

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2012 [J-GAAP]

May 8, 2012

NIPPON KANZAI Co., Ltd.

Listed Exchanges: Tokyo Stock Exchange and Osaka Securities Exchange, First Section
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 Supplementary materials for results: No
 Results briefing meeting held: No

*Amounts under one million yen have been rounded down.

1. Consolidated results for the fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(1) Consolidated business results

(Percentage figures indicate the rate of change from the previous fiscal year.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2012	74,228	1.1	3,945	11.7	4,248	13.7	2,172	28.8
Fiscal year ended March 31, 2011	73,428	1.2	3,530	(3.5)	3,735	(0.1)	1,685	(3.0)

(Note) Comprehensive income: Fiscal year ended March 31, 2012: ¥ 2,437 million (25.7%); Fiscal year ended March 31, 2011: ¥ 1,938 million (-11.7%)

	Net Income per Share	Diluted Net Income per Share	Return on Shareholders' Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2012	128.17	–	9.1	11.0	5.3
Fiscal year ended March 31, 2011	99.14	–	7.4	10.1	4.8

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended March 31, 2012: ¥ 50 million; Fiscal year ended March 31, 2011: ¥ 43 million

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2012	39,804	26,356	62.2	1,456.44
As of March 31, 2011	37,233	24,780	62.3	1,372.26

(Reference) Shareholders' equity: As of March 31, 2012: ¥ 24,768 million; As of March 31, 2011: ¥ 23,180 million

(3) Consolidated cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2012	4,093	(1,128)	(1,263)	13,182
Fiscal year ended March 31, 2011	3,030	(81)	(1,426)	11,481

2. Dividends

	Annual Dividends					Total Dividends Paid (annual)	Dividend Payout Ratio (consolidated)	Dividends to Net Assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2011	–	16.00	–	34.00	50.00	843	50.4	3.7
Fiscal year ended March 31, 2012	–	20.00	–	20.00	40.00	678	31.2	2.8
Fiscal year ending March 31, 2013 (forecast)	–	20.00	–	20.00	40.00		28.2	

Year-end dividends for the fiscal year ended March 31, 2011 include commemorative dividends of ¥10.00.

3. Consolidated business forecasts for the fiscal year ending March 31, 2013 (April 1, 2012 to March 31, 2013)

(Percentage figures indicate the rate of change from the same period in the previous fiscal year.)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	37,200	2.6	1,900	2.3	2,000	0.8	1,100	7.6	64.90
Full year	76,800	3.5	4,200	6.5	4,400	3.6	2,400	10.5	141.61

Notes

(1) Changes of significant subsidiaries during the term (Changes in specific subsidiaries associated with changes in scope of consolidation): None

(2) Changes in accounting policies, accounting estimates and restatement of revisions

1) Changes in accounting policies due to revisions of accounting standards, etc.: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatement of revisions: None

(3) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding (including treasury stock)

2) Number of treasury stock

3) Average number of shares issued and outstanding

1)	As of March 31, 2012	20,590,153 shares	As of March 31, 2011	20,590,153 shares
2)	As of March 31, 2012	3,584,059 shares	As of March 31, 2011	3,698,202 shares
3)	Fiscal year ended March 31, 2012	16,948,259 shares	Fiscal year ended March 31, 2012	17,005,804 shares

(Reference) Summary of non-consolidated financial results

1. Non-consolidated results for the fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(1) Non-consolidated business results

(Percentage figures indicate the rate of change from the previous fiscal year.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2012	49,359	1.3	1,912	(4.4)	2,582	(4.2)	1,583	(5.4)
Fiscal year ended March 31, 2011	48,728	1.1	1,999	7.8	2,695	23.6	1,674	40.5

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Fiscal year ended March 31, 2012	93.46	–
Fiscal year ended March 31, 2011	98.47	–

(2) Non-consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2012	24,424	15,103	61.8	888.12
As of March 31, 2011	23,599	14,116	59.8	835.71

(Reference) Shareholders' equity: As of March 31, 2012: ¥ 15,103 million; As of March 31, 2011: ¥14,116 million

2. Non-consolidated business forecasts for the fiscal year ending March 31, 2013 (April 1, 2012 to March 31, 2013)

(Percentage figures indicate the rate of change from the same period in the previous fiscal year.)

	Net Sales		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	25,080	6.0	1,400	4.2	990	4.8	58.41
Full year	52,000	5.4	2,680	3.8	1,670	5.4	98.54

* Presentation of implementation status for audit procedures

This financial report is not covered by the Financial Instruments and Exchange Act and the financial statements audit procedures called for by the Financial Instruments and Exchange Act have not been completed as of the release of this financial report.

* Explanation regarding the appropriate use of business forecasts and other notes

The business forecasts reported herein were prepared based on information Nippon Kanzai had in its possession as of the time this report was prepared and on certain assumptions judged to be reasonable. Actual results may differ significantly from forecasts due to various factors. Please refer to the disclaimers, provided under "1. (1) Analysis of business results" on page 2 of the Attached Document of this financial report, regarding assumptions upon which forecasts are based and the use of forecasts.

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1. Business results

(1) Analysis of business results

1) Business results for the fiscal year ended March 31, 2012

During the fiscal year ended March 31, 2012, the Japanese economy began to show some signs of gradual recovery from the Great East Japan Earthquake and the electricity shortages and other follow-on impacts of that disaster. However, with fears that another downturn could result from negative factors, such as exchange rate and stock price fluctuations and the European sovereign debt crisis, coupled with flood damage in Thailand, economic conditions remained uncertain.

In the real estate service industry, severe business conditions continue as clients are becoming even more cost-conscious, contracted buildings have been closed or decreased their services, and no improvement is seen in the office and commercial building vacancy rate.

In such business environment, Nippon Kanzai Group (hereinafter “the Group”) continued to expand its area of businesses around the building maintenance business. The Group also made efforts in proactive business development by enhancing its property management business, private finance initiatives (PFI) and making the best of the Group companies’ strengths.

As a result, net sales for the current fiscal year rose by 1.1% year on year, to 74,228 million yen. An increase in construction-related orders outweighing difficult conditions for winning new contracts and a significant year-on-year decrease in gains on sales of assets associated with real estate funds were key to this outcome.

