

## FY2011 Consolidated Financial Results

Company Name	: Hikari Tsushin Inc.
Stock Exchanges on which the Shares are listed	: Tokyo Stock Exchange - First Section
Code Number	: 9435
URL	: <a href="http://www.hikari.co.jp/">http://www.hikari.co.jp/</a>
Representative	: Takeshi Tamamura, President and COO
Contact	: Koh Gidoh, Director, Head of Administrative Headquarters Tel. (03) 5951-3718

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated Results for FY2011 (April 1, 2010 through March 31, 2011)

#### (1) Consolidated Financial Results

(Percentages are shown as year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2011	449,050	28.6	2,594	(32.6)	1,159	(58.9)	(701)	—
FY2010	349,097	4.6	3,847	(82.1)	2,817	(86.5)	755	—

	Net income per share	Diluted net income per share	ROE	ROA	Operating income/Net sales
	Yen	Yen	%	%	%
FY2011	(13.02)	—	(0.7)	0.5	0.6
FY2010	13.51	13.40	0.7	1.3	1.1

\*1 ROA: Ordinary income/Total assets×100

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net asset per share
	Million yen	Million yen	%	Yen
FY2011	228,885	109,411	43.7	1,879.76
FY2010	217,552	114,046	49.2	1,967.93

#### (3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financial activities	Cash and cash equivalents at the end of the term
	Million yen	Million yen	Million yen	Million yen
FY2011	(12,709)	(6,103)	14,728	15,386
FY2010	6,688	4,785	(8,357)	19,651

## 2. Cash Dividends

(Record date)	Dividends per share					Total dividend amount (full-year)	Payout ratio (Consolidated)	Ratio of dividend to net assets (consolidated)
	1Q	2Q	3Q	Year-end	Annual year			
	Yen	Yen	Yen	Yen	Yen			
						Million yen	%	%
FY2010	—	0.00	—	60.00	60.00	3,264	444.0	3.2
FY2011	—	0.00	—	60.00	60.00	3,191	—	3.1
FY2012(forecast)	—	0.00	—	60.00	60.00		42.6	

## 3. Forecast of consolidated results for FY2011 (April 1, 2011 through March 31, 2012)

(Percentages change from FY2011)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	215,000	2.4	6,000	—	5,500	—	2,500	—	46.99
Full year	460,000	2.4	17,000	555.2	15,500	1,237.0	7,500	—	140.98

## 4. Others

- (1) Changes among significant subsidiaries during FY2011 (Changes among specific subsidiaries resulting in changes in the scope of consolidation) : None

New: None

Exclude: None

- (2) Changes in principles and practices in the preparation of the consolidated financial statements, or method of presentation (Items to be listed under changes in the basis of presentation of consolidated financial statements)

1. Changes arising from revision of accounting standards: Yes

2. Other changes: None

- (3) Number of shares issued and outstanding (common stock)

1. Number of shares issued and outstanding at the end of each fiscal year (including treasury stocks)

FY2011 58,349,642 shares

FY2010 58,349,642 shares

2. Number of shares of treasury stock at the end of each fiscal year

FY2010 5,150,170 shares

FY2009 3,935,167 shares

3. Average number of shares issued and outstanding in each fiscal year

FY2010 53,844,243 shares

FY2009 55,915,862 shares

**Reference: Non-consolidated results**

**1. Non-consolidated results for FY2011 (April 1, 2010 through March 31, 2011)**

(1)Non-consolidated financial results (Amounts are rounded down to the nearest million yen)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2011	13,379	(8.9)	4,951	6.2	3,354	(76.6)	1,568	(86.6)
FY2010	14,689	(12.3)	4,663	(43.3)	14,346	(58.0)	11,739	(6.8)

	Net income per share	Diluted net income per share
	Yen	Yen
FY2010	29.14	29.14
FY2009	209.95	209.95

(2)Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net asset per share
	Million yen	Million yen	%	Yen
FY2011	141,061	98,036	68.7	1,822.83
FY2010	148,100	102,528	68.6	1,867.32

Note: Explanation concerning appropriate use of the earning forecast, and other matters to note

Earning forecasts contained in these documents and other forward-looking statements are forecast based on the Company's own judgment supported by currently available information. Accordingly, it is possible that, owing to various factors, actual future performance will differ substantially from the forecasts. For the notes on the assumptions on which these forecasts are premised and on the use of results forecast, please see the Analysis of Business Results section on page 4.

