

# Consolidated Balance Sheets

At 31 March 2014 and 2013	Millions of yen		Thousands of U.S. dollars
	2014	2013	2014
<b>ASSETS</b>			
Current assets:			
Cash and time deposits	¥30,521	¥34,025	\$ 296,555
Securities	-	41	-
Notes and accounts receivable :			
Third parties	31,690	25,758	307,916
Unconsolidated subsidiaries and affiliates	3	1	33
	<b>31,694</b>	25,760	<b>307,949</b>
Less: allowance for doubtful accounts	(300)	(291)	(2,923)
	<b>31,393</b>	25,468	<b>305,026</b>
Merchandise and finished goods	79	8	776
Work and software in progress and merchandise	674	463	6,557
Supplies	33	24	330
Deferred tax assets	1,778	1,505	17,276
Other current assets	2,445	1,856	23,760
Total current assets	<b>66,926</b>	63,394	<b>650,280</b>
Investments and advances:			
Investments in securities	2,494	3,581	24,238
Investments in and advances to unconsolidated subsidiaries and affiliates	5,113	2,801	49,679
Investments in other securities of unconsolidated subsidiaries and affiliates	76	88	740
Investments in affiliates	2,260	1,349	21,968
Long-term loans receivable	434	147	4,224
Other investments	314	3,091	3,058
Less: allowance for doubtful accounts	(256)	(221)	(2,490)
Total investments and advances	<b>10,437</b>	10,838	<b>101,417</b>
Property and equipment, at cost less accumulated depreciation			
	7,714	7,061	74,958
Leasehold deposits	5,159	4,769	50,134
Software	1,178	1,050	11,449
Software in progress	145	115	1,415
Intangibles and others	324	303	3,155
Deferred tax assets	133	708	1,301
Goodwill	151	178	1,471
<b>Total assets</b>	<b>¥92,173</b>	¥88,420	<b>\$ 895,580</b>

At 31 March 2014 and 2013	Millions of yen		Thousands of U.S. dollars
	2014	2013	2014
<b>LIABILITIES AND NET ASSETS</b>			
Current liabilities:			
Short-term debt	¥366	¥575	\$ 3,563
Current portion of bonds	20	570	194
Current portion of long-term debt	1,668	5,879	16,210
Accounts payable:			
Third parties	11,589	8,206	112,605
Unconsolidated subsidiaries and affiliates	166	106	1,616
	<b>11,755</b>	8,312	<b>114,221</b>
Accrued expenses	7,106	7,179	69,054
Income taxes payable	2,258	1,245	21,948
Advances received from customers	765	658	7,439
Accrued bonuses for employees	3,541	3,082	34,414
Other current liabilities	3,027	2,483	29,420
<b>Total current liabilities</b>	<b>30,511</b>	29,986	<b>296,463</b>
Non-current liabilities:			
Bonds	-	20	-
Long-term debt	352	2,000	3,423
Reserve for retirement benefits	172	158	1,673
Provision for loss on litigation	-	2,555	-
Security deposits received	33	33	322
Other non-current liabilities	294	363	2,858
<b>Total non-current liabilities</b>	<b>851</b>	5,132	<b>8,276</b>
Commitments and contingent liabilities			
Net assets :			
Stockholders' equity:			
Common stock :			
Authorized: 150,000,000 shares at 31 March 2014 and 2013			
Issued: 48,794,046 shares at 31 March 2014 and 2013			
	29,065	29,065	282,413
Capital surplus	20,510	20,510	199,285
Retained earnings	22,105	17,297	214,787
Treasury stock, at cost:			
7,653,376 and 7,650,551 shares at 31 March 2014 and 2013, respectively			
	(15,929)	(15,924)	(154,772)
<b>Total stockholders' equity</b>	<b>55,753</b>	50,949	<b>541,713</b>
Valuation and translation adjustments:			
Unrealized gains on marketable securities and investments in securities	611	248	5,940
Foreign currency translation adjustments	989	(1,314)	9,611
<b>Total valuation and translation adjustments</b>	<b>1,600</b>	(1,065)	<b>15,551</b>
Minority interests	3,455	3,417	33,577
<b>Total net assets</b>	<b>60,809</b>	53,301	<b>590,841</b>
<b>Total liabilities and net assets</b>	<b>¥92,173</b>	¥88,420	<b>\$ 895,580</b>

