisor)

Director Hirotsugu Nishimoto

b. Candidate for corporate auditor to be newly appointed

Full-time corporate auditor Masayuki Oshima (the Company's current executive officer, Director of the Sales & Marketing Unit, and GM of the Sales Administration Division, Sales & Marketing Unit)

"GM" stands for general manager.

(2) Other

Information of production, order acceptance and sales

(i) Production

(Millions of yen)

Classification	Consolidated fiscal year ended March 31, 2008		Consolidated fiscal year ended March 31, 2009		Comparison
	Amount	Percentage	Amount	Percentage	
Minilab system equipment	¥26,534	73.6 %	¥20,454	73.1 %	(22.9) %
Options and repair parts	8,426	23.4	6,837	24.4	(18.9)
Others	1,087	3.0	708	2.5	(34.9)
Total	¥36,048	100.0 %	¥28,000	100.0 %	(22.3) %

- Notes: 1. Amounts were calculated at the Company's standard sales prices.
2. Consumption taxes are excluded from the amounts in the table.

(ii) Order acceptance

The Group has adopted the planned production system for minilab system equipment, and the build-to-order system for big-scale lab equipment (excluding labor saving equipment). As the sales volume of large-scale lab equipment was small, the related information disclosures were omitted herein.

(iii) Sales

(Millions of yen)

Classification	Consolidated fiscal year ended March 31, 2008	Consolidated fiscal year ended March 31, 2009	Comparison
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(Translation)

Noritsu Co., Ltd. (7744)

Financial Information for the Fiscal Year Ended March 31, 2009

	Amount	Percentage	Amount	Percentage	
Minilab system equipment	¥39,213	62.7 %	¥28,501	62.7 %	(27.3)%
Options and repair parts	13,714	21.9	8,344	18.4	(39.2)
Others	9,705	15.4	8,588	18.9	(11.5)
Total	¥62,633	100.0 %	¥45,434	100.0 %	(27.5)%

Notes: 1. Sales to a major customer and its percentage of total sales were as follows:

(Millions of yen)

Customer	Consolidated fiscal year ended March 31, 2008		Consolidated fiscal year ended March 31, 2009	
	Amount	Percentage	Amount	Percentage
Walgreen National Corporation	¥8,302	13.3 %	¥4,668	10.3 %

2. Consumption taxes are excluded from the amounts in the table.