



Consolidated Financial Results for the Fiscal Year Ended March 31, 2012

15-May-2012

Company Name : NID Co., Ltd.	Listing : JASDAQ
Security Code : 2349	URL : http://www.nid.co.jp/
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(All figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year 2012 (From April 1, 2011 to March 31, 2012)

1) Consolidated Operating Results

(% of change from previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/12	14,824	1.3	871	-6.8	899	-9.5	328	-26.5
FY3/11	14,638	-0.6	935	3.1	994	7.8	447	-16.9

	Net income per share	Diluted net income per share	ROE	ROA	Operating Income Margin
	Yen	Yen	%	%	%
FY3/12	86.89	—	5.3	8.3	5.9
FY3/11	118.26	—	7.5	9.5	6.4

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
FY3/12	11,108	6,264	56.4	1,654.81
FY3/11	10,660	6,110	57.3	1,614.05

Note : Equity FY3/12 6,264million yen FY3/11 6,110million yen

(3) Consolidated Cash Flows

	Cash Flows from operating activities	Cash Flows from investment activities	Cash Flows from financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
FY3/12	957	-148	-176	5,492
FY3/11	761	204	-175	4,859

2. Dividend Information

Registry Date	Dividends Per Share					Total amount of cash dividends for the year	Dividends payout ratio (Consolidated)	Net Assets to Dividend Ratio (Consolidated)
	First quarter	Second quarter	Third quarter	Year End	Full Year			
FY3/11	Yen —	Yen —	Yen —	Yen 45.00	Yen 45.00	Million yen 170	% 38.1	% 2.9
FY3/12	—	—	—	45.00	45.00	170	51.8	2.8
FY3/13 (Forecasts)	—	—	—	45.00	45.00		27.0	

3. Consolidated Financial Forecasts for the Fiscal Year 2013(From April 1, 2012 to March 31, 2013)

(% of change from the same term of the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q FY3/13	7,250	0.5	400	8.4	380	0.7	235	7.8	62.07
Full Year	15,300	3.2	1,050	20.5	1,030	14.5	630	91.5	166.42

4. Others

(1) Changes in the scope of our consolidation, including changes in our subsidiaries : None

Consolidated subsidiaries : 0 added, 0 removed

(2) Changes in accounting methodology, procedures, and the way our figures are displayed in the creation of our Quarter consolidated financial statements.

Changes arising from revisions in accounting standards : None

Changes arising from other reasons : None

Changes in estimation related to financial statements : None

Re-statement of revisions : None

(3) Shares issued (Common stock)

Shares issued as of term end (including treasury stock)	FY3/12	4,369,830	FY3/11	4,369,830
Treasury stock as of term end	FY3/12	584,237	FY3/11	584,237
Average shares issued during term	FY3/12	3,785,593	FY3/11	3,785,593

*Regarding the appropriate use of our earnings projections and other notes.

All projections provided in this document are based on the most accurate information available at the time of this writing. However our actual results may differ from our projections due to various unforeseen reasons.

1. Business Results

(1) Analysis on Business Results

Business results of the current term

In the current fiscal year on a consolidated basis, although a steady recovery from the March 11th Earthquake, which was a terrible situation for Eastern Japan, there still remain concerns of deterioration in business performance at companies in Japan, against the backdrops of European financial crisis, prolonged state of a strong yen, and soars in crude oil prices. Therefore, our businesses were continually conducted under difficult conditions.

In the information services industry to which our group companies belong, IT investments at the companies remain flat, and our operations continue to be run under a difficult business environment.

Under these conditions, our group companies made stronger business efforts on site to our existing customers, and reinforced the sales teams by moving away from a “getting business” and fostering a “creating business” mentality, to attract more business. Furthermore, in addition to business in the current fields, we began to engage in value-add businesses, and we are working to grow our new businesses by capitalizing on the technologies of our group companies. For this, we focused our sales efforts on our proprietary developments, VALiBO (*1), which is an application for Android smartphones, and Nstylist (*2), which is a service platform.

On sales, NID TOHOKU’s sales declined as an impact from the Earthquake, but, by capitalizing on our companies’ feature, which is balanced business management, inter-group coordination was reigned in tighter for sales force enforcement, and our performance surpassed results of the last year.

On profits, due to lesser profits at NID TOHOKU and some unprofitable projects, profits did not surpass the results of last year.

