

Summary of Consolidated Financial Results  
for the Six Months ended February 2007

SOTSU CO., LTD.

## Summary of Consolidated Financial Results for the Six Months ended February 2007

Corporate Name: SOTSU CO., LTD.  
 Listed: JASDAQ  
 Code Number: 3711  
 Location of Head Office: Tokyo, Japan  
 (URL [http:// www.sotsu-co.jp](http://www.sotsu-co.jp))  
 Representative: Akihiro Yuasa, President & CEO  
 Contact: Takashi Izuhara, Director & General Manager, Administration Group  
 Tel. 03-3248-0311

Date of Board of Directors' Meeting for Account Settlement: April 11, 2007

Adoption of U.S. Accounting Standards: Not applicable

### 1. Consolidated operating results for interim period ended February 2007 (September 1, 2006 to February 28, 2007)

(1) Consolidated financial results (Amounts less than 1 million yen omitted)

	Net sales		Operating income		Ordinary income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Interim period ended February 2007	6,129	(10.5)	884	(10.0)	926	(6.5)
Interim period ended August 2006	6,846	9.1	983	17.7	991	16.9
Year ended August 2006	12,857		1,626		1,640	

	Net income		Net income per share		Diluted net income per share (Yen)	
	(Millions of yen)	%	(Yen)			
Interim period ended February 2007	552	18.6	12,547.97		-	
Interim period ended February 2006	465	8.2	10,411.32		-	
Year ended August 2006	889		20,041.19		-	

(Notes)

#### 1. Profit and loss on equity-method investments:

Interim period ended February 2007: 10 million yen

Interim period ended February 2006: -2 million yen

Year ended August 2006: 12 million yen

#### 2. Average number of shares during period (consolidated):

Interim period ended February 2007: 44,000 shares

Interim period ended February 2006: 44,000 shares

Year ended August 2006: 44,000 shares

#### 3. Change in methods of accounting treatment: None

4. The percentage figures for net sales, operating income, ordinary income and net income represent changes from those of the previous interim period.

(2) Consolidated financial conditions (Amounts less than 1 million yen omitted)

	Total assets		Net assets		Equity ratio		Net assets per share	
	(Millions of yen)		(Millions of yen)		(%)		(Yen)	
Interim period ended February 2007	13,566		10,595		77.0		237,477.51	
Interim period ended February 2006	12,749		9,586		75.2		217,868.79	
Year ended August 2006	12,936		10,121		77.2		227,146.86	

(Notes)

Number of shares issued and outstanding as of term-end (consolidated):

Interim period ended February 2007: 44,000 shares

Interim period ended February 2006: 44,000 shares

Year ended August 2006: 44,000 shares

## (3) Consolidated cash flows

(Amounts less than 1 million yen omitted)

	Cash flows from operating activities (Millions of yen)	Cash flows from investing activities (Millions of yen)	Cash flows from financing activities (Millions of yen)	Cash and cash equivalents at term-end (Millions of yen)
Interim period ended February 2007	502	(7)	(179)	5,758
Interim period ended February 2006	34	(428)	(134)	5,307
Year ended August 2006	471	(730)	(134)	5,443

## (4) Matters relating to scope of consolidation and application of equity method

Number of consolidated subsidiaries: 2

Number of nonconsolidated equity-method subsidiaries: -

Number of equity-method affiliates: 2

## (5) Changes in scope of consolidation and application of equity method

Consolidation (new) - (exclusion) - Equity method (new) - (exclusion) -

## 2. Consolidated forecasts for the year ending August 2007 (September 1, 2006 to August 31, 2007)

	Net sales (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)
Full term	13,000	1,660	900

(Reference) Estimated net income per share (full term): 20,454.55 yen

\* The forward-looking statements contained in this material are based on judgment acquired from information available to the Company and its group as of the date of announcement of this material and, as such, contain risks and uncertainties. Therefore, please note that actual operating results may differ materially from the forecasts contained herein for reasons of a variety of factors, including the economic environment surrounding the Company and its group, market conditions, foreign exchange rate fluctuations, etc.

