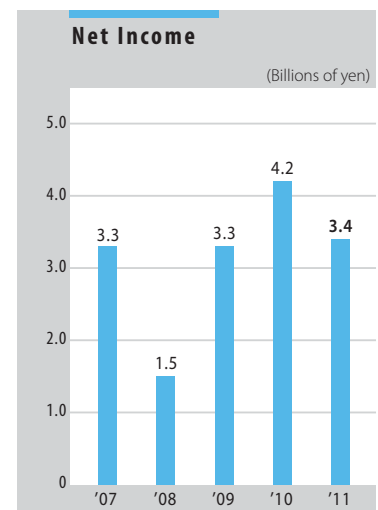
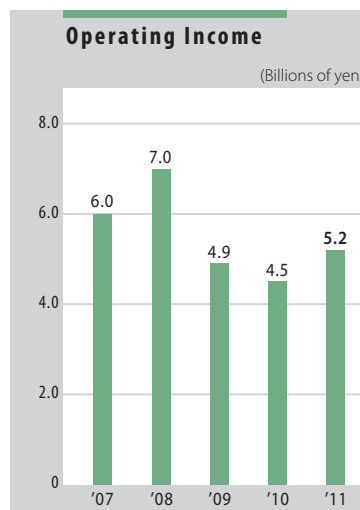
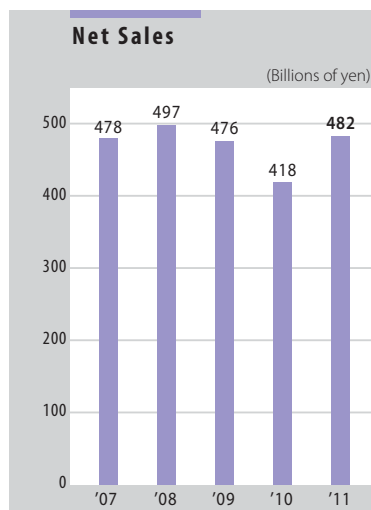


Annual Review 2011

Consolidated Financial Highlights

Japan Pulp and Paper Company Limited and Consolidated Subsidiaries
Years ended March 31, 2011, 2010, 2009, 2008 and 2007



	Millions of yen					Thousands of U.S. dollars
	2011	2010	2009	2008	2007	2011
Net sales	¥ 482,143	¥ 417,688	¥ 475,874	¥ 496,549	¥ 478,276	\$ 5,798,471
Operating income	5,186	4,503	4,885	7,033	5,950	62,372
Ordinary income	5,855	5,246	4,740	7,144	6,262	70,411
Net income	3,418	4,201	3,285	1,500	3,307	41,101
Net assets	68,164	67,159	62,289	65,083	71,036	819,775
Total assets	260,205	243,466	233,512	265,505	275,887	3,129,346

Per Share Data:

	Yen					U.S. dollars
	2011	2010	2009	2008	2007	2011
Net income	¥ 23.36	¥ 28.80	¥ 22.58	¥ 10.11	¥ 22.51	\$ 0.28
Net assets	451.52	449.45	421.26	437.71	467.52	5.43
Cash dividends	10.00	10.00	10.00	10.00	9.00	0.12

Key Indicators:

	(%)				
	2011	2010	2009	2008	2007
Equity ratio	25.4	27.0	26.2	24.0	25.2
Return on equity	5.2	6.6	5.3	2.3	4.8

Notes:

Unless otherwise specified, all dollar figures in this annual review refer to U.S. currency.

All U.S. dollar amounts are presented solely for the readers' convenience and are translated at ¥83.15=US\$1, the approximate exchange rate at March 31, 2011.

Consolidated Financial Statements

Consolidated Balance Sheets

Japan Pulp and Paper Company Limited and Consolidated Subsidiaries
Years ended March 31, 2011 and 2010

