

Tax-Effect Accounting

(1) Deferred tax assets and deferred tax liabilities

	As of March 31, 2008	[Millions of yen] As of March 31, 2009
Deferred tax assets		
Net operating tax loss carried forward	27,061	31,953
Accrued retirement benefits over deductible limit	26,973	29,824
Elimination of unrealized intercompany profit	20,131	9,064
Provision for loss on discontinued operations	9,565	6,025
Depreciation and amortization	5,710	5,661
Write-down of assets, other	4,151	5,122
Accrued bonuses	5,768	4,431
Tax effects related to investments	1,721	1,717
Allowance for doubtful accounts	1,169	1,039
Accrued enterprise taxes	2,059	242
Other	8,657	10,295
Deferred tax assets subtotal	112,970	105,378
Valuation allowance	(34,639)	(33,335)
Total deferred tax assets	78,331	72,043
Deferred tax liabilities		
Gain on establishment of employee pension trust	(3,042)	(2,973)
Retained earnings of overseas subsidiaries	(5,455)	(2,272)
Reserve for advanced depreciation, other	(800)	(558)
Revaluation difference of marketable securities	(3,265)	(440)
Other	(377)	(1,703)
Total deferred tax liabilities	(12,941)	(7,948)
Net deferred tax assets	65,389	64,094

	[Millions of yen]
Deferred tax liabilities related to revaluation	
Deferred tax liabilities related to revaluation of land	(4,010) (3,889)

Net deferred tax assets are included in the following items in the consolidated balance sheets.

	As of March 31, 2008	[Millions of yen] As of March 31, 2009
Current assets – deferred tax assets	37,086	25,326
Fixed assets – deferred tax assets	28,604	39,608
Current liabilities – other	(248)	(734)
Long-term liabilities – other	(53)	(105)

(2) Reconciliation between the statutory income tax rate and the effective income tax rate after the adoption of tax effect accounting.

	As of March 31, 2008	[%] As of March 31, 2009
Statutory income tax rate	40.7	40.7
(Adjustments)		
Valuation allowance	(4.9)	6.4
Tax credits (R&D expenses, other)	(4.3)	(5.0)
Non-taxable income	(4.7)	(0.5)
Difference in statutory tax rates of foreign subsidiaries	(0.0)	(0.6)
Expenses not deductible for tax purpose	2.6	4.5
Amortization of goodwill	2.7	10.9
Impact of change in the recording standard of tax effects of retained earnings in accordance with revision of Corporate Tax Laws	-	(10.4)
Ineffective portion of unrealized (gain) loss	-	5.5
Other	(1.8)	2.7
Effective income tax rate per consolidated statements of income	30.3	54.3

Securities

Fiscal year ended March 31, 2008

(1) Other securities with quoted market values (As of March 31, 2008)

[Millions of yen]

Type	Acquisition cost	Total amount on consolidated balance	Difference	
Total amount on consolidated balance sheets exceeds the acquisition cost	(1) Stocks	9,064	16,515	7,450
	(2) Bonds	3	5	1
	(3) Other	1	1	-
	Sub total	9,069	16,522	7,452
Total amount on consolidated balance sheets does not exceed the acquisition cost	(1) Stocks	9,388	6,862	(2,526)
	(2) Bonds	21	14	(6)
	(3) Other	-	-	-
	Sub total	9,410	6,876	(2,533)
Total	18,479	23,399	4,919	

(Note)

Historical cost represents carrying value after processing the impairment losses. During the fiscal year under review the Company processed impairment losses for other available-for-sale securities with available fair market values and recorded an impairment loss on investment securities of ¥297 million.

(2) Other securities sold in fiscal year ended March 31, 2008 (April 1, 2007 - March 31, 2008)

[Millions of yen]

	Sales amount	Total profit	Total loss
Other securities	23	20	0

(3) Composition and amounts on the consolidated balance sheets of other securities without market values

[Millions of yen]

	Total amount on consolidated balance sheets
Negotiable deposit	33,000
Unlisted stocks	863

Fiscal year ended March 31, 2009

(1) Other securities with quoted market values (As of March 31, 2009)

[Millions of yen]

Type	Acquisition cost	Total amount on consolidated balance	Difference	
Total amount on consolidated balance sheets exceeds the acquisition cost	(1) Stocks	7,287	8,823	1,536
	(2) Bonds	-	-	-
	(3) Other	8	8	0
	Sub total	7,295	8,832	1,536
Total amount on consolidated balance sheets does not exceed the acquisition cost	(1) Stocks	8,426	6,031	(2,395)
	(2) Bonds	--	-	-
	(3) Other	8	6	(1)
	Sub total	8,435	6,037	(2,397)
Total	15,730	14,869	(861)	

(Note)

Historical cost represents carrying value after processing the impairment losses. During the fiscal year under review the Company processed impairment losses for other available-for-sale securities with available fair market values and recorded an impairment loss on investment securities of ¥3,735 million.

**(2) Other securities sold in fiscal year ended March 31, 2009
(April 1, 2008 - March 31, 2009)**

[Millions of yen]

	Sales amount	Total profit	Total loss
Other securities	15	6	0

(3) Composition and amounts on the consolidated balance sheets of other securities without market values

[Millions of yen]

	Total amount on consolidated balance sheets
Negotiable deposit	48,000
Unlisted stocks	648

Retirement Benefit Plan

(1) Outline of the retirement benefit system

The Company and some of domestic consolidated subsidiaries have defined benefit retirement plans (defined benefit-type corporate pension plans, tax-qualified retirement pension plans and lump-sum severance payments), and have defined contribution retirement plans (defined contribution-type corporate pension plans). Certain overseas consolidated subsidiaries have defined benefit retirement plans and defined contribution retirement plans. In some cases, retiring employees are paid an additional severance allowance. Additionally, the Company and certain domestic consolidated subsidiaries have a retirement benefit trust.