## Qualitative Information and Financial Statements

### 1. Qualitative Information about Consolidated Results

#### <Performance Overview>

A brief review of the domestic economic circumstances for FY2011 (April 1, 2010 – March 31, 2011) goes as follows. Hikari Tsushin met the challenge of expanding its sales networks, and increasing sales per customer by developing and selling new products in a concentrated effort to increase and sustain revenue from stock commission<sup>1</sup>, one of Hikari Tsushin's key sources of profit growth. In sales of our own products, initial costs are caused ahead and it still has been increased because of huge improvement number of sales. On the other hands, stock commission has been accumulated by increasing number of retaining customers. However, the commission depends on sales volume fall short of expectations because of effect of voluntary business operations restraint by earthquake disaster. For the business year ended March 31, 2011, the company registered net sales of ¥449,050 million (up to 28.6% Y-o-Y), operating income of ¥2,594 million (down to 32.6% Y-o-Y), ordinary income of ¥1,159 million (down to 58.9% Y-o-Y), net income before tax of ¥1,888 million, and net loss of ¥ 701 million.

	FY2010 (April 1, 2009 - March 31, 2010)	FY2011 (April 1, 2010 - March 31, 2011)	Increase (decrease)	Increase(decrease) (%)
Net sales	349,097	449,050	99,952	28.6
Operating income	3,847	2,594	(1,252)	(32.6)
Ordinary income	2,817	1,159	(1,658)	(58.9)
Net income before tax (Loss)	2,504	1,888	(616)	(24.6)
Net income (Loss)	755	(701)	(1,456)	—

#### <Overview by Segments>

##### Corporate Business

Hikari Tsushin Group's corporate business segment engages in the sales of OA equipment, telecommunication line services, enterprise solution services, and mobile advertising sales. The difficult environment for our main customers, SMEs, continues. In this environment, Hikari Tsushin strove to expand its nationwide sales networks and offer customers ways to increase efficiency and reduce costs by offering many kinds of products and services.

Also, the expansion of broadband services centered on FTTH is accompanied by an ongoing optical access, high-speed data link. This quarter also encouraged Hikari Tsushin to further increase the accumulation of stock commission and expand future sources of revenue. On the other hands, the cost of sales promotion and commission charges for partner has been increased with improving sales of our own products. However, stock commission has been accumulated by increasing number of retaining customers. The commission depends on sales volume fall short of expectations because of effect of voluntary business operations restraint by earthquake disaster.

Corporate business FY2011 financial results were: net sales of ¥184,306 million and operating loss of ¥4,860 million.

##### SHOP Business

Hikari Tsushin's SHOP business mainly sells mobile phones through its nationwide sales channels. In the mobile phone market, in the midst of longer intervals between phone model changes, we foresee an even greater market expansion of the entire mobile business due to evidence of upward growth in smartphones. Additionally, advances in telecommunications technology, fixed rates for data transfer and the entrance of technology-intensive have

<sup>1</sup>Stock commission- income calculated based on subscribers' monthly usage fees over a given time period, received monthly as a handler's fee from carriers, insurance companies.

produced almost any kind of mobile-centered service imaginable and is becoming more and more relevant. Under these circumstances, as a results of expanding sales network, the number of shops increased to 2,357(36.9% up) and also the number of handsets with recurring commission rise to 2.8million (4.1% up). SHOP business FY2011 financial results were: net sales of ¥253,666 million and operating income of ¥9,204 million.

### Insurance Business

Hikari Tsushin conducts its insurance business primarily by selling insurance policies to customers using telemarketing at its nationwide call centers. In the first quarter of FY2011, because of repair the profit imbalance of the last period, it slightly has been achieved turnaround. For the business year ended March 31, 2011, the company registered net sales of ¥8,637 million, operating income of ¥997 million.

