JASDAQ

Financial Report for Fiscal 2011 (Non-Consolidated)

September 14, 2011

Name of Listed Company: PLANET, INC. — Stock Exchange Listing: Osaka
URL: http://www.planet-van.co.jp — Code: 2391
Representative: Hiromasa Tamanyu
President and Chief Executive Officer
Inquiries: Shigeharu Takiyama
General Manager, Corporate Planning Department, Administration Division
Scheduled date of annual general meeting of shareholders: October 27, 2011
Scheduled submission date of annual securities report: October 27, 2011
Scheduled commencement date of dividend payments: October 28, 2011
Preparation of supplementary material for financial results: No
Holding of financial results meeting: Yes

Amounts less than one million yen have been omitted.

1. Business Performance for Fiscal 2011 (from August 1, 2010, to July 31, 2011)

(1) Results of Operations

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2011	2,624	3.1	616	15.2	621	14.7	333	8.4
FY2010	2,544	2.2	534	11.9	541	20.2	307	29.6

	Net income per share (Yen)	Diluted net income per share (Yen)	Net income to shareholders' equity (%)	Ordinary income to total assets (%)	Operating income to net sales (%)
FY2011	50.27	—	15.7	22.5	23.5
FY2010	46.37	—	15.5	21.3	21.0

(Reference) Equity in earnings/losses of affiliates:
FY2011: ¥3 million
FY2010: ¥33 million

(2) Financial Position

	Total assets (Millions of yen)	Net assets (Millions of yen)	Equity ratio (%)	Net assets per share (Yen)
FY2011	2,879	2,190	76.1	330.27
FY2010	2,636	2,056	78.0	310.13

(Reference) Shareholders' equity
FY2011: ¥2,190 million
FY2010: ¥2,056 million

(3) Cash Flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of period
FY2011	570	(179)	(185)	1,307
FY2010	559	(307)	(138)	1,102

2. Dividends

Record date	Dividend per share (Yen) End of 1Q	End of 2Q	End of 3Q	End of fiscal year	Full fiscal year	Total dividends (Full fiscal year, millions of yen)	Payout ratio (%)	Total dividends to net assets (%)
FY2010	—	11.00	—	16.00	27.00	145	58.2	9.0
FY2011	—	12.00	—	16.00	28.00	185	55.7	8.7
FY2012 (Forecast)	—	14.00	—	14.00	28.00		50.9	

(Note) Of the year-end dividend for FY2011, regular dividends amounted to ¥12.00 per share and commemorative dividends for ¥4.00 per share

(Note) Of the year-end dividend for FY2010, regular dividends amounted to ¥11.00 per share and commemorative dividends for ¥5.00 per share

3. Business Performance Forecasts for Fiscal 2012 (from August 1, 2011, to July 31, 2012)

Percentages represent increases/decreases from the corresponding period of the previous year.
(Millions of yen, unless otherwise stated)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (Yen)
First half ending January 31, 2012	1,320	0.2%	310	(4.1%)	310	(3.9%)	180	3.2%	27.14
Year ending July 31, 2012	2,680	2.1%	640	3.9%	650	4.6%	365	9.5%	55.04

4. Other

(1) Changes in Significant Accounting Policies
- (i) Changes accompanying amendments to accounting standards, etc.: Yes
- (ii) Changes other than (i): No

(2) Shares Issued and Outstanding (Common Stock)
- (i) Shares issued and outstanding at end of period (including treasury stock):
  - FY2011 6,632,800
  - FY2010 6,632,800
- (ii) Shares of treasury stock at end of period:
  - FY2011 1,736
  - FY2010 1,678
- (iii) Average number of shares during period:
  - FY2011 6,631,074
  - FY2010 6,631,187

Information Regarding the Implementation of Audit Procedures
As of the date of disclosure of these financial statements, audit procedures based on the Financial Instruments and Exchange Act were underway.

