

Summary of Consolidated Financial Results
for the Year Ended August 2007

SOTSU CO., LTD.

Summary of Consolidated Financial Results for the Year Ended August 2007

Corporate Name: SOTSU CO., LTD.
 Listed: JASDAQ
 Code Number: 3711
 (URL <http://www.sotsu-co.jp>)
 Representative: Akihiro Yuasa, President & CEO
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Scheduled Date of the General Shareholder' Meeting: November 28, 2007
 Scheduled Commencement Date of Dividend Payment: November 29, 2007
 Scheduled Submission Date of Securities Report: November 29, 2007

1. Consolidated operating results for the year ended August 2007 (September 1, 2006 to August 31, 2007)

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

Millions of yen	Net sales	%	Operating income	%	Ordinary income	%
Year ended August 2007	12,921	0.5	1,530	(5.9)	1,682	2.5
Year ended August 2006	12,857	7.1	1,626	3.8	1,640	2.4

	Net income (Millions of yen)	%	Net income per share (Yen)	Diluted net income per share (Yen)
Year ended August 2007	1,004	13.0	22,839.99	-
Year ended August 2006	889	3.2	20,041.19	-

	Return on equity (%)	Ordinary income to total assets (%)	Operating income to net sales (%)
Year ended August 2007	9.7	12.5	11.8
Year ended August 2006	9.2	13.0	12.7

(Note)

Profit and loss on equity-method investments:

Year ended August 2007: 4 million yen

Year ended August 2006: 12 million yen

(2) Consolidated 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)
As of August 31, 2007	13,968	10,951	77.4	245,721.82
As of August 31, 2006	12,936	10,121	77.2	227,146.86

(Note)

Equity as of term-end (consolidated):

As of August 31, 2007: 10,811 million yen

As of August 31, 2006: 9,994 million yen

(3) Consolidated cash flows

(Amounts less than 1 million yen omitted)

Millions of yen	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at term-end
Year ended August 2007	984	(77)	(179)	6,170
Year ended August 2006	471	(730)	(134)	5,443

2. Dividend

	Dividend per share (yen)			Total dividend (Millions of yen)	Dividend payout ratio (%)	Ratio of dividends to net assets (%)
	Interim	Year end	Total			
Year ended August 2006	-	4,000	4,000	176	20.0	1.8
Year ended August 2007	-	5,000	5,000	220	21.9	2.1
Year ended August 2008 (Forecast)	-	5,000	5,000	-	21.0	-

3. Consolidated forecasts for the year ending August 2008 (September 1, 2007 to August 31, 2008)

(The percentage figures represent changes from the previous fiscal year.)

Millions of yen	Net sales	%	Operating income	%	Ordinary income	%	Net income	%	Net income per share (yen)
Interim term	8,000	30.5	1,100	24.3	1,190	28.4	630	14.1	14,318.18
Full term	14,600	13.0	1,630	6.5	1,800	7.0	1,030	2.5	23,409.09

4. Others

- (1) Change to significant subsidiaries during the term (those changes result in change in scope of consolidation): No
(new) - (Company name: -) (exclusion) - (Company name: -)
- (2) Change to accounting policy, procedure, and method of presentation for preparing consolidated financial statements (those to be described in the section of the *Change of Significant Accounting Policies on the Preparation of Consolidated Financial Statements*)
- i. Change due to amendment of accounting standard: Yes
- ii. Change due to other reasons: No
- (3) Outstanding shares (common shares)
- i. Shares outstanding at term-end (including treasury stock)
- As of August 31, 2007: 44,000 shares
- As of August 31, 2006: 44,000 shares
- ii. Treasury stock
- As of August 31, 2007: - shares
- As of August 31, 2006: - shares

(Reference) Overview of nonconsolidated operating performance

1. Nonconsolidated operating results for the year ended August 2007 (September 1, 2006 to August 31, 2007)

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

Millions of yen	Net sales	%	Operating income	%	Ordinary income	%
Year ended August 2007	11,063	1.4	1,418	0.6	1,602	10.6
Year ended August 2006	10,914	5.3	1,410	5.1	1,448	4.1