On the other hand, income suffered as stagnant price per contract put downward pressure on profitability. However, with efforts to cut and hold down management costs by thorough review of procurement unit prices and better time management, and the fact that there was a decrease in expenses related to the asset sales referred to the above, the Group improved its earnings compared to the previous fiscal year; operating income of 3,945 million yen, up 11.7%, ordinary income of 4,248 million yen, up 13.7%, and net income of 2,172 million yen, up 28.8%.

2) Business by segment

The following are earnings by segment.

Segment income has been adjusted to operating income described in consolidated statements of income.

[Building Management and Operation Business]

In our core Building Management and Operation Business, which include building management and security services, net sales for the current fiscal year rose by 1.5% year on year, to 64,702 million yen, as an increase in construction-related orders more than offset the impact of difficult conditions for winning new contracts.

Segment income was 6,313 million yen, up 0.3% year on year, due to tighter management overcoming a sluggish growth in price per contract and other factors.

[Environmental Facility Management Business]

In the Environmental Facility Management Business, which mainly comprises the management of water treatment, sewage disposal and other public facilities, we secured an overall firm number of new contracts, particularly for the management of incinerators and recycling facilities. As a result, net sales for the segment amounted to 7,080 million yen, up 3.7% compared to the previous fiscal year.

Although local governments – the main customers for this segment – continued to be on a tight budget, the Group worked to rigorously manage costs, focusing on efforts to rein in start-up costs for newly contracted facilities, re-examine procurement costs, and realign personnel assignments to better match actual needs. As a result, segment income was 618 million yen, up 30.9% year on year.

[Real Estate Fund Management Business]

In the asset management business, which mainly comprises composition and asset management of real estate funds, and in the Real Estate Fund Management Business, which mainly comprises handling investments in silent partnership, a stable asset management income was recorded, but there was a significant decrease in proceeds from sales of assets. As a result, net sales for the segment were 517 million yen, down 55.2% compared to the previous fiscal year.

While expenses related to sales of assets decreased, weak real estate market conditions forced us to record valuation losses on our equity within the range of the amount equivalent to our equity interest in some of the silent partnership for business purposes in which the Group has invested. Nevertheless, with the help of our efforts in expense reductions and improvements in operational efficiency, segment income was 62 million yen, up 164 million yen year on year.

[Other Businesses]

Other Businesses, which consist mainly of event planning and management, printing, and design, were again negatively affected by a downsizing of events, as well as impacts from cost-cutting measures by clients, but were helped by orders for irregular events operations. For the current fiscal year, therefore, net sales increased by 13.5% year on year, to 1,928

million yen, and segment income was 14 million yen, an improvement of 41 million yen compared to the previous fiscal year.

3) Outlook for the next fiscal year

As for the future outlook, though it appeared that the economy had been moving toward a self-sustaining recovery due to the improvements in external economic conditions and corporate earnings, there are now concerns about the impacts in the areas such as production activities and corporate earnings due to short electricity supply, thus the conditions are expected to remain unclear for the foreseeable future.

In the building maintenance industry, a severe market environment continues as clients are even more management cost-conscious stemmed from stagnant office rent and sluggish corporate earnings, in addition to competition with other companies.

Under such environment, the Group will continue proactive marketing mainly by presenting project proposals in the areas of designated administrator for public facilities and PFI Projects. At the same time, the Group will proactively cultivate energy-saving business, as well as parking management and operation and event planning and management.

The Group will make efforts to raise profitability by enhancing quality control based on ISO standard to raise customer satisfaction level, by expanding business areas and by further tighten thorough cost control.

For the fiscal year ending March 31, 2013, we estimate that consolidated net sales will total 76.8 billion yen, an increase of 3.5% year on year. From a profit perspective, consolidated operating income is expected to reach 4.2 billion yen, up 6.5% year on year, consolidated ordinary income to amount to 4.4 billion yen, an increase of 3.6% year on year and consolidated net income to come in at 2.4 billion yen, 10.5% higher than the fiscal year ended March 31, 2012.

(2) Analysis of financial position

[Analysis of financial position]

Total assets at the end of the current fiscal year increased by 2,570 million yen (up 6.9%) year on year to 39,804 million yen.

Current assets increased by 2,349 million yen (up 9.9%) year on year to 26,015 million yen, and noncurrent assets increased by 220 million yen (up 1.6%) year on year to 13,788 million yen.

The main reasons for these increases were an increase in cash and deposits (1,695 million yen increase year on year) attributable to the steady collections of notes and accounts receivable – trade, and an increase in accounts receivable – trade (657 million yen increase year on year) resulting from higher net sales.

Total liabilities at the end of the current fiscal year increased by 994 million yen (up 8.0%) year on year to 13,447 million yen.

The main reasons for these increases were an increase in accounts payable – trade (975 million yen increase year on year) and an increase in income taxes payable (478 million yen increase year on year).

Net assets at the end of the current fiscal year increased by 1,576 million yen (up 6.4%) year on year to 26,356 million yen.

The main reason of this increase was an increase in retained earnings (1,253 million yen increase year on year).

As a result, equity ratio at the end of the current fiscal end decreased by 0.1 percentage points to 62.2% from the end of the previous fiscal year's 62.3%.

The Group's financial principle is to secure the necessary liquidity and to maintain a sound balance sheet.

[Conditions of cash flows]

Cash and cash equivalents (hereinafter "cash") at the end of the current fiscal year on a consolidated basis increased by 1,700 million yen (up 14.8%) to 13,182 million yen from the previous fiscal year.

The conditions and main factors of cash flows for the fiscal year ended March 31, 2012 were as follows:

(Cash flows from operating activities)

Net cash provided by operating activities for the current fiscal year was 4,093 million yen, increased by 1,062 million yen from the previous fiscal year.

This resulted mainly from an increase in income before income taxes and minority interests (881 million yen increase year on year), an increase in notes and accounts payable – trade (1,130 million yen increase year on year), and a decrease in income taxes paid (675 million yen decrease year on year).

(Cash flows from investing activities)

Net cash used in investing activities for the current fiscal year was 1,128 million yen, increased by 1,047 million yen from the previous fiscal year.

This resulted mainly from an increase in purchase of property, plant and equipment and intangible assets (958 million yen increase year on year) and an increase in purchase of investment securities (252 million yen increase year on year).

(Cash flows from financing activities)

Net cash used in financing activities for the current fiscal year was 1,263 million yen, decreased by 163 million yen from

the previous fiscal year.

This resulted mainly from a decrease in purchase of treasury stock (580 million yen decrease year on year) and an increase in cash dividends paid (365 million yen increase year on year).

