

Consolidated Financial Statement

(1) Consolidated Statement of Assets and Liabilities

(Unit: ¥ million)

	Previous consolidated term (as of March 31, 2006)		Current consolidated term (as of March 31, 2007)		Year on year
Item	Accounts	Composit ion rate	Accounts	Composit ion rate	Change
(Assets)		%		%	
I Current assets					
1.Cash and deposits with bank	11,000		11,026		26
2.Accounts receivable	486		505		19
3.Inventories	1,209		1,209		0
4.Prepaid expenses	1,808		2,620		811
5.Deferred tax assets	10,044		13,962		3,918
6.Others	2,579		2,482		△97
Total current Assets	27,129	16.7	31,808	15.7	4,679
II Fixed assets					
1.Tangible fixed assets					
(1) Buildings and structures	52,965		63,806		10,841
(2) Tools and furniture	17,972		22,150		4,177
(3) Land	33,607		45,384		11,777
(4) Construction in progress	1,909		4,766		2,857
(5) Others	257		208		△49
Total tangible fixed assets	106,711	65.6	136,315	67.3	29,604
2.Intangible fixed assets	4,870	3.0	4,988	2.5	117
3 Investments and other assets					
(1) Investment securities	1,514		2,655		1,140
(2) Long-term loans	280		1,040		760
(3) Long-term prepaid expenses	2,632		3,874		1,242
(4) Guarantee deposits	10,051		11,680		1,628
(5) Construction cooperation fund	6,529		6,915		386
(6) Deferred tax assets	2,297		2,685		388
(7) Others	613		588		△24
Allowance for doubtful accounts	△22		△22		0
Total investments and other assets	23,895	14.7	29,418	14.5	5,522
Total fixed assets	135,478	83.3	170,722	84.3	35,244
Total assets	162,607	100.0	202,531	100.0	39,923

(Unit: ¥ million)

Item	Previous consolidated term (as of March 31, 2006)		Current consolidated term (as of March 31, 2007)		Year on year
	Accounts	Composit ion rate	Accounts	Composit ion rate	Change
(Liabilities)		%		%	
I Current liabilities					
1. Notes payable and accounts payable	10,610		14,577		3,967
2. Short-term debts	1,000		12,942		11,942
3. Current portion of long-term debts	14,691		17,843		3,151
4. Expected bond redemption amounts within one year	834		1,534		700
5. Commercial paper	-		4,989		4,989
6. Accounts payable	15,598		18,031		2,433
7. Accrued income taxes and others	10,679		11,168		488
8. Accrued consumption tax and others	1,056		1,597		540
9. Accrued expenses	1,896		2,236		340
10. Allowance for bonuses	2,079		2,393		314
11. Reserves for bonuses to directors	-		169		169
12. Notes payable, equipment	6,528		7,425		897
13. Others	1,464		1,666		202
Total current liabilities	66,438	40.9	96,574	47.7	30,136
II Fixed liabilities					
1. Cooperate bonds	3,531		3,997		466
2. Long-term debts	38,404		32,308		△6,096
3. Allowance for employee retirement benefits	755		786		30
4. Allowance for directors' retirement bonus	563		592		28
5. Long-term deposits received	1,137		1,101		△36
6. Others	672		1,585		912
Total fixed liabilities	45,064	27.7	40,370	19.9	△4,694
Total liabilities	111,502	68.6	136,944	67.6	25,442
(Minority interests)					
Minority interests	0	0.0	-	-	-

(Unit: ¥ million)

