

Summary of Consolidated Financial Results
for the Six Months Ended February 2008

SOTSU CO., LTD.

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Corporate Name: SOTSU CO., LTD.
 Listed: JASDAQ
 Code Number: 3711
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1. Consolidated operating results for the six months ended February 2008 (September 1, 2007 to February 29, 2008)

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

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

Millions of yen	Net sales	%	Operating income	%	Ordinary income	%
Six months ended February 2008	8,767	43.0	1,305	47.5	1,378	48.7
Six months ended February 2007	6,129	(10.5)	884	(10.0)	926	(6.5)
Year ended August 2007	12,921		1,530		1,682	

	Net income (Millions of yen)	%	Net income per share (Yen)	Diluted net income per share (Yen)
Six months ended February 2008	749	35.7	17,105.33	-
Six months ended February 2007	552	18.6	12,547.97	-
Year ended August 2007	1,004		22,839.99	-

(Note)

Profit and loss on equity-method investments:

Six months ended February 2008: -6 million yen
 Six months ended February 2007: 10 million yen
 Year ended August 2007: 4 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 February 29, 2008	14,878	11,172	73.8	255,460.25
As of February 28, 2007	13,566	10,595	77.0	237,477.51
As of August 31, 2007	13,968	10,951	77.4	245,721.82

(Note)

Equity as of term-end (consolidated):

As of February 29, 2008: 10,984 million yen
 As of February 28, 2007: 10,449 million yen
 As of August 31, 2007: 10,811 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
Six months ended February 2008	307	507	(323)	6,661
Six months ended February 2007	502	(7)	(179)	5,758
Year ended August 2007	984	(77)	(179)	6,170

2. Dividend

	Dividend per share (Yen)		
	Interim	Year end	Total
Year ended August 2007	-	5,000.00	5,000.00
Year ended August 2008 (Actual)	-	-	5,000.00
Year ended August 2008 (Forecast)	-	5,000.00	

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)
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
 - i. Change due to amendment of accounting standard: No
 - ii. Change due to other reasons: No
- (3) Outstanding shares (common shares)
 - i. Shares outstanding at term-end (including treasury stock)
 - As of February 29, 2008: 44,000 shares
 - As of February 28, 2007: 44,000 shares
 - As of August 31, 2007: 44,000 shares
 - ii. Treasury stock
 - As of February 29, 2008: 1,000 shares
 - As of February 28, 2007: - shares
 - As of August 31, 2007: - shares

(Reference) Overview of nonconsolidated operating performance

1. Nonconsolidated operating results for six months ended February 2008 (September 1, 2007 to February 29, 2008)

(1) Nonconsolidated financial results

(Amounts less than 1 million yen omitted)

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

Millions of yen	Net sales	%	Operating income	%	Ordinary income	%
Six months ended February 2008	7,046	44.2	953	37.8	1,048	40.8
Six months ended February 2007	4,887	(12.3)	691	(7.7)	744	(4.1)
Year ended August 2007	11,063		1,418		1,602	
	Net income (Millions of yen)	%	Net income per share (Yen)			
Six months ended February 2008	637	30.8	14,563.55			
Six months ended February 2007	487	24.7	11,083.35			
Year ended August 2007	981		22,299.39			

(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 February 29, 2008	13,443	10,438	77.6	242,749.40
As of February 28, 2007	12,450	9,930	79.8	225,693.37
As of August 31, 2007	13,131	10,349	78.8	235,207.83

(Note)

Equity as of term-end (nonconsolidated):

As of February 29, 2008:	10,438 million yen
As of February 28, 2007:	9,930 million yen
As of August 31, 2007:	10,349 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)
Full term	12,200	10.3	1,475	4.0	1,700	6.1	1,000	1.9	22,727.27

* Explanation for appropriate use of forecasts and other special mentions

(Cautionary items pertaining to forward-looking statements)

The forward-looking statements contained in this material are based on certain premises determined as rational and on information currently available to the Company and its Group. Therefore, actual operating results may differ materially from the forecasts contained herein due to a variety of factors.

