

2. Dividends

(Record date)	Dividends per share			Total dividends (year)	Payout ratio	Net asset payout ratio
	Interim end	Year-end	Full year			
	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2006	13.00	13.00	26.00	773	12.6	0.9
Year ended March 31, 2007	13.50	13.50	27.00	803	11.6	0.9
Year ending March 31, 2008 (forecast)	15.00	15.00	30.00	—	12.4	—

3. Projected Operating Results for the Year Ending March 31, 2008 (April 1, 2007 through March 31, 2008)

(% indicates percentage changes compared with the preceding full-year or interim period.)

	Net sales		Operating income		Ordinary income		Net income		Net assets per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim	101,507	3.4	7,046	1.2	7,265	1.6	3,700	(6.6)	124	35
Full year	201,000	3.2	13,368	8.2	13,742	8.3	7,200	4.4	241	98

4. Financial Statements
(1) Balance Sheet

Account Item	Previous Fiscal year (March 31, 2006)		Current Fiscal year (March 31, 2007)		Year-on-Year Change	
	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	
(Assets)						
I. Current Assets						
1 Cash and bank deposits	9,243		15,932			6,688
2 Accounts receivable—trade	1,390		1,672			281
3 Merchandise in inventory	44,465		43,832			(632)
4 Supplies	8		6			(1)
5 Prepaid expenses	710		786			75
6 Deferred income tax assets	727		909			182
7 Accrued income	114		65			(49)
8 Current assets, other	224		288			63
Allowance for doubtful accounts	(20)		(17)			2
Total current assets	56,864	39.7	63,476	41.1		6,611
II. Fixed Assets						
1 Property, plant and equipment						
(1) Buildings	56,316		61,264			4,948
Accumulated depreciation	(22,785)	33,531	(24,885)	36,379	(2,100)	2,847
(2) Structures	10,330		11,237			906
Accumulated depreciation	(6,136)	4,194	(6,818)	4,419	(681)	224
(3) Transportation equipment	207		224			17
Accumulated depreciation	(160)	46	(181)	42	(21)	(3)
(4) Tools, furniture, and fixtures	3,824		4,161			336
Accumulated depreciation	(2,684)	1,140	(3,056)	1,104	(372)	(36)
(5) Land		33,763		33,800		36
(6) Construction in progress		1,090		1,333		243
Total property, plant and equipment		73,767		77,079	50.0	3,312
2 Intangible assets						
(1) Land lease rights		976		1,073		97
(2) Computer software costs		366		315		(50)
(3) Telephone subscription rights		46		46		—
(4) Intangible assets, other		17		16		(1)
Total intangible assets		1,406		1,452	0.9	45

Account Item	Previous Fiscal year (March 31, 2006)		Current Fiscal year (March 31, 2007)		Year-on-Year Change	
	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	
3 Investments and other assets						
(1) Investment securities	588		516			(71)
(2) Investment in affiliates' securities	80		80			—
(3) Long-term fixed deposits	—		1,100			1,100
(4) Long-term loans receivable	—		500			500
(5) Investment	10		10			(0)
(6) Investment in affiliates	1		1			—
(7) Long-term prepaid expenses	989		853			(135)
(8) Deferred income tax assets	1,867		2,043			176
(9) Lease deposits/guarantee deposits	5,690		5,882			191
(10) Construction support money	1,436		1,226			(209)
(11) Other	352		94			(258)
Allowance for bad debts	—		(12)			(12)
Total investments and other assets	11,017	7.7	12,297	8.0		1,280
Total fixed assets	86,191	60.3	90,829	58.9		4,637
Total assets	143,056	100.0	154,305	100.0		11,249

Account Item	Previous Fiscal year (March 31, 2006)		Current Fiscal year (March 31, 2007)		Year-on-Year Change	
	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	
(Liabilities)						
I Current Liabilities						
1 Trade notes payable	16,915		16,458			(457)
2 Accounts payable—trade	11,836		12,834			997
3 Short-term borrowings	6,730		10,030			3,300
4 Current portion of long-term borrowings	2,974		2,483			(490)
5 Accounts payable	2,936		3,630			694
6 Accrued income taxes payable	2,980		3,380			400
7 Consumption taxes payable	165		748			582
8 Advance deposits received	1,112		1,051			(60)
9 Deposits received	266		290			23
10 Revenue received in advance	12		15			3
11 Reserve for bonuses	905		922			17
12 Reserve for directors' bonuses	—		35			35
13 Notes payable to equipment	3,566		2,691			(875)
14 Current liabilities, other	117		129			11
Total current liabilities	50,519	35.3	54,701	35.5		4,181
II Fixed Liabilities						
1 Long-term borrowings	4,721		5,560			838
2 Allowance for retirement benefits	3,271		3,332			60
3 Reserve for directors' retirement benefits	1,417		1,566			149
4 Fixed liabilities, other	251		240			(10)
Total fixed liabilities	9,661	6.8	10,699	6.9		1,038
Total Liabilities	60,181	42.1	65,401	42.4		5,219

