

# Summary of Consolidated Financial Results

## (For the year ended March 31, 2006)

May 12, 2006

Listed Company Name: Asgent, Inc. Listing Exchanges: JASDAQ  
 Securities Code No: 4288 Head Office: Tokyo  
 URL: <http://www.asgent.co.jp/>  
 Representative: Representative Director President Takahiro Sugimoto  
 Contact: Exective Director and Corporate Development & Planning Shinji Suzuki  
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 Date of Board of Director's Meeting for Approval of Financial Results: May 12, 2006  
 Application of US Financial Accounting Standards: Not Adopted

### 1. Consolidated Business Results for the year ended March 31, 2006 (April 1, 2005 - March 31, 2006)

#### (1) Consolidated Operating Results

Note : Figures less than one million yen omitted.

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended 3/06	3,298	(-3.6)	-38	(-)	-48	(-)
Year ended 3/05	3,420	(-0.9)	-166	(-)	-258	(-)

	Net income for the fiscal year		Net income per share for the fiscal year	Net income per share/diluted for the fiscal year	Net income ratio on shareholders' equity	Ordinary income ratio on total capital	Ordinary income ratio on net sales
	Millions of yen	%	Yen	Yen	%	%	%
Year ended 3/06	-154	(-)	-3,929.43	-	-11.5	-1.8	-1.5
Year ended 3/05	-555	(-)	-14,115.05	-	-34.5	-8.4	-7.6

- Note:
- Equity in earnings of affiliates:  
 Year ended 3/06: - Million yen  
 Year ended 3/05: - Million yen
  - Average number of shares (consolidated):  
 Year ended 3/06: 39,425 shares  
 Year ended 3/05: 39,425 shares
  - Changes in accounting method: None
  - Changes in net sales, operating income, ordinary income, and net income from the previous year are shown as percentages on a year-on-year basis.

#### (2) Consolidated Financial Conditions

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Year ended 3/06	2,606	1,375	52.8	34,876.65
Year ended 3/05	2,769	1,321	47.7	33,517.32

- Note: Number of shares outstanding (consolidated) at year-end:  
 Year ended 3/06: 39,425 shares  
 Year ended 3/05: 39,425 shares

#### (3) Consolidated Cash Flow Conditions

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Ending balance of cash and cash equivalents
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended 3/06	157	-242	-60	815
Year ended 3/05	-396	-115	-77	942

#### (4) Number of Consolidated Subsidiaries and Affiliates and Affiliates Applied Equity Method

Consolidated Subsidiaries: 2  
 Non-consolidated subsidiaries applied equity method: -  
 Affiliates applied equity method: -

(5) Changes in Range of Consolidation and Application of the Equity Method

Number of newly consolidated subsidiaries:	-
Number of companies omitted from consolidation:	2
Number of companies to which the equity method is newly applied:	-
Number of companies omitted from application of the equity method:	-

2. Forecast of Consolidated Business Results for the Year Ending March 31, 2007(April 1, 2006 – March 31, 2007)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Interim	1,710	0	-15
Full year	3,550	50	0

(Reference) Forecasted net income per share (annual): 0.00 yen

The above forecast has been prepared based on data of the announcement date. As various uncertainties subsist in forecasts, actual results may differ from the forecasted figures.

### 3. Consolidated Financial Statements

#### 3-1 Consolidated Balance Sheets

Figures less than one thousand yen omitted.

	FY2004 As of March 31, 2005		FY2005 As of March 31, 2006		Change
	Amount	Ratio	Amount	Ratio	
<b>&lt;ASSETS&gt;</b>					
<b>Current Assets</b>					
1.Cash and Deposits	932,113		705,526		
2.Accounts Receivable-trade	1,058,659		668,578		
3.Marketable Securities	10,227		110,232		
4.Inventories	251,798		307,062		
5.Deferred Tax	65,091		91,816		
6.Income Taxed Receivable	33,870		8,623		
7.others	31,993		53,071		
<b>Total Current Assets</b>	<b>2,383,754</b>	<b>86.1</b>	<b>1,944,911</b>	<b>74.6</b>	<b>(438,843)</b>
<b>Fixed Assets</b>					
<b>Property, Equipment less Depreciation</b>					
1.Building	22,783		21,158		
2.Tools, Furniture and Fixtures	32,034		43,726		
3.Land	469		469		
Sub-total	55,287	2.0	65,354	2.5	10,067
<b>Intangibles Fixed Assets</b>					
1.Software	104,523		133,706		
2.Others	29,642		42,391		
Sub-total	134,165	4.8	176,097	6.8	41,932
<b>Investment and Other Asset</b>					
1.Investment Securities	90,590		219,542		
2.Deposits	55,989		57,321		
3.Deferred Taxes	36,256		133,271		
4.Others	12,280		9,770		
Sub-total	195,116	7.0	419,905	16.1	244,788
<b>Total Fixed Assets</b>	<b>384,569</b>	<b>13.8</b>	<b>661,358</b>	<b>25.4</b>	<b>276,788</b>
<b>Deferred Assets</b>					
1.Bond Issue Costs	1,566		-		
<b>Total Deferred Assets</b>	<b>1,566</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>(1,566)</b>
<b>Total Assets</b>	<b>2,769,891</b>	<b>100.0</b>	<b>2,606,269</b>	<b>100.0</b>	<b>(163,621)</b>

Figures less than one thousand yen omitted.

