

**CONSOLIDATED FINANCIAL RESULTS**  
**FOR FISCAL YEAR ENDED MARCH 31, 2006**

Company Name: Square Enix Co., Ltd.

Code: 9684

URL : <http://www.square-enix.com/>

Representative: Yoichi Wada, President and Representative Director

Contact: Yosuke Matsuda, Director and Executive Officer

Date of Board Approval: May 24, 2006

U.S. GAAP: Not adopted

Market: Tokyo Stock Exchange, First Section

Headquarters: Tokyo

Phone: 03-5333-1555 (main)

1. FY2005 Consolidated Financial Results (April 1, 2005 to March 31, 2006)

(1) Consolidated Financial Results (Millions of yen, except percentages and per share data)

	Net Sales		Operating Income		Recurring Income	
Fiscal Years Ended		%		%		%
March 31, 2006	124,473	68.5	15,470	(41.5)	15,547	(40.0)
March 31, 2005	73,864	16.9	26,438	36.3	25,901	41.9

	Net Income		Earnings Per Share (basic)	Earnings Per Share (diluted)	Return on Equity	Recurring Income to Total Assets	Recurring Income Margin
Fiscal Years Ended		%	Yen	Yen	%	%	%
March 31, 2006	17,076	14.4	154.65	153.44	14.9	9.0	12.5
March 31, 2005	14,932	35.8	135.63	134.46	14.5	21.4	35.1

- 1) Equity in gain or loss of affiliated company: Fiscal year ended March 31, 2006 (FY2005) ¥7 million; Fiscal year ended March 31, 2005 (FY2004) —
- 2) Mid-term average of number of shares issued and outstanding (Consolidated): Fiscal year ended March 31, 2006 (FY2005) 110,419,003; Fiscal year ended March 31, 2005 (FY2004) 110,093,589
- 3) Change of significant accounting policy: Applicable
- 4) Percentages in net sales, operating income, recurring income and net income are the percent change compared with the previous fiscal year.

(2) Consolidated Financial Position (Millions of yen, except percentages and per share data)

	Total Assets	Total Shareholders' Equity	Ratio of Shareholders' Equity	Shareholders' Equity Per Share
Fiscal Years Ended			%	Yen
March 31, 2006	213,348	120,993	56.7	1,094.50
March 31, 2005	131,695	108,933	82.7	988.19

Note: Number of shares issued and outstanding at year-end (Consolidated): Fiscal year ended March 31, 2006 (FY2005) 110,547,484; Fiscal year ended March 31, 2005 (FY2004) 110,234,893

(3) Consolidated Statement of Cash Flows (Millions of yen)

	From Operating Activities	From Investing Activities	From Financing Activities	Closing Cash and Cash Equivalents
Fiscal Years Ended				
March 31, 2006	9,174	(60,039)	44,153	75,252
March 31, 2005	24,873	574	(2,907)	81,243

(4) Scope of Consolidation and Application of the Equity Method

Number of consolidated subsidiaries: 17 and 1 partnership

Number of equity-method non-consolidated subsidiaries: —

Number of equity-method affiliates: 3

(5) Change in Scope of Consolidation and Application of the Equity Method

Consolidated Added: 6, Removed: — Equity-Method Added: 3, Removed: —

2. FY2006 Consolidated Forecasts (April 1, 2005 to March 31, 2007) (Millions of yen)

	Net Sales	Recurring Income	Net Income
First-Half Period	68,000	5,200	3,000
FY2006	150,000	19,000	11,000

(Reference) Earnings per share (basic) forecasts for FY2006: ¥99.62

\* The above forecasts are based on information available at the time this material was prepared. A number of indefinite factors are inherent in, and could cause actual results to be materially different from, these forecasts.