(Reference) Changes of the indexes relating to cash flows (%)

Years ended March 31,	2008	2009	2010	2011	2012
Equity ratio	69.3	65.1	61.0	62.3	62.2
Equity ratio based on the current values	166.6	65.1	71.0	65.2	63.9
Debt to cash flows ratio	–	0.9	0.7	0.8	0.5
Interest coverage ratio		449.7	242.0	90.8	104.5

Equity ratio: shareholders' equity / total assets

Equity ratio based on the current values: market capitalization / total assets

Debt to cash flows ratio: interest-bearing debt / operating cash flows

Interest coverage ratio: operating cash flows / interest payment

* Each index was calculated using consolidated financial figures.

* Market capitalization was calculated using the closing stock price at the end of fiscal year × the number of shares issued after deducting treasury stock.

* The interest-bearing debt covered all liabilities bearing interest to pay among ones recorded on the balance sheet.

* Cash flows from operating activities and interest expenses paid on the consolidated statements of cash flows were used as operating cash flows and interest payment, respectively.

(3) Basic policy regarding distribution of earnings and dividends for the fiscal year ended March 31, 2012 and the fiscal year ending March 31, 2013

As for the distribution of earnings, our basic policy is to continue to provide stable dividends through a strengthened management base from short-term and medium to long-term view points, aiming at increasing the dividend payout ratio and working at raising shareholder value in the future.

Turning to the payment of dividends for the fiscal year ended March 31, 2012, the Company plans to pay year-end dividends of 20 yen per share. Together with interim dividends of 20 yen per share, Nippon Kanzai is projecting annual dividends of 40 yen per share.

For the fiscal year ending March 31, 2013, the Company is again forecasting the payment of annual dividends of 40 yen per share comprising interim dividends of 20 yen per share and year-end dividends of 20 yen per share.

(4) Business and other risks

With regard to business and other risks of the Group, major factors, which may significantly influence on the judgment of investors, are described below.

Matters which are not necessarily the factors of business risks for us are also described from view point of active disclosures to our investors.

Recognizing that these risks may realize, we make efforts to avoid them and to respond them in conducting business activities.

Future possibilities included in this section were judged as of the date of submission.

1) Regulations of the law

The security business of the Group is regulated by the applicable laws and regulations such as the Security Services Act (Act No. 117 of 1972) and the Ordinance for Enforcement of Security Services Act (1983 General Administrative Agency of the Cabinet regulation No. 1).

These acts define the necessary regulations about the security business and aim to ensure proper practice of security business. Permission by the Prefectural Public Safety Commission, which has the jurisdiction over the main office, is required to operate the security business. There is a possibility to have the operations temporarily suspended or to receive administrative punishment, including a revocation of the approval, if there is any violation of these applicable laws and regulations.

2) Personal information management

In order to perform the condominium management and other businesses, the Group handles with personal information and makes efforts to comply with the applicable laws and to execute proper management.

However, there is a possibility of influencing the reputation and the business results of the Group if, by any chance, an accident concerning personal information occurs.

3) Investments in silent partnership

To engage in the Real Estate Fund Management Business, the Group invested in silent partnership. This investment amounts to 193 million yen as of March 31, 2012.

There is a possibility of influencing the business results and financial position of the Group if the principal investment is partially impaired or the yield rate of the investment is lowered by factors of the real estate market and others.

4) Transaction with the related parties

The Company has transacted with the related parties, such as Nippon Service Master Ltd., a controlling company and the main corporate shareholder, for paying casualty insurance premiums, etc. However, the transaction amount is very small and there is no influence on the Company's business.

5) Contract for management and operation service

As the types of contracts diversify, some of the contracts include operation of facilities in addition to conventional work of building maintenance and management.

Although the internal management risk consideration committee considers all possible risks prior to the conclusion of contracts, contracts for management and operation services may have an impact on the business results of the Group due to rising prices and changes in business circumstances.

6) Matters regarding determination of scope of consolidation

In the real estate fund industry, to which part of the Group belongs, we recognize that the accounting practice to determine the scope of consolidation is not yet conclusive.

As "Practical Solution on the Application of Control Criteria and Influence Criteria to Investment Associations" (ASBJ PITF No. 20) was announced on September 8, 2006, the Group adopts such practice handling report. We currently determine the scope of consolidation of subsidiaries and affiliates by considering the separate presence or absence of control and influence for each fund and SPC.

There is a possibility that the Group's business results and financial position may be significantly influenced if future changes in accounting standards or practical guidance result in establishing a materially different new accounting practice of determining a scope of consolidation of funds, etc.

2. Consolidated financial statements**(1) Consolidated balance sheets**

	(Thousands of yen)	
	Fiscal year ended March 31, 2011 (As of March 31, 2011)	Fiscal year ended March 31, 2012 (As of March 31, 2012)
ASSETS		
Current assets		
Cash and deposits	11,801,956	13,497,900
Notes and accounts receivable – trade	8,240,981	8,898,708
Investments in silent partnership for business purposes	269,638	193,550
Supplies	71,619	68,617
Real estate for sale	2,063,938	1,975,059
Income taxes receivable	10,229	9,524
Deferred tax assets	407,612	373,191
Other	840,612	1,011,921
Allowance for doubtful accounts	(40,759)	(12,679)
Total current assets	23,665,826	26,015,791
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	3,937,787	4,286,713
Accumulated depreciation	(2,204,806)	(2,341,507)
Buildings and structures, net	1,732,981	1,945,206
Machinery, equipment and vehicles	119,784	87,216
Accumulated depreciation	(75,369)	(70,928)
Machinery, equipment and vehicles, net	44,415	16,288
Tools, furniture and fixtures	713,180	749,534
Accumulated depreciation	(473,694)	(500,907)
Tools, furniture and fixtures, net	239,486	248,627
Land	1,255,093	1,693,312
Lease assets	844,557	947,621
Accumulated depreciation	(187,527)	(351,832)
Lease assets, net	657,030	595,789
Total property, plant and equipment	3,929,005	4,499,222
Intangible assets		
Telephone subscription right	34,790	34,935
Software	568,536	405,374
Goodwill	124,126	38,744
Lease assets	15,299	17,585
Total intangible assets	742,751	496,638
Investments and other assets		
Investment securities	5,075,640	5,498,630
Long-term loans receivable	536,054	502,534
Long-term prepaid expenses	8,408	7,481
Lease and guarantee deposits	1,843,616	1,471,314
Membership	397,319	380,259
Deferred tax assets	792,983	635,816
Other	1,043,530	937,191
Allowance for doubtful accounts	(801,532)	(640,404)
Total investments and other assets	8,896,018	8,792,821
Total noncurrent assets	13,567,774	13,788,681
TOTAL ASSETS	37,233,600	39,804,472

