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

(2nd edition)

NEC Mobiling, Ltd.

Note: This document has been prepared as a guide to non-Japanese analysts for their convenience only and is a translation summary of the Japanese language original. The company does not assure the accuracy of the translation. All numbers are rounded off to the nearest unit in accordance with standard Japanese practice. This document contains forward-looking statements that are based on assumptions and projection at the date of publication. A number of factors could cause actual results to differ materially from expectations.

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

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Homepage: http://www.nec-mobiling.com
Scheduled Date of Dividend Payment: June 1, 2012

1. Consolidated Financial Results for the Fiscal Year ended March 31, 2012

(1) Consolidated Business Results

(Units: Millions of yen)

	Fiscal Year ended March 31, 2011		Fiscal Year ended March 31, 2012	
		% change		% change
Net Sales	125,620	--	126,084	0.4
Operating Income	9,608	--	10,438	8.6
Ordinary Income	9,816	--	10,613	8.1
Net Income	5,496	--	4,888	(11.1)
Net Income per Share (Yen)	378.28		336.45	
Net Income per Share, fully diluted (Yen)	--		--	
Return on Equity	14.9		12.0	
Return (Ordinary Income) on Assets	14.2		14.3	
Operating Income to Net Sales	7.6		8.3	

Note: 1. Comprehensive income: Fiscal Year ended March 31, 2011: 5,367 ＜ --% ＞
Fiscal Year ended March 31, 2012: 5,455 ＜ 1.6% ＞
Equity in earnings of affiliated companies: Fiscal Year ended March 31, 2011: --
Fiscal Year ended March 31, 2012: --

2. The Company began its reporting on a consolidated basis from the fiscal year ended march 31, 2011. Therefore, the percentage changes in numbers from the corresponding period in the previous fiscal year are not presented.

(2) Consolidated Financial Position

(Units: Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Total Assets	70,984	77,676
Net Assets	38,732	42,590
Net Assets Ratio	54.6%	54.8%
Net Assets per Share (Yen)	2,665.81	2,931.27

(3) Consolidated Cash Flows

(Units: Millions of yen)

	Fiscal Year ended March 31, 2011	Fiscal Year ended March 31, 2012
Net Cash provided by Operating Activities	5,556	6,847
Net Cash used in Investing Activities	(1,418)	(718)
Net Cash used in Financing Activities	(1,484)	(1,670)
Cash and Cash Equivalents at end of year	23,240	27,699

2. Dividends

(Units: Millions of yen)

	Fiscal Year ended March 31, 2011	Fiscal Year ended March 31, 2012	Forecast for Fiscal Year ending March 31, 2013
Annual Dividends per Share (Yen)	100.00	120.00	130.00
Interim (Yen)	50.00	60.00	65.00
Year - End (Yen)	50.00	60.00	65.00
Total Dividends paid (Annual)	1,453	1,744	
Dividend Payout Ratio (Consolidated)	26.4%	35.7%	30.5%
Dividend Rate for Net Assets (Consolidated)	4.0%	4.3%	

3. Consolidated Financial Forecast for the Fiscal Year ending March 31, 2013

(Units: Millions of yen)

	First Half ending September 30, 2012		Fiscal Year ending March 31, 2013	
		% change		% change
Net Sales	60,700	(1.2)	126,500	0.3
Operating Income	5,000	2.0	10,500	0.6
Ordinary Income	5,050	0.9	10,600	(0.1)
Net Income	2,950	9.1	6,200	26.8
Net Income per Share (Yen)	203.04		426.72	

Note: Percentages for Net Sales, Operating Income, Ordinary Income and Net Income represent change from the previous fiscal year.

4. Other information

(1) Important changes in scope of consolidation during period: None

(2) Changes in accounting policies, changes in accounting estimates and restatements
1. Changes in accounting policies caused by revision of accounting standards: None
2. Changes other than above: Yes *
3. Changes in accounting estimates: Yes *
4. Restatements: None

* Changes in accounting policy

(Depreciation method for property, plants, and equipment)

Effective from the first quarter of the fiscal year under review, NEC Mobiling and its consolidated subsidiaries changed the depreciation method for the calculation of property, plants, and equipment from the declining-balance method to the straight-line method.

