

This is a translation of the original quarterly financial report in Japanese. In the event of any discrepancy, the original report in Japanese shall prevail.

**Consolidated Financial Results**  
**for the Nine Months Ended December 31, 2007**  
**(April 1 to December 31, 2006)**

January 31, 2007

Listed Company: Cybernet Systems Co., Ltd.  
 Stock Listing: the First Section of Tokyo Stock Exchange  
 Code Number: 4312  
 Location of Head Office: Tokyo  
 (URL <http://www.cybernet.co.jp>)  
 Representative: Kuniaki Tanaka, Representative Director and President  
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1. Preparation of the Fourth Quarter Financial Results

- (1) Adoption of a simplified accounting method: No
- (2) Any change in accounting method from the last fiscal year: No
- (3) Any change in scope of consolidation and equity method of accounting: No

2. Financial and Operating Results for the Third Quarter of the Year Ending March 31, 2007 (April 1 to December 31, 2006)

(1) Consolidated Operating Results

Note: Amounts less than one million yen omitted.

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2006	13,106	11.0	1,306	18.9	1,540	24.1
Nine months ended December 31, 2005	11,808	-	1,098	-	1,240	-
(Reference) Year ended March 31, 2006	17,399	-	2,301	-	2,548	-

	Net income		Net income per share – basic	Net income per share – diluted
	Millions of yen	%	Yen	Yen
Nine months ended December 31, 2006	845	19.5	2,670.66	2,657.21
Nine months ended December 31, 2005	707	-	2,255.85	2,221.65
(Reference) Year ended March 31, 2006	1,503	-	4,593.41	4,531.50

Notes: Percentages for net sales, operating income, ordinary income and net income for the third quarter ended December 31, 2006 represent changes compared with the third quarter ended December 31, 2005.

[Qualitative Information regarding the Consolidated Business Results for the Third Quarter Ended December 31, 2006]

In the third quarter of the fiscal year under review, Japanese industries in general attained favorable business results and based upon such economical environment, their capital investment was continuously active. The manufacturing industry, to which the majority of Cybernet Group's customers belong, was not an exception and many companies made aggressive investments in the information technology, as it will affect their competitiveness.

Under such circumstances, Cybernet Group actively made the proposition of various solutions which would directly result in the settlement of issues customers were facing and the improvement of added value,

and thus, made efforts to expand the sales of such solutions. Furthermore, in preparation for the future growth, the group companies have actively striven to promote the development and marketing of new products as well as the development of own products and new applications, and the recruitment and cultivation of capable staffs.

As a result, in the third quarter of this consolidated fiscal year under review, the company attained the sales of 13,106 million yen (increase of 11.0% from the same period last year), the operating profit of 1,306 million yen (increase of 18.9% from the same period last year), the ordinary income of 1,540 million yen (increase of 24.18% from the same period last year) and the net income for the third quarter of 845 million yen (increase of 19.5% from the same period last year).

As to the breakdown by business segment, sales of the CAE Solution Business were continuously strong mainly in the mainline CAE software products in the area of control, mechanical, optical and electronics systems supported by stable demands in the automotive, electric, machinery and precision equipment industries. In particular, the sales largely increased in the area of lighting analysis software for flat panel market and brightness, lamination intensity and chromaticity measuring system.

Revenues from service business, which was strengthened by the business assignment, also increased largely. As a result, sales for this business were 11,085 million yen, up 15.2%.

On the other hand, the Network Solution Services Business could not attain the sales planned in the beginning of the period, since the sale of desktop management software, which was incorporated in the plan at the beginning of the period, was discontinued by the decision of the system developer, although the business segment enjoyed favorable business development in the area of PC asset management software and PC connection software. Besides, as publicly disclosed on October 31, 2006, one of the company's consolidated subsidiary lost the business opportunity with a major customer, which was counted on at the beginning of the period, but the subsidiary is striving for the recovery of income by alternative business opportunities. As a result, the sales of 2,021 million yen (decrease of 7.5% from the same period last year) were recorded by this business segment.