Consolidated financial statements

(1) Consolidated balance sheet

Thousands of yen	As of February 28, 2007	%	As of February 29, 2008	%	As of August 31, 2007	%
Current assets						
Cash and deposits	5,758,853		6,661,366		6,170,342	
Notes and accounts receivable - trade	2,320,575		3,005,449		2,404,209	
Inventories	30,875		27,922		35,362	
Advances	-		908,901		478,593	
Deferred tax assets	56,603		77,632		64,803	
Other current assets	494,842		45,366		54,848	
Allowance for doubtful accounts	(5,458)		(6,170)		(5,046)	
Total current assets	8,656,292	63.8	10,720,467	72.1	9,203,113	65.9
Fixed assets						
Tangible fixed assets						
Buildings	71,347		67,448		70,155	
Vehicles and transportation equipments	688		7,191		557	
Tools, furniture and fixtures	16,426		25,795		13,455	
Land	322,711		322,711		322,711	
Total tangible fixed assets	411,173	3.0	423,146	2.8	406,880	2.9
Intangible fixed assets	95,042	0.7	117,645	0.8	101,693	0.7
Investments and other assets						
Investments in securities	3,825,225		3,072,146		3,663,890	
Deferred tax assets	18,263		170,114		93,373	
Other investments and other assets	571,272		378,816		504,864	
Allowance for doubtful accounts	(10,291)		(4,333)		(4,874)	
Total investments and other assets	4,404,470	32.5	3,616,744	24.3	4,257,253	30.5
Total fixed assets	4,910,686	36.2	4,157,536	27.9	4,765,827	34.1
Total assets	13,566,979	100.0	14,878,004	100.0	13,968,941	100.0

Thousands of yen	As of February 28, 2007	%	As of February 29, 2008	%	As of August 31, 2007	%
Current liabilities						
Accounts payable - trade	1,555,826		2,128,234		1,877,764	
Short-term loans payable	-		120,000		-	
Income taxes payable	373,352		661,775		286,653	
Reserve for bonus payment	34,577		39,087		37,265	
Other current liabilities	364,869		236,189		196,571	
Total current liabilities	2,328,625	17.2	3,185,286	21.4	2,398,255	17.2
Long-term liabilities						
Deferred tax liabilities	13,924		1,533		17,766	
Allowance for employees' retirement benefits	57,787		59,632		56,740	
Other long-term liabilities	570,769		459,395		544,356	
Total long-term liabilities	642,480	4.7	520,560	3.5	618,862	4.4
Total liabilities	2,971,106	21.9	3,705,847	24.9	3,017,118	21.6
Net assets						
Shareholders' equity						
Common stock	414,750	3.0	414,750	2.8	414,750	3.0
Capital surplus	498,747	3.7	498,747	3.3	498,747	3.6
Retained earnings	9,194,724	67.8	10,176,821	68.4	9,647,573	69.0
Treasury stock	-	-	(221,000)	(1.5)	-	-
Total shareholders' equity	10,108,222	74.5	10,869,318	73.0	10,561,071	75.6
Valuation and translation adjustments						
Unrealized gains on available-for-sale securities	340,788	2.5	115,471	0.8	250,689	1.8
Total valuation and translation adjustments	340,788	2.5	115,471	0.8	250,689	1.8
Minority interest	146,862	1.1	187,366	1.3	140,062	1.0
Total net assets	10,595,872	78.1	11,172,157	75.1	10,951,822	78.4
Total liabilities and net assets	13,566,979	100.0	14,878,004	100.0	13,968,941	100.0

(2) Consolidated statement of income

Thousands of yen	Six months ended		Six months ended		Year ended	
	February 28, 2007	%	February 29, 2008	%	August 31, 2007	%
Net sales	6,129,767	100.0	8,767,956	100.0	12,921,509	100.0
Cost of sales	4,649,610	75.9	6,883,208	78.5	10,223,451	79.1
Gross income	1,480,157	24.1	1,884,748	21.5	2,698,058	20.9
Selling, general and administrative expenses	595,314	9.7	579,401	6.6	1,167,159	9.1
Operating income	884,843	14.4	1,305,346	14.9	1,530,898	11.8
Non-operating income						
Interest income	2,412		1,944		5,031	
Dividend received	18,634		33,443		109,943	
Profit from investment in minority interest	10,290		-		4,634	
Gain on investment in anonymous associations	20,662		29,265		49,476	
Gain on limited partnership act for investment	-		12,142		-	
Gain on cancellation of insurance contract	-		10,571		-	
Other non-operating income	1,149		770		2,138	
Total non-operating income	53,149	0.9	88,139	1.0	171,224	1.3
Non-operating expenses						
Interest expenses	-		123		-	
Investment loss on equity method	-		6,150		-	
Listing related expenses	9,706		7,265		18,618	
Depreciation expenses	1,316		-		1,316	
Other non-operating expenses	23		1,863		49	
Total non-operating expenses	11,046	0.2	15,403	0.2	19,985	0.1
Ordinary income	926,945	15.1	1,378,082	15.7	1,682,137	13.0
Extraordinary profits						
Gain on sale of fixed assets	469		971		469	
Gain on reversal of allowance for doubtful accounts	4,976		-		10,804	
Gain on sales of investments in securities	87,719		41,620		174,689	
Gain on liquidation of anonymous associations	-		59,693		-	
Gain on sale of membership rights	-		5,476		-	
Total extraordinary profits	93,164	1.5	107,761	1.2	185,963	1.4
Extraordinary losses						
Loss on disposal of fixed assets	21,335		11,013		21,609	
Loss on sales of investments in securities	9,807		26,102		18,612	
Loss on valuation of investments in securities	-		-		16,830	
Impairment loss	-		-		50,166	
Loss on sale of membership rights	2,192		-		2,192	
Total extraordinary losses	33,335	0.5	37,116	0.4	109,411	0.8
Net income before tax and other adjustments	986,774	16.1	1,448,727	16.5	1,758,689	13.6
Income taxes - current	361,268	5.9	658,829	7.5	703,855	5.4
Income taxes - deferred	49,375	0.8	(10,952)	(0.1)	32,443	0.3
Minority interest	24,020	0.4	51,602	0.6	17,430	0.1
Net income	552,110	9.0	749,247	8.5	1,004,959	7.8