The change was made based on the Company's conclusion that the use of the straight-line method, where the depreciable cost of an asset is expensed in equal increments over the useful life of the asset, is more reasonable in light of the changing business environments that surround the mobile sales and mobile service operations.

The Mobile Sales Business previously relied on the declining-balance method for the calculation of depreciation for the tangible assets in the shops they operate, in order to ensure the accelerated recovery of invested capital associated with them in preparation for obsolescence. However, the emergence of smartphones is halting the decline in the number of handsets sold at individual shops, and the Company, based on this new development, has concluded that the use of the straight-line method applied over the economic life, appropriate for the state of the use of individual tangible assets in the shops, would result in a fairer calculation of income in the reported period generated by individual shops. Despite the saturated state of Japan's mobile phone market, replacement demand is expected to keep unit sales at a stable level.

Given the stable level of the number of mobile handsets sold, the Mobile Service Business foresees that demand for its mobile phone repair services will remain virtually unchanged. For this reason, the use of the straight-line method, where the depreciable cost is spread evenly over the useful life of a tangible asset, is more reasonable for the Mobile Service Business.

The change had the effect of decreasing depreciation charges for the fiscal year under review by ¥282 million and increasing operating income, ordinary income, and income before income taxes by ¥272 million, respectively, compared with the respective amounts derived by using the previous method.

・ <Additional information>

(Application of the “Accounting Standard for Accounting Changes and Error Corrections” and others)

For the accounting changes and error corrections made in after the beginning of the year ended March 31, 2012, the Company have applied the “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No.24 of December 4, 2009) and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No.24 of December 4, 2009).

(3) Number of shares outstanding

1. Shares outstanding at the end of term:	As of March 31, 2011:	14,529,400
	As of March 31, 2012:	14,529,400
2. Treasury stocks at the end of term:	As of March 31, 2011:	70
	As of March 31, 2012:	70
3. Average number of shares outstanding during the term:	Fiscal Year ended March 31, 2011:	14,529,330
	Fiscal Year ended March 31, 2012:	14,529,330

・At the time of this report’s release, audit procedures under the Financial Instruments and Exchange Law have not been completed.

Forecasts related to future business performance, one aspect of the current strategies, plans and awareness at NEC Mobiling, Ltd. described in these materials, involve risks and uncertain factors. It should be noted that actual business performance may differ greatly from these forecasts due to a variety of factors. Primary factors with an impact on actual business performance include economic conditions and social trends affecting the scope of business of the Company, trend in demand for products and services provided by the Company, pressures for price reductions due to enhanced competition, and the ability of the Company’s technological capability to respond to the customer’s requests. Factors with an impact on business performance are not limited to those herein described.

1. Operating Results for the Fiscal Year Ended March 31, 2012

(1) Analyses of Operating Results

1) Operating Results for the Fiscal Year Ended March 31, 2012

General Overview

Consolidated operating results for the fiscal year ended March 31, 2012 (in millions of yen)

	Fiscal Year ended March 31, 2011	Fiscal Year ended March 31, 2012	YoY (%)
Net Sales	125,620	126,084	0.4%
Operating Income	9,608	10,438	8.6%
Ordinary Income	9,816	10,613	8.1%
Net Income	5,496	4,888	(11.1%)

In the consolidated fiscal year ended March 31, 2012, Japan's economy underwent a moderate recovery from the earthquake in Eastern Japan, which triggered a sudden drop in both production and consumer sentiment. However, an uncertain economic outlook continued to prevail in the face of the European debt crises, unpredictable foreign exchange movements, and the clouded outlook for the U.S. economy.

In the mobile phone sales market, the share of smartphone sales advanced rapidly, as mobile network operators enhanced their smartphone lines and rolled out aggressive marketing promotions. In addition to smartphone sales, higher demand for tablets and other data communication devices also contributed to the growth of the overall sales market.

In this operating environment, the NEC Mobiling Group, which consists of NEC Mobiling and its consolidated subsidiaries ("the Company"), redoubled its efforts to improve the service quality offered to customers at shops and to actively capture replacement demand by encouraging a shift to handsets with advanced functions, such as smartphones. To cope with diminishing demand for maintenance services caused by growing consumer appetite to replace handsets rather than to have them repaired, the Company undertook actions aimed at cost reductions and improved operational efficiency.

