

**Brief consolidated Financial Report for the Year ended March 31, 2004  
(April 1, 2003 – March 31, 2004)**

Listed company name: **Asgent, Inc.**

Code #: **4288**

Head office: **19-7 Nihonbashi- Koamicho Chuo-ku, Tokyo Japan**

President & C.E.O.: **Takahiro (Shuji) Sugimoto**

Contact: **Shinji Suzuki, Director of Corporate Development & Planning**

Phone #: **+81-3-5643-2581**

Date of Board of Directors Meeting: **May 21, 2004**

Adoption of US GAAP: **NO**

**1. Results for the year ended March 31, 2004**

(1) Consolidated Business Results (April 1, 2003 - March 31, 2004)

(Millions of yen)

	FY2002 (Full Year)	FY2003 (Full Year)	year to year comparison
Net Sales	3,718	3,452	(7.2)%
Operating Income	247	58	(76.1)%
Income Before Income Taxes	246	70	(71.3)%
Net Income	128	14	(88.6)%
Per Share Data:			
Average Number of Shares Outstanding During the Term	39,286	39,330	
Net Income per share (Yen)	¥ 3,282.11	¥ 373.14	

Note 1. Investment profit and loss arising from equity method: None

2. Changes to accounting policies: Evaluation Method for Foreign Currency Future Contract.

No Profit/Loss impact as of Mar 31, 2004 since there is no contract balance.

3. Company's fiscal year is April 1-March 31(FY2002=Apr 1, 2002 - Mar 31, 2003. FY2003=Apr 1, 2003 - Mar 31, 2004)

(2) Consolidated Financial Position (as of March 31, 2004)

(Millions of yen)

	As of March 31, 2003	As of March 31, 2004
Total Assets	3,130	3,385
Stockholders' Equity	1,928	1,902
Equity Ratio	61.6 %	56.2 %
Per Share Data:		
Outstanding Number of Shares at the term end	39,330	39,330
Stockholders' Equity (Yen)	¥49,028.99	¥48,368.95

(3) Consolidated Cash Flows (April 1, 2003 - March 31, 2004)

(Millions of yen)

	FY2002 (Full Year)	FY2003 (Full Year)
Cash Flows from Operating Activities	(139)	332
Cash Flows from Investing Activities	(188)	(168)
Cash Flows from Financing Activities	495	244
Cash and Cash Equivalents at the term end	1,160	1,539

**2. Forecast of consolidated business results for the year ending March 31, 2005**

(April 1, 2004 - March 31, 2005)

(Millions of yen)

	1st Halh	FY2004 (Full Year)
Net Sales	1,500	3,600
Net Income	(300)	(400)
Expected Net Income per share (Yen)	(¥7,627.77)	(¥10,170.35)

### 3. Consolidated Financial Statements

#### 3-1 Consolidated Balance Sheets

(In thousand yen, rounded down)

	As of March 31, 2003		As of March 31, 2004		Change
	Amount	Ratio	Amount	Ratio	
<b>&lt;ASSETS&gt;</b>					
Current Assets:					
1.Cash and Deposits	1,140,540		<b>1,519,315</b>		
2.Accounts Receivable-trade	947,210		<b>777,256</b>		
3.Marketable Securities	20,362		<b>20,365</b>		
4.Inventories	248,212		<b>293,425</b>		
5.Deferred Tax	12,583		<b>26,229</b>		
6.Others	71,701		<b>52,042</b>		
<b>Total Current Assets</b>	<b>2,440,609</b>	<b>78.0</b>	<b>2,688,635</b>	<b>79.4</b>	<b>248,025</b>
Fixed Assets:					
Property, Equipment less Depreciation					
1.Building	41,519		<b>55,848</b>		
2.Tools, Furniture and Fixtures	40,839		<b>32,086</b>		
3.Land	469		<b>469</b>		
Sub-total	82,828	2.6	<b>88,404</b>	<b>2.6</b>	5,575
Intangibles Fixed Assets:					
1.Software	178,078		<b>145,798</b>		
2.Consolidated Adjustment Account	109,837		<b>104,154</b>		
3.Others	53,875		<b>141,765</b>		
Sub-total	341,791	10.9	<b>391,717</b>	<b>11.6</b>	49,925
Investment and Other Asset:					
1.Investment Securities	96,040		<b>91,500</b>		
2.Deposits	38,370		<b>55,873</b>		
3.Deferred Taxes	7,144		<b>9,117</b>		
4.Future Foreign Exchange Contracts	79,260		-		
5.Others	41,990		<b>55,386</b>		
Sub-total	262,805	8.4	<b>211,876</b>	<b>6.3</b>	(50,929)
<b>Total Fixed Assets</b>	<b>687,424</b>	<b>21.9</b>	<b>691,999</b>	<b>20.5</b>	<b>4,572</b>
Deferred Assets:					
1.Bond Issue Costs	2,833		<b>4,549</b>		1,716
<b>Total Deferred Assets</b>	<b>2,833</b>	<b>0.1</b>	<b>4,549</b>	<b>0.1</b>	<b>1,716</b>
<b>Total Assets</b>	<b>3,130,869</b>	<b>100.0</b>	<b>3,385,184</b>	<b>100.0</b>	<b>254,315</b>