Therefore, business performance for the current fiscal year on a consolidated basis was 14,824 million yen in sales (up 1.3% on same period of previous year), 871 million yen in operating profit (down 6.8 on same), and 899 million yen in ordinary profit (down 9.5% on same). Furthermore, due to an increase in adjustments in corporate tax as a result of drawdown on deferred tax assets, which occurred as a result of corporate tax rate reduction, and a special loss from the migration of our headquarters, which is scheduled for August 2012, the net profit for the current period settled at 328 million yen (down 26.5% on same).

Note 1: Application for Android smartphones. This provides a new way to utilize the standby screen of smartphones, and when installed, the user can set up to eight standby screens to the brand (company) selected by the user. Information of each brand’s standby screen is updated automatically, and users can enjoy the changing standby screen and check the newest information in a snap.

Note 2: The Nstylist Service Platform can be installed in Android OS terminals such as tablets and smartphones, allowing easy creation and provision of applications and services to meet corporate needs. Also the dedicated Nsylist server and terminals installing Nstylist are directly linked to deliver seamless information management and to comprehensively support maintenance and operation of the system infrastructure.

Business segment results were as follows:

Communications systems business

communications systems business saw a rise in automobiles, medical appliances, and smart phone sector orders, but some projects turned to be unprofitable. As a result, sales and operating profit posted 3,391 million (up 15.4% on prior same period) and 96 million yen (down 29.8% on same) respectively.

Information systems business

Information systems business saw stable growth in orders from life and non-life insurance and mutual life insurance sectors, but some projects turned to be unprofitable. As a result, sales and operating profit posted 2,984 million (down 0.8% on same) and 291 million yen (down 5.2% on same) respectively.

Network solutions business

Network solutions business saw stable growth in orders from our main clients in the transportation, life and non-life insurance, and logistics sectors, and a decline in orders from the government sector. As a result, sales and operating profit posted 4,340 million (down 6.9% on same) and 219 million yen (down 16.9% on same) respectively.

NID・IS

NID/IS business saw a rise in data input orders and in systems development orders. As a result, sales and operating profit posted 2,567 million (up 18.2% on same) and 167 million yen (up 68.5% on same) respectively.

NID・IE

NID/IE business reinforced customer relationships to secure orders and increase our capacity utilization and productivity. As a result, sales and operation profit posted 819 million (up 0.6 on same) and 83 million yen (up 75.3% on same) respectively.

NID Tohoku

NID Tohoku business saw postponed or restrained IT investments at customers, relating to power programs, due to an impact of the March 11th earthquake. The difficult business landscape thus maintained. As a result, sales and operating loss posted 719 million (down 31.0% on same) and 23 million yen (down 69.0% on same) respectively.

Forecast on Next Period

The future of Japan's economy remains not clear due to factors including concerns on global deceleration in the economy, soaring crude oil prices, and prolonged state of a strong yen, and we anticipate that our group companies will too continue to operate under a difficult business environment.

We will implement more efficiencies for business operation by converging our current headquarters and business offices on August 2012.

Therefore, in light of the expenditures from our offices move, the business performance forecasts on a consolidated basis for the next period are scheduled at 15,300 million yen in sales (up 3.2% on same period of previous year), 1,050 million yen in operating profit (up 20.5% on same), 1,030 million yen in ordinary profit (up 14.5% on same), and 630 million yen in net profit for the period (up 91.5% on same).

(2) Financial Conditions Analysis

1. Assets, Liabilities, Net assets

Assets

Current assets at the end of the consolidated fiscal year 2012 posted an increase of 509 million yen on prior consolidated fiscal year end and settled at 8,726 million yen, due to factors including an increase in cash and deposits. Non-current assets posted a decrease of 61 million yen on prior consolidated fiscal year end and settled at 2,382 million yen, due to factors that including a decrease of in deferred tax assets. As a result, Total assets posted an increase of 447 million yen on prior consolidated fiscal year end and settled at 11,108 million yen.

Liabilities

Current liabilities at the end of our consolidated fiscal year 2012 posted an increase of 226 million yen on prior consolidated fiscal year end and settled at 2,227 million yen, due to factors including an increase of income taxes payable and asset retirement obligations.

Non-current liabilities posted an increase of 67 million yen on prior consolidated fiscal year end and settled at 2,616 million yen, due to factors including an increase of provision for retirement benefits. As a result, Total liabilities at end of our fiscal year 2012 posted an increase of 293 million yen on prior consolidated fiscal year end and settled at 4,844 million yen.

Net assets

Total net assets at the end of the consolidated fiscal year 2012 posted an increase of 154 million on prior consolidated fiscal year end and settled at 6,264 million yen, due to factors including an increase of retained earnings. As a result, capital adequacy ratio decreased by 0.9% from 57.3% at end of prior consolidated fiscal year end to 56.4%.

