May 29, 2006

Brief Announcement of Business Performance
For the year ended March 31, 2006*
(Consolidated)

Corporate Name:	UNITED ARROWS LTD.
Code Number:	7606
URL:	http://www.united-arrows.co.jp/
Securities Traded	The Tokyo Stock Exchange, First Section
Location of Headquarters:	Tokyo
Contact:	Representative;
	Tetsuya Iwaki, President and COO
	Yuko Sajima,
	Finance and Accounting Group Manager
Telephone:	+81-3-6418-0803
Date of the Board of Directors Meeting for Closing Accounts:	May 29, 2006
Name of Other Related Company:	No
Voting Rights by Other Related Company:	No
Application of US Accounting Standards:	No

*The "Brief Announcement of Business Performance for the Year ended March 31, 2006" is an English translation of the original Japanese. If any doubts arise as to the interpretation of this English version, the Japanese version shall take precedence.

1. Consolidated Business Result of Fiscal year 2006 (from April 1, 2005 to March 31, 2006)

(1)Consolidated Business Performance

Note: A fractional sum less than one million yen is discarded.

	Sales		Operating income		Ordinary income	
	¥ million	%	¥ million	%	¥ million	%
Fiscal 2006 ended March	53,813	(-)	7,663	(-)	7,639	(-)
Fiscal 2005 ended March	-	(-)	-	(-)	-	(-)

	Net income		Net income per share	Net income per share after adjusting dilutive shares	Return on equity	Ratio of ordinary income to capital	Ratio of ordinary income to sales
	¥ million	%	yen	yen	%	%	%
Fiscal 2006 ended March	4,076	(-)	183.99	181.40	28.0	21.6	14.2
Fiscal 2005 ended March	-	(-)	-	-		-	-

Notes: 1. Gains and losses on investment by equity method

Fiscal 2006 ended March ¥ -million,

Fiscal 2005 ended March ¥ -million

2. The average number of shares during the fiscal period (Consolidated)

Fiscal 2006 ended March 21,720,084 shares,

Fiscal 2005 ended March ¥ -million

3. Change of accounting method none

4. % in columns of sales, operating income, ordinary income, and net income indicates increase/decrease compared with the previous period.

5. As a consolidated financial statement is used from FY 2006. That of FY 2005 and increase/decrease compared with the previous period is not contained.

(2) Consolidated Financial Situation

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	¥ million	¥ million	%	yen
Fiscal 2006 ended March	35,334	14,565	41.2	702.65
Fiscal 2005 ended March	-	-	-	-

Notes: 1. The total number of stocks issued at the end of the fiscal period (Consolidated)

Fiscal 2006 ended March 20,614,546 shares, Fiscal 2005 ended March - shares

2. As Consolidated financial statement is used from FY2006. FY2005 and Increase/decrease compared with the previous period are not contained.

(3) Consolidated Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	¥ million	¥ million	¥ million	¥ million
Fiscal 2006 ended March	6,596	-3,423	648	7,650
Fiscal 2005 ended March	-	-	-	-

Notes: 1. As Consolidated financial statement is used from FY 2006. That of FY 2005 and increase/decrease compared with the previous period is not contained.

(4) Scope of consolidation and application of equity method: 1

Number of consolidated subsidiaries: 1

Number of non-consolidated subsidiaries accounted for by the equity method: none

Number of associated companies accounted for by the equity method: none

(5) Changes in scope of consolidation and application of equity method:

Number of companies newly consolidated: 1

Number of companies excluded from consolidation: none

Number of companies newly accounted for by the equity method: none

Number of companies excluded from the equity method of accounting: none

2. Projection for the performance of Fiscal 2007 ending March (from April 1, 2006 to March 31, 2007)

	Sales	Ordinary income	Net income
	¥ million	¥ million	¥ million
Interim	26,782	2,385	1,125
Full fiscal year	60,845	7,910	4,214

Reference: Projected net income per share (in the full fiscal year): 100.45 yen

* A share of the common stock was divided into 2 shares effective on April 1, 2006.

* The projected net income per share was calculated in consideration of the number of shares issued after stock options are exercised.

