Kaga Electronics Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended March 31, 2009 and 2008, and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Kaga Electronics Co., Ltd.:

We have audited the accompanying consolidated balance sheets of Kaga Electronics Co., Ltd. and subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of operations, changes in Equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Kaga Electronics Co., Ltd. and subsidiaries as of March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

June 26, 2009

Kaga Electronics Co., Ltd. and Subsidiaries

Consolidated Balance Sheets
March 31, 2009 and 2008

ASSETS	Millions of Yen 2009	Millions of Yen 2008	Thousands of U.S. Dollars (Note 1) 2009
CURRENT ASSETS:			
Cash and cash equivalents	¥ 11,369	¥ 14,012	$ 116,010
Marketable securities (Note 3)	59	84	602
Notes and accounts receivables:			
Trade	61,054	72,530	623,000
Other	6,159	4,606	62,847
Allowance for doubtful receivables	(159)	(162)	(1,622)
Inventories (Note 4)	18,296	20,178	186,694
Deferred tax assets (Note 9)	994	570	10,143
Other current assets	1,867	1,329	19,051
Total current assets	99,639	113,147	1,016,725
PROPERTY, PLANT AND EQUIPMENT(Note 2.f):			
Land	1,324	1,324	13,510
Buildings and structures	3,348	1,887	34,163
Machinery, equipment and vehicles	3,622	3,760	36,959
Molding dies and furniture	2,760	1,946	28,163
Construction in progress	7	606	72
Total	11,061	9,523	112,867
Accumulated depreciation	(4,892)	(4,108)	(49,918)
Net property, plant and equipment	6,169	5,415	62,949
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 3 and 13)	4,854	6,596	49,531
Guarantee deposits	2,411	1,946	24,602
Refundable insurance premium	965	872	9,847
Deferred tax assets (Note 9)	346	213	3,531
Other assets	2,867	2,234	29,254
Total investments and other assets	11,443	11,861	116,765
TOTAL	¥ 117,251	¥ 130,423	$ 1,196,439

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of Yen 2009	Millions of Yen 2008	Thousands of U.S. Dollars (Note 1) 2009
CURRENT LIABILITIES:			
Short-term bank loans (Note 5)	¥ 7,386	¥ 10,073	$ 75,367
Current portion of long-term debt (Notes 6 and 12)	1,912	1,624	19,510
Notes and accounts payables:			
Trade	44,772	56,110	456,857
Other	1,369	1,207	13,969
Income taxes payables (Note 9)	950	2,239	9,694
Other current liabilities	4,132	3,208	42,165
Total current liabilities	60,521	74,461	617,562
LONG-TERM LIABILITIES:			
Long-term debt (Notes 6 and 12)	3,635	625	37,092
Liability for employees' retirement benefits (Note 7)	1,343	1,159	13,704
Retirement benefits for directors and corporate auditors (Note 7)	1,122	1,005	11,449
Deferred tax liabilities (Note 9)	355	546	3,622
Other long-term liabilities	714	435	7,286
Total long-term liabilities	7,169	3,770	73,153
CONTINGENT LIABILITIES (Note 15)			
EQUITY (Notes 8 and 17)			
Common stock－authorized, 80,000,000 shares; issued, 28,702,118 shares in 2009 and 2008	12,134	12,134	123,816
Capital surplus	13,912	13,912	141,959
Retained earnings	25,159	27,413	256,725
Unrealized gain (loss) on available-for-sale securities	(364)	37	(3,714)
Deferred gain on derivatives under hedge accounting		3	
Foreign currency translation adjustments	(1,738)	(515)	(17,735)
Treasury stock—at cost, 1,105,038 shares in 2009 and 643,305 shares in 2008	(1,332)	(843)	(13,592)
Total	47,771	52,141	487,459
Minority interests	1,790	51	18,265
Total equity	49,561	52,192	505,724
TOTAL	¥ 117,251	¥ 130,423	$ 1,196,439

See notes to consolidated financial statements.