## 1. AFFILIATED COMPANY INFORMATION

SQUARE ENIX Group (“the Group”) is composed of SQUARE ENIX CO., LTD., 17 consolidated subsidiaries, three non-consolidated subsidiaries, three affiliated companies and one partnership. A list of businesses performed by the Group and each company’s positioning in the Group are as follows. (Section refers to operating segment)

### Consolidated Companies

Section	Region	Name of Company	Major Operation
Games (Offline)	Japan	SQUARE ENIX CO., LTD.	Development and distribution of game software
	North America	SQUARE ENIX, INC.	Distribution of game software in North America
		UIEVOLUTION, INC.	Development, distribution and licensing of network applications and middleware
		SQUARE L.L.C.	Business transferred to SQUARE ENIX, INC.
	Europe	SQUARE ENIX LTD.	Distribution of game software in Europe
Games (Online)	Japan	SQUARE ENIX CO., LTD.	Planning, development, distribution and operation of online games
		COMMUNITY ENGINE INC.	Development and distribution of network applications and middleware
	North America	SQUARE ENIX, INC.	Distribution and operation of online games in North America
		UIEVOLUTION, INC.	Development, distribution and licensing of network applications and middleware
	Europe	SQUARE ENIX LTD.	Distribution and operation of online games in Europe
	Asia	SQUARE ENIX (China) CO., LTD.	Development, distribution and operation of online games in Asia
		Huang Long Co., Ltd.	Development, distribution and operation of online games in Asia
		SQUARE ENIX WEBSTAR NETWORK TECHNOLOGY (BEIJING) CO., LTD.	In the course of liquidation
		COMMUNITY ENGINE NETWORK SOFTWARE (BEIJING) CO., LTD.	Development and distribution of network applications and middleware
Mobile Phone Content	Japan	SQUARE ENIX CO., LTD.	Planning, development and distribution of mobile phone content
	North America	SQUARE ENIX, INC. *	Planning, development and distribution of mobile phone content in North America
		UIEVOLUTION, INC.	Development, distribution and licensing of network applications and middleware
	Europe	SQUARE ENIX LTD. *	Planning, development and distribution of mobile phone content in Europe
	Asia	SQUARE ENIX (China) CO., LTD.	Planning, development and distribution of mobile phone content in China
		SQUARE ENIX WEBSTAR NETWORK TECHNOLOGY (BEIJING) CO., LTD.	In the course of liquidation
Publication	Japan	SQUARE ENIX CO., LTD.	Publication and distribution of comic magazines, comic books and game-related books
	North America	SQUARE ENIX, INC. *	Licensing of game-related books in North America
	Europe	SQUARE ENIX LTD. *	Licensing of game-related books in Europe

Amusement	Japan	TAITO CORPORATION	Management and operation of amusement centers; planning, development, production, sale and rental of coin-operated game machines and coin-operated karaoke machines; planning, development and distribution of game software; planning, development and distribution of mobile phone content
		EFFORT CO., LTD.	Development and supply of information content
		TAITO ART CORPORATION	Travel agency and insurance agency
		TAITO TECH CO., LTD.	Inactive
	Asia	TAITO KOREA CORPORATION	Management and operation of amusement centers in South Korea
		BEIJING TAIXIN CULTURAL AMUSEMENT CO., LTD.	Management and operation of amusement centers and rental of coin-operated game machines in China
Other	Japan	SQUARE ENIX CO., LTD.	Planning, production, distribution and licensing of derivative products
		DIGITAL ENTERTAINMENT ACADEMY CO., LTD.	Operation of a game creator training school
		FF FILM PARTNERS (Partnership)	Licensing and management of movie and derivative products
	North America	SQUARE PICTURES, INC.	Management of overseas movie revenues