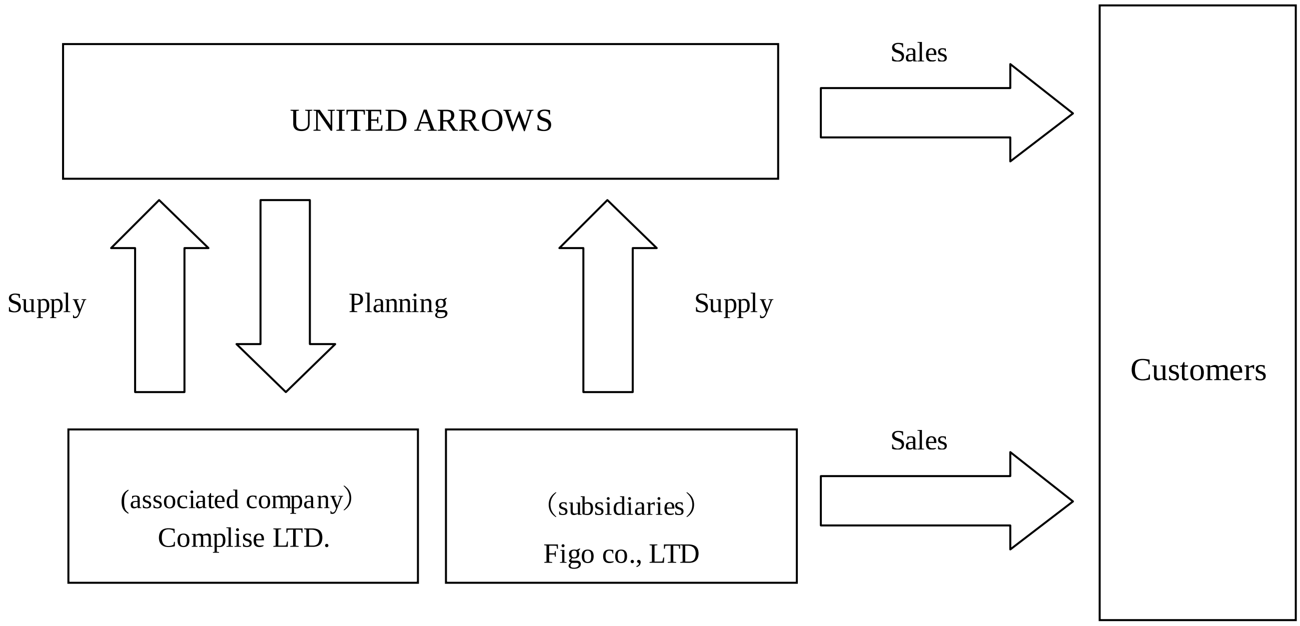
* The above projection was made based on the information available at the present moment. Please note in advance that potential risks and uncertainties are included. The actual figures might differ from the above due to any possible factors. Please refer to the attached documents starting from next page for the preconditions and further information for the above projection.

Ⅰ. Status of the corporate group

The corporate group is composed of the following three companies: the company, subsidiaries (Figo Co., LTD.), and associated company (Complise LTD.). Our main businesses are planning and sales of Men's and Women's apparel and related goods.

Status of Consolidated entity

Name	Address	Capital stock	Main products	Ratio of total shares issued and outstanding (%)	engagement
(subsidiaries) Figo Co., LTD.	Minato-ku, Tokyo	40	Import, wholesales and sales of Italian -made bags	100.0%	4 interlocking directors
(associated company) Complise LTD.	Shibuya-ku, Tokyo	10	Production, sales, Im /Export of apparel and miscellaneous	50.0%	4 interlocking directors



Ⅱ. Management Policy

1. Basic policy of management

At the time when this company was established in October 1989, we declared our “resolution” as follows:

“We aim to contribute to society by improving living standards, culture and society through the development of products and the environment.” This reflects not only our business purposes, but also our strong will to continue to establish and pursue a proper sense of value that would serve as a model for Japanese lifestyle and culture through our business.

Under such resolution, we set our goal in “creating five kinds of value”, : “the value for customers”, “the value for the employees”, “the value for trading partners”, “the value for the community”, and “the value for the shareholders”, and we intend to be a company that continues to create the value to stakeholders, shareholders and the community, all of which are related to us.

We make all-out efforts to create these 5 values, and at the same time we as a public institution intend to contribute to improving Japanese lifestyle and culture.

2. Basic policy concerning profit sharing

As for basic policy concerning profit sharing, recognizing that maximizing the value for the shareholders is a matter of a great importance for the management, we intend to return profits to our shareholders by such means as increased dividend payments and stock splits. We also have an intention to enhance our reputation on the stock market and increase our market capitalization to the greatest extent in order to increase the value for the shareholders.

