

Financial results

For the business year ending December 2006

Described below is the English abstract of the financial results (Tanshin Report) that was released today in Japan. The translation is prepared and provided for readers' convenience only. Therefore, all readers are strongly advised to refer to the original version in Japanese for complete and accurate information. In the event of any discrepancy between this translated document and the original Japanese document, the original document shall prevail.

Listed company name :	Secured Capital Japan Co.,Ltd
Stock code :	2392
URL :	http://www.securedcapital.co.jp/
Listed stock market :	Tokyo Stock Exchange, Mothers Market
Company domicile :	Tokyo
President :	Katsuya Takanashi
Contact :	Takeshi Sugai, CFO&CAO
Telephone :	+81-3-5776-1300
Date of board of directors meeting for the approval :	February 15, 2007
First dividend payment date :	March 29, 2007
Date of shareholders' meeting to be held :	March 28, 2007
Application of unit share	N/A

1. Annual financial results (January 1, 2006 – December 31, 2006)

(1) Financial results

(Amounts rounded down to millions of yen)

	Revenue		Operating income		Ordinary income	
	¥ millions	Increase (%)	¥ millions	Increase (%)	¥ millions	Increase (%)
Year ended December 2006	2,838	20.8	258	20.1	1,329	92.4
Year ended December 2005	2,348	4.7	215	-7.6	691	299.1

	Net income		Earnings per share	Diluted earnings per share
	¥ millions	Increase (%)	¥	¥
Year ended December 2006	1,204	104.5	10,000.38	8,569.46
Year ended December 2005	589	573.7	5,027.37	4,234.12

	Return on shareholders' equity	Ordinary income to total assets	Ordinary income to sales
	%	%	%
Year ended December 2006	32.6	25.3	46.9
Year ended December 2005	21.1	20.3	29.4

Notes : 1. Average number of shares outstanding during the year

Year ended December 2006 : 120,460 shares

Year ended December 2005 : 117,160 shares

2. Changes in accounting method : N/A

3. Percentage figures shown for revenue, operating income, ordinary income and net income represent increase from the corresponding period of the previous year.

(2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	¥ millions	¥ millions	%	¥
As of December 31, 2006	6,526	4,268	65.4	35,148.21
As of December 31, 2005	3,991	3,121	78.2	26,303.13

Notes : 1. Number of shares outstanding at the end of the year

Year ended December 2006 : 121,371 shares

Year ended December 2005 : 118,671 shares

2. Number of treasury stocks outstanding at the end of the year

Year ended December 2006 : - shares

Year ended December 2005 : 8.85 shares

2. Forecast for the fiscal year ending December 2007

	Revenue	Ordinary income	Net income	Interim dividend per share	Dividend per share	Total dividend declared
	¥ millions	¥ millions	¥ millions	¥	¥	¥
Full Year	3,760	2,360	2,080	-	1,500	1,500

Reference : Estimated net income per share for the full year : 17,137.54 yen

Note : The above forecast was made by our company based on currently available information. The actual results may differ from those forecasts since our business is affected by various uncertain factors.

3. Dividends

	Dividend per share			Total dividend declared	Dividend payout ratio	Dividends on net assets
	At the end of six month period	At the end of year	Total			
	¥	¥	¥	¥ millions	%	%
Year ended December 2005	-	1,000	1,000	118	19.9	3.8
Year ended December 2006	-	1,500	1,500	182	15.0	4.9

4. Financial statements

[1] Balance sheets

(Thousands of yen)