(In thousand yen, rounded down)

	As of March 31, 2003		As of March 31, 2004		Change
	Amount	Ratio	Amount	Ratio	
<b>&lt;LIABILITIES&gt;</b>					
Current Liabilities:					
1.Accounts Payable-trade	337,456		<b>468,836</b>		
2.Current Portion of Bond	-		<b>60,000</b>		
3.Accounts payable	85,275		<b>59,574</b>		
4.Accrued Income Taxes	2,878		<b>61,059</b>		
5.Reserve for Bonus Payment	33,987		<b>36,404</b>		
6.Deferred Hedge Profit	82,354		-		
7.Others	65,802		<b>45,833</b>		
<b>Total Current Liabilities</b>	<b>607,755</b>	<b>19.4</b>	<b>731,708</b>	<b>21.6</b>	<b>123,952</b>
Fixed Liabilities:					
1.Bond	500,000		<b>710,000</b>		
2.Reserve for Provision Allowance	9,059		<b>14,108</b>		
<b>Total Fixed Liabilities</b>	<b>509,059</b>	<b>16.3</b>	<b>724,108</b>	<b>21.4</b>	<b>215,049</b>
<b>Total Liabilities</b>	<b>1,116,814</b>	<b>35.7</b>	<b>1,455,816</b>	<b>43.0</b>	<b>339,002</b>
<b>&lt;Minority Equity&gt;</b>					
Minority Equity	85,744	2.7	<b>27,016</b>	<b>0.8</b>	(58,727)
<b>&lt;Stockholders' Equity&gt;</b>					
Capital Stock	768,000	24.5	<b>768,000</b>	<b>22.7</b>	0
Capital Surplus	704,300	22.5	<b>704,300</b>	<b>20.8</b>	0
Earned Surplus	485,687	15.5	<b>480,697</b>	<b>14.2</b>	(4,989)
Appraisal Loss on Investment Securities	(3,520)	(0.1)	<b>(3,603)</b>	<b>(0.1)</b>	(83)
Exchange Conversion Adjustment Account	(26,156)	(0.8)	<b>(47,043)</b>	<b>(1.4)</b>	(20,886)
<b>Total Stockholders' Equity</b>	<b>1,928,310</b>	<b>61.6</b>	<b>1,902,350</b>	<b>56.2</b>	<b>(25,959)</b>
<b>Total Liabilities, Minority Equity and Shareholders' Equity</b>	<b>3,130,869</b>	<b>100.0</b>	<b>3,385,184</b>	<b>100.0</b>	<b>254,315</b>

### 3-2 Consolidated Statements of Income

(In thousand yen, Rounded down)

	FY2002 (From Apr 1, 2002 to Mar 31, 2003)		FY2003 (From Apr 1, 2003 to Mar 31, 2004)		Change
	Amount	Ratio	Amount	Ratio	
Net Sales	3,718,783	100.0	<b>3,452,122</b>	<b>100.0</b>	(266,660)
Cost of Sales	2,500,766	67.3	<b>2,281,301</b>	<b>66.1</b>	(219,465)
Gross Profit	1,218,016	32.7	<b>1,170,821</b>	<b>33.9</b>	(47,195)
Selling, General and Administrative Expenses	970,986	26.1	<b>1,111,824</b>	<b>32.2</b>	140,837
Operating Income	247,029	6.6	<b>58,996</b>	<b>1.7</b>	(188,033)
Non-Operating Profit					
1. Interest Received	2,797		<b>837</b>		
2. Exchange Gain	1,050		<b>3,797</b>		
3. Others	382		<b>3,743</b>		
	4,231	0.1	<b>8,377</b>	<b>0.2</b>	4,146
Non-Operating Expenses					
1. Interest Paid	410		<b>8,194</b>		
2. Bond Issue Expense	1,416		<b>2,983</b>		
3. Stock Issue Expense	1,120		-		
4. Investments Operating Loss	1,530		<b>1,394</b>		
5. Goods Revaluation Loss	-		<b>10,150</b>		
6. Others	92		<b>1,111</b>		
	4,570	0.1	<b>23,832</b>	<b>0.6</b>	19,262
Ordinary Profit	246,690	6.6	<b>43,541</b>	<b>1.3</b>	(203,149)
Extraordinary Gain					
1. Cancellation of Future Exchange Contract	-		<b>27,180</b>		
	-	-	<b>27,180</b>	<b>0.7</b>	27,180
Income Before Income Taxes	246,690	6.6	<b>70,721</b>	<b>2.0</b>	(175,969)
Income Taxes & Tax Adjustments	136,243	3.6	<b>106,798</b>	<b>3.1</b>	(29,444)
Minority Shareholder Loss	18,495	0.5	<b>50,752</b>	<b>1.5</b>	32,257
Net Income	128,942	3.5	<b>14,675</b>	<b>0.4</b>	(114,267)