In addition, considering the status of the business environment and the achievement, we will pay careful attention to the balance between the investment for development of new stores as well as the capital expenditures for growing business in future and the retained earnings required, and we will also improve the profit distribution to our shareholders keeping the profit level and the dividend ratio in mind.

Under this policy, the year-end dividend will be 15 yen per share (increased by 3 yen compared with initial plan), 20 yen of annual dividend (increased by 4 yen compared with the previous fiscal year), taking into account our performance and dividend ratio at this consolidated fiscal year.

3. Mid- and long-term management strategy

Our basic business strategy consists of the following three factors:

① Multi-business-centered strategy with UNITED ARROWS business chain at its core

② Strategy of restricting the number of stores per business chain in order to maintain the royalty held by each store high

③ Long-term strategy to expand the size of stores in order to maximize the sales of each store

The above strategies are aimed at operating different types of business of high royalty through limiting the number of stores, centering on “UNITED ARROWS”, our current main business, and at the same time to maximize the sales of each store by expanding its sales floor space respectively.

In addition, we aim to cover all “from downstream range to upstream range” concurrently with higher dimension as mid-term goals, which will include 1) “customer service and sales”, 2) “purchase of merchandises (selection of merchandises)”, and 3) “product planning (creation of merchandises)”. This is what we call the “Super SPA” (*)

concept.

Setting forward to these basic strategies across UNITED ARROWS group, we have an intention to grow a “high value-added, multi-business-centered, innovative retailer” by developing the above strategies. We will also strive to achieve the sales of more than100 billion yen for the fiscal year of ending March, 2011, and the ratio of Ordinary income to sales of 15% or more, as a mid-term management indicator.

*SPA = Specialty store retailer of Private label Apparel, which means a retail business with integrated management including original product planning, logistics, and sales.

Ⅲ. Operating Results and Financial Condition

1. Overview of business performance at this fiscal year (Consolidated)

In this fiscal year, for the consolidated statements, despite concerns regarding the overseas market arising from the oil price hovering at a high level, the economy remained on a favorable trend owing to active investment in the private sector; there was also a positive effect from an upturn in employment.

Also, a relatively positive mood governed our clothing retailing industry with fresh consumer demand stimulated by “COOL BIZ” and “WARM BIZ” led by the government; this mood was also supported by individual consumer sentiment staying favorable.

Under these circumstances the company took several initiatives aiming at qualitative improvement in each area of “Merchandising” ”Sales” and “Management” in addition to the structural renovation on which the company had been working in order to realize the “Super SPA”concept.

Firstly, in the area of “Merchandising”, to synchronize procurement activities with “Peak of consumer demands moves,” a system was built to enable fine tuning of operations dividing the one-year selling term into six terms to refine the examination of the progress of our own operations on that basis.

Secondly, in the area of “Sales,” the House-Card system was introduced to UA business chain and Small Business Units (hereinafter, S.B.U.) as a tool to further enhance customer service.

Thirdly, in the area of “Management,” the following measures have been taken in order to improve profitability levels.

(1) Aiming at “further improvement of gross profit margin ” various cost reduction measures are reviewed and put into effect using the “Product Control Division” as the core of the drive, which was newly established to strengthen production, technology, procurement and quality control.

(2) To promote the introduction of “the optimization of the inventory level” in GLR business Weekly MD (Weekly planning and progress control of sales, procurement and inventory)

(3) All employees were asked to voluntarily send in a cost-cutting idea and each submitted idea was put into effect to promote “the reduction effort of operating expences,” in other words “advancement of cost-consciousness” throughout the company.

The Performance of the company and group companies were as follows:

■UNITED ARROWS

UNITED ARROWS (UA) business chain

UA business chain has 23 stores. The sale was 29,775 million yen increased 5.5% year-on-year.

The details for store openings are as follows;

Increased sales floor area

"UNITED ARROWS SHIBUYA KOEN-DORI" (Shibuya-ku, Tokyo in June 2005)

"UNITED ARROWS YOKOHAMA" (Nishi-ku, Yokohama-shi, in September 2005)

Store renovation

"UNITED ARROWS IKEBUKURO" (Toshima-ku, Tokyo in September 2005)

"THE SOVEREIGN HOUSE" and "District UNITED ARROWS" became label image stores. We will manage these stores to improve the image of our original brand "SOVERIGN" and "DISTRICT".