## Consolidated interim financial statements

### (1) Consolidated interim balance sheet

Thousands of yen	As of February 28, 2006	%	As of February 28, 2007	%	As of August 31, 2006	%
<b>Current assets</b>						
Cash and deposits	5,407,831		5,758,853		5,443,634	
Notes and accounts receivable - trade	2,296,572		2,320,575		2,135,548	
Inventories	19,554		30,875		25,600	
Advance money	694,106		-		-	
Deferred tax assets	50,402		56,603		51,421	
Other current assets	31,821		494,842		536,264	
Allowance for doubtful accounts	(5,983)		(5,458)		(4,476)	
<b>Total current assets</b>	<b>8,494,305</b>	<b>66.6</b>	<b>8,656,292</b>	<b>63.8</b>	<b>8,187,992</b>	<b>63.3</b>
<b>Fixed assets</b>						
<b>Tangible fixed assets</b>						
Buildings	116,469		71,347		113,215	
Vehicles and transportation equipments	1,010		688		819	
Tools, furniture and fixtures	17,277		16,426		19,733	
Land	363,009		322,711		363,009	
<b>Total tangible fixed assets</b>	<b>497,767</b>	<b>3.9</b>	<b>411,173</b>	<b>3.0</b>	<b>496,776</b>	<b>3.8</b>
<b>Intangible fixed assets</b>	<b>60,041</b>	<b>0.5</b>	<b>95,042</b>	<b>0.7</b>	<b>75,369</b>	<b>0.6</b>
<b>Investments and other assets</b>						
Investments in securities	3,024,367		3,825,225		3,481,725	
Deferred tax assets	89,253		18,263		113,590	
Other investments and other assets	607,830		571,272		597,734	
Allowance for doubtful accounts	(24,150)		(10,291)		(16,250)	
<b>Total investments and other assets</b>	<b>3,697,301</b>	<b>29.0</b>	<b>4,404,470</b>	<b>32.5</b>	<b>4,176,799</b>	<b>32.3</b>
<b>Total fixed assets</b>	<b>4,255,110</b>	<b>33.4</b>	<b>4,910,686</b>	<b>36.2</b>	<b>4,748,946</b>	<b>36.7</b>
<b>Total assets</b>	<b>12,749,416</b>	<b>100.0</b>	<b>13,566,979</b>	<b>100.0</b>	<b>12,936,939</b>	<b>100.0</b>

Thousands of yen	As of February 28, 2006	%	As of February 28, 2007	%	As of August 31, 2006	%
<b>Current liabilities</b>						
Accounts payable	1,285,880		1,555,826		1,290,761	
Income taxes payable	482,330		373,352		539,589	
Reserve for bonus payment	30,936		34,577		28,198	
Other current liabilities	535,602		364,869		307,951	
<b>Total current liabilities</b>	<b>2,334,751</b>	<b>18.3</b>	<b>2,328,625</b>	<b>17.2</b>	<b>2,166,501</b>	<b>16.8</b>
<b>Long-term liabilities</b>						
Deffered tax liability	-		13,924		-	
Allowance for employees' retirement benefits	56,261		57,787		54,541	
Allowance for directors' retirement benefits	339,910		-		341,834	
Other long-term liabilities	271,532		570,769		252,404	
<b>Total long-term liabilities</b>	<b>667,705</b>	<b>5.2</b>	<b>642,480</b>	<b>4.7</b>	<b>648,780</b>	<b>5.0</b>
<b>Total liabilities</b>	<b>3,002,457</b>	<b>23.5</b>	<b>2,971,106</b>	<b>21.9</b>	<b>2,815,281</b>	<b>21.8</b>
<b>Minority interest</b>						
Minority interest	160,732	1.3	-	-	-	-
<b>Shareholders' equity</b>						
Common stock	414,750	3.3	-	-	-	-
Capital surplus	498,747	3.9	-	-	-	-
Retained earnings	8,394,899	65.8	-	-	-	-
Unrealized gains on available-for-sale securities	277,829	2.2	-	-	-	-
<b>Total shareholders' equity</b>	<b>9,586,226</b>	<b>75.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, minority interest and shareholders' equity</b>	<b>12,749,416</b>	<b>100.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Thousands of yen	As of February 28, 2006	%	As of February 28, 2007	%	As of August 31, 2006	%
<b>Net assets</b>						
Shareholders' equity						
Common stock	-	-	414,750	3.0	414,750	3.2
Capital surplus	-	-	498,747	3.7	498,747	3.8
Retained earnings	-	-	9,194,724	67.8	8,818,614	68.2
<b>Total shareholders' equity</b>	-	-	10,108,222	74.5	9,732,111	75.2
Valuation and translation adjustments						
Unrealized gains on available-for-sale securities	-	-	340,788	2.5	262,350	2.0
<b>Total valuation and translation adjustments</b>	-	-	340,788	2.5	262,350	2.0
Minority interest	-	-	146,862	1.1	127,195	1.0
<b>Total net assets</b>	-	-	10,595,872	78.1	10,121,657	78.2
<b>Total liabilities and net assets</b>	-	-	13,566,979	100.0	12,936,939	100.0

