

Aizawa Weekly Report

Japan Equity Research Provisional Translation

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(This week's publication is based on information available as of January 24, 2012.)

Best and Worst Performers during Year End/New Year Season

Yoshitsugu Sasaki, Analyst

Let's take a look at the TSE-listed stocks that have risen the most and those that have fallen the most during this year-end/new year period (herein defined as the period from December 1, 2011 through January 19, 2012).

The stocks that have risen the most are mostly domestic demand-related; many reconstruction-related stocks are included in the lists. Some stocks which were the targets of tender offers are included. It is interesting to note that

low-priced, small-capitalization stocks appear in the best performers' list.

Many of the stocks that have fallen the most are in the information technology and telecommunication industries. It should be noted that the market capitalization of the worst performers was greater than that of the best performers, indicating that it is the small-cap stocks that are leading the market.

It is likely to be the low-priced stocks that will lead the Japanese stock market out of the dominant sense of stagnation, by providing a much-needed breakthrough on the upside.

Stocks Rise

Order	Code	Stock Name	Industry Classification at TSE	Stock Price as of Dec. 1, 2011 (yen)	Stock Price as of Jan. 19, 2012 (yen)	Increasing amount (yen)	Increasing Rate (%)	Market Capitalization (100 million yen) As of Jan. 19, 2012
1	5912	Japan Bridge	Metal Products	222	1028	806	363.1%	1215
2	3431	Miyaji Engineering Group	Metal Products	79	209	130	164.6%	145
3	1871	PS Mitsubishi Construction	Construction	222	578	356	160.4%	188
4	6620	Miyakoshi Holding	Electric Appliances	220	471	251	114.1%	73
5	5917	Sakurada	Metal Products	18	37	19	105.6%	64
6	6911	New Japan Radio	Electric Appliances	114	232	118	103.5%	91
7	1805	Tobishima	Construction	73	140	67	91.8%	172
8	5915	KOMAIHALTEC Inc.	Metal Products	179	304	125	69.8%	151
9	9667	Horipro Inc	Services	621	1047	426	68.6%	148
10	5923	Takada Kiko	Metal Products	174	293	119	68.4%	66
11	6803	Teac Corp	Electric Appliances	27	44	17	63.0%	127
12	9382	VANTEC CORP	Warehouse & Harbor Transportation Services	143500	231600	88100	61.4%	573
13	1914	Japan Foundation Engineering C	Construction	236	378	142	60.2%	117
14	5269	Nippon Concrete Industries	Glass & Ceramics Products	173	277	104	60.1%	142
15	1884	Nippon Road	Construction	199	317	118	59.3%	309

(Source: Astra Manager, compiled by Aizawa Securities IRC.)
(NB: Subject stocks are listed at TSE 1st Section.)

Stocks Fall

Order	Code	Stock Name	Industry Classification at TSE	Stock Price as of Dec. 1, 2011	Stock Price as of Jan. 19, 2012	Decreasing amount (yen)	Decreasing Rate (%)	Market Capitalization (100 million yen) As of Jan. 19, 2012
1	3003	Shoei Co Ltd/Chiyoda-ku	Real Estate	548	314	-234	-42.7%	130
2	7438	Kondotec	Wholesale Trade	871	500	-371	-42.6%	135
3	8283	Paltac Corporation	Wholesale Trade	1407	976	-431	-30.6%	545
4	4614	Tohpe	Chemicals	120	91	-29	-24.2%	28
5	9501	Tokyo Electric Power	Electric Power & Gas	284	219	-65	-22.9%	3519
6	2432	DeNA Co Ltd	Services	2330	1855	-475	-20.4%	2797
7	3110	Nitto Boseki	Glass & Ceramics Products	324	258	-66	-20.4%	639
8	1919	Sal Corp	Construction	209	168	-41	-19.6%	342
9	7717	V Technology	Precision Instruments	385000	309500	-75500	-19.6%	147
10	4321	Kenedix Inc	Services	11770	9530	-2240	-19.0%	218
11	8918	LAND Co Ltd	Real Estate	16	13	-3	-18.8%	32
12	9697	Capcom	Information & Communication	1895	1542	-353	-18.6%	1044
13	3774	Internet Initiative Japan Inc	Information & Communication	290000	237700	-52300	-18.0%	491
14	7745	A&D Co Ltd	Precision Instruments	312	258	-54	-17.3%	58
15	8029	Look Inc	Textiles & Apparels	234	194	-40	-17.1%	68

(Source: Astra Manager, compiled by Aizawa Securities IRC.)
(NB: Subject stocks are listed at TSE 1st Section.)