**【Equity-Method Affiliates】**

Baltec Co., Ltd.  
Kaaku LTD.  
Kaasa Solution GmbH

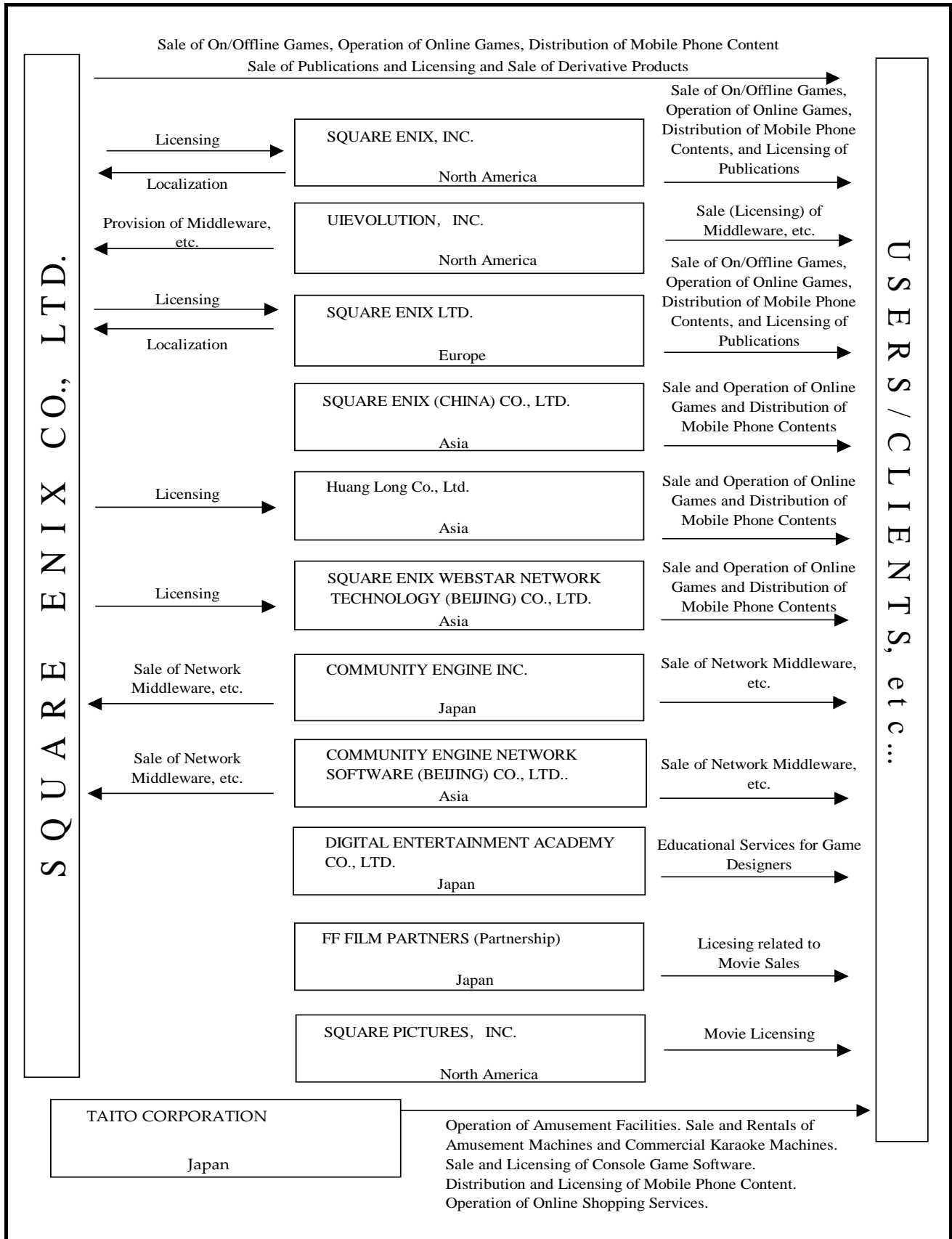
**【Affiliates not Accounted for Using the Equity Method】**

Kusanagi, Inc.

**【Non-Consolidated Subsidiaries】**

SOLID CO., LTD.  
UIE Japan Co., Ltd.  
ZERO RESEARCH LTD.

The following chart outlines transactions within the Group.



Note: The above chart only shows transactions of consolidated companies.

## **2. Management Policy**

The management policy employed by SQUARE ENIX CO., LTD. (“the Company”), and its enterprise group consisting of the Company, consolidated companies and partnership (collectively, “the Group”) is as follows.

### **(1) Basic Policy**

The Group’s basic policy is to provide various consumers with dreams and excitement through the creation and provision of advanced, high-quality content and services.