## (2) Consolidated statement of income

Thousands of yen	Six months ended		Six months ended		Year ended	
	February 28, 2006	%	February 28, 2007	%	August 31, 2006	%
<b>Net sales</b>	6,846,926	100.0	6,129,767	100.0	12,857,359	100.0
<b>Cost of sales</b>	5,312,193	77.6	4,649,610	75.9	10,142,344	78.9
Gross income	1,534,733	22.4	1,480,157	24.1	2,715,014	21.1
<b>Selling, general and administrative expenses</b>	551,115	8.0	595,314	9.7	1,088,085	8.4
Operating income	983,617	14.4	884,843	14.4	1,626,928	12.7
<b>Non-operating income</b>						
Interest income	307		2,412		1,101	
Dividend received	5,732		18,634		12,467	
Profit from investment in minority interest	-		10,290		12,245	
Gain on investment in anonymous associations	14,729		20,662		5,042	
Other non-operating income	716		1,149		751	
	21,486	0.3	53,149	0.9	31,608	0.2
<b>Non-operating expenses</b>						
Investment loss on equity method	2,918		-		-	
Listing related expenses	8,340		9,706		13,918	
Depreciation Expense	1,394		1,316		2,802	
Others	1,013		23		1,332	
	13,667	0.2	11,046	0.2	18,052	0.1
Ordinary income	991,436	14.5	926,945	15.1	1,640,484	12.8
<b>Extraordinary profits</b>						
Gain on sale of fixed assets	-		469		-	
Gain on contribution of shares by affiliated companies	39,825		-		39,825	
Gain on reversal of allowance for doubtful accounts	1,070		4,976		10,477	
Gain on sales of investments in securities	-		87,719		161,584	
Gain on sale of membership rights	-		-		1,428	
	40,895	0.6	93,164	1.5	213,314	1.6
<b>Extraordinary losses</b>						
Loss on disposal of fixed assets	528		21,335		3,022	
Loss on sales of investments in securities	-		9,807		-	
Loss on valuation of investments in securities	79,277		-		118,261	
Impairment loss	28,465		-		28,465	
Provision for directors' retirement benefits for prior periods	14,141		-		14,141	
Loss on sale of membership rights	-		2,192		-	
	122,412	1.8	33,335	0.5	163,891	1.3
Net income before tax and other adjustments	909,919	13.3	986,774	16.1	1,689,908	13.1
Corporation, inhabitant and enterprise taxes	471,096	6.9	361,268	5.9	850,173	6.6
Deferred income taxes	(64,049)	(0.9)	49,375	0.8	(78,316)	(0.6)
Minority interest	37,194	0.5	24,020	0.4	28,659	0.2
Net income	465,677	6.8	552,110	9.0	889,391	6.9

(3) Consolidated statement of capital surplus and retained earnings

Thousands of yen	Year ended February, 2006
<b>Capital surplus</b>	
Balance of capital surplus at beginning of year	498,747
Balance of capital surplus at end of year	498,747
<b>Retained earnings</b>	
Balance of retained earnings at beginning of year	8,098,801
<b>Increase in retained earnings</b>	
Net income	465,677
	465,677
<b>Decrease in retained earnings</b>	
Dividends	132,000
Directors' bonuses	37,579
	169,579
Balance of retained earnings at end of year	8,394,899

Consolidated statement of changes in net assets (September 1, 2006 to February 28, 2007)

Thousands of yen

	Shareholders' equity			
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance as of August 31, 2006	414,750	498,747	8,818,614	9,732,111
Changes during the term				
Dividends			(176,000)	(176,000)
Net income			552,110	552,110
Net changes of items other than shareholders' equity				
Total changes during the term	-	-	376,110	376,110
Balance as of February 28, 2007	414,750	498,747	9,194,724	10,108,222

	Valuation and translation adjustment		Minority interest	Total net assets
	Unrealized gains on available-for-sale securities	Total valuation and translation adjustments		
Balance as of August 31, 2006	262,350	262,350	127,195	10,121,657
Changes during the term				
Dividends				(176,000)
Net income				552,110
Net changes of items other than shareholders' equity	78,437	78,437	19,666	98,104
Total changes during the term	78,437	78,437	19,666	474,214
Balance as of February 28, 2007	340,788	340,788	146,862	10,595,872