Item	Previous consolidated term (as of March 31, 2006)		Current consolidated term (as of March 31, 2007)		Year on year
	Accounts	Composit ion rate	Accounts	Composit ion rate	Change
(Shareholders' equity)					
I Capital stock	10,000	6.2	-	-	-
II Retained earnings	40,889	25.1	-	-	-
III Other gain or loss from securities' revaluation	55	0.0	-	-	-
IV Adjustments for foreign exchange conversion	159	0.1	-	-	-
Total shareholders' equity	51,104	31.4	-	-	-
Total liabilities, minority interests, and shareholders' equity	162,607	100.0	-	-	-
(Net assets)					
I Shareholders' equity					
1.Capital	-	-	10,000	4.9	-
2.Earned surplus	-	-	55,338	27.4	-
Total shareholders' equity	-	-	65,338	32.3	-
II Evaluation & conversion difference					
1.Other variance in appraisal of securities	-	-	84	0.0	-
2.Foreign currency translation adjustment calculations	-	-	162	0.1	-
Total evaluation & conversion difference	-	-	247	0.1	-
III Minority interests in consolidated subsidiaries					
	-	-	0	0.0	-
Total net assets	-	-	65,586	32.4	-
Total liabilities and net assets	-	-	202,531	100.0	-

(2) Consolidated Earnings Statement

(Unit: ¥ million)

Item	Previous consolidated term (From April 1, 2005 to March 31, 2006)		Current consolidated term (From April 1, 2006 to March 31, 2007)		Year on year
	Accounts	Percentage	Accounts	Percentage	Change
I Net Sales	1,639,938	100.0	1,814,911	100.0	174,972
II Cost of sales	1,597,117	97.4	1,767,154	97.4	170,037
Gross profit on sales	42,821	2.6	47,756	2.6	4,935
III Selling, general and administrative expenses	15,369	0.9	15,678	0.9	308
Operating profit	27,451	1.7	32,078	1.7	4,626
IV Non-operating income	953	0.0	1,801	0.2	847
1. Interest earned	74		104		29
2. Dividend earned	7		7		0
3. Capital profit and loss using equity method	-		726		726
4. Income from lease	503		543		39
5. Others	367		418		51
V Non-operating expenses	1,514	0.1	1,584	0.1	70
1. Interest payments	965		987		22
2. Bond interests	68		77		8
3. Equity method for investment losses	194		-		△194
4. Commissions paid	113		242		128
5. Others	171		276		104
Ordinary profit	26,890	1.6	32,294	1.8	5,404
VI Extraordinary profit	274	0.0	67	0.0	△207
1. Profit from sales of fixed assets	269		35		△233
2. Profit from sales of investment securities	5		31		25
VII Extraordinary loss	3,635	0.2	2,061	0.1	△1,573
1. Loss from sales of fixed assets	408		252		△156
2. Loss from disposal of fixed assets	1,433		649		△783
3. Loss from the annulment of a leasing contract	9		41		31
4. Previous term leaseholding service cost	-		273		273
5. Asset-impairment losses	1,589		845		△743
6. Loss from write-down of securities	100		-		△100
7. Loss from annulment of building rental contracts	95		-		△95
Pretax net profit for the term	23,529	1.4	30,300	1.7	6,770
Corporate, inhabitants, and enterprise taxes	13,907	0.9	17,962	1.0	4,055
Corporate tax adjustments	△2,469	△0.2	△4,286	△0.2	△1,816
Net profit for the term	12,092	0.7	16,623	0.9	4,531

(3) Consolidated Surplus Earnings Statement

(Unit: ¥ million)

	Previous consolidated term (From April 1, 2005 to March 31, 2006)	
Item	Accounts	
(Accumulated Earnings)		
I Surplus at beginning of the term		39,786
II Increase in surplus		
1. Net profit for the term	12,092	12,092
III Decrease in surplus		
1. Dividend	1,237	
2. Director's bonus	145	
3. Stock capitalization	9,607	10,989
IV Capital surplus at ending of the term		40,889

(4) Consolidated Shareholders Equity Fluctuation Statement

Current consolidated accounting period (April 1, 2006 to March 31, 2007)

(Unit: ¥ million)

	Shareholders' equity			Evaluation & conversion difference			Minority interests in consolidated subsidiaries	Total net assets
	Capital	Earned surplus	Total shareholders' equity	Other variance in appraisal of securities	Foreign currency translation adjustment calculations	Total evaluation & conversion difference		
March 31, 2006 balance	10,000	40,889	50,889	55	159	215	0	51,104
Consolidated accounting period fluctuation								
Allocation of surplus (Note)		△2,010	△2,010					△2,010
Bonuses to directors (Note)		△164	△164					△164
Net profits		16,623	16,623					16,623
Net fluctuations during the accounting period for items other than shareholders' equity				29	3	32	-	32
Total fluctuations during the consolidated accounting period	-	14,449	14,449	29	3	32	-	14,481
Balance as of March 31, 2007	10,000	55,338	65,338	84	162	247	0	65,586