Green Label Relaxing (GLR) business chain

Green Label Relaxing business chain had 27 stores at the end of FY 2006. The sale was 10,072 million yen increased 22.0% compared with the previous fiscal year.

The details for store openings are as follows;

New open

"Green Label Relaxing okayama" (Okayama- shi, Okayama in September 2005)

"Green Label Relaxing chiba" (chiba- shi, Chiba in October 2005)

"Green Label Relaxing Minatomirai" (Nishi- ku, Yokohama-shi in March 2006)

Increased sales floor area

"Green Label Relaxing nagoya" (Nagoya- shi, Aichi in September 2005)

Store renovation

"Green Label Relaxing funabashi" (Funabashi- shi, Chiba in September 2005)

"Green Label Relaxing Machida" (Machida- shi, Tokyo in March 2006)

"FACADE GREEN green label relaxing" targeting for working women and "ODONATA green label relaxing" targeting for business person started as new type stores in GLR business chain.

The details for store openings are as follows;

"FACADE GREEN Green Label Relaxing Matsuya Ginza " (Chuo- ku, Tokyo in March 2006)

"FACADE GREEN Green Label Relaxing Daimaru Umeda " (Kita- ku, Osaka-shi in March 2006)

"ODONATA GREEN Green Label Relaxing Daimaru Umeda " (Kita- ku, Osaka-shi in March 2006)

CHROME HEARTS (CH) business chain

CH keeps 3 stores (No store opening, renewal etc. in fiscal year 2006), moved well with the sale 3,099 million yen increased 17.4% compared with previous year. Increase in visibility of existing CH TOKYO store, CH OSAKA store and renewed CH HARAJUKU store, and enforcing the range of product lineup of silver and leather apparel contributed the increase of number of customers.

Small Business Units (S.B.U.) and UA labs

(S.B.U. means small business units targeting an increasing the number of stores for future growth)

S.B.U. and UA labs had 6 businesses, 24 stores at the end of FY 2006. Total sales are 5,130 million yen increased 51.3% compared with previous fiscal year.

Performance of each business is as follows;

Changes UNITED ARROWS business

Changes UNITED ARROWS opened the new shop “Jewel Changes” (in Shinjuku-ku, Tokyo) full of original merchandise and had 3 stores at the end of FY2006.

Odette é Odile UNITED ARROWS business

Odette é Odile UNITED ARROWS moved well and had 6 stores at the end of FY2006.

Details for store openings are as follows;

New stores

・ “Odette é Odile UNITED ARROWS yokohama (Yokohama-shi, Kanagawa in September, 2005)
・ “Odette é Odile UNITED ARROWS nihonbashi (Chuo-ku, Tokyo in October, 2005)
・ “Odette é Odile UNITED ARROWS tachikawa (Tachikawa-shi, Tokyo in March, 2006)

Increased sales floor area

・ “Odette é Odile UNITED ARROWS shinjuku (Shinjuku-ku, Tokyo in September, 2005)

DARJEELING DAYS business

DAJEELING DAYS started in previous term , had 4 stores at the end of FY2006.

Details for new store openings are as follows;

・“DARJEELING DAYS MARUNOUCHI” (Chiyoda-ku,Tokyo in June, 2005)
・“DARJEELING DAYS UMEDA HANSHIN” (Kita-ku,Osaka in March, 2006)

TOKSHIRAZU business (UA lab)

TOKISHIRAZU business enlarged DAIKANYAMA store in August, 2005 increased the category of merchandise, aimed the expansion of sales occasions.

■ UNITED ARROWS group

Figo Co. LTD.

Figo Co. Ltd., which primarily engages in the import, wholesale and retail sales of Italian-made bags and other items, joined the UA group in November 2005 and has been aiming at growth and expansion with the synergistic effects well documented within the reporting company.

Figo Co. Ltd. deals in high-quality, high-price items with Felisi brand bags as the primary product, in addition to other small articles and Corthay brand shoes. In this term, the company responded to customers in a carefully thought out and refined approach such as holding exhibitions and individual ordering parties for each of the abovementioned brands.

In consequence, the company total sales of this term reached 53,813 million yen, the operating income of 7,663 million yen, the ordinary income of 7,639 million yen and the net income of 4,076 million yen.