Previous consolidated statement of changes in net assets (September 1, 2005 to August 31, 2006)

Thousands of yen

	Shareholders' equity			
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance as of August 31, 2005	414,750	498,747	8,098,801	9,012,299
Changes during the term				
Dividends			(132,000)	(132,000)
Directors' bonuses from appropriation			(37,579)	(37,579)
Net income			889,391	889,391
Net changes of items other than shareholders' equity				
Total changes during the term	-	-	719,812	719,812
Balance as of August 31, 2006	414,750	498,747	8,818,614	9,732,111

	Valuation and translation adjustment		Minority interest	Total net assets
	Unrealized gains on available-for-sale securities	Total valuation and translation adjustments		
Balance as of August 31, 2005	233,551	233,551	164,372	9,410,222
Changes during the term				
Dividends				(132,000)
Directors' bonuses from appropriation				(37,579)
Net income				889,391
Net changes of items other than shareholders' equity	28,799	28,799	(37,176)	(8,377)
Total changes during the term	28,799	28,799	(37,176)	711,434
Balance as of August 31, 2006	262,350	262,350	127,195	10,121,657

## (4) Consolidated statement of cash flows

Thousands of yen	Six months ended February 28, 2006	Six months ended February 28, 2007	Year ended August 31, 2006
<b>Cash flows from operating activities</b>			
Interim net income before tax and other adjustments	909,919	986,774	1,689,908
Depreciation expenses	13,893	18,965	29,945
Impairment loss	28,465	-	28,465
Increase (decrease) in reserve for bonus payment	5,780	6,378	3,042
Increase in allowance for employees' retirement benefits	(4,862)	3,245	(6,583)
Increase in allowance for directors' retirement bonuses	17,990	-	19,914
Increase (decrease) in allowance for doubtful accounts	(1,070)	(4,976)	(10,477)
Interest and dividend received	(6,039)	(21,047)	(13,569)
Investment gain on equity method	-	(10,290)	(12,245)
Investment loss on equity method	2,918	-	-
Loss on sale of fixed assets	-	(469)	-
Loss on disposal of fixed assets	528	21,335	3,022
Gain on contribution of shares by affiliated companies	(39,825)	-	(39,825)
Gain on sales of investments in securities	-	(87,719)	(161,584)
Loss on sales of investment in securities	-	9,807	-
Loss on devaluation of investments in securities	79,277	-	118,261
Gain on investment in anonymous associations	(14,729)	(20,662)	(5,042)
Increase (decrease) in accounts receivable	4,447	(185,027)	165,471
Increase (decrease) in inventories	6,029	(5,275)	(16)
Decrease in advances made	(604,583)	66,025	(416,288)
Increase (decrease) in purchase liabilities	(305,858)	265,065	(300,978)
Increase in consumption tax payable	17,437	1,884	13,685
Directors' bonuses paid	(41,000)	-	(41,000)
Others	274,686	(35,297)	12,776
<b>Sub-total</b>	343,406	1,008,717	1,076,883
Interest and dividend received	5,980	19,977	21,054
Income taxes paid	(315,092)	(526,059)	(626,049)
<b>Net cash provided by operating activities</b>	34,295	502,635	471,889

Thousands of yen	Previous term (Six months ended February 28, 2006)	Current term (Six months ended February 28, 2007)	Previous fiscal year (Year ended August 31, 2006)
<b>Cash flows from investing activities</b>			
Proceeds from withdrawal of fixed deposit	-	-	100,000
Purchases of tangible fixed assets	(10,883)	(2,586)	(19,360)
Proceeds from sales of tangible fixed assets	-	83,350	-
Purchases of intangible fixed assets	(38,226)	(64,110)	(53,243)
Purchases of investments in securities	(609,174)	(637,110)	(1,171,122)
Proceeds from sales of investments in securities	300,090	602,596	507,090
Additional purchase of shares of consolidated subsidiaries	-	-	(22,500)
Others	(70,715)	10,264	(71,565)
<b>Net cash provided by (used in) investing activities</b>	<b>(428,909)</b>	<b>(7,594)</b>	<b>(730,701)</b>
<b>Cash flows from financing activities</b>			
Dividend paid	(131,940)	(175,992)	(131,940)
Dividend paid to minority shareholders	(3,054)	(3,829)	(3,054)
<b>Net cash used in financing activities</b>	<b>(134,994)</b>	<b>(179,821)</b>	<b>(134,994)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(529,608)</b>	<b>315,219</b>	<b>(393,805)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>5,837,439</b>	<b>5,443,634</b>	<b>5,837,439</b>
<b>Cash and cash equivalents at end of year</b>	<b>5,307,831</b>	<b>5,758,853</b>	<b>5,443,634</b>