(2) Items related to retirement benefit liabilities

[Millions of yen]

	As of March 31, 2008	As of March 31, 2009
a. Retirement benefit obligation	(144,011)	(140,843)
b. Plan assets	91,360	74,124
c. Unfunded retirement benefit obligation (a+b)	(52,651)	(66,718)
d. Unrecognized actuarial differences	10,276	18,621
e. Unrecognized prior service cost (reduction in liabilities)	(8,131)	(7,033)
f. Net amount on consolidated balance sheets (c+d+e)	(50,506)	(55,130)
g. Prepaid pension costs	2,861	2,831
h. Accrued for retirement benefits (f-g)	(53,367)	(57,962)

Note:

As of March 31, 2008

1. Certain subsidiaries use a simplified method for the calculation of benefit obligation

As of March 31, 2009

1. Certain subsidiaries use a simplified method for the calculation of benefit obligation

(3) Items related to retirement benefit costs

[Millions of yen]

	April 1, 2007 – March 31, 2008	April 1, 2008 – March 31, 2009
a. Service costs	5,662	5,181
b. Interest costs	4,410	4,074
c. Expected return on plan assets	(3,095)	(2,280)
d. Amortization of actuarial differences	1,248	1,860
e. Amortization of prior service costs	(1,426)	643
f. Retirement benefit costs (a+b+c+d+e)	6,799	9,479
g. Contribution defined contribution pension plans	3,199	3,168
Total (f+g)	9,998	12,647

Notes:

April 1, 2007 – March 31, 2008	April 1, 2008 – March 31, 2009
1. Retirement benefit costs for consolidated subsidiaries using a simplified method are included in "a. Service costs".	Retirement benefit costs for consolidated subsidiaries using a simplified method are included in "a. Service costs".
2. In addition to the above retirement benefit costs, ¥460 million of special retirement bonus payments were recorded among extraordinary losses.	

(4) Items forming the basis for the calculation of retirement benefit liabilities

[Millions of yen]

	April 1, 2007 – March 31, 2008	April 1, 2008– March 31, 2009
a. Method of attributing the retirement benefits to periods of service	Periodic allocation method for projected benefit obligations	Periodic allocation method for projected benefit obligations
b. Discount rate	Mainly 2.5%	Mainly 2.5%
c. Expected rate of return on plan assets	Mainly 1.25%	Mainly 1.25%
d. Period for amortization of unrecognized prior service cost	Mainly 10 years (Amortization is made over a certain period, using the straight-line method within the average remaining years of service of employees when liabilities are accrued.)	Mainly 10 years (Amortization is made over a certain period, using the straight-line method within the average remaining years of service of employees when liabilities are accrued.)
e. Period for amortization of unrecognized actuarial differences	Mainly 10 years (Amortization is made over a certain period, using the straight-line method within the average remaining service period starting the year after actuarial loss or gain are recognized.)	Mainly 10 years (Amortization is made over a certain period, using the straight-line method within the average remaining service period starting the year after actuarial loss or gain are recognized.)

Per Share Information

[yen]

April 1, 2007 – March 31, 2008		April 1, 2008 – March 31, 2009	
Net assets per share	786.20	Net assets per share	779.53
Net income per share	129.71	Net income per share	28.62
Diluted net income per share	122.44	Diluted net income per share	26.91

Notes: Bases of calculations

1. Net assets per share

	As of March 31, 2008	As of March 31, 2009
Total net assets in consolidated balance sheets [millions of yen]	418,310	414,284
Total net assets attributable to common stock [millions of yen]	417,166	413,380
Principal factors underlying difference [millions of yen]		
Warrants	286	460
Minority interests	858	444
Common stock outstanding [thousands of shares]	531,664	531,664
Treasury stock [thousands of shares]	1,055	1,370
Common stock figure used for calculating shareholder's equity per share [thousands of shares]	530,609	530,293

2. Net income per share and diluted net income per share

	April 1, 2007 – March 31, 2008	April 1, 2008 – March 31, 2009
Total net income in consolidated statements of income [millions of yen]	68,829	15,179
Value not attributable to common stock [millions of yen]	-	-
Total net income attributable to common stock [millions of yen]	68,829	15,179
Average number of shares outstanding during the year [thousands of shares]	530,660	530,437
Main net income adjustment items used to calculate diluted net income figure [millions of yen]		
Interest receivable (after deducting tax)	(72)	(70)
Adjustment of net income [millions of yen]	(72)	(70)
Main common stock change items used to calculate diluted net income figure [thousands of shares]		
Convertible bonds with warrants	30,578	30,578
Warrants	341	446
Change in shares outstanding [thousands of shares]	30,919	31,025
Summary of potential shares not included in calculation of diluted EPS because they are anti-dilutive	-	-

Important Subsequent Events

No relevant transactions occurred during fiscal year ended March 31, 2009.

Omission of Disclosure

Disclosure of the notes on leases, related party transactions, derivative transactions, and stock options was omitted due to the minor necessity of disclosure.