

Summary of Consolidated Financial Results
for the Year Ended August 2008

SOTSU CO., LTD.

Summary of Consolidated Financial Results for the Year Ended August 2008

Corporate Name: SOTSU CO., LTD.
 Listed: JASDAQ
 Code Number: 3711
 (URL <http://www.sotsu-co.jp>)
 Representative: Akihiro Yuasa, President & CEO
 Contact: Takashi Izuhara, Managing Director & General Manager, Administration Group
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Scheduled Date of the General Shareholder' Meeting: November 26, 2008
 Scheduled Commencement Date of Dividend Payment: November 27, 2008
 Scheduled Submission Date of Securities Report: November 27, 2008

1. Consolidated operating results for the year ended August 2008 (September 1, 2007 to August 31, 2008)

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

Millions of yen	Net sales	%	Operating income	%	Ordinary income	%
Year ended August 2008	15,937	23.3	1,846	20.6	2,024	20.3
Year ended August 2007	12,921	0.5	1,530	(5.9)	1,682	2.5

	Net income (Millions of yen)	%	Net income per share (Yen)	Diluted net income per share (Yen)
Year ended August 2008	1,059	5.4	24,422.14	-
Year ended August 2007	1,004	13.0	22,839.99	-

	Return on equity (%)	Ordinary income to total assets (%)	Operating income to net sales (%)
Year ended August 2008	9.6	14.1	11.6
Year ended August 2007	9.7	12.5	11.8

(Note)

Profit and loss on equity-method investments:

Year ended August 2008: 66 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 August 31, 2008	14,660	11,342	76.2	260,999.34
As of August 31, 2007	13,968	10,951	77.4	245,721.82

(Note)

Equity as of term-end (consolidated):

As of August 31, 2008: 11,166 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
Year ended August 2008	1,381	769	(424)	7,897
Year ended August 2007	984	(77)	(179)	6,170

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 2007	-	5,000	5,000	220	21.9	2.1
Year ended August 2008	-	6,000	6,000	256	24.6	2.3
Year ended August 2009 (Forecast)	-	6,000	6,000	-	24.0	-

3. Consolidated forecasts for the year ending August 2009 (September 1, 2008 to August 31, 2009)

(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	7,500	(14.5)	1,020	(21.9)	1,030	(25.3)	550	(26.6)	12,855.87
Full term	16,200	1.6	1,900	2.9	1,940	(4.2)	1,070	1.0	25,010.52

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: No
- 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, 2008: 44,000 shares
- As of August 31, 2007: 44,000 shares
- ii. Treasury stock
- As of August 31, 2008: 1,218 shares
- As of August 31, 2007: - shares

(Reference) Overview of nonconsolidated operating performance

1. Nonconsolidated operating results for the year ended August 2008 (September 1, 2007 to August 31, 2008)

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

Millions of yen	Net sales	%	Operating income	%	Ordinary income	%
Year ended August 2008	13,184	19.2	1,629	14.9	1,778	11.0
Year ended August 2007	11,063	1.4	1,418	0.6	1,602	10.6

	Net income (Millions of yen)	%	Net income per share (Yen)	Diluted net income per share (Yen)
Year ended August 2008	997	1.6	22,996.94	-
Year ended August 2007	981	19.6	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 August 31, 2008	13,609	10,707	78.7	250,289.44
As of August 31, 2007	13,131	10,349	78.8	235,207.83

(Note)

Equity as of term-end:

As of August 31, 2008: 10,707 million yen

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

2. Nonconsolidated forecasts for the year ending August 2009 (September 1, 2008 to August 31, 2009)

(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	5,780 (18.0)	770 (19.2)	810 (22.8)	470 (26.3)	10,985.93
Full term	13,600 3.2	1,650 1.3	1,730 (2.7)	1,000 0.3	23,374.32