Kaga Electronics Co., Ltd. and Subsidiaries

Consolidated Statements of Operations
Ended March 31 , 2009 and 2008

	Millions of Yen 2009	Millions of Yen 2008	Thousands of U.S. Dollars (Note 1) 2009
NET SALES (Note 18)	¥ 273,610	¥ 291,331	$ 2,791,939
COST OF SALES (Notes 7, 10, 11, and 18)	243,226	256,090	2,481,898
Gross profit	30,384	35,241	310,041
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Notes 7, 10, 11, and 18)	28,134	27,455	287,082
Operating income	2,250	7,786	22,959
OTHER INCOME (EXPENSE):			
Interest and dividend income	241	314	2,459
Commission received	134	153	1,367
Gain on liquidation of subsidiaries	39		398
Gain on sales of investment securities	17	31	173
Cash surrender on insurance dissolution	6	501	61
Devaluation loss on golf membership	(8)		(82)
Devaluation loss on trading securities	(25)	(70)	(255)
Devaluation loss on investment securities	(1,203)	(180)	(12,276)
Interest expense	(192)	(128)	(1,959)
Exchange loss	(496)	(1,275)	(5,061)
Loss on operation of investment partnership	(93)	(111)	(949)
Loss on retirement of fixed assets	(130)	(92)	(1,327)
Impairment loss	(350)	(14)	(3,571)
Headquarter moving expenses	(330)		(3,367)
Others—net	189	498	1,930
Other expenses—net	(2,201)	(373)	(22,459)
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	49	7,413	500
INCOME TAXES (Note 9)			
Current	1,459	3,694	14,888
Deferred	(365)	99	(3,724)
Total income taxes	1,094	3,793	11,164
MINORITY INTERESTS IN NET LOSS	(238)	(64)	(2,429)
NET INCOME (LOSS)	¥ (807)	¥ 3,684	$ (8,235)

	Yen 2009	Yen 2008	U.S. Dollars 2009
PER SHARE OF COMMON STOCK (Note 2.r):			
Basic net income (loss)	¥ (28.91)	¥ 128.93	$ (0.30)
Cash dividends applicable to the year (Note 8)	40.00	50.00	0.41

See notes to consolidated financial statements.

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Kaga Electronics Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity
Years Ended March 31, 2009 and 2008

	Thousands Outstanding Number of Shares of Common Stock	Millions of Yen									
		Common Stock	Capital Surplus	Retained Earnings	Unrealized Gain Loss) on Available -for-sale Securities	Deferred Gain Loss) on Derivatives Under Hedge Accounting	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests	Total Equity
BALANCE, APRIL 1, 2007	28,657	¥ 12,134	¥ 13,912	¥ 25,162	¥ 758	¥ (1)	¥ 1,030	¥ (80)	¥ 52,915	¥ 135	¥ 53,050
Net income				3,684					3,684		3,684
Cash dividends, ¥50 per share				(1,433)					(1,433)		(1,433)
Repurchase of treasury stock	(602)							(770)	(770)		(770)
Disposal of treasury stock	4							7	7		7
Net change in the year					(721)	4	(1,545)		(2,262)	(84)	(2,346)
BALANCE, MARCH 31, 2008	28,059	¥ 12,134	¥ 13,912	¥ 27,413	¥ 37	¥ 3	¥ (515)	¥ (843)	¥ 52,141	¥ 51	¥ 52,192
Adjustment of retained earnings due to an adoption of PITF No.18 (Note 2.b)				(44)					(44)		(44)
Net income (loss)				(807)					(807)		(807)
Cash dividends, ¥40 per share				(1,403)					(1,403)		(1,403)
Repurchase of treasury stock	(462)							(489)	(489)		(489)
Disposal of treasury stock											
Net change in the year					(401)	(3)	(1,223)		(1,627)	1,739	112
BALANCE, MARCH 31, 2009	27,597	¥ 12,134	¥ 13,912	¥ 25,159	¥ (364)		¥ (1,738)	¥ (1,332)	¥ 47,771	¥ 1,790	¥ 49,561

	Thousands of U.S. Dollars (Note 1)									
	Common Stock	Capital Surplus	Retained Earnings	Unrealized Gain (Loss) on Available -for-sale Securities	Deferred Gain (Loss) on Derivatives Under Hedge Accounting	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests	Total Equity
BALANCE, MARCH 31, 2008	$123,816	$141,959	$279,724	$378	$31	$ (5,255)	$ (8,602)	$ 532,051	$ 520	$ 532,571
Adjustment of retained earnings due to an adoption of PITF No.18 (Note 2.b)			(448)					(448)		(448)
Net income (loss)			(8,235)					(8,235)		(8,235)
Cash dividends, $0.41per share			(14,316)					(14,316)		(14,316)
Repurchase of treasury stock							(4,990)	(4,990)		(4,990)
Disposal of treasury stock										
Net change in the year				(4,092)	(31)	(12,480)		(16,603)	17,745	1,142
BALANCE, MARCH 31, 2009	$123,816	$141,959	$256,725	$(3,714)		$(17,735)	$(13,592)	$487,459	$18,265	$505,724

See notes to consolidated financial statements.

