Consolidated Financial Results for the Fiscal Year ended March 31, 2011

(April 1, 2010 through March 31, 2011)
(Prepared pursuant to Japanese GAAP)

All financial information has been prepared in accordance with accounting principles generally accepted in Japan. This is a partial English translation of the original Japanese-language document. All information pertains to consolidated results unless otherwise noted. Information on the basis of presentation of consolidated financial statements does not appear in this translation.

May 11, 2011

Company name: IT Holdings Corporation
Stock exchange listings: The First Section of the Tokyo Stock Exchange
Stock code: 3626
URL: http://www.itholdings.co.jp/e/
Representative: Susumu Okamoto, President
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Scheduled dates
Annual general shareholders' meeting: June 24, 2011
Filing of statutory financial report: June 27, 2011
Commencement of dividend payments: June 27, 2011

Supplementary materials to the full-year results: Available
Full-year results presentation held: No

Figures in millions of yen are rounded down to the nearest million

1. Consolidated Results for the Fiscal Year ended March 31, 2011 (FY2011) (April 1, 2010 – March 31, 2011)

(1) Consolidated Financial Results — Percentages indicate year-over-year changes

	Net sales		Operating income		Recurring profit		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2011	323,173	3.0	12,818	(19.9)	12,625	(19.7)	5,985	(21.9)
FY2010	313,856	(7.2)	15,996	(32.8)	15,719	(33.4)	7,659	(18.6)

Note: Comprehensive income: FY2011: 6,221 million yen (–41.6%), FY2010 10,661 million yen

	Net income per share – basic	Net income per share – diluted	Return on shareholders' equity	Ratio of recurring profit to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
FY2011	68.19	-	4.2	4.1	4.0
FY2010	89.25	-	5.7	5.2	5.1

For reference:
Equity in earnings (losses) of affiliated companies: FY2011: (46) million yen, FY2010 (4) million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	yen
End-FY2011	301,076	151,110	47.7	1,636.56
End-FY2010	313,077	155,075	44.2	1,602.77

For reference:
Shareholders' equity: End-FY2011: 143,646 million yen, End-FY2010: 138,401 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equipments at the end of the period
	millions of yen	millions of yen	millions of yen	millions of yen
FY2011	27,236	(18,957)	(18,755)	36,492
FY2010	31,400	(25,726)	6,139	46,987

2. Cash Dividends for Shareholders of Common Stock

Record date or period	Cash dividends per share: End-Q1	End-Q2	End-Q3	Year-end	Total	Total dividends paid (full year)	Payout ratio (consolidated)	Dividends paid to net assets (consolidated)
	yen	yen	yen	yen	yen	millions of yen	%	%
FY2010	-	12.00	-	20.00	32.00	2,763	35.9	2.1
FY2011	-	12.00	-	20.00	32.00	2,808	46.9	2.0
FY2012 (forecast)	-	0.00	-	18.00	18.00		45.1	

3. Forecast of Consolidated Results for FY2012 (April 1, 2011 – March 31, 2012)

Percentages indicate year-over-year changes

	Net sales		Operating income		Recurring profit		Net income		Net income per share – basic
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
First half of FY2012 (six months ending Sep. 30, 2011)	151,500	(1.6)	3,000	(35.7)	2,800	(41.2)	1,000	(0.4)	11.39
Full FY2012 (year ending Mar. 31, 2012)	308,000	(4.7)	11,000	(14.2)	10,500	(16.8)	3,500	(41.5)	39.88

4. Other

(1) Material reclassifications of subsidiaries during the period: No

(2) Application of simplified accounting and/or specific accounting procedures: Yes
1) Changes associated with changes to accounting standards: Yes
2) Changes other than the above: No

(3) Common stock issued
1) Issued shares as of period-end (including treasury stock):
End-FY2011 (March 31, 2011): 87,789,098 shares
End-FY2010 (March 31, 2010): 86,373,919 shares
2) Treasury stock as of period-end:
End-FY2011 (March 31, 2011): 15,385 shares
End-FY2010 (March 31, 2010): 22,813 shares
3) Average number of shares (during the fiscal year):
FY2011 (ended March 31, 2011): 87,772,532 shares
FY2010 (ended March 31, 2010): 85,821,171 shares

***Audit status**

These materials are not subject to the audit procedure requirements of the Financial Instruments and Exchange Act. An audit of the financial statements herein pursuant to the Financial Instruments and Exchange Act had not been completed by the date of this report's publication.