(Segment information)

[Segment information by type of business]

Year ended February 28, 2006

<b>Thousands of yen</b>	<b>Media business</b>	<b>Rights business</b>	<b>Sports business</b>	<b>Total</b>	<b>Elimination or intra- company transactions</b>	<b>Consolidation</b>
<b>Sales and operating income</b>						
Sales						
Sales to external customers	5,360,019	1,436,701	50,206	6,846,926	-	6,846,926
Internal sales or transfers among segments	-	-	-	-	-	-
<b>Total</b>	<b>5,360,019</b>	<b>1,436,701</b>	<b>50,206</b>	<b>6,846,926</b>	<b>-</b>	<b>6,846,926</b>
Operating expenses	4,987,685	753,759	71,600	5,813,045	50,262	5,863,308
Operating income	372,333	682,941	(21,394)	1,033,880	(50,262)	983,617

Year ended February 28, 2007

<b>Thousands of yen</b>	<b>Media business</b>	<b>Rights business</b>	<b>Sports business</b>	<b>Total</b>	<b>Elimination or intra- company transactions</b>	<b>Consolidation</b>
<b>Sales and operating income</b>						
Sales						
Sales to external customers	4,606,367	1,327,719	195,680	6,129,767	-	6,129,767
Internal sales or transfers among segments	-	-	-	-	-	-
<b>Total</b>	<b>4,606,367</b>	<b>1,327,719</b>	<b>195,680</b>	<b>6,129,767</b>	<b>-</b>	<b>6,129,767</b>
Operating expenses	4,354,739	633,401	214,493	5,202,633	42,291	5,244,924
Operating income	251,628	694,318	(18,812)	927,134	(42,291)	884,843

Year ended August 31, 2006

<b>Thousands of yen</b>	<b>Media business</b>	<b>Rights business</b>	<b>Sports business</b>	<b>Total</b>	<b>Elimination or intra- company transactions</b>	<b>Consolidation</b>
<b>Sales and operating income</b>						
Sales						
Sales to external customers	9,639,146	2,735,177	483,035	12,857,359	-	12,857,359
Internal sales or transfers among segments	-	-	-	-	-	-
<b>Total</b>	<b>9,639,146</b>	<b>2,735,177</b>	<b>483,035</b>	<b>12,857,359</b>	<b>-</b>	<b>12,857,359</b>
Operating expenses	9,236,674	1,432,302	467,551	11,136,529	93,901	11,230,430
Operating income	402,471	1,302,874	15,484	1,720,830	(93,901)	1,626,928

(Notes)

1. Business segments are classified according to those adopted for internal control purposes.
2. Principal operations of each business segment
  - (1) Media business: Sponsoring TV programs, advertising on TV, creation of animated films
  - (2) Rights business: Merchandising right, videoization right, program-selling right
  - (3) Sports business: Sale of baseball club goods, baseball club-sponsored, magazine advertising
3. The main portions of unapportionable operating expenses included in the “elimination” or “intracompany transactions” section relates to administrative units of the Company, and their amounts for previous and current interim periods were 50,262 thousand yen and 42,291 thousand yen, respectively, and 93,901 thousand yen for the previous year.

[Segment information by region]

Interim period ended February 28, 2006

Not applicable due to the absence of consolidated subsidiaries or branches located in a country or region outside Japan.

Interim period ended February 28, 2007

Not applicable due to the absence of consolidated subsidiaries or branches located in a country or region outside Japan.

Year ended August 31, 2006

Not applicable due to the absence of consolidated subsidiaries or branches located in a country or region outside Japan.

[Overseas sales]

Interim period ended February 28, 2006

Description of overseas sales is omitted as they represent less than 10% of consolidated sales.

Interim period ended February 28, 2007

Description of overseas sales is omitted as they represent less than 10% of consolidated sales.

Year ended August 31, 2006

Description of overseas sales is omitted as they represent less than 10% of consolidated sales.

Summary of Nonconsolidated Financial Results  
for the Six Months ended February 2007

SOTSU CO., LTD.