(Note) Profit distribution items at the June 2006 ordinary general meeting of shareholders

(5) Statements of Consolidated Cash Flows

(Unit: ¥ million)

	Previous consolidated term (From April 1, 2005 to March 31, 2006)	Current consolidated term (From April 1, 2006 to March 31, 2007)	Year on year
Item	Accounts	Accounts	Change
I Cash flow from operating activities			
1. Pretax net profit for the term	23,529	30,300	6,770
2. Depreciation expenses	10,486	12,361	1,874
3. Asset-impairment losses	1,589	845	△743
4. Increase in employees bonus reserve	187	314	126
5. Increase in allowances for bonuses to directors	-	169	169
6. Increase in reserves for retirement benefits	147	30	△116
7. Increase in allowance for directors' retirement bonus	26	28	2
8. Interests and dividends received	△81	△111	△30
9. Interest payments	1,034	1,065	30
10. Investment losses (△: profits) through the equity method	194	△726	△920
11. Loss from valuation on investment securities	100	-	△100
12. Profits from disposal of investment securities	△5	△31	△25
13. Profit from sales of fixed assets	△269	△35	233
14. Fixed asset disposal losses	1,791	794	△996
15. Directors' bonuses	△145	△164	△19
16. Increase in accounts receivable	△70	△19	51
17. Increase (△) or decrease in inventories	182	△0	△182
18. Increase or decrease in other current assets	△416	△754	△338
19. Increase or decrease (△) in accounts payable	△1,751	3,967	5,718
20. Increase or decrease (△) in other payables	7,582	△114	△7,697
21. Increase in other obligations	415	1,211	795
22. Others	413	632	218
Sub-total	44,941	49,762	4,820
23. Interest and dividends received	74	113	39
24. Interest paid	△1,028	△1,014	13
25. Corporate taxes paid	△12,132	△17,513	△5,380
Cash flow from operating activities	31,855	31,348	△506

(Unit: ¥ million)

	Previous consolidated term (From April 1, 2005 to March 31, 2006)	Current consolidated term (From April 1, 2006 to March 31, 2007)	Year on year
Item	Accounts	Accounts	Change
II Cash flow from investing activities			
1. Net change in fixed term deposits (△: increase)	△176	1,112	1,289
2. Payments for acquisition of tangible fixed assets	△37,097	△38,628	△1,530
3. Proceeds from sales of tangible fixed assets	2,596	310	△2,285
4. Payments for guarantee money deposited	△1,596	△2,025	△428
5. Proceeds from collection of guarantee money deposited	480	396	△83
6. Payments for acquisition of investment securities	△102	△388	△286
7. Proceeds from sales of investment securities	22	65	43
8. Expense for loans and construction cooperation funds	△1,933	△5,831	△3,897
9. Proceeds from collection of loans and construction cooperation	563	4,104	3,540
10. Others	△2,170	△2,468	△297
Cash flow from investing activities	△39,414	△43,351	△3,937
III Cash flow from financing activities			
1. Net increase (decrease) in short term debts	△350	11,942	12,292
2. Net increase in commercial paper	-	4,989	4,989
3. Revenue from long term debt	18,750	13,500	△5,250
4. Payments for repayment of long term loans	△14,345	△16,444	△2,098
5. Proceeds for issue of bonds	470	2,000	1,530
6. Payments for redemption of bonds	△1,010	△834	176
7. Dividend payments	△1,237	△2,010	△773
Cash flow from financing activities	2,277	13,142	10,865
IV Foreign currency conversion gains or losses of cash and cash equivalents	0	0	0
V Increase in cash and cash equivalents (△: decrease)	△5,281	1,139	6,420
VI Cash and cash equivalents at beginning of the year	13,848	8,567	△5,281
VII Cash and cash equivalents at end of the year	8,567	9,706	1,139