Kaga Electronics Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 49	¥ 7,413	$ 500
Adjustments for:			
Income taxes-paid	(3,817)	(3,319)	(38,949)
Depreciation and amortization	1,978	1,438	20,184
Impairment loss	350	14	3,571
Loss on retirement of fixed assets	130	92	1,327
Provision for directors’ and corporate auditors’ bonuses	(128)	(20)	(1,306)
Gain on sales of investment securities	(16)	(31)	(163)
Devaluation loss on investment securities	1,203	180	12,276
Gain on sales of property, plant and equipment	(3)	(1,163)	(31)
Provision for employees' retirement benefits	42	79	429
Provision (Reversal of) for directors' and corporate auditors'retirement benefits	84	(144)	857
Provision for doubtful accounts	198	267	2,020
Payment of directors' and corporate auditors' bonuses			
Other-net	210	99	2,143
Changes in assets and liabilities:			
Decrease (Increase) in notes and accounts receivable	13,149	(6,051)	134,173
Decrease (Increase) in inventories	2,981	(1,265)	30,418
Increase in advance	(312)	(430)	(3,184)
Decrease in interest and dividend receivable	240	374	2,449
Increase (Decrease) in prepaid expenses and other current assets	(592)	63	(6,041)
Decrease (Increase) in trade notes and accounts payable	(11,578)	2,784	(118,143)
Increase in accrued expenses and other current liabilities	1,459	394	14,888
Increase in interest payable	(193)	(133)	(1,969)
Total adjustments	5,385	(6,772)	54,949
Net cash provided by operating activities-(Forward)	¥ 5,434	¥ 641	$ 55,449

(Continued)

Kaga Electronics Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended March 31, 2009 and 2008

	Millions of Yen 2009	Millions of Yen 2008	Thousands of U.S. Dollars (Note 1) 2009
Net cash provided by operating activities-(Forward)	¥ 5,434	¥ 641	$ 55,449
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(2,541)	(1,503)	(25,929)
Purchases of trading securities		(850)	
Purchases of investment securities	(195)	(1,401)	(1,990)
Purchases of intangible assets	(656)	(321)	(6,694)
Proceeds from sales of property, plant and equipment	230	2,120	2,347
Proceeds from sales of trading securities		961	
Proceeds from sales of investment securities	121	331	1,235
Purchases of stocks of consolidated subsidiaries	(440)	(150)	(4,490)
Increase (Decrease) in short term loan receivable	(202)	77	(2,061)
Increase in long-term loan receivable	(73)	(91)	(745)
Increase in refundable insurance premium-net	(76)	(42)	(776)
Increase (Decrease) in guarantee deposits-net	(270)	65	(2,755)
Payment for sale of subsidiaries stock related to changes in the scope of consolidation		(2)	
Others-net	(109)	87	(1,112)
Net cash used in investing activities	(4,211)	(719)	(42,970)
FINANCING ACTIVITIES:			
Decrease (Increase) in short-term bank loans-net	(4,310)	5,584	(43,980)
Increase (Decrease) in long-term bank loans-net	2,876	(2,660)	29,347
Dividends paid	(1,450)	(1,443)	(14,796)
Purchases of treasury stock-net	(489)	(770)	(4,990)
Others-net	(35)	7	(357)
Net cash (used in) provided by financing activities	(3,408)	718	(34,776)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	(458)	(1,186)	(4,673)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,643)	(546)	(26,970)
CASH AND CASH EQUIVALENTS, BEGINNING BALANCE OF YEAR	14,012	14,558	142,980
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 11,369	¥ 14,012	$ 116,010

(Continued)

Kaga Electronics Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
ADDITIONAL CASH FLOW INFORMATION:			
Purchase of a newly consolidated subsidiary:			
Fair value of assets acquired	¥ 8,366	¥ 1,793	$ 85,367
Liabilities assumed	4,467	785	45,582
Minority interests	1,834		18,714
Cash paid for the capital	440	1,009	4,490
Effect of deconsolidation of subsidiaries upon sales of their stocks to third parties:			
Assets decreased		80	
Liabilities decreased		28	
Loss on sales of investment in and advances to subsidiaries		(3)	
Cash paid in the capital		49	

See notes to consolidated financial statements.

(Concluded)

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2008 financial statements to conform to the classifications used in 2009.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Kaga Electronics Co., Ltd. (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥98 to $1, the approximate rate of exchange at March 31, 2009. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation—The consolidated financial statements include the accounts of the Company and all of its subsidiaries (48 in 2009 and 42 in 2008 (together, the "Group").

Under the control and influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

Investments in thirteen (eight in 2008) associated companies are accounted for by the equity method.

The excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiary at the date of acquisition is being amortized over a period of five years.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

b. Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements—In May 2006, the Accounting Standards Board of Japan (the "ASBJ") issued ASBJ Practical Issues Task Force (PITF) No.18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements". PITF No.18 prescribes: (1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements, (2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States of America tentatively may be used for the consolidation process, (3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP unless they are not material: 1) amortization of goodwill; 2) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; 3) expensing capitalized development costs of R&D; 4) cancellation of the fair value model accounting for property, plant, and equipment and investment properties and incorporation of the cost model accounting; 5) recording the prior years' effects of changes in accounting policies in the income statement where retrospective adjustments to financial statements have been incorporated; and 6) exclusion of minority interests from net income, if contained. PITF No.18 was effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted. The Company applied this accounting standard effective April 1, 2008. The effect of this change was to decrease operating income by ¥63 million ($643 thousand) and income before income taxes and minority interests by ¥68 million ($694 thousand). In addition, the Company adjusted the beginning balance of retained earnings at April 1, 2008 as if this accounting standard had been retrospectively applied.