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

	(Thousands of yen)	
	Fiscal year ended March 31, 2011 (As of March 31, 2011)	Fiscal year ended March 31, 2012 (As of March 31, 2012)
LIABILITIES		
Current liabilities		
Notes and accounts payable – trade	4,007,277	4,982,556
Current portion of long-term loans payable	166,000	166,000
Current portion of long-term non-recourse loans payable	19,800	19,600
Lease obligations	144,388	165,697
Accrued expenses	1,891,946	1,992,654
Income taxes payable	592,106	1,070,229
Accrued consumption taxes	321,986	301,725
Deposits received	210,574	429,762
Advances received	52,530	46,729
Provision for bonuses	617,610	596,883
Provision for directors' bonuses	79,421	78,479
Other	96,289	62,916
Total current liabilities	8,199,927	9,913,230
Noncurrent liabilities		
Long-term loans payable	333,904	167,904
Long-term non-recourse loans payable	1,313,300	1,235,200
Lease obligations	522,793	453,255
Deferred tax liability	9,333	18,055
Provision for retirement benefits	140,636	200,202
Provision for directors' retirement benefits	505,994	432,572
Long-term guarantee deposited	1,173,767	762,104
Asset retirement obligations	189,078	206,260
Liabilities from application of equity method	31,568	21,535
Other	32,818	37,645
Total noncurrent liabilities	4,253,191	3,534,732
TOTAL LIABILITIES	12,453,118	13,447,962
NET ASSETS		
Shareholders' equity		
Capital stock	3,000,000	3,000,000
Capital surplus	498,800	498,800
Retained earnings	24,984,851	26,238,534
Treasury stock	(5,392,761)	(5,226,262)
Total shareholders' equity	23,090,890	24,511,072
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	89,336	257,239
Total accumulated other comprehensive income	89,336	257,239
Minority interests	1,600,256	1,588,199
TOTAL NET ASSETS	24,780,482	26,356,510
TOTAL LIABILITIES AND NET ASSETS	37,233,600	39,804,472

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

	(Thousands of yen)	
	Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)
Net sales	73,428,979	74,228,739
Cost of sales	59,918,870	60,320,962
Gross profit	13,510,109	13,907,777
Selling, general and administrative expenses		
Selling expenses	130,771	144,341
Personnel expenses	5,660,509	5,757,863
Provision for bonuses	226,809	238,718
Provision for directors' bonuses	79,421	78,479
Provision for directors' retirement benefits	59,104	29,160
Retirement benefits expenses	121,005	136,965
Transportation and communication expenses	767,023	825,970
Supplies expenses	343,498	367,228
Rent expenses	789,428	779,309
Insurance expenses	182,229	182,083
Depreciation	373,756	399,742
Taxes and dues	63,086	77,857
Enterprise tax	75,462	78,673
Provision of allowance for doubtful accounts	79,640	(76,364)
Amortization of goodwill	148,417	85,382
Other	879,193	857,088
Total selling, general and administrative expenses	9,979,351	9,962,494
Operating income	3,530,758	3,945,283
Non-operating income		
Interest and dividends income	138,259	146,392
Gain on sales of investment securities	18,286	3,420
Rent income	39,316	39,500
Equity in earnings of affiliates	43,258	50,192
Dividends income of insurance	32,723	35,580
Other	73,094	146,208
Total non-operating income	344,936	421,292
Non-operating expenses		
Interest expenses	33,357	39,171
Loss on sales of investment securities	18,927	-
Rent expenses	42,301	42,506
Loss on sales and retirement of noncurrent assets	6,854	5,950
Commission for purchase of treasury stock	6,616	-
Other	31,818	30,918
Total non-operating expenses	139,873	118,545
Ordinary income	3,735,821	4,248,030
Extraordinary loss		
Loss on valuation of investment securities	168,054	48,054
Loss on valuation of membership	6,852	16,960
Provision of allowance for doubtful accounts	106,951	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	113,748	-
Labor compensation costs	38,978	18,880
Other	18,467	-
Total extraordinary loss	453,050	83,894
Income before income taxes and minority interests	3,282,771	4,164,136
Income taxes – current	1,433,150	1,776,948
Refund of income taxes for prior periods	(2,373)	-
Income taxes – deferred	90,402	118,688
Total income taxes	1,521,179	1,895,636
Income before minority interests	1,761,592	2,268,500
Minority interests in income	75,705	96,265
Net income	1,685,887	2,172,235

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

Consolidated statements of comprehensive income

	(Thousands of yen)	
	Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)
Income before minority interests	1,761,592	2,268,500
Other comprehensive income		
Valuation difference on available-for-sale securities	177,167	169,376
Total other comprehensive income	177,167	169,376
Comprehensive income	1,938,759	2,437,876
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,863,435	2,340,137
Comprehensive income attributable to minority interests	75,324	97,739

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

(3) Consolidated statements of changes in net assets

(Thousands of yen)

	Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	3,000,000	3,000,000
Changes of items during the period		
Total changes of items during the period	–	–
Balance at the end of current period	3,000,000	3,000,000
Capital surplus		
Balance at the beginning of current period	499,127	498,800
Changes of items during the period		
Disposal of treasury stock	(327)	–
Total changes of items during the period	(327)	–
Balance at the end of current period	498,800	498,800
Retained earnings		
Balance at the beginning of current period	23,847,117	24,984,851
Changes of items during the period		
Dividends from surplus (year-end)	(276,184)	(574,326)
Dividends from surplus (interim)	(269,552)	(338,958)
Net income	1,685,887	2,172,235
Disposal of treasury stock	(2,417)	(5,268)
Total changes of items during the period	1,137,734	1,253,683
Balance at the end of current period	24,984,851	26,238,534
Treasury stock		
Balance at the beginning of current period	(4,874,661)	(5,392,761)
Changes of items during the period		
Purchase of treasury stock	(583,896)	(9,646)
Disposal of treasury stock	65,796	176,145
Total changes of items during the period	(518,100)	166,499
Balance at the end of current period	(5,392,761)	(5,226,262)
Total shareholders' equity		
Balance at the beginning of current period	22,471,583	23,090,890
Changes of items during the period		
Dividends from surplus (year-end)	(276,184)	(574,326)
Dividends from surplus (interim)	(269,552)	(338,958)
Net income	1,685,887	2,172,235
Purchase of treasury stock	(583,896)	(9,646)
Disposal of treasury stock	63,052	170,877
Total changes of items during the period	619,307	1,420,182
Balance at the end of current period	23,090,890	24,511,072