	Net income (Millions of yen)	%	Net income per share (Yen)	Diluted net income per share (Yen)
Year ended August 2007	981	19.6	22,299.39	-
Year ended August 2006	820	4.3	18,642.91	-

(2) Nonconsolidated 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)
As of August 31, 2007	13,131	10,349	78.8	235,207.83
As of August 31, 2006	12,202	9,571	78.4	217,526.05

(Note)

Equity as of term-end:

As of August 31, 2007: 10,349 million yen

As of August 31, 2006: 9,571 million yen

2. Nonconsolidated forecasts for the year ending August 2008 (September 1, 2007 to August 31, 2008)

(The percentage figures represent changes from the previous fiscal year.)

Millions of yen	Net sales		Operating income		Ordinary income		Net income		Net income per share
		%		%		%		%	yen
Interim term	6,500	33.0	850	22.8	960	28.9	540	10.7	12,272.73
Full term	12,200	10.3	1,475	4.0	1,700	6.1	1,000	1.9	22,727.27

* 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 financial statements

(1) Consolidated balance sheet

Thousands of yen	As of August 31, 2006	%	As of August 31, 2007	%	Y-o-Y changes
Current assets					
Cash and deposits	5,443,634		6,170,342		726,708
Notes and accounts receivable - trade	2,135,548		2,404,209		268,661
Inventories	25,600		35,362		9,762
Deferred tax assets	51,421		64,803		13,381
Other current assets	536,264		533,442		(2,822)
Allowance for doubtful accounts	(4,476)		(5,046)		(570)
Total current assets	8,187,992	63.3	9,203,113	65.9	1,015,120
Fixed assets					
Tangible fixed assets					
Buildings	312,212		197,890		
Accumulated depreciation	198,996	113,215	127,735	70,155	(43,059)
Vehicles and transportation equipments	6,449		6,449		
Accumulated depreciation	5,630	819	5,891	557	(261)
Tools, furniture and fixtures	48,922		48,600		
Accumulated depreciation	29,188	19,733	35,144	13,455	(6,277)
Land	363,009		322,711		(40,297)
Total tangible fixed assets	496,776	3.8	406,880	2.9	(89,896)
Intangible fixed assets	75,369	0.6	101,693	0.7	26,324
Investments and other assets					
Investments in securities	3,481,725		3,663,890		182,165
Deferred tax assets	113,590		93,373		(20,216)
Other investments and other assets	597,734		504,864		(92,869)
Allowance for doubtful accounts	(16,250)		(4,874)		11,375
Total investments and other assets	4,176,799	32.3	4,257,253	30.5	80,454
Total fixed assets	4,748,946	36.7	4,765,827	34.1	16,881
Total assets	12,936,939	100.0	13,968,941	100.0	1,032,002

Thousands of yen	As of August 31, 2006	%	As of August 31, 2007	%	Y-o-Y changes
Current liabilities					
Accounts payable - trade	1,290,761		1,877,764		587,003
Income taxes payable	539,589		286,653		(252,936)
Reserve for bonus payment	28,198		37,265		9,066
Reserve for directors' bonus payment	36,500		-		(36,500)
Other current liabilities	271,451		196,571		(74,879)
Total current liabilities	2,166,501	16.8	2,398,255	17.2	231,754
Long-term liabilities					
Deferred tax liabilities	-		17,766		17,766
Allowance for employees' retirement benefits	54,541		56,740		2,199
Allowance for directors' retirement benefits	341,834		-		(341,834)
Other long-term liabilities	252,404		544,356		291,951
Total long-term liabilities	648,780	5.0	618,862	4.4	(29,917)
Total liabilities	2,815,281	21.8	3,017,118	21.6	201,837
Net assets					
Shareholders' equity					
Common stock	414,750	3.2	414,750	3.0	-
Capital surplus	498,747	3.8	498,747	3.6	-
Retained earnings	8,818,614	68.2	9,647,573	69.0	828,959
Total shareholders' equity	9,732,111	75.2	10,561,071	75.6	828,959
Valuation and translation adjustments					
Unrealized gains on available-for-sale securities	262,350	2.0	250,689	1.8	(11,661)
Total valuation and translation adjustments	262,350	2.0	250,689	1.8	(11,661)
Minority interest	127,195	1.0	140,062	1.0	12,866
Total net assets	10,121,657	78.2	10,951,822	78.4	830,164
Total liabilities and net assets	12,936,939	100.0	13,968,941	100.0	1,032,002