c. ***Cash Equivalents—***Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits and short-term investments, all of which mature or become due within three months of the date of acquisition.

d. ***Inventories—***Prior to April 1 2008, inventories were stated at cost, determined by the average method. In July 2006, the ASBJ issued ASBJ Statement No.9, "Accounting Standard for Measurement of Inventories". This standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate. The standard also requires that inventories held for trading purposes be measured at the market price. The standard was effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted. The Company applied this new accounting standard for measurement of inventories effective April 1, 2008. The effect of this change was to decrease operating income and income before income taxes and minority interests by ¥83 million ($847 thousand).

e. ***Marketable and Investment Securities—***Marketable and investment securities are classified and accounted for, depending on management's intent, as follows: (1) trading securities, which are held for the purpose of earning capital gains in the near term are reported at fair value, and the related unrealized gains and losses are included in the earnings, and (2) available-for-sale securities, which are not classified as the aforementioned securities are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of shareholders' equity. Non-marketable available-for-sale securities are stated at cost determined by the moving-average method. For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

f. ***Property, Plant and Equipment—***Property, plant and equipment are stated at cost. Significant replacements and additions are capitalized; maintenance and repairs, and minor replacements and improvements are charged to income as incurred.

Depreciation of property, plant and equipment of the Company and its consolidated domestic subsidiaries is computed substantially by the declining-balance method at rates based on the estimated useful lives of the assets, while the straight-line method is applied to buildings and lease assets of the Company and its consolidated domestic subsidiaries, and all property, plant and equipment of foreign subsidiaries.

The range of useful lives is principally as follows:

Buildings and structures	10 to 50 years
Machinery, equipment and vehicles	8 to 12 years
Molding dies and furniture	2 to 20 years

g. ***Long-lived Assets—***The Group reviewed its long-lived assets for impairment as for the year ended March 31, 2009 and, as a result, recognized an impairment loss of ¥ 350 million ($3,571 thousand) for certain project processing buildings and structures group for several shops due to a continuous operating loss of the unit' and the carrying amount of the relevant buildings and structures and molding dies and furniture was written down to the recoverable amount. The recoverable amount of the project's group was measured at its value in use and the discount rate used for computation of present value of future cash flows was 4.2%.

h. ***Goodwill—***Purchased goodwill is amortized on a straight-line basis over five years.

i. ***Software—***Software was recorded as other assets and is amortized over five years.

j. ***Retirement and Pension Plans—***The Company and certain consolidated subsidiaries have defined contribution pension plans. Other consolidated subsidiaries have unfunded retirement benefit plans.

Retirement allowances for directors and corporate auditors are recorded to state the liability at the amount that would be required if all directors and corporate auditors retired at each balance sheet date.

k. ***Leases*** — In March 2007, the ASBJ issued ASBJ Statement No.13, "Accounting Standard for Lease Transactions", which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.

Under the previous accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions.

The Company applied the revised accounting standard effective April 1, 2008. In addition, the Company accounted for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions. All other leases are accounted for as operating leases.

l. ***Bonuses to directors and corporate auditors***—Bonuses to directors and corporate auditors are accrued at the year end to which such bonuses are attributable.

m. ***Income Taxes—***The provision for income taxes is computed based on the pretax income included in the consolidated statements of operations. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

n. ***Appropriations of Retained Earnings—***Appropriations of retained earnings are reflected in the financial statements for the following year upon shareholders' approval.

o. ***Foreign Currency Transactions—***All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the income statement to the extent that they are not hedged by forward exchange contracts.

p. ***Foreign Currency Financial Statements—***The balance sheet accounts of the foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date of subsidiaries except for shareholders' equity, which is translated at the historical rate.

Differences arising from such translation were shown as "Foreign currency translation adjustments" in a separate component of shareholders' equity.

Revenue and expense accounts of foreign subsidiaries are translated into yen at the average exchange rate.

q. ***Derivatives and Hedging Activities—***The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange and interest rates. Foreign exchange forward contracts are utilized by the Group to reduce foreign currency exchange risk. The Group does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: (a) all derivatives be recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated income statement; and (b) for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The foreign currency forward contracts are utilized to hedge foreign exchange exposures for export sales and in procurement of inventories from overseas suppliers. Trade receivables and payables denominated in foreign currencies are translated at the forward contract rates if the forward contracts qualify for hedge accounting. Forward contracts that hedge for forecasted transactions are measured and recorded at fair value but unrealized gains/losses are deferred until the underlying transactions are completed.

r. ***Per Share Information—***Basic net income (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted-average number of common shares outstanding for the period. Diluted net income per share is not disclosed because it is anti-dilutive. Cash dividends per share presented in the accompanying consolidated statements of operations are dividends applicable to the respective years including dividends to be paid after the end of the year.

s. New Accounting Pronouncements

Business Combinations—On December 26, 2008, the ASBJ issued a revised accounting standard for business combinations, ASBJ Statement No.21, "Accounting Standard for Business Combinations." Major accounting changes under the revised accounting standard are as follows;

(1) The current accounting standard for business combinations allows companies to apply the pooling of interests method of accounting when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests. The revised standard requires to account for such business combination by the purchase method and the pooling of interests method of accounting is no longer allowed.

