

## Financial Report for Fiscal 2012 (Non-Consolidated)

September 14, 2012

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 25, 2012

Scheduled submission date of annual securities report: October 25, 2012

Scheduled commencement date of dividend payments: October 26, 2012

Preparation of supplementary material for financial results: No

Holding of financial results meeting: Yes (for investors and analysts)

Amounts less than one million yen have been omitted.

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

#### (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	%
FY2012	2,675	1.9	670	8.8	686	10.5	385	15.6
FY2011	2,624	3.1	616	15.2	621	14.7	333	8.4

	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 (%)
FY2012	58.10	—	16.5	22.8	25.1
FY2011	50.27	—	15.7	22.5	23.5

(Reference) Equity in earnings/losses of affiliates:

FY2012: ¥0 million

FY2011: ¥3 million

#### (2) Financial Position

	Total assets (Millions of yen)	Net assets (Millions of yen)	Equity ratio (%)	Net assets per share (Yen)
FY2012	3,130	2,467	78.8	372.12
FY2011	2,879	2,190	76.1	330.27

(Reference) Shareholders' equity

FY2012: ¥2,467 million

FY2011: ¥2,190 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
FY2012	586	(11)	(198)	1,684
FY2011	570	(179)	(185)	1,307

## 2. Dividends

Record date	Dividend per share (Yen)					Total dividends (Full fiscal year, millions of yen)	Payout ratio (%)	Total dividends to net assets (%)
	End of 1Q	End of 2Q	End of 3Q	End of fiscal year	Full fiscal year			
FY2011	—	12.00	—	16.00	28.00	185	55.7	8.7
FY2012	—	14.00	—	16.00	30.00	198	51.6	8.5
FY2013 (Forecast)	—	15.00	—	15.00	30.00		50.4	

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

## 3. Business Performance Forecasts for Fiscal 2013 (from August 1, 2012, to July 31, 2013)

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, 2013	1,320	(1.5%)	330	(7.6%)	330	(9.5%)	195	(0.9%)	29.41
Year ending July 31, 2013	2,650	(1.0%)	670	(0.1%)	675	(1.7%)	395	2.5%	59.57

## 4. Other

### (1) Changes in Significant Accounting Policies

- (i) Changes accompanying amendments to accounting standards, etc.: No
- (ii) Changes other than (i): No
- (iii) Changes in accounting forecasts: No
- (iv) Revised presentations: No

### (2) Shares Issued and Outstanding (Common Stock)

- (i) Shares issued and outstanding at end of period (including treasury stock):
  - FY2012 6,632,800
  - FY2011 6,632,800
- (ii) Shares of treasury stock at end of period:
  - FY2012 1,776
  - FY2011 1,736
- (iii) Average number of shares during period:
  - FY2012 6,631,057
  - FY2011 6,631,074

### 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 2012, ended July 31, 2012, the Japanese economy showed signs of a gradual recovery from the impact of the Great East Japan Earthquake. However, conditions remained uncertain, due to the effects of factors such as the European debt crisis, yen appreciation and high crude oil prices.

In the consumer packaged goods (CPG) distribution business, which constitutes the Company's principal market, the operating environment was challenging, with sales competition at stores remaining fierce.

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 other manufacturing and distribution sectors. To this end, we sought to increase the number of companies using our electronic data interchange (EDI) services and expand the use of different types of EDI data.

We also continued to reliably operate our new cloud-style system—since establishment our sixth generation of center machines for processing the Company's services. Furthermore, we concentrated on initiatives designed to stabilize customer operations, offering business continuity as industry information infrastructure.

We endeavored to enhance the added value of Buyer's Net as a marketing network in a number of ways: we augmented the functionality of several databases, including our CPG Database, and increased the number of members to our Buyer's Net services.

In December 2011, we announced the launch of our Global Cloud EDI Service, which can be used overseas as well as in Japan, and began activities supporting Japanese wholesalers' efforts to expand their operations overseas.