## (2) Consolidated Financial Position

	Total assets	Net assets	Capital ratio	Net asset per share
	Millions of yen	Millions of yen	%	Yen
Nine months ended December 31, 2006	12,960	9,462	73.0	29,850.55
Nine months ended December 31, 2005	11,484	8,286	72.2	26,278.51
(Reference) Year ended March 31, 2006	13,812	9,126	66.1	28,665.87

## Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Nine months ended December 31, 2006	705	(1,997)	(434)	1,355
Nine months ended December 31, 2005	569	(39)	(1,082)	2,250
(Reference) Year ended March 31, 2006	1,854	(512)	(1,064)	3,081

## [Qualitative Information regarding the Consolidated Financial Position]

The cash and cash equivalents (hereinafter "cash") at the end of the third quarter under review amounted to 1,355 million yen, which is a decrease of 1,726 million yen from the end of previous consolidated fiscal year. The status of each category of cash flow and the main contributing factors are as follows:

- \* The cash flow by operating activities resulted in the inflow of 705 million yen, which was mainly due to the net income before tax adjustment of 1,532 million yen for the third quarter and the recovery of trade receivables in an amount of 955 million yen, although there were the payments of purchase liabilities in an amount of 1,078 million yen and corporate income tax of 926 million yen.
- \* The cash flow by investment activities resulted in the outflow of 1,997 million yen, which was due to the acquisition of marketable securities and the redemption at maturity altogether amounting to 1,414 million yen, the payment of 237 million yen associated with the business assignment of Keihin Artwork K.K. and one other company and the payment for the acquisition of intangible fixed asset in an amount of 167 million yen.
- \* The cash flow by financing activities resulted in the outflow of 434 million yen, which was mainly due to the payment of stock dividend in an amount of 455 million yen.

[Reference]

Forecast for the Year Ending March 31, 2007 (April 1, 2006 to March 31, 2007)

Consolidated forecast

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Full Year	19,200	2,620	1,380

Non-consolidated forecast

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Full Year	16,800	2,670	1,430

[Qualitative Information regarding Forecast]

The forecast figures for the Year Ending March 31, 2007, announced on October 31, 2006, have not changed as of this moment.

The above forecasts are forward-looking statements which represent the judgment of management based on currently available information. The actual results may differ from the above forecasts due to the economic situation and conditions of business operation.

[Attached documents]

1. Consolidated Balance Sheet for the Third Quarter (Summary)
2. Consolidated Statement of Income for the Third Quarter (Summary)
3. Consolidated Statement of Change in Shareholders' Equity for the Third Quarter
4. Consolidated Statement of Cash Flows for the Third Quarter
5. Segment Information
6. Consolidated Purchases, Orders Received and Sales
7. Non-consolidated Balance Sheet for the Third Quarter
8. Non-consolidated Statement of Income for the Third Quarter

1. Consolidated Balance Sheet for the Third Quarter (Summary)

(Thousands of yen)

	December 31, 2005		December 31, 2006		March 31, 2006	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	Amount	Composition ratio (%)
<b>Assets</b>						
<b>I. Current assets</b>						
1. Cash and deposits	2,250,224		1,355,241		3,081,608	
2. Notes receivable – trade and accounts receivable	3,026,471		3,323,652		4,314,899	
3. Marketable securities	2,904,326		4,498,379		3,069,365	
4. Inventories	163,135		112,138		84,846	
5. Advance payments	417,276		493,442		306,276	
6. Short-term loans	1,021,000		1,000,000		1,000,000	
7. Deferred tax assets	70,640		113,682		157,892	
8. Other current assets	275,632		230,437		218,663	
Allowance for doubtful accounts	(5,520)		(3,525)		(5,049)	
Total current assets	10,123,186	88.1	11,123,450	85.8	12,228,502	88.5
<b>II. Fixed assets</b>						
1. Tangible fixed assets	298,610	2.6	295,172	2.3	280,252	2.0
2. Intangible fixed assets	480,930	4.2	909,868	7.0	723,798	5.3
3. Investments and other assets	581,505	5.1	632,484	4.9	579,711	4.2
Total fixed assets	1,361,047	11.9	1,837,525	14.2	1,583,763	11.5
Total assets	11,484,234	100.0	12,960,976	100.0	13,812,266	100.0