* 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, 2007	%	As of August 31, 2008	%	Y-o-Y changes
Current assets					
Cash and deposits	6,170,342		7,897,303		1,726,961
Notes and accounts receivable - trade	2,404,209		2,110,637		(293,572)
Inventories	35,362		42,566		7,203
Deferred tax assets	64,803		132,490		67,687
Other current assets	533,442		838,050		304,608
Allowance for doubtful accounts	(5,046)		(125,938)		(120,891)
Total current assets	9,203,113	65.9	10,895,111	74.3	1,691,998
Fixed assets					
Tangible fixed assets					
Buildings	197,890		199,907		
Accumulated depreciation	127,735	70,155	133,449	66,458	(3,697)
Vehicles and transportation equipments	6,449		8,352		
Accumulated depreciation	5,891	557	2,902	5,449	4,891
Tools, furniture and fixtures	48,600		63,477		
Accumulated depreciation	35,144	13,455	42,219	21,257	7,801
Land	322,711		322,711		-
Total tangible fixed assets	406,880	2.9	415,877	2.8	8,996
Intangible fixed assets	101,693	0.7	96,813	0.7	(4,880)
Investments and other assets					
Investments in securities	3,663,890		2,712,752		(951,138)
Deferred tax assets	93,373		217,468		124,094
Other investments and other assets	504,864		322,267		(182,597)
Allowance for doubtful accounts	(4,874)		-		4,874
Total investments and other assets	4,257,253	30.5	3,252,488	22.2	(1,004,765)
Total fixed assets	4,765,827	34.1	3,765,178	25.7	(1,000,649)
Total assets	13,968,941	100.0	14,660,290	100.0	691,348

Thousands of yen	As of August 31, 2007	%	As of August 31, 2008	%	Y-o-Y changes
Current liabilities					
Accounts payable - trade	1,877,764		1,916,327		38,563
Short-term loans payable	-		74,000		74,000
Income taxes payable	286,653		511,922		225,268
Reserve for bonus payment	37,265		46,114		8,848
Other current liabilities	196,571		254,919		58,347
Total current liabilities	2,398,255	17.2	2,803,284	19.1	405,029
Long-term liabilities					
Deferred tax liabilities	17,766		-		(17,766)
Allowance for employees' retirement benefits	56,740		65,477		8,737
Other long-term liabilities	544,356		449,436		(94,919)
Total long-term liabilities	618,862	4.4	514,914	3.5	(103,948)
Total liabilities	3,017,118	21.6	3,318,199	22.6	301,080
Net assets					
Shareholders' equity					
Common stock	414,750	3.0	414,750	2.8	-
Capital surplus	498,747	3.6	498,747	3.4	-
Retained earnings	9,647,573	69.0	10,486,737	71.5	839,163
Treasury stock	-	-	(275,791)	(1.8)	(275,791)
Total shareholders' equity	10,561,071	75.6	11,124,444	75.9	563,372
Valuation and translation adjustments					
Unrealized gains on available-for-sale securities	250,689	1.8	41,629	0.3	(209,059)
Total valuation and translation adjustments	250,689	1.8	41,629	0.3	(209,059)
Minority interest	140,062	1.0	176,016	1.2	35,954
Total net assets	10,951,822	78.4	11,342,090	77.4	390,268
Total liabilities and net assets	13,968,941	100.0	14,660,290	100.0	691,348

(2) Consolidated statement of income

Thousands of yen	Year ended August 31, 2007		%	Year ended August 31, 2008		%	Y-o-Y changes	
Net sales		12,921,509	100.0		15,937,400	100.0	3,015,891	
Cost of sales		10,223,451	79.1		12,944,316	81.2	2,720,864	
Gross income		2,698,058	20.9		2,993,084	18.8	295,026	
Selling, general and administrative expenses		1,167,159	9.1		1,146,833	7.2	(20,325)	
Operating income		1,530,898	11.8		1,846,251	11.6	315,352	
Non-operating income								
Interest income		5,031			3,498			
Dividend received		109,943			47,681			
Profit from investment in minority interest		4,634			66,613			
Gain on investments in anonymous associations		49,476			43,303			
Gain on investments in partnership		-			20,310			
Other non-operating income		2,138	171,224	1.3	12,467	193,873	1.2	22,649
Non-operating expenses								
Interest expenses		-			1,139			
Depreciation expenses		1,316			-			
Listing related expenses		18,618			10,491			
Commission fee		-			2,988			
Other non-operating expenses		49	19,985	0.1	1,466	16,085	0.1	(3,899)
Ordinary income		1,682,137	13.0		2,024,039	12.7	341,901	
Extraordinary profits								
Gain on sales of fixed assets		469			971			
Gain on sales of investments in securities		174,689			51,568			
Gain on liquidation of anonymous associations		-			59,693			
Gain on sales of membership rights		-			5,476			
Gain on reversal of allowance for doubtful accounts		10,804	185,963	1.4	886	118,595	0.7	(67,367)
Extraordinary losses								
Loss on sales of fixed assets		-			454			
Loss on disposal of fixed assets		21,609			17,318			
Loss on sales of investments in securities		18,612			53,698			
Loss on valuation of investments in securities		16,830			54,556			
Impairment loss		50,166			-			
Loss on sales of membership rights		2,192			-			
Provision of allowance for doubtful accounts		-	109,411	0.8	123,060	249,088	1.5	139,677
Net income before tax and other adjustments		1,758,689	13.6		1,893,546	11.9	134,857	
Income taxes - current		703,855			878,568			
Income taxes - deferred		32,443	736,299	5.7	(85,733)	792,835	5.0	56,535
Minority interest		17,430	0.1		41,547	0.3	24,116	
Net income		1,004,959	7.8		1,059,163	6.6	54,204	