Caution on Forward-Looking Statements and Other Important Matters

This report contains forward-looking statements that reflect IT Holdings Corporation's plans and expectations.
These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause IT Holdings Corporation's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

For details, refer to "(1) Analysis of Results of Operations" on page 2 in the Accompanying Materials.

Accompanying Materials – Contents

1. Results of Operations

(1) Analysis of Results of Operations

Results for fiscal 2011 (ended March 31, 2011)

In fiscal 2011, the Japanese economy showed signs of moderate recovery on the back of increased exports, particularly to emerging market economies, and a pickup in domestic manufacturing, but a full-fledged recovery has failed materialized. The Great East Japan Earthquake in March 2011 further clouded the future course of the economy. In the information services industry, to which the IT Holdings Group belongs, the disaster has engendered a mood of self-restraint among consumers, causing a significant decline in retail-related data processing and subsequent plunge in related IT services sales. Cautious corporate IT spending has also contributed to prolonging the severe market environment.

For fiscal 2011, the IT Holdings Group's consolidated net sales increased 3.0% versus fiscal 2010 to ¥323,173 million, buoyed by the consolidation of Sorun Corporation, which became a subsidiary in December 2009 and contributed to results over the entire year. The Company strove to improve profitability by cutting costs and making other management reforms. Despite these efforts, operating income declined 19.9% to ¥12,818 million as companies shied away from major IT investments and unprofitable projects emerged. Recurring profit declined 19.7% year on year to ¥12,625 million, and net income fell 21.9% to ¥5,985 million.

The Company booked ¥2,999 million in extraordinary income representing the one-time effect of negative goodwill realized upon making Ufit Co., Ltd. a consolidated subsidiary ahead of the merger of subsidiaries. The Company also booked ¥2,324 million in extraordinary losses related to the merger of subsidiaries and a one-time charge of ¥2,199 million related to asset retirement obligations. Additionally, the Company booked ¥108 million in disaster-related losses stemming from the Great East Japan Earthquake.

Following is a performance breakdown by segment.

1) Outsourcing and Network segment

Consolidated sales for fiscal 2011 totaled ¥124,496 million, down 1.3% year on year. Sorun Corporation's inclusion in consolidated results buoyed sales, but the completion of large contracts and continued customer requests for price reductions took a toll.

2) Software Development segment

Consolidated sales totaled ¥163,889 million, an increase of 5.1% year on year, as Sorun Corporation's inclusion in the consolidated results offset declines elsewhere in the business.

3) Solution Services segment

Consolidated sales totaled ¥27,183 million, up 8.6% year on year due to the consolidation of Sorun Corporation.

4) Other Businesses segment

Consolidated sales totaled ¥7,604 million, an increase of 13.6% year on year.

As the next phase of the Group's ongoing management reforms in response to qualitative changes in the operating environment and recent acceleration of such change, the Company merged TIS, Inc., Sorun Corporation, and Ufit Co., Ltd., through a tripartite merger on April 1, 2011, with the aim of bolstering business capabilities and making operations more efficient.

Other reorganization measures included the merger of the Group's shared services companies. These initiatives furthered the goal of building a more efficient Group management structure and stronger business foundation geared for a changing business environment.

Forecast for fiscal 2012 (year ending March 31, 2012)

A strong sense of uncertainty over the course of the Japanese economy is expected to continue through the second quarter, primarily as a result of the significant impact the Great East Japan Earthquake has had on the nation's economy and concerns over the stability of electric power supply in the wake of problems at Fukushima Daiichi Nuclear Power Station.

In regard to IT investment trends, there continues to be solid demand for data center services driven by corporate needs for business continuity plans. From the third quarter onward, rebuilding efforts are expected to boost IT demand, one of a number of bright signs amid a generally severe market environment.

More specifically, the Company plans to reinforce its sales capabilities, widen its customer base, and expand the contract outsourcing business centered around data center services. In response to customer concerns about the continuity of their businesses amid power usage restrictions, the Company will highlight the advantages of its many data centers, which are built to be earthquake-proof and situated in areas resistant to natural disasters and outside regions subject to rolling power blackouts. The IT Holdings Group will contribute to the continuity of customers' businesses and the domestic economic recovery by providing high-quality IT services through its network of sophisticated data centers.