### Media Advertising Business

From this quarter, Hikari Tsushin added an internet mobile advertising business as a new segments included corporate business. Media advertising business segments engages in sales and purchase of advertisement based on mobile, and operations of web site. In the sales and purchase of advertisement spot, increased new clients by consolidation of selling system although the big advertisement agency made a full-scale entry. In the site operations, it has been trying to increase the profit by intention of own media with leveraging an advantage of “e-machi town” which is the biggest town information sites, develop 318 area in Japan. Media Advertising business FY2011 financial results were: net sales of ¥5,116 million and operating income of ¥410 million.

### Consolidated financial position

	FY2010	FY2011	Change
	Million Yen	Million Yen	Million yen
Total Assets	217,552	228,885	11,333
Liabilities	103,505	119,474	15,968
Net Assets	114,046	109,411	(4,634)

Total Assets ended in ¥228,885 million, increase ¥11,333 million due to increase inventory and account receivable by bumper sales of mobile phones.

Liabilities increased ¥15,968 million and totaled ¥119,474 million. This mainly reflected the issues of corporate bonds.

Net Assets ended in ¥109,411 million, decreased ¥4,634 million due to purchase of treasury stock and decreasing of valuation difference on available for sale securities.

### Consolidated Cash Flows

	FY2010	FY2011
	Million Yen	Million Yen
Cash Flow from Operations	6,688	(12,709)
Cash Flow from Investment	4,785	(6,103)
Cash Flow from Financial Activities	(8,357)	14,728
Cash (and Equivalents) at the End of the Term	19,651	15,386

Cash flow from operations ended in minus ¥12,709 million, due to increase account receivable and payment for income tax.

Cash flow from investment ended in minus ¥6,103 million, payments for purchases of investment in securities.

Cash flow from financial activities ended in ¥14,728 million, as a result of share buy buck.

As a result, cash and cash equivalents at the end of the term ended in ¥15,386 million.

## Consolidated Financial Statements

### Consolidated Balance Sheet

(Millions of yen)

	FY2010 (As of Mar 31, 2010 )	FY2011 (As of Mar 31, 2011 )
Assets	Amount	Amount
Current Assets		
Cash and Bank Deposits	18,672	15,400
Trade Notes and Accounts Receivable	57,210	71,906
Marketable securities	1,937	30
Inventories	10,050	11,255
Account receivable other	5,910	6,313
Deferred Tax Assets	2,158	2,967
Other Current Assets	10,671	5,512
Allowance for Doubtful Accounts	(356)	(360)
Total Current Assets	106,255	113,024
Fixed Assets		
Property, plant and equipment		
Building and structure	6,762	7,175
Accumulated depreciation	(2,651)	(2,841)
Building and structure	4,110	4,334
Machinery and Vehicles	22	30
Accumulated depreciation	(17)	(21)
Machinery and Vehicles	5	9
Tools and Equipment	3,724	3,572
Accumulated depreciation	(2,810)	(2,802)
Tools and Equipment	913	769
Land	2,647	3,408
Lease Assets	934	635
Accumulated depreciation	(462)	(448)
Lease Assets	472	186
Total property, plants and equipments	8,149	8,708
Intangible Assets		
Goodwill	3,978	5,243
Other Intangible Assets	810	895
Total Intangible Assets	4,788	6,138
Investments and Other Assets		
Investments Securities	66,429	68,085
Long-term loans receivable	6,339	6,482
Lease and guarantee deposits	5,758	4,534
Bankrupt credits	1,577	2,019
Deferred Tax Assets	17,862	17,719
Other Assets	7,887	10,003
Allowance for Doubtful Accounts	(7,494)	(7,831)
Total Investments and Other Assets	98,359	101,014
Total Fixed Assets	111,297	115,861
Total Assets	217,552	228,885

