

# Consolidated Balance Sheets

At 31 March 2011 and 2010

Millions of yen

Thousands of U.S. dollars

	2011	2010	2011
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and time deposits	¥31,797	¥28,249	\$382,412
Securities	27	80	332
Notes and accounts receivable :			
Third parties	23,297	24,791	280,189
Unconsolidated subsidiaries and affiliates	109	73	1,311
	23,406	24,865	281,500
Less: allowance for doubtful accounts	(438)	(156)	(5,279)
	22,967	24,709	276,221
Merchandise and finished goods	41	20	499
Work and software in progress and merchandise	552	653	6,639
Supplies	52	18	633
Deferred tax assets	3,769	3,397	45,334
Other current assets	1,894	1,586	22,778
Total current assets	61,102	58,715	734,848
<b>Investments and advances:</b>			
Investments in securities	3,919	4,346	47,133
Investments in and advances to unconsolidated subsidiaries and affiliates	3,358	3,769	40,396
Investments in other securities of unconsolidated subsidiaries and affiliates	75	49	902
Investments in affiliates	368	352	4,428
Long-term loans receivable	194	203	2,340
Other investments	3,071	405	36,941
Less: allowance for doubtful accounts	(318)	(432)	(3,829)
Total investments and advances	10,669	8,693	128,311
<b>Property and equipment, at cost less accumulated depreciation</b>	<b>7,661</b>	<b>9,106</b>	<b>92,135</b>
<b>Leasehold deposits</b>	<b>4,584</b>	<b>4,872</b>	<b>55,129</b>
<b>Software</b>	<b>1,266</b>	<b>3,192</b>	<b>15,237</b>
<b>Software in progress</b>	<b>66</b>	<b>105</b>	<b>798</b>
<b>Intangibles and other</b>	<b>260</b>	<b>291</b>	<b>3,132</b>
<b>Deferred tax assets</b>	<b>2,707</b>	<b>3,728</b>	<b>32,566</b>
<b>Prepaid pension costs</b>	<b>1,518</b>	<b>1,846</b>	<b>18,261</b>
<b>Goodwill</b>	<b>297</b>	<b>1,085</b>	<b>3,578</b>
<b>Total assets</b>	<b>¥90,134</b>	<b>¥91,637</b>	<b>\$1,083,995</b>

At 31 March 2011 and 2010

Millions of yen

Thousands of U.S. dollars

	2011	2010	2011
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities:</b>			
Short-term debt	¥846	¥791	\$10,177
Current portion of long-term debt	12,152	8,543	146,152
Current portion of bonds	1,070	1,070	12,868
Accounts payable:			
Third parties	6,525	6,458	78,485
Unconsolidated subsidiaries and affiliates	27	49	336
	6,553	6,507	78,821
Income taxes payable	592	536	7,127
Accrued expenses	5,077	5,213	61,063
Accrued bonuses for employees	3,107	2,711	37,374
Advances received from customers	665	546	7,998
Other current liabilities	2,039	2,099	24,533
Total current liabilities	32,105	28,021	386,113
<b>Non-current liabilities:</b>			
Bonds	1,660	2,730	19,964
Long-term debt	8,525	16,085	102,531
Provision for loss on litigation	2,555	2,548	30,735
Security deposits received	44	44	534
Reserve for retirement benefits	127	111	1,537
Other non-current liabilities	705	671	8,478
Total non-current liabilities	13,618	22,190	163,779
<b>Commitments and contingent liabilities</b>			
<b>Net assets :</b>			
Stockholders' equity:			
Common stock :			
Authorized: 150,000,000 shares at 31 March 2010 and 2009			
Issued: 48,794,046 shares at 31 March 2010 and 2009			
	29,065	29,065	349,561
Capital surplus	20,510	20,511	246,669
Retained earnings	10,289	6,257	123,743
Treasury stock, at cost:			
7,646,736 and 9,484,713 shares at 31 March 2010 and 2009, respectively			
	(15,922)	(15,921)	(191,492)
Total stockholders' equity	43,943	39,912	528,481
<b>Valuation and translation adjustments:</b>			
Unrealized gains on marketable securities and investments in securities	(149)	207	(1,802)
Foreign currency translation adjustments	(2,752)	(2,156)	(33,102)
Total valuation and translation adjustments	(2,902)	(1,949)	(34,904)
<b>Minority interests</b>			
Total net assets	3,369	3,462	40,526
Total liabilities and net assets	¥90,134	¥91,637	\$1,083,995