The Company's consolidated earnings forecast for fiscal 2011 is as follows.

Net sales	¥308,000 million	(– 4.7% year on year)
Operating income	¥11,000 million	(–14.2% year on year)
Recurring profit	¥10,500 million	(–16.8% year on year)
Net income	¥3,500 million	(– 41.5% year on year)

The above performance forecast represents management's view based on currently available information. Actual results may differ from these forecasts due to various factors.

In addition, as a result of the impact of the Great Eastern Japan Earthquake, the business situation surrounding the Group is changing constantly, including IT investment trends, and these changes could have a significant impact on future financial results.

(2) Analysis of Financial Condition

1) Assets, liabilities, and net assets

Consolidated assets totaled ¥301,076 million at the end of the fiscal year (March 31, 2011). Of the total, current assets accounted for ¥128,455 million and fixed assets accounted for ¥172,620 million. Liabilities totaled ¥149,965 million. Net assets were ¥151,110 million, of which minority interests accounted for ¥7,434 million.

2) Cash flow

Cash and cash equivalents ("cash") totaled ¥36,492 million as of March 31, 2011, down ¥10,494 versus the end of the previous fiscal year (March 31, 2010).

Contributions to cash flow were as follows.

Cash flow from operating activities

Operating activities generated net cash of ¥27,236 million. This mainly reflects income before income taxes and minority interests of ¥10,145 million, and the positive cash flow effect of ¥12,308 million in depreciation, a ¥3,173 million decrease in notes and accounts receivable, and ¥2,199 million related to the adoption of a new accounting standard for asset retirement obligations. These were partly offset by ¥3,004 million for negative goodwill and ¥2,998 million in income tax payments.

Cash flow from investing activities

Investing activities used net cash of ¥18,957 million. The main additive effect came from ¥4,197 million in proceeds from the sale and redemption of investment securities. This was offset by negative contributions from ¥10,509 million in payments for the acquisition of property and equipment, ¥6,311 million for the acquisition of intangible assets, and ¥4,313 million for the acquisition of shares of newly consolidated subsidiaries.

Cash flow from financing activities

Financing activities used net cash of ¥18,755 million. Cash inflows of ¥25,495 million in proceeds from long-term debt were outweighed by a net decline of ¥21,266 in short-term borrowings, an outflow of ¥14,680 million for repayment of long-term debt, and an outflow of ¥4,000 million for redemption of corporate bonds.

For reference: Cash flow indicators

	Fiscal 2010	Fiscal 2011
Equity ratio (%)	44.2	47.7
Equity ratio based on market capitalization (%)	31.4	25.4
Ratio of interest-bearing debt to cash flow (years)	3.1	2.8
Interest-coverage ratio (times)	29.2	25.7

Equity ratio: Shareholders' equity / Total assets
Equity ratio at market value: Market capitalization / Total assets
Ratio of interest-bearing debt to cash flow: Interest-bearing debt / Cash flow
Interest-coverage ratio: Cash flow / Interest paid
Notes:

1. All indicators were calculated using consolidated financial statement data.
2. Market capitalization is based on the number of shares issued and outstanding (net of treasury stock).
3. Cash flow from operating activities is used as the cash flow variable.
4. "Interest-bearing debt" is all debt on the consolidated balance sheet on which interest in payable.

(3) Basic Policy on Profit Distribution and Dividends for Fiscal 2011 and Fiscal 2012

IT Holdings aims to maintain a stable dividend, with a consolidated payout ratio targeted at 30%, while striking a balance between its key objective of rewarding shareholders for their long-term investments and the need to secure sufficient internal reserves to fund continued growth and maintain a sound financial base.

The Company has a policy of paying interim and year-end dividends. The decision-making authority for the year-end dividend is the general meeting of shareholders, and for the interim dividend it is the board of directors.

For fiscal 2011, the Company paid an interim dividend of ¥12 per share and intends to pay a year-end dividend of ¥20 per share.

For fiscal 2012, the Company plans to pay an annual dividend of ¥18 per share. The Company does not plan to pay an interim dividend in fiscal 2012.