2) Cash flows

Cash and cash equivalents (hereafter referred to as "Cash") at the end of the consolidated fiscal year under review were 5,492 million yen, increased by 632 million yen from the previous consolidated fiscal period.

We provide an explanation of the main changes in our consolidated cash flows below:

(Cash Flow from Operating Activities)

Net cash provided by operating activities was 957 million yen (compared with net cash provided of 761 million yen in the same period of the previous fiscal year). This mainly reflected the fact that inflows such as income before income taxes and minority interests, an increase in depreciation and amortization and a decrease in notes and accounts receivable-trade exceeded outflows such as income taxes paid.

(Cash Flow from Investing Activities)

Net cash provided by investing activities was 148 million yen (compared with net cash used of 204million yen in the same period of the previous fiscal year). This mainly owed to the posting of assets for product development, and the development of the internal system.

(Cash Flow from Financing Activities)

Net cash used in financing activities was 176 million yen (compared with net cash used of 175 million yen in the same period of the previous fiscal year). The result is primarily due to cash dividends paid.

Trends in indicators of cash flows for NID are as follows:

For the year ended March, 31	2009	2010	2011	2012
Equity ratio (%)	54.9	56.6	57.3	56.4
Equity ratio (market value basis) (%)	35.3	51.6	41.4	48.8
Cash flow/interest-bearing debt (years)	-	-	-	
Interest coverage ratio (times)	410.4	361.8	444.2	550.9

Notes:

Equity ratio: Shareholders' equity/total assets

Equity ratio (market value basis): Market capitalization/total assets

Cash flow/interest bearing debt: Operating cash flow/interest-bearing debt

Interest coverage ratio: Operating cash flow/interest expenses

(Note 1) All numbers are calculated using consolidated financial data.

(Note 2) Market capitalization is calculated based on the number of stocks issued (excluding treasury stock).

(Note 3) Cash flow is based on the operating cash flow.

(Note 4) Interest-bearing debts include all the liabilities in the consolidated balance sheet on which interest is being paid.

(3) Basis for payment of dividends

We consider returning profit to shareholders to be one of our most important management objectives, and therefore our basic policy is to continue issuing stable dividends while reinforcing the foundation of our management, actively expanding business operations, increasing organizational and operational efficiency, and improving our financial stability. In issuing dividends, we take into consideration the financial performance in each period, future business expansions, dividend payout ratio, and other factors.

Based on this policy, we are planning to ask the General Shareholders Meeting to approve a plan to issue at the end of the current term a dividend of 45 yen per share (as in the previous term). We plan to issue an annual dividend of 45 yen for the next year as well.

We plan to allocate the internal reserve for the enhancement of our management foundation and the active expansion of business in the future.

(4) Business Risks

Below we note the important risk factors associated with our business that may be considerations when making an investment in Our Company. We also take aggressive steps to disclose information about our company which may not be considered as risk factors to our business but could influence any investment decision regarding our company by investors below. Moreover we make every effort to avoid these risks and to respond quickly to the occurrence of any of these risks. With regards to references about our outlook for the future made in this document, we have based this outlook on the best information available at the time of the release of this document (May 15, 2012).

① Risk of Unprofitable Projects

Traditionally the NID Group forms project teams for each job ordered by our customers in our core business of system development. However, risks arising from underestimation of the difficulty of the project at the time of the formation of our project team, reductions in the value of the order, occurrence of unforeseen events or accidents during the course of the project, higher than expected costs, and other factors could force the profitability of projects

below our targets. Furthermore we also run the risk of receiving complaints from our customers on projects which do not live up to their expectations. Therefore our Group has established a “project risk committee” and we conduct project audit activities as a monitoring system designed to help us avoid the occurrence of various risks. But despite our best efforts and in the event that unforeseen events were to happen, we cannot overlook the potential volatility in our Group earnings or our financial position.

② Order Decline Resulting from External Factors

The bulk of our customers belong to the manufacturing, transportation, distribution, life and casualty insurance, and securities industries as well as the government and other public administrative offices. And because of the wide range of customers we serve, no single client accounts for more than 10% of our total orders. We therefore believe that risk of having an overly concentrated amount of orders in a few clients is very low. However weakening in order demand for system development arising from political and economic uncertainties, including fluctuations in the currency and natural disaster, could possibly negatively impact both Our Group’s earnings and our financial position.