The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated Statements of Income

For the years ended 31 March 2011, 2010 and 2009

	2011	Millions of yen 2010	2009	Thousands of U.S. dollars 2011
<b>Net sales</b>	<b>¥151,687</b>	¥151,589	¥166,291	<b>\$1,824,268</b>
<b>Cost of sales</b>	<b>123,799</b>	123,238	137,225	<b>1,488,875</b>
Gross profit	<b>27,887</b>	28,350	29,066	<b>335,393</b>
<b>Selling, general and administrative expenses</b>	<b>21,588</b>	23,902	29,007	<b>259,627</b>
Operating income	<b>6,299</b>	4,448	59	<b>75,766</b>
<b>Non-operating income (expenses):</b>				
Interest income	<b>58</b>	67	100	<b>709</b>
Interest expense	<b>(554)</b>	(507)	(492)	<b>(6,670)</b>
Dividend income	<b>8</b>	17	23	<b>97</b>
Gain on sale/disposal of investments in securities	<b>1,701</b>	156	10	<b>20,465</b>
Loss on sale/disposal of investments in securities	-	-	(51)	-
Loss on disposal of property and equipment	<b>(86)</b>	(179)	(218)	<b>(1,039)</b>
Gain on sales of non-current assets	<b>3</b>	97	10	<b>44</b>
Loss on sales of non-current assets	<b>(4)</b>	(3)	(59)	<b>(50)</b>
Loss on impairment of fixed assets	<b>(2,171)</b>	(2,247)	(2,583)	<b>(26,119)</b>
Gain on sale/disposal of investments in affiliates	<b>118</b>	456	6	<b>1,421</b>
Reversal of allowance for doubtful accounts	<b>36</b>	94	23	<b>434</b>
Write-downs of investments in affiliates	<b>(219)</b>	(355)	(525)	<b>(2,645)</b>
Equity in gain/ loss of unconsolidated subsidiaries and affiliates	<b>75</b>	(73)	(499)	<b>913</b>
Gain on investments in partnership	<b>166</b>	-	-	<b>2,003</b>
Gain on subsidy accounts	<b>551</b>	689	190	<b>6,636</b>
Development grant	-	-	133	-
A picture business investment loss	-	-	(365)	-
Loss on valuation of derivatives	-	-	(341)	-
Gain on dissolution of subsidiary	-	-	2,940	-
Write-downs of marketable securities and investments in securities	<b>(123)</b>	(888)	(167)	<b>(1,491)</b>
Gain on issuance of shares to investees	<b>27</b>	33	171	<b>336</b>
Loss on issuance of shares to investees	-	(111)	(101)	-
Provision of allowance for doubtful accounts	-	(76)	(767)	-
Gain on valuation of derivatives	-	140	-	-
Foreign exchange losses	<b>(132)</b>	(198)	-	<b>(1,598)</b>
Gain on transfer of business	-	3,959	-	-
Provision for loss on litigation	-	(2,548)	-	-
Other income	<b>594</b>	736	535	<b>-7,153</b>
Other expenses	<b>(666)</b>	(1,930)	(981)	<b>(8,011)</b>
Total non-operating income (expenses)	<b>(616)</b>	(2,669)	(3,009)	<b>(7,412)</b>
Income(loss) before income taxes and minority interests	<b>5,683</b>	1,778	(2,950)	<b>68,354</b>
<b>Income taxes:</b>				
Current	<b>472</b>	410	535	<b>5,680</b>
Deferred	<b>693</b>	(71)	(5,028)	<b>8,334</b>
	<b>4,518</b>	1,439	1,542	<b>54,340</b>
Minority interests in net income (loss) of consolidated subsidiaries	<b>48</b>	(695)	659	<b>586</b>
Net income (loss)	<b>¥4,469</b>	¥2,135	¥2,201	<b>\$53,754</b>