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

(Thousands of yen)

	Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	(88,212)	89,336
Changes of items during the period		
Net changes of items other than shareholders' equity	177,548	167,903
Total changes of items during the period	177,548	167,903
Balance at the end of current period	89,336	257,239
Total accumulated other comprehensive income		
Balance at the beginning of current period	(88,212)	89,336
Changes of items during the period		
Net changes of items other than shareholders' equity	177,548	167,903
Total changes of items during the period	177,548	167,903
Balance at the end of current period	89,336	257,239
Minority interests		
Balance at the beginning of current period	1,624,767	1,600,256
Changes of items during the period		
Net changes of items other than shareholders' equity	(24,511)	(12,057)
Total changes of items during the period	(24,511)	(12,057)
Balance at the end of current period	1,600,256	1,588,199
Total net assets		
Balance at the beginning of current period	24,008,138	24,780,482
Changes of items during the period		
Dividends from surplus (year-end)	(276,184)	(574,326)
Dividends from surplus (interim)	(269,552)	(338,958)
Net income	1,685,887	2,172,235
Purchase of treasury stock	(583,896)	(9,646)
Disposal of treasury stock	63,052	170,877
Net changes of items other than shareholders' equity	153,037	155,846
Total changes of items during the period	772,344	1,576,028
Balance at the end of current period	24,780,482	26,356,510

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

(4) Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)
Cash flows from operating activities		
Income before income taxes and minority interests	3,282,771	4,164,136
Depreciation and amortization	513,870	572,815
Amortization of goodwill	148,417	85,382
Increase (decrease) in provision for bonuses	(24,917)	(20,727)
Increase (decrease) in provision for directors' bonuses	462	(941)
Increase (decrease) in provision for retirement benefits	3,242	59,565
Increase (decrease) in provision for directors' retirement benefits	4,264	(73,422)
Increase (decrease) in allowance for doubtful accounts	161,880	(189,208)
Equity in (earnings) losses of affiliates	(43,258)	(50,192)
Interest and dividends income	(138,259)	(146,392)
Interest expenses	33,357	39,171
Loss (gain) on sales and retirement of noncurrent assets	6,854	5,950
Loss (gain) on sales of short-term and long-term investment securities	641	(3,420)
Loss (gain) on valuation of investment securities	168,054	48,054
Decrease (increase) in notes and accounts receivable – trade	229,711	(658,967)
Decrease (increase) in investments in silent partnership for business purposes	155,783	76,088
Decrease (increase) in inventories	705,642	91,881
Decrease (increase) in other assets	(167,125)	(162,843)
Increase (decrease) in notes and accounts payable – trade	(185,617)	944,678
Increase (decrease) in accrued consumption taxes	13,194	(20,261)
Increase (decrease) in other liabilities	(81,514)	536,830
Loss on valuation of membership	6,852	16,960
Loss on adjustment for changes of accounting standard for asset retirement obligations	113,533	–
Other, net	(7,113)	(31,652)
Subtotal	4,900,724	5,283,485
Interest and dividends income received	136,718	147,107
Interest expenses paid	(33,357)	(39,171)
Income taxes paid	(1,973,593)	(1,298,120)
Net cash provided by operating activities	3,030,492	4,093,301

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

(Thousands of yen)

	Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)
Cash flows from investing activities		
Payments into time deposits	(435,000)	(315,000)
Proceeds from withdrawal of time deposits	185,506	320,000
Purchase of property, plant and equipment and intangible assets	(143,321)	(1,101,389)
Proceeds from sales of property, plant and equipment and intangible assets	76,733	22,335
Purchase of investment securities	(111,229)	(364,088)
Proceeds from sales of investment securities	252,067	208,233
Collection of investments in capital	150,000	–
Purchase of investments in subsidiaries	(19,000)	–
Payments of loans receivable	(29,480)	(1,252)
Collection of loans receivable	32,934	36,435
Decrease (increase) in lease and guarantee deposits of leasehold estate	45,686	372,301
Increase (decrease) in guarantee deposits received	(102,756)	(411, 663)
Other, net	16,711	105,292
Net cash used in investing activities	(81,149)	(1,128,796)
Cash flows from financing activities		
Increase in short-term loans payable	600,000	600,000
Decrease in short-term loans payable	(600,000)	(600,000)
Proceeds from long-term loans payable	499,904	–
Repayment of long-term loans payable	–	(166,000)
Proceeds from long-term non-recourse loans payable	1,380,000	–
Repayments of long-term non-recourse loans payable	(2,011,200)	(78,300)
Repayments of lease obligations	(145,061)	(159,415)
Proceeds from disposal of treasury stock	63,052	170,877
Purchase of treasury stock	(590,512)	(9,646)
Repayments to minority shareholders	–	(59,796)
Cash dividends paid	(545,632)	(911,281)
Cash dividends paid to minority shareholders	(77,548)	(50,000)
Net cash used in financing activities	(1,426,997)	(1,263,561)
Net increase (decrease) in cash and cash equivalents	1,522,346	1,700,944
Cash and cash equivalents at the beginning of current period	9,959,610	11,481,956
Cash and cash equivalents at the end of current period	11,481,956	13,182,900

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

(5) Notes on a going concern assumption

Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

Not applicable.

Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

Not applicable.

[Segment information, etc.]

(Segment information)

1. Overview of reportable segments

The Company's reportable segments are organizational units for which separate financial information can be gathered. These reportable segments are subject to the Board of Directors' periodical review to make decisions of business resource allocation and to evaluate performance.

We have created four reportable segments – Building Management and Operation Business, Environmental Facility Management Business, Real Estate Fund Management Business, and Other Businesses – based on the characteristics and similarities of the services provided by the Group companies.

Building Management and Operation Business includes building management and security services. Environmental Facility Management Business mainly comprises the management of water treatment, sewage disposal, and other public facilities. Real Estate Fund Management Business mainly comprises composition and asset management of real estate funds and investments in silent partnership. Other Businesses include mainly event planning and management, printing, and design.

2. Calculation methods of sales, income or losses, assets, liabilities, and other items for each reportable segment

The accounting methods used for reportable segments are basically the same as those used for consolidated financial statements.