For sustainable growth and expansion of the Group to reward shareholders of the Company, the Group is making every effort to maximize its value through efficient operations that effectively combine management resources.

### **(2) Basic Policy on Profit Distribution**

One of the Company’s most important management policies to return profit to shareholders.

The Company will reserve retained earnings as it puts a high priority to investments for effective purposes for future growth of corporate value, such as, capital investments and mergers and acquisitions activities for purposes of enhancement and expansion of existing business operations, new business development, and so forth.

The Company regards returning profit to shareholders as important, thus it will maintain continuous and stable dividend payouts from the retained earnings.

### **(3) Views and Policy of Stock Trading Unit Reduction**

The Company perceives that long-term investment from a wide range of investors and investor base expansion are important to the Company’s capital strategy. We set our stock trading unit to 100 shares per unit and have established an environment that is facilitating investments by various investors.

### **(4) Targeting Management Benchmark**

Realization of growth while maintaining profitability is a fundamental management task of the Company. In the fiscal year under review, Taito Corporation became a consolidated subsidiary of the Company at the end of September 2005. Taito Corporation’s consolidated operating results are reflected in the Company’s consolidated operating results from the second half of the fiscal year ended March 31, 2006.

Subsequent to the consolidation of Taito Corporation, the Group’s consolidated financial targets are set at 10% or more annual growth in net income per share and an operating income ratio of at least 20%.

### **(5) Medium- and Long-Term Management Strategy and Task**

It is management’s main task to grow the Group in the medium and long term, maintaining profitability with provision of advanced, high-quality content and services.

As the development and spread of information technology and network environments are rapidly advancing, new digital entertainment will transform the industry structure in the near future; customer needs for network-compliant entertainment will increase; and multifunctional terminals will enable users to have easy access to various types of content.

It is the Group’s medium- and long-term strategy to respond promptly to such changes and to open a new era of digital entertainment.

### **(6) Parent Company**

Not applicable.

### 3. Operating Results and Financial Conditions

#### (1) Operation Highlights of FY2005 (Ended March 31, 2006)

The Company has been making determined efforts to strengthen the foundation and profitability of its business segments of Games (Offline), Games (Online), Mobile Phone Content, AM (amusement machines), Publication and Others.

The Company has been pursuing fundamental R&D activities to obtain advanced information technologies, which are crucial to promote network-related businesses, and to apply such technologies to our products and services.

During the fiscal year under review, the Company made Taito Corporation a consolidated subsidiary. Taito and its consolidated subsidiaries (the "Taito Group") were included in the Company's scope of consolidation from the end of September 2005. For the fiscal year ended March 31, 2006, Taito Group is included in the consolidated balance sheets, and the business results of the Taito Group for the six months ended March 31, 2006 are included in the consolidated statements of income of the Group. Through the addition of the Taito Group, the Group has secured a diverse range of content services, including the amusement center and machine businesses.

#### Consolidated financial results for FY2005 (ended March 31, 2006)

Net sales	¥124,473 million	(up 68.5% from results for FY2004 ended March 31, 2005)
Operating income	¥15,470 million	(down 41.5%, <i>ditto</i> )
Recurring income	¥15,547 million	(down 40.0%, <i>ditto</i> )
Net income	¥17,076 million	(up 14.4%, <i>ditto</i> )

#### Unit sales, including repeat orders, for FY2005

Japan	7.86 million units
North America	3.51 million units
PAL (Europe)	0.82 million units
Asia	0.04 million units
Total	12.23 million units

#### (2) Operating Results by Business Segment

##### ① Games (Offline)

The Company plans, develops and distributes games for game consoles (including handheld game machines). The Company also handles localization of games developed and distributed in Japan to distribute in North America through a wholly-owned subsidiary, SQUARE ENIX, INC., while distribution in Europe and Asia is handled by leading publishers through license arrangements.

During this fiscal year under review, conditions in the Japanese market were generally harsh, however, such major title releases as "FINAL FANTASY XII" for PlayStation2 (2,380 thousand units in Japan as of March 31, 2006) and "Kingdom Hearts II" (1,150 thousand units in Japan and 1,260 thousand units in North America, *ditto*) achieved robust sales.

