



# Afia Corporation - Results of Operations

(April 1, 2008 - March 31, 2009)

## (1) Key operations, location, shares, employees, etc

Afia Corporation experienced decreased revenues and profits during the fiscal year ended March 2009. Difficulty in securing top-quality translators, not deteriorating economy conditions, was the reason for the decreased performance. Corporate performance exceeded initial forecasts, however, and the Company continues to enjoy stable revenues through a high amount of repeat orders.

There were no changes in office location, shares, or employees.

## (2) Key results of operations

Revenues decreased 22.1% relative to the previous fiscal year. Inquiries concerning Afia's services remain on the increase, however, most likely due to the increased awareness of its corporate brand.

With respect to profits, the decrease in depreciation expenses limited the decrease in operating profit to 7.6% year-on-year, while net income decreased by 26.1% due to the decrease in miscellaneous income.

Cash flows continued to be stable. The company has no borrowings and no debt has been issued. Afia has maintained a quick ratio well over 100%, and there are no issues calling for large expenditures in the foreseeable future.

## (3) Relationship with parent company / subsidiaries; other matters relating to consolidation

N/A

## (4) Description of operations and accounts during last 3 fiscal years

Operations have been stable over the last 3 years despite a decrease in revenues and



profits. Cash flows continue to be stable, and there has been no need to seek external funding.

(5) Issues faced by the Company

Due to the great demand for the Company's services, the Company operated at full capacity, and many orders were lost as a result. The Company has also experienced difficulty in finding high-quality external translators, creating a significant burden on internal staff to proofread and edit their work. Recruiting top-quality translators/managers to oversee operations remains an important issue for the Company going forward.

The Company expects a further decrease in revenues and profits for the fiscal year ending March 31, 2010.

(6) Scope of auditor's work and position within the Company

Afia's auditor is external and thus is able to exercise free judgment on accounting matters. Further, Afia is a "small corporation" as defined by the Corporate Law and thus the auditor's scope is limited to the auditing of accounting practices and statements.

(7) Top 7 shareholders and number of shares held; capital injections

President & CEO Takeshi Okamoto holds 100% of the shares outstanding. There has been no change in total shares outstanding (200,000 shares) or authorized shares (800,000 shares).

(8) Borrowings

N/A

(8-2) Treasury stock

N/A

(9) Important issues that arose after the end of the fiscal year



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N/A

Best regards,

Takeshi Okamoto  
President & CEO  
Afia Corporation

May 25, 2009