Financial Report for Fiscal 2009 (Non-Consolidated)

September 14, 2009

Name of Listed Company: PLANET, INC. Stock Exchange Listing: JQ
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Scheduled date of annual general meeting of shareholders: October 28, 2009
Scheduled submission of annual securities report: October 28, 2009
Scheduled commencement of dividend payments: October 29, 2009

Amounts less than one million yen have been omitted。

1. Business Performance for Fiscal 2009 (from August 1, 2008, to July 31, 2009)

(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	%
FY2009	2,490	1.5	477	(7.4)	450	(11.1)	237	(19.9)
FY2008	2,454	1.9	515	20.1	507	14.1	296	6.7

	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 (%)
FY2009	14,316.69	—	12.7	18.5	19.2
FY2008	17,864.34	—	16.9	21.9	21.0

(Reference) Equity in earnings/losses of affiliates:
FY2009: ¥16 million
FY2008: ¥ – million

(2) Financial Position

	Total assets (Millions of yen)	Net assets (Millions of yen)	Equity ratio (%)	Net assets per share (Yen)
FY2009	2,453	1,919	78.2	115,769.94
FY2008	2,423	1,821	75.2	109,896.18

(Reference) Shareholders' equity
FY2009: ¥1,919 million
FY2008: ¥1,821 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
FY2009	445	(319)	(132)	988
FY2008	533	(218)	(132)	994

2. Dividends

Record date	Dividends 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			
FY2008	—	3,500.00	—	4,000.00	7,500.00	124	42.0	7.1
FY2009	—	4,000.00	—	4,000.00	8,000.00	132	55.9	7.1
FY2010 (Forecast)	—	11.00	—	11.00	22.00		56.1	

3. Business Performance Forecasts for Fiscal 2010 (from August 1, 2009, to July 31, 2010)

Percentages represent increases 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, 2010	1,250	(0.1%)	220	(11.3%)	220	6.7%	120	148.4%	18.10
Year ending July 31, 2010	2,540	2.0%	460	(3.7%)	470	4.3%	260	9.5%	39.21

4. Other

(1) Changes in Significant Accounting Policies
(i) Changes accompanying amendments to accounting standards, etc.: Yes
(ii) Changes other than (i): No
Note: For details, please refer to “Changes in Accounting Policies” on page 16.

(2) Shares Issued and Outstanding (Common Stock)
(i) Shares issued and outstanding at end of period (including treasury stock):
FY2009 16,582
FY2008 16,582
(ii) Shares of treasury stock at end of period:
FY2009 4
FY2008 4

Cautionary Statement Regarding Performance Forecasts and Other Matters of Special Note

1. 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 that date. Actual results may differ materially from forecasts due to a variety of factors.
2. A 400:1 stock split was conducted on August 1, 2009, for common shareholders of record as of July 31, 2009. Net income per share in “3. Business Performance Forecasts for Fiscal 2010” takes into account the impact of this stock split.

1. Results of Operations

(1) Analysis of Results of Operations

(i) Results of Operations in Current Period

At the beginning of the first half of fiscal 2009, ended July 31, 2009, a Japanese economic slowdown was becoming increasingly apparent, owing to such factors as global financial instability stemming from the U.S. subprime mortgage crisis, large swings in exchange rates and sharply higher crude oil prices. Circumstances remained harsh in the second half, as financial market turbulence spread into the real economy, causing companies to curtail capital investment and prompting declines in personal consumption, resulting in further economic deceleration.

Although the cosmetics and daily necessities market—the Company's main market—had been considered impervious to economic downturns, during the recent economic downturn the industry faced significant declines in transaction volumes and prices. Sluggish transaction volumes caused a decrease in electronic data interchange (EDI), substantially affecting the Company's sales.

Despite such circumstances, the Company sought to support investments in information technology to raise the efficiency of transactions for manufacturers and distributors in the cosmetics, toiletries, daily necessities and adjacent industries. In particular, the Company continued to (a) Expand the use of its mainstay EDI services; (b) Increase the number of companies using EDI services between manufacturers and wholesalers; (c) Popularize Buyer's Net, marketing network services that connect manufacturers and distributors; (d) Raise the profile of the EDI system and new marketing approaches that utilize new online technologies; and (e) Introduce measures to enhance security focused on business continuity as information infrastructure.