(4) Business and Other Risks

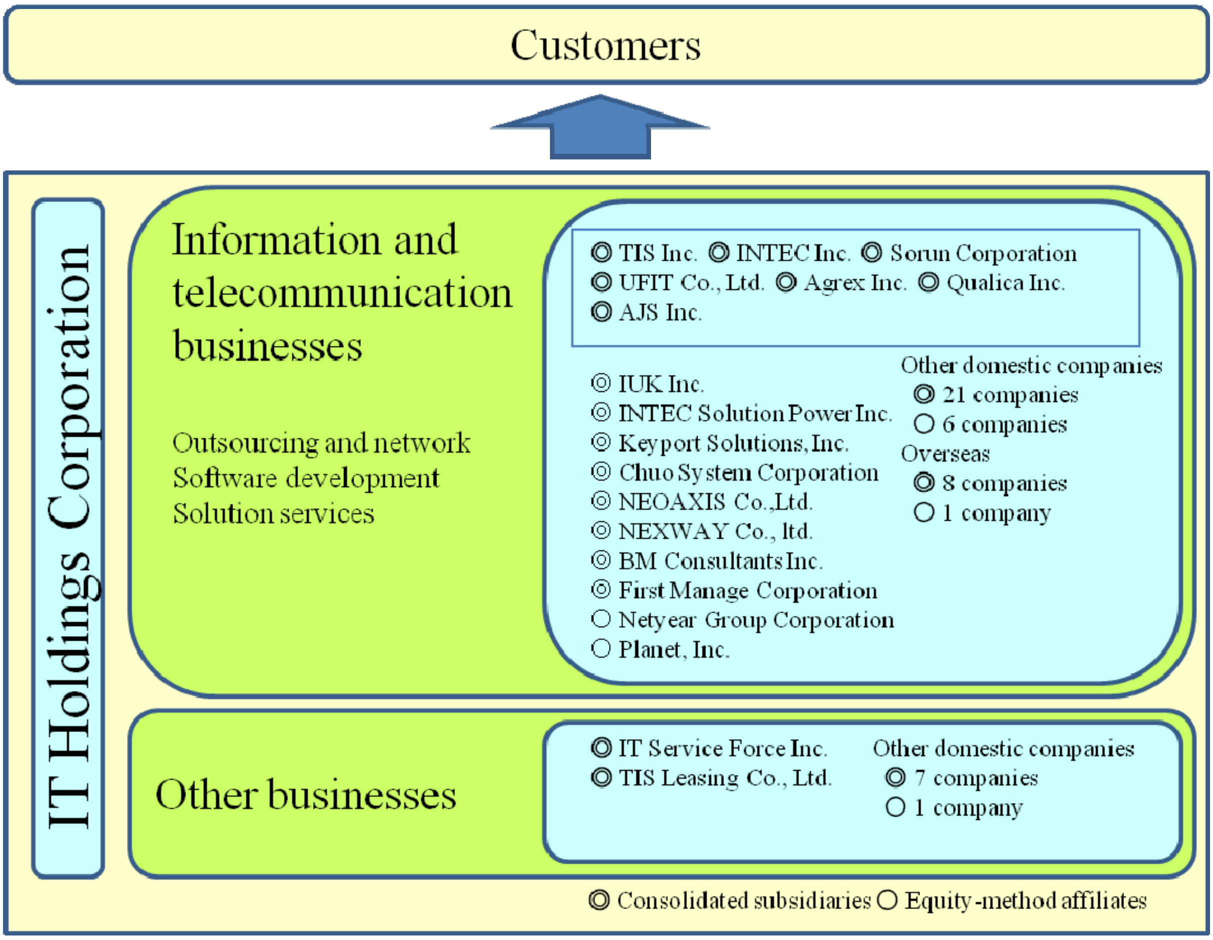
Risks are inherent in each of the Company's business segments, including the emergence of unprofitable projects in the software development business and system failures in the outsourcing business. The Company takes various measures to ensure these risks do no materialize. In the outsourcing business, the Company operates data centers 24 hours a day, 365 days a year in Tokyo, Kanagawa Prefecture, Tochigi Prefecture, Toyama Prefecture, Aichi Prefecture, Osaka Prefecture, Tianjin, China and other locations. The data centers have been built to be earthquake-proof or resistant, utilize privately operated power generators with uninterruptible power supplies, and have security equipment installed as part of the various measures taken to mitigate foreseeable risks.