(2) Consolidated statement of income

Thousands of yen	Year ended August 31, 2006		%	Year ended August 31, 2007		%	Y-o-Y changes
Net sales	12,857,359	100.0		12,921,509	100.0		64,150
Cost of sales	10,142,344	78.9		10,223,451	79.1		81,106
Gross income	2,715,014	21.1		2,698,058	20.9		(16,956)
Selling, general and administrative expenses	1,088,085	8.4		1,167,159	9.1		79,073
Operating income	1,626,928	12.7		1,530,898	11.8		(96,030)
Non-operating income							
Interest income	1,101			5,031			
Dividend received	12,467			109,943			
Profit from investment in minority interest	12,245			4,634			
Gain on investment in anonymous associations	5,042			49,476			
Other non-operating income	751	31,608	0.2	2,138	171,224	1.3	139,615
Non-operating expenses							
Depreciation expenses	2,802			1,316			
Listing related expenses	13,918			18,618			
Other non-operating expenses	1,332	18,052	0.1	49	19,985	0.1	1,932
Ordinary income	1,640,484	12.8		1,682,137	13.0		41,652
Extraordinary profits							
Gain on sales of fixed assets	-			469			
Gain on sales of investments in securities	161,584			174,689			
Gain on donation of stock of affiliated company	39,825			-			
Gain on reversal of allowance for doubtful accounts	10,477			10,804			
Gain on sale of membership rights	1,428	213,314	1.6	-	185,963	1.4	(27,351)
Extraordinary losses							
Loss on disposal of fixed assets	3,022			21,609			
Loss on sales of investments in securities	-			18,612			
Loss on valuation of investments in securities	118,261			16,830			
Impairment loss	28,465			50,166			
Provision for directors' retirement benefits for prior periods	14,141			-			
Loss on sale of membership rights	-	163,891	1.3	2,192	109,411	0.8	(54,479)
Net income before tax and other adjustments	1,689,908	13.1		1,758,689	13.6		68,780
Income taxes - current	850,173			703,855			
Income taxes - deferred	(78,316)	771,857	6.0	32,443	736,299	5.7	(35,558)
Minority interest	28,659	0.2		17,430	0.1		(11,228)
Net income	889,391	6.9		1,004,959	7.8		115,568

(3) Consolidated statement of changes in net assets

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

Consolidated statement of changes in net assets (September 1, 2006 to August 31, 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			1,004,959	1,004,959
Net changes of items other than shareholders' equity				
Total changes during the term	-	-	828,959	828,959
Balance as of August 31, 2007	414,750	498,747	9,647,573	10,561,071

	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				1,004,959
Net changes of items other than shareholders' equity	(11,661)	(11,661)	12,866	1,205
Total changes during the term	(11,661)	(11,661)	12,866	830,164
Balance as of August 31, 2007	250,689	250,689	140,062	10,951,822