Notably, the Company benefited from expanded use of "SMOOTHEDI," an EDI service via the Internet, more widespread adoption of the Product Master Registration Support System, an advanced database service and the commencement of the OTC(over-the-counter) Drugs Instructions Database service, which was introduced in response to the amended Pharmaceutical Affairs Act. Moreover, the Company received a 40% stake in CUSTOMER COMMUNICATIONS, Ltd. (CCL), a marketing service provider that gathers and analyzes retailers' ID-POS (point-of-sales) data from Mitsubishi Corporation, bringing the Company's stake in CCL to 41% and making it CCL's largest shareholder. The Company will position CCL as a retail support service company for wholesalers and manufacturers.

As a result, in fiscal 2009 net sales rose 1.5%, to ¥2,490 million. However, operating income fell 7.4%, to ¥477 million; ordinary income dropped 11.1%, to ¥450 million; and net income decreased 19.9%, to ¥237 million.

Sales by Segment

(Thousands of yen, unless otherwise stated)

	Fiscal 2008 (August 1, 2007, to July 31, 2008)		Fiscal 2009 (August 1, 2008, to July 31, 2009)		Year-on-Year Change	
	Amount	Percent of total	Amount	Percent of total	Amount	Percent
EDI	2,100,845	85.6	2,116,771	85.0	15,926	0.8
Database	331,346	13.5	349,236	14.0	17,890	5.4
Other	21,970	0.9	24,834	1.0	2,864	13.0
Total	2,454,161	100.0	2,490,842	100.0	36,681	1.5

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

(ii) Outlook

Although the economy appears to have weathered the worst of the storm, the Company believes that overall conditions will remain problematic in fiscal 2010, ending July 31, 2010. We also expect the climate surrounding the Japanese packaged consumer goods distribution sector to remain severe.

In this environment, the Company will strive to disseminate EDI. In addition, PLANET will promote the use of its Packaged Consumer Goods Database and Buyer's Net and develop a structure capable of catering to retail and other needs. The Company also will continue to encourage the standardization of distribution in the drugstore industry—a retail segment with extensive logistics that involve cosmetics, toiletries and daily necessities, as well as OTC drugs.

In fiscal 2010, the Company anticipates a 2.0% year-on-year increase in net sales, to ¥2,540 million. We expect operating income to decline 3.7%, to ¥460 million. In addition, we forecast ordinary income of ¥470 million, up 4.3%, and net income of ¥260 million, up 9.5%.

(2) Analysis of Financial Position

(i) Assets, Liabilities and Net Assets

As of July 31, 2009, total assets amounted to ¥2,453 million, up ¥30 million, or 1.3%, from one year earlier. Current assets were up ¥28 million, or 2.1%, to ¥1,368 million. This increase was attributable primarily to a ¥23 million increase in cash and deposits. Non current assets were up ¥1 million, or 0.2%, compared with July 31, 2008, at ¥1,084 million. This increase was due to such factors as the purchase of stocks of subsidiaries and affiliates and an increase in software.

Total liabilities were ¥534 million on July 31, 2009, down ¥67 million, or 11.1%, from the end of the preceding fiscal year. Current liabilities were down ¥70 million, or 15.3%, to ¥388 million, owing primarily to a decrease in income taxes payable. Non current liabilities were ¥2 million, or 2.1%, higher, at ¥146 million. This rise was attributable to an increase in provision for directors' retirement benefits.

Net assets were up ¥97 million, or 5.3%, at year-end, to ¥1,919 million, mainly owing to the posting of net income.

(ii) Cash Flows

Cash and cash equivalents on July 31, 2009, were ¥988 million, down ¥6 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 ¥445 million in fiscal 2009, ¥87 million less than was provided by these activities in fiscal 2008. The major use of cash was income taxes paid of ¥240 million. Significant sources of cash included income before income taxes of ¥407 million and depreciation expenses of ¥190 million.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥319 million, ¥100 million more than was used in fiscal 2008. Among major uses of cash were ¥197 million for the purchase of software and ¥89 million for the purchase of stocks of subsidiaries and affiliates.

(Cash flows from financing activities)

Net cash used in financing activities was ¥132 million, approximately the same level as in the preceding term, owing to cash dividends paid.

(Reference) Indicators related to cash flows

	FY2005	FY2006	FY2007	FY2008	FY2009
Equity ratio	65.9%	74.3%	76.6%	75.2%	78.2%
Equity ratio based on market price	335.9%	278.1%	167.9%	152.5%	212.8%
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 Annual General Meeting of Shareholders sets year-end dividends.

For fiscal 2009, the Company awarded interim dividends of ¥4,000 per share, and year-end dividends are expected to amount to ¥4,000 per share, for an expected total of ¥8,000 per share for the year.