Despite these measures, a prolonged power failure, natural disaster of unforeseeable magnitude, international conflict, act of terrorism or major crime, or other such events that impede the smooth operation of the data centers may affect the Group's business results and financial condition.

All forward-looking statements in this document are based on information available to management as of the publication date, May 11, 2011.

2. Status of the Group

The group consists of IT Holdings Corporation (the parent company), 53 consolidated subsidiaries, and 10 affiliated companies accounted for under the equity method. The group's core activities are divided into the outsourcing and network segment, the software development segment, and the solution services segment, and the group also engages in businesses connected with these core activities. The group also provides other services, such as real estate rental and management services. As a pure holding company, IT Holdings handles business administration issues for the group and supports group companies in executing their respective business activities, which center on information and communication services.



3. Management Policy

(1) Basic Management Policy

IT Holdings has established, and discloses, the following management philosophy, the corporate cornerstone of the IT Holdings group.

Management Philosophy

The IT Holdings group seeks to be a corporate citizen, whose activities, namely, the provision of various services maximizing the power of information technology, match its status as a leading corporate group, and as a group, we will raise corporate value, supported in this effort by the high regard of all stakeholders, not only shareholders but also clients as well as employees and their families.

We will cultivate a vibrant corporate culture that encourages companies and individuals under the group umbrella to work together, embracing new challenges and striving to reach higher goals, and thereby ensure continued growth as a corporate entity.

We will always provide our clients with the very best, through excellent quality and technology built on the composite strengths of the group.

We will uphold high corporate morals and fulfill our social obligations.

(2) Key Business Indicators

Amid dramatic business environment changes, such as a trend toward more complex and larger-scale systems, the rise of service-oriented approaches, ongoing globalization, and rapidly advancing technology innovation, the IT Holdings group, a leading IT services group, endeavors to play an integral role in creating an abundant future for society.

(3) Medium- to Long-term Management Strategies

Management has defined the corporate image—the vision—that the group should strive to achieve. Everyone under the group umbrella shares this vision. It guides each person in the execution of daily activities, which in turn underpins attainment of the ideals to which the group aspires and further enhances corporate value.

Group Vision

1. Play an integral role in realizing the comfortable lifestyles of tomorrow through IT
As the leading IT services group, we will design the template and develop the businesses that support several facets of tomorrow's society—where IT is the driving force of brisk activity in all industries as well as the creation of pleasant living environments where people feel safe and secure.

2. Act with initiative and a sense of enterprising spirit
We will be a group with a corporate culture that makes work enjoyable for employees. This atmosphere will encourage people to quickly pinpoint currents of change rippling across various realms, including society and technology, and resourcefully tackle emerging issues from a fresh perspective.

3. Secure the highest level of technological expertise
We will be a group that is constantly evolving, with an emphasis on new-technology R&D, production techniques and quality control, to achieve the highest level of quality and sharpen cost competitiveness.

4. Contribute to societal and industry advances
As part of the IT services industry, we will be a group that plays a pioneering role in the overall development of our industry, and as a member of society, we will be a group that faithfully carries out our social responsibility and contributes to the communities in which we share a presence. This two-fold commitment will earn us a solid reputation from all directions.

(4) Issues Requiring a Response

April 2011 marks the fourth anniversary of the establishment of the IT Holdings Group. Reviewing the financial results to date, it is difficult to say that the Group has utilized its products, human resources, technical capabilities, and other resources to their full potential. For that reason, the Company carried out a tripartite merger with TIS, Inc. as the surviving company, along with a restructuring initiative to consolidate shared services companies and generate other efficiencies throughout the Group. The Company recognizes the need, however, for further measures to optimally align Group companies to generate further efficiencies and enhance consolidated management.

In terms of business issues, it has become increasingly difficult to differentiate offerings due to the commoditization of system development and operation, its core businesses thus far. In addition, within the IT industry, these same businesses are evolving into a services-based model with such new offerings as cloud computing. The Company believes these changes represent new business opportunities, and the Group intends to enhance its services with unique added value while boosting investments to ensure its success.