	As of December 31,2005		As of December 31,2006		Increase / (Decrease)	
	Amount	%	Amount	%	Amount	
(Assets)						
I Current assets						
1 Cash and cash equivalents	452,135		521,942		69,806	
2 Accounts receivable *1	128,890		23,953		-104,936	
3 Prepaid expense	38,432		53,442		15,010	
4 Other receivable	149,113		100,762		-48,351	
5 Deferred income tax	22,716		32,799		10,082	
6 Taxes receivable	54,207		120,927		66,719	
7 Other assets	542		5,617		5,075	
Total current assets	846,038	21.2	859,443	13.2	13,405	
II Non-current assets						
1 Tangible assets						
(1) Building	60,168		60,837			
Accumulated depreciation	-13,572	46,595	-20,203	40,633	-5,962	
(2) Furniture and equipment	80,393		82,669			
Accumulated depreciation	-41,587	38,805	-53,702	28,967	-9,838	
Total tangible assets		85,401		69,600	1.1	-15,800
2 Intangible assets						
(1) Software		9,551		9,060	-490	
Total intangible assets		9,551		9,060	0.1	-490
3 Investments						
(1) Securities		2,212,469		1,379,728	-832,740	
(2) Investments in subsidiaries		490,197		572,897	82,700	
(3) Investment in affiliates		131,966		-	-131,966	
(4) Securities of subsidiaries		-		3,121,341	3,121,341	
(4) Deposits		215,410		418,123	202,713	
(5) Deferred income tax		-		95,866	95,866	
Total investments		3,050,043		5,587,957	85.6	2,537,913
Total non-current assets		3,144,996		5,666,619	86.8	2,521,622
Total assets		3,991,034		6,526,063	100.0	2,535,028

(Thousands of yen)

	As of December 31,2005		As of December 31,2006		Increase / (Decrease)
	Amount	%	Amount	%	Amount
(Liabilities)					
I Current liabilities					
1 Short-term debt *1	-		1,037,000		1,037,000
2 Accrued expense *1	91,275		179,559		88,283
3 Consumption tax payable	10,772		93,132		82,359
4 Income tax payable	26,459		33,366		6,906
5 Deferred revenue *1	675,758		809,611		133,852
6 Deposits payable	33,462		50,020		16,557
7 Bonus reserve	25,000		42,000		17,000
8 Other liabilities	2,850		4,412		1,561
Total current liabilities	865,579	21.7	2,249,102	34.5	1,383,522
II Non-current liabilities					
1 Deferred income tax	4,036		8,655		4,618
Total non-current liabilities	4,036	0.1	8,655	0.1	4,618
Total liabilities	869,616	21.8	2,257,757	34.6	1,388,141
(Shareholders' equity)					
I Common stock *4	1,173,200	29.3	-	-	-1,173,200
II Additional paid-in capital					
1 Additional paid-in capital	1,141,691		-		-1,141,691
Total additional paid-in capital	1,141,691	28.6	-	-	-1,141,691
III Retained earnings					
1 Retained earnings	805,624		-		-805,624
Total retained earnings	805,624	20.2	-	-	-805,624
IV Unrealized gains on securities *6	6,363	0.2	-	-	-6,363
V Treasury stock *5	-5,461	-0.1	-	-	5,461
Total shareholders' equity	3,121,418	78.2	-	-	-3,121,418
Total liabilities and shareholders' equity	3,991,034	100.0	-	-	-3,991,034

(Thousands of yen)

	As of December 31,2005		As of December 31,2006		Increase / (Decrease)	
	Amount	%	Amount	%	Amount	
(Net assets)						
I Shareholders' equity						
1 Common stock		-		1,199,465	18.4	1,199,465
2 Additional paid-in capital						
(1) Additional paid-in capital	-		1,167,441			
Total additional paid-in capital		-		1,167,441	17.9	1,167,441
3 Retained earnings						
(1) Retained earnings carried forward						
Balance carried forward	-		1,886,133			
Total retained earnings		-		1,886,133	28.9	1,886,133
Total shareholders' equity		-		4,253,040	65.2	4,253,040
II Unrealized valuations and re-measurement						
1 Unrealized gains on available for sale securities		-		12,932	0.2	12,932
Unrealized gains on available for sale securities		-		12,932	0.2	12,932
III Stock option		-		2,332	0.0	2,332
Total net assets		-		4,268,305	65.4	4,268,305
Total liabilities and net assets		-		6,526,063	100.0	6,526,063

Note: The above financial statements contain figures and accounting terms in Japanese that have been prepared in accordance with accounting principles generally accepted in Japan. Accounting terms in English are for the convenience of readers only.