(NB* for the lists): (3431) Miyaji Engineering Group, (6911) New Japan Radio, (1805) Tobishima Corporation, (5915) KOMAIHALTEC Inc., (9382) VANTEC CORPORATION, (3003) Shoei Co Ltd./Chiyoda-ku), (4614) TOHPE CORP., (9501) Tokyo Electric Power, and (1919) SXL Corp. are margin transaction restricted stocks. (9667) HORIPRO INC. is under the period of tender offer by Seishun Publishing Co. (9667) HORIPRO INC. and (9382) VANTEC CORP. are placed under temporary supervision of TSE.

2 Japanese Stock Information

SHIBAURA ELECTRONICS CO., LTD.

Yoshitsugu Sasaki, Analyst

Stock Price Indicators

Stock Price	1351 Yen (Jan.24, 2012)
Trading Unit	100 Shares
Market	JASDAQ Standard
Number of Stocks Issued (excluding treasury shares)	7.775million shares
Market Capitalization	10.5billion Yen

Operating Profits Rise in 4Q of FY 2011

SHIBAURA ELECTRONICS CO. manufactures thermistor (thermally sensitive resistor) elements and thermistor sensor product utilizing thermistor elements to be used for measuring temperatures and humidity.

The thermistor sensor for temperature is used in various electronic devices. Recently, thermistor sensors are used for energy saving purposes, in addition to be used in an increasing number of electronic devices which are becoming increasingly sophisticated.

The firm posted operating profits of 1.1 billion yen, up 24.1% year-on-year in the 2Q of the FY 2011 (ending March 2012) thanks to the increase in net sales of 8.9 billion yen, up 7.4% year-on-year. The profit increase was brought about mostly by the sales increase.

The firm's products are largely classified into "thermistor elements" and "thermistor sensors." Sales of thermistor elements increased due to an increase in high temperature-use products for automobiles. Production of thermistor elements for high temperature use for automobiles in November 2011 increased 1.6 times from February 2011.

Sales of sensors for housing equipments increased 19.1% year-on-year to 1.1 billion yen. It was largely thanks to sales growth to overseas coffee maker producers.

Sales of sensors for air-conditioning equipments were 2.2 billion yen, up 14.8% year-on-year, thanks to the increase in sales in China.

Sales and Profits to Increase This Year

Aizawa Securities Investment Research Center expects the firm's sales of thermistor sensors to grow as the demand for them is likely to increase in the high temperature-use field and for automobiles. In the automobile area, as the percentage of hybrid vehicles in the car market rises, the

<Financial Performance Trends>

Consolidated

Settlement Period	Sales	Operating Profits	Pre-Tax Profits	Net Profits	EPS	DPS
2010/3	13089	869	1055	830	106.8	25.0
2011/3	16548	2055	2012	1350	173.6	30.0
2012/3 Forecast	18200	2300	2180	1438	185.0	30.0
2013/3 Forecast	19510	2640	2600	1728	222.2	30.0

Unit: #1 million (# for EPS, DPS)

Forecast by Aizawa Securities Investment Research Center

Forecasted EPS and market capitalization are calculated by subtracting the number of treasury shares at fiscal year-end from the number of shares outstanding at fiscal year-end.

<Investment Indicators>

Consolidated

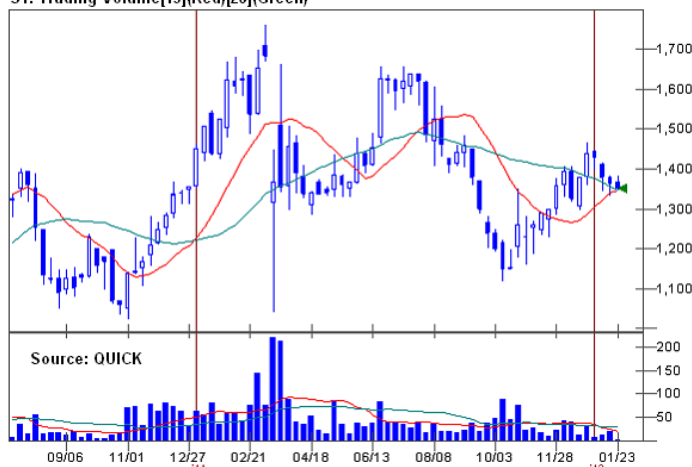
PER Estimate (Current Year)	7.3 times
PBR	0.82 times
Forecasted dividend yield	2.22 %