The Company is expanding its business globally through various means and initiatives. As globalization continues, Japanese companies may be reducing their IT investment at home, but many are actively increasing IT investment overseas. The Company will partner with these customers and support their global business growth. In addition, the Company is expanding beyond its local data center to provide services to customers overseas.

Regarding the impact of the earthquake, Gartner and other think tanks are forecasting that total revenues in the IT industry will decline this year compared with last year. The Company is rising to the challenge by further developing the unique attributes of each Group company and harnessing synergies between the companies to reaffirm its position as a leading IT company. The Company will strive to continually evolve as a premier IT provider.

(5) Other Important Management Items

On February 3, 2011, the Board of Directors of IT Holdings decided to merge subsidiaries TIS, Inc., Sorun Corporation, and Ufit Co., Ltd. on April 1, 2011, and a merger contract was signed the same day. The merger was carried out as planned on April 1, 2011.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	As of Mar. 31, 2010	As of Mar. 31, 2011
	millions of yen	millions of yen
Assets		
Current assets		
Cash and deposits	47,192	36,729
Notes and accounts receivable	62,619	59,040
Lease receivables and lease investment assets	7,590	8,710
Marketable securities	321	301
Merchandise and finished goods	1,914	2,295
Work in process	7,121	6,554
Raw materials and supplies	227	197
Deferred tax assets	8,527	7,741
Other current assets	6,649	7,085
Allowance for doubtful accounts	(197)	(199)
Total current assets	141,967	128,455
Fixed assets		
Property and equipment		
Buildings and structures, net	52,331	60,230
Machinery and equipment, net	4,851	5,009
Land	22,630	22,468
Leased assets, net	2,476	2,539
Construction in progress	4,106	—
Other property and equipment, net	5,602	5,209
Total property and equipment	91,999	95,457
Intangible assets		
Goodwill	6,741	5,516
Other intangible assets	12,388	13,073
Total intangible assets	19,130	18,589
Investments and other assets		
Investment securities	34,593	31,794
Deferred tax assets	6,994	8,115
Other assets	21,171	20,995
Allowance for doubtful accounts	(2,779)	(2,331)
Total investments and other assets	59,980	58,573
Total fixed assets	171,109	172,620
Total assets	313,077	301,076

	As of Mar. 31, 2010	As of Mar. 31, 2011
	millions of yen	millions of yen
Liabilities		
Current liabilities		
Notes and accounts payable	14,953	14,944
Short-term borrowings	34,895	14,800
Corporate bonds (redeemed within one year)	4,000	7,500
Income taxes payable	2,114	3,401
Accrued bonuses to directors and employees	10,820	11,041
Other allowances	374	464
Other current liabilities	19,097	20,938
Total current liabilities	86,255	73,090
Non-current liabilities		
Corporate bonds	7,600	100
Long-term debt	45,151	55,054
Lease obligations	3,914	3,981
Deferred tax liabilities	694	674
Deferred tax liabilities from revaluation of land	993	993
Accrued retirement benefits to employees	10,672	11,509
Accrued retirement benefits to directors	470	244
Other non-current liabilities	2,250	4,317
Total non-current liabilities	71,746	76,875
Total liabilities	158,001	149,965
Net assets		
Shareholders' equity		
Common stock	10,001	10,001
Additional paid-in capital	85,207	86,788
Retained earnings	44,088	47,298
Less treasury stock, at cost	(57)	(24)
Total shareholders' equity	139,239	144,062
Accumulated other comprehensive income		
Net unrealized gains on other securities	1,182	1,729
Revaluation of land	(1,841)	(1,841)
Foreign currency translation adjustments	(178)	(303)
Total accumulated other comprehensive income	(837)	(415)
Stock acquisition rights	18	29
Minority interests	16,654	7,434
Total net assets	155,075	151,110
Total liabilities and net assets	313,077	301,076