ASSETS	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Current assets:			
Cash and deposits	¥ 3,906	¥ 3,754	\$ 46,975
Notes and accounts receivable-trade	141,570	128,405	1,702,586
Inventories	20,282	16,312	243,918
Deferred tax assets	1,787	1,908	21,489
Other	4,009	3,320	48,213
Allowance for doubtful accounts	(1,615)	(1,559)	(19,418)
Total current assets	169,939	152,140	2,043,765
Property, plant and equipment:			
Buildings and structures, net	25,760	24,247	309,798
Land	22,217	22,275	267,186
Lease assets, net	106	61	1,269
Other	6,092	4,441	73,263
Total property, plant and equipment	54,174	51,023	651,518
Intangible assets	1,415	611	17,019
Investments and other assets:			
Investment securities	29,921	32,597	359,841
Deferred tax assets	2,412	4,639	29,007
Other	2,278	2,457	27,391
Total investments and other assets	34,610	39,692	416,240
Total assets	¥ 260,205	¥ 243,466	\$ 3,129,346
LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Current liabilities:			
Notes and accounts payable-trade	¥ 105,156	¥ 98,974	\$ 1,264,653
Short-term loans payable	37,400	23,846	449,784
Commercial papers	5,000	10,000	60,132
Current portion of bonds	-	10,000	-
Lease obligations	39	28	473
Income taxes payable	792	1,547	9,527
Provision for bonuses	1,525	1,576	18,336
Other	4,956	3,893	59,607
Total current liabilities	154,868	149,864	1,862,514
Non-current liabilities:			
Bonds payable	15,000	-	180,396
Long-term loans payable	15,883	15,922	191,019
Lease obligations	72	45	865
Deferred tax liabilities	327	3,461	3,935
Provision for retirement benefits	2,845	3,203	34,221
Other	3,045	3,812	36,616
Total non-current liabilities	37,173	26,443	447,056
Net assets:			
Shareholders' equity			
Capital stock	16,649	16,649	200,227
Capital surplus	15,247	15,247	183,371
Retained earnings	38,073	36,186	457,888
Treasury stock	(1,477)	(1,477)	(17,761)
Total shareholders' equity	68,493	66,605	823,725
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	(1,215)	27	(14,606)
Deferred gains or losses on hedges	(7)	(27)	(83)
Foreign currency translation adjustments	(1,220)	(856)	(14,667)
Total accumulated other comprehensive income	(2,441)	(856)	(29,356)
Minority interests	2,113	1,410	25,406
Total net assets	68,164	67,159	819,775
Total liabilities and net assets	¥ 260,205	¥ 243,466	\$ 3,129,346

See accompanying Basis for Preparing Consolidated Financial Statements and Notes to Consolidated Financial Statements.

Consolidated Financial Statements

Consolidated Statements of Income

Japan Pulp and Paper Company Limited and Consolidated Subsidiaries
Years ended March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Net sales	¥ 482,143	¥ 417,688	\$ 5,798,471
Cost of sales	444,338	384,339	5,343,817
Gross profit	37,805	33,349	454,654
Selling, general and administrative expenses	32,618	28,845	392,281
Operating income	5,186	4,503	62,372
Non-operating income:			
Interest and dividend income	708	710	8,511
Equity in earnings of affiliates	354	222	4,255
Other	699	612	8,411
Total	1,761	1,544	21,179
Non-operating expenses:			
Interest expenses	971	708	11,674
Other	122	92	1,465
Total	1,093	801	13,140
Ordinary income	5,855	5,246	70,411
Extraordinary income:			
Gain on valuation of investment securities	238	904	2,863
Gain on sales of non-current assets	184	9	2,208
Gain on extinguishment of tie-in shares	–	150	–
Other	150	183	1,800
Total	571	1,247	6,871
Extraordinary loss:			
Loss on valuation of investment securities	491	271	5,902
Loss on disaster	265	–	3,185
Loss on disposal of noncurrent assets	178	142	2,146
Impairment loss	36	255	432
Provision of allowance for doubtful accounts	–	119	–
Other	99	38	1,185
Total	1,069	825	12,852
Income before income taxes and minority interests	5,357	5,668	64,430
Income taxes—current	1,625	1,958	19,543
Income taxes—deferred	242	(522)	2,912
Income before minority interests	3,490	–	41,974
Minority interests in income	73	31	873
Net income	¥ 3,418	¥ 4,201	\$ 41,101
Per share data:			
Net income	¥ 23.36	¥ 28.80	\$ 0.28
Cash dividends	10.00	10.00	0.12

See accompanying Basis for Preparing Consolidated Financial Statements and Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

Japan Pulp and Paper Company Limited and Consolidated Subsidiaries
Year ended March 31, 2011

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Income before minority interests	¥ 3,490		\$ 41,974
Other comprehensive income			
Valuation difference on available-for-sale securities	(1,459)		(17,551)
Deferred gains or losses on hedges	20		235
Foreign currency translation adjustment	(406)		(4,885)
Share of other comprehensive income of affiliates accounted for by the equity method	243		2,923
Total other comprehensive income	(1,603)		(19,277)
Comprehensive income	1,887		22,696
Comprehensive income attributable to			
Comprehensive income attributable to owners of the parent	1,832		22,033
Comprehensive income attributable to minority interests	55		662

See accompanying Basis for Preparing Consolidated Financial Statements and Notes to Consolidated Financial Statements.