(3) Consolidated statement of changes in net assets

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

Consolidated statement of changes in net assets (September 1, 2007 to February 29, 2008)

Thousands of yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of August 31, 2007	414,750	498,747	9,647,573	-	10,561,071
Changes during the term					
Dividends			(220,000)		(220,000)
Net income			749,247		749,247
Purchase of treasury stock				(221,000)	(221,000)
Net changes of items other than shareholders' equity					
Total changes during the term	-	-	529,247	(221,000)	308,247
Balance as of February 29, 2008	414,750	498,747	10,176,821	(221,000)	10,869,318

	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, 2007	250,689	250,689	140,062	10,951,822
Changes during the term				
Dividends				(220,000)
Net income				749,247
Purchase of treasury stock				(221,000)
Net changes of items other than shareholders' equity	(135,217)	(135,217)	47,304	(87,912)
Total changes during the term	(135,217)	(135,217)	47,304	220,334
Balance as of February 29, 2008	115,471	115,471	187,366	11,172,157

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	Six months ended February 28, 2007	Six months ended February 29, 2008	Year ended August 31, 2007
Cash flows from operating activities			
Net income before tax and other adjustments	986,774	1,448,727	1,758,689
Depreciation expenses	18,965	22,812	37,699
Impairment loss	-	-	50,166
Increase in reserve for bonus payment	6,378	1,821	9,066
Increase in allowance for employees' retirement benefits	3,245	2,891	2,199
Increase (decrease) in allowance for doubtful accounts	(4,976)	581	(10,804)
Interest and dividend received	(21,047)	(35,387)	(114,975)
Interest expenses	-	123	-
Investment gain on equity method	(10,290)	-	(4,634)
Investment loss on equity method	-	6,150	-
Gain on sale of fixed assets	(469)	(971)	(469)
Loss on disposal of fixed assets	21,335	11,013	21,609
Gain on sales of investments in securities	(87,719)	(41,620)	(174,689)
Loss on sales of investment in securities	9,807	26,102	18,612
Loss on valuation of investments in securities	-	-	16,830
Gain on investment in anonymous associations	(20,662)	(29,265)	(49,476)
Gain on limited partnership act for investment	-	(12,142)	-
Gain on liquidation of anonymous associations	-	(59,693)	-
Increase in accounts receivable	(185,027)	(601,239)	(268,661)
Decrease (increase) in inventories	(5,275)	7,440	(9,762)
Decrease (increase) in advances made	66,025	(430,307)	27,217
Increase in purchase liabilities	265,065	250,469	587,003
Increase (decrease) in consumption tax payable	1,884	24,432	(3,137)
Others	(35,297)	(32,150)	(73,888)
Sub-total	1,008,717	559,789	1,818,594
Interest and dividend received	19,977	35,447	122,918
Interest expenses paid	-	(316)	-
Income taxes paid	(526,059)	(287,574)	(957,344)
Net cash provided by operating activities	502,635	307,345	984,168