3. Information about sales, income or losses, assets, liabilities, and other items for each reportable segment

Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(Thousands of yen)

	Reportable segment					Adjustments (note)	Amount recorded on consolidated statements of income
	Building Management and Operation Business	Environmental Facility Management Business	Real Estate Fund Management Business	Other Businesses	Total		
Net sales							
Net sales to external customers	63,749,675	6,826,340	1,153,679	1,699,285	73,428,979	–	73,428,979
Inter-segment net sales and transfer	–	–	–	–	–	–	–
Total	63,749,675	6,826,340	1,153,679	1,699,285	73,428,979	–	73,428,979
Segment income (loss)	6,294,719	472,474	(102,586)	(26,845)	6,637,762	(3,107,004)	3,530,758
Segment assets	19,799,109	1,565,946	3,064,350	801,303	25,230,709	12,002,891	37,233,600
Other items							
Depreciation and amortization	244,438	12,087	44,931	4,785	306,241	267,688	573,929
Increase in property, plant and equipment and intangible assets	517,612	65,178	–	–	582,790	265,251	848,041

Notes: 1. Adjustments are as follows:

- (1) Adjustments to segment income (loss) consist of (3,107,004) thousand yen in unallocated general administrative expenses.
 - (2) Adjustments of 12,002,891 thousand yen for the segment assets are the total amount of assets not allocated to any of the reportable segments and consist mainly of cash, time deposits, investment securities and the assets of the administration departments of the Company.
 - (3) Adjustments of 265,251 thousand yen as the increased amount for property, plant and equipment and intangible assets represent capital expenditures for the headquarters building and others.
2. Segment income (loss) has been adjusted to operating income described in consolidated statements of income.

Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(Thousands of yen)

	Reportable segment					Adjustments (note)	Amount recorded on consolidated statements of income
	Building Management and Operation Business	Environmental Facility Management Business	Real Estate Fund Management Business	Other Businesses	Total		
Net sales							
Net sales to external customers	64,702,686	7,080,609	517,150	1,928,294	74,228,739	–	74,228,739
Inter-segment net sales and transfer	–	–	–	–	–	–	–
Total	64,702,686	7,080,609	517,150	1,928,294	74,228,739	–	74,228,739
Segment income	6,313,161	618,336	62,375	14,620	7,008,492	(3,063,209)	3,945,283
Segment assets	21,072,787	1,943,570	2,978,486	910,520	26,905,363	12,899,109	39,804,472
Other items							
Depreciation and amortization	241,672	12,154	44,584	3,579	301,989	311,337	613,326
Increase in property, plant and equipment and intangible assets	209,620	22,629	18,394	–	250,643	757,899	1,008,542

Notes: 1. Adjustments are as follows:

- (1) Adjustments to segment income consist of (3,063,209) thousand yen in unallocated general administrative expenses.
 - (2) Adjustments of 12,899,109 thousand yen for the segment assets are the total amount of assets not allocated to any of the reportable segments and consist mainly of cash, time deposits, investment securities and the assets of the administration departments of the Company.
 - (3) Adjustments of 757,899 thousand yen as the increased amount for property, plant and equipment and intangible assets represent acquisition of training facilities.
2. Segment income has been adjusted to operating income described in consolidated statements of income.

(Related information)

Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

1. Information related to product and service

Please refer to "Segment information."

2. Information related to geographic region

(1) Net sales

Not applicable since the Group does not have external customers outside of Japan.

(2) Property, plant and equipment

Not applicable since there is no property, plant and equipment outside of Japan.

3. Information related to major customer

There is nothing to report since there is no external customer accounting for 10% or more of net sales reported in the consolidated statements of income.

Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

1. Information related to product and service

Please refer to "Segment information."

2. Information related to geographic region

(1) Net sales

Not applicable since the Group does not have external customers outside of Japan.

(2) Property, plant and equipment

Not applicable since there is no property, plant and equipment outside of Japan.

3. Information related to major customer

There is nothing to report since there is no external customer accounting for 10% or more of net sales reported in the consolidated statements of income.

(Impairment losses on noncurrent assets by reportable segment)

Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

Not applicable.

Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

Not applicable.

(Amortization of goodwill and unamortized outstanding balance of goodwill by reportable segment)

Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(Thousands of yen)

	Reportable segment					Elimination or Total (unallocated)	Total
	Building Management and Operation Business	Environmental Facility Management Business	Real Estate Fund Management Business	Other Businesses	Subtotal		
Amortization for the current year	148,417	–	–	–	148,417	–	148,417
Unamortized outstanding balance at the end of the current year	124,126	–	–	–	124,126	–	124,126

Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(Thousands of yen)

	Reportable segment					Elimination or Total (unallocated)	Total
	Building Management and Operation Business	Environmental Facility Management Business	Real Estate Fund Management Business	Other Businesses	Subtotal		
Amortization for the current year	85,382	–	–	–	85,382	–	85,382
Unamortized outstanding balance at the end of the current year	38,744	–	–	–	38,744	–	38,744

(Gain on negative goodwill by reportable segment)

Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

Not applicable.

Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

Not applicable.

[Per share information]

Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)		Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	
Net assets per share	1,372.26 yen	Net assets per share	1,456.44 yen
Net income per share	99.14 yen	Net income per share	128.17 yen
No diluted net income per share is presented for the fiscal year because there are no potentially dilutive securities.		No diluted net income per share is presented for the fiscal year because there are no potentially dilutive securities.	

(Note) Basis of calculations

1. Net assets per share

	Fiscal year ended March 31, 2011 (As of March 31, 2011)	Fiscal year ended March 31, 2012 (As of March 31, 2012)
Total net assets, as stated on the consolidated balance sheets (thousands of yen)	24,780,482	26,356,510
Net assets associated with common stock (thousands of yen)	23,180,226	24,768,311
Major components of the difference (thousands of yen): Minority interests	1,600,256	1,588,199
Number of shares of common stock issued and outstanding (shares)	20,590,153	20,590,153
Number of shares of common stock as treasury stock (shares)	3,698,202	3,584,059
Number of shares of common stock used in the calculation of net assets per share (shares)	16,891,951	17,006,094

2. Net income per share

	Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)
Net income (thousands of yen)	1,685,887	2,172,235
Amounts not attributable to owners of common stock (thousands of yen)	–	–
Net income associated with common stock (thousands of yen)	1,685,887	2,172,235
Average number of shares of common stock during the year (shares)	17,005,804	16,948,259

3. Regarding the “number of shares of common stock used in the calculation of net assets per share” and the “average number of shares of common stock during the year,” shares that ESOP trust accounts hold in the company filing consolidated financial statements have been deducted in the calculation mentioned above since they are considered as treasury stock.