２. Condition of Cash Flows for this fiscal year (Consolidated)

(In million of yen, %)

	Year ended March 2006
Cash flows from operating activities	6,596
Cash flows from investing activities	-3,423
Cash flows from financing activities	648
Increase in cash and cash equivalents	3,822
Cash and cash equivalents at end of the year	7,650

Cash and cash equivalents (hereinafter referred to as "Cash") in this fiscal year was 7,650 million yen at the end of this fiscal period. The cash flows for this fiscal year were as follows:

* As a consolidated financial statement is used from FY2006, Increase/decrease compared with the previous period are not contained.

(Cash flows from operating activities)

Cash gained from operating activities in this year was 6,596 million yen. It was mainly due to the gain on the net income before taxes of 7,075 million yen, depreciation expense of tangible fixed assets of 565 million yen, and an increase of 1,803 million yen in accounts payable, despite increase of 540 million yen in inventories and 2,802 million yen of payment of income taxes.

(Cash flows from investing activities)

Cash used for investing activities in this year was 3,423million yen. This was largely attributable to 941 million yen in Purchase of tangible fixed assets accompanying new store openings and store renovations etc., Purchase of intangible fixed assets of 215 million yen and Investment in affiliated company with changes in scope of consolidation of 1,740 million yen.

(Cash flows from financing activities)

Cash gained from financing activities in this year was 648 million yen. This was attribute to 1,975 million yen of Increase in short-term borrowings, 7,975 million yen of proceeds from long-term dept despite of 8,077 million yen of Purchase of treasury stocks and 352 million yen of Dividends paid.

The indicators of our cash flows are as follows:

	This Consolidated Fiscal Year
Shareholders' equity ratio (%)	41.2
Shareholders' equity ratio at market value (%)	216.7
Debt redemption period (number of years)	1.5
Interest coverage ratio	473.0

Notes: Ratio of shareholders' equity = Shareholders' equity / Total assets

Ratio of shareholders' equity at market value = Total amount of shares at market value / Total assets

Debt redemption period = Interest-bearing liabilities Cash flows from operating activities

Interest coverage ratio = Cash flows from operating activities / Interest payment

1. Each indicator was calculated based on financial figures on a non-consolidated basis.
2. The total amount of shares at market value was calculated by multiplying the final share price at the end of the fiscal year by the total number of shares issued at the end of the fiscal year.
3. Cash flows from operating activities mean the cash flows from operating activities recorded on statements of cash flows. The interest-bearing liabilities mean the total interest-bearing liabilities recorded on a balance sheet. The interest payment means the amount of payment for interest recorded on a cash flow statement.

3. Challenges for the company and the outlook for the next term

Along with the recovery of the domestic economy, optimism can be felt regarding the future of clothing retail business as the status of employment and individual income improves, boosting consumer confidence.

However, as customers' taste and sense of value diversify and their "adherence" to particular goods gets stronger every year, the business environment will become so severe that companies which fail to meet the needs of customers by a pin-point basis will be forced to withdraw from the market.

Under these circumstances, we, as a company, not only continue to improve the quality of "Merchandise", "Sales" and "Management" from every aspect but also address the drastic measures needed for middle- and long-term growth and expansion of the company.

In the UA business chain, which is our main business, focusing on re-branding (restructuring of store brands), operations will be developed by splitting store brands into two more clearly redefined brands in order to meet customer needs more accurately and precisely.

"UNITED ARROWS"

A full line-up store that is focused on stylish clothes contributing to the lifestyle needs of both adult male and female customers with the keywords "Richness, High Quality, and High Class."

"Beauty and Youth UNITED ARROWS"

Targeting young men and women customers, centering upon "sports (casual) products representing the sense of the times", this store offers a full line of products ranging from casual dresses to sundry goods for quality living.

In the GLR business chain, newly designed stores "FACADE GREEN and "ODONATA" will be promoted and the number of stores will be increased; this in addition to aiming at an increase in sales on an aggregate basis throughout the business.

Furthermore, Odette é Odile business, which has been recording more prominent growth than other business, will further accelerate store openings and will actively continue to develop its business expansion.

From the management aspect, concepts of “Promotion of Weekly MD (merchandizing)”, “Strengthening the development capability of company-own projects”, “Sales increases through increased store operation efficiency” have been positioned as important tasks to be tackled by the company as a whole to which all business units positively link their operation to set up the basis for future sustainable company growth.

