

# Consolidated Balance Sheets

At 31 March 2012 and 2011	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
<b>ASSETS</b>			
Current assets:			
Cash and time deposits	¥36,585	¥31,797	\$ 445,405
Securities	-	27	-
Notes and accounts receivable :			
Third parties	24,556	23,297	298,957
Unconsolidated subsidiaries and affiliates	15	109	188
	<b>24,571</b>	23,406	<b>299,145</b>
Less: allowance for doubtful accounts	(372)	(438)	(4,538)
	<b>24,199</b>	22,967	<b>294,607</b>
Merchandise and finished goods	11	41	144
Work and software in progress and merchandise	520	552	6,341
Supplies	22	52	276
Deferred tax assets	3,429	3,769	41,752
Other current assets	1,926	1,894	23,455
Total current assets	<b>66,696</b>	61,102	<b>811,980</b>
Investments and advances:			
Investments in securities	5,050	3,919	61,493
Investments in and advances to unconsolidated subsidiaries and affiliates	3,386	3,358	41,224
Investments in other securities of unconsolidated subsidiaries and affiliates	76	75	937
Investments in affiliates	671	368	8,180
Long-term loans receivable	163	194	1,989
Other investments	3,020	3,071	36,777
Less: allowance for doubtful accounts	(303)	(318)	(3,692)
Total investments and advances	<b>12,066</b>	10,669	<b>146,908</b>
Property and equipment, at cost less accumulated depreciation			
	7,025	7,661	85,525
Leasehold deposits	4,510	4,584	54,916
Software	1,164	1,266	14,180
Software in progress	38	66	464
Intangibles and other	289	260	3,530
Deferred tax assets	144	2,707	1,762
Prepaid pension costs	956	1,518	11,648
Goodwill	244	297	2,976
<b>Total assets</b>	<b>¥93,137</b>	¥90,134	<b>\$ 1,133,889</b>

At 31 March 2012 and 2011	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
<b>LIABILITIES AND NET ASSETS</b>			
Current liabilities:			
Short-term debt	¥695	¥ 846	\$ 8,462
Current portion of long-term debt	9,059	12,152	110,293
Current portion of bonds	1,070	1,070	13,026
Accounts payable:			
Third parties	7,654	6,525	93,192
Unconsolidated subsidiaries and affiliates	54	27	660
	<b>7,709</b>	6,553	<b>93,852</b>
Accrued expenses	6,688	5,077	81,428
Income taxes payable	852	592	10,384
Advances received from customers	850	665	10,350
Accrued bonuses for employees	3,232	3,107	39,355
Other current liabilities	2,687	2,039	32,718
<b>Total current liabilities</b>	<b>32,845</b>	32,105	<b>399,868</b>
Non-current liabilities:			
Bonds	590	1,660	7,183
Long-term debt	7,891	8,525	96,075
Reserve for retirement benefits	147	127	1,797
Provision for loss on litigation	2,555	2,555	31,113
Security deposits received	44	44	540
Other non-current liabilities	244	705	2,974
<b>Total non-current liabilities</b>	<b>11,473</b>	13,618	<b>139,682</b>
Commitments and contingent liabilities			
Net assets :			
Stockholders' equity:			
Common stock :			
Authorized: 150,000,000 shares at 31 March 2012 and 2011			
Issued: 48,794,046 shares at 31 March 2012 and 2011			
	29,065	29,065	353,858
Capital surplus	20,510	20,510	249,700
Retained earnings	13,900	10,289	169,231
Treasury stock, at cost:			
7,649,709 and 7,648,617 shares at 31 March 2012 and 2011, respectively			
	(15,923)	(15,922)	(193,856)
<b>Total stockholders' equity</b>	<b>47,553</b>	43,943	<b>578,933</b>
Valuation and translation adjustments:			
Unrealized gains on marketable securities and investments in securities	688	(149)	8,377
Foreign currency translation adjustments	(2,924)	(2,752)	(35,608)
<b>Total valuation and translation adjustments</b>	<b>(2,236)</b>	(2,902)	<b>(27,231)</b>
Minority interests	3,502	3,369	42,637
<b>Total net assets</b>	<b>48,819</b>	44,410	<b>594,339</b>
<b>Total liabilities and net assets</b>	<b>¥93,137</b>	¥ 90,134	<b>\$ 1,133,889</b>

