

## 7. Non-consolidated Financial Statements (Quarter)

### (1) Non-consolidated Balance Sheet (Quarter)

(Unit: Thousands of yen, Round down)

	March 31, 2006		March 31, 2007		Changes Thousands of yen
	Thousands of yen	%	Thousands of yen	%	
Assets					
I Current assets					
1 Cash and cash equivalents	600,567		1,656,633		
2 Accounts receivable	3,233,188		-		
3 Merchandise	11,082		-		
4 Work in process	167		-		
5 Prepaid expenses	21,495		-		
6 Advances paid	2,510,864		-		
7 Advance payment	94,477		83,266		
8 Deferred tax assets	95,696		-		
9 Advance to affiliate	-		2,526,736		
10 Accrued revenue	-		633,176		
11 Others	248,891		4,973		
Allowance for doubtful accounts	(29,905)		-		
Total current assets	6,786,525	38.5	4,904,786	28.0	(1,881,738)
II Property and equipment					
1 Tangible fixed assets					
(1) Building	226,535		272,148		
Accumulated depreciation	44,765	181,769	61,444	210,704	
(2) Equipment	109,839		68,537		
Accumulated depreciation	54,402	55,436	18,394	50,142	
Total tangible fixed assets	237,206	1.3	260,847	1.5	23,640
2 Intangible fixed assets:					
(1) Software	457,985		35,666		
(2) Software in progress	43,646		-		
(3) Telephone subscription right	1,167		1,167		
Total intangible fixed assets	502,799	2.9	36,833	0.2	(465,965)
3 Investment and other assets:					
(1) Investment securities	265,224		149,558		
(2) Investment in subsidiaries and affiliates	4,218,536		11,200,900		
(3) Other securities of affiliates	-		100,000		
(4) Long-term loan of affiliates	4,807,619		304,500		
(5) Long-term advanced payment	14,655		-		
(6) Deferred tax assets	292,274		-		
(7) Deposit with	419,337		506,550		

landlord							
(8) Others		92,214			58,975		
Total investment and other assets		10,109,861	57.3		12,320,484	70.3	2,210,622
Total property and equipment		10,849,867	61.5		12,618,165	72.0	1,768,297
Total Assets		17,636,393	100.0		17,522,952	100.0	(113,440)

(Unit: Thousands of yen, Round down)

	March 31, 2006		March 31, 2007		Changes Thousands of yen
	Thousands of yen	%	Thousands of yen	%	
Liabilities					
I Current liabilities					
1 Accounts payable	1,351,533		-		
2 Short-term debt	-		2,652,736		
3 Accrued expenses	2,687,564		158,651		
4 Accrued liability	6,511		54,118		
5 Accrued income taxes	281,032		6,580		
6 Accrued consumption taxes	10,091		-		
7 Deposit received	25,779		24,954		
8 Deferred revenue	36,860		-		
9 Bonus payment reserve	53,360		33,068		
10 Others	2,508		-		
Total current liabilities	4,455,240	25.3	2,930,111	16.7	(1,525,129)
Total liabilities	4,455,240	25.3	2,930,111	16.7	(1,525,129)
Shareholders' Equity					
I Common stock	5,451,700	30.9	-	-	(5,451,700)
II Additional paid-in capital					
1 Capital reserve	3,084,379		-		
2 Others					
(1) Marginal gain on common stock and additional paid-in capital	2,424,016		-		
Total additional paid-in capital	5,508,395	31.2	-	-	(5,508,395)
III Retained earnings					
1 Unappropriated retained earnings for the year	1,980,917		-		
Total retained earnings	1,980,917	11.2	-	-	(1,980,917)
IV Unrealized gain in available-for-sale securities	240,138	1.4	-	-	(240,138)
Total shareholders' equity	13,181,152	74.7	-	-	(13,181,152)
Total	17,636,393	100.0	-	-	(17,636,393)
Net Assets					
I Shareholders' equity					
1 Common stock	-	-	5,503,317	31.4	5,503,317
2 Additional paid-in capital					
(1) Capital reserve	-		12,045,032		
(2) Others	-		2,424,016		
Total additional paid-in capital	-	-	14,469,049	82.6	14,469,049

3 Retained earnings							
(1) Other retained earnings							
Retained earnings carried forward	-			(5,401,097)			
Total retained earnings		-	-		(5,401,097)	(30.8)	(5,401,097)
Total shareholders' equity		-	-		14,571,269	83.2	14,571,269
II Subscription right		-	-		21,571	0.1	21,571
Total net assets		-	-		14,592,841	83.3	14,592,841
Total		-	-		17,522,952	100.0	17,522,952

(2) Non-Consolidated Income Statements

(Unit: Thousands of yen, Round down)

	4 <sup>th</sup> Quarter, FY ended March 31, 2006 (From January 1, 2006 To March 31, 2006)		4 <sup>th</sup> Quarter, FY ended March 31, 2007 (From January 1, 2007 To March 31, 2007)		Changes Thousands of yen
	Thousands of yen	%	Thousands of yen	%	
Operating profit	3,502,276	100.0	658,796	100.0	(2,843,480)
Expenses of sales	2,183,275	62.3	-	-	(2,183,275)
Gross Profit	1,319,000	37.7	658,796	100.0	(660,204)
Selling, general and administrative expenses	1,218,845	34.8	611,624	92.8	(607,221)
Operating Income	100,154	2.9	47,171	7.2	(52,983)
Non-operating income	(13,284)	(0.4)	42,728	6.4	56,012
Non-operating expenses	2,300	0.1	54,861	8.3	52,561
Ordinary income	84,570	2.4	35,038	5.3	(49,531)
Extraordinary profit	-	-	-	-	-
Extraordinary loss	318,620	9.1	5,259,712	798.4	4,941,091
Income Before Income Taxes and minority Interests	(234,050)	(6.7)	(5,224,674)	(793.1)	(4,990,623)
Income Taxes	99,079	2.8	12,585	1.9	(86,493)
Prior Year Adjustments of income taxes	(248,796)	(7.1)	149,919	22.8	398,715
Net Loss	(84,334)	(2.4)	(5,387,179)	(817.7)	(5,302,845)