Consequently, sales in the Games (Offline) segment totaled ¥45,916 million (up 9.5% from the previous fiscal year results), and operating income amounted to ¥9,590 million (down 51.2%, *ditto*).

##### ② Games (Online)

The Company plans, develops, distributes and operates network-compliant online games.

"FINAL FANTASY XI," a massively multi-player online role-playing game (MMORPG), remained steady with 500,000 paying subscribers, and continued to be the focus of the segment's operations during the period under review. In Japan, the Company also released new titles, including "FRONT MISSION Online."

Consequently, sales in the Games (Online) segment totaled ¥15,720 million (up 13.5% from the previous fiscal year results), and operating income amounted to ¥5,907 million (up 18.5%, *ditto*).

### ③ Mobile Phone Content

The Company plans, develops and provides content for mobile phones.

During the period under review, the Company continued to provide a wide range of mobile content services, including ring tones, wallpapers, game and portals. Led by such portal services as “DRAGON QUEST” and “FINAL FANTASY,” the service lineup leveraged the Company’s strength in original content.

Consequently, sales in the Mobile Phone Content segment totaled ¥5,067 million (up 11.2% from the previous fiscal year results), and operating income amounted to ¥726 million (down 58.2%, *ditto*).

### ④ Publication

The Company publishes game-related books including comic magazines, comic books, and game strategy books.

In the period under review, the Company published monthly magazines “SHONEN GANGAN,” “GANGAN POWERED,” “G Fantasy,” “GANGAN WING” and “YOUNG GANGAN,” as well as comic collections taken from regular monthly magazine serials and various game strategy guide books.

Segment sales were robust, driven by such comic book collections as the major hit “FULLMETAL ALCHEMIST,” which has now surpassed total sales of 20 million copies.

Consequently, sales in the Publications segment totaled ¥9,742 million (down 10.3% from the previous fiscal year results), and operating income amounted to ¥2,866 million (down 16.0%, *ditto*).

### ⑤ Amusement

This segment includes all the businesses of the Taito Group, which was included in the Company’s scope of consolidation from the end of September 2005. These businesses include the operation of amusement centers and rental of coin-operated game machines businesses, the products and merchandise business, the content services business and others. Taito Group’s operating results are included in the Company’s consolidated statements of income from October, 2005.

During the period under review, the mainstay amusement center operations business focused on developing new amusement facilities, including family amusement centers within multipurpose commercial complexes and large-scale amusement centers that contain such facilities as bowling centers. In the second half of the period, Taito worked to expand its operations by entering new businesses, including commercial game card machines aimed at children. However, sales at existing amusement centers were sluggish, dropping 4% compared with the corresponding period of the previous fiscal year, and investments swelled in medal game machines and children’s game card machines, leading to severe pressure on operating income.

As a result, sales in the AM segment amounted to ¥41,069 million, and operating loss totaled ¥1,170 million.

### ⑥Others

The Others segment covers the planning, production, distribution and licensing of SQUARE ENIX titles’ derivative products, and the operation of a game creator training school.

During the period under review, the segment embarked on a new initiative through the release of the CGI-animated film “FINAL FANTASY VII: Advent Children,” which is a sequel to the game software “FINAL FANTASY VII” set two years into the future. This work has been widely acclaimed, including being submitted for screenings at the Venice International Film Festival two years running, and continues to record brisk sales.

Consequently, sales in the Others segment amounted to ¥6,957 million (up 162.6% from the previous fiscal year results), and operating income totaled ¥2,007 million (up 156.5%, *ditto*).

## (3) Operating Results by Region

### ① Japan

All business segments—Games (Offline), Games (Online), Mobile Phone Content, Publication, AM and Others—are operated in Japan.

For Games (Offline), products are shipped to retail stores through the Company’s own distribution channel. Since the Company directly licenses the sales of game content in Asia as well as some parts of the PAL region (Europe),

sales from such licenses are included in the regional results of Japan.

In the Games (Online) segment, the Company provides services and sales on its online service platform, "PlayOnline," of such games as "FINAL FANTASY XI," and sells software discs for these online games.