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

# Consolidated Statements of Income

For the years ended 31 March 2014, 2013 and 2012	Millions of yen			Thousands of U.S. dollars
	2014	2013	2012	2014
Net sales	¥186,503	¥166,335	¥161,208	\$ 1,812,119
Cost of sales	151,100	137,667	131,598	1,468,134
Gross profit	35,403	28,668	29,609	343,985
Selling, general and administrative expenses	25,861	21,415	20,890	251,276
Operating income	9,541	7,253	8,719	92,709
Non-operating income (expenses):				
Interest income	55	82	61	544
Interest expense	(85)	(226)	(392)	(827)
Dividend income	31	26	17	303
Equity in gain/ loss of unconsolidated subsidiaries and affiliates	15	539	323	155
Foreign exchange gains	261	368	(241)	2,537
Gain on valuation of derivatives	-	-	182	-
Gain on subsidy accounts	167	175	299	1,623
Provision of allowance for doubtful accounts	(108)	-	-	(1,058)
Loss on disposal of property and equipment	-	-	(70)	-
Loss on impairment of fixed assets	(156)	(141)	(183)	(1,518)
Gain on sale/disposal of investments in securities	234	196	163	2,277
Write-downs of marketable securities and investments in securities	(1,123)	(757)	(90)	(10,917)
Gain on sale/disposal of investments in affiliates	33	1,078	-	325
Loss on sale/disposal of investments in affiliates	-	(182)	-	-
Reversal of provision for loss on litigation	1,064	-	-	10,343
Loss on litigation	(406)	-	-	(3,945)
Gain on issuance of shares to investees	-	-	81	-
Loss on transition of retirement benefit plan	-	(162)	-	-
Other income	598	472	276	5,818
Other expenses	(347)	(172)	(240)	(3,380)
Total non-operating income (expenses)	234	1,296	186	2,280
Income before income taxes and minority interests	9,776	8,549	8,905	94,989
Income taxes:				
Current	2,617	1,525	864	25,435
Deferred	285	1,806	2,501	2,778
	6,872	5,217	5,539	66,776
Minority interests in net income (loss) of consolidated subsidiaries	583	297	570	5,667
Net income	¥6,289	¥4,919	¥4,969	\$ 61,109

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 2014 and 2013

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 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>
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
<b>Balance at 31 March 2013</b>	<b>48,794,046</b>	<b>¥ 29,065</b>	<b>¥ 20,510</b>	<b>¥ 17,297</b>	<b>¥ (15,924)</b>	<b>¥ 248</b>	<b>¥ (1,314)</b>	<b>¥ 3,417</b>	<b>¥ 53,301</b>
Cash dividends	-	-	-	(1,481)	-	-	-	-	(1,481)
Changes by share exchanges	-	-	-	-	-	-	-	-	-
Changes by merger	-	-	-	-	-	-	-	-	-
Net income for the year ended 31 March 2014	-	-	-	6,289	-	-	-	-	6,289
Change of scope of consolidation	-	-	-	-	-	-	-	-	-
Acquisition of treasury stock	-	-	-	-	(4)	-	-	-	(4)
Disposal of treasury stock	-	-	-	-	-	-	-	-	-
Adjustments due to changes in fiscal periods of consolidated subsidiaries	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	362	2,303	38	27,04
<b>Balance at 31 March 2014</b>	<b>48,794,046</b>	<b>¥ 29,065</b>	<b>¥ 20,510</b>	<b>¥ 22,105</b>	<b>¥ (15,929)</b>	<b>¥ 611</b>	<b>¥ 989</b>	<b>¥ 3,455</b>	<b>¥ 60,809</b>

	Thousands of U.S. dollars							
<b>Balance at 31 March 2012</b>	<b>\$ 282,413</b>	<b>\$ 199,285</b>	<b>\$135,062</b>	<b>\$ (154,715)</b>	<b>\$ 6,685</b>	<b>\$ (28,418)</b>	<b>\$ 34,028</b>	<b>\$ 474,340</b>
Cash dividends	-	-	(14,791)	-	-	-	-	(14,791)
Changes by share exchanges	-	-	-	-	-	-	-	-
Changes by merger	-	-	-	-	-	-	-	-
Net income for the year ended 31 March 2013	-	-	47,798	-	-	-	-	47,798
Change of scope of consolidation	-	-	-	-	-	-	-	-
Acquisition of treasury stock	-	-	-	(10)	-	-	-	(10)
Disposition of treasury stock	-	(0)	-	0	-	-	-	0
Adjustments due to changes in fiscal periods of consolidated subsidiaries	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	(4,271)	15,650	(821)	10,558
<b>Balance at 31 March 2013</b>	<b>\$ 282,413</b>	<b>\$ 199,285</b>	<b>\$168,069</b>	<b>\$ (154,725)</b>	<b>\$ 2,414</b>	<b>\$ (12,768)</b>	<b>\$ 33,207</b>	<b>\$ 517,895</b>
Cash dividends	-	-	(14,391)	-	-	-	-	(14,391)
Changes by share exchanges	-	-	-	-	-	-	-	-
Changes by merger	-	-	-	-	-	-	-	-
Net income for the year ended 31 March 2014	-	-	61,109	-	-	-	-	61,109
Change of scope of consolidation	-	-	-	-	-	-	-	-
Acquisition of treasury stock	-	-	-	(47)	-	-	-	(47)
Disposition of treasury stock	-	-	-	-	-	-	-	-
Adjustments due to changes in fiscal periods of consolidated subsidiaries	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	3,526	22,379	370	26,275
<b>Balance at 31 March 2014</b>	<b>\$ 282,413</b>	<b>\$ 199,285</b>	<b>\$ 214,787</b>	<b>\$ (154,772)</b>	<b>\$ 5,940</b>	<b>\$ 9,611</b>	<b>\$ 33,577</b>	<b>\$ 590,841</b>