[2] Statements of income

(Thousands of yen)

	Year ended (January 1, 2005-December 31,2005)			Year ended (January 1, 2006-December 31, 2006)			Increase / (Decrease)
	Amount		%	Amount		%	Amount
			%			%	
I Revenues *1		2,348,624	100.0		2,838,260	100.0	489,636
II Selling, general and administrative expenses *1.2		2,133,309	90.8		2,579,736	90.9	446,427
Operating income		215,315	9.2		258,524	9.1	43,209
III Non-operating Income							
1 Interest income	2,097			240			
2 Dividend income *1	480,000			1,065,000			
3 Income from silent partnership	-			12,805			
4 Miscellaneous income	385	482,482	20.5	916	1,078,963	38.0	596,480
IV Non-operating expenses							
1 Interest expense *1	375			7,469			
2 Stock issuance expense	4,589			-			
3 Exchange loss	1,648			-			
4 Others	-	6,613	0.3	193	7,663	0.3	1,050
Ordinary income		691,184	29.4		1,329,824	46.9	638,639
V Extraordinary gain							
1 Gain from sales of fixed assets *3	159	159	0.0	-	-	-	-159
VI Extraordinary loss							
1 Loss on retirement of fixed assets *4	2,015			482			
2 Loss on sales of investment in subsidiaries	569			-			
3 Loss on dissolution of investment in subsidiaries	-	2,585	0.1	1,142	1,625	0.1	-959
Income before income taxes		688,758	29.3		1,328,198	46.8	639,440
Income taxes-current	104,692			133,554			
Deferred income taxes	-4,943	99,749	4.2	-9,996	123,557	4.4	23,808
Net income		589,009	25.1		1,204,641	42.4	615,632
Beginning retained earnings		216,615			-		-
Ending retained earnings		805,624			-		-

Note: The above financial statements contain figures and accounting terms in Japanese that have been prepared in accordance with accounting principles generally accepted in Japan. Accounting terms in English are for the convenience of readers only.

[3] Proposed appropriation of retained earnings

(Thousands of yen)

	Resolved at shareholders' meeting on March 30, 2006	
	Amount	
(Additional Paid-in Capital)		
I Unappropriated retained earnings		805,624
II Appropriation of retained earnings		
Dividend	118,671	118,671
III Ending retained earnings		686,953

Statements of changes in shareholders' equity

Year ended (January 1, 2006 - December 31, 2006)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of December 31, 2005	1,173,200	1,141,691	805,624	-5,461	3,115,054
Amount of change					
New shares issued	26,265	25,749	-	-	52,015
Dividend paid	-	-	-118,671	-	-118,671
Net income	-	-	1,204,641	-	1,204,641
Retirement of treasury stock	-	-	-5,461	5,461	-
Amount of change other than shareholders' equity	-	-	-	-	-
Total amount of change	26,265	25,749	1,080,508	5,461	1,137,985
Balance as of December 31, 2006	1,199,465	1,167,441	1,886,133	-	4,253,040

	Unrealized gains on available for sale securities	Stock option	Total equity
Balance as of December 31, 2005	6,363	2,850	3,124,269
Amount of change			
New shares issued	-	-	52,015
Dividend paid	-	-	-118,671
Net income	-	-	1,204,641
Retirement of treasury stock	-	-	-
Amount of change other than shareholders' equity	6,568	-518	6,050
Total amount of change	6,568	-518	1,144,036
Balance as of December 31, 2006	12,932	2,332	4,268,305

Summary of significant accounting policies

1. Valuation policy and method for securities

Year ended (January 1, 2005-December 31,2005)	Year ended (January 1, 2006-December 31, 2006)
<p>(a) Investment in subsidiaries</p> <p>The purchase cost of the investment is used.</p>	<p>(a) Investment in subsidiaries</p> <p>Same as on the left</p>
<p>(b) For securities without fair market value</p> <p>The purchase cost of the securities is used. (For the US dollar denominated securities, these securities are re-measured into the Japanese Yen using the prevailing market rate at the year end. The unrealized difference is recorded in the shareholders' equity section.) (Refer 7-a for the treatment of the investment in silent partnership) (The capital contributions made to limited liability partnership and similar partnerships are treated as "securities" on the balance sheet in the amount proportional to the contribution made to the partnerships. The changes in the company's share of the interests in the partnerships are adjusted based on the company's share accordingly.)</p>	<p>(b) For securities without fair market value</p> <p>The purchase cost of the securities is used. (For the US dollar denominated securities, these securities are re-measured into the Japanese Yen using the prevailing market rate at the year end. The unrealized gain/loss is recorded in the shareholders' equity section.) (Refer 7-a for the treatment of the investment in silent partnership) (The capital contributions made to limited liability partnerships and similar partnerships are treated as "securities" on the balance sheet in the amount proportional to the contributions made to the partnerships. The changes in the company's share of the interests in the partnerships are adjusted based on the company's share accordingly.)</p>