As a result of these activities, the number of companies making use of our services increased, as did the volume of communications data processed, and our record of stable success continued. During the year, net sales rose 1.9%, to ¥2,675 million; operating income grew 8.8%, to ¥670 million; ordinary income expanded 10.5%, to ¥686 million; and net income increased 15.6%, to ¥385 million.

#### Sales by Segment

(Thousands of yen, unless otherwise stated)

	Fiscal 2011 (August 1, 2010, to July 31, 2011)		Fiscal 2012 (August 1, 2011, to July 31, 2012)		Year-on-Year Change	
	Amount	Percent of total	Amount	Percent of total	Amount	Percent
EDI	2,230,028	85.0	2,265,948	84.7	35,919	1.6
Database	374,780	14.3	390,504	14.6	15,724	4.2
Other	19,745	0.7	19,268	0.7	(477)	(2.4)
Total	2,624,553	100.0	2,675,720	100.0	51,166	1.9

- 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 2013, ending July 31, 2013. Although we expect the overall Japanese economy to recover gradually following the Great East Japan Earthquake, concerns remain about electric power supply issues, overseas economic trends and ongoing yen appreciation. 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, as well as other changes in consumer purchasing channels.

Against this backdrop, we will continue encouraging the spread of our mainstay EDI business into industries adjacent to the daily necessities and cosmetics segments, as well as the materials sector, and we anticipate stable medium- to long-term growth as a result. At the same time, we will work to increase the business's added value as a marketing network by providing systems that respond to the varied needs of retail users, including drugstores that handle numerous daily necessities and cosmetics, as well as OTC drugs.

For the fiscal year ending July 31, 2013, we forecast net sales of ¥2,650 million, down 1.0% year on year; operating income of ¥670 million, down 0.1%; ordinary income of ¥675 million, down 1.7%; and net income of

¥395 million, down 2.5%. These figures take into account the effect of changes in the distribution structure and lower revenues as a result of our EDI customers' switch from conventional fixed-length format to a more advantageously priced variable-length format, under a pricing structure designed to promote sophisticated industry EDI use.

(2) Analysis of Financial Position

(i) Assets, Liabilities and Net Assets

As of July 31, 2012, total assets amounted to ¥3,130 million, up ¥251 million, or 8.7%, from one year earlier. Current assets were up ¥215 million, or 11.5%, to ¥2,095 million, attributable primarily to a ¥377 million increase in cash and deposits. Non-current assets as of fiscal year-end were ¥1,035 million, up ¥36 million, or 3.6%, from a year earlier, due mostly to a gain on the valuation of investment securities.

Total liabilities were down ¥25 million, or 3.8%, to ¥663 million as of July 31, 2012. Current liabilities decreased ¥40 million, or 7.8%, to ¥471 million, owing mainly to a decrease in accounts payable–other. Non-current liabilities were up ¥14 million, or 7.9%, to ¥192 million. This rise was mainly a result of a rise in the provision for retirement benefits.

Net assets were up ¥277 million, or 12.7%, to ¥2,467 million, mainly due to the posting of net income.

(ii) Cash Flows

Cash and cash equivalents on July 31, 2012, were ¥1,684 million, up ¥377 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 ¥586 million in fiscal 2012, ¥16 million more than was provided by these activities in fiscal 2011. Significant sources of income included income before taxes of ¥688 million and depreciation expenses of ¥179 million. Income taxes paid, of ¥286 million, were the principal use of cash.

(Cash flows from investing activities)

Net cash used in investing activities was ¥168 million less than in fiscal 2011, at ¥11 million. The primary use of cash was for the purchase of software, of ¥159 million.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥198 million, ¥13 million higher than in the preceding fiscal year. Cash dividends paid, of ¥198 million, constituted the main use of cash.

