

Fiscal 2006 Interim Results

(For the Period from January 1, 2006, to June 30, 2006)

Yamazaki Baking Co., Ltd.

(August 2, 2006)

1. Overview

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change
	interim	Percentage of total	interim	Percentage of total		
Net sales	369,734	100.0	368,055	100.0	1,678	0.5
Operating income	10,045	2.7	9,341	2.5	703	7.5
Ordinary income	10,385	2.8	10,340	2.8	44	0.4
Net income	2,251	0.6	5,166	1.4	(2,914)	(56.4)

	First quarter	Second quarter
Net sales	179,781	189,953
Operating income	3,919	6,125

	Fiscal 2006 interim	Fiscal 2005 interim	Increase/ (decrease)
Number of consolidated subsidiaries	15	14	1
Number of equity-method subsidiaries	0	0	0

2. Income and Expenses

(1) Operating Income and Expenses

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change	Reasons
	interim	Percentage of total	interim	Percentage of total			
Gross profit	132,233	35.8	131,079	35.6	1,154	0.9	
Selling, general and administrative expenses	122,188	33.1	121,737	33.1	450	0.4	
Advertising expenses	12,078		12,265		(187)	(1.5)	
Shipping and transport expenses	19,405		17,760		1,645	9.3	Increase in subcontracted freight charges
Provision for allowance for doubtful accounts	96		-		96	-	
Personnel expenses	54,211		55,009		(797)	(1.5)	Decrease in retirement benefit expenses
Depreciation and amortization	3,963		4,125		(161)	(3.9)	
Rental fees	12,395		12,685		(289)	(2.3)	
Others	20,036		19,891		144	0.7	
Operating income	10,045	2.7	9,341	2.5	703	7.5	

Consolidated Results

(2) Ordinary Income and Expenses

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change	Reasons
	interim	Percentage of total	interim	Percentage of total			
Nonoperating income	1,461	0.4	1,790	0.5	(329)	(18.4)	
Interest and dividend income	457		367		90	24.6	
Other nonoperating income	1,004		1,088		(84)	(7.7)	
Foreign Exchange gains	-		335		(335)	-	Loans to affiliated companies
Nonoperating expenses	1,121	0.3	791	0.2	329	41.7	
Interest expense	564		504		59	11.8	
Other nonoperating expenses	408		287		120	42.1	
Foreign Exchange losses	149		-		149	-	Loans to affiliated companies
Ordinary income	10,385	2.8	10,340	2.8	44	0.4	

(3) Net Income

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change	Reasons
	interim	Percentage of total	interim	Percentage of total			
Extraordinary gains	313	0.1	1,581	0.4	(1,268)	(80.2)	
Gain on sales of fixed assets	13		19		(5)	(30.7)	
Reversal of allowance for doubtful accounts	300		3		296	7,609.2	
Gain on sales of investment securities	-		914		(914)	-	
Gain on return of entrusted government portion of national pension fund	-		643		(643)	-	
Extraordinary losses	4,366	1.2	2,035	0.5	2,331	114.6	
Loss on sales and disposal of fixed assets	798		740		58	7.9	
Loss on store closures	161		298		(137)	(46.0)	
Impairment loss	3,247		-		3,247	-	
Loss on revaluation of investment securities	7		10		(2)	(20.5)	
Expenses related to early retirement program	54		826		(771)	(93.4)	
Provision for allowance for losses from acceptances and guarantees	60		-		60	-	
Other extraordinary losses	36		159		(123)	(77.2)	
Income before income taxes	6,332	1.7	9,887	2.7	(3,554)	(36.0)	
Income and other taxes	4,008	1.1	4,602	1.3	(593)	(12.9)	
Minority interests	72	0.0	118	0.0	(45)	(38.7)	
Net income	2,251	0.6	5,166	1.4	(2,914)	(56.4)	

3. Segment Information

(1) Net Sales by Segment

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change
	interim	Percentage of total	interim	Percentage of total		
Food business	341,854	92.5	339,219	92.2	2,635	0.8
Bread	45,377	12.3	45,684	12.4	(307)	(0.7)
Sweet buns	142,952	38.7	142,295	38.7	656	0.5
Japanese-style confectionery	31,061	8.4	31,290	8.5	(229)	(0.7)
Western-style confectionery	38,621	10.5	36,569	9.9	2,052	5.6
Processed bread and prepared rice and side dishes	47,057	12.7	46,343	12.6	713	1.5
Biscuits, crackers, <i>sembei</i> and other merchandise	36,783	9.9	37,035	10.1	(251)	(0.7)
Retail business	27,318	7.4	28,196	7.6	(878)	(3.1)
Other businesses	561	0.1	639	0.2	(77)	(12.1)
Net sales	369,734	100.0	368,055	100.0	1,678	0.5