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

# Consolidated Statements of Cash Flows

For the years ended 31 March 2014, 2013 and 2012	Millions of yen			Thousands of U.S. dollars
	2014	2013	2012	2014
<b>Cash flows from operating activities:</b>				
Income before income taxes and minority interests	¥9,776	¥8,549	¥8,905	\$ 94,989
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:				
Depreciation	1,419	1,374	1,543	13,790
Loss on impairment of fixed assets	156	141	183	1,518
Amortization of goodwill	74	85	164	721
Amortization of intangible assets	532	521	525	5,174
Reversal of allowance for doubtful accounts	77	(174)	(31)	755
Increase / (Decrease) in accrued bonuses for employees	451	(156)	124	4,383
Increase / (Decrease) in reserve for retirement benefits	13	967	581	129
Accrued interest and dividends income	(87)	(108)	(78)	(847)
Accrued interest expenses	85	226	392	827
Foreign exchange losses	(258)	(368)	241	(2,512)
Equity in (earnings) losses of unconsolidated subsidiaries and affiliate	(15)	(539)	(323)	(154)
Loss on disposal of property and equipment	58	54	70	571
Gain on sale/disposal of investments in securities, net	(234)	(196)	(139)	(2,277)
Loss on write-down of investments in securities, net	1,123	757	90	10,917
Loss(Gain) on sale of investments in unconsolidated subsidiaries and affiliates, net	(33)	(895)	14	(325)
Gain (Loss) on dilution of equity interest	(36)	6	(70)	(357)
Decrease/(Increase) in notes and accounts receivable	(5,522)	(713)	(1,607)	(53,660)
Decrease/(Increase) in work and software in progress and merchandise	(288)	62	85	(2,801)
Increase / (Decrease) in accounts payable	2,653	320	725	25,784
Other, net	(47)	(126)	2,872	(463)
Subtotal	9,897	9,789	14,269	96,162
Interest and dividends received	136	157	117	1,326
Interest paid	(97)	(242)	(393)	(948)
Litigation settlement received	1,150	-	-	11,182
Litigation settlement paid	(403)	-	(111)	(3,919)
Income taxes paid	(1,761)	(966)	(600)	(17,116)
Net cash provided by operating activities	¥8,921	¥8,737	¥13,282	\$ 86,687

## Consolidated Statements of Cash Flows (continued)

For the years ended 31 March 2014, 2013 and 2012	Millions of yen			Thousands of U.S. dollars
	2014	2013	2012	2014
<b>Cash flows from investing activities:</b>				
Deposit of long-term deposits	¥(195)	¥(472)	¥(634)	\$ (1,896)
Withdrawal of long-term time deposits	818	543	606	7,951
Purchases of property and equipment	(1,339)	(1,065)	(1,029)	(13,012)
Purchases of intangibles	(784)	(453)	(562)	(7,624)
Purchases of investments in securities	(94)	(269)	(171)	(917)
Proceeds from sale of investments in securities	1,243	328	195	12,078
Purchases of investments in affiliates	(3,271)	(308)	(85)	(31,787)
Proceeds from sale of investments in affiliates	481	2,124	1	4,674
Proceeds from liquidation of subsidiaries and affiliates	-	-	15	-
Payments for purchases of stock from minority shareholders	(570)	(408)	(512)	(5,543)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	35	-	-	349
Purchases of other investments and guarantee deposits	(944)	(721)	(288)	(9,173)
Proceeds from sale of other investments and guarantee deposits	338	450	464	3,289
Net cash used in investing activities	(4,282)	(252)	(2,002)	(41,611)
<b>Cash flows from financing activities:</b>				
Proceeds from short-term bank loans	1,700	1,920	2,120	16,517
Repayment of short-term bank loans	(1,908)	(2,041)	(2,267)	(18,542)
Proceeds from long-term bank loans	20	42	10,030	194
Repayment of long-term bank loans	(5,879)	(9,112)	(13,758)	(57,129)
Repayment of bonds	(570)	(1,070)	(1,070)	(5,538)
Proceeds from sale of treasury stock	-	-	0	-
Repurchases of treasury stock	-	-	(1)	-
Proceeds from stock issuance to minority shareholders	-	36	-	-
Cash dividends paid	(1,478)	(1,516)	(1,357)	(14,365)
Dividends paid to minority interests	(0)	(108)	(11)	(4)
Other, net	(167)	(125)	(156)	(1,631)
Net cash (used in) provided by financing activities	(8,284)	(11,977)	(6,473)	(80,498)
Effect of exchange rate changes on cash and cash equivalents	653	967	(52)	6,354
Net (decrease)/ increase in cash and cash equivalents	(2,991)	(2,525)	4,754	(29,068)
Cash and cash equivalents at beginning of year	33,444	35,969	31,215	324,954
Cash and cash equivalents at end of year	¥30,452	¥33,444	¥35,969	\$ 295,886

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