(Reference) Indicators related to cash flows

	FY2008	FY2009	FY2010	FY2011	FY2012
Equity ratio	75.2%	78.2%	78.0%	76.1%	78.8
Equity ratio based on market price	152.5%	212.8%	144.6%	150.2	183.8
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 2012, the Company awarded an interim dividend of ¥14 per share, and expects the year-end dividend to amount to ¥16 per share. As a result, the expected total is ¥30 per share for the year.

For fiscal 2013, the Company expects to pay an interim dividend of ¥15 per share and a year-end dividend of the same amount, resulting in a total dividend for the year of ¥30 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, 2012, the Company is a small organization, comprising eight directors (three of whom are part-time), three auditors (two of whom are part-time), 39 regular employees and 14 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 the function of the CPG distribution structure as a whole, 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  
PLANET's services include the EDI service, a backbone service, and information services such as databases and Buyer's Net. Effectively linking these backbone and information services creates a marketing network connecting the manufacturing and distribution sectors. By enhancing the functionality of our database and Buyer's Net information services, we are augmenting the added value of our business process rationalization network, centered on the EDI service. At the same time, we aim to promote marketing networks connecting the manufacturing and distribution sectors.

### (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.

For this reason, we are promoting the spread of our backbone EDI and Web EDI services between manufacturers and wholesalers and our material EDI and Web material EDI services between materials suppliers and manufacturers.

Because EDI is an essential way for companies to make their core operations more efficient, increasing the percentage of business partners in the manufacturing sector that use EDI for transactions is a point of particular emphasis for the wholesale sector. To address this need, we are introducing MITEOS—a simplified service that employs EDI to handle processes from Web-based ordering to purchasing—for small and medium-sized manufacturers, where the proliferation of EDI users is relatively low.

Going forward, we will continue to offer a selection of data communication procedures to match increasingly sophisticated information and communication environments and create stable and robust systems and networks based on leading-edge technologies. In addition to maintaining superiority in these areas, we will continue working to extend our mainstay EDI business into the sectors adjacent to daily necessities and cosmetics, as well as into the materials segment, in our aim to achieve stable growth over the medium to long term.

(ii) Database Segment

Our client location database has information on 370,000 shops and locations nationwide in the retail and wholesale sectors. We are adding value by enabling manufacturers to use this database together with EDI as an effective marketing tool, thereby expanding their businesses through efficient sales activities.

As demand for product images is increasing in the distribution sector, we are augmenting our CPG Database to incorporate images as well as text information. By also providing links to retail flyers and product masters, we are working to expand the scope of marketing applications that are available to corporate customers.

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

In transactions between the manufacturing and distribution sectors, our EDI service has already contributed to making routine work more efficient. We are also encouraging the use of Buyer's Net to meet growing customer demand for using the Internet to make non-routine work more efficient, as well.

(5) Other Significant Matters on Corporate Management

Not applicable.

**3. Financial Statements**

## (1) Balance Sheets

(Thousands of yen)

	FY2011 (As of July 31, 2011)	FY2012 (As of July 31, 2012)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	1,337,899	1,714,941
Accounts receivable–trade	358,216	348,516
Securities	131,201	—
Prepaid expenses	6,518	5,399
Deferred tax assets	42,894	21,505
Other	3,317	5,194
Allowance for doubtful accounts	(100)	(100)
Total current assets	1,879,948	2,095,457
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	39,407	42,664
Accumulated depreciation	(9,207)	(14,812)
Buildings, net	30,199	27,852
Tools, furniture and fixtures	18,010	19,187
Accumulated depreciation	(7,334)	(10,178)
Tools, furniture and fixtures, net	10,676	9,008
Total property, plant and equipment	40,875	36,861
<b>Intangible assets</b>		
Goodwill	14,566	7,843
Software	493,032	462,228
Software in progress	33,805	18,243
Telephone subscription rights	1,383	1,383
Total intangible assets	542,787	489,699
<b>Investments and other assets</b>		
Investment securities	115,604	206,032
Stocks of subsidiaries and affiliates	137,436	141,392
Claims provable in bankruptcy, claims provable in rehabilitation and other	118	112
Deferred tax assets	93,127	54,871
Lease and guarantee deposits	49,903	49,903
Other	19,418	56,553
Allowance for doubtful accounts	(118)	(112)
Total investments and other assets	415,490	508,752
Total non-current assets	999,153	1,035,313
Total assets	2,879,102	3,130,770

