

## FINANCIAL RESULTS

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

**- Fiscal Year Ending March 31, 2009 -**

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

(in million yen,%)

	Current 3rd-qr End (As of December 31, 2008)		Prior Year End (As of March 31, 2008)	
	Amount	%	Amount	%
<b>(ASSETS)</b>				
<b>Current assets</b>				
1 Cash and cash equivalents	67,043		40,119	
2 Accounts receivable	13,754		14,412	
3 Short-term investments	1,500		7,500	
4 Merchandise	626		232	
5 Other current assets	9,191		8,456	
Allowance for bad debt	(42)		(1)	
Total current assets	92,072	67.0	70,717	58.2
<b>Fixed assets</b>				
1 Tangible fixed assets				
(1) Machinery and equipment	13,630		10,811	
(2) Others	5,628		1,638	
Total tangible fixed assets	19,258	14.0	12,449	10.2
2 Intangible assets				
(1) Goodwill	167		257	
(2) Others	3,814		2,082	
Total intangible assets	3,981	2.9	2,340	1.9
3 Investments and other assets				
(1) Affiliated company stock	14,488		27,441	
(2) Others	7,652		8,644	
Total investments and other assets	22,140	16.1	36,085	29.7
Total fixed assets	45,379	33.0	50,874	41.8
<b>TOTAL ASSETS</b>	<b>137,451</b>	<b>100.0</b>	<b>121,590</b>	<b>100.0</b>

## Consolidated Balance Sheets (Continued)

(in million yen,%)

	Current 3rd-qr End (As of December 31, 2008)		Prior Year End (As of March 31, 2008)	
	Amount	%	Amount	%
<b>(LIABILITIES)</b>				
<b>Current liabilities</b>				
1 Trade accounts payable	7,178		6,554	
2 Short-term debt	13,500		-	
3 Current portion of Long-term debt	667		1,300	
4 Other accounts payable	1,480		1,436	
5 Accrued expenses	4,831		4,933	
6 Income taxes payable	340		4,137	
7 Bonus accrual	44		19	
8 Other current liabilities	2,265		780	
Total current liabilities	30,304	22.0	19,158	15.8
<b>Long-term liabilities</b>				
1 Bonds	83,000		83,000	
2 Long-term debt	7,333		-	
3 Provision for retirement benefits	71		-	
4 Others	1,604		-	
Total long-term liabilities	92,008	66.9	83,000	68.3
<b>TOTAL LIABILITIES</b>	<b>122,313</b>	<b>89.0</b>	<b>102,158</b>	<b>84.0</b>
<b>(NET ASSETS)</b>				
<b>Owners' equity</b>				
1 Common stock	18,365		17,101	
2 Capital surplus	7,015		5,751	
3 Retained earnings	(12,605)		684	
4 Treasury stock	-		(3,000)	
Total owners' equity	12,775	9.3	20,536	16.9
<b>Valuation and translation adjustments</b>				
1 Valuation difference on investment securities	(10)		(987)	
2 Deferred hedge gain and loss	(724)		(721)	
Total valuation and translation adjustments	(734)	(0.5)	(1,708)	(1.4)
<b>Stock purchase warrants</b>	-	-	2	0.0
<b>Minority interests</b>	<b>3,098</b>	<b>2.3</b>	<b>603</b>	<b>0.5</b>
<b>TOTAL NET ASSETS</b>	<b>15,139</b>	<b>11.0</b>	<b>19,433</b>	<b>16.0</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>137,451</b>	<b>100.0</b>	<b>121,590</b>	<b>100.0</b>

## 2. Consolidated Statements of Operations

(in million yen,%)

	Prior 3rd-qtr (Nine months ended December 31, 2007)		Current 3rd-qtr (Nine months ended December 31, 2008)	
	Amount	%	Amount	%
<b>Revenue</b>	45,278	100.0	70,412	100.0
<b>Cost of revenue</b>	28,094	62.0	46,824	66.5
<b>Gross profit</b>	17,184	38.0	23,588	33.5
<b>Selling, general and administrative expenses</b>	13,532	29.9	11,397	16.2
<b>Operating profit</b>	3,652	8.1	12,191	17.3
<b>Other income</b>				
1 Interest income	131		105	
2 Dividend income	36		65	
3 Others	37		38	
<b>Other expenses</b>				
1 Interest expense	1,392		1,351	
2 Equity in net losses of affiliates	7,851		13,381	
3 Stock issuance costs	0		150	
4 Others	299		90	
<b>Recurring loss</b>	(5,686)	(12.6)	(2,573)	(3.7)
<b>Non-recurring profit</b>				
1 Gains on sale of fixed assets	2		-	
2 Gains on retirement of stock purchase warrants	-		2	
3 Gains on sale of subsidiary company stocks	4,641		-	
<b>Non-recurring loss</b>				
1 Loss on disposition of fixed assets	15		60	
2 Loss on write-down of investment securities	-		78	
3 Business alliance expense	-		478	
4 Impairment losses	-		340	
3 Others	-		168	
<b>Loss before income taxes and minority interests</b>	(1,059)	(2.3)	(3,696)	(5.2)
<b>Income tax expense-current</b>	3,916	8.6	3,492	5.0
<b>Income tax expense-deferred</b>	176	0.4	704	1.0
<b>Minority interest</b>	2,575	5.7	48	0.1
<b>Net loss</b>	(2,575)	(5.7)	(7,845)	(11.1)