(Thousands of yen)

	December 31, 2005		December 31, 2006		March 31, 2006	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	Amount	Composition ratio (%)
<b>Liabilities</b>						
<b>I. Current liabilities</b>						
1. Accounts payable – trade	1,277,855		1,402,001		2,293,125	
2. Long-term loan payable to be repaid within one year	6,400		-		-	
3. Income taxes payable	847		151,188		443,287	
4. Unpaid consumption taxes	65,392		104,381		128,864	
5. Advances received	610,054		575,700		608,709	
6. Reserve for bonuses	192,854		217,799		298,557	
7. Reserve for officers' bonuses	-		34,592		-	
8. Other current liabilities	590,919		572,028		449,590	
Total current liabilities	2,744,323	23.9	3,057,691	23.6	4,222,134	30.6
<b>II. Fixed liabilities</b>						
1. Accrued severance indemnities	396,529		404,039		403,729	
2. Reserve for directors' retirement allowance	54,674		37,133		57,842	
Total fixed liabilities	451,203	3.9	441,172	3.4	461,571	3.3
Total liabilities	3,195,527	27.8	3,498,863	27.0	4,683,705	33.9
<b>Net assets</b>						
<b>I. Shareholders' equity</b>						
1. Capital stock	-	-	995,000	7.7	-	-
2. Additional paid-in capital	-	-	909,000	7.0	-	-
3. Retained earnings	-	-	8,183,397	63.1	-	-
4. Treasury stock	-	-	(682,449)	(5.2)	-	-
Total shareholders' equity	-	-	9,404,947	72.6	-	-
<b>II. Unrealized gains and exchange differences</b>						
1. Unrealized gains on marketable securities	-	-	55,767	0.4	-	-
Total unrealized gains and exchange differences	-	-	55,767	0.4	-	-
<b>III. Minority interest</b>						
Total net assets	-	-	9,462,112	73.0	-	-
Total liabilities and net assets	-	-	12,960,976	100.0	-	-

(Thousands of yen)

	December 31, 2005		December 31, 2006		March 31, 2006	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Minority interest						
Minority interest	2,436	0.0	-	-	2,146	0.0
Shareholders' equity						
I. Capital stock	995,000	8.7	-	-	995,000	7.2
II. Additional paid-in capital	909,000	7.9	-	-	909,000	6.6
III. Retained earnings	7,165,299	62.4	-	-	7,899,890	57.2
IV. Unrealized gains on marketable securities	55,057	0.5	-	-	69,314	0.5
V. Treasury stock	(838,086)	(7.3)	-	-	(746,791)	(5.4)
Total shareholders' equity	8,286,270	72.2	-	-	9,126,413	66.1
Total liabilities, minority interest and shareholders' equity	11,484,234	100.0	-	-	13,812,266	100.0

## 2. Consolidated Statement of Income for the Third Quarter (Summary)

(Thousands of yen)

	Nine months ended December 31, 2005		Nine months ended December 31, 2006		Year ended March 31, 2006	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	Amount	Composition ratio (%)
I. Net sales	11,808,679	100.0	13,106,520	100.0	17,399,091	100.0
II. Cost of sales	7,588,565	64.3	8,211,234	62.6	11,027,871	63.4
Gross profit	4,220,113	35.7	4,895,286	37.4	6,371,220	36.6
III. Selling, general and administrative expenses	3,121,513	26.4	3,588,591	27.4	4,069,363	23.4
Operating income	1,098,599	9.3	1,306,694	10.0	2,301,857	13.2
IV. Non-operating income	144,683	1.2	234,280	1.8	249,866	1.4
V. Non-operating expenses	2,372	0.0	785	0.0	3,396	0.0
Ordinary income	1,240,911	10.5	1,540,189	11.8	2,548,327	14.6
VI. Extraordinary gain	-	-	8,381	0.1	-	-
VII. Extraordinary losses	9,141	0.1	15,835	0.2	50,935	0.3
Income before income taxes	1,231,770	10.4	1,532,735	11.7	2,497,392	14.3
Corporate, inhabitant and enterprise taxes	441,843	3.7	640,617	4.9	982,737	5.6
Deferred income taxes	82,754	0.7	47,089	0.3	12,160	0.1
Loss of minority shareholders	395	0.0	749	0.0	685	0.0
Net income	707,568	6.0	845,777	6.5	1,503,178	8.6