## Summary of Nonconsolidated Financial Results for the Six Months ended February 2007

Corporate Name: SOTSU CO., LTD.  
 Listed: JASDAQ  
 Code Number: 3711  
 Location of Head Office: Tokyo, Japan  
 (URL [http:// www.sotsu-co.jp](http://www.sotsu-co.jp))  
 Representative: Akihiro Yuasa, President & CEO  
 Contact: Takashi Izuhara, Director & General Manager, Administration Group  
 Tel. 03-3248-0311

Date of Board of Directors' Meeting for Account Settlement: April 11, 2007

Date of Commencement of Payment of Annual Dividend: -

Adoption of stock trade unit policy: Not applicable

### 1. Operating results for interim period ended February 2007 (September 1, 2005 to February 28, 2007)

(1) Financial results (Amounts less than 1 million yen omitted)

	Net sales		Operating income		Ordinary income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Interim period ended February 2007	4,887	(12.3)	691	(7.7)	744	(4.1)
Interim period ended February 2006	5,569	5.6	749	18.0	776	19.2
Year ended August 2006	10,914		1,410		1,448	

	Net income		Net income
	(Millions of yen)	%	per share (Yen)
Interim period ended February 2007	487	24.7	11,083.35
Interim period ended February 2006	390	9.9	8,885.89
Year ended August 2006	820		18,642.91

(Notes)

1. Average number of shares during period:

Interim period ended February 2007: 44,000 shares

Interim period ended February 2006: 44,000 shares

Year ended August 2006: 44,000 shares

2. Change in methods of accounting treatment: None

3. The percentage figures for net sales, operating income, ordinary income and net income represent changes from the previous fiscal year.

## (2) Financial conditions

(Amounts less than 1 million yen omitted)

	Total assets (Millions of yen)	Net assets (Millions of yen)	Equity ratio (%)	Net assets per share (Yen)
Interim period ended February 2007	12,450	9,930	79.8	225,693.37
Interim period ended February 2006	11,773	9,163	77.8	208,258.34
Year ended August 2006	12,202	9,571	78.4	217,526.05

(Notes)

1. Number of shares issued and outstanding as of term-end
  - Interim period ended February 2007: 44,000 shares
  - Interim period ended February 2006: 44,000 shares
  - Year ended August 2006: 44,000 shares
2. Number of treasury shares as of term-end
  - Interim period ended February 2007: - shares
  - Interim period ended February 2006: - shares
  - Year ended August 2006: - shares

## 2. Forecasts for the year ending August 2007 (September 1, 2006 to August 31, 2007)

	Net sales (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)
Full term	11,000	1,470	830

(Reference) Estimated net income per share (full term): 18,863.64 yen

## (3) Dividends

Yen	Dividend per share		
	Interim	Term-end	Annual
Year ended August 2006	-	4,000	4,000
Year ended August 2007 (Results)	-	-	4,000
Year ended August 2007 (Forecasts)	-	4,000	

\* The forward-looking statements contained in this material are based on judgment acquired from information available to the Company and its group as of the date of announcement of this material and, as such, contain risks and uncertainties. Therefore, please note that actual operating results may differ materially from the forecasts contained herein for reasons of a variety of factors, including the economic environment surrounding the Company and its group, market conditions, foreign exchange rate fluctuations, etc.

## Nonconsolidated interim financial statements

### (1) Interim balance sheet

Thousands of yen	As of February 28, 2006	%	As of February 28, 2007	%	As of August 31, 2006	%
<b>Current assets</b>						
Cash and deposits	4,893,257		5,205,747		4,959,277	
Notes and accounts receivable - trade	160,819		444,110		165,559	
Accounts receivable - trade	1,720,998		1,549,066		1,838,075	
Inventories	1,460		1,441		942	
Advance money	681,401		-		505,811	
Deferred tax assets	33,344		38,072		42,965	
Other current assets	27,539		471,481		8,817	
Allowance for doubtful accounts	(1,880)		(1,993)		(2,525)	
<b>Total current assets</b>	<b>7,516,940</b>	<b>63.8</b>	<b>7,707,926</b>	<b>61.9</b>	<b>7,518,924</b>	<b>61.6</b>
<b>Fixed assets</b>						
<b>Tangible fixed assets</b>						
Buildings	112,566		65,295		108,936	
Vehicles and transportation equipments	1,010		688		819	
Tools, furniture and fixtures	6,516		4,921		5,553	
Land	363,009		322,711		363,009	
<b>Total tangible fixed assets</b>	<b>483,103</b>	<b>4.1</b>	<b>393,617</b>	<b>3.2</b>	<b>478,318</b>	<b>3.9</b>
<b>Intangible fixed assets</b>	<b>1,617</b>	<b>0.0</b>	<b>1,468</b>	<b>0.0</b>	<b>1,542</b>	<b>0.0</b>
<b>Investments and other assets</b>						
Investments in securities	2,627,674		3,265,011		3,017,380	
Shares of affiliated companies	509,265		531,765		531,765	
Deferred tax assets	70,739		12,031		98,525	
Other investments and other assets	588,529		548,907		572,569	
Allowance for doubtful accounts	(24,150)		(10,291)		(16,250)	
<b>Total investments and other assets</b>	<b>3,772,058</b>	<b>32.1</b>	<b>4,347,424</b>	<b>34.9</b>	<b>4,203,991</b>	<b>34.5</b>
<b>Total fixed assets</b>	<b>4,256,779</b>	<b>36.2</b>	<b>4,742,510</b>	<b>38.1</b>	<b>4,683,852</b>	<b>38.4</b>
<b>Total assets</b>	<b>11,773,719</b>	<b>100.0</b>	<b>12,450,436</b>	<b>100.0</b>	<b>12,202,776</b>	<b>100.0</b>