	FY2010 (As of Mar 31, 2010)	FY2011 (As of Mar 31, 2011)
	Amount	Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade note and account payable	26,046	28,179
Short-term loan payable	19,793	22,579
Current portion of bonds	456	624
Account payable-other	33,849	38,532
Income tax payable	1,813	1,115
Deposits	11,104	3,264
Accrued bonuses	926	752
Accrued bonuses for directors and auditors	40	22
Other current liabilities	4,297	4,025
<b>Total current liabilities</b>	<b>98,328</b>	<b>99,096</b>
<b>Fixed liabilities</b>		
Bonds	995	14,120
Long-term loans payable	657	3,714
Allowance for retirement benefits for directors and auditors	165	181
Deferred tax liabilities	9	50
Other fixed liabilities	3,348	2,309
<b>Total fixed liabilities</b>	<b>5,176</b>	<b>20,377</b>
<b>Total liabilities</b>	<b>103,505</b>	<b>119,474</b>
<b>Net assets</b>		
<b>Shareholders equity</b>		
Capital	54,259	54,259
Additional paid-in capital	25,293	25,293
Retained earning	34,721	30,723
Treasury stock	(9,875)	(11,875)
<b>Total shareholders equity</b>	<b>104,399</b>	<b>98,400</b>
<b>Valuation and translation differences</b>		
Net unrealized holding gain on securities	2,698	1,627
Foreign currency translation adjustment	(14)	(25)
<b>Total valuation and translation differences</b>	<b>2,684</b>	<b>1,601</b>
Share warrants	1,089	1,281
Minority interests	5,873	8,127
<b>Total net assets</b>	<b>114,046</b>	<b>109,411</b>
<b>Total liabilities and net assets</b>	<b>217,552</b>	<b>228,885</b>

## Consolidated Income Statement

	FY2010 (As of Mar 31, 2010)	FY2011 (As of Mar 31, 2011)
	Amount	Amount
Net Sales	349,097	449,050
Cost of sales	190,589	241,870
Gross profit	158,508	207,179
Selling general and administrative expenses	154,660	204,584
Operating income	3,847	2,594
Non-operating income		
Interest income	241	313
Dividend income	453	630
Gain on sale of investment securities	250	—
Amortization of negative goodwill	341	315
Other non-operating income	806	785
Total non-operating income	2,093	2,045
Non-operating expense		
Interest expense	320	622
Loss on sales of Investment Securities	—	90
Equity in net losses of affiliates	1,399	1,022
Loss on investment in VC funds	144	707
Provision for doubtful accounts	279	244
Loss on sales of securities fee paid	386	—
Fee paid	83	66
Other non-operating expense	508	728
Total non-operating expense	3,123	3,481
Ordinary income	2,817	1,159
Extraordinary income		
Gain on sales of investment securities	2,700	2,009
Gain on sale of shares of subsidiary	1,172	133
Gain on change of affiliates	—	786
Reversal of doubtful account	118	155
Reversal accrued bonuses	106	55
Transferred of venture fund	2,264	113
Gain on non-current assets	—	54
Gain on negative goodwill	—	162
Gain on step acquisitions	—	98
Total extraordinary income	6,363	3,569
Extraordinary losses		
Loss on disposal and sale of fixed assets	443	399
Impairment loss on investment securities	2,992	854
Loss on sales of investment securities	1,309	138
Loss on sales of shares of subsidiaries	117	467
Loss on change in equity	—	152
Impairment loss	880	177
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	197
Loss on business liquidations	812	—
Loss on cancellation of contract of buildings	121	—
Loss on disaster		119



Other	-	333
Total extraordinary losses	6,676	2,840
Net income before tax	2,504	1,888
Income and enterprise taxes	2,046	2,291
Income taxes-correction	824	(559)
Deferred income taxes	(1,128)	(120)
Total income taxes	1,742	1,611
Income (loss) before minority interests	—	276
Minority interests	6	977
Net income (loss)	755	(701)

#### Comprehensive Income Abstract Statements

Income (loss) before minority interests	—	276
Other comprehensive income		
Valuation difference on available-for-sale securities	—	(1,097)
Foreign currency translation adjustment	—	(5)
Share of other comprehensive income of associates accounted for using equity method	—	0
Other comprehensive income	—	(1,101)
Comprehensive income		(825)
Comprehensive income attributable to owners of the parent	—	(1,783)
Comprehensive income attributable to minority interests	—	958