(3) Consolidated statement of changes in net assets

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 adjustments		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

Consolidated statement of changes in net assets (September 1, 2007 to August 31, 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			1,059,163		1,059,163
Purchase of treasury stock				(275,791)	(275,791)
Net changes of items other than shareholders' equity					
Total changes during the term	-	-	839,163	(275,791)	563,372
Balance as of August 31, 2008	414,750	498,747	10,486,737	(275,791)	11,124,444

	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				1,059,163
Purchase of treasury stock				(275,791)
Net changes of items other than shareholders' equity	(209,059)	(209,059)	35,954	(173,104)
Total changes during the term	(209,059)	(209,059)	35,954	390,268
Balance as of August 31, 2008	41,629	41,629	176,016	11,342,090

(4) Consolidated statement of cash flows

Thousands of yen	Year ended August 31, 2007	Year ended August 31, 2008	Y-o-Y changes
Cash flows from operating activities			
Net income before tax and other adjustments	1,758,689	1,893,546	
Depreciation expenses	37,699	46,001	
Impairment loss	50,166	-	
Increase in reserve for bonus payment	9,066	8,848	
Decrease in reserve for directors' bonuses	(36,500)	-	
Increase in allowance for employees' retirement benefits	2,199	8,737	
Increase (decrease) in allowance for doubtful accounts	(10,804)	116,016	
Interest and dividend received	(114,975)	(51,179)	
Interest expenses	-	1,139	
Gain on investments in minority interest	(4,634)	(66,613)	
Gain on sales of fixed assets	(469)	(971)	
Loss of sales of fixed assets	-	454	
Loss on disposal of fixed assets	21,609	17,318	
Gain on sales of investments in securities	(174,689)	(51,568)	
Loss on sales of investments in securities	18,612	53,698	
Loss on valuation of investments in securities	16,830	54,556	
Gain on sales of membership rights	-	(5,476)	
Loss on sales of membership rights	2,192	-	
Gain on investments in anonymous associations	(49,476)	(43,303)	
Gain on investments in partnership	-	(20,310)	
Gain on liquidation of anonymous associations	-	(59,693)	
Decrease (increase) in accounts receivable	(268,661)	293,572	
Increase in inventories	(9,762)	(7,203)	
Decrease (increase) in advances made	27,217	(79,903)	
Increase in purchase liabilities	587,003	38,563	
Increase (decrease) in consumption tax payable	(3,137)	18,327	
Others	(39,581)	(186,939)	
Sub-total	1,818,594	1,977,617	159,022
Interest and dividend received	122,918	61,151	
Interest expenses paid	-	(1,261)	
Income taxes paid	(957,344)	(656,143)	
Net cash provided by operating activities	984,168	1,381,364	397,195

Thousands of yen	Year ended August 31, 2007	Year ended August 31, 2008	Y-o-Y changes
Cash flows from investing activities			
Purchases of tangible fixed assets	(7,626)	(24,594)	
Proceeds from sales of tangible fixed assets	83,350	1,523	
Purchases of intangible fixed assets	(79,110)	(45,842)	
Purchases of investments in securities	(1,958,100)	(210,257)	
Proceeds from sales of investments in securities	1,866,380	859,584	
Proceeds from investments in anonymous associations	-	193,204	
Others	17,467	(3,694)	
Net cash provided by (used in) investing activities	(77,638)	769,921	847,560
Cash flows from financing activities			
Increase in short-term loans payable	-	74,000	
Purchase of treasury stock	-	(275,791)	
Dividend paid	(175,992)	(219,980)	
Dividend paid to minority shareholders	(3,829)	(2,553)	
Net cash used in financing activities	(179,821)	(424,324)	(244,502)
Increase (decrease) in cash and cash equivalents	726,708	1,726,961	1,000,252
Cash and cash equivalents at beginning of year	5,443,634	6,170,342	726,708
Cash and cash equivalents at end of year	6,170,342	7,897,303	1,726,961

(Segment information)

[Segment information by type of business]