Figo Co., Ltd., a consolidated subsidiary, will stay fully aware of continuously changing consumers’ taste and will set up a structure to keep abreast of such changes through timely merchandizing efforts. Furthermore, this unit will keep developing clients and business contacts such as department stores and local retailers in an attempt to increase the scale of sales.

Under such condition, we estimate for the full business year sales of 60,845 million yen, ordinary income of 7,910 million yen, and net income of 4,214 million yen.

As a consolidated financial statement is used from FY2006, Increase/decrease compared with the previous period is not contained.

As to Dividend, based on basic policy concerning profit sharing, we plan to distribute annual dividend of 10 yen per share consisting of interim dividend of 3 yen per share and year-end dividend of 7 yen per share.

4. Risk exposure of business operations

Included in items discussed in the sections of the status of business operations and financial information, those items that may affect investors’ judgment are as follows:
(Items that relate to the future are based on the judgment made as of the consolidated fiscal year-end.)

1) The changes in fashion trends regarding clothing, the sales slump caused by unseasonable weather and the occurrence of sudden changes in foreign exchange rates for import purchasing, may adversely affect operating results
2) Although we are endeavoring to strengthen in-house compliance practices, if information leakage occurs relative to such item as customer names hurting the image of a brand, there is a possibility that operating results will be adversely affected.
3) We operate three “Only Shop” (exclusively selling) CHROME HEARTS products in the domestic market (Aoyama, Harajuku and Osaka) per licensing contract with CHROME HEARTS of the U.S. This product, being susceptible to changes in users’ taste, may affect operating results in the future. Also, the changes in operating policy, financial status, or difference of opinions between the parties concerned may possibly necessitate changes to the terms and conditions of the contract or, in the worst case, to cancel the contract adversely affecting the operating results.

   For reference, sales recorded on silver ornaments and leather products from this company for the term ended in March 2006 were 4,111million yen (7.8% of total sales amount).

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(In thousand of yen)

	The 17th Term (As of March 31, 2006)		
	Amount		%
Assets:			
I Current assets			
1. Cash and cash equivalents		7,752	
2. Notes and accounts receivable-trade		255	
3. Inventories		10,959	
4. Notes and accounts receivable-other		3,494	
5. Deferred tax assets		577	
6. Other		341	
7. Allowance for doubtful accounts		(2)	
Total current assets		23,348	66.2
II Fixed assets			
1. Tangible fixed assets			
(1) Buildings and Structures	5,463		
Accumulated depreciation	1,695	3,768	
(2) Lands		1,082	
(3) Construction in progress		5	
(4) Other	1,234		
Accumulated depreciation	706	528	
Total tangible fixed assets		5,384	15.2
2. Intangible fixed assets			
(1) Consolidated adjustment account		1,435	
(2) Other		589	
Total intangible fixed assets		2,025	5.7
3. Investments and other assets			
(1) Long-term lease deposits		3,972	
(2) Deferred tax assets		87	
(3) Other		486	
Total investments and other assets		4,546	12.9
Total fixed assets		11,956	33.8
Total assets		35,334	100.0

	(In thousand of yen)	
	The 17th Term (As of March 31, 2006)	
	Amount	%
Liabilities:		
I Current liabilities		
1. Notes and accounts payable	5,480	
2. Current portion of bonds	10	
3. Short-term borrowings	2,010	
4. Current portion of long-term debt	3,194	
5. Notes and accounts payable-other	2,019	
6. Income taxes payable	1,860	
7. Accrued bonus	479	
8. Provision for loss on guarantees	130	
9. Other	397	
Total current liabilities	15,582	44.1
Ⅱ Long-term liabilities		
1. Corporate bond	10	
2. Long-term borrowings	4,959	
3. Accrued retirement benefits for directors	143	
4. Other	74	
Total long-term liabilities	5,187	14.7
Total liabilities	20,769	58.8
Shareholders' equity:		
Ⅰ Commonstock, no par value	3,030	8.6
Ⅱ Capital surplus	4,095	11.6
Ⅲ Retained eanings	17,777	50.3
Ⅳ Treasury stock	(10,337)	(29.3)
Total shareholders' equity	14,565	41.2
Total Liabilities and shareholders' equity	35,334	100.0

(2) Consolidated Statement of Income

(In thousand of yen)