Cautionary Statement Regarding Performance Forecasts and Other Matters of Special Note
The above forecasts are based on information available to management as of the date of publication of this document and assumptions involving uncertainties that could impact future performance are current as of that date. Actual results may differ materially from forecasts due to a variety of factors.

1. Results of Operations

(1) Analysis of Results of Operations

(i) Results of Operations in the Period Under Review

During fiscal 2011, ended July 1, 2011, the Japanese economy showed signs of a gradual recovery, encouraged by such factors as growth in emerging markets. However, ongoing deflationary pressures, coupled with continuing appreciation of the yen, prompted a rise in raw materials prices. These factors combined to make the outlook extremely uncertain. This situation was made even more problematic as a result of the severe damage wrought by the Great East Japan Earthquake.

Competition is growing increasingly fierce in the consumer packaged goods (CPG) distribution business, which constitutes the Company's principal market; the earthquake's impact compounded the difficulties in our operating environment.

Despite such circumstances, the Company sought to raise the efficiency of transactions for manufacturers and distributors in the daily necessities, cosmetics and OTC drugs industries, as well as in pet foods, pet care products and adjacent industries. In particular, the Company continued to (a) expand the use rate of its electronic data interchange (EDI) services; (b) expand the use of different types of EDI data; (c) popularize Buyer's Net marketing network services that connect manufacturers and distributors; and (d) sought to introduce measures to enhance security focused on business continuity as information infrastructure.

In January 2011, we made our pricing even more affordable by reducing service fees for the eighth time since the Company's establishment. The number of companies using our services and the volume of communications data processed rose as a result, and we increased the number of members to our Buyer's Net services (reaching our initial target of 20,000 members).

In January, we also switched over to new sixth-generation center machines to handle PLANET's services. This upgrade substantially boosted our capacity and processing speed. Furthermore, it allowed us to enhance reliability while maintaining the triple server structure on our center machines. Our new system employs leading-edge cloud computing technology, and we have now commenced operations of our new cloud services, which we refer to internally as PE-G6.

Our communication services continued to operate reliably during and after the Great East Japan Earthquake, which struck in March, and our operations were essentially unaffected. Following the earthquake, we donated ¥10 million to help the people who suffered as a result of the earthquake, as well as to assist—even to a small extent—in the recovery of the stricken region.

As a result, in fiscal 2011 net sales rose 3.1%, to ¥2,624 million; operating income expanded 15.2%, to ¥616 million; ordinary income grew 14.7%, to ¥621 million; and net income increased 8.4%, to ¥333 million.

Sales by Segment

(Thousands of yen, unless otherwise stated)

	Fiscal 2010 (August 1, 2009, to July 31, 2010)		Fiscal 2011 (August 1, 2010, to July 31, 2011)		Year-on-Year Change	
	Amount	Percent of total	Amount	Percent of total	Amount	Percent
EDI	2,152,266	84.6	2,230,028	85.0	77,762	3.6
Database	370,453	14.5	374,780	14.3	4,326	1.2
Other	22,060	0.9	19,745	0.7	(2,315)	(10.5)
Total	2,544,799	100.0	2,624,553	100.0	79,774	3.1

Notes: 1. The above amounts exclude consumption taxes.
2. Amounts are rounded down.

(ii) Outlook

The Company believes that the operating environment will remain problematic in fiscal 2012, ending July 31, 2012, as the overall Japanese economy will continue to be affected by the aftermath of the Great East Japan Earthquake, the deceleration of overseas economies, exchange rate fluctuations and other factors.

We also expect the climate surrounding the daily necessities and cosmetics industry—the Company's main market—to remain severe. This involves lower consumption demand due to a declining population and aging society, and a drop in prices due to deflation.

In this environment, the Company will strive to construct a stronger and more secure system network built on advanced technologies and further popularize EDI. In addition, PLANET will promote the use of its Buyer's Net and Consumer Packaged Goods Database and develop a structure capable of catering to retail and other users' various needs. Furthermore, the Company also will continue to cooperate in activities to standardize the system for distribution in the drugstore industry, which largely handles daily necessities and cosmetics, as well as OTC drugs.