(2) The current accounting standard accounts for the research and development costs to be charged to income as incurred. Under the revised standard, an in-process research and development (IPR&D) acquired by the business combination is capitalized as an intangible asset.

(3) The current accounting standard accounts for a bargain purchase gain (negative goodwill) to be systematically amortized within 20 years. Under the revised standard, the acquirer recognizes a bargain purchase gain in profit or loss on the acquisition date after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed with a review of such procedures used.

This standard is applicable to business combinations undertaken on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or after April 1, 2009.

Unification of Accounting Policies Applied to Foreign Associated Companies for the Equity Method—The current accounting standard requires to unify accounting policies within the consolidation group. However, the current guidance allows to apply the equity method for the financial statements of its foreign associated company which have been prepared in accordance with generally accepted accounting principles in their respective jurisdictions without unification of accounting policies.

On December 26, 2008, the ASBJ issued ASBJ Statement No.16 (Revised 2008), "Revised Accounting Standard for Equity Method of Accounting for Investments". The new standard requires adjustments to be made to conform the associate's accounting policies for similar transactions and events under similar circumstances to those of the parent company when the associate's financial statements are used in applying the equity method unless it is impractible to determine adjustments. In addition, financial statements prepared by foreign associated companies in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States tentatively may be used in applying the equity method if the following items are adjusted so that net income is accounted for in accordance with Japanese GAAP unless they are not material: 1) amortization of goodwill; 2) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; 3) expensing capitalized development costs of R&D; 4) cancellation of the fair value model accounting for property, plant, and equipment and investment properties and incorporation of the cost model accounting; 5) recording the prior years' effects of changes in accounting policies in the income statement where retrospective adjustments to the financial statements have been incorporated; and 6) exclusion of minority interests from net income, if contained.

This standard is applicable to equity method of accounting for investments effective on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or after April 1, 2009.

Asset Retirement Obligations—On March 31, 2008, the ASBJ published a new accounting standard for asset retirement obligations, ASBJ Statement No.18 "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No.21 "Guidance on Accounting Standard for Asset Retirement Obligations". Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard is effective for fiscal years beginning on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or before March 31, 2010.

3. MARKETABLE AND INVESTMENT SECURITIES

Marketable and investment securities as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Current—Marketable equity securities	¥ 59	¥ 84	$ 602
Non-current:			
Marketable equity securities	¥ 2,965	¥ 4,420	$ 30,255
Non-marketable equity securities	962	1,100	9,816
Government and corporate bonds	423	498	4,316
Investments in associated companies	117	50	1,194
Others	387	528	3,950
Total	¥ 4,854	¥ 6,596	$ 49,531

The carrying amounts and aggregate fair values of marketable and investment securities at March 31, 2009 and 2008 were as follows:

	Millions of Yen			
March 31, 2009	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading				¥ 59
Available-for-sale—equity securities	¥ 3,405	¥ 199	¥ (639)	2,965
Government and corporate bonds	556		(133)	423
March 31, 2008				
Securities classified as:				
Trading				¥ 84
Available-for-sale—equity securities	¥ 3,936	¥ 1,243	¥ (759)	4,420
Government and corporate bonds	558		(60)	498

	Thousands of U.S. Dollars			
March 31, 2009	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading				$ 602
Available-for-sale—equity securities	$ 34,745	$ 2,030	$ (6,520)	30,255
Government and corporate bonds	5,673		(1,357)	4,316

Available-for-sale securities and others whose fair value is not readily determinable as of March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Available-for-sale—Equity securities	¥ 962	¥ 1,100	$ 9,816
Others	387	528	3,950

Proceeds from sales of available-for-sale securities were ¥99 million ($1,010 thousand) in 2009 and ¥214 million in 2008, Gross realized gains and losses on these sales, computed on the moving average cost basis, were ¥17 million ($173 thousand) and ¥2 million ($20 thousand) in 2009, respectively, and ¥34 million and ¥3 million in 2008, respectively.