(2) Operating Income by Segment

(Millions of yen)

	Fiscal 2006 interim	Fiscal 2005 interim	Increase/ (decrease)	Percentage change
Food business	9,881	9,829	52	0.5
Retail business	(129)	(692)	563	-
Other businesses	87	62	24	39.7
Subtotal	9,840	9,199	640	7.0
Elimination and corporate	205	142	63	
Operating income	10,045	9,341	703	7.5

(3) Number of Employees by Segment

(Number of employees)

	Fiscal 2006 interim		Fiscal 2005 interim		Increase/(decrease)	
Food business	20,456	[16,708]	20,657	[17,161]	(201)	[(453)]
Retail business	758	[299]	769	[334]	(11)	[(35)]
Other businesses	59	[28]	62	[28]	(3)	[(0)]
Total	21,273	[17,035]	21,488	[17,523]	(215)	[(488)]

Note: Figures given are for the total number of employees as of the end of each period. Figures in brackets, [], are the average number of temporary employees for each period, which are in addition to the number of permanent employees shown in the left-hand column.

4. Consolidated Balance Sheets (Including Reasons for Major Changes)

(Millions of yen)

	Fiscal 2006 interim	Fiscal 2005 interim	Increase/ (decrease)	Reasons
Current assets	140,805	132,181	8,623	
Cash and deposits	60,113	54,679	5,434	Increase resulting from new loans
Notes and accounts receivable	53,323	51,619	1,704	Increase resulting from a rise in sales to supermarkets
Marketable securities	1,442	1,092	350	
Inventories	12,781	12,298	483	
Deferred tax assets	2,047	2,116	(68)	
Other current assets	12,274	11,467	807	
Allowance for doubtful accounts	(1,178)	(1,090)	(87)	
Fixed assets	359,618	354,062	5,556	
Tangible fixed assets	243,701	245,339	(1,638)	Capital investment: ¥10.7 billion/ Depreciation and amortization: ¥11.8 billion
Buildings and structures	80,995	82,337	(1,342)	
Machinery, equipment and vehicles	66,867	66,108	758	
Tools, furniture and fixtures	4,813	4,992	(178)	
Land	90,414	91,303	(889)	
Construction in progress	611	597	14	
Intangible fixed assets	5,331	5,564	(233)	
Investments and other assets	110,585	103,157	7,428	
Investment securities	45,043	36,770	8,272	Increase in difference between market value and appraised value of other investment securities: ¥6.9 billion
Long-term loans receivable	1,644	2,385	(741)	
Deferred tax assets	25,069	27,987	(2,917)	Decrease in applicable amount for tax benefit accounting
Other investments and other assets	41,931	39,461	2,469	Increase in long-term deposits
Allowance for doubtful accounts	(3,103)	(3,447)	344	
Total assets	500,424	486,243	14,180	
Current liabilities	164,087	164,923	(836)	
Notes and accounts payable	57,830	57,890	(59)	
Short-term loans payable	52,622	50,764	1,857	Increase in current portion of long-term debt: ¥1.5 billion
Accrued income tax	4,448	4,667	(218)	
Accrued expenses	26,271	25,937	334	
Allowance for employees' bonuses	2,893	2,960	(67)	
Other current liabilities	20,021	22,703	(2,682)	Decrease in notes payable construction: ¥1.6 billion
Long-term liabilities	125,473	115,007	10,465	
Long-term loans payable	32,610	23,335	9,274	Increase resulting from new loans
Allowance for employees' retirement benefits	80,289	80,889	(599)	
Reserve for loss on guarantees	6,922	6,062	860	
Other long-term liabilities	5,651	4,720	930	
Total liabilities	289,560	279,931	9,629	
Minority interests	-	3,277	-	
Total stockholders' equity	-	203,035	-	
Total liabilities, minority interests and stockholders' equity	-	486,243	-	
Total net assets	210,863	-	-	Minority interests: ¥3.3 billion
Total liabilities and net assets	500,424	-	-	

5. Capital Investment and Depreciation and Amortization (Millions of yen)

	Fiscal 2006 interim	Fiscal 2005 interim	Increase/ (decrease)
Capital investment	10,688	11,193	(504)
Depreciation and amortization	11,802	11,812	(9)

6. Interest-bearing Debt (Millions of yen)

	Fiscal 2006 interim	Fiscal 2005 interim	Increase/ (decrease)	Reasons
Interest-bearing debt	90,366	79,205	11,160	Increase resulting from new loans