2. Depreciation method of depreciable assets

Year ended (January 1, 2005-December 31,2005)	Year ended (January 1, 2006-December 31, 2006)
<p>a) Tangible assets:</p> <p>Tangible assets are depreciated by declining balance method.</p> <p>However, buildings acquired on and after April 1, 1998 are depreciated by straight-line method, except for building attachments.</p> <p>The useful life of principal assets is as follows: Buildings: 15 years Automobile: 6 years Furniture and equipment: 4-8 years</p>	<p>a) Tangible assets:</p> <p>Tangible assets are depreciated by declining balance method.</p> <p>However, buildings acquired on and after April 1, 1998 are depreciated by straight-line method, except for building attachments.</p> <p>The useful life of principal assets is as follows: Buildings: 15 years Furniture and equipment: 4-8 years</p>
<p>b) Intangible assets:</p> <p>Intangible assets are depreciated by straight-line method.</p> <p>Software for internal use is depreciated by straight-line method over the expected available periods of five years.</p>	<p>b) Intangible assets:</p> <p>Same as on the left</p>

3. Amortization method of deferred assets

Year ended (January 1, 2005-December 31,2005)	Year ended (January 1, 2006-December 31, 2006)
<p>Stock issuance expenses:</p> <p>Stock issuance costs are expensed as incurred.</p>	<p>Public offering related expenses:</p> <p>Public offering related costs are expensed as incurred.</p>

4. Accounting for allowances and reserves

Year ended (January 1, 2005-December 31,2005)	Year ended (January 1, 2006-December 31, 2006)
<p>a) Allowance for doubtful accounts:</p> <p>For general receivables, general allowances are provided using a rate determined by our past bad debt history.</p> <p>Specific allowances are provided for estimated amounts considered to be uncollectible after the reviewing the individual collectibility of certain doubtful accounts.</p>	<p>a) Allowance for doubtful accounts:</p> <p>Same as on the left</p>
<p>b) Allowance for bonus payments:</p> <p>The company properly accrues estimated incentive payments for employees that have been vested during the current year</p>	<p>b) Allowance for bonus payments:</p> <p>Same as on the left</p>

5. Exchange policy of foreign currency denominated assets and liabilities into Japanese Yen

Year ended (January 1, 2005-December 31,2005)	Year ended (January 1, 2006-December 31, 2006)
<p>Foreign currency denominated payables and receivables are re-measured into the Japanese Yen using the prevailing market rate at the year end.</p>	<p>Same as on the left</p>

6. Accounting treatment for leases

Year ended (January 1, 2005-December 31,2005)	Year ended (January 1, 2006-December 31, 2006)
<p>All finance leases, except for those leases with a transfer of ownership, are treated as operating leases.</p>	<p>Same as on the left</p>

7. Other significant accounting policies

Year ended (January 1, 2005-December 31,2005)	Year ended (January 1, 2006-December 31, 2006)
<p>a) Accounting for investment in silent partnership:</p> <p>Investment in silent partnership is accounted as 'Securities' on the balance sheet in the amount proportional to the contribution of the assets to the</p>	<p>a) Accounting for investment in silent partnership:</p> <p>Same as on the left</p>

<p>silent partnership which is recorded at the time such investment is made. The change in company's share of equity interests in the silent partnership is accounted as 'Sales' and the equivalent amount of increases/decreases as 'Securities'. A distribution from the company's investee is accounted as a redemption of the investment which decreases the amount of investment in silent partnership.</p> <p>'Securities' redemption of investment in capital from the operator.</p>	
<p>b) Accounting for the consumption taxes:</p> <p>The consumption tax and the local consumption tax are excluded from transaction amounts.</p>	<p>b) Accounting for the consumption taxes:</p> <p>Same as on the left</p>