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

# Consolidated Statements of Income

For the years ended 31 March 2012, 2011 and 2010	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	2012
Net sales	¥161,208	¥ 151,687	¥ 151,589	\$ 1,962,603
Cost of sales	131,598	123,799	123,238	1,602,130
Gross profit	29,609	27,887	28,350	360,473
Selling, general and administrative expenses	20,890	21,588	23,902	254,324
Operating income	8,719	6,299	4,448	106,149
Non-operating income (expenses):				
Interest income	61	58	67	743
Interest expense	(392)	(554)	(507)	(4,780)
Dividend income	17	8	17	214
Equity in gain/ loss of unconsolidated subsidiaries and affiliates	323	75	(73)	3,935
Foreign exchange losses	(241)	(132)	(198)	(2,936)
Gain on valuation of derivatives	182	-	140	2,221
Gain on investments in partnership	-	166	-	-
Gain on subsidy accounts	299	551	689	3,652
Loss on disposal of property and equipment	(70)	(86)	(179)	(862)
Loss on impairment of fixed assets	(183)	(2,171)	(2,247)	(2,229)
Gain on sales of non-current assets	-	3	97	-
Loss on sales of non-current assets	-	(4)	(3)	-
Gain on sale/disposal of investments in securities	163	1,701	156	1,986
Write-downs of marketable securities and investments in securities	(90)	(123)	(888)	(1,104)
Gain on sale/disposal of investments in affiliates	-	118	456	-
Write-downs of investments in affiliates	-	(219)	(355)	-
Reversal of allowance for doubtful accounts	-	36	94	-
Gain on issuance of shares to investees	81	27	33	994
Loss on issuance of shares to investees	-	-	(111)	-
Provision of allowance for doubtful accounts	-	-	(76)	-
Provision for loss on litigation	-	-	(2,548)	-
Gain on transfer of business	-	-	3,959	-
Other income	276	594	736	3,361
Other expenses	(240)	(666)	(1,930)	(2,923)
Total non-operating income (expenses)	186	(616)	(2,669)	2,272
Income before income taxes and minority interests	8,905	5,683	1,778	108,421
Income taxes:				
Current	864	472	410	10,522
Deferred	2,501	693	(71)	30,457
	5,539	4,518	1,439	67,442
Minority interests in net income (loss) of consolidated subsidiaries	570	48	(695)	6,946
Net income	¥4,969	¥ 4,469	¥ 2,135	\$ 60,496

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

## Consolidated Statement of Changes in Net Assets

For the year ended 31 March 2012 and 2011

Millions of yen

	Number of shares of common stock in issue	Millions of yen							Total net assets
		Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Unrealized gains on marketable securities and investments in securities	Foreign currency translation adjustments	Minority interests	
<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>¥ (2,156)</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	-	-	-	-	(1)	-	-	-	(1)
Disposal of treasury stock	-	-	(0)	-	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>¥ (2,752)</b>	<b>¥ 3,369</b>	<b>¥ 44,410</b>
Cash dividends	-	-	-	(1,357)	-	-	-	-	(1,357)
Changes by share exchanges	-	-	-	-	-	-	-	-	-
Changes by merger	-	-	-	-	-	-	-	-	-
Net income for the year ended 31 March 2012	-	-	-	4,969	-	-	-	-	4,969
Change of scope of consolidation	-	-	-	-	-	-	-	-	-
Acquisition of treasury stock	-	-	-	-	(1)	-	-	-	(1)
Disposal of treasury stock	-	-	(0)	-	0	-	-	-	0
Adjustments due to changes in fiscal periods of consolidated subsidiaries	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	837	(172)	132	798
<b>Balance at 31 March 2012</b>	<b>48,794,046</b>	<b>¥ 29,065</b>	<b>¥ 20,510</b>	<b>¥ 13,900</b>	<b>¥ (15,923)</b>	<b>¥ 688</b>	<b>¥ (2,924)</b>	<b>¥ 3,502</b>	<b>¥ 48,819</b>