7. Cash Flows (Millions of yen)

	Fiscal 2006 interim	Fiscal 2005 interim	Increase/ (decrease)	Reasons
Net cash provided by operating activities	24,415	24,753	(337)	
Net cash used in investing activities	(13,454)	(17,562)	4,107	Decrease in capital investment
Net cash used in financing activities	(4,210)	(5,455)	1,245	Decrease in agreed repayments of loans
Cash and cash equivalents at beginning of period	50,208	49,052	1,155	
Cash and cash equivalents at end of period	56,999	50,761	6,238	

8. Number of Daily Yamazaki and Vie de France Stores

(1) Daily Yamazaki Co., Ltd. (Number of stores)

	Fiscal 2006 interim	Fiscal 2005 interim	Increase/ (decrease)
Total Daily Yamazaki	1,767	1,893	(126)
[Yamazaki Daily Store]	[308]	[443]	[(135)]
[Directly operated]	[263]	[277]	[(14)]

Notes: 1. All "Directly operated" are Daily Yamazaki stores.

2. Figures in brackets, [], represent partial breakdown of total.

(2) Vie de France Co., Ltd. (Number of stores)

	Fiscal 2006 interim	Fiscal 2005 interim	Increase/ (decrease)
Vie de France	182	168	14
[Directly operated]	[150]	[144]	[6]

Note: Figures in brackets, [], represent partial breakdown of total.

Full-Term Projections for Fiscal 2006

Consolidated Results

1. Overview

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change
	projection	Percentage of total		Percentage of total		
Net sales	751,000	100.0	737,530	100.0	13,469	1.8
Gross profit	269,350	35.9	259,803	35.2	9,547	3.7
Selling, general and administrative expenses	250,850	33.4	245,639	33.3	5,210	2.1
Operating income	18,500	2.5	14,164	1.9	4,335	30.6
Ordinary income	19,300	2.6	15,845	2.1	3,454	21.8
Extraordinary loss	(7,280)	(1.0)	(1,351)	(0.2)	(5,928)	(438.8)
Net income	6,200	0.8	6,198	0.8	1	0.0

	Fiscal 2006 first half			Fiscal 2006 second half		
		Increase/(decrease)	Percentage change	projection	Increase/(decrease)	Percentage change
Net sales	369,734	1,678	0.5	381,265	11,791	3.2
Operating income	10,045	703	7.5	8,454	3,632	75.3
Ordinary income	10,385	44	0.4	8,914	3,410	62.0
Net income	2,251	(2,914)	(56.4)	3,948	2,916	282.6

2. Net Sales by Segment

(Millions of yen)

	Fiscal 2006 projection	Fiscal 2005	Increase/ (decrease)	Percentage change
Food business	693,860	678,227	15,632	2.3
Bread	88,370	87,962	407	0.5
Sweet buns	278,450	275,592	2,857	1.0
Japanese-style confectionery	65,180	65,132	47	0.1
Western-style confectionery	77,070	73,292	3,777	5.2
Processed bread and prepared rice and side dishes	99,050	99,034	15	0.0
Biscuits, crackers, <i>sembei</i> and other merchandise	85,740	77,212	8,527	11.0
Retail business	55,750	57,878	(2,128)	(3.7)
Other businesses	1,390	1,424	(34)	(2.4)
Net sales	751,000	737,530	13,469	1.8

3. Operating Income by Segment

(Millions of yen)

	Fiscal 2006 projection	Fiscal 2005	Increase/ (decrease)	Percentage change
Food business	16,970	13,810	3,160	22.9
Retail business	790	(336)	1,126	-
Other businesses	340	408	(68)	(16.7)
Subtotal	18,100	13,881	4,219	30.4
Elimination and corporate	400	282		
Operating income	18,500	14,164	4,335	30.6

Full-Term Projections for Fiscal 2006

Consolidated Results

4. Capital Investment and Depreciation and Amortization (Millions of yen)

	Fiscal 2006 projection	Fiscal 2005	Increase/ (decrease)
Capital investment	28,970	27,833	1,137
Depreciation and amortization	25,100	25,083	17

1. Overview

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change
	interim	Percentage of total	interim	Percentage of total		
Net sales	287,322	100.0	285,016	100.0	2,306	0.8
Operating income	8,063	2.8	7,758	2.7	304	3.9
Ordinary income	9,201	3.2	9,081	3.2	119	1.3
Net income	4,759	1.7	4,721	1.7	37	0.8

	First quarter	Second quarter
Net sales	140,293	147,028
Operating income	3,597	4,465