PLANET, INC. (2391) Financial Report for Fiscal 2012 (Non-Consolidated)

(Thousands of yen)

	FY2011 (As of July 31, 2011)	FY2012 (As of July 31, 2012)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable–trade	155,343	151,477
Accounts payable–other	107,508	56,957
Accrued expenses	14,617	15,748
Income taxes payable	156,926	169,583
Accrued consumption taxes	19,249	23,527
Provision for bonuses	18,971	20,500
Provision for directors' bonuses	23,000	25,000
Other	15,410	8,221
<b>Total current liabilities</b>	<b>511,027</b>	<b>471,016</b>
<b>Non-current liabilities</b>		
Provision for retirement benefits	92,721	104,720
Provision for directors' retirement benefits	76,452	78,454
Asset retirement obligations	8,869	9,019
<b>Total non-current liabilities</b>	<b>178,042</b>	<b>192,193</b>
<b>Total liabilities</b>	<b>689,070</b>	<b>663,209</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	436,100	436,100
<b>Capital surplus</b>		
Legal capital surplus	127,240	127,240
<b>Total capital surplus</b>	<b>127,240</b>	<b>127,240</b>
<b>Retained earnings</b>		
Legal retained earnings	18,700	18,700
Other retained earnings		
General reserve	550,000	590,000
Retained earnings brought forward	1,089,250	1,235,582
<b>Total retained earnings</b>	<b>1,657,950</b>	<b>1,844,282</b>
Treasury stock	(1,570)	(1,606)
<b>Total shareholders' equity</b>	<b>2,219,720</b>	<b>2,406,016</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	(29,688)	61,544
<b>Total valuation and translation adjustments</b>	<b>(29,688)</b>	<b>61,544</b>
<b>Total net assets</b>	<b>2,190,031</b>	<b>2,467,560</b>
<b>Total liabilities and net assets</b>	<b>2,879,102</b>	<b>3,130,770</b>

## PLANET, INC. (2391) Financial Report for Fiscal 2012 (Non-Consolidated)

## (2) Statements of Income

(Thousands of yen)

	FY2011 (From: August 1, 2010, to July 31, 2011)	FY2012 (From: August 1, 2011, to July 31, 2012)
Net sales		
EDI segment	2,230,028	2,265,948
Database segment	374,780	390,504
Other segment	19,745	19,268
Total net sales	2,624,553	2,675,720
Cost of sales		
EDI segment	810,280	783,797
Database segment	179,861	168,102
Other segment	24,153	20,464
Total cost of sales	1,014,295	972,364
Gross profit	1,610,258	1,703,356
Selling, general and administrative expenses		
Salaries and bonuses	294,065	319,781
Provision for bonuses	18,971	20,500
Retirement benefit expenses	20,881	21,178
Director compensation	127,818	140,118
Provision for directors' bonuses	23,000	25,000
Provision for directors' retirement benefits	8,325	8,350
Legal welfare expenses	42,478	47,161
Administrative consignment expenses	68,601	57,940
Directors' retirement benefits	—	2,167
Rent expenses on real estate	64,270	64,284
Rent expenses	3,942	2,858
Communication expenses	7,239	7,509
Traveling and transportation expenses	26,757	27,630
Advertising expenses	65,986	39,473
Depreciation expenses	46,781	52,289
Other	175,050	196,647
Total selling, general and administrative expenses	994,171	1,032,890
Operating income	616,086	670,465
Non-operating income		
Interest income	361	264
Dividend income	1,977	1,112
Interest on securities	9,025	6,467
Gain on valuation of investment securities	—	7,108
Miscellaneous income	950	1,128
Total non-operating income	12,314	16,080
Non-operating expenses		
Loss on valuation of investment securities	7,272	—
Total non-operating expenses	7,272	—
Ordinary income	621,129	686,546