	Thousands of U.S. dollars							
<b>Balance at 31 March 2010</b>	<b>\$ 353,858</b>	<b>\$ 249,711</b>	<b>\$ 76,180</b>	<b>\$ (193,838)</b>	<b>\$ 2,522</b>	<b>\$ (26,257)</b>	<b>\$ 42,153</b>	<b>\$ 504,329</b>
Cash dividends	-	-	(5,009)	-	-	-	-	(5,009)
Changes by share exchanges	-	-	-	-	-	-	-	-
Changes by merger	-	-	-	-	-	-	-	-
Net income for the year ended 31 March 2011	-	-	54,415	-	-	-	-	54,415
Change of scope of consolidation	-	-	(85)	-	-	-	-	(85)
Acquisition of treasury stock	-	-	-	(23)	-	-	-	(23)
Disposition of treasury stock	-	(9)	-	15	-	-	-	6
Adjustments due to changes in fiscal periods of consolidated subsidiaries	-	-	(236)	-	-	-	-	(236)
Other changes	-	-	-	-	(4,345)	(7,252)	(1,129)	(12,726)
<b>Balance at 31 March 2011</b>	<b>\$ 353,858</b>	<b>\$ 249,702</b>	<b>\$125,265</b>	<b>\$ (193,846)</b>	<b>\$ (1,823)</b>	<b>\$ (33,509)</b>	<b>\$ 41,024</b>	<b>\$ 540,671</b>
Cash dividends	-	-	(16,530)	-	-	-	-	(16,530)
Changes by share exchanges	-	-	-	-	-	-	-	-
Changes by merger	-	-	-	-	-	-	-	-
Net income for the year ended 31 March 2012	-	-	60,496	-	-	-	-	60,496
Change of scope of consolidation	-	-	-	-	-	-	-	-
Acquisition of treasury stock	-	-	-	(12)	-	-	-	(12)
Disposition of treasury stock	-	(2)	-	2	-	-	-	0
Adjustments due to changes in fiscal periods of consolidated subsidiaries	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	10,200	(2,099)	1,613	9,714
<b>Balance at 31 March 2012</b>	<b>\$ 353,858</b>	<b>\$ 249,700</b>	<b>\$ 169,231</b>	<b>\$ (193,856)</b>	<b>\$ 8,377</b>	<b>\$ (35,608)</b>	<b>\$ 42,637</b>	<b>\$ 594,339</b>

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

# Consolidated Statements of Cash Flows

For the years ended 31 March 2012, 2011 and 2010	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	2012
<b>Cash flows from operating activities:</b>				
Income before income taxes and minority interests	¥8,905	¥5,683	¥1,778	\$ 108,421
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:				
Depreciation	1,543	1,943	2,698	18,788
Loss on impairment of fixed assets	183	2,171	2,247	2,229
Amortization of goodwill	164	526	534	1,999
Amortization of intangible assets	525	1,058	1,494	6,403
Reversal of allowance for doubtful accounts	(31)	(34)	84	(389)
Increase / (Decrease) in accrued bonuses for employees	124	354	(421)	1,517
Increase / (Decrease) in reserve for retirement benefits	581	344	253	7,078
Increase / (Decrease) in provision for loss on litigation	-	-	2,548	-
Accrued interest and dividends income	(78)	(67)	(84)	(957)
Accrued interest expenses	392	554	507	4,780
Foreign exchange losses	241	132	196	2,936
Equity in (earnings) losses of unconsolidated subsidiaries and affiliate	(323)	(75)	73	(3,935)
Loss on disposal of property and equipment	70	86	179	862
Gain on sale/disposal of investments in securities, net	(139)	(1,700)	(156)	(1,700)
Loss on write-down of investments in securities, net	90	123	888	1,104
Loss(Gain) on sale of investments in unconsolidated subsidiaries and affiliates, net	14	(77)	(407)	180
Write-down of investments of affiliates	-	219	355	-
Gain (Loss) on dilution of equity interest	(70)	(27)	77	(862)
Gain on transfer of business	-	-	(3,959)	-
Decrease/(Increase) in notes and accounts receivable	(1,607)	1,173	(646)	(19,565)
Decrease/(Increase) in work and software in progress and merchandise	85	74	251	1,036
Increase / (Decrease) in accounts payable	725	88	(637)	8,832
Other, net	2,872	(253)	406	34,969
Subtotal	14,269	12,299	8,264	173,726
Interest and dividends received	117	104	279	1,434
Interest paid	(393)	(553)	(511)	(4,788)
Litigation settlement paid	(111)	(2,557)	-	(1,352)
Income taxes paid	(600)	(417)	(366)	(7,313)
Income taxes refunded	-	-	559	-
Net cash provided by operating activities	¥13,282	¥8,875	¥ 8,225	\$ 161,707