Moreover, the Company conducted a 400:1 stock split on August 1, 2009, and introduced a unit share system, setting the trading unit at 100 shares. This initiative reduced the minimum investment unit to one-fourth the former amount, thereby enhancing the shares' stock market liquidity.

For fiscal 2010, the Company expects to pay interim dividends of ¥11 per share (equivalent to ¥4,400 per share in fiscal 2009) and year-end dividends of the same amount, resulting in a total dividend for the year of ¥22 per share (equivalent to ¥8,800 per share in fiscal 2009, or an increase of ¥800 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 IT technologies.

The Company's Articles of Incorporation include a provision stating that it may distribute a 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 cosmetics, toiletries and daily necessities 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 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 employs a triple server structure, a large portion of the Company's services dependent on the communications network. Therefore, services may become unavailable in the event of a communications network interruption or if a disaster or other incident causes server outage. 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, 2009, the Company is a small organization, comprising seven directors (two of whom are part-time), two auditors (one of whom is part-time), 36 regular employees and 18 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 response.

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 cosmetics, toiletries and daily necessities.

(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 to 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.

In addition to Procurement EDI (between material suppliers and manufacturers) and Distribution EDI (between manufacturers and wholesalers) the Company is promoting EDI services through the introduction of Web-EDI and EDI via the Internet (SMOOTHEDI), utilizing Internet technologies. We will also take advantage of opportunities to expand our business in EDI involving retailers.

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

(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 data on 330,000 retailers across Japan so that manufacturers can employ this information in their marketing activities.

Internet proliferation is fostering a growing demand for product images. The Company will respond by enhancing the images and text information provided in its Packaged Consumer Goods Database. We will also add value by promoting this database to retailers delivering fliers to customers.

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

(iii) Other Segment

Growing Internet use has brought about an increase in the number of users seeking to gather information on new products and understand market conditions and consumer trends. The number of users seeking to conduct business negotiations over the Internet is also increasing. Such developments have prompted the need to cultivate human resources capable of creating and accumulating accurate service models and content based on the needs of manufacturers, wholesalers and retailers. This progress has also highlighted the need to change the way of thinking within the packaged consumer goods distribution industry. By promoting Buyer’s Net, the Company will seek to meet such needs for retail buyers, as well as manufacturers and wholesalers, by continuing to support sourcing and merchandizing by manufacturers, wholesalers and retailers.

(5) Internal Control Framework

Please refer to the corporate governance report “Basic Thinking on Internal Control System.”

(6) Other Significant Matters on Corporate Management

Not applicable.

3. Financial Statements

(1) Balance Sheets

(Thousands of yen)

	FY2008 (As of July 31, 2008)	FY2009 (As of July 31, 2009)
Assets		
Current assets		
Cash and deposits	994,921	1,018,780
Accounts receivable–trade	318,798	330,374
Prepaid expenses	3,656	3,672
Deferred tax assets	18,464	13,530
Other	4,694	2,721
Allowance for doubtful accounts	(100)	(100)
Total current assets	1,340,435	1,368,978
Non current assets		
Property, plant and equipment		
Buildings	21,331	21,331
Accumulated depreciation	(18,646)	(19,112)
Buildings, net	2,684	2,218
Tools, furniture and fixtures	16,189	16,155
Accumulated depreciation	(14,165)	(14,742)
Tools, furniture and fixtures, net	2,023	1,412
Total property, plant and equipment	4,708	3,631
Intangible assets		
Goodwill	–	28,012
Software	512,642	468,998
Telephone subscription rights	1,383	1,383
Total intangible assets	514,025	498,394
Investments and other assets		
Investment securities	331,624	247,753
Stocks of subsidiaries and affiliates	119,909	209,196
Claims provable in bankruptcy, claims provable in rehabilitation and other	169	132
Deferred tax assets	65,519	76,486
Lease and guarantee deposits	39,570	39,570
Other	7,841	9,958
Allowance for doubtful accounts	(144)	(132)
Total investments and other assets	564,489	582,965
Total non current assets	1,083,223	1,084,991
Total assets	2,423,659	2,453,969

(Thousands of yen)

