### **FINANCIAL RESULTS**

### [Mid-Year Consolidated Financial Statements]

- Fiscal Year Ending March 31, 2006 -

Note: Consolidated financial statements are adopted from the mid-year period for the fiscal year ending March 31, 2006.

### 1. Consolidated Balance Sheet

(in million yen, %)

		(111 1111111011		
	Current Mid-Year End			
	(As of Se	(As of September 30, 2005)		
	Am	Amount		
(ASSETS)				
Current Assets				
1 Cash		108,061		
2 Accounts receivable		5,692		
3 Inventory		47		
4 Other current assets		864		
Allowance for bad debt		7		
Total current assets		114,657	83.3	
Fixed Assets				
1 Tangible fixed assets				
(1) Machinery and equipment	15,441			
(2) Others	1,021	16,462		
2 Intangible assets		2,773		
3 Investment and other assets		3,727		
Total fixed assests		22,962	16.7	
TOTAL ASSETS		137,619	100.0	

# **Consolidated Balance Sheet (Continued)**

(in million yen, %)

	Current Mid-Year End		
	(As of September 30, 2005)		
	Am	ount	%
(LIABILITIES)			
Current Liabilities			
1 Trade accounts payable		76	
2 Current portion of long-term debt		3,166	
3 Other accounts payable		1,086	
4 Accrued expenses		6,355	
5 Income taxes payable		1,488	
6 Current portion of capital lease obligations		4,319	
7 Stock purchase warrants		15	
8 Other current liabilities		252	
Total current liabilities		16,758	12.2
Long-term Liabilities			
1 Bonds		83,000	
2 Long-term debt		5,524	
3 Capital lease obligations, less current portion		2,894	
4 Others		155	
Total long-term liabilities		91,573	66.5
TOTAL LIABILITIES		108,331	78.7
(MINORITY INTERESTS)			
Minority interests in consolidated subsidiaries		50	0.0
(SHAREHOLDERS' EQUITY)			
Capital Shares		15,300	11.1
Capital Surplus		3,935	2.9
Retained Earnings		10,214	7.4
Unrealized loss ( ) on investment securities		211	0.2
TOTAL SHAREHOLDERS' EQUITY		29,238	21.2
TOTAL LIABILITIES, MINORITY INTERESTS			
AND SHAREHOLDERS' EQUITY		137,619	100.0

# 2. Consolidated Statements of Operations

(in million yen, %)

