

Consolidated Balance Sheets

At 31 March 2013 and 2012	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
ASSETS			
Current assets:			
Cash and time deposits	¥34,025	¥36,585	\$ 362,012
Securities	41	-	444
Notes and accounts receivable :			
Third parties	25,758	24,556	274,057
Unconsolidated subsidiaries and affiliates	1	15	16
	25,760	24,571	274,073
Less: allowance for doubtful accounts	(291)	(372)	(3,104)
	25,468	24,199	270,969
Merchandise and finished goods	8	11	90
Work and software in progress and merchandise	463	520	4,935
Supplies	24	22	265
Deferred tax assets	1,505	3,429	16,018
Other current assets	1,856	1,926	19,750
Total current assets	63,394	66,696	674,483
Investments and advances:			
Investments in securities	3,581	5,050	38,110
Investments in and advances to unconsolidated subsidiaries and affiliates	2,801	3,386	29,806
Investments in other securities of unconsolidated subsidiaries and affiliates	88	76	946
Investments in affiliates	1,349	671	14,355
Long-term loans receivable	147	163	1,572
Other investments	3,091	3,020	32,892
Less: allowance for doubtful accounts	(221)	(303)	(2,361)
Total investments and advances	10,838	12,066	115,320
Property and equipment, at cost less accumulated depreciation			
	7,061	7,025	75,127
Leasehold deposits	4,769	4,510	50,743
Software	1,050	1,164	11,177
Software in progress	115	38	1,228
Intangibles and other	303	289	3,228
Deferred tax assets	708	144	7,541
Prepaid pension costs	-	956	-
Goodwill	178	244	1,899
Total assets	¥88,420	¥93,137	\$ 940,746

At 31 March 2013 and 2012	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
LIABILITIES AND NET ASSETS			
Current liabilities:			
Short-term debt	¥575	¥695	\$ 6,118
Current portion of bonds	570	1,070	6,065
Current portion of long-term debt	5,879	9,059	62,553
Accounts payable:			
Third parties	8,206	7,654	87,311
Unconsolidated subsidiaries and affiliates	106	54	1,133
	8,312	7,709	88,444
Accrued expenses	7,179	6,688	76,382
Income taxes payable	1,245	852	13,248
Advances received from customers	658	850	7,004
Accrued bonuses for employees	3,082	3,232	32,801
Other current liabilities	2,483	2,687	26,425
Total current liabilities	29,986	32,845	319,040
Non-current liabilities:			
Bonds	20	590	213
Long-term debt	2,000	7,891	21,288
Reserve for retirement benefits	158	147	1,690
Provision for loss on litigation	2,555	2,555	27,190
Security deposits received	33	44	353
Other non-current liabilities	363	244	3,872
Total non-current liabilities	5,132	11,473	54,606
Commitments and contingent liabilities			
Net assets :			
Stockholders' equity:			
Common stock :			
Authorized: 150,000,000 shares at 31 March 2013 and 2012			
Issued: 48,794,046 shares at 31 March 2013 and 2012			
	29,065	29,065	309,245
Capital surplus	20,510	20,510	218,219
Retained earnings	17,297	13,900	184,038
Treasury stock, at cost:			
7,650,551 and 7,649,709 shares at 31 March 2013 and 2012, respectively			
	(15,924)	(15,923)	(169,426)
Total stockholders' equity	50,949	47,553	542,076
Valuation and translation adjustments:			
Unrealized gains on marketable securities and investments in securities	248	688	2,643
Foreign currency translation adjustments	(1,314)	(2,924)	(13,981)
Total valuation and translation adjustments	(1,065)	(2,236)	(11,338)
Minority interests	3,417	3,502	36,362
Total net assets	53,301	48,819	567,100
Total liabilities and net assets	¥88,420	¥93,137	\$ 940,746