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 (loss)	264,408	1,371,345	(18,680)	1,617,073	(86,175)	1,530,898
Assets, depreciation expenses, impairment loss 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

Year ended August 31, 2008

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	12,200,035	2,832,260	905,104	15,937,400	-	15,937,400
Internal sales or transfers among segments	-	-	-	-	-	-
Total	12,200,035	2,832,260	905,104	15,937,400	-	15,937,400
Operating expenses	11,747,144	1,404,837	858,761	14,010,742	80,406	14,091,149
Operating income	452,891	1,427,423	46,343	1,926,657	(80,406)	1,846,251
Assets, depreciation expenses and capital expenditures						
Assets	4,220,983	302,202	44,429	4,567,615	10,092,674	14,660,290
Depreciation expenses	44,159	796	747	45,703	297	46,001
Capital expenditures	61,802	5,260	5,260	72,322	-	72,322

(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, recruiting advertisements
 - (2) Rights business: Merchandising right, videoization right, program-selling right
 - (3) Sports business: Sale of baseball club goods, baseball club sponsoring, sports field billboard 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, 2007 and 2008 were 86,175 thousand yen and 80,406 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),” and “long term investment funds (investment securities),” and their amounts for the year ended August 31, 2007 and 2008 were 9,531,812 thousand yen and 10,092,674 thousand yen, respectively.

[Segment information by region]

Year ended August 31, 2007

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

Year ended August 31, 2008

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

[Overseas sales]

Year ended August 31, 2007

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

Year ended August 31, 2008

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, 2007	%	As of August 31, 2008	%	Y-o-Y changes
Current assets					
Cash and deposits	5,750,812		7,203,097		1,452,285
Notes receivable - trade	282,577		454,163		171,585
Accounts receivable - trade	1,995,293		1,576,036		(419,256)
Merchandise	108		353		245
Supplies	1,048		1,102		54
Advances	376,507		443,986		67,478
Prepaid expenses	7,136		9,396		2,259
Deferred tax assets	49,846		107,897		58,050
Accounts receivable - other	-		246,120		246,120
Other current assets	31,977		8,180		(23,796)
Allowance for doubtful accounts	(3,579)		(125,090)		(121,511)
Total current assets	8,491,728	64.7	9,925,243	72.9	1,433,514
Fixed assets					
Tangible fixed assets					
Buildings	186,679		188,564		
Accumulated depreciation	122,984	63,694	127,413	61,150	(2,543)
Vehicles and transportation equipments	6,449		8,352		
Accumulated depreciation	5,891	557	2,902	5,449	4,891
Tools, furniture and fixtures	20,171		27,496		
Accumulated depreciation	15,643	4,528	16,453	11,042	6,513
Land	322,711		322,711		-
Total tangible fixed assets	391,492	3.0	400,354	3.0	8,861
Intangible fixed assets					
Software	446		297		(148)
Telephone subscription rights	947		947		-
Total intangible fixed assets	1,393	0.0	1,245	0.0	(148)
Investments and other assets					
Investments in securities	3,180,025		2,334,102		(845,923)
Shares of affiliated companies	507,265		447,947		(59,318)
Investments in capital	285,639		100,512		(185,127)
Long term prepaid expenses	3,048		8,062		5,014
Deferred tax assets	86,057		199,076		113,018
Other investments and other assets	190,044		192,832		2,787
Allowance for doubtful accounts	(4,874)		-		4,874
Total investments and other assets	4,247,206	32.3	3,282,533	24.1	(964,673)
Total fixed assets	4,640,093	35.3	3,684,133	27.1	(955,960)
Total assets	13,131,822	100.0	13,609,376	100.0	477,554