[Important subsequent events]

Not applicable.

3. Non-consolidated financial statements**(1) Non-consolidated balance sheets**

	(Thousands of yen)	
	Fiscal year ended March 31, 2011 (As of March 31, 2011)	Fiscal year ended March 31, 2012 (As of March 31, 2012)
ASSETS		
Current assets		
Cash and deposits	3,596,029	3,813,278
Notes receivable – trade	114,346	22,224
Accounts receivable – trade	5,546,666	5,854,196
Supplies	8,519	10,509
Prepaid expenses	272,487	300,943
Accounts receivable – other	17,768	19,299
Short-term loans receivable	751,635	779,820
Short-term loans receivable from employees	–	105
Advances paid	75,691	130,004
Deferred tax assets	137,503	143,233
Other	16,236	2,191
Allowance for doubtful accounts	(31,640)	(3,560)
Total current assets	10,505,245	11,072,246
Noncurrent assets		
Property, plant and equipment		
Buildings	3,517,566	3,807,206
Accumulated depreciation	(1,937,244)	(2,062,361)
Buildings, net	1,580,322	1,744,845
Structures	76,050	76,050
Accumulated depreciation	(45,428)	(48,106)
Structures, net	30,622	27,944
Machinery and equipment	6,235	6,235
Accumulated depreciation	(6,170)	(6,232)
Machinery and equipment, net	64	2
Vehicles	31,217	31,217
Accumulated depreciation	(15,400)	(22,150)
Vehicles, net	15,817	9,067
Tools, furniture and fixtures	532,595	544,088
Accumulated depreciation	(338,940)	(358,841)
Tools, furniture and fixtures, net	193,655	185,246
Land	1,166,606	1,604,824
Lease assets	344,049	388,553
Accumulated depreciation	(90,875)	(163,395)
Lease assets, net	253,174	225,157
Total property, plant and equipment	3,240,261	3,797,088
Intangible assets		
Telephone subscription right	15,288	15,288
Software	524,825	366,319
Lease assets	7,976	12,951
Goodwill	2,127	640
Total intangible assets	550,217	395,199

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

(Thousands of yen)

	Fiscal year ended March 31, 2011 (As of March 31, 2011)	Fiscal year ended March 31, 2012 (As of March 31, 2012)
Investments and other assets		
Investment securities	4,114,912	4,452,697
Stocks of subsidiaries and affiliates	2,490,405	2,552,453
Long-term loans receivable	36,857	24,386
Long-term loans receivable from subsidiaries and affiliates	522,620	501,493
Long-term prepaid expenses	61	677
Lease and guarantee deposits	1,137,002	753,767
Membership	351,862	334,902
Insurance funds	29,079	14,400
Claims provable in bankruptcy, claims provable in rehabilitation and other	39,427	34,914
Building for rent	107,470	107,470
Accumulated depreciation	(29,196)	(31,240)
Building for rent, net	78,273	76,229
Land for rent	53,739	53,739
Deferred tax assets	635,186	479,784
Long-term time deposits	400,000	400,000
Other	68,571	81,889
Allowance for doubtful accounts	(653,981)	(601,021)
Total investments and other assets	9,304,020	9,160,316
Total noncurrent assets	13,094,499	13,352,604
TOTAL ASSETS	23,599,744	24,424,851

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

	(Thousands of yen)	
	Fiscal year ended March 31, 2011 (As of March 31, 2011)	Fiscal year ended March 31, 2012 (As of March 31, 2012)
LIABILITIES		
Current liabilities		
Notes payable – trade	956	12,658
Accounts payable – trade	3,574,537	4,097,619
Current portion of long-term loans payable	166,000	166,000
Lease obligations	68,513	77,241
Accounts payable – other	385,108	149,966
Income taxes payable	217,661	522,775
Accrued consumption taxes	166,125	129,240
Accrued salaries	442,420	450,611
Accrued social insurance	159,825	293,397
Deposits received	117,077	231,082
Deposits received from subsidiaries and affiliates	2,000,000	1,700,000
Advances received	27,069	18,864
Provision for bonuses	237,504	225,714
Provision for directors' bonuses	70,000	70,000
Other	53,860	16,818
Total current liabilities	7,686,659	8,161,988
Noncurrent liabilities		
Long-term loans payable	333,904	167,904
Lease obligations	194,922	165,006
Provision for directors' retirement benefits	488,610	424,230
Long-term guarantee deposited	658,407	269,111
Asset retirement obligations	107,488	112,648
Other	12,981	20,583
Total noncurrent liabilities	1,796,314	1,159,484
TOTAL LIABILITIES	9,482,974	9,321,473
NET ASSETS		
Shareholders' equity		
Capital stock	3,000,000	3,000,000
Capital surplus		
Legal capital surplus	498,800	498,800
Total capital surplus	498,800	498,800
Retained earnings		
Legal retained earnings	251,200	251,200
Other retained earnings		
General reserve	12,310,000	12,310,000
Retained earnings brought forward	3,338,110	4,003,547
Total retained earnings	15,899,310	16,564,747
Treasury stock	(5,392,760)	(5,226,262)
Total shareholders' equity	14,005,350	14,837,285
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	111,420	266,092
Total valuation and translation adjustments	111,420	266,092
TOTAL NET ASSETS	14,116,770	15,103,378
TOTAL LIABILITIES AND NET ASSETS	23,599,744	24,424,851