Thousands of yen	As of February 28, 2006	%	As of February 28, 2007	%	As of August 31, 2006	%
<b>Current liabilities</b>						
Accounts payable	1,107,797		1,360,039		1,231,873	
Income taxes payable	379,052		275,776		496,758	
Reserve for bonus payment	13,376		17,597		16,531	
Other current liabilities	482,049		271,413		273,097	
<b>Total current liabilities</b>	<b>1,982,276</b>	<b>16.9</b>	<b>1,924,825</b>	<b>15.4</b>	<b>2,018,261</b>	<b>16.6</b>
<b>Long-term liabilities</b>						
Allowance for employees' retirement benefits	22,251		23,919		22,832	
Allowance for directors' retirement benefits	325,552		-		329,392	
Other long-term liabilities	280,272		571,184		261,144	
<b>Total long-term liabilities</b>	<b>628,076</b>	<b>5.3</b>	<b>595,103</b>	<b>4.8</b>	<b>613,368</b>	<b>5.0</b>
<b>Total liabilities</b>	<b>2,610,352</b>	<b>22.2</b>	<b>2,519,928</b>	<b>20.2</b>	<b>2,631,630</b>	<b>21.6</b>
<b>Shareholders' equity</b>						
Common stock	414,750	3.5	-	-	-	-
<b>Capital surplus</b>						
Additional paid-in capital	391,240		-		-	
Capital surplus - other	107,507		-		-	
<b>Total capital surplus</b>	<b>498,747</b>	<b>4.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Retained earnings</b>						
Legal reserve	30,000		-		-	
Voluntary reserve	7,500,000		-		-	
Unappropriated profit	456,209		-		-	
<b>Total retained earnings</b>	<b>7,986,209</b>	<b>67.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unrealized gains on available-for-sale securities</b>	<b>263,660</b>	<b>2.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholders' equity</b>	<b>9,163,367</b>	<b>77.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and shareholders' equity</b>	<b>11,773,719</b>	<b>100.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Thousands of yen	As of February 28, 2006	%	As of February 28, 2007	%	As of August 31, 2006	%
<b>Net assets</b>						
Shareholders' equity						
Common stock	-	-	414,750	3.4	414,750	3.4
<b>Capital surplus</b>	-					
Additional paid-in capital	-		391,240		391,240	
Capital surplus - other	-		107,507		107,507	
Total capital surplus	-	-	498,747	4.0	498,747	4.1
Retained earnings	-		30,000		30,000	
Other retained earnings						
General reserve	-		8,150,000		7,500,000	
Retained earnings carried forward	-		547,185		885,517	
<b>Total retained earnings</b>	-	-	8,727,185	70.1	8,415,517	68.9
<b>Total shareholders' equity</b>	-	-	9,640,682	77.5	9,329,015	76.4
<b>Valuation and translation adjustments</b>						
Unrealized gains on available-for-sale securities	-	-	289,825	2.3	242,131	2.0
<b>Total valuation and translation adjustments</b>	-	-	289,825	2.3	242,131	2.0
<b>Total net assets</b>	-	-	9,930,508	79.8	9,571,146	78.4
<b>Total liabilities and net assets</b>	-	-	12,450,436	100.0	12,202,776	100.0