Consolidated Financial Statements

Consolidated Statements of Changes in Net Assets

Japan Pulp and Paper Company Limited and Consolidated Subsidiaries
Year ended March 31, 2011

	Millions of yen										
	Shareholders' equity				Total shareholders' equity	Accumulated other comprehensive income				Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock		Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Balance at March 31, 2010 (Millions of yen)	¥16,649	¥15,247	¥36,186	¥(1,477)	¥66,605	¥27	¥(27)	¥(856)	¥(856)	¥1,410	¥67,159
Changes of items during the period											
Issuance of new shares											
Dividends from surplus			(1,465)		(1,465)						(1,465)
Net income			3,418		3,418						3,418
Purchase of treasury stock				(8)	(8)						(8)
Disposal of treasury stock		(0)		9	9						9
Change in the scope of consolidation			(59)		(59)						(59)
Increase (decrease) resulting from change in accounting methods of overseas subsidiaries			(6)		(6)						(6)
Transfer from retained earnings to capital surplus		0	(0)								0
Net changes of items other than shareholders' equity						(1,242)	20	(363)	(1,585)	703	(883)
Total changes of items during the period			1,887	1	1,888	(1,242)	20	(363)	(1,585)	703	1,005
Balance at March 31, 2011	¥16,649	¥15,247	¥38,073	¥(1,477)	¥68,493	¥(1,215)	¥(7)	¥(1,220)	¥(2,441)	¥2,113	¥68,164

	Thousands of U.S. dollars										
	Shareholders' equity				Total shareholders' equity	Accumulated other comprehensive income				Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock		Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Balance at March 31, 2010 (Thousands of U.S. dollars)	\$178,943	\$163,879	\$388,934	\$(15,879)	\$715,877	\$292	\$(285)	\$(9,203)	\$(9,195)	\$15,152	\$721,833
Changes of items during the period											
Issuance of new shares											
Dividends from surplus			(17,621)		(17,621)						(17,621)
Net income			41,101		41,101						41,101
Purchase of treasury stock				(101)	(101)						(101)
Disposal of treasury stock		(4)		108	104						104
Change in the scope of consolidation			(706)		(706)						(706)
Increase (decrease) resulting from change in accounting methods of overseas subsidiaries			(75)		(75)						(75)
Transfer from retained earnings to capital surplus		4	(4)								0
Net changes of items other than shareholders' equity						(14,933)	235	(4,369)	(19,067)	8,452	(10,615)
Total changes of items during the period			22,693	7	22,700	(14,933)	235	(4,369)	(19,067)	8,452	12,085
Balance at March 31, 2011	\$200,227	\$183,371	\$457,888	\$(17,761)	\$823,725	\$(14,606)	\$(83)	\$(14,667)	\$(29,356)	\$25,406	\$819,775

See accompanying Basis for Preparing Consolidated Financial Statements and Notes to Consolidated Financial Statements.