Revenue	Current Mid-Year			<u> </u>
Revenue         30,351         100.0           Cost of revenue         16,446         54.2           Gross profit         13,906         45.8           Selling, general and administrative expenses         9,952         32.8           Operating profit         3,954         13.0           Other income         4         2           1 Dividend received         4         2           2 Commission received         3         3           3 Other income         13         20         0.1           Other expenses         752         2           2 Stock issuance costs         106         3         3,07         10.1           Non-recurring profit         3,077         10.1         10.0		(Six months ended		
Revenue         30,351   100.0           Cost of revenue         16,446   54.2           Gross profit         13,906   45.8           Selling, general and administrative expenses         9,952   32.8           Operating profit         3,954   13.0           Other income         4           1 Dividend received         4           2 Commission received         3           3 Other income         13   20   0.1           Other expenses         1           1 Interest expense         752   2           2 Stock issuance costs         106   39   897   3.0           3 Others         39   897   3.0           Recurring profit         3,077   10.1           Non-recurring income         1   1   0.0           Gains on sale of fixed assets         1   1   0.0           Non-recurring expenses         1   1   0.0           Loss on devaluation of investments         15   15   0.0           Income before income taxes         3,063   10.1           Income tax expense - current         1,406   1.8           Minority interests in consolidated subsidiaries         0   0.0		September 30, 2005)		
Cost of revenue         16,446         54.2           Gross profit         13,906         45.8           Selling, general and administrative expenses         9,952         32.8           Operating profit         3,954         13.0           Other income         4         2           1 Dividend received         4         2           2 Commission received         3         3           3 Other income         13         20         0.1           Other expenses         752         2           2 Stock issuance costs         106         3         3           3 Others         39         897         3.0           Recurring profit         3,077         10.1         10.1           Non-recurring income         1         1         0.0           Gains on sale of fixed assets         1         1         0.0           Non-recurring expenses         1         1         0.0           Loss on devaluation of investments         15         15         0.0           Income before income taxes         3,063         10.1           Income tax expense - defferred         845         561         1.8           Minority interests in consolidated subsidiaries		Am	ount	%
Gross profit         13,906         45.8           Selling, general and administrative expenses         9,952         32.8           Operating profit         3,954         13.0           Other income         4         2           1 Dividend received         3         3           2 Commission received         3         3           3 Other income         13         20           Other expenses         752         2           2 Stock issuance costs         106         3           3 Others         39         897         3.0           Recurring profit         3,077         10.1           Non-recurring income         3,077         10.1           Non-recurring expenses         1         1         0.0           Loss on devaluation of investments         15         15         0.0           Income before income taxes         3,063         10.1           Income tax expense - current         1,406         1.406           Income tax expense - defferred         845         561         1.8           Minority interests in consolidated subsidiaries         0         0.0	Revenue		30,351	100.0
Selling, general and administrative expenses       9,952       32.8         Operating profit       3,954       13.0         Other income       4       2         1 Dividend received       3       3         2 Commission received       3       3         3 Other income       13       20       0.1         Other expenses       752       2         2 Stock issuance costs       106       3         3 Others       39       897       3.0         Recurring profit       3,077       10.1         Non-recurring income       3,077       10.1         Non-recurring expenses       1       1       0.0         Loss on devaluation of investments       15       15       0.0         Income before income taxes       3,063       10.1         Income tax expense - current       1,406       1,406         Income tax expense - defferred       845       561       1.8         Minority interests in consolidated subsidiaries       0       0.0	Cost of revenue		16,446	54.2
Operating profit         3,954         13.0           Other income         4         2           1 Dividend received         3         3           2 Commission received         3         3           3 Other income         13         20         0.1           Other expenses         752         2           2 Stock issuance costs         106         39         897         3.0           3 Others         39         897         3.0         10.1           Non-recurring profit         3,077         10.1         10.0         10.0         10.0           Non-recurring expenses         1         1         0.0         10.0<	Gross profit		13,906	45.8
Other income         4           1 Dividend received         3           2 Commission received         3           3 Other income         13         20           Other expenses	Selling, general and administrative expenses		9,952	32.8
1 Dividend received       4         2 Commission received       3         3 Other income       13       20       0.1         Other expenses       752       2         1 Interest expense       752       2         2 Stock issuance costs       106       39       897       3.0         3 Others       39       897       3.0       10.1       10.1       10.1       10.1       10.1       10.1       10.1       10.0       1	Operating profit		3,954	13.0
2 Commission received       3         3 Other income       13       20       0.1         Other expenses       752       2         1 Interest expense       752       2         2 Stock issuance costs       106       39       897       3.0         3 Others       39       897       3.0       3.077       10.1         Non-recurring profit       3,077       10.1       1.0<	Other income			
3 Other income       13       20       0.1         Other expenses       752       2         1 Interest expense       752       2         2 Stock issuance costs       106       39       897       3.0         3 Others       39       897       3.0         Recurring profit       3,077       10.1         Non-recurring income       1       1       0.0         Non-recurring expenses       1       1       0.0         Loss on devaluation of investments       15       15       0.0         Income before income taxes       3,063       10.1         Income tax expense - current       1,406       1,406         Income tax expense - defferred       845       561       1.8         Minority interests in consolidated subsidiaries       0       0.0	1 Dividend received	4		
Other expenses         752           1 Interest expense         752           2 Stock issuance costs         106           3 Others         39         897         3.0           Recurring profit         3,077         10.1           Non-recurring income         1         1         0.0           Non-recurring expenses         1         1         0.0           Loss on devaluation of investments         15         15         0.0           Income before income taxes         3,063         10.1           Income tax expense - current         1,406         1,406           Income tax expense - defferred         845         561         1.8           Minority interests in consolidated subsidiaries         0         0.0	2 Commission received	3		
1 Interest expense       752         2 Stock issuance costs       106         3 Others       39       897       3.0         Recurring profit       3,077       10.1         Non-recurring income       1       1       0.0         Non-recurring expenses       1       1       0.0         Loss on devaluation of investments       15       15       0.0         Income before income taxes       3,063       10.1         Income tax expense - current       1,406       1.406         Income tax expense - defferred       845       561       1.8         Minority interests in consolidated subsidiaries       0       0.0	3 Other income	13	20	0.1
2 Stock issuance costs       106         3 Others       39       897       3.0         Recurring profit       3,077       10.1         Non-recurring income       1       1       0.0         Sains on sale of fixed assets       1       1       0.0         Non-recurring expenses       1       1       0.0         Loss on devaluation of investments       15       15       0.0         Income before income taxes       3,063       10.1         Income tax expense - current       1,406       1.406         Income tax expense - defferred       845       561       1.8         Minority interests in consolidated subsidiaries       0       0.0	Other expenses			
3 Others       39       897       3.0         Recurring profit       3,077       10.1         Non-recurring income       1       1       0.0         Son on sale of fixed assets       1       1       0.0         Non-recurring expenses       1       1       0.0         Loss on devaluation of investments       15       15       0.0         Income before income taxes       3,063       10.1         Income tax expense - current       1,406       1,406         Income tax expense - defferred       845       561       1.8         Minority interests in consolidated subsidiaries       0       0.0	1 Interest expense	752		
Recurring profit  Non-recurring income  Gains on sale of fixed assets  I 1 0.0  Non-recurring expenses  Loss on devaluation of investments  Income before income taxes  Income tax expense - current  Income tax expense - defferred  Minority interests in consolidated subsidiaries  3,077  10.1  1 0.0  3,077  10.1  1 0.0  1 1 0.0  1 1 0.0  1 1 0.0  1 1 0.0  1 1 0.0  1 1 1 0.0	2 Stock issuance costs	106		
Non-recurring income Gains on sale of fixed assets  Non-recurring expenses Loss on devaluation of investments  Income before income taxes Income tax expense - current Income tax expense - defferred Minority interests in consolidated subsidiaries  1	3 Others	39	897	3.0
Gains on sale of fixed assets         1         1         0.0           Non-recurring expenses         1         1         0.0           Loss on devaluation of investments         15         15         0.0           Income before income taxes         3,063         10.1           Income tax expense - current         1,406         1.406           Income tax expense - defferred         845         561         1.8           Minority interests in consolidated subsidiaries         0         0.0	Recurring profit		3,077	10.1
Non-recurring expenses Loss on devaluation of investments Income before income taxes Income tax expense - current Income tax expense - defferred Minority interests in consolidated subsidiaries  15 15 0.0 3,063 10.1 1,406 845 561 1.8	Non-recurring income			
Loss on devaluation of investments15150.0Income before income taxes3,06310.1Income tax expense - current1,406Income tax expense - defferred8455611.8Minority interests in consolidated subsidiaries00.0	Gains on sale of fixed assets	1	1	0.0
Income before income taxes Income tax expense - current Income tax expense - defferred Minority interests in consolidated subsidiaries  3,063 10.1 1,406 845 561 1.8	Non-recurring expenses			
Income tax expense - current Income tax expense - defferred Minority interests in consolidated subsidiaries  1,406 845 561 1.8 0 0.0	Loss on devaluation of investments	15	15	0.0
Income tax expense - defferred 845 561 1.8  Minority interests in consolidated subsidiaries 0 0.0	Income before income taxes		3,063	10.1
Minority interests in consolidated subsidiaries 0 0.0	Income tax expense - current	1,406		
	Income tax expense - defferred	845	561	1.8
Net income 2,502 8.2	Minority interests in consolidated subsidiaries		0	0.0
	Net income		2,502	8.2