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

(2) Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)
Net sales		
Service revenue	48,368,466	49,005,950
Net sales of goods	360,095	353,324
Total net sales	48,728,562	49,359,275
Cost of sales		
Cost of service sales	40,943,068	41,615,685
Cost of goods sold	271,884	271,929
Total cost of sales	41,214,952	41,887,615
Gross profit	7,513,609	7,471,659
Selling, general and administrative expenses		
Promotion expenses	11,633	11,334
Advertising expenses	132,812	157,736
Directors' compensations	208,890	213,861
Salaries and allowances	1,978,444	2,071,541
Bonuses	292,552	288,682
Provision for bonuses	98,325	98,355
Provision for directors' bonuses	70,000	70,000
Directors' retirement benefits	1,370	–
Provision for directors' retirement benefits	53,000	26,530
Retirement benefit expenses	63,327	63,528
Legal welfare expenses	373,102	394,864
Welfare expenses	20,697	21,536
Training expenses	7,588	7,546
Offering expenses	19,429	18,035
Conference expenses	5,941	5,401
Entertainment expenses	65,599	73,426
Traveling and transportation expenses	252,440	293,169
Vehicle expenses	72,357	75,355
Communication expenses	94,674	96,276
Utilities expenses	41,459	38,597
Supplies expenses	15,104	21,214
Stationery expenses	230,466	214,547
Taxes and dues	50,796	65,935
Enterprise tax	57,790	59,318
Depreciation	324,151	346,031
Repair expenses	3,757	6,669
Insurance expenses	147,586	145,985
Rent expenses	374,762	390,257
Book expenses	7,477	7,228
Membership fee	16,981	16,231
Commission fee	190,949	198,003
Contribution	14,125	3,721
Provision of allowance for doubtful accounts	73,173	(76,299)
Miscellaneous expenses	143,074	134,983
Total selling, general and administrative expenses	5,513,844	5,559,605
Operating income	1,999,764	1,912,054

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

(Thousands of yen)

	Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)
Non-operating income		
Interest income	35,631	36,420
Dividends income	655,245	542,782
Gain on sales of investment securities	17,375	2,459
Rent income	39,316	39,500
Dividends income of insurance	24,158	25,960
Consulting fee income	36,000	36,000
Miscellaneous income	24,406	74,082
Total non-operating income	832,134	757,205
Non-operating expenses		
Interest expenses	39,370	31,882
Loss on sales of investment securities	18,927	–
Rent expenses	42,300	42,506
Loss on sales and retirement of noncurrent assets	4,527	701
Commission for purchase of treasury stock	6,616	–
Miscellaneous loss	24,564	11,310
Total non-operating expenses	136,306	86,400
Ordinary income	2,695,592	2,582,859
Extraordinary loss		
Loss on valuation of investment securities	166,434	2,995
Loss on valuation of membership	6,851	16,960
Loss on adjustment for changes of accounting standard for asset retirement obligations	87,541	–
Labor compensation costs	–	18,880
Other	3,000	–
Total extraordinary loss	263,827	38,835
Income before income taxes	2,431,764	2,544,024
Income taxes – current	699,493	880,048
Income taxes – deferred	57,660	79,988
Total income taxes	757,154	960,037
Net income	1,674,610	1,583,987

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

(3) Non-consolidated statements of changes in net assets

(Thousands of yen)

	Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	3,000,000	3,000,000
Changes of items during the period		
Total Changes of items during the period	–	–
Balance at the end of current period	3,000,000	3,000,000
Capital surplus		
Legal capital surplus		
Balance at the beginning of current period	498,800	498,800
Changes of items during the period		
Total changes of items during the period	–	–
Balance at the end of current period	498,800	498,800
Other capital surplus		
Balance at the beginning of current period	326	–
Changes of items during the period		
Disposal of treasury stock	(326)	–
Total changes of items during the period	(326)	–
Balance at the end of current period	–	–
Total Capital surplus		
Balance at the beginning of current period	499,126	498,800
Changes of items during the period		
Disposal of treasury stock	(326)	–
Total changes of items during the period	(326)	–
Balance at the end of current period	498,800	498,800
Retained earnings		
Legal retained earnings		
Balance at the beginning of current period	251,200	251,200
Changes of items during the period		
Total changes of items during the period	–	–
Balance at the end of current period	251,200	251,200
Other retained earnings		
General reserve		
Balance at the beginning of current period	12,310,000	12,310,000
Changes of items during the period		
Total changes of items during the period	–	–
Balance at the end of current period	12,310,000	12,310,000
Retained earnings brought forward		
Balance at the beginning of current period	2,211,654	3,338,110
Changes of items during the period		
Dividends from surplus (year-end)	(276,184)	(574,326)
Dividends from surplus (interim)	(269,551)	(338,958)
Net income	1,674,610	1,583,987
Disposal of treasury stock	(2,418)	(5,268)
Total changes of items during the period	1,126,455	665,436
Balance at the end of current period	3,338,110	4,003,547

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

(3) Non-consolidated statements of changes in net assets

(Thousands of yen)

	Fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)
Total retained earnings		
Balance at the beginning of current period	14,772,854	15,899,310
Changes of items during the period		
Dividends from surplus (year-end)	(276,184)	(574,326)
Dividends from surplus (interim)	(269,551)	(338,958)
Net income	1,674,610	1,583,987
Disposal of treasury stock	(2,418)	(5,268)
Total changes of items during the period	1,126,455	665,436
Balance at the end of current period	15,899,310	16,564,747
Treasury stock		
Balance at the beginning of current period	(4,874,661)	(5,392,760)
Changes of items during the period		
Purchase of treasury stock	(583,895)	(9,646)
Disposal of treasury stock	65,796	176,145
Total changes of items during the period	(518,099)	166,499
Balance at the end of current period	(5,392,760)	(5,226,262)
Total Shareholders' equity		
Balance at the beginning of current period	13,397,320	14,005,350
Changes of items during the period		
Dividends from surplus (year-end)	(276,184)	(574,326)
Dividends from surplus (interim)	(269,551)	(338,958)
Net income	1,674,610	1,583,987
Purchase of treasury stock	(583,895)	(9,646)
Disposal of treasury stock	63,051	170,877
Total changes of items during the period	608,030	831,935
Balance at the end of current period	14,005,350	14,837,285
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	(70,112)	111,420
Changes of items during the period		
Net changes of items other than shareholders' equity	181,532	154,672
Total changes of items during the period	181,532	154,672
Balance at the end of current period	111,420	266,092
Total valuation and translation adjustments		
Balance at the beginning of current period	(70,112)	111,420
Changes of items during the period		
Net changes of items other than shareholders' equity	181,532	154,672
Total changes of items during the period	181,532	154,672
Balance at the end of current period	111,420	266,092
Total net assets		
Balance at the beginning of current period	13,327,207	14,116,770
Changes of items during the period		
Dividends from surplus (year-end)	(276,184)	(574,326)
Dividends from surplus (interim)	(269,551)	(338,958)
Net income	1,674,610	1,583,987
Purchase of treasury stock	(583,895)	(9,646)
Disposal of treasury stock	63,051	170,877
Net changes of items other than shareholders' equity	181,532	154,672
Total changes of items during the period	789,562	986,607
Balance at the end of current period	14,116,770	15,103,378

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.