As a result of the foregoing, the Company posted net sales of ¥126,084 million (up 0.4% year-on-year) in the period under review. Despite lower demand for maintenance services and the falling per-unit retail price of handsets induced by the lower per-unit cost of handsets, sales grew on the back of a 15% increase in unit sales to 1.65 million units.

Profits were boosted by the higher number of handsets sold, greater sales of accessories and related merchandise, efforts to slash costs, and improved operational efficiency achieved through the enhanced staff assessment system designed to better motivate employees. Operating income rose 8.6% to ¥10,438 million, and ordinary income grew 8.1% to ¥10,613 million. Net income came in at ¥4,888 million, or down 11.1% on a year-on-year basis. The decrease was attributable primarily to the posting of valuation loss on investment securities and the income tax hike subsequent to the revision of related laws.

Segment Overview

(a) Mobile Sales Business

Consolidated operating results for the fiscal year ended March 31, 2012 (in millions of yen)

	Fiscal Year ended March 31, 2011	Fiscal Year ended March 31, 2012	YoY (%)
Net Sales	90,342	95,513	5.7%
Operating Income	3,455	4,673	35.3%

The consolidated fiscal year under review saw stepped-up efforts by mobile network operators to enhance their lines of mobile devices, including smartphones, tablets, digital photo frames, and devices with Wi-Fi connectivity. The sales market for smartphones continued to grow, as manufacturers rolled out smartphones enhanced with the features and capabilities that are available on conventional handsets and which are extremely popular in Japan, including e-wallet and water resistance. Additional momentum was created by the accelerated release of smartphones by overseas manufacturers and the debut of smartphones compatible with LTE (long-term evolution) service, in addition to aggressive marketing promotions by the mobile network operators.

In this operating environment, the Company geared up sales efforts for smartphones and other handsets with advanced functions by introducing a variety of measures aimed at improved customer service quality, including the launch of "AND market Kasumigaseki" (a shop dedicated to smartphones), the Smartphone Concierge Service (Note 1) and the Visual Concierge Service (Note 2). These efforts were translated into a 15% increase in the unit sales of handsets from a year ago, to 1.65 million units. Such actions were further supplemented by greater sales initiatives to sell accessories and related merchandise, including smartphone cases and SD cards.

Net sales generated by this business amounted to ¥95,513 million, or up 5.7% year-on-year. Operating income rose 35.3% to ¥4,673 million, reflecting the stronger sales of mobile phones and related accessories/merchandise, greater actions by individual shops to improve profits, and other measures aimed at higher operational efficiency.

(Note 1) Smartphone Concierge Service: Assistance provided to customers for the initial setup of a smartphone

(Note 2) Visual Concierge Service: Customer support and assistance provided via videophone

(b) Mobile Service Business

Consolidated operating results for the fiscal year ended March 31, 2012 (in millions of yen)

	Fiscal Year ended March 31, 2011	Fiscal Year ended March 31, 2012	YoY (%)
Net Sales	35,278	30,571	(13.3%)
Operating Income	6,153	5,765	(6.3%)

While replacement demand continued to grow, which was caused by the aggressive promotional efforts for smartphones by mobile network operators and the falling per-unit retail price of smartphones, the demand for maintenance services diminished in the period under review. However, the demand related to mobile communications base station systems was sustained by mobile network operator initiatives to improve their network quality and to enhance their networks to accommodate the growing number of smartphone users.

As a result, the business recorded net sales of ¥30,571 million (down 13.3% year-on-year). Operating income decreased 6.3% to ¥5,765 million, supported by the Company's efforts to offset diminishing demand for repairs by incorporating greater operational efficiency such as cost reductions through better repair technology and efforts to gain maintenance business wins for handsets manufactured overseas.

2) Outlook for the Fiscal Year Ending March 2013

Japan's economy will remain on a mild recovery trajectory, buoyed by post-quake reconstruction demand. Yet, its outlook is clouded by the prolonged European debt crisis and the rising crude oil price.

The mobile telecommunications market will remain robust, underpinned by the further penetration of smartphones. The Company anticipates that the switch to smartphones will induce demand for related merchandise.