③ Pricing Competition and Reductions in Prices

Intense competition in the Japanese information services industry continues as corporations postpone and restrain their IT related investments. Furthermore we note that hardware vendors are beginning to shift their emphasis towards software services and this in turn is raising the competitive forces within our industry. We note that orders for system development are being shifted to companies operating in overseas markets such as China which offer cheaper pricing, and a subsequent decline in prices resulting from intensified pricing competition. The NID Group seeks to insulate itself from this pricing competition by concentrating its efforts upon providing high quality services. However our earnings and financial position could be negatively impacted should demands for price reduction by our clients intensify.

④ Hiring and Training Highly Qualified Staff

The future growth of our Group is highly dependent upon our ability to secure highly qualified engineers and other staff, and hiring and training staff is a key management issue. Therefore the future growth and earnings potential of Our Group could be negatively impacted in the event that we cannot hire or train an adequate number of staff. At the same time hiring of highly qualified engineers and other staff could lead to large increases in our hiring and personnel costs. Furthermore the training programs for our existing staff could also contribute to higher costs. These costs could also impact our earnings and our financial position.

⑤ Risk of Credibility Loss Arising from Leakage of a Secret

Because we handle highly sensitive information of our clients in Our Group’s various services, we place an extremely high priority upon the maintaining the confidentiality of this information. We have acquired ISO9001, an international standard on quality management systems the “privacy mark” certification and we have created various manuals and training programs for our staff to reinforce the importance of confidentiality in maintaining our credibility with clients. But in the event that a leak of client information was to occur, we may suffer the loss of trust of our clients, and our earnings and financial standing could be impacted.

⑥ Risks of technical innovation

In the information service industry to which the NID Group belongs, the technological environment could undergo disruptive change. The NID Group studies a multiplicity of technological trends in state-of-the-art, basic, and other technologies and engages in research and development, but in the event that it delays addressing faster-than-expected progress in innovative technologies, this could impact our earnings and financial standing.

⑦ Risks of intellectual property rights

With regard to intellectual property rights and other rights essential to the conduct of business by the NID Group, it is possible that the Group will not be granted licenses or authorization of other kinds by the owners of such rights, and

in consequence will become unable provide specific technologies, products, or services. It is also possible that claims for damages will be made on the ground that business activities undertaken by the NID Group have infringed the intellectual property rights of other parties. In any such event, the NID Group's business results and financial standing could be impacted.

⑧ Risks of major disasters

NID Group develops structures for ensuring business continuity in conformity with government guidelines and implements disaster-prevention training. Nevertheless, in the event of the occurrence of a major disaster or of a serious outbreak of a contagious disease or else, the NID Group's business results and financial standing could be impacted.

⑨ Retirement Benefits Obligation

Our group companies' employee retirement benefits package expenses and obligations are calculated based on pre-conditions, which are set by actuarial calculations of factors including discount rate. In the event the actual result differs from the pre-conditions, or in the event the pre-conditions are changed, because the effect of them will be cumulative, and recognized in the future as a rule, these will generally have an effect on the debts recorded and expenses recognized in the future. Therefore, if the discount rate will decline in the future, the business performance and financial state of our group companies may be impacted.