### 3. Consolidated Statements of Cash Flows

(in million yen)

	Prior 3rd-qr (Nine months ended December 31, 2007)	Current 3rd-qr (Nine months ended December 31, 2008)
	Amount	Amount
Cash flows from operating activities		
1 Loss before income taxes and minority interests	(1,059)	(3,696)
2 Depreciation	5,633	4,326
3 Amortization of intangible assets	969	838
4 Impairment loss	-	340
5 Amortization of goodwill	5	193
6 Gains on sale of stocks in EMOBILE	(4,641)	-
7 Loss on write-down of investment securities	-	78
8 Loss on disposition of fixed assets	-	60
9 Other loss	12	88
10 Bad debt expense	(0)	(7)
11 Interest and dividend income	(167)	(170)
12 Interest expense	1,392	1,351
13 Stock issuance costs	0	150
14 Equity in net losses of affiliates	7,851	13,381
15 Adjustments on unrealized gain on affiliates	-	(266)
16 Trade accounts receivable	(762)	4,968
17 Inventory	(1,833)	(187)
18 Advance payments	-	1,056
19 Other assets	(1,964)	666
20 Trade accounts payable	(2,176)	(2,427)
21 Other accounts payable	(844)	333
22 Accrued expenses	(1,694)	(909)
23 Provision for retirement benefits	(50)	(206)
24 Other liabilities	3	(239)
Subtotal	677	19,722
25 Interest and dividend received	147	106
26 Interest paid	(1,091)	(677)
27 Payments of income taxes	(4,347)	(7,273)
Net cash (used in) provided by operating activities	(4,615)	11,877
Cash flows from investing activities		
1 Payments for purchase of investment securities	(568)	(25)
2 Proceeds from sales of investment in stocks in EMOBILE results in charge in scope of consolidation	(71,154)	-
3 Purchase of subsidiary stock in ACCA Networks	-	(9,028)
4 Proceeds from purchase of investment in stocks in ACCA Networks results in charge in scope of consolidation	-	3,186
5 Purchase of affiliated company stock	(6,500)	-
6 Purchase of tangible fixed assets	(14,744)	(3,284)
7 Payments for retirement of tangible fixed assets	-	(17)
8 Purchase of intangible assets	(5,004)	(900)
9 Proceeds from sale of tangible fixed assets	206	-
10 Proceeds from sale of intangible assets	109	-
11 Others	-	144
Net cash used in investing activities	(97,656)	(9,922)
Cash flows from financing activities		
1 Repayments of capital lease obligations	(1,109)	(699)
2 Repayments of installment obligations	(144)	(24)
3 Proceeds from short-term debt	-	13,500
4 Proceeds from long-term debt	-	8,000
5 Repayments of long-term debt	(2,120)	(1,300)
6 Payments for purchase of treasury stock by consolidated subsidiaries	-	(7)
7 Proceeds from stock issuance, net	74	2,378
8 Proceeds of capital increase from minority shareholders	551	-
9 Purchase of treasury stock	(3,000)	-
10 Payments to the specified fund trust for purchase of treasury stock by consolidated subsidiaries	-	(280)
11 Proceeds from withdrawal of the specified fund trust for purchase of treasury stock by consolidated subsidiaries	-	217
12 Payments for change in condition for commitment line	(605)	-
13 Dividends paid	(2,326)	(2,526)
14 Dividends paid to minority shareholders	-	(288)
Net cash (used in) provided by financing activities	(8,679)	18,970
Net change in cash and cash equivalents	(110,950)	20,925
Cash and cash equivalents at beginning of period	160,926	47,619
Cash and cash equivalents at end of period	49,976	68,543