In contrast, demand for maintenance services is expected to contract further, as more consumers opt to replace their existing mobile phones with smartphones.

Despite the expected decline of demand for maintenance services, the Company's earnings forecasts for the fiscal year ending March 31, 2013 as given below are based on its plans to increase the unit sales of handsets as well as related merchandise by actively seizing the surging demand for smartphones and other opportunities offered by the market.

(Units: Billions of yen)	Fiscal Year ending March 31, 2013	
Net Sales	126.5	(YoY increase of ±0%)
Operating Income	10.5	(YoY increase of 1%)
Ordinary Income	10.6	(YoY increase of ±0%)
Net Income	6.2	(YoY increase of 27%)

(2) Analyses of the Financial Position

1) Position as of March 31, 2012

Assets, liabilities, and net assets

Total assets at the end of the consolidated fiscal year ended March 31, 2012 stood at ¥77,676 million, reflecting an increase of ¥6,692 million from a year earlier. This was largely due to an increase in notes and accounts receivable - trade, an increase in investment securities, and an increase in accounts receivable - others. Total liabilities increased ¥2,834 million over the same period to ¥35,086 million, which was primarily attributable to an increase in notes and accounts payable - trade and an increase in accrued expenses. Total net assets increased ¥3,858 million to ¥42,590 million. The posting of net income positively contributed to the advance in total assets, while the distributions of retained earnings in the form of cash dividends caused total net assets to decrease.

These changes brought the shareholders' equity ratio to 54.8%.

State of cash flows

Cash and cash equivalents ("cash") stood at ¥27,699 million as of March 31, 2012, up ¥4,459 million from a year earlier.

(Cash flows from operating activities)

Cash flows provided by operating activities during the fiscal year under review totaled ¥6,847 million. It was 23.2% more than the inflow posted in the previous fiscal year.

The inflow was mainly attributable to cash-increasing factors such as the posting of net income before income taxes, valuation loss on investment securities, and an increase in accrued expenses, which exceeded cash-decreasing factors such as an increase in accounts receivable - others and income tax payments.

Compared with the previous fiscal year, the net income before taxes decreased, but an increase in non-cash items, such as valuation loss on investment securities and changes in assets and liabilities, resulted in the inflow—which was ¥1,291 million more than the inflow posted in the previous fiscal year.

(Cash flows from investing activities)

Cash used by investing activities amounted to ¥718 million. It was 49.4% less than the outflow posted in the previous consolidated fiscal year.

The cash outflow primarily represented disbursements linked to the purchase of property, plants, and equipment.

The outflow in the fiscal year under review was ¥700 million less than the outflow recorded in the previous fiscal year. The difference was attributable to proceeds from the sales of property, plants, and equipment recorded in the fiscal year under review and the disbursements for the acquisition of the stocks of subsidiaries posted in the previous year.

(Cash flows from financing activities)

Cash used by financing activities amounted to ¥1,670 million. It was 12.6% more than the outflow recorded in the previous fiscal year.

The outflow was attributable primarily to the payments of the end-of-year dividends for the fiscal year ended March 31, 2011 and the interim dividends for the fiscal year under review.

The outflow was ¥186 million more than the outflow recorded in the previous fiscal year, due primarily to an increase in the per-share dividends declared.

2) Outlook for the Fiscal Year Ending March 2013

The Company expects that its cash and cash equivalents will be ¥31,400 million on March 31, 2013, which represents an increase of ¥3,700 million from March 31, 2012.

The above outlook is based on its forecasts of cash proceeds of ¥6,500 million from operating activities, disbursements of ¥1,000 million for investing activities, and disbursements of ¥1,800 million for financing activities.

3) Changes in Cash Flow Indicators

Changes in cash flow indicators

	Fiscal Year ended March 2008	Fiscal Year ended March 2009	Fiscal Year ended March 2010	Fiscal Year ended March 2011	Fiscal Year ended March 2012
Shareholders’ Equity Ratio	49.6 %	51.7 %	53.0 %	54.6 %	54.8 %
Shareholders’ Equity Ratio at market value	34.6 %	36.8 %	49.7 %	52.1 %	53.4 %

Note: Shareholders' Equity Ratio = Total Net Assets/Total Assets

Shareholders' Equity Ratio at market value = Market Capitalization/Total Assets

* The indicators shown above are based on the Company's financial figures. Consolidated results have been in use since the fiscal year ended March 2011.