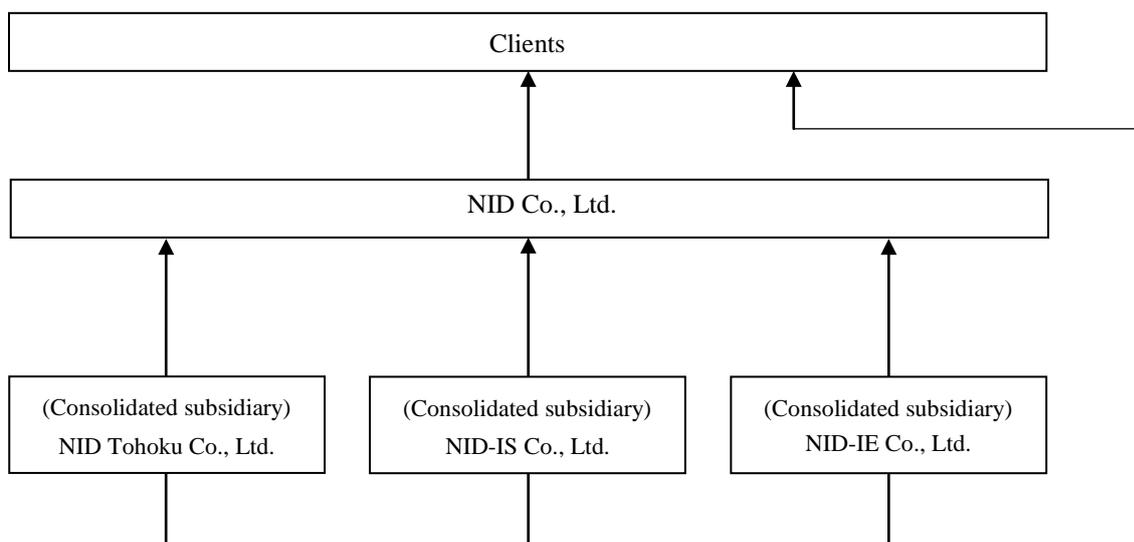
2. Corporate Structure

The NID Group (including the parent company and our consolidated subsidiaries) is comprised of the parent company, and our three consolidated subsidiaries, NID-IS Co., Ltd., NID-IE Co., Ltd., and NID Tohoku Co., Ltd. Our Group conducts primarily system development (development of software for communications systems and information systems), and information processing services (network solutions, data entry, and other services).

The details of our different businesses and business segments are provided below.

Business segments	Description of business	Principal companies
Communications Systems Business	<ul style="list-style-type: none"> •Software development for communication systems •Product development 	NID Co., Ltd.
Information Systems Business	<ul style="list-style-type: none"> •Software development for information systems 	NID Co., Ltd.
Network Solutions Business	<ul style="list-style-type: none"> •Operation and management of network services and systems 	NID Co., Ltd.
NID-IS	<ul style="list-style-type: none"> •Software development for communication systems •Product development •Software development for information systems •Operation and management of network services and systems •Data entry services 	NID-IS Co., Ltd.
NID-IE	<ul style="list-style-type: none"> •Software development for communication systems •Software development for information systems •Operation and management of network services and systems •Others 	NID-IE Co., Ltd.
NID Tohoku	<ul style="list-style-type: none"> •Software development for communication systems •Software development for information systems 	NID Tohoku Co., Ltd.

Our businesses structure is indicated below.



3. Management Policy

(1) Our Basic Management Policy

We have functioned as a completely independent and comprehensive information services company since our founding. Furthermore we have provided our customers with a wide range of services ranging from system development and creation to management services which are designed to help raise the efficiency and productivity of our customers' operations. We also uphold the corporate philosophy outlined below and seek to expand our business operations while having this philosophy reflected in all of our corporate activities.

- Vision: "We strive to be the 'ideal partner' by satisfying customers with the value of our highly specialized services."
- Corporate Value: "We coined the term "human-ware" (human oriented services) to describe our goal of efficient use of human resources."
"We maintain the goal of keeping the interests of our customers firmly in sight, and seeking to be a system provider that places the top priority on quality."

Our Group seeks to quickly respond to rapid changes in the economic environment and technological advances in the field of IT, using our high level of comprehensive skills to increase customer trust and improve the efficiency of our customer-related operations.

(2) Our Management Targets

We recognize that maintaining a higher return on equity (ROE), by achieving higher return on investment through the efficient use of shareholders' equity and producing a steady level of profits, is crucial to ensuring a stable earnings foundation capable of paying steady dividends. In keeping with this principle, we have established the following targets.

- ROE: Over 15%
- Ordinary income to net sales ratio: Over 10%

(3) Medium- and Long-term Management Strategy

We are a comprehensive information services provider that offers communication systems development, information systems development, network solutions, and data entry. In the future we will continue our efforts to find new areas of potential business growth, while aiming to strengthen and expand the revenue foundation based on management that achieves a balance between those four business areas and the four companies.

In addition, the Company plans to continue to promote cooperative businesses, which we have identified as our fifth business, as well as striving to promote product manufacturing and marketing activities.

Moreover with the arrival of the broadband and mobile communications era, we will promote a business expansion strategy that contributes to the realization of a ubiquitous information society and leverages our strengths as a specialist technology group, including our embedded and mobile technologies.

Our specific businesses are explained below.

(Communications Systems Business)

- We implement a business strategy designed to help realize a ubiquitous information society through the integration of information and communications technologies, including third-generation cellular phones, intelligent home appliances, digital broadcasting, digital copiers, ITS, and medical equipment using network technologies, and mobile communications terminals.
- We will fortify our core embedded technology to help expand this business in the future.
- With the technologies that we learned and developed through the commissioning of projects to our outsourcing businesses as our foundation and backbone, we will develop products for systems and smartphone applications. In addition, through our proactive engagement in alliances with other companies on open innovation (discovery of revolutionary services and products by the convergence of our technologies and ideas with those of other companies), we will continue to build new businesses, including products and services with higher value-add's and more novelty.
- We are also planning to strengthen our value-added business by developing our own products, while cooperating with other companies on developing new products in the fields of platforms (system environments in which software run) and user-interface products.

