

Consolidated Financial Statements

(1) Consolidated Balance Sheet

(In thousands of yen)

By term Item	Previous term (as of March 31, 2006)		Current term (as of March 31, 2007)	
	Amount	Compositio n ratio	Amount	Compositio n ratio
(Assets)		%		%
I. Current assets				
Cash and deposits	2,490,874		2,192,231	
Accounts receivable	925,241		1,235,370	
Inventory assets	17,260		25,023	
Deferred tax assets	125,546		166,525	
Other	28,469		54,697	
Allowance for doubtful accounts	489		648	
Total current assets	3,586,903	76.8	3,673,200	74.3
II. Fixed assets				
1. Tangible fixed assets				
Buildings	192,756		192,756	
Cumulative depreciation	92,980	99,775	99,079	93,676
Land		186,275		186,275
Other	116,003		134,828	
Cumulative depreciation	89,063	26,940	93,990	40,838
Total fixed assets		312,991		320,790
2. Intangible fixed assets		32,567		42,655
3. Investments and other assets				
Investment securities		537,984		487,008
Deferred tax assets		2,749		108,156
Other		237,516		356,890
Allowance for doubtful accounts		42,556		42,556
Total investments and other assets		735,693		909,498
Total fixed assets		1,081,252		1,272,944
Total assets		4,668,155		4,946,145
		100.0		100.0

(In thousands of yen)

By term Item	Previous term (as of March 31, 2006)		Current term (as of March 31, 2007)	
	Amount	Compositio n ratio	Amount	Compositio n ratio
(Liabilities)		%		%
I. Current liabilities				
Trade accounts payable	178,932		178,448	
Accrued income and other taxes	151,448		161,592	
Reserve for onus	222,348		326,616	
Other	209,048		278,359	
Total current liabilities	761,777	16.3	945,017	19.1
II. Fixed liabilities				
Deferred tax liabilities	12,031		-	
Accrued pension and severance costs	65,605		58,396	
Liability for directors' retirement benefits	133,624		135,498	
Other	2,738		1,694	
Total fixed liabilities	213,998	4.6	195,588	4.0
Total liabilities	975,776	20.9	1,140,606	23.1
(Minority interests)				
Minority interests	342	0.0	-	-
(Shareholders' equity)				
I. Common stock	460,000	9.9	-	-
II. Capital surplus	473,216	10.1	-	-
III. Retained earnings	2,615,757	56.0	-	-
IV. Other unrealized gains on available-for-sale securities	188,318	4.0	-	-
V. Treasury stock	45,256	0.9	-	-
Total shareholders' equity	3,692,036	79.1	-	-
Total liabilities and minority interests and shareholders' equity	4,668,155	100.0	-	-

By term Item	Previous term (as of March 31, 2006)		Current term (as of March 31, 2007)	
	Amount	Composition ratio	Amount	Composition ratio
(Net assets)				
I. Stockholders' equity				
1. Common stock	-	-	491,031	9.9
2. Capital surplus	-	-	502,671	10.1
3. Retained earnings	-	-	2,803,693	56.7
4. Treasury stock	-	-	11,818	0.2
Total stockholders' equity	-	-	3,785,577	76.5
II. Evaluation / conversion balance				
1. Other unrealized gains on available-for-sale securities	-	-	15,197	0.3
2. Exchange conversion adjustment calculation	-	-	3,902	0.1
Total evaluation / conversion balance	-	-	19,100	0.4
III. Subscription warrant	-	-	150	0.0
IV. Minority interests	-	-	711	0.0
Total net assets	-	-	3,805,538	76.9
Total liabilities and net assets	-	-	4,946,145	100.0

(2) Statement of Consolidated Profit and Loss

(In thousands of yen)