Consolidated Financial Statements

Consolidated Statements of Cash Flows

Japan Pulp and Paper Company Limited and Consolidated Subsidiaries
Years ended March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Net cash provided by (used in) operating activities:			
Income before income taxes and minority interests	¥ 5,357	¥ 5,668	\$ 64,430
Depreciation and amortization	2,378	2,304	28,600
Impairment loss	36	255	432
Increase (decrease) in provision for bonuses	(48)	39	(572)
Loss (gain) on valuation of investment securities	491	271	5,902
Gain on extinguishment of tie-in shares	–	(150)	–
Decrease (increase) in notes and accounts receivable-trade	(673)	3,434	(8,096)
Decrease (increase) in inventories	(1,648)	824	(19,823)
Increase (decrease) in notes and accounts payable-trade	1,748	1,431	21,020
Others, net	(1,487)	(585)	(17,882)
Subtotal	6,154	13,491	74,012
Interest and dividend income received	731	738	8,796
Interest expenses paid	(987)	(705)	(11,865)
Income taxes paid	(2,439)	456	(29,328)
Net cash provided by (used in) operating activities	3,460	13,980	41,614
Net cash provided by (used in) investing activities:			
Purchase of property, plant and equipment	(4,637)	(2,585)	(55,767)
Proceeds from sales of property, plant and equipment	759	85	9,124
Purchase of intangible assets	(60)	(190)	(723)
Purchase of investment securities	(593)	(543)	(7,137)
Proceeds from sales of investment securities	330	1,297	3,965
Purchase of transfer of business	–	(5,667)	–
Proceeds from transfer of business	–	–	–
Purchase of shares in subsidiaries associated with a change in the scope of consolidation	(490)	–	(5,893)
Proceeds from purchase of shares in subsidiaries associated with a change in the scope of consolidation	–	350	–
Others, net	869	(904)	10,455
Net cash provided by (used in) investing activities	(3,823)	(8,157)	(45,973)
Net cash provided by (used in) financing activities:			
Net increase (decrease) in short-term loans payable	2,447	114	29,424
Increase (decrease) in commercial papers	(5,000)	1,000	(60,132)
Proceeds from long-term loans payable	841	539	10,111
Repayment of long-term loans payable	(1,403)	(1,950)	(16,875)
Proceeds from the issuance of bonds	14,920	–	179,433
Redemption of bonds	(10,000)	(2,502)	(120,264)
Repayment of finance lease obligations	(35)	(26)	(426)
Cash dividends paid	(1,465)	(1,461)	(17,621)
Others, net	212	(50)	2,550
Net cash provided by (used in) financing activities	515	(4,335)	6,199
Effects of exchange rate change on cash and cash equivalents	(130)	(2)	(1,569)
Net increase (decrease) in cash and cash equivalents	23	1,486	271
Cash and cash equivalents at beginning of period	3,736	2,250	44,932
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	129	–	1,553
Cash and cash equivalents at end of period	¥ 3,888	¥ 3,736	\$ 46,758

See accompanying Basis for Preparing Consolidated Financial Statements and Notes to Consolidated Financial Statements.

Basis for Preparing Consolidated Financial Statements

Japan Pulp and Paper Company Limited and Consolidated Subsidiaries

1. Scope of Consolidation

Number of consolidated subsidiaries: 49 subsidiaries

Company names: Nakai Honsha Co., Ltd., JP Resources Co., Ltd., Atsugi Kami Ryutsu Center Co., Ltd., Komaki Kami Ryutsu Center Co., Ltd., Japan Pulp and Paper Information Center Co., Ltd., Nanko Paper Center Co., Ltd., JP Household Supply Co., Ltd., ECO PAPER JP COMPANY LIMITED, Nakai Paper Transport Co., Ltd., Koyosha Co., Ltd., Yamato Inc., Showa Packaging Industry Co., Ltd., Chikiriya Co., Ltd., GOKURA Co., Ltd., ECO-PORT KYUSHU COMPANY LIMITED, Cosmo Paper Trading Co., Ltd., Mikunishiko Co., Ltd., JPP FAR EAST (S) Pte. Ltd., Tai Tak Paper Co., Ltd., Japan Pulp & Paper GmbH, Japan Pulp & Paper Co., (H.K.) Ltd., Japan Pulp & Paper (U.S.A.) Corp., Talico S.A. de C.V., Safeshred Co., Inc., Japan Pulp & Paper (Shanghai) Co., Ltd., Tai Tak Paper (Shenzhen) Co., Ltd., PT. Oriental Asahi JP Carton Box, JRS Resources, Inc., Pan Pacific Fiber, Inc., Gould Paper Corporation and 19 other companies.

ECO-PORT KYUSHU COMPANY LIMITED and Japan Pulp & Paper (Shanghai) Co., Ltd., which were non-consolidated subsidiaries in the previous fiscal year, are included in the scope of consolidation from the fiscal year under review due to their increased importance.

Gould Paper Corporation and its 19 subsidiaries are included in the scope of consolidation from the fiscal year under review due to the acquisition of its shares by Japan Pulp & Paper (U.S.A.) Corp.

From the fiscal year under review, JRS Resources, Inc. is included in the scope of consolidation because this company was newly established and Pan Pacific Fiber, Inc. is included in the scope of consolidation because its shares were acquired by consolidated subsidiary Safeshred Co., Inc.

JP Development Co., Ltd., a consolidated subsidiary in the previous fiscal year, was dissolved as a result of being merged into the Company and has therefore been removed from the scope of consolidation from the fiscal year under review.