In fiscal 2012, the Company anticipates a 2.1% year-on-year increase in net sales, to ¥2,680 million. We expect operating income to rise 3.9%, to ¥640 million; ordinary income to grow 4.6%, to ¥650 million; and net income to expand 9.5%, to ¥365 million.

(2) Analysis of Financial Position

(i) Assets, Liabilities and Net Assets

As of July 31, 2011, total assets amounted to ¥2,879 million, up ¥242 million, or 9.2%, from one year earlier. Current assets were up ¥358 million, or 23.5%, to ¥1,879 million. This increase was attributable primarily to a ¥205 million increase in cash and deposits. Non-current assets as of fiscal year-end were down ¥116 million, or ¥10.4%, from a year earlier, to ¥999 million. The shift over from investment securities to securities was the main reason for this change.

Total liabilities were ¥689 million on July 31, 2011, up ¥108 million, or 18.7%, from the end of the preceding fiscal year. Current liabilities were up ¥79 million, or 18.3%, to ¥511 million. An increase in accounts payable–other was the principal reason for the increase.

Non-current liabilities were up ¥29 million, or 19.8%, to ¥178 million, mainly because of a rise in the provision for retirement benefits.

Net assets were up ¥133 million, or 6.5%, to ¥2,190 million, mainly due to the posting of net income.

(ii) Cash Flows

Cash and cash equivalents on July 31, 2011, were ¥1,307 million, up ¥205 million from the end of the preceding period.

Major cash flows and their components were as follows.

(Cash flows provided by operating activities)

Net cash provided by operating activities amounted to ¥570 million in fiscal 2011, ¥11 million more than was provided by these activities in fiscal 2010. Significant sources of cash included income before income taxes of ¥587 million and depreciation expenses of ¥173 million. The major use of cash was income taxes paid of ¥256 million.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥180 million, ¥127 million less than was used in fiscal 2010. Among major uses of cash were ¥173 million for the purchase of software.

(Cash flows from financing activities)

Net cash used in financing activities was ¥185 million, an increase of ¥46 million from the preceding period. The main use of cash was cash dividends paid of ¥185 million.

(Reference) Indicators related to cash flows

	FY2007	FY2008	FY2009	FY2010	FY2011
Equity ratio	76.6%	75.2%	78.2%	78.0%	76.1%
Equity ratio based on market price	167.9%	152.5%	212.8%	144.6%	150.2
Ratio of interest-bearing liabilities to cash flows	—	—	—	—	—
Interest coverage ratio	—	—	—	—	—

Equity ratio = Shareholders' equity ÷ Total assets
Equity ratio based on market price = Market capitalization ÷ Total assets
Ratio of interest-bearing liabilities to cash flows = Interest-bearing liabilities ÷ Operating cash flows
Interest coverage ratio = Operating cash flows ÷ Interest payments

Notes:
1. Market capitalization is calculated based on the number of shares issued and outstanding, excluding treasury stock.
2. Concerning the ratio of interest-bearing liabilities to cash flows and interest coverage ratio, there are no interest-bearing liabilities or interest payments.

(3) Basic Policy on Distribution of Earnings, and Dividends for Current and Subsequent Periods

Recognizing its duty to shareholders as a listed company, the Company considers the sustainable and consistent return of earnings to shareholders a top management priority. At the same time, to enhance its growth potential and improve business efficiency, the Company's basic policy is to distribute earnings in light of the business performance during the respective fiscal period while taking into consideration the accumulation of retained earnings.

In principle, the Company's policy is to award dividends from surplus twice a year, as interim dividends and year-end dividends. The Board of Directors determines interim dividends and the Annual General Meeting of Shareholders sets year-end dividends.