Change in accounting policy

Year ended (January 1, 2005-December 31,2005)	Year ended (January 1, 2006-December 31, 2006)
<p>The income generated from our investments made into the asset managed by SCJ group was recorded as other income in the prior years. Effective January 1, 2005, the income from such investments are recorded as a part of our revenue.</p> <p>As a result, the sales amount increased by ¥55,657 thousand in comparison to the sales amount using the old account policy.</p>	<p>_____</p>
<p>_____</p>	<p>Starting this year, the impairment accounting has been applied to fixed assets. This application has no material effect on the statements of income.</p>
<p>_____</p>	<p>Starting this year, certain changes were made to the shareholders' equity section to be compliant to the new accounting rules. The amount of the total shareholders' equity based on the old accounting rule is ¥4,265,973 thousand.</p>

Change in indication

Year ended (January 1, 2005-December 31,2005)	Year ended (January 1, 2006-December 31, 2006)
<p>Statements of income:</p> <p>'Exchange loss' is more than 10/100 of non-operating expenses and indicated independently. On the statements of income of the year ended December 2004, it was included in 'Other expenses' in the non-operating expenses section and amount was ¥1,167 thousand.</p>	<p>Balance sheets:</p> <p>According to the new company law, the investment in Y.K. is accounted as securities.</p> <p>On the balance sheets as of December 31, 2005, the investment in Y.K. included in 'Other assets' in the investments in other assets section and the balance was ¥74,700 thousand.</p> <p>In the current year, it is included in 'Investments in subsidiaries' in the investments in other assets section. As a result, the balance of 'Investments in subsidiaries' increased by ¥56,700 thousand in comparison to the balance using the old account policy.</p>

Additional Information

Year ended (January 1, 2005-December 31,2005)	Year ended (January 1, 2006-December 31, 2006)
<p>Starting this year, the enterprise tax was reported as a part of operating expenses. In the prior years, the enterprise tax was recorded as a part of the income tax provisions.</p> <p>As a result, the selling, general and administrations expense increased by ¥8,847 thousand and operating income, ordinary income, income before income allocations & taxes and income before income taxes, each decreased by the amount.</p>	—————

Notes

Balance sheets

Year ended (January 1, 2005-December 31,2005)	Year ended (January 1, 2006-December 31, 2006)														
<p>(1) Receivables and payables from subsidiaries:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Account receivable</td> <td style="text-align: right;">¥125,998 thousand</td> </tr> <tr> <td>Deferred revenue</td> <td style="text-align: right;">¥675,758 thousand</td> </tr> </table>	Account receivable	¥125,998 thousand	Deferred revenue	¥675,758 thousand	<p>(1) Receivables and payables from subsidiaries:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Account receivable</td> <td style="text-align: right;">¥21,705 thousand</td> </tr> <tr> <td>Short-term debt</td> <td style="text-align: right;">¥1,037,000 thousand</td> </tr> <tr> <td>Accrued expense</td> <td style="text-align: right;">¥77,695 thousand</td> </tr> <tr> <td>Interest payable</td> <td style="text-align: right;">¥4,088 thousand</td> </tr> <tr> <td>Deferred revenue</td> <td style="text-align: right;">¥809,611 thousand</td> </tr> </table>	Account receivable	¥21,705 thousand	Short-term debt	¥1,037,000 thousand	Accrued expense	¥77,695 thousand	Interest payable	¥4,088 thousand	Deferred revenue	¥809,611 thousand
Account receivable	¥125,998 thousand														
Deferred revenue	¥675,758 thousand														
Account receivable	¥21,705 thousand														
Short-term debt	¥1,037,000 thousand														
Accrued expense	¥77,695 thousand														
Interest payable	¥4,088 thousand														
Deferred revenue	¥809,611 thousand														
<p>(2) The company and its subsidiaries have an overdraft agreement with a bank.</p> <p style="padding-left: 40px;">The total amount of overdraft agreement ¥1,300,000 thousand</p> <p style="padding-left: 40px;">Over-drafted balance as of December 31, 2005 N/A</p>	<p>(2) The company and its subsidiaries have an overdraft agreement and a commitment line agreement with a bank.</p> <p style="padding-left: 40px;">The total amount of overdraft and commitment agreement ¥3,600,000 thousand</p> <p style="padding-left: 40px;">Over-drafted balance as of December 31, 2006 N/A</p>														
<p>(3) Contingent liabilities:</p> <p style="padding-left: 40px;">Penalty for not purchasing the property specified in a purchase agreement ¥255,000 thousand</p>	—————														