** The market capitalization used in the calculation of the above is based on the number of shares outstanding, as of the fiscal year end, excluding the net of the treasury stock.

(3) Basic Policy Regarding Profit Appropriation and Dividends for the Fiscal Year Ended March 31, 2012 and the Fiscal Year Ending March 31, 2013

The Company’s policy with respect to dividends is to maintain stable payouts considering around 30% payout ratio, in view of its major management priority of according respect and importance to its valued shareholders and in line with its commitment to ensuring ample retained earnings, in order to build a stronger business base and enable future business expansion.

The Company declared a year-end cash dividend of 60 yen per share for the fiscal year ended March 31, 2012. Combined with an interim cash dividend of 60 yen, which was already paid, the annual dividend amounted to 120 yen per share, or 20 yen higher than the previous fiscal year.

The Company plans to increase its annual dividend by 10 yen to 130 yen per share in the fiscal year ending March 31, 2013.

2. Management Policies

(1) Basic Management Policies

Under the corporate philosophy of "contributing to the creation of a lively society where people around the world can build a better understanding of each other and fully express their individuality through the use of the mobile multimedia platform anytime and anywhere," NEC Mobiling has evolved into what it is today in step with the advancement of the mobile Internet.

The Company, through the delivery of mobile services that address various aspects of personal and business situations, plans to grow further as a driving force behind the creation of a society anchored on highly sophisticated information and communications technology (ICT) capable of quickly responding to the changing needs of the times.

(2) Target Management Indicators

NEC Mobiling has consecutively increased operating income, on an annual basis, for seven years. Over the medium- and long-term range, the Company, based on its growth strategies targeting the highly sophisticated ICT society, attempts to further boost its earnings on a consistent basis.

(3) Medium and Long-term Management Strategies and Challenges

Japan's mobile telecommunication market has grown by incorporating global cutting-edge technologies in succession, and along the way, it has played a key role in the advancement of an information and communication society as symbolized by the Internet.

One conspicuous trend today is faster-than-anticipated inroads into the market made by smartphones. In addition, high-speed networks such as LTE and Wi-Fi networks, as well as new services, are also expected to grow at an accelerated pace, as ICT finds more applications in society.

NEC Mobiling strives to re-invent, on an ongoing basis, the support and assistance extended to its customers, such as advice on mobile Internet utilization tailored to individual lifestyle requirements and others, in an effort to make the mobile life of customers more convenient and pleasant. It also aims to expand its business by seeking new sources of income, including sales of related merchandise and products and services related to ICT utilization, and through the launch of a diverse range of shops in cooperation with its sales partners. In addition, the Company is redoubling efforts to capture the growing needs of network operators for network enhancements in response to rising smartphone numbers. It is also broadening its business domains by exploring opportunities in maintenance-related businesses for handsets made by overseas manufacturers, among others.

NEC Mobiling takes full advantage of its dual strength of technical expertise and a solid sales platform in order to build, on a daily basis, the powerful structure needed to respond quickly to customer needs for next-generation mobile communication services. Through its business growth, every attempt will be made to achieve further advances in business, improve earnings, and maximize shareholder value.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Units: Millions of yen)

Items / Term	As of March 31, 2011 Amount	As of March 31, 2012 Amount
Assets		
Current assets		
Cash and deposits	7,392	7,841
Notes and accounts receivable－trade	17,017	17,967
Short-term investment securities	6,998	10,997
Merchandise and finished goods	4,252	4,477
Work in process	1,559	1,237
Raw materials and supplies	667	682
Deferred tax assets	1,736	1,628
Accounts receivable－other	7,977	11,095
Deposit paid in subsidiaries and affiliates	9,000	9,000
Other	578	621
Allowance for doubtful accounts	(7)	(5)
Total current assets	**57,169**	**65,540**
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	3,689	3,659
Accumulated depreciation	(1,746)	(1,660)
Buildings and structures, net	1,943	1,999
Machinery, equipment and vehicles	33	33
Accumulated depreciation	(21)	(23)
Machinery, equipment and vehicles, net	12	10
Tools, furniture and fixtures	1,091	1,171
Accumulated depreciation	(671)	(691)
Tools, furniture and fixtures, net	420	480
Land	122	--
Lease assets	192	266
Accumulated depreciation	(98)	(138)
Lease assets, net	94	128
Construction in progress	28	8
Total property, plant and equipment	**2,619**	**2,625**
Intangible assets		
Goodwill	1,911	1,435
Other	676	417
Total intangible assets	**2,587**	**1,852**
Investments and other assets		
Investment securities	2,470	2,320
Deferred tax assets	1,902	1,571
Other	4,336	3,812
Allowance for doubtful accounts	(99)	(44)
Total investments and other assets	**8,609**	**7,659**
Total noncurrent assets	**13,815**	**12,136**
Total assets	**70,984**	**77,676**