Thousands of yen	As of August 31, 2007	%	As of August 31, 2008	%	Y-o-Y changes
Current liabilities					
Accounts payable - trade	1,787,665		1,848,926		61,260
Accounts payable - other	12,043		13,091		1,048
Accrued expenses	47,736		46,252		(1,484)
Income taxes payable	283,987		394,229		110,241
Advances received	-		9,555		9,555
Deposits received	44,632		72,449		27,817
Advance received profit	2,016		2,016		-
Reserve for bonus payment	17,265		20,114		2,848
Other current liabilities	20,988		22,201		1,213
Total current liabilities	2,216,336	16.9	2,428,836	17.8	212,500
Long-term liabilities					
Long-term accounts payable	536,031		441,111		(94,919)
Allowance for employees' retirement benefits	21,570		22,805		1,235
Other long-term liabilities	8,739		8,739		-
Total long-term liabilities	566,341	4.3	472,656	3.5	(93,684)
Total liabilities	2,782,677	21.2	2,901,493	21.3	118,816
Net assets					
Shareholders' equity					
Common stock	414,750	3.2	414,750	3.0	-
Capital surplus					
Additional paid-in capital	391,240		391,240		
Other capital surplus	107,507		107,507		
Total capital surplus	498,747	3.8	498,747	3.7	-
Retained earnings					
Legal reserve	30,000		30,000		
Other retained earnings					
General reserve	8,150,000		8,850,000		
Retained earnings carried forward	1,040,690		1,118,045		
Total retained earnings	9,220,690	70.2	9,998,045	73.5	777,354
Treasury stock	-	-	(275,791)	(2.0)	(275,791)
Total shareholders' equity	10,134,188	77.2	10,635,751	78.2	501,563
Valuation and translation adjustments					
Unrealized gains on available-for-sale securities	214,956	1.6	72,131	0.5	(142,825)
Total valuation and translation adjustments	214,956	1.6	72,131	0.5	(142,825)
Total net assets	10,349,144	78.8	10,707,882	78.7	358,737
Total liabilities and net assets	13,131,822	100.0	13,609,376	100.0	477,554

(2) Statement of income

Thousands of yen	Year ended August 31, 2007		%	Year ended August 31, 2008		%	Y-o-Y changes	
Net sales		11,063,853	100.0		13,184,444	100.0	2,120,590	
Cost of sales		9,196,612	83.1		11,095,023	84.2	1,898,411	
Gross income		1,867,241	16.9		2,089,421	15.8	222,179	
Selling, general and administrative expenses		448,994	4.1		459,654	3.4	10,659	
Operating income		1,418,247	12.8		1,629,766	12.4	211,519	
Non-operating income								
Interest income		2,849			4,163			
Interest on securities received		1,939			-			
Dividend received		122,719			58,451			
Rent received		25,325			25,325			
Gain on investments in anonymous association		49,476			43,303			
Gain on investments in partnership		-			20,310			
Other non-operating income		2,038	204,349	1.8	12,444	163,999	1.2	(40,349)
Non-operating expenses								
Depreciation expenses		1,316			-			
Listing related expenses		18,618			10,491			
Commission fee		-			2,988			
Other non-operating expenses		26	19,962	0.1	1,466	14,946	0.1	(5,015)
Ordinary income		1,602,634	14.5		1,778,820	13.5	176,185	
Extraordinary profit								
Gain on sales of fixed assets		469			971			
Gain on sales of investments in securities		146,856			50,330			
Gain on sales of stock of affiliated companies		-			8,681			
Gain on liquidation of anonymous associations		-			59,693			
Gain on reversal of allowance for doubtful accounts		10,321	157,646	1.4	265	119,943	0.9	(37,703)
Extraordinary losses								
Loss on disposal of fixed assets		380			-			
Loss on sales of investments in securities		8,805			53,698			
Loss on valuation of investments in securities		16,830			54,556			
Impairment loss		50,166			-			
Loss on sales of membership rights		2,192			-			
Loss from liquidation of affiliated companies		487			-			
Provision of allowance for doubtful accounts		-	78,862	0.7	123,060	231,315	1.8	152,452
Net income before taxes		1,681,418	15.2		1,667,448	12.6	(13,970)	
Income taxes - current		676,007			743,135			
Income taxes - deferred		24,237	700,244	6.3	(73,042)	670,093	5.0	(30,151)
Net income		981,173	8.9		997,354	7.6	16,181	

(3) Nonconsolidated statement of changes in net assets

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		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							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

Nonconsolidated statement of changes in net assets (September 1, 2007 to August 31, 2008)

Thousands of yen

	Shareholder's equity									
	Common stock	Capital surplus			Legal reserve	Retained earnings			Treasury stock	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, 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							997,354	997,354		997,354
Purchase of treasury stock									(275,791)	(275,791)
Net changes of items other than shareholders' equity										
Total changes during the term	-	-	-	-	-	700,000	77,354	777,354	(275,791)	501,563
Balance as of August 31, 2008	414,750	391,240	107,507	498,747	30,000	8,850,000	1,118,045	9,998,045	(275,791)	10,635,751

	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			997,354
Purchase of treasury stock			(275,791)
Net changes of items other than shareholders' equity	(142,825)	(142,825)	(142,825)
Total changes during the term	(142,825)	(142,825)	358,737
Balance as of August 31, 2008	72,131	72,131	10,707,882