Thousands of yen	Six months ended February 28, 2007	Six months ended February 29, 2008	Year ended August 31, 2007
Cash flows from investing activities			
Purchases of tangible fixed assets	(2,586)	(24,594)	(7,626)
Proceeds from sales of tangible fixed assets	83,350	1,485	83,350
Purchases of intangible fixed assets	(64,110)	(41,557)	(79,110)
Purchases of investments in securities	(637,110)	(22,290)	(1,958,100)
Proceeds from sales of investments in securities	602,596	459,676	1,866,380
Proceeds from liquidation of anonymous associations	-	123,802	-
Others	10,264	10,692	17,467
Net cash provided by (used in) investing activities	(7,594)	507,212	(77,638)
Cash flows from financing activities			
Increase in short-term loans payable	-	120,000	-
Purchase of treasury stock	-	(221,000)	-
Dividend paid	(175,992)	(219,980)	(175,992)
Dividend paid to minority shareholders	(3,829)	(2,553)	(3,829)
Net cash used in financing activities	(179,821)	(323,533)	(179,821)
Increase in cash and cash equivalents	315,219	491,024	726,708
Cash and cash equivalents at beginning of term	5,443,634	6,170,342	5,443,634
Cash and cash equivalents at end of term	5,758,853	6,661,366	6,170,342

(Segment information)

[Segment information by type of business]

Six months ended February 28, 2007

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

Six months ended February 29, 2008

Thousands of yen	Media business	Rights business	Sports business	Total	Elimination or intra-company transactions	Consolidation
Net sales						
Sales to external customers	7,020,956	1,688,586	58,413	8,767,956	-	8,767,956
Intersegment sales	-	-	-	-	-	-
Total	7,020,956	1,688,586	58,413	8,767,956	-	8,767,956
Operating expenses	6,488,346	847,637	82,786	7,418,770	43,840	7,462,610
Operating income (loss)	532,610	840,948	(24,372)	1,349,186	(43,840)	1,305,346

Year ended August 31, 2007

Thousands of yen	Media business	Rights business	Sports business	Total	Elimination or intra-company transactions	Consolidation
Net sales						
Sales to external customers	9,634,762	2,684,704	602,041	12,921,509	-	12,921,509
Intersegment sales	-	-	-	-	-	-
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 (loss)	264,408	1,371,345	(18,680)	1,617,073	(86,175)	1,530,898

(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 six months ended February 28, 2007 and the six months ended February 29, 2008 were 42,291 thousand yen and 43,840 thousand yen, respectively, and 86,175 thousand yen for the year ended August 31, 2007.

[Segment information by region]

Six months ended February 28, 2007

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

Six months ended February 29, 2008

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]

Six months ended February 28, 2007

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

Six months ended February 29, 2008

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) Nonconsolidated balance sheet

Thousands of yen	As of February 28, 2007	%	As of February 29, 2008	%	As of August 31, 2007	%
Current assets						
Cash and deposits	5,205,747		5,985,525		5,750,812	
Notes receivable - trade	444,110		544,490		282,577	
Accounts receivable - trade	1,549,066		1,970,872		1,995,293	
Inventories	1,441		1,289		1,156	
Advances	-		723,453		376,507	
Deferred tax assets	38,072		52,930		49,846	
Other current assets	471,481		101,119		39,113	
Allowance for doubtful accounts	(1,993)		(2,585)		(3,579)	
Total current assets	7,707,926	61.9	9,377,095	69.8	8,491,728	64.7
Fixed assets						
Tangible fixed assets						
Buildings	65,295		61,493		63,694	
Vehicles and transportation equipments	688		7,191		557	
Tools, furniture and fixtures	4,921		11,499		4,528	
Land	322,711		322,711		322,711	
Total tangible fixed assets	393,617	3.2	402,896	3.0	391,492	3.0
Intangible fixed assets	1,468	0.0	1,319	0.0	1,393	0.0
Investments and other assets						
Investments in securities	3,265,011		2,644,401		3,180,025	
Shares of affiliated companies	531,765		507,265		507,265	
Deferred tax assets	12,031		156,724		86,057	
Other investments and other assets	548,907		357,921		478,733	
Allowance for doubtful accounts	(10,291)		(4,333)		(4,874)	
Total investments and other assets	4,347,424	34.9	3,661,979	27.2	4,247,206	32.3
Total fixed assets	4,742,510	38.1	4,066,195	30.2	4,640,093	35.3
Total assets	12,450,436	100.0	13,443,290	100.0	13,131,822	100.0