(Units: Millions of yen)

Items / Term	As of March 31, 2011	As of March 31, 2012
	Amount	**Amount**
Liabilities		
Current liabilities		
Notes and accounts payable－trade	13,939	14,338
Income taxes payable	2,265	2,272
Provision for loss on subleases	25	--
Accrued expenses	9,531	11,739
Other	1,925	2,025
Total current liabilities	**27,685**	**30,374**
Noncurrent liabilities		
Provision for retirement benefits	3,820	3,971
Provision for directors' retirement benefits	50	--
Other	697	741
Total noncurrent liabilities	**4,567**	**4,712**
Total liabilities	**32,252**	**35,086**
Net assets		
Shareholders' equity		
Capital stock	2,371	2,371
Capital surplus	2,707	2,707
Retained earnings	34,323	37,614
Treasury stocks	(0)	(0)
Total shareholders’ equity	**39,401**	**42,692**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(669)	(102)
Total accumulated other comprehensive income	**(669)**	**(102)**
Total net assets	**38,732**	**42,590**
Total liabilities and net assets	**70,984**	**77,676**

(2) Consolidated Statements of Income and comprehensive income
(Consolidated Statements of Income)

(Units: Millions of yen)

Items / Term	Fiscal Year ended March 31, 2011 Amount	Fiscal Year ended March 31, 2012 Amount
Net sales	**125,620**	**126,084**
Cost of sales	104,700	103,720
Gross profit	**20,920**	**22,364**
Selling, general and administrative expenses	11,312	11,926
Operating income	**9,608**	**10,438**
Non-operating income		
Interest income	42	45
Dividend income	197	159
Rent income	59	47
Other	23	61
Total Non-operating income	321	312
Non-operating expenses		
Interest expense	3	4
Rent expenses	51	28
Loss on retirement of noncurrent assets	40	79
Other	19	26
Total Non-operating expenses	113	137
Ordinary income	**9,816**	**10,613**
Extraordinary gains		
Reversal of provision for loss on subleases	49	--
Gain on transfer of business	75	--
Adjustment to fees for seconded employees	123	--
Other	17	--
Total extraordinary gains	264	--
Extraordinary losses		
Loss on adjustment for changes of accounting standard for asset retirement obligations	108	--
Head office transfer cost	108	--
Loss on disaster	41	--
Extra retirement payments	26	--
Loss on sales of non-current assets	--	24
Office transfer expenses	--	122
Loss on liquidation of business	--	43
Loss on valuation of investment securities	--	1,119
Total extraordinary losses	283	1,308
Income before income taxes	**9,797**	**9,305**
Income taxes-current	4,211	4,380
Income taxes-deferred	90	37
Total income taxes	4,301	4,417
Income before minority interests	**5,496**	**4,888**
Net income	**5,496**	**4,888**

(Consolidated Statements of comprehensive income)

(Units: Millions of yen)

Items / Term	Fiscal Year ended March 31, 2011	Fiscal Year ended March 31, 2012
	Amount	Amount
Net income	**5,496**	**4,888**
Other comprehensive income		
Valuation difference on available-for-sale securities	(129)	567
Total other comprehensive income	(129)	567
Comprehensive income	**5,367**	**5,455**
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	5,367	5,455

(3) Consolidated Statements of Changes in Net Assets

(Units: Millions of yen)