The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated Statement of Changes in Net Assets

For the years ended 31 March 2010 and 2009

Millions of yen

	Number of shares of common stock in issue	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Unrealized gains on marketable securities and investments in securities	Net deferred hedge losses	Foreign currency translation adjustments	Stock subscription rights	Minority interests	Total net assets
<b>Balance at 31 March 2009</b>	48,794,046	¥29,065	¥23,009	¥4,155	¥(19,749)	¥407	¥(4)	¥(2,631)	¥0	¥5,306	¥39,560
Changes by share exchanges	-	-	(2,494)	-	3,818	-	-	-	-	-	1,323
Changes by merger	-	-	(0)	-	0	-	-	-	-	-	0
Net income for the year ended 31 March 2010	-	-	-	2,135	-	-	-	-	-	-	2,135
Change of scope of consolidation	-	-	-	(33)	-	-	-	-	-	-	(33)
Acquisition of treasury stock	-	-	-	-	(0)	-	-	-	-	-	(0)
Disposal of treasury stock	-	-	(4)	-	9	-	-	-	-	-	5
Other changes	-	-	-	-	-	(200)	4	474	(0)	(1,844)	(1,565)
<b>Balance at 31 March 2010</b>	<b>48,794,046</b>	<b>¥29,065</b>	<b>¥20,511</b>	<b>¥6,257</b>	<b>¥(15,921)</b>	<b>¥207</b>	<b>¥-</b>	<b>¥(2,156)</b>	<b>¥-</b>	<b>¥3,462</b>	<b>¥41,425</b>
Cash dividends	-	-	-	(411)	-	-	-	-	-	-	(411)
Changes by share exchanges	-	-	-	-	-	-	-	-	-	-	-
Changes by merger	-	-	-	-	-	-	-	-	-	-	-
Net income for the year ended 31 March 2011	-	-	-	4,469	-	-	-	-	-	-	4,469
Change of scope of consolidation	-	-	-	(7)	-	-	-	-	-	-	(7)
Acquisition of treasury stock	-	-	(0)	-	(1)	-	-	-	-	-	(1)
Disposal of treasury stock	-	-	-	-	1	-	-	-	-	-	0
Adjustments due to changes in fiscal periods of consolidated subsidiaries	-	-	-	(19)	-	-	-	-	-	-	(19)
Other changes	-	-	-	-	-	(356)	-	(595)	-	(92)	(1,045)
<b>Balance at 31 March 2011</b>	<b>48,794,046</b>	<b>¥29,065</b>	<b>¥20,510</b>	<b>¥10,289</b>	<b>¥(15,922)</b>	<b>¥(149)</b>	<b>¥-</b>	<b>¥(2,752)</b>	<b>¥-</b>	<b>¥3,369</b>	<b>¥44,410</b>