	FY2004 As of March 31, 2005		FY2005 As of March 31, 2006		Change
	Amount	Ratio	Amount	Ratio	
<b>&lt;LIABILITIES&gt;</b>					
Current Liabilities					
1.Accounts Payable-trade	547,206		369,750		
2.Current Portion of Bond	60,000		60,000		
3.Accounts payable	76,431		97,744		
4.Accrued Income Taxes	108		-		
5.Reserve for Bonus Payment	44,676		45,478		
6.Others	45,982		41,923		
<b>Total Current Liabilities</b>	<b>774,406</b>	<b>28.0</b>	<b>614,897</b>	<b>23.6</b>	<b>(159,508)</b>
Fixed Liabilities					
1.Bond	650,000		590,000		
2.Reserve for Provision Allowance	24,064		26,360		
<b>Total Fixed Liabilities</b>	<b>674,064</b>	<b>24.3</b>	<b>616,360</b>	<b>23.6</b>	<b>(57,704)</b>
<b>Total Liabilities</b>	<b>1,448,470</b>	<b>52.3</b>	<b>1,231,257</b>	<b>47.2</b>	<b>(217,213)</b>
<b>&lt;STOCKHOLDERS' EQUITY&gt;</b>					
Capital Stock	768,800	27.8	768,800	29.5	-
Capital Surplus	704,960	25.4	704,960	27.0	-
Earned Surplus	(94,918)	(3.4)	(115,045)	(4.4)	(20,126)
Appraisal Loss on Investment Securities	(1,717)	(0.1)	(983)	(0.0)	734
Exchange Conversion Adjustment Account	(55,703)	(2.0)	17,280	0.7	72,983
<b>Total Stockholders' Equity</b>	<b>1,321,420</b>	<b>47.7</b>	<b>1,375,011</b>	<b>52.8</b>	<b>53,591</b>
<b>Total Liabilities, Minority Equity and Shareholders' Equity</b>	<b>2,769,891</b>	<b>100.0</b>	<b>2,606,269</b>	<b>100.0</b>	<b>(163,621)</b>

## 3-2 Consolidated Profit and Loss Statements

Figures less than one thousand yen omitted.

	FY2004 (From Apr 1, 2004 to Mar 31, 2005)		FY2005 (From Apr 1, 2005 to Mar 31, 2006)		Change
	Amount	Ratio	Amount	Ratio	
Net Sales	3,420,483	100.0	3,298,857	100.0	(121,626)
Cost of Sales	2,297,872	67.2	2,218,617	67.3	(79,255)
Gross Profit	1,122,611	32.8	1,080,239	32.7	(42,371)
Selling, General and Administrative Expenses	1,289,328	37.7	1,118,862	33.9	(170,466)
Operating Loss	(166,717)	(4.9)	(38,622)	(1.2)	128,095
Non-Operating Profit					
1.Interest Received	259		657		
2.Exchange Gain	5,765		9,959		
3.Subsidy for Purchasing of Equipment	3,318		-		
4.Revenue from sales of Securities	-		51,174		
5.Others	1,299		3,846		
Non-Operating Expenses	10,643	0.3	65,637	2.0	54,994
1.Interest Paid	10,385		8,866		
2.Amortization of Bond Issue Costs	2,983		1,566		
3.Investments Operating Loss	1,083		-		
4.Appraisal Loss on Inventories	79,218		59,985		
5.Others	8,917		4,878		
	102,589	3.0	75,297	2.3	(27,291)
Ordinary Loss	(258,663)	(7.6)	(48,282)	(1.5)	210,381
Extraordinary Gain					
1.Gain from the Prior-Term Adjustment	-		16,299		
2.Cain from Recoveries of Bad Debts	-		22,010		
Extraordinary Loss	-	-	38,309	1.2	38,309
1.Loss on Retirement of Software	172,711		-		
2.Loss on Impairment of Asset	150,102		-		
3.Others	45,659		-		
	368,473	10.7	-	-	(368,473)
Loss Before Income Taxes	(627,137)	(18.3)	(9,973)	(0.3)	617,164
Income Taxes & Tax Adjustments	(45,492)	(1.3)	144,944	4.4	209,950
Minority Shareholder Loss	25,718	0.7	-	-	(25,718)
Net Loss	(555,927)	(16.3)	(154,917)	(4.7)	401,009

<Business Segment Information>

Figures less than one thousand yen omitted.