#### Consolidated changes in net assets Statement

	FY2010 (April 1, 2009 ~ March 31, 2010)	FY2011 (April 1, 2010 ~ March 31, 2011)
	Amount	Amount
Shareholders' equity		
Capital stock		
Balance at the end of previous period	54,259	54,259
Balance at the end of current period	54,259	54,259
Capital surplus		
Balance at the end of previous period	25,293	25,293
Balance at the end of current period	25,293	25,293
Retained Earnings		
Balance at the end of previous period	37,301	34,721
Changes of items during the period		
Dividends from surplus	(3,412)	(3,264)
Net income	755	(701)
Change of scope of consolidation	77	(32)
Total changes of items during the period	(2,579)	(3,998)
Balance at the end of current period	34,721	30,723
Treasury stock		
Balance at the end of previous period	(5,675)	(9,875)
Balance at the end of current period		
Purchase of treasury stock	(4,200)	(2,000)
Changes of items during the period	(4,200)	(2,000)
Balance at the end of current period	(9,875)	(11,875)

Total shareholders' equity		
Balance at the end of previous period	111,179	104,399
Changes of items during the period		
Dividends from surplus	(3,412)	(3,264)
Net income (loss)	755	(701)
Change of scope of consolidation	77	(32)
Purchase of treasury stock	(4,200)	(2,000)
Total changes of items during the period	(6,779)	(5,998)
Balance at the end of current period	104,399	98,400
Total valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(6,723)	2,698
Changes of items during the period		
Net changes of items other than shareholders' equity	9,422	(1,071)
Total changes of items during the period	9,422	(1,071)
Balance at the end of current period	2,698	1,627
Foreign currency translation adjustment		
Balance at the end of previous period	(6)	(14)
Changes of items during the period		
Net changes of items other than shareholders' equity	(7)	(11)
Total changes of items during the period	(7)	(11)
Balance at the end of current period	(14)	(25)
Total valuation and translation adjustments		
Balance at the end of previous period	(6,730)	2,684
Changes of items during the period		
Net changes of items other than shareholders' equity	9,414	(1,082)
Total changes of items during the period	9,414	(1,082)
Balance at the end of current period	2,684	1,601
Treasury subscription rights to shares		
Balance at the end of previous period	812	1,089
Changes of items during the period		
Net changes of items other than shareholders' equity	277	192
Total changes of items during the period	277	192
Balance at the end of current period	1,089	1,281
Minority interests		
Balance at the end of previous period	10,833	5,873
Changes of items during the period		
Net changes of items other than shareholders' equity	(4,960)	2,254
Total changes of items during the period	(4,960)	2,254
Balance at the end of current period	5,873	8,127
Total net assets		
Balance at the end of previous period	116,094	114,046
Changes of items during the period		
Dividends from surplus	(3,412)	(3,264)
Net income (loss)	755	(701)
Change of scope of consolidation	77	(32)
Purchase of treasury stock	(4,200)	(2,000)

Net changes of items other than shareholders' equity	4,731	1,363
Total changes of items during the period	2,048	(4,634)
Balance at the end of current period	114,046	109,411

Consolidated Statement of Cash flow

(Millions of yen)

	FY2010 (April 1, 2009 ~ March 31, 2010)	FY2011 (April 1, 2010 ~ March 31, 2011)
	Amount	Amount
Cash Flow from Operating activities		
Net Income Before Tax	2,504	1,888
Depreciation and Amortization	1,999	1,799
Amortization of Goodwill	499	781
Gain on negative goodwill	—	(162)
Increase in Allowance for Doubtful Accounts	1,287	591
Decrease in Allowance for Operational Investment	(84)	—
Interest and Dividends Income	(694)	(944)
Interest Expenses	320	622
Loss on sale of share of subsidiary	(1,055)	333
Loss (Gain) on Sales of Investment Securities	(1,641)	(1,780)
Impairment loss on investment securities	2,992	908
Loss (Gain) on investment in VC funds	144	707
Equity in Net Losses (Gain) of Affiliates	1,399	1,022
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	197
Gain on step acquisitions	—	(98)
Loss on Business Transfer	(2,264)	(113)
Impairment Loss	880	177
Loss on disaster	—	119
Loss on Business Liquidation	812	—
Loss on cancellation of contract of buildings	121	—
Loss (Gain) on Sale and Disposal of Property, Equipment and Intangible Assets	443	344
Increase (Decrease) in Notes and Accounts Receivable-Trade	10,493	(13,766)
Increase (Decrease) in Inventories	5,594	(1,291)
Increase (Decrease) in Operational Investment in Securities	116	—
Increase (Decrease) in account receivable-other	(2,727)	(412)
Increase (Decrease) in Notes and Accounts Payable-Trade	(11,717)	1,798
Increase(Decrease) in Accounts Payable Other	4,300	1,981
Increase (Decrease) in Advances	(1,325)	—
Increase (Decrease) in other current assets	(1,212)	(2,385)
Increase (Decrease) in other current liabilities	(587)	(165)
Other Cash Flow from Operating Activities	173	(394)
Subtotal	10,773	(8,241)
Interest and dividends received	915	1,083
Interest paid	(309)	(593)
Income taxes paid	(13,470)	(12,406)
Income taxes refunded	8,778	7,449
Net cash provided by operating activities	6,688	(12,709)