(4) Consolidated statement of cash flows

Thousands of yen	Year ended August 31, 2006	Year ended August 31, 2007	Y-o-Y changes
Cash flows from operating activities			
Net income before tax and other adjustments	1,689,908	1,758,689	
Depreciation expenses	29,945	37,699	
Impairment loss	28,465	50,166	
Increase in reserve for bonus payment	3,042	9,066	
Increase in reserve for directors' bonuses	36,500	-	
Increase (decrease) in allowance for employees' retirement benefits	(6,583)	2,199	
Increase in allowance for directors' retirement bonuses	19,914	-	
Decrease in allowance for doubtful accounts	(10,477)	(10,804)	
Interest and dividend received	(13,569)	(114,975)	
Gain on investments in minority interest	(12,245)	(4,634)	
Gain on sale of fixed assets	-	(469)	
Loss on disposal of fixed assets	3,022	21,609	
Gain on sales of investments in securities	(161,584)	(174,689)	
Loss on sales of investments in securities	-	18,612	
Gain on donation of stock of affiliated company	(39,825)	-	
Gain on sale of membership rights	(1,428)	-	
Loss on sale of membership rights	-	2,192	
Loss on valuation of investments in securities	118,261	16,830	
Gain on investment in anonymous associations	(5,042)	(49,476)	
Decrease (increase) in accounts receivable	165,471	(268,661)	
Increase in inventories	(16)	(9,762)	
Decrease (increase) in advances made	(416,228)	27,217	
Increase (decrease) in purchase liabilities	(300,978)	587,003	
Increase (decrease) in consumption tax payable	13,685	(3,137)	
Directors' bonuses paid	(41,000)	-	
Others	(22,295)	(76,081)	
Sub-total	1,076,883	1,818,594	741,710
Interest and dividend received	21,054	122,918	
Income taxes paid	(626,049)	(957,344)	
Net cash provided by operating activities	471,889	984,168	512,279

Thousands of yen	Year ended August 31, 2006	Year ended August 31, 2007	Y-o-Y changes
Cash flows from investing activities			
Proceeds from repayment of time deposits	100,000	-	
Purchases of tangible fixed assets	(19,360)	(7,626)	
Proceeds from sales of tangible fixed assets	-	83,350	
Purchases of intangible fixed assets	(53,243)	(79,110)	
Purchases of investments in securities	(1,171,122)	(1,958,100)	
Proceeds from sales of investments in securities	507,090	1,866,380	
Additional purchase of shares of consolidated subsidiaries	(22,500)	-	
Others	(71,565)	17,467	
Net cash used in investing activities	(730,701)	(77,638)	653,062
Cash flows from financing activities			
Dividend paid	(131,940)	(175,992)	
Dividend paid to minority shareholders	(3,054)	(3,829)	
Net cash used in financing activities	(134,994)	(179,821)	(44,827)
Increase (decrease) in cash and cash equivalents	(393,805)	726,708	1,120,513
Cash and cash equivalents at beginning of year	5,837,439	5,443,634	(393,805)
Cash and cash equivalents at end of year	5,443,634	6,170,342	726,708

(Segment information)

[Segment information by type of business]

Year ended August 31, 2006

Thousands of yen	Media business	Rights business	Sports business	Total	Elimination or intra-company transactions	Consolidation
Sales and operating income						
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	-	-	-	-	-	-
Total	9,639,146	2,735,177	483,035	12,857,359	-	12,857,359
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
Assets, depreciation expenses and capital expenditures						
Assets	3,453,545	408,352	69,383	3,931,281	9,005,657	12,936,939
Depreciation expenses	22,788	803	408	24,000	5,945	29,945
Impairment loss	-	-	-	-	28,465	28,465
Capital expenditures	82,693	186	186	83,065	1,538	84,603

Year ended August 31, 2007

Thousands of yen	Media business	Rights business	Sports business	Total	Elimination or intra-company transactions	Consolidation
Sales and operating income						
Sales						
Sales to external customers	9,634,762	2,684,704	602,041	12,921,509	-	12,921,509
Internal sales or transfers among segments	-	-	-	-	-	-
Total	9,634,762	2,684,704	602,041	12,921,509	-	12,921,509
Operating expenses	9,370,354	1,313,359	620,722	11,304,435	86,175	11,390,611
Operating income	264,408	1,371,345	(18,680)	1,617,073	(86,175)	1,530,898
Assets, depreciation expenses and capital expenditures						
Assets	3,787,999	612,477	36,651	4,437,128	9,531,812	13,968,941
Depreciation expenses	35,425	289	265	35,980	1,718	37,699
Impairment loss	50,166	-	-	50,166	-	50,166
Capital expenditures	78,214	285	43	78,543	73	78,616

(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, outdoor 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 the year ended August 31, 2006 and 2007 were 93,901 thousand yen and 86,175 thousand yen, respectively.
4. The main portions of the Company’s total assets included in the “elimination” or “intracompany transactions” section are assets, etc. related to the administrative units of the Company, “management of surplus funds (cash and marketable securities),” “long term investment funds (investment securities),” and their amounts for the year ended August 31, 2006 and 2007 were 9,005,657 thousand yen and 9,531,812 thousand yen, respectively.