The carrying values of debt securities with contractual maturities for securities classified as available-for-sale at March 31, 2009 are as follows:

	Millions of Yen	Thousands of U.S. Dollars
	Available for Sale	Available for Sale
Due after ten years	¥ 380	$ 3,878

4. INVENTORIES

Inventories at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Merchandise	¥ 12,878	¥ 14,179	$ 131,408
Finished products	1,091	1,818	11,133
Semi-processed products		2	
Work in process	577	507	5,888
Raw materials	3,728	3,665	38,041
Supplies	22	7	224
Total	¥ 18,296	¥ 20,178	$ 186,694

5. SHORT-TERM BANK LOANS

The annual average interest rates applicable to the bank loans were 1.2% for the years ended March 31, 2009 and 2008, respectively.

As is customary in Japan, the Company maintains deposit balances with banks with which it has bank loans. Such deposit balances are not legally or contractually restricted as to withdrawal.

Under certain basic agreements with banks, collateral must be provided if requested by the lending banks and certain banks have the right to offset cash deposited with them against any bank loan or obligation that becomes due and, in case of default and certain other specified events, against all other debt payable to the bank concerned. The Company has never received any such request.

6. LONG-TERM DEBT

Long-term debt at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Unsecured loans from banks and insurance companies, 0.62% to 1.48%, due serially through June 2013	¥ 5,525	¥ 2,249	$ 56,378
Obligations under finance leases	22		224
Less current portion	(1,912)	(1,624)	(19,510)
Total long-term debt, less current portion	¥ 3,635	¥ 625	$ 37,092

Annual maturities of long-term debt ,excluding obligations under finance leases (see Note 12) at March 31, 2009, were as follows:

Year Ending March 31	Millions of Yen 2009	Thousands of U.S. Dollars 2009
2010	¥1,905	$19,439
2011	1,120	11,429
2012	1,000	10,204
2013	1,000	10,204
2014	500	5,102
Total	¥5,525	$56,378

7. RETIREMENT AND PENSION PLANS

Under the pension plan, employees terminating their employment are, in most circumstances, entitled to pension payments based on their average pay during their employment, length of service and certain other factors.
The liability for retirement benefits at March 31, 2009 and 2008 for directors and corporate auditors is ¥1,122 million ($11,449 thousand) and ¥1,005 million, respectively. The retirement benefits for directors and corporate auditors are paid subject to the approval of the shareholders.

The liability (asset) for employees' retirement benefits at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Projected benefit obligation	¥ 3,539	¥ 3,165	$ 36,112
Fair value of plan assets	(1,359)	(1,050)	(13,867)
Unrecognized actuarial loss	(269)	(323)	(2,745)
Unrecognized prior service cost	(568)	(633)	(5,796)
Net liability	¥ 1,343	¥ 1,159	$ 13,704

The components of net periodic benefit costs for the years ended March 31, 2009 and 2008 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Service cost	¥ 466	¥ 500	$ 4,755
Interest cost	46	26	469
Expected return on plan assets	(19)	(18)	(194)
Recognized actuarial loss	42	18	429
Amortization of prior service cost	65	16	663
Net periodic benefit costs	¥ 600	¥ 542	$ 6,122

Assumptions used for the years ended March 31, 2009 and 2008 are set forth as follows:

	2009	2008
Discount rate	2.0%	2.0%
Expected rate of return on plan assets	2.0%	2.0%
Recognition period of actuarial gain/loss	10 years	10 years
Amortization period of prior service cost	10 years	10 years

8. EQUITY

Since May 1, 2006, Japanese companies have been subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as: (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) if the company has prescribed so in its articles of incorporation. However, the Company cannot do so because it does not meet all the above criteria.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act also provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

b. Increases/Decreases and Transfer of Common Stock, Reserve and Surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation of such threshold. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

c. Treasury Stock and Treasury Stock Acquisition Rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of shareholders' equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of shareholders' equity or deducted directly from stock acquisition rights.

9. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 41% for the years ended March 31, 2009 and 2008.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2009 and 2008 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Deferred tax assets:			
Devaluation loss on investment securities		¥ 23	
Accrued enterprise tax		172	
Devaluation loss on unlisted stock		98	
Retirement benefit for directors	¥ 457	408	$ 4,663
Allowance for doubtful accounts	446	278	4,551
Accrued bonuses	296	240	3,020
Retirement benefit for employees	541	427	5,520
Tax loss carryforwards	3,189	1,643	32,541
Devaluation of golf membership		74	
Unrealized loss on available-for-sale securities	168	32	1,714
Devaluation of inventories	311		3,173
Impairment loss	284		2,898
Other	1,300	329	13,265
Sub-total	6,992	3,724	71,345
Less valuation allowance	(4,785)	(1,995)	(48,826)
Deferred tax assets—total	2,207	1,729	22,521
Deferred tax liabilities:			
Undistributed earnings of overseas subsidiaries	(573)	(812)	(5,847)
Unrealized gain on property and equipment	(208)	15	(2,122)
Unrealized gain on available-for-sale securities	(36)	(245)	(367)
Advanced depreciation on fixed assets	(375)	(422)	(3,827)
Other	(30)	(40)	(306)
Deferred tax liabilities—total	(1,222)	(1,504)	(12,469)
Net deferred tax assets	¥ 985	¥ 225	$ 10,052