### 3. Consolidated Statement of Change in Shareholders' Equity for the Third Quarter

Nine months ended December 31, 2006

(Thousands of yen)

Item	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	995,000	909,000	7,899,890	(746,791)	9,057,099
Change in the nine months ended December 31, 2006					
Dividends of surplus			(459,007)		(459,007)
Officers' bonuses			(60,260)		(60,260)
Net income			845,777		845,777
Disposal of treasury stock			(43,003)	64,341	21,337
Change in items other than shareholders' equity (net)					
Total change	-	-	283,506	64,341	347,848
Balance at the end of nine months ended December 31, 2006	955,000	909,000	8,183,397	(682,449)	9,404,947

Item	Unrealized gains and exchange differences		Minority interest	Total net assets
	Unrealized gains on marketable securities	Total unrealized gains and exchange differences		
Balance at the end of previous period	69,314	69,314	2,146	9,128,560
Change for the current third quarter				
Dividends of surplus				(459,007)
Officers' bonuses				(60,260)
Quarterly net income				845,777
Disposal of treasury stock				21,337
Change in items other than shareholders' equity for the current third quarter (net amount)	(13,547)	(13,547)	(749)	(14,296)
Total change for the current third quarter	(13,547)	(13,547)	(749)	333,551
Balance at the end of the current third quarter	55,767	55,767	1,397	9,462,112



#### 4. Consolidated Statement of Cash Flows for the Third Quarter

(Thousands of yen)

	Nine months ended December 31, 2005	Nine months ended December 31, 2006	Year ended March 31, 2006
	Amount	Amount	Amount
<b>I. Cash Flows from Operating Activities</b>			
Net income before taxes and other adjustments for the third quarter	1,231,770	1,532,735	2,497,392
Depreciation and amortization	113,796	193,284	150,440
Depreciation of goodwill	-	81,898	-
Amortization of consolidated adjustment account	27,421	-	44,284
Interest and dividend income	(3,364)	(5,517)	(4,719)
Security interest	(26,185)	(29,227)	(35,691)
Interests expense	102	-	116
Foreign exchange gains/loss	(21,464)	(368)	(22,652)
Gain on sale of fixed assets	-	(8,381)	-
Loss on retirement of fixed assets	8,468	2,496	50,262
Loss on valuation of investment securities	630	-	630
Loss on valuation of investment	-	13,339	-
(Increase) decrease in trade receivables	1,394,190	955,889	105,427
(Increase) decrease in inventories	(36,836)	(26,938)	48,467
Increase (decrease) in payables	(868,341)	(1,078,290)	257,929
Increase (decrease) in accrued expenses	85,512	79,989	(12,247)
Increase (decrease) in accrued consumption tax and others	(82,420)	(24,483)	(19,136)
Increase (decrease) in allowance for doubtful accounts	(1,566)	1,036	(2,037)
Increase (decrease) in reserve for bonuses	(99,414)	(80,757)	6,289
Increase (decrease) in reserve for directors' bonuses	-	34,592	-
Increase (decrease) in reserve for directors' retirement allowance	22,251	309	29,450
Increase (decrease) in reserve for directors' retirement allowances	2,689	(20,709)	5,857
Bonuses paid to directors and corporate auditors	(76,492)	(60,260)	(76,492)
Others	20,028	26,467	(54,273)
<b>Subtotal</b>	<b>1,690,774</b>	<b>1,587,104</b>	<b>2,969,295</b>
Interest and dividends received	19,249	44,817	27,747
Interests paid	(96)	-	(94)
Income taxes paid	(1,140,892)	(926,662)	(1,142,132)
<b>Net cash provided by operating activities</b>	<b>569,035</b>	<b>705,260</b>	<b>1,854,816</b>

(Thousands of yen)

