

FINANCIAL RESULTS

【First Quarter Consolidated Financial Statements】

- Fiscal Year Ending March 31, 2009 -

1. Consolidated Balance Sheets

(in million yen,%)

	Current First Quarter End (As of June 30, 2008)		Prior Year End (As of March 31, 2008)	
	Amount	%	Amount	%
(ASSETS)				
I Current assets				
1 Cash and cash equivalents	44,887		40,119	
2 Accounts receivable	8,956		14,412	
3 Short-term investments	2,500		7,500	
4 Merchandise	428		232	
5 Other current assets	7,712		8,456	
Allowance for bad debt	(2)		(1)	
Total current assets	64,480	58.6	70,717	58.2
II Fixed assets				
1 Tangible fixed assets				
(1) Machinery and equipment	9,625		10,811	
(2) Others	1,888		1,638	
Total tangible fixed assets	11,513	10.5	12,449	10.2
2 Intangible assets	2,183	2.0	2,340	1.9
3 Investments and other assets				
(1) Affiliated company stock	22,984		27,441	
(2) Others	8,925		8,644	
Total investments and other assets	31,909	29.0	36,085	29.7
Total fixed assets	45,605	41.4	50,874	41.8
TOTAL ASSETS	110,086	100.0	121,590	100.0

Consolidated Balance Sheets (Continued)

(in million yen,%)

	Current First Quarter End (As of June 30, 2008)		Prior Year End (As of March 31, 2008)	
	Amount	%	Amount	%
(LIABILITIES)				
I Current liabilities				
1 Trade accounts payable	3,313		6,554	
2 Current portion of Long-term debt	830		1,300	
3 Other accounts payable	732		1,436	
4 Accrued expenses	4,701		4,933	
5 Income taxes payable	1,150		4,137	
6 Other current liabilities	539		799	
Total current liabilities	11,266	10.2	19,158	15.8
II Long-term liabilities				
Bonds	83,000		83,000	
Total long-term liabilities	83,000	75.4	83,000	68.3
TOTAL LIABILITIES	94,266	85.6	102,158	84.0
(NET ASSETS)				
I Owners' equity				
1 Common stock	17,105		17,101	
2 Capital surplus	5,756		5,751	
3 Retained earnings	(5,941)		684	
4 Treasury stock	-		(3,000)	
Total owners' equity	16,920	15.4	20,536	16.9
II Valuation and translation adjustments				
1 Valuation difference on investment securities	(1,172)		(987)	
2 Deferred hedge gain and loss	(527)		(721)	
Total valuation and translation adjustments	(1,699)	(1.5)	(1,708)	(1.4)
III Stock purchase warrants				
	2	0.0	2	0.0
IV Minority interests				
	597	0.5	603	0.5
TOTAL NET ASSETS	15,820	14.4	19,433	16.0
TOTAL LIABILITIES AND NET ASSETS	110,086	100.0	121,590	100.0

2. Consolidated Statements of Operations

(in million yen,%)

	Prior First Quarter (Three months ended June 30, 2007)		Current First Quarter (Three months ended June 30, 2008)	
	Amount	%	Amount	%
I Revenue	15,104	100.0	24,258	100.0
II Cost of revenue	10,561	69.9	17,235	71.0
Gross profit	4,542	30.1	7,024	29.0
III Selling, general and administrative expenses	6,049	40.0	3,527	14.5
Operating profit /(loss)	(1,506)	(10.0)	3,497	14.4
IV Other income				
1 Interest income	67		24	
2 Dividend income	4		63	
3 Others	9		9	
IV Other expenses				
1 Interest expense	322		443	
2 Equity in net losses of affiliates	1,251		4,668	
3 Others	281		14	
Recurring loss	(3,280)	(21.7)	(1,533)	(6.3)
VI Non-recurring profit	4,641		-	
VII Non-recurring loss	15		-	
Income /(Loss) before income taxes and minority interests	1,346	8.9	(1,533)	(6.3)
Income tax expense-current	2,252	14.9	1,341	5.5
Income tax expense-deferred	131	0.9	(53)	(0.2)
Minority interest	2,553	16.9	10	0.0
Net income /(loss)	1,516	10.0	(2,810)	(11.6)

3. Consolidated Statements of Cash Flows

(in million yen)

	Prior First Quarter (Three months ended June 30, 2007)	Current First Quarter (Three months ended June 30, 2008)
	Amount	Amount
I Cash flows from operating activities		
1 Income /(Loss) before income taxes and minority interests	1,346	(1,533)
2 Depreciation	2,428	1,391
3 Amortization of intangible assets	470	260
4 Bad debt expense	0	0
5 Interest and dividend income	(71)	(87)
6 Interest expense	322	443
7 Equity in net losses of affiliates	1,251	4,668
8 Adjustments on unrealized gain on affiliates	-	(212)
9 Gains on sale of stocks in EMOBILE	(4,641)	-
10 Loss on disposition of fixed assets	15	-
11 Trade accounts receivable	(257)	5,456
12 Inventory	(1,888)	(196)
13 Other current assets	(6,169)	416
14 Trade accounts payable	(2,517)	(3,240)
15 Other accounts payable	(186)	(56)
16 Accrued expenses	(1,429)	(544)
17 Other current liabilities	(185)	(137)
Subtotal	(11,512)	6,630
18 Interest and dividend received	17	29
19 Interest paid	(73)	(9)
20 Payments of income taxes	(2,369)	(4,260)
Net cash (used in) provided by operating activities	(13,936)	2,390
II Cash flows from investing activities		
1 Payments for purchase of investment securities	(4)	(25)
2 Proceeds from sales of investment in stocks in EMOBILE results in charge in scope of consolidation	(71,154)	-
3 Purchase of tangible fixed assets	(6,899)	(976)
4 Purchase of intangible assets	(4,880)	(311)
5 Proceeds from sale of tangible fixed assets	6	-
Net cash used in investing activities	(82,932)	(1,312)
III Cash flows from financing activities		
1 Repayments of capital lease obligations	(475)	(107)
2 Repayments of installment obligations	(131)	(6)
3 Repayments of long-term debt	(800)	(470)
4 Proceeds from stock issuance, net	19	8
5 Proceeds of capital increase from minority shareholders	551	-
6 Payments for change in condition for commitmet line	(605)	-
7 Dividends paid	(578)	(735)
Net cash used in financing activities	(2,019)	(1,310)
IV Net change in cash and cash equivalents	(98,887)	(232)
V Cash and cash equivalents at beginning of period	160,926	47,619
VI Cash and cash equivalents at end of period	62,039	47,387