Account Item	Previous Fiscal year (March 31, 2006)		Current Fiscal year (March 31, 2007)		Year-on-Year Change	
	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	
Shareholders' Equity						
I. Capital Stock	3,521	2.5	—	—		—
II. Capital Surplus						
Capital reserve	4,206		—			—
Total capital surplus	4,206	2.9	—	—		—
III. Retained Earnings						
1 Legal reserve	37		—			—
2 Voluntary reserve						
(1) Reserve from unappropriated profit	197		—			—
(2) General reserve	66,000	66,197	—	—		—
3 Unappropriated retained earnings						
Total retained earnings	8,720		—			—
Total retained earnings	74,955	52.4	—	—		—
IV. Balance on revaluation of other securities	190	0.1	—	—		—
Total shareholders' equity	82,874	57.9	—	—		—
Total liabilities and shareholders' equity	143,056	100.0	—	—		—
(Net Assets)						
I Shareholders' equity						
1 Capital stock	—	—	3,521	2.3		—
2 Capital surplus						
(1) Capital reserve	—		4,206			—
(2) Other capital surplus	—		—			—
Total capital surplus	—	—	4,206	2.7		—
3 Retained earnings						
(1) Legal reserve	—		37			—
(2) Other retained earnings						
Reserve from unappropriated profit	—		197			—
General reserve	—		71,000			—
Retained earnings brought forward	—		9,792			—
Total retained earnings	—	—	81,027	52.5		—
Total shareholders' equity	—	—	88,756	57.5		—
II Valuation and translation adjustments						
Other valuation adjustments on marketable securities	—	—	148			—
Total valuation and translation adjustments	—	—	148	0.1		—
Total net assets	—	—	88,904	57.6		—
Total Liabilities and Net Assets	—	—	154,305	100.0		—

(2) Statements of Income

Account Item	Previous Fiscal Year (From April 1, 2005 to March 31, 2006)		Current Fiscal Year (From April 1, 2006 to March 31, 2007)		Year-on-Year Change		
	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)		
I Net Sales		190,114	100.0		194,748	100.0	4,634
II Cost of Sales							
1 Inventories—at the beginning of the term	39,783			44,465			
2 Purchases of merchandise	136,276			132,779			
Cost of merchandise—total	176,059			177,244			
3 Inventories—at the end of the term	44,465	131,594	69.2	43,832	133,412	68.5	1,817
Gross profit		58,519	30.8		61,336	31.5	2,816
III Selling, General and Administrative Expenses							
1 Advertising expense	4,864			4,708			
2 Delivery expense	1,989			2,075			
3 Transfer to allowance for bad debt	6			9			
4 Director's remuneration and employee payroll	15,401			15,978			
5 Employee bonuses	1,023			1,303			
6 Provision of reserve for directors' bonuses	—			35			
7 Provision of reserve for bonuses	905			922			
8 Expense for retirement benefits	457			357			
9 Provision of allowance for directors' retirement benefits	59			149			
10 Legal welfare expense	1,684			1,816			
11 Land and house rent	6,436			6,807			
12 Depreciation and amortization	3,310			3,467			
13 Heat, light and water	2,755			2,812			
14 Security expense	1,142			1,156			
15 Taxes other than income taxes	1,513			1,478			
16 Other expense	5,654	47,205	24.8	5,903	48,984	25.2	1,779
Operating profit		11,314	6.0		12,351	6.3	1,036
IV Non-Operating Income							
1 Interest income	17			13			
2 Dividend income	7			8			
3 Rental income	166			178			
4 Support money income	123			40			
5 Charges for ordering paperwork	129			95			
6 Commission income	260			264			
7 Non-operating income, other	93	798	0.4	137	737	0.4	(61)

