

## FINANCIAL RESULTS

### **【First Quarter Consolidated Financial Statements】**

**- Fiscal Year Ending March 31, 2011 -**

#### **1. Consolidated Balance Sheets**

(Millions of Yen)

	Current 1st-qr End (As of June 30, 2010)	Prior Year End (As of March 31, 2010)
	Amount	Amount
<b>(ASSETS)</b>		
<b>Current assets</b>		
1 Cash and cash equivalents	13,106	26,110
2 Accounts receivable-trade	8,620	10,880
3 Merchandise	52	106
4 Other current assets	7,327	8,623
5 Allowance for bad debt	(9)	(10)
Total current assets	29,097	45,709
<b>Fixed assets</b>		
1 Tangible fixed assets		
(1) Machinery and equipments	9,550	10,234
(2) Other tangible fixed assets	5,538	5,702
Total tangible fixed assets	15,088	15,936
2 Intangible assets		
3 Investments and other assets		
(1) Affiliated company stocks	22,726	5,582
(2) Long-term accounts receivable-other from affiliate	9,717	9,271
(3) Others	7,362	7,326
Total investments and other assets	39,805	22,180
Total fixed assets	57,328	40,730
<b>Deferred assets</b>		
	403	425
<b>TOTAL ASSETS</b>	<b>86,827</b>	<b>86,864</b>

## Consolidated Balance Sheets (Continued)

(Millions of Yen)

	Current 1st-qr End (As of June 30, 2010)	Prior Year End (As of March 31, 2010)	
	Amount	Amount	
<b>(LIABILITIES)</b>			
<b>Current liabilities</b>			
1	Accounts payables-trade	1,503	2,098
2	Short-term debt	3,000	-
3	Current portion of Long-term debt	3,307	2,854
4	Current maturities of bonds	4,848	1,848
5	Other accounts payable	713	3,089
6	Accrued expenses	4,712	5,988
7	Income tax payable	1,184	2,899
8	Provision	-	107
9	Other current liabilities	5,066	5,251
	Total current liabilities	24,333	24,134
<b>Long-term liabilities</b>			
1	Bonds	22,622	26,126
2	Long-term debt	21,378	19,075
3	Asset retirement obligations	49	-
4	Other long-term liabilities	3,790	4,373
	Total long-term liabilities	47,838	49,575
	<b>TOTAL LIABILITIES</b>	<b>72,171</b>	<b>73,709</b>
<b>(NET ASSETS)</b>			
<b>Shareholders' equity</b>			
1	Common stock	18,418	18,392
2	Capital surplus	9,108	9,082
3	Retained earnings	(13,280)	(14,862)
	Total shareholders' equity	14,247	12,612
<b>Valuation and translation adjustments</b>			
1	Valuation adjustment on securities investments	9	8
2	Deferred hedge gain / (loss)	(100)	28
	Total valuation and translation adjustments	(91)	36
	<b>Minority interests</b>	<b>501</b>	<b>507</b>
	<b>TOTAL NET ASSETS</b>	<b>14,656</b>	<b>13,155</b>
	<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>86,827</b>	<b>86,864</b>

## 2. Consolidated Statements of Operations

(Millions of Yen)

	Prior 1st-qr (Three months ended June 30, 2009)	Current 1st-qr (Three months ended June 30, 2010)
	Amount	Amount
<b>Revenue</b>	21,416	19,117
<b>Cost of revenue</b>	12,335	11,453
<b>Gross profit</b>	9,081	7,664
<b>Selling, general and administrative expenses</b>	4,146	3,179
<b>Operating profit</b>	4,935	4,485
<b>Non-operating income</b>		
1 Interest income	20	4
2 Foreign exchange gains	-	8
3 Other income	20	8
Total non-operating income	41	20
<b>Non-operating expenses</b>		
1 Interest expense	528	323
2 Equity in net losses of affiliates	2,578	40
3 Others	50	65
Total non-operating expenses	3,156	429
<b>Recurring profit</b>	1,819	4,076
<b>Non-recurring profit</b>		
1 Gain on change in equity	-	154
2 Gain on negative goodwill	467	-
3 Gain on redemption of bonds	105	-
4 Others	116	1
Total non-recurring profit	687	154
<b>Non-recurring loss</b>		
1 Loss on disposition of fixed assets	87	41
2 Loss on write-down of securities investments	10	-
3 Loss on adjustment for changes of accounting standard for asset retirement obligations	-	22
4 Others	-	3
Total non-recurring loss	97	66
<b>Income before income taxes and minority interests</b>	2,410	4,164
<b>Income tax expense-current</b>	1,017	1,204
<b>Income tax expense-deferred</b>	831	469
<b>Income before minority interests</b>	562	2,491
<b>Minority interests</b>	(100)	3
<b>Net income</b>	462	2,493