## Consolidated Statement of Cash flow

(Millions of yen)

	FY2010 (April 1, 2009 ~ March 31, 2010)	FY2011 (April 1, 2010 ~ March 31, 2011)
	Amount	Amount
Investing activities		
Purchases of property, equipment and intangible assets	(1,409)	(3,596)
Proceeds from sale of property, equipment and intangible assets	123	727
Income from business transfer	3,169	776
Purchases of investment securities	(18,452)	(20,983)
Proceeds from sale of investment securities	22,864	16,136
Purchase of shares in subsidiaries	(372)	(214)
Proceeds from sale of shares in subsidiaries	79	11
Purchase from acquirement of shares in subsidiaries	(298)	(2,043)
resulting in change of consolidation		
Proceeds from acquirement of shares in subsidiaries	753	511
resulting in change of consolidation		
Proceeds from sale of shares in subsidiaries	1,200	697
resulting in change of consolidation		
Expenditure for sale of shares in subsidiaries	(1,009)	(429)
resulting in change of consolidation		
Decrease in loans receivable	(4,262)	(3,701)
Increase in loans receivable	2,459	4,700
Increase in lease deposit	(369)	(457)
Decrease in lease deposit	715	818
Other investing activities	(405)	942
Net cash provided by (used in) investing activities	4,785	(6,103)
Financing activities		
Increase (decrease) in short-term loan	(1,426)	2,080
Proceeds from long-term debt	234	5,216
Payment of long-term debt	(18)	(1,297)
Proceeds from issuance of bonds	680	13,379
Redemption of bonds	—	(207)
Proceeds from sale of common stock subsidiaries to minority shareholders	486	1,477
Purchases of treasury stock	(4,200)	(2,000)
Payment of dividends	(3,411)	(3,264)
Payment of dividends for minority shareholders	(239)	(164)
Payment of lease debt	(464)	(492)
Net cash provided by (used in) financing activities	(8,357)	14,728
Translation adjustments on cash and cash equivalents	78	(91)
Net increase (decrease) in cash and cash equivalents	3,194	(4,175)
Cash and cash equivalents at beginning of the period	18,800	19,651
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(2,344)	(89)
Cash and cash equivalents at end of the period	19,651	15,386

## Business Segment Information

FY2011 (Apr 1, 2010~Mar 31, 2011)

	Corporate Business	SHOP Business	Insurance Business	Media Ads Business	Other	Combined Total	Elimination or Corporate	Consolidated
Net Sales	184,306	253,666	8,637	5,116	311	452,038	(2,988)	449,050
Operating Income	(4,860)	9,204	997	410	(27)	5,724	(3,130)	2,594

FY2010 (Apr 1, 2009~Mar 31, 2010)

(Millions of Yen)

	Corporate Business	SHOP Business	Insurance Business	Venture Fund Business	Combined Total	Elimination or Corporate	Consolidated
Net Sales	153,543	188,429	10,241	15	352,229	(3,132)	349,097
Operating Income	1,540	5,416	(905)	(222)	5,829	(1,981)	3,847

### Reference Information

Consolidated Financial Statements are based on the accounting method in which funds are excluded from the consolidation (Unaudited)

Note: Hikari Tsushin believes that the previous accounting method, in which venture capital funds managed by its subsidiaries were excluded from its consolidated Financial Statements (method with funds unconsolidated), is useful for showing the Group's operating results and financial position, and will therefore continue to use that method to present them.