Items / Term	As of March 31, 2011 Amount	As of March 31, 2012 Amount
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	2,371	2,371
Changes of items during the period		
Total changes of items during the period	--	--
Balance at the end of current period	**2,371**	**2,371**
Capital surplus		
Balance at the beginning of current period	2,707	2,707
Changes of items during the period		
Total changes of items during the period	--	--
Balance at the end of current period	**2,707**	**2,707**
Retained earnings		
Balance at the beginning of current period	30,280	34,323
Changes of items during the period		
Dividends from surplus	(1,453)	(1,598)
Net income	5,496	4,888
Total changes of items during the period	4,043	3,291
Balance at the end of current period	**34,323**	**37,614**
Treasury stock		
Balance at the beginning of current period	(0)	(0)
Changes of items during the period		
Total changes of items during the period	--	--
Balance at the end of current period	**(0)**	**(0)**
Total shareholders' equity		
Balance at the beginning of current period	35,358	39,401
Changes of items during the period		
Dividends from surplus	(1,453)	(1,598)
Net income	5,496	4,888
Total changes of items during the period	4,043	3,291
Balance at the end of current period	**39,401**	**42,692**

(Units: Millions of yen)

Items / Term	As of March 31, 2011 Amount	As of March 31, 2012 Amount
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	(540)	(669)
Changes of items during the period		
Net changes of items other than shareholders' equity	(129)	567
Total changes of items during the period	(129)	567
Balance at the end of current period	**(669)**	**(102)**
Total Accumulated other comprehensive income		
Balance at the beginning of current period	(540)	(669)
Changes of items during the period		
Net changes of items other than shareholders' equity	(129)	567
Total changes of items during the period	(129)	567
Balance at the end of current period	**(669)**	**(102)**
Total net assets		
Balance at the beginning of current period	34,818	38,732
Changes of items during the period		
Dividends from surplus	(1,453)	(1,598)
Net income	5,496	4,888
Net changes of items other than shareholders' equity	(129)	567
Total changes of items during the period	3,914	3,858
Balance at the end of current period	**38,732**	**42,590**

(4) Consolidated Statements of Cash Flows

(Units: Millions of yen)

Items / Term	Fiscal Year ended March 31, 2011	Fiscal Year ended March 31, 2012
Cash flow from operating activities		
Income before income taxes	9,797	9,305
Depreciation and amortization	997	821
Amortization of goodwill	469	476
Increase (decrease) in allowance for doubtful accounts	(23)	(58)
Increase (decrease) in provision for retirement benefit	47	261
Increase (decrease) in provision for directors' retirement benefit	(4)	(50)
Increase (decrease) in provision for loss on subleases	(84)	(25)
Interest and dividend income	(239)	(204)
Interest expense	3	4
Foreign exchange losses (gains)	1	0
Loss on retirement of property, plant and equipment	40	79
Loss (gain) on sales of noncurrent assets	--	24
Loss (gain) on sales of investment securities	(2)	--
Loss (gain) on valuation of investment securities	--	1,119
Loss (gain) on transfer of business	(75)	--
Loss on liquidation of business	--	43
Loss on adjustment for changes of accounting standard for asset retirement obligations	108	--
Head office transfer cost	108	122
Loss on disaster	41	--
(Increase) decrease in notes and accounts receivable－trade	(963)	(950)
(Increase) decrease in inventories	(349)	82
(Increase) decrease in accounts receivable－other	108	(3,194)
Increase (decrease) in notes and accounts payable－trade	(118)	442
Increase (decrease) in accrued expenses	212	2,207
Increase (decrease) in accrued consumption taxes	27	202
Increase (decrease) in deposits received	86	72
Other, net	(327)	346
Sub-total	**9,860**	**11,124**
Interest and dividend income received	239	204
Interest expense paid	(3)	(4)
Income taxes paid	(4,485)	(4,373)
Other, net	(55)	(104)
Net cash provided (used-in) by operating activities	**5,556**	**6,847**

(Units: Millions of yen)