For fiscal 2011, the Company awarded an interim dividend of ¥12 per share, and expects the year-end dividend to amount to ¥12 per share. In addition, the Company expects to award ¥4 per share as a commemorative dividend celebrating the start of its new cloud-style system. As a result, the expected total is ¥28 per share for the year.

For fiscal 2012, the Company expects to pay an interim dividend of ¥14 per share and a year-end dividend of the same amount, resulting in a total dividend for the year of ¥28 per share.

The Company aims to sustain or improve its payout ratio. At the same time, we will maximize our use of internal funds in response to rapid advances in information technologies.

The Company's Articles of Incorporation include a provision stating that it may distribute an interim dividend as prescribed in Paragraph 5, Article 454, of the Companies Act.

(4) Business and Other Risks

(i) Impact of Wholesaler Consolidations and Decommissioning

In recent years, the distribution function has undergone reorganization in the daily necessities and cosmetics industry, resulting in wholesaler consolidations and decommissioning. A decrease in the number of connections due to mergers of major wholesalers or other parties would reduce income from monthly usage fees and cause net sales to decrease. While the Company is currently working as needed to restructure its fee structure to avoid substantial impacts on its revenue, sudden large mergers or similar unexpected events could materially affect the Company's business performance.

(ii) System Failure

The Company's services must be available 24/7. The Company has prepared the Offered Services Restoration Plan as a business continuity plan, insuring itself against potential system failure by developing a redundant framework to restore each of its services, as well as conducting system failure response training. In addition, although the Company uses a triple server structure for the central machines that handle PLANET's services and employs facilities with sophisticated disaster recovery functions, a large portion of the Company's services is dependent on the communications network. Therefore, services may become unavailable in the event of a communications network interruption caused by a disaster or other incident. A major system failure could materially impact the Company's business performance and reduce service reliability.

(iii) Security Management

The Company's EDI services do not directly handle information on transactions by manufacturers and wholesalers that use the services. Rather, authentication via user ID and password and encryption via SSL* are required to access information. Furthermore, a master station is required to confirm connections, and other steps are in place to prevent information leakage. In addition, the Company has enhanced its internal information security management structure by introducing security monitoring tools for managing logs of access information, uses file encryption tools and has acquired ISO 27001 certification. However, in the event of information leakage, the Company could become liable for damages. Such a situation could materially affect the Company's business performance and future business continuity.

* Secure Sockets Layer (SSL) is a protocol developed by Netscape Communications Corporation to encrypt data for sending and receiving over the Internet. The use of server certificates provides security for sending and receiving data over the Internet.

(iv) Small Organization

As of July 31, 2011, the Company is a small organization, comprising eight directors (three of whom are part-time), three auditors (two of whom are part-time), 36 regular employees and 15 temporary employees. The Company's internal control framework corresponds to its organizational size. In view of future potential business growth and increases in its workload, the Company intends to cultivate employees, build up its workforce and enhance its internal control framework. However, if the Company's efforts to secure human resources and enhance its internal control framework do not proceed smoothly, operational efficiency and business growth could be affected, owing to an inability to conduct appropriate organizational responses.

2. Management Policies

(1) Basic Policy on Corporate Management

The Company's basic management policy is to contribute to operational efficiency by building and operating information infrastructures that are available to all members of the distribution industry (manufacturers, distributors and sellers). In this manner, the Company aims to strengthen the overall distribution system and contribute to economic development.

The Company operates according to the following basic policies.

(i) To ensure peace of mind for users, the Company will consistently provide services that are:
1. Secure;
2. Unbiased; and
3. Standardized.

(ii) To provide optimal services to users, the Company will continually strive to:
1. Research the latest information technologies;
2. Research standards related to information/distribution; and
3. Research structural changes in the distribution industry.

(iii) To ensure users' information security, the Company will do its utmost to:
1. Build an information management system;
2. Protect against unauthorized access and sabotage; and
3. Ensure a thorough awareness of security among its personnel.