	FY2008 (As of July 31, 2008)	FY2009 (As of July 31, 2009)
Liabilities		
Current liabilities		
Accounts payable–trade	172,384	179,208
Accounts payable–other	82,956	80,398
Accrued expenses	12,338	12,531
Income taxes payable	137,431	66,907
Accrued consumption taxes	15,115	10,608
Provision for bonuses	17,875	17,308
Provision for directors' bonuses	15,000	16,000
Other	5,173	5,248
Total current liabilities	458,274	388,211
Non current liabilities		
Provision for retirement benefits	82,549	77,947
Provision for directors' retirement benefits	52,727	60,327
Long-term guarantee deposited	8,250	8,250
Total non current liabilities	143,526	146,524
Total liabilities	601,800	534,735
Net assets		
Shareholders' equity		
Capital stock	436,100	436,100
Capital surplus		
Legal capital surplus	127,240	127,240
Total capital surpluses	127,240	127,240
Retained earnings		
Legal retained earnings	18,700	18,700
Other retained earnings		
General reserve	430,000	470,000
Retained earnings brought forward	788,647	853,365
Total retained earnings	1,237,347	1,342,065
Treasury stock	(1,494)	(1,494)
Total shareholders' equity	1,799,193	1,903,911
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	22,665	15,322
Total valuation and translation adjustments	22,665	15,322
Total net assets	1,821,858	1,919,234
Total liabilities and net assets	2,423,659	2,453,969

(2) Statements of Income

(Thousands of yen)

	FY2008 (From August 1, 2007, to July 31, 2008)	FY2009 (From: August 1, 2008, to July 31, 2009)
Net sales		
EDI segment	2,100,845	2,116,771
Database segment	331,346	349,236
Other segment	21,970	24,834
Total net sales	2,454,161	2,490,842
Cost of sales		
EDI segment	980,045	950,439
Database segment	103,863	157,104
Other segment	40,288	29,742
Total cost of sales	1,124,197	1,137,285
Gross profit	1,329,964	1,353,556
Selling, general and administrative expenses		
Salaries	261,139	266,829
Provision for bonuses	17,875	17,308
Retirement benefit expenses	21,389	21,128
Director compensation	91,471	102,708
Provision for directors’ bonuses	15,000	16,000
Provision for directors’ retirement benefits	6,900	7,600
Legal welfare expenses	33,716	35,274
Administrative consignment expenses	82,000	78,937
Rent expenses on real estates	46,043	46,144
Rent expenses	5,564	4,932
Communication expenses	7,147	7,366
Traveling and transportation expenses	27,943	28,844
Advertising expenses	32,881	43,466
Depreciation expenses	28,910	31,882
Provision of allowance for doubtful accounts	144	—
Other	135,986	167,398
Total selling, general and administrative expenses	814,113	875,821
Operating income	515,850	477,735
Non-operating income		
Interest income	1,551	1,555
Dividends income	2,303	1,977
Interest on securities	26,484	9,431
Insurance income	5,000	—
Miscellaneous income	678	612
Total non-operating income	36,018	13,576
Non-operating expenses		
Loss on valuation of investment securities	44,583	40,544
Total non-operating expenses	44,583	40,544

(Thousands of yen)

	FY2008 (From August 1, 2007, to July 31, 2008)	FY2009 (From: August 1, 2008, to July 31, 2009)
Ordinary income	507,285	450,767
Extraordinary income		
Reversal of allowance for doubtful accounts	—	8
Gain on sales of subsidiaries and affiliates' stocks	1	—
Total extraordinary income	1	8
Extraordinary loss		
Loss on retirement of noncurrent assets	90	10
Loss on sales of investment securities	—	5,724
Impairment loss	—	36,942
Loss on valuation of other investments	300	680
Total extraordinary losses	390	43,357
Income before income taxes	506,895	407,418
Income taxes–current	216,579	171,069
Income taxes–deferred	(5,838)	(993)
Total income taxes	210,740	170,076
Net income	296,155	237,342

(3) Statements of Cash Flows

(Thousands of yen)