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of operations for the years ended March 31, 2009 and 2008 is as follows:

	2009	2008
Normal effective statutory tax rate	41%	41%
Dividend received deduction		2
Expenses not deductible for income tax purposes	361	3
Foreign tax credit		(2)
Tax benefits not recognized on operating losses of subsidiaries	3,561	17
Increase of valuation allowance	631	
Deferred income taxes on retained profits of overseas subsidiaries	(487)	
Recognized devaluation loss on subsidiaries stocks	(2,332)	
Lower income tax rates applicable to income in certain foreign countries		(9)
Other—net	449	(7)
Actual effective tax rate	2,224%	45%

At March 31, 2009, the company and certain subsidiaries have tax loss carryforwards aggregating approximately ¥8,472 million ($86,449 thousand) which are available to be offset against future taxable income of the company and such subsidiaries in future years. These loss carryforwards, if not utilized, will expire as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2013	166	1,694
2014	1,285	13,112
2015 and thereafter	7,021	71,643
Total	¥ 8,472	$ 86,449

10. DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

Depreciation of property, plant and equipment was ¥1,235 million ($12,602 thousand) and ¥893 million for the years ended March 31, 2009 and 2008, respectively.

11. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥2,154 million ($21,980 thousand) and ¥1,455 million for the years ended March 31, 2009 and 2008, respectively.

12. LEASES

The Group leases buildings, machinery, equipment and vehicles and other assets. Total lease payments under finance leases for the years ended March 31, 2009 and 2008 were ¥201 million ($2,051 thousand) and ¥186 million, respectively.

An impairment loss that the companies recorded for the year ended March 31, 2009 and 2008 were ¥57 million ($581 thousand) and ¥7 million ($70 thousand), respectively, on certain leased property held under finance leases that do not transfer ownership and an allowance for impairment loss on less on leased property.

As discussed in Note 2.m, the Company accounts for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions. Pro forma information of such leases, such as acquisition cost, accumulated depreciation, accumulated impairment loss, obligations under finance leases, depreciation expense, interest expense and other information, on a "as if capitalized" basis for the years ended March 31, 2009 and 2008 was as follows.

	Millions of Yen					
	2009			2008		
	Machinery, Equipment and Vehicles	Molding Dies and Furnitures	Total	Machinery, Equipment and Vehicles	Molding Dies and Furnitures	Total
Acquisition cost	¥ 97	¥ 668	¥ 765	¥ 97	¥ 805	¥ 902
Accumulated depreciation	(37)	(364)	(401)	(27)	(397)	(424)
Accumulated impairment loss		(57)	(57)		(7)	(7)
Net leased property	¥ 60	¥ 247	¥ 307	¥ 70	¥ 401	¥ 471

	Thousands of U.S. Dollars		
	2009		
	Machinery, Equipment and Vehicles	Molding Dies and Furnitures	Total
Acquisition cost	$ 990	$ 6,816	$ 7,806
Accumulated depreciation	(378)	(3,714)	(4,092)

Accumulated impairment loss		(581)	(581)
Net leased property	$ 612	$ 2,521	$ 3,133

Obligations under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Due within one year	¥ 128	¥ 161	$ 1,306
Due after one year	248	332	2,531
Total	¥ 376	¥ 493	$ 3,837

Depreciation expense which is not reflected in the accompanying consolidated statements of operations, computed by the straight-line method was ¥187 million ($1,908 thousand) and ¥173 million for the years ended March 31, 2009 and 2008, respectively.

The imputed interest expense portion which is computed using the interest method is excluded from the above obligations under finance leases.

The minimum rental commitments under noncancellable operating leases at March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Due within one year	¥780	¥ 34	$ 7,959
Due after one year	4,273	49	43,602
Total	¥5,053	¥ 83	$51,561

13. ASSETS PLEDGED AS COLLATERAL

At March 31, 2008, investment securities of ¥16 million and time deposit of ¥10 million were deposited with vendors as collateral for trade guarantees. At March 31, 2009, there are no such collateral any more.

14. DERIVATIVES

The Group enters into foreign exchange forward contracts to hedge foreign exchange risk associated with assets and liabilities denominated in foreign currencies.

It is the Group's policy to use derivatives for the purpose of reducing market risks associated with assets and liabilities. The Group does not enter into derivative contracts for trading or speculative purposes.

Derivatives are subject to market and credit risk. The Group, however, does not anticipate any credit losses, because the counterparties to those derivatives are limited to major financial institutions.

Each business department executes foreign exchange forward contracts, which are limited to the normal course of business. The administrative department controls the position of derivative transactions. The manager of the accounting department periodically provides detailed reports of derivative transactions to management.