2. Net Sales by Product Category

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change
	interim	Percentage of total	interim	Percentage of total		
Bread	45,529	15.9	45,834	16.1	(305)	(0.7)
Sweet buns	130,281	45.3	129,782	45.5	498	0.4
Japanese-style confectionery	30,754	10.7	30,848	10.8	(93)	(0.3)
Western-style confectionery	36,194	12.6	34,129	12.0	2,065	6.1
Processed bread and prepared rice and side dishes	21,100	7.3	20,854	7.3	246	1.2
Biscuits, crackers, <i>sembei</i> and other merchandise	23,461	8.2	23,566	8.3	(105)	(0.4)
Total	287,322	100.0	285,016	100.0	2,306	0.8

3. Income and Expenses

(1) Operating Income and Expenses

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change	Reasons
	interim	Percentage of total	interim	Percentage of total			
Gross profit	90,555	31.5	89,210	31.3	1,345	1.5	
Selling, general and administrative expenses	82,491	28.7	81,451	28.6	1,040	1.3	
Advertising expenses	8,555		8,398		156	1.9	
Shipping and transport expenses	15,139		13,620		1,519	11.2	Increase in subcontracted freight charges
Provision for allowance for doubtful accounts	25		-		25	-	
Personnel expenses	38,983		39,576		(592)	(1.5)	Decrease in retirement benefit expenses
Depreciation and amortization	3,021		3,132		(110)	(3.5)	
Rental fees	3,490		3,546		(55)	(1.6)	
Others	13,274		13,176		97	0.7	
Operating income	8,063	2.8	7,758	2.7	304	3.9	

(2) Ordinary Income and Expenses

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change	Reasons
	interim	Percentage of total	interim	Percentage of total			
Nonoperating income	1,864	0.7	1,893	0.7	(29)	(1.5)	
Interest and dividend income	735		638		97	15.2	
Other nonoperating income	1,129		919		209	22.8	
Foreign Exchange gains	-		335		(335)	-	Loans to affiliated companies
Nonoperating expenses	726	0.3	570	0.2	156	27.4	
Interest expense	309		253		56	22.2	
Other nonoperating expenses	267		317		(49)	(15.5)	
Foreign Exchange losses	149		-		149	-	Loans to affiliated companies
Ordinary income	9,201	3.2	9,081	3.2	119	1.3	

(3) Net Income

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change	Reasons
	interim	Percentage of total	interim	Percentage of total			
Extraordinary gains	8	0.0	1,516	0.5	(1,507)	(99.5)	
Gain on sales of investment securities	-		914		(914)	-	
Gain on return of entrusted government portion of national pension fund	-		558		(558)	-	
Reversal of allowance for doubtful accounts	-		40		(40)	-	
Gain on sales of fixed assets	8		1		6	324.4	
Extraordinary losses	1,140	0.4	2,589	0.9	(1,449)	(56.0)	
Loss on sales and disposal of fixed assets	596		560		36	6.5	
Impairment loss	475		-		475	-	
Loss on revaluation of investment securities	7		-		7	-	
Loss on revaluation of shares of affiliates	-		1,100		(1,100)	-	Loss on revaluation of shares in Vie de France Yamazaki, Inc. (USA)
Expenses related to early retirement program	-		826		(826)	-	Change in registered address of subsidiary
Loss on revaluation of memberships	-		37		(37)	-	
Other extraordinary losses	60		65		(5)	(8.5)	
Income before income taxes	8,069	2.8	8,007	2.8	61	0.8	
Income and other taxes	3,309	1.1	3,285	1.1	24	0.7	
Net income	4,759	1.7	4,721	1.7	37	0.8	

4. Nonconsolidated Balance Sheets (Including Reasons for Major Changes)

(Millions of yen)