[Segment information by region]

Year ended August 31, 2006

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

Year ended August 31, 2007

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

[Overseas sales]

Year ended August 31, 2006

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

Year ended August 31, 2007

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

Nonconsolidated financial statements

(1) Balance sheet

Thousands of yen	As of August 31, 2006	%	As of August 31, 2007	%	Y-o-Y changes
Current assets					
Cash and deposits	4,959,277		5,750,812		791,534
Notes receivable - trade	165,559		282,577		117,017
Accounts receivable - trade	1,838,075		1,995,293		157,217
Merchandise	270		108		(161)
Supplies	672		1,048		376
Advances	505,811		376,507		(129,303)
Prepaid expenses	6,547		7,136		589
Deferred tax assets	42,965		49,846		6,881
Other current assets	2,270		31,977		29,706
Allowance for doubtful accounts	(2,525)		(3,579)		(1,054)
Total current assets	7,518,924	61.6	8,491,728	64.7	972,804
Fixed assets					
Tangible fixed assets					
Buildings	304,459		186,679		
Accumulated depreciation	195,522	108,936	122,984	63,694	(45,241)
Vehicles and transportation equipments	6,449		6,449		
Accumulated depreciation	5,630	819	5,891	557	(261)
Tools, furniture and fixtures	19,930		20,171		
Accumulated depreciation	14,376	5,553	15,643	4,528	(1,024)
Land	363,009		322,711		(40,297)
Total tangible fixed assets	478,318	3.9	391,492	3.0	(86,825)
Intangible fixed assets					
Software	595		446		(148)
Telephone subscription rights	947		947		-
Total intangible fixed assets	1,542	0.0	1,393	0.0	(148)
Investments and other assets					
Investments in securities	3,017,380		3,180,025		162,645
Shares of affiliated companies	531,765		507,265		(24,500)
Investments in capital	300,512		285,639		(14,872)
Long term prepaid expenses	65,603		3,048		(62,554)
Deferred tax assets	98,525		86,057		(12,468)
Other investments and other assets	206,453		190,044		(16,409)
Allowance for doubtful accounts	(16,250)		(4,874)		11,375
Total investments and other assets	4,203,991	34.5	4,247,206	32.3	43,215
Total fixed assets	4,683,852	38.4	4,640,093	35.3	(43,759)
Total assets	12,202,776	100.0	13,131,822	100.0	929,045

Thousands of yen	As of August 31, 2006	%	As of August 31, 2007	%	Y-o-Y changes
Current liabilities					
Accounts payable - trade	1,231,873		1,787,665		555,791
Accounts payable - other	9,994		12,043		2,049
Accrued expenses	6,706		47,736		41,029
Income taxes payable	496,758		283,987		(212,771)
Advances received	153,845		-		(153,845)
Deposits received	44,261		44,632		371
Advance received profit	2,016		2,016		-
Reserve for bonus payment	16,531		17,265		733
Reserve for directors' bonus payment	36,500		-		(36,500)
Other current liabilities	19,773		20,988		1,215
Total current liabilities	2,018,261	16.6	2,216,336	16.9	198,074
Long-term liabilities					
Long term accounts payable	252,404		536,031		283,626
Allowance for employees' retirement benefits	22,832		21,570		(1,261)
Allowance for directors' retirement benefits	329,392		-		(329,392)
Other long-term liabilities	8,739		8,739		-
Total long-term liabilities	613,368	5.0	566,341	4.3	(47,027)
Total liabilities	2,631,630	21.6	2,782,677	21.2	151,046
Net assets					
Shareholders' equity					
Common stock	414,750	3.4	414,750	3.2	-
Capital surplus					
Additional paid-in capital	391,240		391,240		
Other capital surplus	107,507		107,507		
Total capital surplus	498,747	4.1	498,747	3.8	-
Retained earnings					
Legal reserve	30,000		30,000		
Other retained earnings					
General reserve	7,500,000		8,150,000		
Retained earnings carried forward	885,517		1,040,690		
Total retained earnings	8,415,517	68.9	9,220,690	70.2	805,173
Total shareholders' equity	9,329,015	76.4	10,134,188	77.2	805,173
Valuation and translation adjustments					
Unrealized gains on available-for-sale securities	242,131	2.0	214,956	1.6	(27,174)
Total valuation and translation adjustment	242,131	2.0	214,956	1.6	(27,174)
Total net assets	9,571,146	78.4	10,349,144	78.8	777,998
Total liabilities and net assets	12,202,776	100.0	13,131,822	100.0	929,045

