4. Note on the Premise of Going Concern

No relevant items occurred during fiscal year ended March 31, 2009

5. Basis of Presenting Non-Consolidated Financial Statements

(1) Securities valuation standard and methods

1. Shares of subsidiaries and affiliates Securities

Shares of subsidiaries and affiliates are stated at cost using the moving-average method.

2. Other securities

Securities with fair market value are stated using the mark-to-market method based on the market price at the balance sheet date. (Total net unrealized gains or losses after tax effect adjustments are directly recorded in shareholders' equity, and the cost of securities sold is computed based on the moving-average method.) Other securities that do not have fair market values are primarily stated at cost using the moving value average.

(2) Derivatives

Derivatives are stated using the mark-to-market method.

(3) Amortization Method for Depreciable Assets

1. Tangible fixed assets (excluding lease assets)

The depreciable assets of the Company are depreciated using the declining-balance method. However, the Company has used the straight-line method for their buildings (excluding annexed structures) acquired since April 1, 1998.

[Additional Information]

Accompanying revisions in Japan's Corporate Tax Law (as contained in the Law Revising a Portion of the Income Tax Law, April 30, 2008, Law No. 23), the Company reviewed the useful life and classification of depreciable assets, and, with respect to mechanical device, have shifted to the use of the post-revision method of amortizing assets over the applicable useful life and classification of those assets beginning with the fiscal year under review.

As a result, compared with the method used in the previous fiscal year, the introduction of the new method had the effect of increasing operating income, recurring profit, and net income before income taxes by ¥33 million each during the fiscal year under review.

2. Intangible fixed assets

We have adopted the straight-line method based on an estimated in-house working life of five years for the software we use.

3. Lease assets

<Lease assets arising from finance lease transactions that do not transfer of ownership>

Depreciation is computed using the straight-line method based on the assumption that the useful life equals the lease term and the residual value equals zero. Finance lease transactions not involving transfer of ownership commencing on or before March 31, 2008 are accounted for based on methods applicable to ordinary rental transactions.

(4) Standards for Key Allowances

1. Allowance for doubtful accounts
   To prepare for possible losses on uncollectable receivables, for general receivables, an amount is provided according to the historical percentage of uncollectables. For specific receivables for which there is some concern regarding collectability, an estimated amount is recorded by investigating the possibility of collection for each individual account.

2. Allowance for bonuses
   To prepare for the payment of employee bonuses, an amount corresponding to the current portion of estimated bonus payments to employees is recorded.

3. Allowance for director’s bonus
   To prepare for the payment of directors’ bonuses, an amount corresponding to the projected value of bonus payments to directors for the fiscal year under review is recorded.

4. Reserve for retirement benefits and pension plans
   In order to provide employee retirement benefits, the Company records an amount based on projected benefit obligations and pension assets at the end of the consolidated fiscal year under review. Prior service cost is being amortized as incurred by the straight-line method over certain periods (10 years) which are shorter than the average remaining years of service of the employees at the time when the service cost is generated. Actuarial gains and losses are being amortized in the fiscal year following the fiscal year in which the gains or losses are recognized, by the straight line method over periods (10 years) which are shorter than the average remaining years of service of the employees at the time when they are generated.

(5) Principal accounting methods for hedge transactions

1. Hedge accounting methods
   The deferred hedge method is used. Special accounting methods are used for interest rate swaps.

2. Hedge methods and hedge targets
   The hedge methods are forward exchange contracts, and interest rate swaps that meet certain conditions. The hedge targets are scheduled foreign currency denominated transactions, corporate bonds, borrowings, and loans.

3. Hedge policy
   The Company enters into interest rate swaps to make interest rates on bonds and borrowings stable or reduce costs fluctuations for future capital procurement, and make interest revenue on loans stable, those as hedging instruments only, not for speculation purpose, within the limit of actual financial or operating transactions.

4. Methods for evaluating the effectiveness of hedges
   Verification is made to ascertain a high correlation between value fluctuations of cash flows and hedging instruments.

(6) Land revaluation

Land for industrial purpose that had been evaluated based on the Law Concerning Land Revaluation (Law No. 34 implemented on March 31, 1998) was received from Minolta Co., Ltd. on October 1, 2003, at the time of the merger. The amount corresponding to taxes on the amount of the land revaluation is included under the item deferred tax liabilities related to land revaluation. An amount equivalent to the amount of the revaluation less the deferred tax liabilities has been entered in shareholders’ equity as the differential on revaluation of land.