	The 17th Term (From April 1, 2005 to March 31, 2006)		
	Amount		%
Ⅰ Sales		51,813	100.0
Ⅱ Cost of sales		24,794	46.1
Gross profit		29,018	53.9
Ⅲ Operating expenses		21,355	39.7
Operating income		7,663	14.2
Ⅳ Other income			
1. Interest income	0		
2. Lease income	117		
3. Other	87	205	0.4
Ⅴ Other expenses			
1. Interest expense	21		
2. Lease expenses	112		
3. Donation	64		
4. Other	31	229	0.4
Ordinary income		7,639	14.2
Ⅵ Extraordinary income			
1. Gain on sales of investment securities	7		
2. Reversal of allowance for doubtful accounts	2	10	0.0
Ⅶ Extraordinary losses			
1. Loss on sale and disposal of fixed assets	254		
2. Provision for loss on guarantees	130		
3. Loss from the prior-term adjustment	156		
4. Other	32	573	1.1
Net income before taxes		7,075	13.1
Income taxes – Current *	3,084		
Income taxes – Deferred	(85)	2,998	5.5
Net income		4,076	7.6

* Income takes - Current consists of corporate income tax (national), enterprise tax (local), and resident income takes (local).

(3) Consolidated Statements of Capital surplus retained earnings

	The 17th Term (From April 1, 2005 to March 31, 2006)	
	Amount	
Capital Surplus:		
Ⅰ Capital Surplus, Beginning of period		4,095
Ⅱ Capital Surplus, End of period		4,095
Retained Earnings:		
Ⅰ Retained Earnings, Beginning of Period		14,234
Ⅱ Increase in Retained Earnings:		
1. Net income	4,076	4,076
Ⅲ Decrease in Retained Earnings:		
1. Cash dividends	352	
2. Bonuses to directors	69	
3. Loss on disposal of treasury stock	111	533
Ⅳ Retained Earnings, End of Period		17,777

(4) Consolidated Statements of Cash Flows

(In thousand of yen)

	The 17th Term (From Apr. 1, 2005 to Mar. 31, 2006)
	Amount
Ⅰ Cash flows from operating activities	
Income before income taxes	7,075
Depreciation	565
Amortization of intangible fixed assets	114
Amortization of long-term prepaid expenses	80
Amortization of consolidated adjustment account	159
Increase in accrued bonuses	0
Increase in accrued retirement benefits for directors	12
Increase in allowance for doubtful accounts	1
Increase in provision for loss on guarantees	130
Interest and dividend income	(0)
Interest expenses	21
Exchange gain	(1)
Gain on sale of securities	(7)
Impairment of stock of affiliated company	5
Loss on disposal of tangible fixed assets	161
Loss on disposal of long-term prepaid expenses	26
Increase in accounts receivable	(311)
Increase in inventories	(540)
Decrease in other current assets	3
Increase in accounts payable	1,803
Increase in other current liabilities	226
Decrease in other long-term liabilities	(46)
Bonuses to directors	(69)
Subtotal	9,411
Interest and dividend income	0
Payment of interest	(13)
Payment of income taxes	(2,802)
Net cash from operating activities	6,596
Ⅱ Cash flows from investing activities	
Transfer to time deposits	(9)
Investment in affiliated company with changes in scope of consolidation	(1,740)
Proceeds from loans receivable in affiliates	75
Proceeds from long-term loans receivable	117
Proceeds from sale of securities	25
Payments for purchases of investment in securities	(0)
Purchase of tangible fixed assets	(941)
Purchase of intangible fixed assets	(215)
Purchase of long-term prepaid expense	(191)
Guarantee deposits paid	(539)
Decrease in other investment	(3)
Net cash from (used in) investing activities	(3,423)

Ⅲ Cash flows from financing activities	
Increase in short-term borrowings	1,975
Proceeds from long-term debt	7,950
Payments for repayment of long-term debt	(1,017)
Redemption of bonds	(5)
Purchase of treasury stocks	(8,077)
Exercise of stock options	175
Dividends paid	(352)
Net cash used in financing activities	648
Ⅳ Effect of exchange rate changes on cash and cash equivalents	1
Ⅴ Net increase / (decrease) in cash and cash equivalents	3,822
Ⅵ Cash and cash equivalents at beginning of the year	3,827
Ⅶ Cash and cash equivalents at end of the year	7,650