### 3. Consolidated Statements of Cash Flows

(Millions of Yen)

	Prior 1st-qr (Three months ended June 30, 2009)	Current 1st-qr (Three months ended June 30, 2010)
	Amount	Amount
<b>Cash flows from operating activities</b>		
1 Income before income taxes and minority interests	2,410	4,164
2 Depreciation	1,948	1,779
3 Gain on negative goodwill	(467)	-
4 Gain on redemption of bonds	(105)	-
5 Loss on disposition of fixed assets	87	41
6 Loss on adjustment for changes of accounting standard for asset retirement obligations	-	22
7 Other loss	3	23
8 Increase (decrease) in allowance for bad debt	(20)	(1)
9 Interest and dividend income	(20)	(4)
10 Interest expense	528	323
11 Equity in net losses of affiliates	2,578	40
12 Adjustments for unrealized profit with affiliate	(65)	(37)
13 Loss (gain) on change in equity	-	(154)
14 Decrease (increase) in trade accounts receivable	667	2,260
15 Decrease (increase) in inventories	160	61
16 Decrease (increase) in accounts receivable-other from affiliates	-	358
17 Decrease (increase) in other assets	44	36
18 Increase (decrease) in trade accounts payable	(1,190)	(595)
19 Increase (decrease) in other accounts payable	(89)	(2,059)
20 Increase (decrease) in accrued expenses	(613)	(1,189)
21 Increase (decrease) in provision for retirement benefits	(73)	(88)
22 Increase (decrease) in other liabilities	338	(152)
Subtotal	6,118	4,830
23 Interest and dividend received	34	3
24 Interest paid	(129)	(480)
25 Payments of income taxes	(1,377)	(3,004)
<b>Net cash provided by (used in) operating activities</b>	<b>4,646</b>	<b>1,349</b>
<b>Cash flows from investing activities</b>		
1 Decrease (increase) in restricted deposit	-	(892)
2 Purchase of tangible fixed assets	(1,232)	(928)
3 Purchase of intangible assets	(107)	(239)
4 Purchase of stocks of subsidiaries and affiliates	-	(17,000)
<b>Net cash provided by (used in) investing activities</b>	<b>(1,338)</b>	<b>(19,059)</b>
<b>Cash flows from financing activities</b>		
1 Repayments of capital lease obligations	(258)	(222)
2 Repayments of installment obligations	(374)	(423)
3 Proceeds from short-term debt	13,000	3,000
4 Repayments of short-term debt	(8,800)	-
5 Proceeds from long-term debt	-	3,849
6 Repayments of long-term debt	-	(1,094)
7 Proceeds from issuance of bonds	2,941	-
8 Redemption of bonds	(19,896)	(495)
9 Proceeds from stock issuance, net	15	52
10 Dividends paid	(787)	(853)
11 Dividends paid to minority shareholders	(54)	-
<b>Net cash provided by (used in) financing activities</b>	<b>(14,213)</b>	<b>3,815</b>
<b>Net change in cash and cash equivalents</b>	<b>(10,905)</b>	<b>(13,896)</b>
Cash and cash equivalents at the beginning of the period	68,541	26,110
Cash and cash equivalents at the end of the period	57,635	12,215