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

Consolidated Statements of Income

For the years ended 31 March 2013, 2012 and 2011	Millions of yen			Thousands of U.S. dollars
	2013	2012	2011	2013
Net sales	¥166,335	¥161,208	¥151,687	\$1,769,718
Cost of sales	137,667	131,598	123,799	1,464,699
Gross profit	28,668	29,609	27,887	305,019
Selling, general and administrative expenses	21,415	20,890	21,588	227,843
Operating income	7,253	8,719	6,299	77,176
Non-operating income (expenses):				
Interest income	82	61	58	873
Interest expense	(226)	(392)	(554)	(2,410)
Dividend income	26	17	8	283
Equity in gain/ loss of unconsolidated subsidiaries and affiliates	539	323	75	5,744
Foreign exchange gains	368	(241)	(132)	3,915
Gain on valuation of derivatives	-	182	-	-
Gain on investments in partnership	-	-	166	-
Gain on subsidy accounts	175	299	551	1,863
Loss on disposal of property and equipment	-	(70)	(86)	-
Loss on impairment of fixed assets	(141)	(183)	(2,171)	(1,505)
Gain on sales of non-current assets	-	-	3	-
Loss on sales of non-current assets	-	-	(4)	-
Gain on sale/disposal of investments in securities	196	163	1,701	2,094
Write-downs of marketable securities and investments in securities	(757)	(90)	(123)	(8,057)
Gain on sale/disposal of investments in affiliates	1,078	-	118	11,476
Loss on sale/disposal of investments in affiliates	(182)	-	-	(1,945)
Write-downs of investments in affiliates	-	-	(219)	-
Reversal of allowance for doubtful accounts	-	-	36	-
Gain on issuance of shares to investees	-	81	27	-
Loss on transition of retirement benefit plan	(162)	-	-	(1,733)
Other income	472	276	594	5,023
Other expenses	(172)	(240)	(666)	(1,835)
Total non-operating income (expenses)	1,296	186	(616)	13,786
Income before income taxes and minority interests	8,549	8,905	5,683	90,962
Income taxes:				
Current	1,525	864	472	16,230
Deferred	1,806	2,501	693	19,224
	5,217	5,539	4,518	55,508
Minority interests in net income (loss) of consolidated subsidiaries	297	570	48	3,169
Net income	¥4,919	¥4,969	¥4,469	\$52,339

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 2013 and 2012

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	
Balance at 31 March 2011	48,794,046	¥ 29,065	¥ 20,510	¥ 10,289	¥ (15,922)	¥ (149)	¥ (2,752)	¥ 3,369	¥ 44,410
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
Balance at 31 March 2012	48,794,046	¥ 29,065	¥ 20,510	¥ 13,900	¥ (15,923)	¥ 688	¥ (2,924)	¥ 3,502	¥ 48,819
Cash dividends	-	-	-	(1,522)	-	-	-	-	(1,522)
Changes by share exchanges	-	-	-	-	-	-	-	-	-
Changes by merger	-	-	-	-	-	-	-	-	-
Net income for the year ended 31 March 2013	-	-	-	4,919	-	-	-	-	4,919
Change of scope of consolidation	-	-	-	-	-	-	-	-	-
Acquisition of treasury stock	-	-	-	-	(0)	-	-	-	(0)
Disposal of treasury stock	-	-	(0)	-	0	-	-	-	0
Adjustments due to changes in fiscal periods of consolidated subsidiaries	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	(439)	1,610	(84)	1,086
Balance at 31 March 2013	48,794,046	¥ 29,065	¥ 20,510	¥ 17,297	¥ (15,924)	¥ 248	¥ (1,314)	¥ 3,417	¥ 53,301

	Thousands of U.S. dollars							
Balance at 31 March 2011	\$ 309,245	\$ 218,220	\$109,471	\$ (169,407)	\$ (1,594)	\$ (29,284)	\$ 35,852	\$ 472,504
Cash dividends	-	-	(14,446)	-	-	-	-	(14,446)
Changes by share exchanges	-	-	-	-	-	-	-	-
Changes by merger	-	-	-	-	-	-	-	-
Net income for the year ended 31 March 2012	-	-	52,869	-	-	-	-	52,869
Change of scope of consolidation	-	-	-	-	-	-	-	-
Acquisition of treasury stock	-	-	-	(11)	-	-	-	(11)
Disposition of treasury stock	-	(1)	-	2	-	-	-	0
Adjustments due to changes in fiscal periods of consolidated subsidiaries	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	8,914	(1,834)	1,410	8,491
Balance at 31 March 2012	\$ 309,245	\$ 218,219	\$147,894	\$ (169,416)	\$ 7,320	\$ (31,118)	\$ 37,262	\$ 519,407
Cash dividends	-	-	(16,196)	-	-	-	-	(16,196)
Changes by share exchanges	-	-	-	-	-	-	-	-
Changes by merger	-	-	-	-	-	-	-	-
Net income for the year ended 31 March 2013	-	-	52,339	-	-	-	-	52,339
Change of scope of consolidation	-	-	-	-	-	-	-	-
Acquisition of treasury stock	-	-	-	(10)	-	-	-	(10)
Disposition of treasury stock	-	(1)	-	2	-	-	-	0
Adjustments due to changes in fiscal periods of consolidated subsidiaries	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	(4,677)	17,137	(899)	11,560
Balance at 31 March 2013	\$ 309,245	\$ 218,218	\$ 184,037	\$ (169,424)	\$ 2,643	\$ (13,981)	\$ 36,362	\$ 567,100