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(Thousands of yen)

	FY2011 (From: August 1, 2010, to July 31, 2011)	FY2012 (From: August 1, 2011, to July 31, 2012)
Extraordinary income		
Gain on sales of non-current assets	—	18,684
Reversal of allowance for doubtful accounts	—	62,916
Total extraordinary income	—	81,600
Extraordinary loss		
Loss on retirement of non-current assets	16,340	—
Loss on sales of investment securities	16,999	—
Membership valuation losses	—	60
Impact of applying asset retirement accounting standards	562	—
Loss on redemption of securities	—	79,152
Total extraordinary losses	33,903	79,212
Income before income taxes	587,226	688,934
Income taxes—current	273,262	298,423
Income taxes—deferred	(19,347)	5,247
Total income taxes	253,914	303,670
Net income	333,311	385,264

PLANET, INC. (2391) Financial Report for Fiscal 2012 (Non-Consolidated)

(3) Statements of Cash Flows

(Thousands of yen)

	FY2011 (From: August 1, 2010, to July 31, 2011)	FY2012 (From: August 1, 2011, to July 31, 2012)
Net cash provided by (used in) operating activities		
Income before taxes	587,226	688,934
Depreciation expenses	173,181	179,325
Amortization of goodwill	6,722	6,722
Loss (gain) on valuation of investment securities	24,271	(7,108)
Interest and dividend income	(2,339)	(1,377)
Insurance policy redemptions	—	(62,916)
Loss (gain) on redemption of securities	—	79,152
Decrease (increase) in notes and accounts receivable—trade	(2,748)	9,700
Increase (decrease) in notes and accounts payable—trade	(11,264)	(3,865)
Increase (decrease) in provision for bonuses	938	1,529
Increase (decrease) in provision for retirement benefits	12,289	11,998
Increase (decrease) in provision for directors' bonuses	3,000	2,000
Increase (decrease) in provision for directors' retirement benefits	8,325	2,002
Increase (decrease) in accounts payable—other	6,733	(7,166)
Increase (decrease) in accrued consumption taxes	4,255	4,278
Other, net	(13,594)	(31,729)
Subtotal	824,187	871,480
Interest and dividend income received	3,139	1,377
Income taxes paid	(256,840)	(286,066)
Net cash provided by operating activities	570,485	586,791
Net cash provided by (used in) investing activities		
Proceeds from redemption of securities	—	112,320
Proceeds from sale of investment securities	—	23,184
Purchase of software	(173,004)	(159,672)
Purchase of property, plant and equipment	(59)	(7,752)
Proceeds from collection of guarantee deposits	—	62,916
Other, net	(6,640)	(42,099)
Net cash provided by (used in) investing activities	(179,705)	(11,104)
Net cash provided by (used in) financing activities		
Cash dividends paid	(185,143)	(198,609)
Purchase of treasury stock	(31)	(36)
Net cash provided by (used in) financing activities	(185,175)	(198,645)
Increase (decrease) in cash and cash equivalents	205,605	377,041
Cash and cash equivalents at beginning of period	1,102,294	1,307,899
Cash and cash equivalents at end of period	1,307,899	1,684,941

(4) Events or Circumstances Raising Substantial Doubt about Going Concern Assumption

Not applicable.

(5) Significant Accounting Policies

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.

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.

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.

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.

5. Other significant matters forming basis for preparation of financial statements

Accounting for consumption taxes, etc.

The tax-exclusion method is adopted.

(6) Changes in Significant Accounting Policies

Not applicable.

*Additional Information*

During the year under review, the Company adopted the “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No. 24, December 4, 2009) and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, December 4, 2009) with regard to accounting changes and corrections of past errors from the beginning of the fiscal year.