number of thermistor sensors used per unit of car is likely to increase. We forecast the firm will post net sales of 18.2 billion yen, up 10% year-on-year, operating profits of 2.3 billion yen, up 11.9% year-on-year, and net profits of 1.4 billion yen, up 6.5% year-on-year, in the current FY2011 ending in March 2012.

Valuation and Investment Judgment

Aizawa Securities Investment Research Center conservatively estimates the value of SHIBAURA ELECTRONICS at 1,877 yen per share. Its current market valuation is below this estimated value; hence it represents an undervalued investment, in our judgment. Conventional valuation measures also suggest that the stock is undervalued, with its PBR lower than 1 time and its estimated dividend yield higher than 2% based on the firm's guidance for the current business year.

E6957#0 SHIBAURA ELECTRONICS CO., LTD. JQ Weekly 10/7/20-12/1/23
MC: Candle Graph: Simple Moving Average [13](Red)[26](Green)
S1: Trading Volume[13](Red)[26](Green)



Several matters that we would like our customers to confirm are given on the last page of this report. We cordially request you to confirm each of them.

HIDAY HIDAKA Corp.

Yoshitsugu Sasaki, Analyst

Stock Price Indicators

Stock Price	1334Yen (Jan. 24, 2012)
Trading Unit	100 Shares
Market	TSE 1st
Number of Stocks (excluding treasury shares)	11.59million shares
Market Capitalization	15.5billion yen

Operating Profits Rise in 3Q of FY 2011

HIDAY HIDAKA Corp. is a “ramen” (Japanese dish of noodles and broth) restaurant chain operator, operating in the Greater Tokyo area (Tokyo and the surrounding three prefectures), having a network of 297 outlets (as of December 2011) in the downtown areas near train stations. HIDAY HIDAKA posted operating profits of 2.7 billion yen up 7.2% year-on-year and net sales of 20.1 billion yen, up 8.9% year-on-year in the 3Q of the FY 2011 (ending February 2012).

The profit increase was chiefly brought about by the sales increase. Profit margins decreased as the firm offered a price discount for beer during the summer season and practically reduced the price of the gyoza (dumplings) dish by serving 6 pieces in a plate for 200 yen, instead of served 5 pieces in a plate for 190 yen as it used to do. Selling, general and administrative expenses (SG&A) also increased in association with the new openings concentrated in the 1H of the business year. However, sales contributions of the newly opened restaurants and sales recovery at existing restaurants since June more than absorbed the cost increase.

The number of restaurants at the end of December 2011 was 294. The firm opened 22 new restaurants and closed one through the 3rd fiscal quarter. Cumulative net sales at existing outlets through the 3rd fiscal quarter recovered to 98.6% of the previous year’s level (or down 1.4% year-on-year), having improved from 96.2% (down 3.8% year-on-year) in the 2nd fiscal quarter. The recovery has been brought about mainly by recovering customer arrivals and the effect of the firm’s effort concerning the composition of (additions of new items to) the menu.

Operating Profit to Increase this Fiscal Year

Aizawa Securities Investment Research Center forecasts HIDAY HIDAKA will post net sales of 27.5 billion yen, up

<Financial Performance Trends>

Non-Consolidated

Settlement Period	Sales	Operating Profits	Pre-Tax Profits	Net Profits	EPS	DPS
2010/2	22680	2303	2101	1181	102.1	25.0
2011/2	24827	3104	2469	1576	136.0	30.0
2012/2 Forecast	27505	3380	3000	1715	147.9	30.0
2013/2 Forecast	30280	3600	3300	1885	162.6	30.0

Unit: ¥1 million (¥ for EPS, DPS) Forecast is made by Aizawa Securities Investment Research Center
Forecasted EPS and market capitalization are calculated by subtracting the number of treasury shares at fiscal year-end from the number of shares outstanding at fiscal year-end.