2. Application of the Equity Method

1) Number of non-consolidated subsidiaries accounted for by the equity method: 1 company

Company name: Japan Pulp & Paper (M) Sdn. Bhd.

Japan Pulp & Paper (M) Sdn. Bhd., an equity-method affiliate in the previous fiscal year, is a non-consolidated subsidiary accounted for by the equity method from the fiscal year under review because control of this company was acquired.

2) Number of companies accounted for by the equity method: 9 affiliates

Company names: Kawabe Biomass Power Generation Co., Ltd., Seihoku Paper Depot Co., Ltd., Taiho Paper Co., Ltd., Nakatsugawa Packaging Industrial Co., Ltd., Kitakami Paper Co., Ltd., Tokyo Sangyo Yoshi Co., Ltd., Toyo Shigyo Printing Co., Ltd., Kosoku Paper Ltd. and Tai Tak Takeo Fine Paper Co., Ltd.

Kawabe Biomass Power Generation Co., Ltd. is included in the scope of equity method accounting from the fiscal year under review due to its increased importance.

Japan Pulp & Paper (M) Sdn. Bhd., an equity method affiliate in the previous fiscal year, became a consolidated subsidiary and has therefore been removed from the scope of equity method accounting from the fiscal year under review.

3. Fiscal Years of Consolidated Subsidiaries

The fiscal years of the domestic consolidated subsidiaries of Japan Pulp and Paper Company Limited (the "Company") are the same as that of the Company. However, the fiscal years of JPP FAR EAST (S) Pte. Ltd., Tai Tak Paper Co., Ltd., Japan Pulp & Paper GmbH, Japan Pulp & Paper Co., (H.K.) Ltd., Japan Pulp & Paper (U.S.A.) Corp., Talico S.A. de C.V., Safeshred Co., Inc., Japan Pulp & Paper (Shanghai) Co., Ltd., Tai Tak Paper (Shenzhen) Co., Ltd., PT. Oriental Asahi JP Carton Box, JRS Resources, Inc., Pan Pacific Fiber, Inc., Gould Paper Corporation and 19 other companies end on December 31.

The fiscal year of Atsugi Kami Ryutsu Center Co., Ltd. ends on the last day of February due to a resolution to dissolve this company effective February 28, 2011. The Company's consolidated financial statements are prepared based on these subsidiaries' financial statements for their fiscal years. However, adjustments to consolidated figures are made in the case of major transactions occurring during periods falling between the fiscal year-ends of the subsidiaries and that of the Company.

4. Accounting Policies

1) Valuation basis and methods of accounting for major assets

(1) Securities

Held-to-maturity securities: Method of depreciation (straight-line method)

"Other Securities"

Current quotes available: Valued at their market price as of the balance sheet date (All differences in valuations are presented as a component of shareholders' equity and cost of securities sold is computed using the moving average method.)

Current quotes unavailable: Valued at cost using the moving average method

(2) Inventories

Principally valued at cost determined by the first-in, first-out method (method of reducing the book value of inventories in accordance with a decrease in profitability)

(3) Derivatives

Stated at fair value based on market prices

Basis for Preparing Consolidated Financial Statements

Japan Pulp and Paper Company Limited and Consolidated Subsidiaries

2) Depreciation methods for major depreciable assets

(1) Property, plant and equipment (excluding lease assets)

a) Buildings (excluding building fixtures) and machinery, equipment and vehicles

Principally depreciated by the straight-line method. Some domestic consolidated subsidiaries apply the declining-balance method for buildings (excluding building fixtures) acquired on or before March 31, 1998. The Company and some domestic consolidated subsidiaries apply the declining-balance method for machinery, equipment and vehicles.

b) Others

Principally depreciated by the declining-balance method. Some domestic consolidated subsidiaries and all overseas subsidiaries apply the straight-line method. Moreover, useful life and residual value are determined according to the same standards as those for the methods prescribed by the Corporate Tax Law.

(2) Intangible assets (excluding lease assets)

Amortized using the straight-line method.

(3) Lease assets

In depreciating leased assets involving finance lease transactions that do not transfer ownership, the lease period is considered to be the useful life of the asset. Depreciation of lease assets is computed by the straight-line method with no residual value.

3) Method of treatment of major deferred assets

Bond issuance expenses are amortized by the straight-line method during the period up to amortization.