Thousands of yen	As of February 28, 2007	%	As of February 29, 2008	%	As of August 31, 2007	%
Current liabilities						
Accounts payable - trade	1,360,039		1,918,860		1,787,665	
Income taxes payable	275,776		486,927		283,987	
Reserve for bonus payment	17,597		19,087		17,265	
Other current liabilities	271,413		99,522		127,417	
Total current liabilities	1,924,825	15.4	2,524,397	18.8	2,216,336	16.9
Long-term liabilities						
Allowance for employees' retirement benefits	23,919		20,857		21,570	
Other long-term liabilities	571,184		459,810		544,771	
Total long-term liabilities	595,103	4.8	480,668	3.6	566,341	4.3
Total liabilities	2,519,928	20.2	3,005,065	22.4	2,782,677	21.2
Net assets						
Shareholders' equity						
Common stock	414,750	3.4	414,750	3.1	414,750	3.2
Capital surplus						
Additional paid-in capital	391,240		391,240		391,240	
Other capital surplus	107,507		107,507		107,507	
Total capital surplus	498,747	4.0	498,747	3.7	498,747	3.8
Retained earnings						
Legal reserve	30,000		30,000		30,000	
General reserve	8,150,000		8,850,000		8,150,000	
Retained earnings carried forward	547,185		758,603		1,040,690	
Total retained earnings	8,727,185	70.1	9,638,603	71.6	9,220,690	70.2
Treasury stock	-	-	(221,000)	(1.6)	-	-
Total shareholders' equity	9,640,682	77.5	10,331,100	76.8	10,134,188	77.2
Valuation and translation adjustments						
Unrealized gains on available-for-sale securities	289,825	2.3	107,123	0.8	214,956	1.6
Total valuation and translation adjustments	289,825	2.3	107,123	0.8	214,956	1.6
Total net assets	9,930,508	79.8	10,438,224	77.6	10,349,144	78.8
Total liabilities and net assets	12,450,436	100.0	13,443,290	100.0	13,131,822	100.0

(2) Statement of income

Thousands of yen	Six months ended February 28, 2007		Six months ended February 29, 2008		Year ended August 31, 2007	
		%		%		%
Net sales	4,887,148	100.0	7,046,542	100.0	11,063,853	100.0
Cost of sales	3,980,689	81.5	5,861,982	83.2	9,196,612	83.1
Gross income	906,459	18.5	1,184,559	16.8	1,867,241	16.9
Selling, general and administrative expenses	214,498	4.4	231,197	3.3	448,994	4.1
Operating income	691,960	14.1	953,361	13.5	1,418,247	12.8
Non-operating income	63,903	1.3	104,677	1.5	204,349	1.8
Non-operating expenses	11,023	0.2	9,129	0.1	19,962	0.1
Ordinary income	744,840	15.2	1,048,909	14.9	1,602,634	14.5
Extraordinary profits	78,865	1.6	102,285	1.5	157,646	1.4
Extraordinary losses	2,449	0.0	26,102	0.4	78,862	0.7
Net income before tax and other adjustments	821,256	16.8	1,125,092	16.0	1,681,418	15.2
Income taxes - current	274,936	5.6	486,920	6.9	676,007	6.1
Income taxes - deferred	58,652	1.2	259	0.0	24,237	0.2
Net income	487,667	10.0	637,912	9.1	981,173	8.9

(3) Nonconsolidated statement of changes in net assets

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	Other Capital surplus	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 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			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

Nonconsolidated statement of changes in net assets (September 1, 2007 to February 29, 2008)

Thousands of yen

	Shareholders' equity									
	Common stock	Capital surplus			Retained earnings				Treasury stock	Total shareholders' equity
		Additio- nal paid-in capital	Other Capital surplus	Total capital surplus	Legal reserve	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings carried forward			
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
Changes during the term										
Provision for general reserve						700,000	(700,000)			
Dividends							(220,000)	(220,000)		(220,000)
Net income							637,912	637,912		637,912
Purchase of treasury stock									(221,000)	(221,000)
Net changes of items other than shareholders' equity										
Total changes during the term	-	-	-	-	-	700,000	(282,087)	417,912	(221,000)	196,912
Balance as of February 29, 2008	414,750	391,240	107,507	498,747	30,000	8,850,000	758,603	9,638,603	(221,000)	10,331,100

	Valuation and translation adjustments		Total net assets
	Unrealized gains on available-for-sale securities	Total valuation and translation adjustments	
Balance as of August 31, 2007	214,956	214,956	10,349,144
Changes during the term			
Provision for general reserve			
Dividends			(220,000)
Net income			637,912
Purchase of treasury stock			(221,000)
Net changes of items other than shareholders' equity	(107,832)	(107,832)	(107,832)
Total changes during the term	(107,832)	(107,832)	89,079
Balance as of February 29, 2008	107,123	107,123	10,438,224

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	Retained earnings carried forward	Total retained earnings	
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