<Investment Indicators>

Non-Consolidated

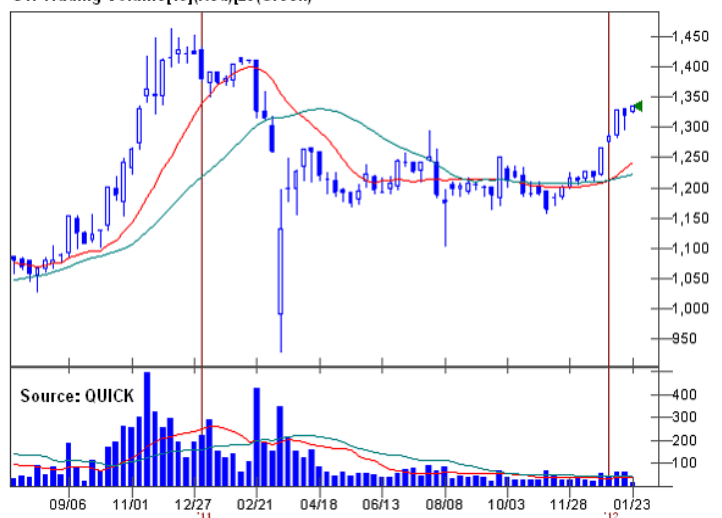
PER Forecast (Current Year)	9.0 times
PBR	1.32 times
Expected Dividend Yield	2.25 %

10.8% year-on-year, operating profits of 3.3 billion yen, up 8.9% year-on-year, and net profits of 1.7 billion yen, up 8.8% year-on-year in the FY 2011 (ending February 2012). Sales should increase due to a net increase in the number of restaurants, which are projected to increase by 29 by the end of the fiscal year on a net basis, and to recovering sales at existing restaurants since the 3Q. Profits are likely to increase accordingly.

Valuation and Investment Judgment – Undervalued

Aizawa Securities Investment Research Center estimates the fair value of the stock of HIDAY HIDAKA at 1,700 yen per share. This fair value was calculated by discounting the projected operating cash flow average over the next two years, i.e. this year and next year, by a discount rate of 16%. Since the current market price is below the estimated fair value, we consider it is an undervalued investment.

7611 HIDAY HIDAKA Corp. TSE Weekly 10/7/20-12/1/23
MC: Candle Graph: Simple Moving Average [13](Red)[26](Green)
S1: Trading Volume[13](Red)[26](Green)



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商号等：藍澤證券株式会社
金融商品取引業者 関東財務局長(金商)
第6号
(本社) 東京都中央区日本橋 1-20-3

加入協会：日本証券業協会、
(社) 日本証券投資顧問業協会

当社が契約する特定第一種金融商品取引業務に係る指定紛争解決機関

：特定非営利活動法人
証券・金融商品あっせん相談センター
(略称：FINMAC)

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インターネット口座「ブルートレード」

- ・インターネット発注：最大 1,575円
- ・コールセンター発注：最大 3,150円

コンサルティングネット口座「アイザワプラス」

- ・インターネット発注：最大 4,725円
- ・コールセンター発注：最大 9,450円

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Business Name: Aizawa Securities Co., Ltd.

Director of Kanto Local Finance Bureau
(Financial instruments firms) No. 6

Headquarters: 1-20-3 Nihonbashi, Chuo-ku, Tokyo

Memberships: Japan Securities Dealers Association,
Japan Securities Investment Advisers Association

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which Aizawa Securities Co., Ltd. contracts pertaining
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is a specified non-profit organization, the Financial
Instruments Mediation Assistance Center (FINMAC).

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be incurred by the customer

- Face-to-face Account: For purchase/sale
transactions – amount (value) of execution
multiplied by up to 1.2075% (However,
maximum JPY143,062; if amount of execution is
below JPY217,391, minimum JPY2,625)
- Internet Account (Blue Trade): Maximum
JPY1,575, Call Center; Maximum JPY3,150
- Consulting Net Account (Aizawa Plus):
Internet; Maximum JPY4,725,
Call Center; Maximum JPY9,450

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