(Information Systems Business)

- We provide integrated business solutions, ranging from upstream processes to software maintenance processes in the distribution and manufacturing industries as well as the governmental sector, with a main focus on finance such as life and non-life insurance.

(Network Solutions Business)

- The outsourcing services we provide, which employ our network solutions, security, and system management technologies, contribute to network safety and the stable operations of our customers systems. In this manner we seek to take advantage of growth opportunities in the markets for our services.

(Data entry business)

- We will provide low cost, high quality services that meet customer needs, with sophisticated security and the latest entry systems, in a range of sectors such as non-life insurance, banking, education and government.

(4) Key Management Issues

In the information service industry in which we are involved, customers have become extremely cost-conscious in terms of investing in information technology. As a result, the market environment will continue to be a difficult one. With competition between rivals in the industry heating up, and computer manufacturers entering this business realm as new competitors, we recognize the importance of differentiating our services from those of our competitors.

Advancements in IT come rapidly. The mobile devices market for smartphones and tablets are growing, the move to the revolutionizing cloud services is accelerating, and the move to a ubiquitous network is gaining more momentum. Therefore, we expect growth in these new markets, and for vendor companies that have advanced networking (telecommunication) technologies, we believe that we can potentially fill a range of demands in the market.

Against this backdrop, NID intends to leverage its strong market reputation as a company with sophisticated mobile and embedded technologies. Furthermore we will fortify our business structure to be able to provide higher levels of quality and productivity, credibility, and security to our customers in system construction. At the same time, we will optimize our management by increasing our operating efficiency in order to raise our profitability and become a company that offers greater added value.

1) Quickly Responding to Market Demands by Fortifying Our Technological Capabilities

In order to be able to respond to the swift changes and diversifying needs within the IT industry, we need to aggressively cultivate highly skilled engineers who are able to handle new information technologies. Consequently, we are seeking to expand our business by increasing our added value and competitive edge. In addition, by advancing the visualization of our technical prowess, we have begun to construct and utilize an engineer database.

2) Strengthening Our Marketing Function

Shifting to solution proposal-based marketing, we are proceeding to develop sales that integrate the sales and operational divisions and provide the company with accurate market needs based on information gathered in a timely manner, with the aim of achieving sales-driven orders.

3) Improving Our Software Development Process and Fortifying our Production Structure

We seek to raise the quality and productivity of our services through strict project management and the introduction of management and development tools. Notably, all companies of our Group acquire ISO9001, an international standard on quality management systems. Furthermore, we build a quality assurance system, improve and reinforce our software development processes to be in line with the advancements in technology, and conduct training and education on our human resources. We will continue in our efforts to increase our quality levels in the future. We will promote activities related to various global standards for quality management, including Software Process Improvement (SP), Capability Maturity Model (CMM), and the Guide to Project Management Body of Knowledge (PMBOK). At the same time, we will create new cooperative arrangements with companies outside of our Group to fortify our production capabilities.

4) Reform of Personnel and Compensation Systems and Our Human Resource Development Strategy

With our goal of becoming a Group employing a team of valuable individuals with high levels of technological expertise, we maintain a human resource strategy centered on a performance-based compensation system, as part of our effort to cultivate highly skilled engineers who can help us respond to the swift changes in information technologies.

5) Focusing on Information Security

All Group companies have gained ISO27001 certification, the standard for information security management, and privacy mark certification, the standard for the protection of personal information.

6) Focusing on Environmental Preservation

We introduced an environmental management system at our head office and obtained ISO14001 certification, which is an international environmental management standard. We will continue our efforts to devise ways of contributing to the environment in our software design and development operations, such as reducing our environmental impact through initiatives such as the promotion of energy saving and resource saving, the reduction of waste, and green procurement.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

	FY3/11	FY3/12
ASSETS		
Current assets		
Cash and deposits	4,934,693	5,553,362
Notes and accounts receivable–trade	2,419,087	2,286,093
Marketable securities	1,038	1,039
Work in process	213,083	272,815
Deferred tax assets	435,309	434,780
Others	213,186	178,000
Total current assets	8,216,398	8,726,091
Non-current assets		
Property, plant and equipment		
Buildings and structures	169,120	230,787
Accumulated depreciation	-121,013	-166,847
Buildings and structures – net	48,106	63,940
Vehicles	31,747	31,472
Accumulated depreciation	-18,099	-22,541
Vehicles – net	13,647	8,930
Tools, furniture and fixtures	140,615	150,700
Accumulated depreciation	-117,064	-125,232
Tools, furniture and fixtures – net	23,551	25,468
Land	136,767	136,767
Lease assets	24,675	26,763
Accumulated depreciation	-9,205	-14,034
Lease assets - net	15,470	12,728
Total property, plant and equipment	237,544	247,836
Intangible assets		
Software	188,639	214,467
Others	45,822	43,854
Total intangible assets	234,461	258,322
Investments and other assets		
Investment securities	420,360	423,538
Deferred tax assets	1,000,150	900,829
Guarantee deposits	477,874	476,747
Others	74,115	75,646
Allowance for doubtful accounts		-275
Total investments and other assets	1,972,501	1,876,487
Total non-current assets	2,444,507	2,382,647
Total assets	10,660,906	11,108,738