(2) Statement of income

Thousands of yen	Year ended August 31, 2006		%	Year ended August 31, 2007		%	Y-o-Y changes
Net sales		10,914,845	100.0		11,063,853	100.0	149,008
Cost of sales		9,040,463	82.8		9,196,612	83.1	156,148
Gross income		1,874,381	17.2		1,867,241	16.9	(7,140)
Selling, general and administrative expenses		463,989	4.3		448,994	4.1	(14,995)
Operating income		1,410,392	12.9		1,418,247	12.8	7,854
Non-operating income							
Interest income		401			2,849		
Interest on securities received		673			1,939		
Dividend received		26,113			122,719		
Rent received		22,986			25,325		
Gain on investment in anonymous association		5,042			49,476		
Other non-operating income		717	0.5		2,038	1.8	148,412
Non-operating expenses							
Depreciation expenses		2,802			1,316		
Listing related expenses		13,918			18,618		
Other non-operating expenses		1,000	0.1		26	0.1	2,241
Ordinary income		1,448,609	13.3		1,602,634	14.5	154,025
Extraordinary profit							
Gain on sales of fixed assets		-			469		
Gain on sales of investments in securities		161,584			146,856		
Gain on donation of stock of affiliated company		39,825			-		
Gain on reversal of allowance for doubtful accounts		10,825			10,321		
Gain on sales of membership rights		1,428	2.0		-	1.4	(56,016)
Extraordinary losses							
Loss on disposal of fixed assets		491			380		
Loss on sales of investments in securities		-			8,805		
Loss on valuation of investments in securities		118,261			16,830		
Impairment loss		28,465			50,166		
Loss on sale of membership rights		-			2,192		
Loss from liquidation of affiliated company		-	1.4		487	0.7	(68,354)
Net income before taxes		1,515,054	13.9		1,681,418	15.2	166,364
Income taxes - current		773,558			676,007		
Income taxes - deferred		(78,792)	6.4		24,237	6.3	5,478
Net income		820,287	7.5		981,173	8.9	160,885

(3) Nonconsolidated statement of changes in net assets

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

Thousands of yen

	Shareholder's equity								
	Common stock	Capital surplus			Legal reserve	Retained earnings			Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus		Other retained earnings		Total 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

Nonconsolidated statement of changes in net assets (September 1, 2006 to August 31, 2007)

Thousands of yen

	Shareholder's equity								
	Common stock	Capital surplus			Legal reserve	Retained earnings			Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus		General reserve	Other retained earnings	Total retained earnings	
						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							981,173	981,173	981,173
Net changes of items other than shareholders' equity									
Total changes during the term	-	-	-	-	-	650,000	155,173	805,173	805,173
Balance as of August 31, 2007	414,750	391,240	107,507	498,747	30,000	8,150,000	1,040,690	9,220,690	10,134,188

	Valuation and translation adjustments		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			981,173
Net changes of items other than shareholders' equity	(27,174)	(27,174)	(27,174)
Total changes during the term	(27,174)	(27,174)	777,998
Balance as of August 31, 2007	214,956	214,956	10,349,144