# 3. Consolidated Statements of Capital Surplus and Retained Earnings

(in million yen)

		iiiioii yeii)
	Current Mid-Year	
	(Six months ended	
	September 30, 2005)	
	Amount	
(CAPITAL SURPLUS)		
Balance at Beginning of Year		3,880
Additions		
Issuance of stocks	55	55
Balance at End of Period		3,935
(RETAINED EARNINGS)		
Balance at Beginning of Year		9,352
Additions		
Net income	2,502	2,502
Appropriations		
1 Decrease due to inclusion of additional		
subsidiaries in the consolidation	3	
2 Cash dividends	1,638	1,641
Balance at End of Period		10,214

# 4. Consolidated Statements of Cash Flows

(in million yen)

	(in million yen)
	Current Mid-Year
	(Six months ended
	September 30, 2005)
	Amount
Cash Flows from Operating Activities	
1 Income before income taxes	3,063
2 Depreciation	4,899
3 Amortization of intangible assets	713
4 Interest and dividend income	4
5 Interest expense	752
6 Stock issuance costs	106
7 Accounts receivable	17
8 Inventory	7
9 Other current assets	445
10 Investments and other assets	55
11 Trade accounts payable	819
12 Other accounts payable	114
13 Accrued expenses	185
14 Others	59
Subtotal	8,730
15 Interest and dividend received	5
16 Interest paid	760
17 Payments of income taxes	11
Net cash provided by operating activities	7,962
Cash Flows from Investing Activities	1,72 =
1 Acquisition of investments	2,107
2 Acquisition of tangible assets	3,370
3 Acquisition of intangible assets	333
4 Acquisition of investments in subsidiaries	28
5 Others	3
Net cash used in investing activities	5,834
Cash Flows from Financing Activities	3,034
1 Payments on capital lease obligations	2,748
2 Payments on installment obligations	146
3 Proceeds from long-term debt	6,000
<u> </u>	660
4 Payments for long-term debt	
5 Proceeds from issuance of stocks, net of registration tax	110
6 Proceeds from minority shareholders' payments	50
7 Payments for acquisition of consolidated subsidiary's stock	105
8 Payments of dividends	1,638
Net cash provided by financing activities	863
Net change in cash and cash equivalents	2,991
Cash and cash equivalents at beginning of period	104,770
Net change in cash and cash equivalents due to	
inclusion of additional subsidiaries in the consolidation	300
Cash and cash equivalents at end of period	108,061