	Nine months ended December 31, 2005	Nine months ended December 31, 2006	Year ended March 31, 2006
	Amount	Amount	Amount
II. Cash Flows from Investing Activities			
Payment for acquisition of stocks of newly consolidated subsidiaries	(257,882)	-	(257,882)
Payment for acquisition of operation	-	(273,631)	-
Payment for acquisition of tangible fixed assets	(68,854)	(98,782)	(82,092)
Proceeds from sale of tangible fixed assets	412	5,250	-
Payment for acquisition of intangible fixed assets	(14,939)	(167,137)	(335,975)
Payment for acquisition of marketable securities	(5,206,897)	(11,989,067)	(7,202,836)
Proceeds from redemption of marketable securities	5,499,233	10,574,996	7,336,331
Payment for loans	(2,000,000)	(2,000,000)	(2,000,000)
Proceeds from collection of loans	2,000,000	2,000,000	2,021,000
Payment for funding of premium reserve	-	(1,623)	(1,082)
Payment for investment in capital	-	(80,234)	-
Proceeds from equity transfer of investments in capital	8,828	-	8,828
Others	185	(3,241)	1,072
Net cash used in investing activities	(39,913)	(1,997,472)	(512,636)
III. Cash Flows from Financing Activities			
Repayment of short-term borrowings	(412,400)	-	(410,000)
Repayment of current portion of long-term borrows	-	-	(8,800)
Payment for acquisition of own shares	(277,998)	-	(277,998)
Proceeds from exercise of stock option rights	134,371	21,337	164,648
Payment for dividends	(526,037)	(455,861)	(532,777)
Net cash used in financing activities	(1,082,063)	(434,523)	(1,064,927)
IV. Effect of exchange rate changes in cash and cash equivalents	21,464	368	22,652
V. Net increase in cash and cash equivalents	(531,477)	(1,726,367)	299,905
VI. Cash and cash equivalents at beginning of term	2,781,702	3,081,608	2,781,702
VII. Cash and cash equivalents at the end of the third quarter	2,250,224	1,355,241	3,081,608

## 5. Segment Information

### (1) Business segment information

Nine months ended December 31, 2005

(Thousands of yen)

	CAE Solution Services Business	Network Solution Services Business	Total	Eliminations	Consolidation
Net sales					
(1) Net sales to outside customers	9,623,627	2,185,051	11,808,679	-	11,808,679
(2) Sales and transfer between segments	-	-	-	-	-
Total	9,623,627	2,185,051	11,808,679	-	11,808,679
Operating expenses	7,583,278	2,086,772	9,670,050	1,040,028	10,710,079
Operating income	2,040,348	98,279	2,138,628	(1,040,028)	1,098,599

Nine months ended December 31, 2006

(Thousands of yen)

	CAE Solution Services Business	Network Solution Services Business	Total	Eliminations	Consolidation
Net sales					
(1) Net sales to outside customers	11,085,176	2,021,343	13,106,520	-	13,106,520
(2) Sales and transfer between segments	1,200	1,744	2,944	(2,944)	-
Total	11,086,376	2,023,088	13,109,465	(2,944)	13,106,520
Operating expenses	8,629,233	1,959,103	10,588,337	1,211,488	11,799,826
Operating income	2,457,142	63,985	2,521,128	(1,214,433)	1,306,694

(Notes) 1. Classification method of business segments:

The business is classified by the similarity of the kinds of products, services, etc., which Cybernet Group is offering to the customers.

2. Main products, services, etc., which belong to each business segment:

Business segment	Main products, services, etc.
CAE Solution Service Business	Finite element methods analysis software, Numerical analysis software, Optical analysis & Illumination analysis software, CCD light and color measurement systems, Electronic circuit simulator, High-frequency circuit design system, Advanced visualization systems software, Moldflow plastics Insight, Medical image software, User education, Professional analysis service
Network Solution Service Business	PC connection software, PC asset management/license management software, Business process management software, Security measurement software, Web meeting service, risk management system for internal control

## 6. Consolidated Purchases, Orders Received and Sales

### (1) Purchases

(Thousands of yen)

	Nine months ended December 31, 2005		Nine months ended December 31, 2006		Rate of change	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	Amount	Composition ratio (%)
CAE Solution Services Business	4,775,722	74.7	5,539,831	79.8	764,109	16.0
Network Solution Services Business	1,615,941	25.3	1,399,868	20.2	(216,072)	(13.4)
Total	6,391,663	100.0	6,939,700	100.0	548,036	8.6

- Notes: 1. Disclosed amounts express purchase prices.  
2. The above amounts do not include consumption taxes.