Thousands of U.S. dollars

<b>Balance at 31 March 2009</b>	\$349,561	\$276,725	\$49,977	\$(237,513)	\$4,902	\$(58)	\$(31,642)	\$(4)	\$63,821	\$475,777
Cash dividends	-	(29,996)	-	45,918	-	-	-	-	-	15,922
Net income for the year ended 31 March 2010	-	(2)	-	4	-	-	-	-	-	2
Change of scope of consolidation	-	-	25,685	-	-	-	-	-	-	25,685
Acquisition of treasury stock	-	-	(407)	-	-	-	-	-	-	(407)
Disposition of treasury stock	-	-	-	(2)	-	-	-	-	-	(2)
Other	-	(48)	-	109	-	-	-	-	-	61
Other changes	-	-	-	-	(2,410)	58	5,704	4	(22,179)	(18,831)
<b>Balance at 31 March 2010</b>	<b>\$349,561</b>	<b>\$246,679</b>	<b>\$75,255</b>	<b>\$(191,484)</b>	<b>\$2,492</b>	<b>\$-</b>	<b>\$(25,938)</b>	<b>\$-</b>	<b>\$41,642</b>	<b>\$498,207</b>
Cash dividends	-	-	(4,949)	-	-	-	-	-	-	(4,949)
Changes by share exchanges	-	-	-	-	-	-	-	-	-	-
Changes by merger	-	-	-	-	-	-	-	-	-	-
Net income for the year ended 31 March 2011	-	-	53,754	-	-	-	-	-	-	53,754
Change of scope of consolidation	-	-	(85)	-	-	-	-	-	-	(85)
Acquisition of treasury stock	-	-	-	(24)	-	-	-	-	-	(24)
Disposition of treasury stock	-	(10)	-	16	-	-	-	-	-	6
Adjustments due to changes in fiscal periods of consolidated subsidiaries	-	-	(232)	-	-	-	-	-	-	(232)
Other changes	-	-	-	-	(4,294)	-	(7,164)	-	(1,116)	(12,574)
<b>Balance at 31 March 2011</b>	<b>\$349,561</b>	<b>\$246,669</b>	<b>\$349,561</b>	<b>\$349,561</b>	<b>\$(1,802)</b>	<b>\$-</b>	<b>\$(33,102)</b>	<b>\$-</b>	<b>\$40,526</b>	<b>\$534,103</b>

The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated Statements of Cash Flows

For the years ended 31 March 2011, 2010 and 2009

	2011	Millions of yen 2010	Thousands of U.S. dollars 2009	2011
<b>Cash flows from operating activities:</b>				
Income/(loss) before income taxes and minority interests	<b>¥5,683</b>	¥1,778	¥(2,950)	<b>\$68,354</b>
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:				
Depreciation	<b>1,943</b>	2,698	3,031	<b>23,368</b>
Loss on impairment of fixed assets	<b>2,171</b>	2,247	2,583	<b>26,119</b>
Amortization of goodwill	<b>526</b>	534	565	<b>6,333</b>
Amortization of intangible assets	<b>1,058</b>	1,494	1,126	<b>12,726</b>
Reversal of allowance for doubtful accounts	<b>(34)</b>	84	4	<b>(419)</b>
Increase / (Decrease) in accrued bonuses for employees	<b>354</b>	(421)	(17)	<b>4,262</b>
Increase / (Decrease) in reserve for retirement benefits	<b>344</b>	253	(152)	<b>4,141</b>
Increase / (Decrease) in provision for loss on litigation	-	2,548	-	-
Accrued interest and dividends income	<b>(67)</b>	(84)	(124)	<b>(806)</b>
Accrued interest expenses	<b>554</b>	507	492	<b>6,670</b>
Foreign exchange losses (gain)	<b>132</b>	196	(8)	<b>1,598</b>
Equity in (earnings) losses of unconsolidated subsidiaries and affiliate	<b>(75)</b>	73	499	<b>(913)</b>
Loss on disposal of property and equipment	<b>86</b>	179	218	<b>1,039</b>
Loss/(Gain) on sale/disposal of investments in securities, net	<b>(1,700)</b>	(156)	40	<b>(20,451)</b>
Loss on write-down of investments in securities, net	<b>123</b>	888	-	<b>1,491</b>
Loss/(Gain) on sale of investments in unconsolidated subsidiaries and affiliates, net	<b>(77)</b>	(407)	22	<b>(930)</b>
Gain on liquidation of affiliates	-	-	(2,940)	-
Write-down of investments of affiliates	<b>219</b>	355	525	<b>2,645</b>
Loss/(Gain) on dilution of equity interest	<b>(27)</b>	77	(70)	<b>(336)</b>
Loss (Gain) on transfer of business	-	(3,959)	-	-
Decrease/(Increase) in notes and accounts receivable	<b>1,173</b>	(646)	1,265	<b>14,117</b>
Decrease/(Increase) in investments in securities for operating purposes	-	-	117	-
Write-downs of investments in securities for operating purposes	-	-	3,944	-
Decrease/(Increase) in work and software in progress and merchandise	<b>74</b>	251	331	<b>891</b>
Increase / (Decrease) in accounts payable	<b>88</b>	(637)	(1,698)	<b>1,070</b>
Other, net	<b>(253)</b>	406	1,242	<b>(3,051)</b>
Subtotal	<b>12,299</b>	8,264	8,049	<b>147,918</b>
Interest and dividends received	<b>104</b>	279	169	<b>1,262</b>
Interest paid	<b>(553)</b>	(511)	(488)	<b>(6,661)</b>
Litigation settlement paid	<b>(2,557)</b>	-	-	<b>(30,760)</b>
Income taxes paid	<b>(417)</b>	(366)	(3,166)	<b>(5,023)</b>
Income taxes refunded	-	559	-	-
Net cash provided by operating activities	<b>¥8,875</b>	¥8,225	¥4,564	<b>\$106,736</b>