Account Item	Previous Fiscal Year (From April 1, 2005 to March 31, 2006)		Current Fiscal Year (From April 1, 2006 to March 31, 2007)		Year-on-Year Change	
	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	
V Non-Operating Expenses						
1 Interest expense	236		264			
2 Cost of rental income	61		59			
3 Other	19	318	78	402	0.2	84
Ordinary profit		11,795		12,686	6.2	891
VI Extraordinary Income						
1 Gain on sale of fixed assets	10		0			
2 Compensation on relocation of structures	—		84			
3 Insurance received	—	10	111	196	0.1	186
VII Extraordinary Losses						
1 Loss on disposal of fixed assets	69		49			
2 Loss on sale of fixed assets	0		—			
3 Loss on cancellation of lease agreement	—		82			
4 Product damage arising from casualty	—		59			
5 Impairment loss	185		249			
6 Recommended transfer under Subcontractor Law	155		—			
7 Other	76	486	—	440	0.2	(46)
Income before income taxes		11,318		12,443	5.9	1,124
Income tax, inhabitant tax and enterprise tax	5,338		5,876		6.4	
Deferred income taxes	(175)	5,162	(329)	5,546	2.9	383
Net income		6,156		6,896	3.2	740
Unappropriated retained earnings brought forward		2,950				
Interim dividends		386				
Unappropriated retained earnings		8,720				

(3) Statement of Cash Flows

	Previous Fiscal Year (From April 1, 2005 to March 31, 2006)	Current Fiscal Year (From April 1, 2006 to March 31, 2007)	Year-on-Year Change
Account Item	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
I Cash Flows from Operating Activities			
Income before income taxes	11,318	12,443	1,124
Depreciation and amortization	3,116	3,292	175
Impairment loss on fixed assets	185	249	64
Amortization of intangible fixed assets	140	125	(15)
Loss on amortization of long-term prepaid expenses	79	73	(5)
Loss on disposal of tangible fixed assets	55	48	(6)
Loss on sale of tangible fixed assets	0	—	(0)
Loss on disposal of intangible fixed assets	—	0	0
Loss on disposal of investment and other assets	1	—	(1)
Gain on sale of tangible fixed assets	(10)	(0)	10
Increase in allowance for doubtful accounts	6	9	3
Increase in reserve for employees' retirement benefits	174	60	(113)
Increase in reserve for directors' retirement allowances	28	149	120
Increase in reserve for directors' bonuses	—	35	35
Increase in reserve for bonuses	14	17	3
Dividend and interest income	(24)	(21)	3
Interest expense	236	264	27
Increase in trade receivables	(143)	(354)	(210)
Increase (decrease) in inventories	(4,686)	634	5,320
Increase in trade payables	187	540	352
Decrease (increase) in consumption taxes payable	(191)	582	774
Increase in other assets	(132)	(64)	68
Increase in other liabilities	190	889	698
Bonuses to directors paid	(36)	(35)	0
Subtotal	10,510	18,939	8,428
Interest and dividends received	19	16	(3)
Interest paid	(257)	(291)	(33)
Income taxes paid	(5,709)	(5,486)	223
Net cash provided by operating activities	4,562	13,178	8,616
II Cash Flows from Investing Activities			
Payments for acquisition of tangible fixed assets	(9,015)	(7,844)	1,171
Proceeds from sale of tangible fixed assets	32	0	(32)
Payments for acquisition of intangible fixed assets	(282)	(171)	111
Payments for disposal of fixed assets	—	(27)	(27)
Payments for purchase of investment securities	(5)	—	5
Payments for leasehold deposits and guarantee money	(477)	(242)	234
Proceeds from collection of leasehold deposits and guarantee money	109	50	(58)
Payments on loans	—	(500)	(500)
Decrease (increase) in other investments	(1,450)	479	1,929
Net cash used in investing activities	(11,089)	(8,255)	2,833
III. Cash Flows from Financing Activities:			
Increase in short-term borrowings	—	3,300	3,300
Proceeds from long-term debt	4,000	3,500	(500)
Payments for repayment of long-term debt	(3,118)	(3,152)	(34)
Proceeds from issuance of shares	121	—	(121)
Cash dividends paid	(756)	(788)	(31)
Net cash used in financing activities	245	2,859	2,613
IV. Net increase (decrease) in cash and cash equivalents	(6,280)	7,782	14,062
V. Cash and cash equivalents at beginning of term	11,354	5,073	(6,280)
VI. Cash and cash equivalents at the end of term	5,073	12,856	7,782