## (2) Interim statement of income

Thousands of yen	Year ended February 28,		Year ended February 28,		Year ended August 31,	
	2006	%	2007	%	2006	%
<b>Net sales</b>	5,569,790	100.0	4,887,148	100.0	10,914,845	100.0
<b>Cost of sales</b>	4,608,336	82.7	3,980,689	81.5	9,040,463	82.8
Gross income	961,453	17.3	906,459	18.5	1,874,381	17.2
<b>Selling, general and administrative expenses</b>	211,797	3.8	214,498	4.4	463,989	4.3
Operating income	749,656	13.5	691,960	14.1	1,410,392	12.9
<b>Non-operating income</b>	37,968	0.6	63,903	1.3	55,936	0.5
<b>Non-operating expenses</b>	10,735	0.2	11,023	0.2	17,720	0.1
Ordinary income	776,890	13.9	744,840	15.2	1,448,609	13.3
<b>Extraordinary profits</b>	43,395	0.8	78,865	1.6	213,662	2.0
<b>Extraordinary losses</b>	108,233	1.9	2,449	0.0	147,217	1.4
Net income before tax and other adjustments	712,051	12.8	821,256	16.8	1,515,054	13.9
Corporation, inhabitant and enterprise taxes	377,234	6.8	274,936	5.6	773,558	7.1
Deferred income taxes	(56,161)	(1.0)	58,652	1.2	(78,792)	(0.7)
Net income	390,979	7.0	487,667	10.0	820,287	7.5
Retained earnings brought forward from previous term	65,229		-		-	
Unappropriated retained earnings	456,209		-		-	

## (3) Nonconsolidated statement of changes in net assets (September 1, 2006 to February 28, 2007)

Thousands of yen

	Shareholders' equity								
	Common stock	Capital surplus			Retained earnings			Total shareholders' equity	
		Additional paid-in capital	Capital surplus - other	Total capital surplus	Legal reserve	Other retained earnings			Total retained earnings
						General reserve	Retained earnings carried forward		
Balance as of August 31, 2006	414,750	391,240	107,507	498,747	30,000	7,500,000	885,517	8,415,517	9,329,015
Changes during the term									
Provision for general reserve						650,000	(650,000)		
Dividends							(176,000)	(176,000)	(176,000)
Net income							487,667	487,667	487,667
Net changes of items other than shareholders' equity									
Total changes during the term	-	-	-	-	-	650,000	(338,332)	311,667	311,667
Balance as of February 28, 2007	414,750	391,240	107,507	498,747	30,000	8,150,000	547,185	8,727,185	9,640,682

	Valuation and translation adjustment		Total net assets
	Unrealized gains on available-for-sale securities	Total valuation and translation adjustments	
Balance as of August 31, 2006	242,131	242,131	9,571,146
Changes during the term			
Provision for general reserve			
Dividends			(176,000)
Net income			487,667
Net changes of items other than shareholders' equity	47,694	47,694	47,694
Total changes during the term	47,694	47,694	359,361
Balance as of February 28, 2007	289,825	289,825	9,930,508

Previous nonconsolidated statement of changes in net assets (September 1, 2005 to August 31, 2006)

Thousands of yen

	Shareholder's equity								
	Common stock	Capital surplus			Retained earnings			Total retained earnings	Total shareholders' equity
		Additional paid-in capital	Capital surplus - other	Total capital surplus	Legal reserve	Other retained earnings			
					General reserve	Retained earnings carried forward			
Balance as of August 31, 2005	414,750	391,240	107,507	498,747	30,000	6,850,000	877,229	7,757,229	8,670,727
Changes during the term									
Provision for general reserve						650,000	(650,000)		
Dividends							(132,000)	(132,000)	(132,000)
Directors' bonuses from appropriation							(30,000)	(30,000)	(30,000)
Net income							820,287	820,287	820,287
Net changes of items other than shareholders' equity									
Total changes during the term	-	-	-	-	-	650,000	8,287	658,287	658,287
Balance as of August 31, 2006	414,750	391,240	107,507	498,747	30,000	7,500,000	885,517	8,415,517	9,329,015

	Valuation and translation adjustments		Total net assets
	Unrealized gains on available-for-sale securities	Total valuation and translation adjustments	
Balance as of August 31, 2005	228,806	228,806	8,899,534
Changes during the term			
Provision for general reserve			
Dividends			(132,000)
Directors' bonuses from appropriation			(30,000)
Net income			820,287
Net changes of items other than shareholders' equity	13,324	13,324	13,324
Total changes during the term	13,324	13,324	671,611
Balance as of August 31, 2006	242,131	242,131	9,571,146