1. Method of revaluation

The value of the land has been evaluated according to the value appraisal method for land fronting major roads, as provided for in Article 2-4 of the Enforcement Orders for the Law Concerning Land Revaluation (Enforcement Orders No. 119, implemented on March 31, 1998) and the method for valuations of fixed assets provided for Article 2-3 of the Enforcement Orders.

2. Date of revaluation

March 31, 2002

3. Difference between the market value of the revaluated land at the end of the fiscal year under review and the book value following revaluation

¥(7,383) million

(7) Other important items regarding the preparation of consolidated financial statements

1. Consumption tax

The tax-exclusion method is used to account for consumption taxes. In addition, asset-related consumption tax that cannot be excluded is accounted for as deferred consumption taxes, etc., in the long-term prepaid expenses item and amortized over a five-year period by the straight-line method.

2. Consolidated tax payment system

The consolidated tax payment system is applied.

6. Significant Changes in the Basis of Presenting Non-Consolidated Financial Statements

[Application of Accounting Standards for Lease Transactions]

Beginning with the fiscal year under review, the Company has undertaken the application of the “Accounting Standards for Lease Transactions” (ASBJ Statement No. 13, issued by the First Subcommittee of the Business Accounting Council on June 17, 1993, and revised on March 30, 2007) and “Implementation Guidance on Accounting Standards for Lease Transactions” (ASBJ Guidance No. 16, issued by the Accounting Practice Committee of the Japan Institute of Certified Public Accountants on January 18, 1994, and revised on March 30, 2007). Under these standards, the accounting treatment for finance leases for which ownership is not transferred to the lessee has been changed from methods applicable to ordinary rental transactions to methods applicable to ordinary buying and selling transactions.

This change had not effect profit and loss for the fiscal year under review.

7. Important Notes

<Non-consolidated balance sheets items and non-consolidated statements of income items>

(From April 1, 2008 to March 31, 2009)

[Non-consolidated balance sheets items]

Accumulated depreciation directly deducted from tangible fixed assets: ¥72,420 million

[Consolidated statements of income items]

Main expense items and amounts of selling, general and administrative expenses are as follows.

	[Millions]
Advertising	¥3,429
Retirement benefits	¥668
Research and development	¥8,911
Commission fee & Business consignment expense	¥6,176

Repair expenses	¥1,539
Taxes and dues	¥1,513
Depreciation	¥4,455
Provision for reserves for bonuses	¥230
Provision for allowance for directors' bonuses	¥32

<Tax-effect accounting>

(1) Deferred tax assets and deferred tax liabilities

[Millions of yen]

	As of March 31, 2008	As of March 31, 2009
Deferred tax assets		
Allowance for doubtful accounts	20,602	20,823
Losses on stock of affiliated companies	13,757	13,757
Net operating tax loss carried forward	5,741	7,481
Accrued retirement benefits over deductible limit	6,022	6,169
Depreciation and amortization	796	653
Accrued bonuses	141	93
Other	1,602	1,594
Deferred tax assets subtotal	48,664	50,572
Valuation allowance	(43,181)	(44,850)
Total deferred tax assets	5,483	5,722
Deferred tax liabilities		
Gain on establishment of employee pension trust	(991)	(970)
Revaluation difference of marketable securities	(3,010)	(318)
Reserve for special depreciation	(66)	(64)
Reserve for advanced depreciation	(41)	(38)
Total deferred tax liabilities	(4,109)	(1,391)
Net deferred tax assets	1,373	4,331
Deferred tax liabilities related to revaluation		
Deferred tax liabilities related to revaluation of land	(5,534)	(5,390)

(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	(3.9)	12.9
Exclusion from gross revenue of dividends received	(46.5)	(95.0)
Tax credits (R&D expenses, other)	(1.0)	(1.5)
Refunds for past fiscal year income taxes, etc.	(0.7)	(0.1)
Other	0.7	0.6
Effective income tax rate per consolidated statements of income	(10.7)	(42.6)

<Per share information>

[yen]

April 1, 2007 – March 31, 2008		April 1, 2008 – March 31, 2009	
Net assets per share	496.97	Net assets per share	506.10
Net income per share	90.40	Net income per share	34.56
Diluted net income per share	85.30	Diluted net income per share	32.52

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]	263.983	268,840
Total net assets attributable to common stock [millions of yen]	263.697	268,380
Principal factors underlying difference [millions of yen] Warrants	286	460
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]	47,972	18,329
Value not attributable to common stock [millions of yen]	-	-
Total net income attributable to common stock [millions of yen]	47,972	18,329
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 Warrants	30,578 341	30,578 446
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.