(2) Management Benchmarks

The Company considers net sales and ordinary income to be growth targets, and its operations take into account such benchmarks as the operating profit margin and the ordinary income ratio. The Company plans to make steady progress in increasing return on equity (ROE) and return on assets (ROA), which are indicators of efficiency.

(3) Medium- to Long-Term Corporate Management Strategy

Put simply, the Company's role is to be an "information organizer." The network comprising services connecting multiple companies that are regular business partners and share EDI constitutes an industry infrastructure. As a result of the Company's activities, advances are made in information technology and transactions within the industry grow more rational. To enhance distribution systems and work toward its goal of becoming a marketing information database operator/distributor, the Company seeks to achieve the following.

(i) Increase Usage by Existing Users

The Company aims to increase its number of client companies and raise the rate of use for each data type.

(ii) Expand into Adjacent Industries

The Company seeks to expand its network services into industries in addition to daily necessities and cosmetics.

(iii) Transition from Administration Streamlining Network to Marketing Network

The Company will seek to enrich its services menu from mission-critical tasks to information-based services.

(4) Issues to be Addressed

In line with advances in information technology in relevant areas of the distribution industry, the Company expects the rationalization of corporation management and the establishment of network infrastructure to contribute to ongoing growth.

Under these circumstances, the Company will pursue expansion in the following areas.

(i) EDI Segment

Recent developments in communications technologies have highlighted the importance of data interchange in boosting efficiency and managing and improving processes ranging from material sourcing by manufacturers to delivering end products to consumers.

To that end, the Company is primarily spreading and promoting Procurement EDI services to connect material suppliers and manufacturers and Distribution EDI services to connect manufacturers and wholesalers. Going forward, the Company also hopes to prepare to start EDI services to connect wholesalers and retailers in view of the progress of standardization activities.

We are also making an ongoing effort to extend EDI into industries adjacent to daily necessities and cosmetics.

(ii) Database Segment

We will pursue the growth of our Client Location Database by adding value through consultation and other activities. This business will involve the ongoing cleaning of 350,000 sets of data so that manufacturers can employ this information in their marketing activities.

Demand for product images is growing and the Company will respond by enhancing the images and text information provided in its Packaged Consumer Goods Database. We will also strive to expand the range of its usage by promoting this database to retailers delivering fliers to customers, connecting it to the Product Master and through other means.

We will continue to operate our OTC Drug Instruction Database in accordance with the Pharmaceutical Affairs Act and with the aim of ensuring efficient retailer response to consumers.

(iii) Other Segment

There has been an increase in the needs of users seeking to gather information on new products and understand market conditions and consumer trends using the Internet. The needs of users seeking to conduct business negotiations over the Internet are also increasing. In response to such needs, the Company will strive to develop accurate service models and create more content to assist in further raising the efficiency of marketing and merchandising operations of manufacturers, wholesalers and retailers and will seek to further enhance the Buyer’s Net.

(5) Other Significant Matters on Corporate Management

Not applicable.

3. Financial Statements

(1) Balance Sheets

(Thousands of yen)

	FY2010 (As of July 31, 2010)	FY2011 (As of July 31, 2011)
Assets		
Current assets		
Cash and deposits	1,132,294	1,337,899
Accounts receivable–trade	355,467	358,216
Securities	—	131,201
Prepaid expenses	5,843	6,518
Deferred tax assets	19,391	42,894
Other	8,812	3,317
Allowance for doubtful accounts	(100)	(100)
Total current assets	1,521,709	1,879,948
Non-current assets		
Property, plant and equipment		
Buildings	27,395	39,407
Accumulated depreciation	(2,753)	(9,207)
Buildings, net	24,642	30,199
Tools, furniture and fixtures	21,831	18,010
Accumulated depreciation	(6,901)	(7,334)
Tools, furniture and fixtures, net	14,929	10,676
Total property, plant and equipment	39,572	40,875
Intangible assets		
Goodwill	21,289	14,566
Software	319,643	493,032
Software in progress	159,644	33,805
Telephone subscription rights	1,383	1,383
Total intangible assets	501,960	542,787
Investments and other assets		
Investment securities	268,404	115,604
Stocks of subsidiaries and affiliates	154,928	137,436
Claims provable in bankruptcy, claims provable in rehabilitation and other	114	118
Deferred tax assets	87,620	93,127
Lease and guarantee deposits	49,903	49,903
Other	12,778	19,418
Allowance for doubtful accounts	(114)	(118)
Total investments and other assets	573,634	415,490
Total non-current assets	1,115,167	999,153
Total assets	2,636,877	2,879,102