In the Mobile Phone Content segment, the Company provides such mobile phone content as games, ring tones and wallpapers for NTT DoCoMo, KDDI and Vodafone.

Currently, the Publication and Others segments are operated primarily in Japan.

The AM segment comprises Taito Group operations, including the operation of amusement centers, the sale of coin-operated game machines and coin-operated karaoke machines, the sale of game software to retail stores via the Company's own marketing channel and the provision of games, music and images through mobile phones.

Sales in Japan totaled ¥111,670 million (up 73.4% from the previous fiscal year results), and operating income amounted to ¥11,760 million (down 50.9%, *ditto*).

## ② North America

The Company operates Games (Offline), Games (Online) and Mobile Phone Content services in North America, and licenses sales of game content developed by the Company primarily to Square Enix, Inc.

During the period, several titles for PS2 were released, including "DRAGON QUEST VIII: Journey of the Cursed King" and "KINGDOM HEARTS II." Our online service platform, "PlayOnline," focused on "FFXI" and performed well, recording growth on par with that achieved in Japan.

Sales in North America totaled ¥15,507 million (up 30.4% from the previous fiscal year results), and operating income amounted to ¥3,398 million (up 49.7%, *ditto*).

## ③ Europe

The Company primarily provides Games (Offline), Games (Online) and Mobile Phone Content services in Europe. In the PAL region, sales of the Company's game content are generally licensed to leading European publishers. The Company also launched online gaming and mobile phone content services in the European market in the previous fiscal year.

Sales in Europe amounted to ¥778 million (down 12.6% from the previous fiscal year results), and operating income totaled ¥49 million (up 58.6%, *ditto*).

## ④ Asia

In Asia, the Company provides primarily Games (Online) and AM services.

In the Games (Online) business, the Company primarily operates the "CROSS GATE" online game service for the PC platform in China. In the AM business, Taito operates amusement centers in Korea and China.

Sales in Asia totaled ¥2,040 million (up 147.9% from the previous fiscal year results), and operating income amounted to ¥262 million (up 48.6%, *ditto*).

## (4) Financial Conditions

Cash and cash equivalents at the end of the period under review stood at ¥75,252 million.

Cash flows during the period are summarized as follows.

### ① Cash flows from operating activities

Income before income taxes amounted to ¥8,990 million, and resulted in net cash provided by operating activities totaling ¥9,174 million.

### ② Cash flows from investing activities

Mainly owing to acquisition of shares of Taito Corporation, net cash used in investing activities totaled ¥60,039 million.

### ③ Cash flows from financing activities

Mainly owing to proceeds from the issuance of warrant bonds, net cash provided by financing activities amounted to ¥44,153 million.



## Solvency Indicators

	FY ended March 31, 2004	FY ended March 31, 2005	Six months ended September 30, 2005	FY ended March 31, 2006
Shareholders' equity ratio	87.41%	82.72%	59.81%	56.71%
Shareholders' equity ratio on market value basis	309.59%	275.76%	195.16%	157.78%
Term of repayment of interest-bearing liabilities (years)	0.0013	–	–	–
Interest coverage ratio (times)	1,203.36	85,196.65	–	300.93

Notes: Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio on market value basis:

Market capitalization of outstanding stock / Total assets

Term of repayment of interest-bearing liabilities:

Interest-bearing liabilities / Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities / Interest paid

\* Calculated by consolidated financial results

\* Interest-bearing liabilities include all the liabilities on which the Company is paying interest.

\* Cash flows from operating activities and interest paid are "Cash flows from operating activities" and "Interest paid" in the consolidated statements of cash flows, respectively.

## (5) Forecasts for FY2006

Consolidated forecasts for FY2006 (ending March 31, 2007)

Net sales	¥150 billion	(¥124.473 billion for FY2005)
Operating income	¥19 billion	(¥15.470 billion for FY2005)
Recurring income	¥19 billion	(¥15.547 billion for FY2005)
Net income	¥11 billion	(¥17.076 billion for FY2005)

## Risk Factors

The forecasts for the consolidated operating results stated above have been prepared based on the current business environment as of May 24, 2006.