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

	FY2010	FY2011
	millions of yen	millions of yen
Net sales	313,856	323,173
Cost of sales	254,827	261,145
Gross profit	59,029	62,027
Selling, general and administrative expenses	43,032	49,209
Operating income	15,996	12,818
Non-operating income		
Interest income	75	60
Dividend income	532	554
Amortization of negative goodwill	88	86
Rental income from real estate	302	273
Subsidy income	-	192
Facilities expenses refund	172	-
Other	503	372
Total non-operating income	1,674	1,541
Non-operating expenses		
Interest expenses	1,057	1,023
Equity in losses of non-consolidated subsidiaries and affiliates	4	46
Other	889	663
Total non-operating expenses	1,951	1,733
Recurring profit	15,719	12,625
Extraordinary income		
Gain on sale of investment securities	1,116	1,782
Reversal of allowance for doubtful accounts	91	119
Negative goodwill gains	-	3,004
Other	99	153
Total extraordinary income	1,307	5,060
Extraordinary loss		
Loss on sale of fixed assets	12	52
Loss on disposal of fixed assets	621	558
Impairment loss	2,083	1,074
Valuation loss on investment securities	175	681
Merger-related expenses	-	2,324
Effect of adoption of new accounting standards for asset retirement obligations	-	2,199
Other	142	651
Total extraordinary loss	3,035	7,541
Income before income taxes and minority interests	13,991	10,145
Income taxes: current	2,774	4,382
Income taxes: deferred	2,976	(308)
Total income taxes	5,751	4,073
Income before minority interests	-	6,071
Minority interests in earnings (losses) of consolidated subsidiaries	580	86
Net income	7,659	5,985

Consolidated Statements of Comprehensive Income

	FY2010	FY2011
	millions of yen	millions of yen
Income before minority interests	-	6,071
Other comprehensive income		
Net unrealized gains on other securities	-	328
Foreign currency translation adjustments	-	(170)
Share of other comprehensive income of associates accounted for using the equity method	-	(8)
Total other comprehensive income	-	149
Comprehensive income	-	6,221
Components:		
Comprehensive income attributable to owners of the parent	-	6,407
Comprehensive income attributable to minority interests	-	(185)

(3) Consolidated Statements of Changes in Net Assets

	FY2010	FY2011
	millions of yen	millions of yen
Shareholders' equity		
Common stock		
Balance at end of previous fiscal year	10,000	10,001
Changes during the fiscal year		
Issuance of new shares	1	-
Net changes during the fiscal year	1	-
Balance at end of fiscal year	10,001	10,001
Additional paid-in capital		
Balance at end of previous fiscal year	86,321	85,207
Changes during the fiscal year		
Issuance of new shares	1	-
Disposal of treasury stock	(1,114)	(30)
Increase from share exchange	-	1,610
Net changes during the fiscal year	(1,113)	1,580
Balance at end of fiscal year	85,207	86,788
Retained earnings		
Balance at end of previous fiscal year	40,186	44,088
Changes during the fiscal year		
Dividends from surplus	(3,757)	(2,780)
Net income	7,659	5,985
Increase from merger of consolidated and non-consolidated subsidiaries	-	4
Net changes during the fiscal year	3,902	3,209
Balance at end of fiscal year	44,088	47,298
Treasury stock		
Balance at end of previous fiscal year	(2,354)	(57)
Changes during the fiscal year		
Acquisition of treasury stock	(4)	(4)
Disposal of treasury stock	2,300	37
Net changes during the fiscal year	2,296	33
Balance at end of fiscal year	(57)	(24)
Total shareholders' equity		
Balance at end of previous fiscal year	134,153	139,239
Changes during the fiscal year		
Issuance of new shares	2	-
Dividends from surplus	(3,757)	(2,780)
Net income	7,659	5,985
Acquisition of treasury stock	(4)	(4)
Disposal of treasury stock	1,185	7
Increase from share exchange	-	1,610
Increase from merger of consolidated and non-consolidated subsidiaries	-	4
Net changes during the fiscal year	5,086	4,823
Balance at end of fiscal year	139,239	144,062