<p>(4) Stock:</p> <p>Aggregate number of shares authorized for issue 270,000 shares</p> <p>Aggregate number of shares issued 118,679.85 shares</p>	<p>_____</p>
<p>(5) Number of treasury stocks:</p> <p>The company owns the following number of shares: Common stock: 8.85 shares</p>	<p>_____</p>
<p>(6) Dividend restrictions:</p> <p>The distributable amount of dividend needs to be reduced by ¥6,363 thousand, which equals to the unrealized gain recorded in the shareholders' equity section.</p>	<p>_____</p>

Statements of income

<p>Year ended (January 1, 2005-December 31,2005)</p>	<p>Year ended (January 1, 2006-December 31, 2006)</p>
<p>(1) Transactions with affiliated companies</p> <p>Sales ¥2,214,353 thousand Operating expenses ¥45,384 thousand Dividend income ¥480,000 thousand</p>	<p>(1) Transactions with affiliated companies</p> <p>Sales ¥2,711,503 thousand Dividend income ¥1,065,000 thousand Interest paid ¥4,088 thousand</p>
<p>(2) Main contents of the operating expenses are as follows:</p> <p>Due diligence ¥8,921 thousand Directors' salaries ¥182,847 thousand Wages ¥777,961 thousand Employee bonuses - paid ¥312,110 thousand Employee bonuses - accrued ¥25,000 thousand Professional fees ¥45,759 thousand Meeting and entertainment ¥49,275 thousand Rent ¥142,484 thousand Outsourcing expenses ¥45,384 thousand Depreciation and amortization ¥20,194 thousand</p>	<p>(2) Main contents of the operating expenses are as follows:</p> <p>Due diligence ¥9,829 thousand Directors' salaries ¥186,350 thousand Wages ¥991,824 thousand Employee bonuses - paid ¥432,540 thousand Employee bonuses - accrued ¥42,000 thousand Legal welfare expenses ¥141,707 thousand Professional fees ¥55,610 thousand Meeting and entertainment ¥54,347 thousand Rent ¥189,205 thousand Depreciation and amortization ¥25,158 thousand</p>
<p>(3) Details of gain from sales of fixed assets</p> <p>Vehicle ¥159 thousand</p>	<p>_____</p>
<p>(4) Details of loss on retirement of fixed assets</p> <p>Furniture and fixtures ¥2,015 thousand</p>	<p>(4) Details of loss on retirement of fixed assets</p> <p>Furniture and fixtures ¥482 thousand</p>

Statements of changes in shareholders' equity

Year ended (January 1, 2006 - December 31, 2006)

	Beginning of the year	Number of shares increased	Number of shares decreased	End of the year
Treasury stock (common stock)	8.85 shares	-	8.85 shares	-

Notes Decrease of treasury stock (8.85 shares) was due to retirement.

1. Accounting for leases

Year ended (January 1, 2005-December 31,2005)	Year ended (January 1, 2006-December 31, 2006)
Finance lease transactions other than those, which are deemed to be an ownership transfer of the leased asset to lessees	Finance lease transactions other than those, which are deemed to be an ownership transfer of the leased asset to lessees
Information is omitted due to its immateriality.	Same as on the left

2. Accounting for securities

Year ended (January 1, 2005 - December 31, 2005) N/A

Year ended (January 1, 2006 - December 31, 2006) N/A

3. Income taxes

Year ended (January 1, 2005-December 31,2005)	Year ended (January 1, 2006-December 31, 2006)																																														
<p>(1) Significant components of deferred tax assets and liabilities at December 31, 2005 are as follows:</p> <p><u>Deferred tax assets</u></p> <p>(Current assets)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Enterprise tax</td> <td style="text-align: right;">¥7,054 thousand</td> </tr> <tr> <td>Expenses not deductible for income tax purposes</td> <td style="text-align: right;">¥4,743 thousand</td> </tr> <tr> <td>Amount of employee bonus not allowed for deduction in the current fiscal year</td> <td style="text-align: right;">¥10,175 thousand</td> </tr> <tr> <td>Others</td> <td style="text-align: right;">¥743 thousand</td> </tr> <tr> <td style="border-top: 1px solid black;">Total current deferred tax assets</td> <td style="text-align: right; border-top: 1px solid black;">¥22,716 thousand</td> </tr> </table> <p>(Non-current assets)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Depreciation in excess of tax allowance</td> <td style="text-align: right;">¥295 thousand</td> </tr> <tr> <td>Amount to offset against the deferred tax liability</td> <td style="text-align: right;">¥-295 thousand</td> </tr> <tr> <td style="border-top: 1px solid black;">Total non-current deferred tax assets</td> <td style="text-align: right; 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Earnings per share data