## Consolidated Statements of Cash Flows (continued)

For the years ended 31 March 2012, 2011 and 2010	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	2012
<b>Cash flows from investing activities:</b>				
Deposit of long-term deposits	¥(634)	¥(584)	¥ (383)	\$ (7,728)
Withdrawal of long-term time deposits	606	575	193	7,381
Purchases of property and equipment	(1,029)	(783)	(738)	(12,538)
Purchases of intangibles	(562)	(620)	(937)	(6,846)
Purchases of investments in securities	(171)	(486)	(194)	(2,091)
Proceeds from sale of investments in securities	195	2,048	689	2,376
Proceeds from repayment of investments in securities	-	26	32	-
Purchases of investments in affiliates	(85)	(138)	(0)	(1,037)
Proceeds from sale of investments in affiliates	1	95	487	12
Proceeds from liquidation of subsidiaries and affiliates	15	100	33	193
Payments for purchases of stock from minority shareholders	(512)	(54)	(324)	(6,244)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	1	-	-
Payments for sale of investments in subsidiaries resulting in change in scope of consolidation	-	-	(179)	-
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	12	-	-
Proceeds from transfer of business	-	-	4,191	-
Purchases of other investments and guarantee deposits	(288)	(993)	(331)	(3,514)
Proceeds from other investments and guarantee deposits	464	1,312	1,515	5,660
Net cash used in investing activities	(2,002)	512	(4,052)	(24,376)
<b>Cash flows from financing activities:</b>				
Proceeds from short-term bank loans	2,120	2,147	11,160	25,809
Repayment of short-term bank loans	(2,267)	(2,091)	(15,166)	(27,607)
Proceeds from long-term bank loans	10,030	5,020	6,548	122,108
Repayment of long-term bank loans	(13,758)	(8,964)	(674)	(167,504)
Repayment of bonds	(1,070)	(1,070)	(836)	(13,026)
Proceeds from sale of treasury stock	0	0	5	0
Proceeds from issuance of straight bond	-	-	100	-
Repurchases of treasury stock	(1)	(1)	(0)	(12)
Cash dividends paid	(1,357)	(411)	-	(16,530)
Dividends paid to minority interests	(11)	(20)	(5)	(145)
Other, net	(156)	(131)	(72)	(1,902)
Net cash (used in) provided by financing activities	(6,473)	(5,523)	1,058	(78,809)
Effect of exchange rate changes on cash and cash equivalents	(52)	(201)	75	(639)
Net (decrease)/ increase in cash and cash equivalents	4,754	3,662	13,411	57,883
Cash and cash equivalents at beginning of year	31,215	27,622	14,211	380,026
Increase due to increase in consolidated subsidiaries	-	(69)	-	-
Cash and cash equivalents at end of year	¥35,969	¥31,215	¥ 27,622	\$ 437,909

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