4) Provisions

(1) Allowance for doubtful accounts

To prepare for possible losses on uncollectable receivables, the allowance for doubtful accounts is provided in an amount deemed necessary to cover possible losses based on an actual rate of bad debt losses during a certain period for general debt and in consideration of customers' financial conditions on an individual basis for certain non-performing debt.

(2) Provision for bonuses

To provide for the payment of bonuses to employees, the Company calculates accrued bonuses for employees based on the expected amount of payments.

(3) Provision for Directors' bonuses

To provide for the payment of bonus payments to Directors, Corporate Auditors and Executive Officers, the Company makes provisions based on bonus payment estimates for the fiscal year.

(4) Provision for retirement benefits

Pension and severance costs are recognized on an accrual basis based on the projected benefit obligation and plan assets as of the end of the fiscal year.

Actuarial differences are amortized over a certain number of years (12 years) within the estimated average remaining service period of employees using the straight-line method following the year incurred.

(5) Provision for Directors' retirement benefits

Retirement benefits for Directors, Corporate Auditors and Executive Officers are recorded based on the estimated amount payable at the end of the fiscal year as stipulated by internal regulations.

5) Hedging

The Company employs deferred hedge accounting. In addition, regarding forward exchange contracts, the Company employs allotment accounting in cases where the conditions for such treatment are present. Interest rate swaps that meet the criteria for hedge accounting are accounted for by special methods.

6) Goodwill and negative goodwill amortization method and amortization period

Goodwill, as well as negative goodwill recorded on or before March 31, 2011 are amortized over five years, except for minor amounts that are amortized as one-time charges.

7) Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows are composed of cash on hand and in banks, bank deposits callable on demand and highly liquid short-term investments with maturities of three months or less when purchased and which represent a minor risk of fluctuations in value.

8) Transactions subject to consumption tax

Transactions subject to consumption tax are stated at the amount net of the related consumption tax.

Change in Basis for Preparing Consolidated Financial Statements

Japan Pulp and Paper Company Limited and Consolidated Subsidiaries

Change in Accounting Method

(Accounting Standard for Business Combination)

Effective the fiscal year under review, the Company has applied "Accounting Standard for Business Combination" (ASBJ Statement No. 21, December 26, 2008), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008), "Partial Revision of Accounting Standard for R&D Expenses" (ASBJ Statement No. 23, December 26, 2008), "Accounting Standard for Business Separation" (ASBJ Statement No. 7, December 26, 2008), "Accounting Standard for Equity Method" (ASBJ Statement No. 16, announced December 26, 2008), and "Application Guideline for Accounting Standard for Business Combination and Accounting Standard for Business Separation" (ASBJ Guideline No. 10, December 26, 2008).

Along with this, the evaluation method for assets and liabilities of consolidated subsidiaries was changed from the partial fair value evaluation method to the full fair value evaluation method. As a result, the amounts of changes in assets and liabilities at the beginning of the period were an ¥82 million increase in land, a ¥3 million increase in deferred tax assets in investments and other assets, a ¥37 million increase in deferred tax liabilities in non-current liabilities and a ¥48 million increase in minority interests.

(Change in Depreciation Method for Major Depreciable Assets)

Effective the fiscal year under review, along with the merger with JP Development Co., Ltd., the Company changed its depreciation method for buildings (excluding building fixtures) acquired on or before March 31, 1998 from the declining-balance method to the straight-line method. The Company changed its depreciation method for tangible fixed assets other than buildings (excluding building fixtures) owned by JP Development Co., Ltd. from the straight-line method to the declining-balance method. As a result, the method of depreciation for tangible fixed assets in the previous fiscal year and in the fiscal year under review differ. This had no material impact on profits or losses.

Change in Presentation Method

(Consolidated Statements of Income)

Effective the fiscal year under review, the Company has applied the Cabinet Office Ordinance Partially Revising Regulations on the Terminology, Format and Preparation of Financial Statements (Cabinet Office Ordinance No. 5, issued March 24, 2009) based on the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, issued December 26, 2008) and has therefore included "Income before minority interests" in the consolidated statements of income.

Additional Information

(Accounting Standard for Presentation of Comprehensive Income)

Effective the fiscal year ended March 31, 2011, the Company has applied "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, June 30, 2010). The amounts of "Accumulated other comprehensive income" and "Total accumulated other comprehensive income" for the year ended March 31, 2011 had been presented as "Valuation and translation adjustments" and "Total valuation and translation adjustments", respectively, in prior years.