(Thousands of yen)

	FY2010 (As of July 31, 2010)	FY2011 (As of July 31, 2011)
Liabilities		
Current liabilities		
Accounts payable–trade	166,607	155,343
Accounts payable–other	43,769	107,508
Accrued expenses	13,612	14,617
Income taxes payable	141,407	156,926
Accrued consumption taxes	14,993	19,249
Provision for bonuses	18,033	18,971
Provision for directors’ bonuses	20,000	23,000
Other	13,394	15,410
Total current liabilities	431,818	511,027
Non-current liabilities		
Provision for retirement benefits	80,431	92,721
Provision for directors’ retirement benefits	68,127	76,452
Asset retirement obligations	—	8,869
Total non-current liabilities	148,558	178,042
Total liabilities	580,377	689,070
Net assets		
Shareholders’ equity		
Capital stock	436,100	436,100
Capital surplus		
Legal capital surplus	127,240	127,240
Total capital surplus	127,240	127,240
Retained earnings		
Legal retained earnings	18,700	18,700
Other retained earnings		
General reserve	510,000	550,000
Retained earnings brought forward	981,609	1,089,250
Total retained earnings	1,510,309	1,657,950
Treasury stock	(1,538)	(1,570)
Total shareholders’ equity	2,072,110	2,219,720
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(15,610)	(29,688)
Total valuation and translation adjustments	(15,610)	(29,688)
Total net assets	2,056,500	2,190,031
Total liabilities and net assets	2,636,877	2,879,102

(2) Statements of Income

(Thousands of yen)

	FY2010 (From: August 1, 2009, to July 31, 2010)	FY2011 (From: August 1, 2010, to July 31, 2011)
Net sales		
EDI segment	2,152,266	2,230,028
Database segment	370,453	374,780
Other segment	22,060	19,745
Total net sales	2,544,779	2,624,553
Cost of sales		
EDI segment	897,424	810,280
Database segment	157,187	179,861
Other segment	29,736	24,153
Total cost of sales	1,084,348	1,014,295
Gross profit	1,460,431	1,610,258
Selling, general and administrative expenses		
Salaries and bonuses	277,987	294,065
Provision for bonuses	18,033	18,971
Retirement benefit expenses	20,468	20,881
Director compensation	108,888	127,818
Provision for directors’ bonuses	20,000	23,000
Provision for directors’ retirement benefits	7,800	8,325
Legal welfare expenses	38,256	42,478
Administrative consignment expenses	71,228	68,601
Rent expenses on real estate	58,488	64,270
Rent expenses	4,269	3,942
Communication expenses	7,242	7,239
Traveling and transportation expenses	26,176	26,757
Advertising expenses	51,488	65,986
Depreciation expenses	36,059	46,781
Other	179,374	175,050
Total selling, general and administrative expenses	925,761	994,171
Operating income	534,669	616,086
Non-operating income		
Interest income	446	361
Dividend income	1,977	1,977
Interest on securities	10,614	9,025
Miscellaneous income	1,443	950
Total non-operating income	14,481	12,314
Non-operating expenses		
Loss on valuation of investment securities	7,518	7,272
Total non-operating expenses	7,518	7,272
Ordinary income	541,633	621,129