	Year ended (January 1, 2005-December 31,2005)	Year ended (January 1, 2006-December 31, 2006)
Shareholders' equity per share	¥26,303.13	¥35,148.21
Net income per share	¥5,027.37	¥10,000.38
Diluted net income per share	¥4,234.12	¥8,569.46

Items used to calculate earnings per share:

	Year ended (January 1, 2005-December 31,2005)	Year ended (January 1, 2006-December 31, 2006)
Amount of shareholders' equity	-	¥4,268,305 thousand
Amount of deductions	-	¥2,332 thousand
Stock option	-	¥2,332 thousand
Amount of shareholders' equity relevant to common stock	-	¥4,265,973 thousand
Number of common stock at the year ended	-	121,371 shares

Items used to calculate earnings per share and diluted earnings per share:

	Year ended (January 1, 2005-December 31,2005)	Year ended (January 1, 2006-December 31, 2006)
Net income	¥589,009 thousand	¥1,204,641 thousand
Amount not allocable to common shareholders	-	-
Net income available for common stock shareholders	¥589,009 thousand	¥1,204,641 thousand
Number of average shares outstanding during the year	117,160 shares	120,460 shares
Details of net income adjustments included in the calculation of diluted earnings per share	-	-
Details of increased number of shares included in the calculation of diluted earnings per share	Stock option 21,950 shares	Stock option 20,114 shares
Details of anti-dilutive items not included in the calculation of diluted earnings per share	Stock option 600 shares (Authorized as of March 30, 2005)	Stock option 1,290 shares (Authorized as of March 30, 2005)
		Stock option 1,100 shares (Authorized as of March 30, 2006)

Subsequent events

Year ended (January 1, 2005-December 31,2005)	Year ended (January 1, 2006-December 31, 2006)
<p>(Grant of stock options)</p> <p>The board of directors meeting held on February 24, 2006 approved a proposal to obtain an approval to issue stock options at the general shareholders meeting to be held on March 30, 2006. The details of the issuance are as follows:</p> <ol style="list-style-type: none">1. Number and the kind of the shares to be issued 3,000 shares maximum2. Number of stock options to be issued 3,000 options maximum3. Issuance price of stock options None4. Exercise price The exercise price of a share is based on the average price determined using the daily-end price published by the Tokyo Stock Exchange of each transaction day during one month prior to the grant date multiplied by 1.05. Less than one yen function in the price will be rounded up. In case there is no daily-end price available during a day period, an available daily-end price of the nearest prior day will be used. However, if the determined exercise price by the method mentioned is less than the available daily-end price of the day prior to the date of the stock option issuance day, the price will be used as the exercise price.5. Exercise period Board of directors meeting may chose an exercise period from the period between October 1, 2006 and September 30, 2012.6. Terms and conditions for the exercise<ol style="list-style-type: none">① Grantees' heirs cannot exercise options② The board of directors resolution can decide any other conditions or requirements7. Transferability of the stock options A transfer of a stock option requires the board of directors resolution.	

5. Appointment of directors

Change in managing director None

Change in other director 1) Candidate for a statutory auditor

Statutory auditor Kazuo Wakairo (Statutory auditor)

Statutory auditor Koichi Uno (Statutory auditor)

Statutory auditor Osamu Kurihara (Statutory auditor)

※Kazuo Wakairo, Koichi Uno and Osamu Kurihara are considered an outside statutory auditor of the company.

2) Alternate candidate for a statutory auditor

Statutory auditor Yutaka Onda (Oxford Research K.K. Representative director)

※Yutaka Onda is considered an outside statutory auditor of the company.

Date of planned appointment/resignation March 28, 2007