Items / Term	Fiscal Year ended March 31, 2011	Fiscal Year ended March 31, 2012
Cash flow from investing activities		
Purchases of property, plant and equipment	(872)	(718)
Proceeds from sales of property, plant and equipment	--	159
Purchases of intangible assets	(184)	(164)
Proceeds from sales of investment securities	4	--
Purchase of stocks of subsidiaries and affiliates	(330)	--
Proceeds from transfer of business	--	86
Payments for transfer of business	(129)	--
Other, net	93	(81)
Net cash provided by (used in) investing activities	**(1,418)**	**(718)**
Cash flows from financing activities		
Cash dividends paid	(1,451)	(1,597)
Repayments of lease obligations	(33)	(73)
Net cash provided by (used in) financing activities	**(1,484)**	**(1,670)**
Effect of exchange rate changes on cash and cash equivalents	**(1)**	**0**
Net increase (decrease) in cash and cash equivalents	**2,653**	**4,459**
Cash and cash equivalents at beginning of period	**20,587**	**23,240**
Cash and cash equivalents at end of period	**23,240**	**27,699**

(5) Going Concern Assumption

None

Supplementary Information

(1) Financial Highlights

(Units: Millions of yen)

	Fiscal Year ended March 31, 2011 <Consolidated>	Fiscal Year ended March 31, 2012 <Consolidated>	% Change	Forecast for Fiscal Year ending March 31, 2013 <Consolidated>	% Change
Net sales	125,620	126,084	0.4%	126,500	0%
Operating income <Operating income to Net sales>	9,608 <7.6%>	10,438 <8.3%>	8.6%	10,500 <8.3%>	1%
Ordinary income <Ordinary income to Net sales>	9,816 <7.8%>	10,613 <8.4%>	8.1%	10,600 <8.4%>	(0%)
Net income <Net income to Net sales>	5,496 <4.4%>	4,888 <3.9%>	(11.1%)	6,200 <4.9%>	27%
Net income per share	378.28Yen	336.45Yen	--	426.72Yen	--
Dividend per share <Interim>	100.00Yen <50.00Yen>	120.00Yen <60.00Yen>	--	130.00Yen <65.00Yen>	--
Dividend payout ratio	26.4%	35.7%	--	30.5%	--
Total assets Turnover	1.82Times	1.70Times	--	1.66Times	--
Return(Ordinary income) on assets	14.2%	14.3%	--	13.9%	--
Return on equity	14.9%	12.0%	--	13.8%	--
Net cash provided by operating activities	5,556	6,847	23.2%	6,500	(5%)
Net cash used in investing activities	(1,418)	(718)	--	(1,000)	--
Free cash flows	4,138	6,129	48.1%	5,500	(10%)
Net cash used in financing activities	(1,484)	(1,670)	--	(1,800)	--
Number of employees	1,199	1,227	--	1,240	--

(2) Business Segment Information

(Units: Millions of yen)

		Fiscal Year ended March 31, 2011 <Consolidated>		Fiscal Year ended March 31, 2012 <Consolidated>		% Change
		Amount	%	Amount	%	
Mobile Sales Business	Net sales	90,342	71.9	95,513	75.8	5.7
	Operating income	3,455	36.0	4,673	44.8	35.3
	%	3.8		4.9		
Mobile Service Business	Net sales	35,278	28.1	30,571	24.2	(13.3)
	Operating income	6,153	64.0	5,765	55.2	(6.3)
	%	17.4		18.9		
Total	Net sales	125,620	100.0	126,084	100.0	0.4
	Operating income	9,608	100.0	10,438	100.0	8.6
	%	7.6		8.3		

(Units: Millions of yen)

		Fiscal Year ended March 31, 2012 <Consolidated> (Reclassified)		Forecast for Fiscal Year ending March 31, 2013 <Consolidated>		% Change
		Amount	%	Amount	%	
Mobile Sales Business	Net sales	90,015	71.4	96,050	75.9	7
	Operating income	3,827	36.7	5,000	47.6	31
	%	4.3		5.2		
Mobile Solution Business	Net sales	36,069	28.6	30,450	24.1	(16)
	Operating income	6,611	63.3	5,500	52.4	(17)
	%	18.3		18.1		
Total	Net sales	126,084	100.0	126,500	100.0	0
	Operating income	10,438	100.0	10,500	100.0	1
	%	8.3		8.3		

Note: From the fiscal year starting April 1, 2012, the business segments has been changed. The “Mobile Service Business” has been changed to the “Mobile Solution Business,” combined with the mobile handset sales for enterprise related business, which was formerly included in the “Mobile Sales Business.”