	FY2008 (From August 1, 2007, to July 31, 2008)	FY2009 (From: August 1, 2008, to July 31, 2009)
Net cash provided by (used in) operating activities		
Income before taxes	506,895	407,418
Depreciation expenses	175,816	190,480
Impairment loss	—	36,942
Amortization of goodwill	—	5,602
Loss (gain) on valuation of investment securities	44,583	40,544
Interest and dividends income	(3,855)	(3,533)
Loss (gain) on sales of investment securities	—	5,724
Decrease (increase) in notes and accounts receivable–trade	(31,300)	(11,575)
Increase (decrease) in notes and accounts payable–trade	791	6,824
Increase (decrease) in provision for bonuses	1,646	(567)
Increase (decrease) in provision for retirement benefits	11,079	(4,602)
Increase (decrease) in provision for directors’ bonuses	500	1,000
Increase (decrease) in provision for directors’ retirement benefits	6,825	7,600
Increase (decrease) in accounts payable–other	(16,442)	12,101
Increase (decrease) in accrued consumption taxes	(821)	(4,506)
Other, net	(25,314)	(8,272)
Subtotal	670,403	681,181
Interest and dividends income received	21,884	5,761
Income taxes paid	(158,957)	(240,992)
Net cash provided by operating activities	533,330	445,951
Net cash provided by (used in) investing activities		
Purchase of investment securities	(50,000)	—
Proceeds from sales of investment securities	—	34,158
Payments into time deposits	—	(30,000)
Purchase of software	(165,966)	(197,372)
Purchase of stocks of subsidiaries and affiliates	—	(89,681)
Purchase of goodwill	—	(33,614)
Other, net	(2,563)	(2,797)
Net cash provided by (used in) investing activities	(218,530)	(319,307)
Net cash provided by (used in) financing activities		
Cash dividends paid	(132,155)	(132,784)
Net cash provided by (used in) financing activities	(132,155)	(132,784)
Increase (decrease) in cash and cash equivalents	182,645	(6,141)
Cash and cash equivalents at beginning of period	812,276	994,921
Cash and cash equivalents at end of period	994,921	988,780

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

(5) Significant Matters Forming Basis for Preparation of Financial Statements

	Fiscal 2008 (From August 1, 2007, to July 31, 2008)	Fiscal 2009 (From August 1, 2008, to July 31, 2009)
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.	Available-for-sale securities Marketable securities Same as left Non-marketable securities Same as left Stocks of subsidiaries and affiliates Stated at cost determined by the moving average method.

	Fiscal 2008 (From August 1, 2007, to July 31, 2008)	Fiscal 2009 (From August 1, 2008, to July 31, 2009)
2. Depreciation method for non current assets	(1) Property, plant and equipment The fixed rate method is adopted. The main useful lives are as follows: Buildings 8–18 years Furniture and fixtures 4–10 years (Additional information) In correlation with amendments to the Corporation Tax Act, for property, plant and equipment acquired on or before March 31, 2007, the difference between the amount equivalent to 5% of the acquisition value and the memorandum value is depreciated in equal amounts over five years starting from the fiscal year following the fiscal year in which the depreciation amount reaches 5% of the acquisition value based on application of the method of depreciation pursuant to the Corporation Tax Act prior to the amendments, and is expensed as depreciation. The impact of this on operating income, ordinary income and net income before taxes is minimal. (2) Intangible assets The straight-line method is adopted. Software (for internal use) is depreciated by the straight-line method over the available period within the Company (five years).	(1) Property, plant and equipment (excluding lease assets) The fixed rate method is adopted. The main useful lives are as follows: Buildings 10–18 years Furniture and fixtures 4–10 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.

	Fiscal 2008 (From August 1, 2007, to July 31, 2008)	Fiscal 2009 (From August 1, 2008, to July 31, 2009)
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. Accounting for lease transactions	With finance lease transactions, aside from those of which the ownership of lease assets is recognized to have transferred to the lessee, the accounting procedure pursuant to the method used for ordinary rental transactions is adopted.	―――――
5. 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
6. 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 Matters Forming Basis for Preparation of Financial Statements

Changes in Accounting Policies

Fiscal 2008 (From August 1, 2007, to July 31, 2008)	Fiscal 2009 (From August 1, 2008, to July 31, 2009)
――――――	(Accounting Standard for Lease Transactions) With finance lease transactions that do not transfer ownership, the accounting procedure pursuant to the method used for ordinary rental transactions was adopted in previous fiscal years. As of the fiscal year under review, however, the “Accounting Standard for Lease Transactions” (Accounting Standards Board of Japan Statement No. 13 (issued on June 17, 1993 (First Subcommittee of the Business Accounting Council); revised on March 30, 2007)) and “Guidance on Accounting Standard for Lease Transactions” (Accounting Standards Board of Japan Guidance No. 16 (issued on January 18, 1994 (Accounting Practice Committee of The Japanese Institute of Certified Public Accountants); revised on March 30, 2007)) are applied. Accordingly, the accounting procedure pursuant to the method used for ordinary sale and purchase transactions is adopted. With finance lease transactions that do not transfer ownership in which the lease transaction commencement date falls prior to the start date of the initial fiscal year of application, the accounting procedure pursuant to the method used for ordinary rental transactions continues to be adopted The impact of this on income (loss) is minimal.