(Thousands of yen)

	FY2010 (From: August 1, 2009, to July 31, 2010)	FY2011 (From: August 1, 2010, to July 31, 2011)
Extraordinary income		
Gain on sales of non-current assets	10,000	—
Reversal of allowance for doubtful accounts	2	—
Total extraordinary income	10,002	—
Extraordinary loss		
Loss on sales of non-current assets	440	—
Loss on retirement of non-current assets	1,954	16,340
Loss on sales of investment securities	—	16,999
Office relocation expenses	13,700	—
Loss on valuation of other investments	200	—
Impact of applying asset retirement accounting standards	—	562
Total extraordinary losses	16,294	33,903
Income before income taxes	535,341	587,226
Income taxes–current	223,605	273,262
Income taxes–deferred	4,235	(19,347)
Total income taxes	227,841	253,914
Net income	307,499	333,311

(3) Statements of Cash Flows

(Thousands of yen)

	FY2010 (From: August 1, 2009, to July 31, 2010)	FY2011 (From: August 1, 2010, to July 31, 2011)
Net cash provided by (used in) operating activities		
Income before taxes	535,341	587,226
Depreciation expenses	197,959	173,181
Amortization of goodwill	6,722	6,722
Loss (gain) on valuation of investment securities	7,518	24,271
Interest and dividend income	(2,424)	(2,339)
Decrease (increase) in notes and accounts receivable–trade	(25,093)	(2,748)
Increase (decrease) in notes and accounts payable–trade	(12,600)	(11,264)
Increase (decrease) in provision for bonuses	725	938
Increase (decrease) in provision for retirement benefits	2,484	12,289
Increase (decrease) in provision for directors' bonuses	4,000	3,000
Increase (decrease) in provision for directors' retirement benefits	7,800	8,325
Increase (decrease) in accounts payable–other	3,451	6,733
Increase (decrease) in accrued consumption taxes	4,385	4,255
Other, net	(23,626)	13,594
Subtotal	706,642	824,187
Interest and dividend income received	3,974	3,139
Income taxes paid	(151,159)	(256,840)
Net cash provided by operating activities	559,457	570,485
Net cash provided by (used in) investing activities		
Purchase of investment securities	(17,000)	—
Purchase of software	(243,724)	(173,004)
Purchase of property, plant and equipment	(43,004)	(59)
Payments of guarantee deposits	(49,903)	—
Proceeds from collection of guarantee deposits	39,570	—
Other, net	7,044	(6,640)
Net cash provided by (used in) investing activities	(307,017)	(179,705)
Net cash provided by (used in) financing activities		
Cash dividends paid	(138,880)	(185,143)
Purchase of treasury stock	(44)	(31)
Net cash provided by (used in) financing activities	(138,925)	(185,175)
Increase (decrease) in cash and cash equivalents	113,514	205,605
Cash and cash equivalents at beginning of period	988,780	1,102,294
Cash and cash equivalents at end of period	1,102,294	1,307,899

(4) Events or Circumstances Raising Substantial Doubt about Going Concern Assumption
Not applicable.

(5) Significant Accounting Policies

	Fiscal 2010 (From August 1, 2009, to July 31, 2010)	Fiscal 2011 (From August 1, 2010, to July 31, 2011)
1. Valuation standards and valuation methods for securities	Available-for-sale securities Marketable securities Stated at fair value based on the market price, etc., on the date of the settlement of accounts (valuation difference accounted for by inclusion of the entire difference directly in net assets and cost of sales is determined by the moving average method). For compound financial instruments that cannot be estimated by separating the fair value of included derivatives, the entire compound financial instrument is valued at fair value and the valuation difference recorded as income (loss) in the fiscal year under review. Of straight bonds, those for which the difference between the “cost of acquisition” and “bond certificate amount” is recognized to be attributable to interest adjustments are stated at cost determined by the amortized cost method. Non-marketable securities Stated at cost determined by the moving average method. Stocks of subsidiaries and affiliates Stated at cost determined by the moving average method.	Available-for-sale securities Marketable securities Same as left Non-marketable securities Same as left Stocks of subsidiaries and affiliates Same as left