By term Item	Previous term (from April 1, 2005 to March 31, 2006)		Current term (from April 1, 2006 to March 31, 2007)	
	Amount	Percentage	Amount	Percentage
I. Net sales		100.0		100.0
II. Cost of sales		83.6		81.9
Gross profit on sales		16.4		18.1
III. Selling expenses and general administrative expenses				
Salaries and bonuses	223,846		204,848	
Directors compensation	172,099		145,989	
Transfer of bonus payment reserves	12,637		19,969	
Retirement benefit expenses	11,925		11,718	
Transfer of directors' retirement benefit and special service bonus reserves	14,767		13,708	
Amount transferred				
Rental expenses	79,819		98,004	
Transfer to allowance for bad debt	-		159	
Other	245,897	11.7	280,048	11.3
Operating income		4.7		6.8
IV. Nonoperating income				
Interests received	124		4,298	
Gain on investment securities transactions	47,713		-	
Insurance agency profit and loss	2,258		1,286	
Income rent	-		1,920	
Other	18,325	1.1	2,862	0.2
V. Nonoperating expenses				
Loss on investment securities transactions	982		-	
Loss on disposition of fixed assets	-		2,094	
Exchange loss	1,289		2,542	
Other	973	0.1	424	0.1
Ordinary income		5.7		6.9
VI. Extraordinary gains				
Gain on fixed assets transactions	8,669		-	
Gain on investment securities transactions	67,554	1.2	45,731	0.7
Extraordinary loss				
Loss on fixed assets transactions	9,044		-	
Impairment loss	113,961		-	
Loss on investment securities transactions			19,192	
Loss on revaluation of the subsidiary company's stock	23,884	2.3	-	0.3
Income before income taxes		4.6		7.3
Income taxes – current	216,558		251,231	
Income taxes – deferred	54,821	2.5	39,647	3.1
Minority interests		0.0		0.0
Net income for the first half of fiscal year		2.1		4.2

(3) Statement of Consolidated Surplus

(In thousands of yen)

By term	Previous term (from April 1, 2005 to March 31, 2006)	
Item		
(Capital surplus)		
I. Outstanding balance of capital surplus at beginning of period		461,000
II. Increase in capital surplus		
Gain on self stocks transactions	12,216	12,216
III. Outstanding balance of capital surplus at end of period		473,216
(Retained earnings)		
I. Outstanding balance of retained earnings at beginning of period		2,569,901
II. Increase in retained earnings		
Net income	137,632	137,632
III. Decrease in retained earnings		
Dividends	91,775	91,775
IV. Outstanding balance of retained earnings at end of period		2,615,757

(4) Consolidated Statement of Cashflows

(In thousands of yen)

By term Item	Previous term (from April 1, 2005 to March 31, 2006)	Current term (from April 1, 2006 to March 31, 2007)
	Amount	Amount
1. Cashflows – operating activities		
Income for the first half before income taxes	297,793	501,922
Depreciation expenses	29,687	29,307
Increase (decrease) in allowance reserve (△=decrease)	37,248	99,093
Interest (income) and dividends (income)	884	4,450
Gain on securities transactions	115,268	45,731
Gain on fixed assets transactions	8,699	224
Loss from fixed assets transactions	9,044	-
Impairment loss	113,961	-
Loss from revaluation of the subsidiary company's stock	23,884	-
Increase (decrease) in trade account receivable(△=increase)	108,690	309,639
Increase in inventory assets (△=increase)	10,491	7,763
Increase (decrease) in purchase liabilities (△=decrease)	18,334	2,516
Increase (decrease)of bankruptcy reorganization claimable assets	-	19,192
Other	57,140	77,201
Subtotal	544,756	356,392
Interest and dividends (income)	884	2,980
Income taxes (expense)	145,696	257,113
Cashflow from operating activities	399,944	102,260
II. Cashflows – investment activities		
Outflow due to deposit in fixed deposit account	1,202	101,202
Inflow due to withdrawal from fixed deposit account	-	24,999
Outflow due to procurement of fixed assets	3,768	21,739
Inflow due to transactions of fixed assets	40,544	1,994
Payments for purchase of investment securities	39,000	408,700
Inflow due to investment securities transactions	149,758	174,522
Inflow due to redemption of investment securities	-	-
Expenditure by the acquisition of immaterial fixed assets	-	22,368
Payments for insurance reserve	76,000	-
Inflow due to insurance reimbursement	99,716	-
Other	31,618	780
Cashflow from investment activities	201,666	403,274
III. Cashflows – financing activities		
Income by publication of stocks	-	61,999
Payments for purchase of self stocks transactions	1,608	1,509
Inflow due to self stocks transactions	81,844	32,000
Dividends paid	91,409	94,032
Payments for purchase of minority shareholders' stocks	1,290	-
Cashflow from financing activities	12,463	1,540
.Exchange difference of cash and cash equivalents	5,825	315
.Increase (decrease) in cash and cash equivalents (△=decrease)	594,973	302,239
.Outstanding balance of cash and cash equivalents at beginning of period	1,883,361	2,478,334
.Cash with connection addition and an accrual of an equivalent	-	2,394
.Outstanding balance of cash and cash equivalents at end of first half	2,478,334	2,178,489