**<Business Segment Information>**

(In thousand yen, Rounded down)

		FY2002 (From Apr 1, 2002 to Mar 31, 2003)	FY2003 (From Apr 1, 2003 to Mar 31, 2004)	year-to-year comparison
Packaged Software	Security	3,112,915	<b>3,013,964</b>	<b>(3.2)</b>
	Hi-availability & Data Solution	316,837	<b>236,566</b>	<b>(25.3)</b>
	Sub-Total	3,429,752	<b>3,250,530</b>	<b>(5.2)</b>
Service (Consultation & MSP)		289,030	<b>201,591</b>	<b>(30.3)</b>
Grand Total		3,718,783	<b>3,452,122</b>	<b>(7.2)</b>

### 3-3 Consolidated Statements of Cash Flows

(In thousand yen, Rounded down)

	FY2002 (From Apr 1, 2002 to Mar 31, 2003)	FY2003 (From Apr 1, 2003 to Mar 31, 2004)	Change
<b>Cash Flow from Operating Activities</b>			
Income Before Income Tax	246,690	<b>70,721</b>	
Adjustments to Reconcile Net Income to Net Cash used in Operating Activities:			
Depreciation and Amortization	42,506	<b>74,784</b>	
Amortization of Consolidated Adjustment Account	3,830	<b>5,683</b>	
Decrease in Reserve for Bad Debts	(1,731)	<b>(274)</b>	
Increase in Reserve for Bonus Payment	1,276	<b>2,231</b>	
Accrual for Pension and Severance Costs, less Payments	989	<b>4,713</b>	
Interest and Dividends Received	(2,248)	<b>(1,187)</b>	
Interest Paid	410	<b>8,194</b>	
Exchange Loss and Gain	7,959	<b>3,954</b>	
Decrease in Notes and Accounts Receivable	140,816	<b>170,228</b>	
Decrease in Inventories	25,341	<b>(55,576)</b>	
Decrease in Notes and Accounts Payable	(285,058)	<b>131,379</b>	
Others	2,028	<b>(10,938)</b>	
Sub-total	182,813	<b>403,914</b>	221,100
Interest and Dividends Received	2,248	<b>1,187</b>	
Interest Paid	-	<b>(8,205)</b>	
Income Taxes Paid	(325,002)	<b>(64,179)</b>	
Net Cash Provided Used in Operating Activities	(139,940)	<b>332,716</b>	472,656
<b>Cash Flows from Investing Activities</b>			
Payments for Purchases of Tangible Fixed Assets	(67,514)	<b>(43,959)</b>	
Payments for Purchase of Intangible Fixed Assets	(113,925)	<b>(104,515)</b>	
Others	(6,953)	<b>(20,459)</b>	
Net Cash Used in Investing Activities	(188,394)	<b>(168,934)</b>	19,459
<b>Cash Flows from Financing Activities</b>			
Revenue by Bond Issue	495,750	<b>293,190</b>	
Payments for Bond redemption	-	<b>(30,000)</b>	
Revenue by Stock Issue	1,300	-	
Payments for Dividends	-	<b>(19,168)</b>	
Others	(1,120)	-	
Net Cash Provided by Financing Activities	495,930	<b>244,021</b>	(251,908)
Effect of Exchange rate Changes on Cash and Cash Equivalents	(44,049)	<b>(29,025)</b>	15,024
Net Increase in Cash and Cash Equivalents	123,546	<b>378,778</b>	255,231
Cash and Cash Equivalents at the Beginning of the Fiscal Year	1,037,356	<b>1,160,902</b>	123,546
Cash and Cash Equivalents at the End of the Fiscal Year	1,160,902	<b>1,539,681</b>	378,778

### 3-4 Consolidated Surplus Statements

(In thousand yen, Rounded down)

	FY2002 (From Apr 1, 2002 to Mar 31, 2003)	FY2003 (From Apr 1, 2003 to Mar 31, 2004)	Change
<b>&lt;Capital Surplus&gt;</b>			
Capital Surplus at the Beginning of the Fiscal Year	704,300	<b>704,300</b>	0
Capital Surplus at the End of the Fiscal Year	704,300	<b>704,300</b>	0
<b>&lt;Earned Surplus&gt;</b>			
Earned Surplus at the Beginning of the Fiscal Year	356,745	<b>485,687</b>	128,942
Increase in Earned Surplus			
1.Net Income	128,942	<b>14,675</b>	(114,267)
Decrease in Earned Surplus			
1.Dividends	-	<b>19,665</b>	19,665
Earned Surplus at the End of the Fiscal Year	485,687	<b>480,697</b>	(4,989)