15. CONTINGENT LIABILITIES

Contingent liabilities at March 31, 2009 for employees' loans guaranteed, amounted to ¥53 million ($541 thousand) and for bank loans guaranteed of ELATEC VERTRIEBS GMBH, which is equity-method affiliate, amounted to ¥32 million ($327 thousand).

16. CONTINGENT LOSS

Regarding software development project entrusted to the domestic subsidiary, KAGA SOLNET, the delivery was delayed, and the contract cancellation was informed from certain customer on May 7, 2008. The entrusted amount of the project was ¥475 million ($4,847 thousand). KAGA SOLNET was accused at the Tokyo District Court on January 29, 2009 and is required for the compensation loss of ¥513 million ($5,235 thousand). Although it is impossible to estimate the reasonable impact at this points, there is a possibility that it will affect the results of the company's operation depending on the result of the trial. The work-in-process for the project is 15 million yen ($153 thousand) and the advance payment to the consignee is 124 million yen($1,265 thousand), which are recognized on the balance sheet as of March 31, 2009.

17. SUBSEQUENT EVENT

The following appropriations of retained earnings at March 31, 2009 was approved at the Company's shareholders meeting held on June 26, 2009:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥15.00 ($0.15) per share	¥ 413	$ 4,214
Other reserve	1,200	12,245
Total	¥ 1,613	$ 16,459

18. SEGMENT INFORMATION

a. *Operations in Different Industries*

The Company and subsidiaries operate within one business segment, which is the electronic component trading business.

b. *Operations by Geographic Area*

The following table shows segment information by geographic area for the years ended March 31, 2009 and 2008:

	Millions of Yen					
	2009					
	Japan	North America	Europe	East Asia	Eliminations or Corporate	Consolidated
(1) Sales and operating income						
Sales:						
Outside customers	¥ 223,812	¥ 326	¥ 3,625	¥ 45,847		¥ 273,610
Interarea	14,326	205	55	9,945	¥ (24,531)	
Total sales	238,138	531	3,680	55,792	(24,531)	273,610
Operating expenses	236,628	629	3,731	54,976	(24,604)	271,360
Operating income (loss)	¥ 1,510	¥ (98)	¥ (51)	¥ 816	¥ 73	¥ 2,250
(2) Total assets	¥ 98,543	¥ 277	¥ 819	¥ 20,545	¥ (2,933)	¥ 117,251

	Thousands of U.S. Dollars					
	2009					
	Japan	North America	Europe	East Asia	Eliminations or Corporate	Consolidated
(1) Sales and operating income						
Sales:						
Outside customers	$ 2,283,796	$ 3,326	$ 36,990	$ 467,827		$ 2,791,939
Interarea	146,184	2,092	561	101,480	$ (250,317)	
Total sales	2,429,980	5,418	37,551	569,307	(250,317)	2,791,939
Operating expenses	2,414,572	6,418	38,071	560,980	(251,061)	2,768,980
Operating income(loss)	$ 15,408	$ (1,000)	$ (520)	$ 8,327	$ 744	$ 22,959
(2) Total assets	$ 1,005,541	$ 2,827	$ 8,357	$ 209,643	$ (29,929)	$ 1,196,439

Note:
1) As discussed in Note 2.b., effective April 1, 2008, the Company applied PITF No.18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements". The effect of this change was to decrease operating income of East Asia by ¥63 million ($643 thousand) for the year ended March 31, 2009.

2) As discussed in Note 2.d., effective April 1, 2008, the Company applied ASBJ Statement No.9, "Accounting Standard for Measurement of Inventories". The effect of this change was to decrease operating income of Japan by ¥83 million ($847 thousand) for the year ended March 31, 2009.

	Millions of Yen					
	2008					
	Japan	North America	Europe	East Asia	Eliminations or Corporate	Consolidated
(1) Sales and operating income						
Sales:						
Outside customers	¥ 234,106	¥ 1,012	¥ 2,545	¥ 53,668		¥ 291,331
Interarea	16,505	404	143	9,425	¥ (26,477)	
Total sales	250,611	1,416	2,688	63,093	(26,477)	291,331
Operating expenses	245,201	1,549	2,872	60,756	(26,833)	283,545
Operating income(loss)	¥ 5,410	¥ (133)	¥ (184)	¥ 2,337	¥ 356	¥ 7,786
(2) Total assets	¥ 107,045	¥ 389	¥ 1,853	¥ 25,604	¥ (4,468)	¥ 130,423

c. Sales to Foreign Customers

Sales to foreign customers for the years ended March 31, 2009 and 2008 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Sales to:			
North America	¥ 3,094	¥ 2,533	$ 31,571
Europe	4,840	4,646	49,388
East Asia	63,088	65,260	643,755
Total	¥ 71,022	¥ 72,439	$ 724,714