# Consolidated Statements of Cash Flows (continued)

For the years ended 31 March 2011, 2010 and 2009

	2011	Millions of yen 2010	2009	Thousands of U.S. dollars 2011
<b>Cash flows from operating activities:</b>				
Deposit of long-term deposits	¥(584)	¥(383)	¥(323)	\$(7,033)
Withdrawal of long-term time deposits	575	193	254	6,916
Purchases of property and equipment	(783)	(738)	(3,161)	(9,426)
Purchases of intangibles	(620)	(937)	(2,504)	(7,462)
Purchases of investments in securities	(486)	(194)	(143)	(5,845)
Proceeds from sale of investments in securities	2,048	689	488	24,642
Proceeds from repayment of investments in securities	26	32	-	322
Purchases of investments in affiliates	(138)	(0)	(546)	(1,664)
Proceeds from sale of investments in affiliates	95	487	26	1,147
Proceeds from liquidation of subsidiaries and affiliates	100	33	-	1,212
Payments for purchases of stock from minority shareholders	(54)	(324)	(617)	(651)
Payments for purchases of investments in subsidiaries resulting in change in scope consolidation	-	-	(302)	-
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	1	-	-	14
Payments for sale of investments in subsidiaries resulting in change in scope of consolidation	-	(179)	(203)	-
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	12	-	-	154
Proceeds from transfer of business	-	4,191	-	-
Purchases of other investments and guarantee deposits	(993)	(331)	(1,098)	(11,948)
Proceeds from other investments and guarantee deposits	1,312	1,515	1,067	15,781
Net cash used in investing activities	512	4,052	(7,065)	6,159
<b>Cash flows from financing activities:</b>				
Proceeds from short-term bank loans	2,147	11,160	92,746	25,825
Repayment of short-term bank loans	(2,091)	(15,166)	(89,801)	(25,155)
Proceeds from long-term bank loans	5,020	6,548	4,210	60,373
Repayment of long-term bank loans	(8,964)	(674)	(101)	(107,808)
Proceeds from sale of treasury stock	0	5	31	6
Repayment of bonds	(1,070)	(836)	(5,322)	(12,868)
Proceeds from issuance of straight bond	-	100	4,500	-
Repurchases of treasury stock	(1)	(0)	(1,993)	(24)
Cash dividends paid	(411)	-	(1,639)	(4,949)
Dividends paid to minority interests	(20)	(5)	(11)	(247)
Proceeds from stock issuance to minority interests	-	-	470	-
Other, net	(131)	(72)	-	(1,580)
Net cash (used in) provided by financing activities	(5,523)	1,058	3,087	(66,427)
Effect of exchange rate changes on cash and cash equivalents	(201)	75	(1,242)	(2,423)
Net (decrease)/ increase in cash and cash equivalents	3,662	13,411	(655)	44,045
Cash and cash equivalents at beginning of year	27,622	14,211	14,821	332,206
Increase due to increase in consolidated subsidiaries	(69)	-	46	(840)
Cash and cash equivalents at end of year	¥31,215	¥27,622	¥14,211	\$375,411

The accompanying notes are an integral part of these consolidated financial statements.