	FY2010	FY2011
	millions of yen	millions of yen
Accumulated other comprehensive income		
Net unrealized gains on other securities		
Balance at end of previous fiscal year	(1,118)	1,182
Changes during the fiscal year		
Items other than changes in shareholders' equity, net	2,300	547
Net changes during the fiscal year	2,300	547
Balance at end of fiscal year	1,182	1,729
Revaluation of land		
Balance at end of previous fiscal year	(1,841)	(1,841)
Balance at end of fiscal year	(1,841)	(1,841)
Foreign currency translation adjustments		
Balance at end of previous fiscal year	(139)	(178)
Changes during the fiscal year		
Items other than changes in shareholders' equity, net	(39)	(125)
Net changes during the fiscal year	(39)	(125)
Balance at end of fiscal year	(178)	(303)
Accumulated other comprehensive income		
Balance at end of previous fiscal year	(3,098)	(837)
Changes during the fiscal year		
Items other than changes in shareholders' equity, net	2,260	422
Net changes during the fiscal year	2,260	422
Balance at end of fiscal year	(837)	(415)
Stock acquisition rights		
Balance at end of previous fiscal year	8	18
Changes during the fiscal year		
Items other than changes in shareholders' equity, net	10	10
Net changes during the fiscal year	10	10
Balance at end of fiscal year	18	29
Minority interests		
Balance at end of previous fiscal year	15,154	16,654
Changes during the fiscal year		
Items other than changes in shareholders' equity, net	1,500	(9,220)
Net changes during the fiscal year	1,500	(9,220)
Balance at end of fiscal year	16,654	7,434
Total net assets		
Balance at end of previous fiscal year	146,216	155,075
Changes during the fiscal year		
Issuance of new shares	2	-
Dividends from surplus	(3,757)	(2,780)
Net income	7,659	5,985
Acquisition of treasury stock	(4)	(4)
Disposal of treasury stock	1,185	7
Increase from share exchange	-	1,610
Increase from merger of consolidated and non-consolidated subsidiaries	-	4
Items other than changes in shareholders' equity, net	3,772	(8,788)
Net changes during the fiscal year	8,858	(3,964)
Balance at end of fiscal year	155,075	151,110

(4) Consolidated Statement of Cash Flows

Items	FY2010	FY2011
	millions of yen	millions of yen
Cash flows from operating activities		
Income before income taxes and minority interests	13,991	10,145
Depreciation	11,978	12,308
Impairment loss	2,083	1,074
Loss on disposal of fixed assets	621	558
Valuation (gain) loss on investment securities	175	681
Amortization of goodwill	1,389	1,901
Increase (decrease) in accrued bonuses to directors and employees	534	210
Increase(decrease) in allowance for doubtful accounts	(74)	(446)
Increase (decrease) in accrued retirement benefits to employees	851	836
Interest and dividend income	(608)	(615)
Interest expenses	1,057	1,023
(Increase) decrease in notes and accounts receivable	5,908	3,173
(Increase) decrease in inventories	8,173	225
Increase (decrease) in notes and accounts payable	(5,949)	1,046
Negative goodwill gains	-	(3,004)
Effect of adoption of new accounting standards for asset retirement obligations	-	2,199
Other, net	(4,138)	(651)
Subtotal	35,996	30,665
Interest and dividend income received	605	627
Interest expenses paid	(1,074)	(1,058)
Income taxes paid	(4,126)	(2,998)
Net cash provided by (used in) operating activities	31,400	27,236
Cash flows from investing activities		
Payments for deposit of time deposits	(1,553)	-
Withdrawals from time deposits	4,374	-
Acquisitions of property and equipment	(9,843)	(10,509)
Acquisitions of intangible assets	(5,002)	(6,311)
Acquisitions of investment securities	(4,225)	-
Proceeds from sale and redemption of investment securities	1,333	4,197
Payment of lease and guarantee deposits	-	(2,068)
Acquisition of subsidiaries' shares	-	(4,313)
Acquisitions of newly consolidated subsidiaries	(10,917)	-
Other, net	107	49
Net cash provided by (used in) investing activities	(25,726)	(18,957)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings, net	15,505	(21,266)
Proceeds from long-term debt	15,800	25,495
Repayments of long-term debt	(15,941)	(14,680)
Redemption of bonds	(5,100)	(4,000)
Acquisition of treasury stock, net	(4)	(4)
Disposal of treasury stock, net	1,185	-
Dividends paid	(3,757)	(2,780)
Dividends paid to minority shareholders	(969)	(459)
Other, net	(578)	(1,059)
Net cash provided by (used in) financing activities	6,139	(18,755)
Effect of exchange rate changes on cash and cash equivalents	11	(45)
Net increase (decrease) in cash and cash equivalents	11,824	(10,520)
Cash and cash equivalents at beginning of year	35,104	46,987
Increase in cash and cash equivalents resulting from merger	58	25
Cash and cash equivalents at end of year	46,987	36,492

Notes on the Going-concern Assumption

Not applicable