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

Consolidated Statements of Cash Flows

For the years ended 31 March 2013, 2012 and 2011	Millions of yen			Thousands of U.S. dollars
	2013	2012	2011	2013
Cash flows from operating activities:				
Income before income taxes and minority interests	¥8,549	¥8,905	¥5,683	\$ 90,963
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:				
Depreciation	1,374	1,543	1,943	14,627
Loss on impairment of fixed assets	141	183	2,171	1,505
Amortization of goodwill	85	164	526	906
Amortization of intangible assets	521	525	1,058	5,550
Reversal of allowance for doubtful accounts	(174)	(31)	(34)	(1,858)
Increase / (Decrease) in accrued bonuses for employees	(156)	124	354	(1,660)
Increase / (Decrease) in reserve for retirement benefits	967	581	344	10,298
Accrued interest and dividends income	(108)	(78)	(67)	(1,157)
Accrued interest expenses	226	392	554	2,410
Foreign exchange losses	(368)	241	132	(3,915)
Equity in (earnings) losses of unconsolidated subsidiaries and affiliate	(539)	(323)	(75)	(5,744)
Loss on disposal of property and equipment	54	70	86	576
Gain on sale/disposal of investments in securities, net	(196)	(139)	(1,700)	(2,093)
Loss on write-down of investments in securities, net	757	90	123	8,057
Loss(Gain) on sale of investments in unconsolidated subsidiaries and affiliates, net	(895)	14	(77)	(9,530)
Write-down of investments of affiliates	-	-	219	-
Gain (Loss) on dilution of equity interest	6	(70)	(27)	72
Decrease/(Increase) in notes and accounts receivable	(713)	(1,607)	1,173	(7,586)
Decrease/(Increase) in work and software in progress and merchandise	62	85	74	668
Increase / (Decrease) in accounts payable	320	725	88	3,413
Other, net	(126)	2,872	(253)	(1,349)
Subtotal	9,789	14,269	12,299	104,153
Interest and dividends received	157	117	104	1,670
Interest paid	(242)	(393)	(553)	(2,577)
Litigation settlement paid	-	(111)	(2,557)	-
Income taxes paid	(966)	(600)	(417)	(10,287)
Net cash provided by operating activities	¥8,737	¥13,282	¥8,875	\$ 92,959

Consolidated Statements of Cash Flows (continued)

For the years ended 31 March 2013, 2012 and 2011	Millions of yen			Thousands of U.S. dollars
	2013	2012	2011	2013
Cash flows from investing activities:				
Deposit of long-term deposits	¥(472)	¥(634)	¥(584)	\$ (5,024)
Withdrawal of long-term time deposits	543	606	575	5,784
Purchases of property and equipment	(1,065)	(1,029)	(783)	(11,341)
Purchases of intangibles	(453)	(562)	(620)	(4,823)
Purchases of investments in securities	(269)	(171)	(486)	(2,867)
Proceeds from sale of investments in securities	328	195	2,048	3,499
Proceeds from repayment of investments in securities	-	-	26	-
Purchases of investments in affiliates	(308)	(85)	(138)	(3,285)
Proceeds from sale of investments in affiliates	2,124	1	95	22,603
Proceeds from liquidation of subsidiaries and affiliates	-	15	100	-
Payments for purchases of stock from minority shareholders	(408)	(512)	(54)	(4,349)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	-	1	-
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	-	12	-
Purchases of other investments and guarantee deposits	(721)	(288)	(993)	(7,678)
Proceeds from other investments and guarantee deposits	450	464	1,312	4,794
Net cash used in investing activities	(252)	(2,002)	512	(2,687)
Cash flows from financing activities:				
Proceeds from short-term bank loans	1,920	2,120	2,147	20,427
Repayment of short-term bank loans	(2,041)	(2,267)	(2,091)	(21,723)
Proceeds from long-term bank loans	42	10,030	5,020	446
Repayment of long-term bank loans	(9,112)	(13,758)	(8,964)	(96,955)
Repayment of bonds	(1,070)	(1,070)	(1,070)	(11,384)
Proceeds from sale of treasury stock	-	0	0	-
Repurchases of treasury stock	-	(1)	(1)	-
Proceeds from stock issuance to minority shareholders	36	-	-	383
Cash dividends paid	(1,516)	(1,357)	(411)	(16,136)
Dividends paid to minority interests	(108)	(11)	(20)	(1,155)
Other, net	(125)	(156)	(131)	(1,336)
Net cash (used in) provided by financing activities	(11,977)	(6,473)	(5,523)	(127,433)
Effect of exchange rate changes on cash and cash equivalents	967	(52)	(201)	10,291
Net (decrease)/ increase in cash and cash equivalents	(2,525)	4,754	3,662	(26,870)
Cash and cash equivalents at beginning of year	35,969	31,215	27,622	382,698
Increase due to increase in consolidated subsidiaries	-	-	(69)	-
Cash and cash equivalents at end of year	¥33,444	¥35,969	¥31,215	\$ 355,828

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