

Financial Information

CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS, JPY)

	SEPTEMBER 30, 2006	SEPTEMBER 30, 2007
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,792,223	5,260,080
Notes and accounts receivable	3,607,909	4,126,574
Investment securities	—	200,012
Inventories	339,862	437,696
Deferred tax assets	252,655	391,347
Pocket through expense	145,275	243,601
Others	264,222	296,927
Allowance for doubtful accounts	△ 1,411	△ 1,523
Total current assets	8,400,737	10,954,717
FIXED ASSETS		
Tangible Assets ;		
Leasehold improvements	344,453	383,711
Accumulated depreciation	△ 180,245	△ 200,747
Furniture and fixtures	203,274	238,233
Accumulated depreciation	△ 131,006	△ 143,660
Others	133,053	175,931
Accumulated depreciation	△ 54,723	△ 77,075
Total property and equipment	314,805	376,393
Intangible Assets ;		
Goodwill	315,666	247,666
Others	67,993	97,410
Total intangible assets	383,660	345,077
Investments and other assets ;		
Investment securities	1,275,110	1,074,612
Long-term loans receivable	45,617	47,268
Deposits	666,687	681,724
Time deposits and banking arrangements other than cash equivalents	500,000	500,000
Deferred tax assets	188,142	320,997
Others	198,961	246,456
Allowance for doubtful accounts	—	△ 10,000
Total investments and other assets	2,874,519	2,861,059
Total fixed assets	3,572,985	3,582,530
TOTAL ASSETS	11,973,723	14,537,247

	SEPTEMBER 30, 2006	SEPTEMBER 30, 2007
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	182,795	201,903
Current portion of long-term debt	213,200	214,300
Income taxes payable	375,282	1,063,181
Provision for bonuses	422,541	649,722
Others	1,171,583	1,861,952
Total current liabilities	2,365,403	3,991,058
LONG-TERM LIABILITIES		
Long-term debt	670,000	405,700
Provision for employee's retirement benefits	227,604	258,448
Provision for director's retirement benefits	130,499	155,023
Deferred tax liabilities	4,258	2,518
Others	5,825	14,204
Total long-term liabilities	1,038,188	835,895
TOTAL LIABILITIES	3,403,591	4,826,953
NET ASSETS		
Common stock	1,875,251	1,875,251
Additional paid-in capital	1,825,298	1,825,298
Retained earnings	4,180,774	5,205,599
Common stock for treasury	△ 322,080	△ 322,080
Unrealized gain on available-for-sale securities	89,590	66,076
Deferred gain on hedges	—	485
Foreign currency translation adjustments	40,552	67,262
Total shareholders' equity	7,689,386	8,717,892
Minority interests	880,745	992,401
TOTAL NET ASSETS	8,570,131	9,710,293
TOTAL LIABILITIES AND NET ASSETS	11,973,723	14,537,247

CONSOLIDATED STATEMENTS OF INCOME

(IN THOUSANDS, JPY)

	FOR THE YEAR ENDED SEPTEMBER 30, 2006	FOR THE YEAR ENDED SEPTEMBER 30, 2007
NET SALES	15,257,985	17,980,875
COST OF SALES	10,892,074	12,046,656
Gross profit	4,365,911	5,934,218
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	2,407,205	2,953,488
Operating income	1,958,705	2,980,730
OTHER INCOME (EXPENSES)		
Interest income	27,690	38,069
Interest expenses	(20,682)	(15,771)
Gain on cancellation of life insurance	10,919	16,746
Service fee income	3,317	6,056
Gain on consumption tax filing	7,988	14,618
Incentive on re-investment in overseas subsidiaries	7,711	—
Payment to the Association for employment of persons with disabilities	(3,050)	(5,350)
Foreign exchange loss	(3,884)	—
Equity in losses of associated companies	(9,213)	(5,708)
Gain on sales of property and equipment	995	584
Gain on sale of investments in securities	—	51,186

	FOR THE YEAR ENDED SEPTEMBER 30, 2006	FOR THE YEAR ENDED SEPTEMBER 30, 2007
Compensation for office removal	—	61,080
Gain on decrease of shares in associated company	4,001	—
Loss on sales and disposal of property and equipment	(14,743)	(61,266)
Loss on devaluation of investment in securities	(87,593)	(345,918)
Impairment loss	(3,635)	—
Loss on devaluation of software	(28,083)	—
Provision for doubtful accounts	—	(10,000)
Others- net	(9,830)	(2,860)
Other income (expenses)-net	(118,093)	(258,533)
Income before income taxes and minority interests	1,840,612	2,722,197
INCOME TAXES		
Current	782,199	1,409,739
Deferred	(89,728)	(255,795)
Total	692,470	1,153,944
MINORITY INTERESTS	69,055	183,865
NET INCOME	1,079,085	1,384,387