### (2) Orders received

(Thousands of yen)

	Nine months ended December 31, 2005		Nine months ended December 31, 2006		Rate of change	
	Amount of orders received	Orders in hand	Amount of orders received	Orders in hand	Amount of orders received	Orders in hand
CAE Solution Services Business	8,861,843	1,369,342	9,968,582	1,765,585	1,106,738	396,243
Network Solution Services Business	2,133,460	106,923	1,996,423	105,565	(137,036)	(1,358)
Total	10,995,304	1,476,266	11,965,006	1,871,151	969,702	394,885

Note: The above amounts do not include consumption taxes.

### (3) Sales results

(Thousands of yen)

	Nine months ended December 31, 2005		Nine months ended December 31, 2006		Rate of change	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	Amount	Composition ratio (%)
CAE Solution Services Business	9,623,627	81.5	11,085,176	84.6	1,461,549	15.2
Network Solution Services Business	2,185,051	18.5	2,021,343	15.4	(163,707)	(7.5)
Total	11,808,679	100.0	13,106,520	100.0	1,297,841	11.0

- Notes: 1. The above amounts are after offset elimination of inter-segment sales.  
2. The above amounts do not include consumption taxes.

## 7. Non-consolidated Balance Sheet for the Third Quarter

(Thousands of yen)

	December 31, 2005		December 31, 2006		March 31, 2006	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Assets						
I. Current assets						
1. Cash and deposits	2,048,852		1,147,215		2,916,481	
2. Notes receivable – trade and accounts receivable	2,217,440		2,821,786		3,476,768	
3. Marketable securities	2,904,326		4,498,379		3,069,365	
4. Inventories	89,674		87,153		73,786	
5. Short-term loans to affiliates	1,360,000		1,200,000		1,200,000	
6. Deferred tax assets	70,641		113,682		157,895	
7. Other current assets	667,980		690,380		447,548	
Allowance for doubtful accounts	(2,210)		(2,820)		(3,470)	
Total current assets	9,356,706	86.3	10,555,778	84.4	11,338,377	86.9
II. Fixed assets						
1. Tangible fixed assets	279,659	2.6	279,051	2.2	260,740	2.0
2. Intangible fixed assets	152,481	1.4	568,776	4.6	393,872	3.0
3. Investments and other assets	1,051,527	9.7	1,099,725	8.8	1,049,191	8.1
Total fixed assets	1,483,668	13.7	1,947,553	15.6	1,703,804	13.1
Total assets	10,840,374	100.0	12,503,331	100.0	13,042,181	100.0

(Thousands of yen)