(Thousand yen)

	FY3/11	FY3/12
LIABILITIES		
Current liabilities		
Accounts payable – trade	358,761	322,266
Accounts payable – other	278,391	348,718
Income taxes payable	165,270	259,391
Accrued consumption taxes	87,837	88,275
Deposits received	55,526	112,338
Provision for bonuses	900,155	894,031
Asset retirement obligations	-	59,407
Others	155,386	142,945
Total current liabilities	2,001,329	2,227,375
Non-current liabilities		
Provision for retirement benefits	2,046,087	2,104,396
Provision for directors' retirement benefits	381,925	402,300
Asset retirement obligations	-	22,243
Others	121,415	87,992
Total non-current liabilities	2,549,427	2,616,932
Total liabilities	4,550,756	4,844,307
NET ASSETS		
Shareholders' equity		
Capital stock	653,352	653,352
Capital surplus	488,675	488,675
Retained earnings	6,244,548	6,403,131
Treasury stock	-1,226,363	-1,226,363
Total shareholders' equity	6,160,212	6,318,795
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-50,062	-54,364
Total valuation and translation adjustments	-50,062	-54,364
Total net assets	6,110,150	6,264,430
Total liabilities and net assets	10,660,906	11,108,738

(2) Consolidated Statements of Income

(Thousand yen)

	FY3/11	FY3/12
Net sales	14,638,195	14,824,055
Cost of sales	11,943,151	12,188,903
Gross profit	2,695,044	2,635,151
Selling, general and administrative expenses	1,759,884	1,764,019
Operating income (loss)	935,159	871,132
Non-operating income		
Interest income	1,298	166
Dividends income	5,308	7,127
Commission for insurance office work	5,276	5,216
Insurance income	835	2,495
Subsidy income	58,689	17,743
Others	2,211	2,350
Total non-operating income	73,618	35,099
Non-operating expenses		
Interest expenses	1,713	1,738
Loss on investment in partnership	7,579	1,064
Investment partnership management fee	4,398	3,880
Others	961	216
Total non-operating expenses	14,652	6,899
Ordinary income (loss)	994,124	899,332
Extraordinary income		
Gain on sales of noncurrent assets	-	101
Gain on sales of investment securities	915	-
Reversal of allowance for doubtful accounts	3,379	-
Gain on abolishment of retirement benefit plan	-	-
Others	90	-
Total extraordinary income	4,384	101
Extraordinary loss		
Loss on sales of non-current assets	322	28
Loss on retirement of non-current assets	1,909	6,865
Loss on valuation of investment securities	189,660	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	6,130	-
Loss on disaster	10,003	270
Directors' retirement benefits	-	-
Business structure improvement expenses	-	53,812
Provision of allowance for doubtful accounts	-	275
Others	3,583	2,441
Total extraordinary loss	211,610	63,693
Income before income taxes and minority interests	786,898	835,741
Income taxes – current	366,239	411,197
Income taxes – deferred	-27,008	95,609
Total income taxes	339,231	506,807

(Thousand yen)

	FY3/11	FY3/12
Income before minority interests	447,667	328,934
Net income (loss)	447,667	328,934
Income before minority interests	447,667	328,934
Other comprehensive income		
Valuation difference on available-for-sale securities	13,987	-4,302
Total other comprehensive income	13,987	-4,302
Comprehensive income	461,654	324,631
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	461,654	324,631

(3) Consolidated Statements of Changes in Shareholders' Equity

(Thousand yen)