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(IN THOUSANDS, JPY)

	Attributable to equity holders of the company					Evaluation and translation adjustment				Total Shareholders' equity	Minority interest	Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Common stock for treasury	Sub total	Unrealized gain on available-for-sale securities	Deferred gain on hedges	Foreign currency translation adjustments	Total evaluation and translation adjustments			
Balance at 30 September 2006	1,875,251	1,825,298	4,180,774	△ 322,080	7,559,243	89,590	—	40,552	130,142	7,689,386	880,745	8,570,131
Changes during the period												
Cash dividends			△ 357,592		△ 357,592					△ 357,592		△ 357,592
Net income			1,384,387		1,384,387					1,384,387		1,384,387
Others			△ 1,970		△ 1,970					△ 1,970		△ 1,970
Net increase/decrease in valuation, translation adjustment and minority interest						△ 23,514	485	26,709	3,681	3,681	111,655	115,337
Total changes during the period	—	—	1,024,824	—	1,024,824	△ 23,514	485	26,709	3,681	1,028,505	111,655	1,140,161
Balance at 30 September 2007	1,875,251	1,825,298	5,205,599	△ 322,080	8,584,068	66,076	485	67,262	133,823	8,717,892	992,401	9,710,293

CONSOLIDATED STATEMENTS OF CASH FLOWS

(IN THOUSANDS, JPY)

	FOR THE YEAR ENDED SEPTEMBER 30, 2006	FOR THE YEAR ENDED SEPTEMBER 30, 2007
OPERATING ACTIVITIES:		
Income before income taxes and minority interests	1,840,612	2,722,197
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:		
Depreciation and amortization	133,848	109,352
Impairment loss	3,635	—
Amortization of Goodwill	15,802	61,983
Increase in provision for bonuses	50,769	226,430
Increase in allowance for retirement benefits for employees	22,058	30,844
Increase in allowance for retirement benefits for directors	8,163	24,524
Interest and dividends income	△ 28,890	△ 39,569
Interest expense	20,682	15,771
Gain on sale of investments in securities	—	△ 51,186
Loss on devaluation of investments in securities	87,593	345,918
Loss on sales and disposal of property and equipment	14,743	61,266
Changes in operating assets and liabilities:		
Decrease in accounts receivable-trade (△Increase)	92,792	△ 511,143
Increase in inventories	△ 109,861	△ 71,298
Increase in pocket through expense	△ 45,255	△ 97,874
Increase in accounts payable-trade	24,351	16,734
Increase in other current liabilities	182,905	667,652
Others , Net	43,109	△ 104,848
Subtotal	2,357,062	3,406,754
Interest and dividends received	27,986	37,797
Interest paid	△ 20,682	△ 15,749
Income taxes paid	△ 1,006,887	△ 731,149
Net cash provided by (used in) operating activities	1,357,478	2,697,652

	FOR THE YEAR ENDED SEPTEMBER 30, 2006	FOR THE YEAR ENDED SEPTEMBER 30, 2007
INVESTING ACTIVITIES:		
Disbursements for purchase of tangible fixed assets	△ 146,885	△ 178,665
Disbursements for purchase of intangible fixed assets	△ 25,686	△ 37,714
Payment for purchase of investments securities	△ 477,290	△ 439,793
Proceeds from sales of investments securities	—	95,186
Payment for deposit for rent office and others	△ 82,086	△ 197,211
Collection of deposits for rent office and others	—	173,885
Payment for insurance reserve fund	△ 45,897	△ 52,289
Payment for acquisition of goodwill	△ 340,000	—
Others , Net	△ 21,192	31,592
Net cash provided by (used in) investing activities	△ 1,139,038	△ 605,009
FINANCING ACTIVITIES:		
Disbursements for repayments of finance leases	△ 43,678	—
Proceeds from borrowing long-term debt	1,092,000	—
Disbursements for repayment of long-term debt	△ 295,624	△ 263,200
Proceeds from issuance of bonds	1,997,743	—
Disbursements for redemption of bonds	△ 900,000	—
Disbursement for acquisition of treasury stock	△ 1,041	—
Proceeds from issuance of common stock to minority stock holders	14,055	—
Dividends paid	△ 231,444	△ 357,397
Dividends paid for minority stock holders	△ 18,794	△ 15,813
Others , Net	△ 4,018	△ 1,553
Net cash provided by (used in) financing activities	1,609,198	△ 637,964
EFFECT OF EXCHANGE DIFFERENCE ON CASH & CASH EQUIVALENTS	17,722	13,178
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,845,361	1,467,856
BEGINNING OF BALANCE, CASH AND CASH EQUIVALENTS	1,946,862	3,792,223
ENDING OF BALANCE, CASH AND CASH EQUIVALENTS	3,792,223	5,260,080