Risks that may affect the Group's financial condition include:

### ① Changes in the economic environment

In the event of an exceptionally harsh downturn in the economy, causing consumer expenditure to fall, demand for the Group's products and services in the entertainment field may decline. Such circumstances may lead to an adverse impact on the Group's business performance.

### ② Changes in consumer preferences in the digital content market and the Group's ability to respond to rapid progress of innovative technology

In such a period of transitions as stated in the medium- and long-term strategy and tasks, it is probable such change may affect the Group's business performance if it is unable to deal with the transitions properly and promptly.

### ③ Changes in game platforms and the Group's response

The Group's core business predominantly involves the sale of software for use on home-use video game consoles. Consequently, the Company's business may be subject to the impact of transition to next generation console platforms and changes in console manufacturers' strategies. During platform generation transition periods, there is a tendency for consumers to reduce their game software purchases, which may lead to stagnation in the Company's sales growth. Such circumstances may lead to an adverse impact on the Group's business performance.

### ④ Securing human resources to execute the Group's growth strategies concentrating on creation of new content services and business development overseas

The Group has been making rapid growth in expanding its business operations globally. Delay in developing human resources may adversely affect the Group's business performance.

⑤ Expansion in the Group's international business operations

In the Games (Offline), Games (Online) and Mobile Phone Content segments, the Group is pursuing expansion of its international business operations. A variety of factors present in the countries and regions in which the Group operates overseas may affect the Group's business performance. Such factors include market trends, political situation, economic climate, laws and regulations, culture, religions, customs and other factors.

⑥ Fluctuation of exchange rates

The Group includes consolidated subsidiaries located in North America, Europe and Asia. The risks of foreign exchange loss have been reduced as foreign currency gained by subsidiaries is expended for settlement or reinvestment in each country. However, sales, expenses and assets of the overseas subsidiaries are converted into Japanese yen amounts in the consolidated financial statements. Consequently, the exchange rate may effect the Group's financial results as it fluctuates beyond forecast.

⑦ Entertainment industry laws

The operation of game centers is subject to government control under the Law for Proper Control of Entertainment and Amusement Business and other related laws and regulations. These laws and regulations include an approval and licensing system for the opening and operation of amusement centers, regulations on business hours (ordinances vary, but operation is generally prohibited from midnight to 10 a.m.), age restrictions (ordinances vary, but the admittance of persons under 16 years old after 6 p.m. and persons under 18 years old after 10 p.m. is generally prohibited), area restrictions on outlet opening, and regulations concerning facility structure, interior, lighting and noise. While complying with the laws, the Group has actively pursued the establishment of new amusement centers. However, if regulations were to change owing to the establishment of new laws or other reasons, the Group's business performance may be affected.

⑧ Management of personal information

In conjunction with the enactment of the Personal Information Protection Law, the Group has bolstered employee training with the aim of increasing awareness about the handling of personal information. The Group has also improved the timeliness of its personal information management systems and identified all personal information obtained by the Group. The Group has undertaken a full range of measures to strengthen its internal control systems, including ongoing improvements to technology controlling access to its customer database and to its data security systems, restrictions on personnel permitted to access information and establishment of a system to deal with customer inquiries regarding personal information. To this point, no leakage of personal information has occurred from the Group. The Group intends to maintain its stringent management systems for personal information by reviewing current systems and enhancing employee training. However, if a leak of personal information were to occur from the Group, the Group's business performance may be affected.

⑨ Accidents and disasters

The Group periodically carries out accident prevention checks, facility checks and emergency drills to minimize accidents and the impacts of disasters, including terrorist attacks, infectious diseases, food poisoning, fires, electrical blackouts, computer system/server malfunctions, earthquakes, and typhoon and flood damage. However, in the event of accidents or disasters it may not be possible to avoid or alleviate all adverse impacts. If a major earthquake or disaster occurs, which could impede the continuation of business, the Group's business performance may be affected.