	FY3/11	FY3/12
Shareholders' equity		
Capital stock		
Balance at the end of previous term	653,352	653,352
Changes during the term		
Total changes during the term	-	-
Balance at the end of term	653,352	653,352
Capital surplus		
Balance at the end of previous term	488,675	488,675
Changes during the term		
Total changes during the period	-	-
Balance at the end of term	488,675	488,675
Retained earnings		
Balance at the end of previous term	5,967,232	6,244,548
Changes during the term		
Cash dividends	-170,351	-170,351
Net income	447,667	328,934
Total changes during the term	277,315	158,582
Balance at the end of term	6,244,548	6,403,131
Treasury stock		
Balance at the end of previous term	-1,226,363	-1,226,363
Changes during the term		
Total changes during the term	-	-
Balance at the end of term	-1,226,363	-1,226,363
Total shareholders' equity		
Balance at the end of previous term	5,882,896	6,160,212
Changes during the term		
Cash dividends	-170,351	-170,351
Net income	447,667	328,934
Total changes during the term	277,315	158,582
Balance at the end of term	6,160,212	6,318,795

(Thousand yen)

	FY3/11	FY3/12
Accumulated other comprehensive income		
Valuation adjustment, other marketable securities		
Balance at the end of previous term	-64,049	-50,062
Changes during the term		
Net changes in items excluding shareholders' equity during the term	13,987	-4,302
Total changes during the term	13,987	-4,302
Balance at the end of term	-50,062	-54,364
Total valuation and translation adjustments		
Balance at the end of previous term	-64,049	-50,062
Changes during the term		
Net changes in items excluding shareholders' equity during the term	13,987	-4,302
Total changes during the term	13,987	-4,302
Balance at the end of term	-50,062	-54,364
Total net assets		
Balance at the end of previous term	5,818,847	6,110,150
Changes during the term		
Dividends from surplus	-170,351	-170,351
Net income	447,667	328,934
Net changes in items excluding shareholders' equity during the term	13,987	-4,302
Total changes during the term	291,303	154,280
Balance at the end of term	6,110,150	6,264,430

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	FY3/11	FY3/12
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	786,898	835,741
Depreciation and amortization	136,320	186,780
Increase (decrease) in provision for retirement benefits	61,165	58,309
Increase (decrease) in provision for directors' retirement benefits	22,675	20,375
Increase (decrease) in allowance for doubtful accounts	-3,379	275
Increase (decrease) in provision for bonuses	-14,711	-6,124
Interest and dividends income	-6,606	-7,294
Interest expenses	1,713	1,738
Loss (gain) on sales of investment securities	-915	-
Loss (gain) on valuation of investment securities	189,660	-
Loss (gain) on sales of property, plant and equipment	322	-73
Loss on retirement of property, plant and equipment	519	987
Loss on retirement of intangible assets	1,110	5,878
Loss (gain) on investment in partnership	11,716	2,928
Decrease (increase) in notes and accounts receivable -trade	18,106	132,993
Decrease (increase) in inventories	-99,187	-58,268
Decrease (increase) in other current assets	-27,339	34,112
Decrease (increase) in other non-current assets	292	-356
Increase (decrease) in notes and accounts payable - Trade	39,440	-36,494
Increase (decrease) in accounts payable-other	-42,314	30,807
Increase (decrease) in accrued consumption taxes	-4,950	491
Increase (decrease) in other current liabilities	22,804	48,055
Others - net	6,756	23,097
Subtotal	1,100,099	1,273,961
Interest and dividend income received	6,706	7,294
Interest expenses paid	-1,713	-1,738
Income taxes paid	-343,991	-321,608
Net cash provided by (used in) operating activities	761,100	957,908

(Thousand yen)

	FY3/11	FY3/12
Net cash provided by (used in) investment activities		
Payments into time deposits	-12,036	-10,011
Proceeds from withdrawal of time deposits	-	24,000
Purchase of investment securities	-601	-12,668
Proceeds from sales and redemption of investment securities	300,000	500
Purchase of property, plant and equipment	-26,725	-21,884
Proceeds from sales of property, plant and equipment	57	115
Purchase of intangible assets	-80,530	-131,832
Proceeds from distribution of investment partnership	2,500	6,000
Payments for guarantee deposits	-899	-1,385
Proceeds from collection of guarantee deposits	32,373	2,512
Purchase of insurance funds	-4,214	-4,214
Other, net	-5,669	640
Net cash provided by (used in) investing activities	204,253	-148,229
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	870,000	820,000
Decrease in short-term loans payable	-870,000	-820,000
Cash dividends paid	-170,339	-170,201
Other, net	-5,316	-6,665
Net cash provided by (used in) financing activities	-175,656	-176,866
Net increase (decrease) in cash and cash equivalents	789,697	632,812
Cash and cash equivalents at beginning of term	4,070,109	4,859,806
Cash and cash equivalents at end of term	4,859,806	5,492,618