	December 31, 2005		December 31, 2006		March 31, 2006	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
<b>Liabilities</b>						
<b>I. Current liabilities</b>						
1. Accounts payable – trade	886,276		1,141,129		1,861,435	
2. Income taxes payable	-		148,218		439,327	
3. Consumption taxes payable	64,787		98,484		126,964	
4. Advances received	461,838		433,006		478,277	
5. Reserve for bonuses	164,919		184,710		243,327	
6. Reserve for officers' bonuses	-		34,592		-	
7. Other current liabilities	518,786		510,758		366,646	
<b>Total current liabilities</b>	<b>2,096,608</b>	<b>19.4</b>	<b>2,550,899</b>	<b>20.4</b>	<b>3,515,978</b>	<b>26.9</b>
<b>II. Fixed liabilities</b>						
1. Accrued severance indemnities	379,007		404,039		389,545	
2. Reserve for directors' retirement allowances	47,210		24,681		49,875	
<b>Total fixed liabilities</b>	<b>426,217</b>	<b>3.9</b>	<b>428,720</b>	<b>3.4</b>	<b>439,420</b>	<b>3.4</b>
<b>Total liabilities</b>	<b>2,522,825</b>	<b>23.3</b>	<b>2,979,619</b>	<b>23.8</b>	<b>3,955,399</b>	<b>30.3</b>
<b>Net assets</b>						
<b>I. Shareholders' equity</b>						
1. Capital stock	-	-	995,000	8.0	-	-
2. Additional paid-in capital	-	-	909,000	7.3	-	-
3. Retained earnings	-	-	8,246,420	66.0	-	-
4. Treasury stock	-	-	(682,449)	(5.5)	-	-
<b>Total shareholders' equity</b>	<b>-</b>	<b>-</b>	<b>9,467,970</b>	<b>75.8</b>	<b>-</b>	<b>-</b>
<b>II. Unrealized gains and exchange differences</b>						
1. Unrealized gains on marketable securities	-	-	55,741	0.4	-	-
<b>Total unrealized gains and exchange differences</b>	<b>-</b>	<b>-</b>	<b>55,741</b>	<b>0.4</b>	<b>-</b>	<b>-</b>
<b>Total net assets</b>	<b>-</b>	<b>-</b>	<b>9,523,712</b>	<b>76.2</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and net assets</b>	<b>-</b>	<b>-</b>	<b>12,503,331</b>	<b>100.0</b>	<b>-</b>	<b>-</b>

(Thousands of yen)

	December 31, 2005		December 31, 2006		March 31, 2006	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Equity						
I. Capital stock	995,000	9.1	-	-	995,000	7.6
II. Capital surplus						
1. Additional paid-in capital	909,000		-		909,000	
Total capital surplus	909,000	8.4	-	-	909,000	7.0
III. Retained earnings						
1. Legal reserve	71,960		-		71,960	
2. Voluntary reserve						
Special reserve	5,490,000		-		5,490,000	
3. Unappropriated earnings at the end of the third quarter	1,634,643		-		2,298,325	
Total retained earnings	7,196,603	66.4	-	-	7,860,285	60.3
IV. Unrealized gains on marketable securities	55,031	0.5	-	-	69,288	0.5
V. Treasury stock	(838,086)	(7.7)	-	-	(746,791)	(5.7)
Total shareholders' equity	8,317,548	76.7	-	-	9,086,782	69.7
Total liabilities and shareholders' equity	10,840,374	100.0	-	-	13,042,181	100.0

## 8. Non-consolidated Statement of Income for the Third Quarter

(Thousands of yen)

	Nine months ended December 31, 2005		Nine months ended December 31, 2006		Year ended March 31, 2006	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
I. Net sales	9,904,936	100.0	11,424,343	100.0	14,626,103	100.0
II. Cost of sales	6,066,153	61.2	6,974,812	61.1	8,898,604	60.8
Gross profit	3,838,782	38.8	4,449,530	38.9	5,727,498	39.2
III. Selling, general and administrative expenses	2,689,585	27.2	3,033,500	26.5	3,452,374	23.6
Operating income	1,149,197	11.6	1,416,030	12.4	2,275,124	15.6
IV. Non-operating income	120,101	1.2	210,957	1.8	227,287	1.5
V. Non-operating expenses	1,172	0.0	82	0.0	1,219	0.0
Ordinary income	1,268,126	12.8	1,626,905	14.2	2,501,192	17.1
VI. Extraordinary income	-	-	8,381	0.1	-	-
VII. Extraordinary losses	5,419	0.1	15,810	0.1	46,599	0.3
Net income before income taxes for the third quarter	1,262,707	12.7	1,619,477	14.2	2,454,592	16.8
Corporate, inhabitant and enterprise taxes	441,079	4.4	637,647	5.6	978,861	6.7
Deferred income taxes	82,753	0.8	47,093	0.4	12,157	0.1
Net income for the third quarter	738,873	7.5	934,736	8.2	1,463,573	10.0
Unappropriated retained earnings brought forward	1,374,359		-		1,374,359	
Interim dividends paid	220,450		-		220,450	
Loss on sale of treasury stock	258,138		-		319,157	
Unappropriated retained earnings at end of the third quarter	1,634,643		-		2,298,325	