	Fiscal 2010 (From August 1, 2009, to July 31, 2010)	Fiscal 2011 (From August 1, 2010, to July 31, 2011)
2. Depreciation method for non-current assets	(1) Property, plant and equipment (excluding lease assets) The fixed rate method is adopted. The main useful lives are as follows: Buildings 8–18 years Furniture and fixtures 4–20 years (2) Intangible assets (excluding lease assets) The straight-line method is adopted. Goodwill is depreciated by the straight-line method over five years, and software (for internal use) is depreciated by the straight-line method over the available period within the Company (five years). (3) Lease assets Lease assets of finance lease transactions that do not transfer ownership The method of calculation based on the lease term as the useful life and the residual value as zero is adopted. With finance lease transactions, aside from those of which the ownership of lease assets is recognized to have transferred to the lessee, entered into on or before July 31, 2008, the accounting procedure pursuant to the method used for ordinary rental transactions is adopted.	(1) Property, plant and equipment (excluding lease assets) Same as left (2) Intangible assets (excluding lease assets) Same as left (3) Lease assets Same as left

	Fiscal 2010 (From August 1, 2009, to July 31, 2010)	Fiscal 2011 (From August 1, 2010, to July 31, 2011)
3. Standards for recording allowances and provisions	(1) Allowance for doubtful accounts Possible losses on the collection of receivables are provided for by recording the estimated uncollectible amount, which is determined based on the rate of past bad debts in the case of general receivables and which is determined based on a review of the collectability of individual receivables in the case of certain receivables such as those for which there are fears of bad debts. (2) Provision for bonuses Bonuses payable to employees are provided for by recording such based on the estimated payment amount. (3) Provision for directors' bonuses Bonuses payable to directors are provided for by recording such based on the estimated payment amount. (4) Provision for retirement benefits Retirement benefits for employees are provided for by recording the amount of retirement benefits that is recognized to have occurred at the end of the fiscal period based on retirement benefit obligations at the end of the fiscal period. (5) Provision for directors' retirement benefits Retirement benefits for directors are provided for by recording the amount of retirement benefits that is required to be paid at the end of the fiscal period based on regulations.	(1) Allowance for doubtful accounts Same as left (2) Provision for bonuses Same as left (3) Provision for directors' bonuses Same as left (4) Provision for retirement benefits Same as left (5) Provision for directors' retirement benefits Same as left
4. Scope of funds in the statements of cash flows	The funds consist of cash on hand, deposits that can be withdrawn at any time, and short-term investments with a maturity of three months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.	Same as left
5. Other significant matters forming basis for preparation of financial statements	Accounting for consumption taxes, etc. The tax-exclusion method is adopted.	Accounting for consumption taxes, etc. Same as left

(6) Changes in Significant Accounting Policies

Changes in Accounting Policies

Fiscal 2010 (From August 1, 2009, to July 31, 2010)	Fiscal 2011 (From August 1, 2010, to July 31, 2011)
———	(Accounting Standard for Asset Retirement Obligations) The Company applied the “Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan Statement No. 18, March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan Guidance No. 21, March 31, 2008) from the fiscal year ended July 31, 2011. As a result of this application, during the year operating income and ordinary income both decreased ¥1,282 thousand, and income before income taxes fell ¥1,845 thousand.

Reclassification

Balance Sheets

Fiscal 2010 (From August 1, 2009, to July 31, 2010)	Fiscal 2011 (From August 1, 2010, to July 31, 2011)
“Software in progress,” which had been included in “Software” under “Intangible assets” in the previous fiscal year (16,308,000 yen in the previous fiscal year), has been separately classified for the current fiscal year, as the amount surpassed 1% of total assets.	———