		FY2004 (From Apr 1, 2004 to Mar 31, 2005)	FY2005 (From Apr 1, 2005 to Mar 31, 2006)	year-on-year comparison
Packaged Software	Security	3,048,112	2,890,264	(5.2) %
	Hi-availability & Data Solution	163,243	182,506	11.8
	Sub-Total	3,211,356	3,072,771	(4.3)
Service (Consultation & MSP)		209,127	226,086	8.1
Grand Total		3,420,483	3,298,857	(3.6)

## 3-3 Consolidated Statements of Cash Flows

Figures less than one thousand yen omitted.

	FY2004 (From Apr 1, 2004 to Mar 31, 2005)	FY2005 (From Apr 1, 2005 to Mar 31, 2006)	Change
Cash Flow from Operating Activities			
Loss Before Income Tax	(627,137)	(9,973)	
Adjustments to Reconcile Net Income to Net Cash used in Operating Activities:			
Depreciation and Amortization	83,243	59,397	
Loss from Impairment of Asset	150,102	-	
Amortization of Consolidated Adjustment Account	5,683	-	
Increase(Decrease) in Reserve for Bad Debts	365	(318)	
Increase in Reserve for Bonus Payment	9,244	1,624	
Increase in Reserve for Retirement Allowance	9,726	1,558	
Interest and Dividends Received	(300)	(2,507)	
Interest Paid	10,385	9,194	
Loss on Retirement of Software	172,711	-	
Exchange Gain	(458)	(0)	
Decrease(Increase) in Notes and Accounts Receivable	(281,850)	387,196	
Decrease(Increase) in Inventories	41,626	(54,914)	
Increase(Decrease) in Notes and Accounts Payable	78,370	(176,841)	
Others	87,824	(82,940)	
Sub-total	(260,461)	131,475	391,937
Interest and Dividends Received	300	2,507	
Interest Paid	(19,346)	(10,232)	
Income Taxes Received(Paid)	(116,624)	33,480	
Net Cash Provided by(used in) Operating Activities	(396,132)	157,231	553,363
Cash Flows from Investing Activities			
Payments for Purchases of Tangible Fixed Assets	(29,868)	(22,503)	
Payments for Purchase of Intangible Fixed Assets	(78,857)	(75,162)	
Payments for sales of Stock of Subsidiary with change in consolidation scope	-	(50,863)	
Payments for Purchase of Investment Securities	-	(414,335)	
Revenue for Sale of Investment Securities	-	314,851	
Payments for Purchase of Securities	-	(55,350)	
Revenue for Sale of Securities	-	63,369	
Others	(6,626)	(2,043)	
Net Cash Used in Investing Activities	(115,353)	(242,038)	(126,685)
Cash Flows from Financing Activities			
Payments for Bond Redemption	(60,000)	(60,000)	
Revenue by Stock Issue	1,460	-	
Payments for Dividends	(19,245)	(113)	
Net Cash Provided used in Financing Activities	(77,785)	(60,113)	17,671
Effect of Exchange rate Changes on Cash and Cash Equivalents	(8,068)	18,338	26,407
Net Increase(Decrease) in Cash and Cash Equivalents	(597,339)	(126,582)	470,756
Cash and Cash Equivalents at the Beginning of the Fiscal Year	1,539,681	942,341	(597,339)
Cash and Cash Equivalents at the End of the Fiscal Year	942,341	815,758	(126,582)

3-4 Consolidated Surplus Statements

Figures less than one thousand yen omitted.

	FY2004 (From Apr 1, 2004 to Mar 31, 2005)	FY2005 (From Apr 1, 2005 to Mar 31, 2006)	Change
<Capital Surplus>			
Capital Surplus at the Beginning of the Fiscal Year	704,300	704,960	660
Increase in Capital Surplus			
1.Issue of New Stock	660	-	
	660	-	(660)
Capital Surplus at the End of the Fiscal Year	704,960	704,960	-
<Earned Surplus>			
Earned Surplus at the Beginning of the Fiscal Year	480,697	(94,918)	(575,616)
Increase in Earned Surplus			
1.Omitting from Consolidation Scope	-	134,791	
	-	134,791	134,791
Decrease in Earned Surplus			
1.Net Loss	555,927	154,917	
2.Dividends	19,688	-	
	575,616	154,917	(420,698)
Earned Surplus at the End of the Fiscal Year	(94,918)	(115,045)	(20,126)