⑩ Litigation

The Group is being managed strictly in compliance with laws and regulations and with full respect for third parties' rights while carrying out its operations. However, in the course of its business activities in Japan and abroad the risk of the Group becoming the defendant of litigation cannot be discounted. If such litigation were to occur, the Group's business performance may be affected.

**NON-CONSOLIDATED FINANCIAL RESULTS**  
**FOR FISCAL YEAR ENDED MARCH 31, 2006**

Company Name: Square Enix Co., Ltd.

Code: 9684

URL : <http://www.square-enix.com/>

Representative: Yoichi Wada, President and Representative Director

Contact: Yosuke Matsuda, Director and Executive Officer

Market: Tokyo Stock Exchange, First Section

Headquarters: Tokyo

Phone: 03-5333-1555

Date of Board Approval: May 24, 2006

Interim Dividend Payout: **(paid)** · not paid

Annual General Meeting

Stock Trading Unit: 100 shares

of Shareholders: June 24, 2006

Date of Dividend Payout: June 26, 2006

1. FY2004 Non-Consolidated Financial Results (April 1, 2005 to March 31, 2005)

(1) Non-Consolidated Financial Results

(Millions of yen, except percentages and per share data)

	Net Sales		Operating Income		Recurring Income	
		%		%		%
Fiscal Years Ended						
March 31, 2006	70,283	9.9	12,597	(47.7)	13,633	(42.1)
March 31, 2005	63,950	24.3	24,080	50.6	23,533	50.7

	Net Income		Earnings Per Share (Basic)	Earnings Per Share (Diluted)	Return on Equity	Recurring Income to Total Assets	Recurring Income Margin
		%	Yen	Yen	%	%	%
Fiscal Years Ended							
March 31, 2006	20,691	52.6	187.39	185.93	18.4	8.9	19.4
March 31, 2005	13,562	45.2	123.19	122.13	13.6	20.6	36.8

1) Mid-term average of numbers of shares issued and outstanding  
 Fiscal year ended March 31, 2006 (FY2005) 110,419,003  
 Fiscal year ended March 31, 2005 (FY2004) 110,093,589

2) Change of significant accounting policy Applicable

3) Percentages in net sales, operating income, recurring income and net income are the percent change compared with the previous fiscal year.

(2) Dividends

	Annual Dividend Per Share			Total Dividends (annual)	Payout Ratio	Dividend Rate of Stockholders' Equity
	Interim	Year-end				
Fiscal Years Ended	Yen	Yen	Yen		%	%
March 31, 2006	30.00	10.00	20.00	3,315	16.1	2.8
March 31, 2005	60.00	10.00	50.00	6,612	48.8	6.3

Note: Year-end dividend for FY2004 : Commemorative dividend ¥30.00 Special dividend —

(3) Non-Consolidated Financial Position

(Millions of yen, except percentages and per share data)

	Total Assets	Total Shareholders' Equity	Ratio of Shareholders' Equity	Shareholders' Equity Per Share
			%	Yen
Fiscal Years Ended				
March 31, 2006	181,840	119,681	65.8	1,082.62
March 31, 2005	124,105	104,909	84.5	951.69

1) Number of shares issued at year-end  
 Fiscal year ended March 31, 2006 (FY2005) 110,547,484  
 Fiscal year ended March 31, 2005 (FY2004) 110,234,893

2) Amount of treasury stock  
 Fiscal year ended March 31, 2006 (FY2005) 182,439  
 Fiscal year ended March 31, 2005 (FY2004) 150,650

2. FY2006 Forecasts (April 1, 2006 - March 31, 2007)

(Millions of yen, except per share data)

	Net Sales	Recurring Income	Net Income	Annual Dividend Per Share		
				Interim	Year-end	
				Yen	Yen	Yen
First-Half Period	24,000	3,800	2,100	10.00	—	—
FY2006	53,000	10,000	5,500	—	20.00	30.00

(Reference) Earnings per share (basic) forecasts for FY2006: ¥49.81

\* The above forecasts are based on information available at the time these material were prepared. A number of indefinite factors are inherent in, and could cause actual results to be materially different from, these forecasts.