	Fiscal 2006 interim	Fiscal 2005 interim	Increase/ (decrease)	Reasons
Current assets	100,362	90,143	10,218	
Cash and deposits	39,878	32,124	7,753	Increase resulting from new loans
Notes and accounts receivable	46,033	44,620	1,412	Increase resulting from a rise in sales to supermarkets
Marketable securities	1,364	686	678	
Inventories	7,307	7,002	304	
Deferred tax assets	1,642	1,663	(20)	
Other current assets	4,942	4,854	88	
Allowance for doubtful accounts	(805)	(807)	1	
Fixed assets	302,225	298,107	4,118	
Tangible fixed assets	196,438	197,897	(1,458)	Capital investment: ¥8.1 billion/ Depreciation and amortization: ¥9.3 billion
Buildings and structures	60,132	61,665	(1,532)	
Machinery, equipment and vehicles	55,850	54,826	1,024	
Tools, furniture and fixtures	3,927	4,082	(154)	
Land	76,348	77,225	(877)	
Construction in progress	179	97	81	
Intangible fixed assets	3,437	3,584	(146)	
Investments and other assets	102,349	96,625	5,724	
Investment securities	38,472	31,277	7,194	Increase in difference between market value and appraised value of other investment securities: ¥6.8 billion
Shares in subsidiaries	23,964	24,021	(57)	
Long-term loans receivable	5,037	5,981	(943)	
Deferred tax assets	23,249	24,595	(1,345)	Decrease in applicable amount for tax benefit accounting
Other investments and other assets	14,140	12,625	1,515	
Allowance for doubtful accounts	(2,514)	(1,874)	(639)	
Total assets	402,587	388,251	14,336	
Current liabilities	104,530	105,012	(482)	
Notes and accounts payable	41,942	40,882	1,059	Increase in accounts payable: ¥1.0 billion
Short-term loans payable	25,432	24,996	436	Increase in current portion of long-term debt: ¥1.2 billion
Accrued income tax	3,572	3,596	(24)	
Accrued expenses	17,848	17,554	293	
Other current liabilities	15,734	17,982	(2,247)	Decrease in notes payable—construction: ¥1.9 billion
Long-term liabilities	90,698	82,848	7,849	
Long-term loans payable	19,235	11,484	7,751	Increase resulting from new loans: ¥15.1 billion/ Decrease resulting from agreed repayments of loans: ¥6.9 billion
Allowance for employees' retirement benefits	62,428	63,228	(799)	Decrease resulting from higher retirement benefit payments
Reserve for loss on guarantees	7,862	7,002	860	
Other long-term liabilities	1,172	1,134	38	
Total liabilities	195,228	187,861	7,367	
Total stockholders' equity	-	200,389	-	
Total liabilities and stockholders' equity	-	388,251	-	
Total net assets	207,359	-	-	
Total liabilities and net assets	402,587	-	-	

5. Capital Investment and Depreciation and Amortization (Millions of yen)

	Fiscal 2006 interim	Fiscal 2005 interim	Increase/ (decrease)
Capital investment	8,065	8,665	(599)
Depreciation and amortization	9,340	9,303	36

6. Interest-bearing Debt (Millions of yen)

	Fiscal 2006 interim	Fiscal 2005 interim	Increase/ (decrease)	Reasons
Interest-bearing debt	49,800	41,585	8,215	Increase resulting from new loans

7. Number of Employees (Number of employees)

	Fiscal 2006 interim		Fiscal 2005 interim		Increase/(decrease)	
Number of employees	16,301	[8,491]	16,477	[8,619]	(176)	[(128)]

Note: Figures given are for the total number of employees as of the end of each period. Figures in brackets, [], are the average number of temporary employees for each period, which are in addition to the number of permanent employees shown in the left-hand column.

8. Number of Stores by Sales Channel (Number of stores)

	Fiscal 2006 interim	Fiscal 2005 interim	Increase/ (decrease)
Daily Yamazaki	1,665	1,787	(122)
Yamazaki Shop	4,154	4,226	(72)
Sun Etoile	542	546	(4)
Other licensed stores	435	861	(426)
Supermarkets	15,406	15,280	126
Convenience stores	38,452	37,545	907
Other stores	39,524	38,745	779
Total	100,178	98,990	1,188

Note: The number of stores in the Daily Yamazaki sales channel is the number of stores to which Yamazaki Baking sells directly. The total number of Daily Yamazaki stores is 1,767.

9. Sales by Sales Channel (%)

	Fiscal 2006 interim	Fiscal 2005 interim	Increase/ (decrease)
Daily Yamazaki	3.7	4.1	(0.4)
Yamazaki Shop	5.5	5.6	(0.1)
Sun Etoile	2.6	2.6	0.0
Other licensed stores	1.2	1.5	(0.3)
Supermarkets	37.7	36.4	1.3
Convenience stores	22.9	23.5	(0.6)
Other stores	26.4	26.3	0.1
Total	100.0	100.0	0.0

Full-Term Projections for Fiscal 2006

Nonconsolidated Results

1. Overview

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change
	projection	Percentage of total		Percentage of total		
Net sales	572,000	100.0	565,025	100.0	6,974	1.2
Gross profit	178,400	31.2	174,400	30.9	3,999	2.3
Selling, general and administrative expenses	165,300	28.9	163,765	29.0	1,534	0.9
Operating income	13,100	2.3	10,634	1.9	2,465	23.2
Ordinary income	15,400	2.7	13,389	2.4	2,010	15.0
Extraordinary loss	(4,190)	0.7	(3,340)	(0.6)	(849)	(25.4)
Net income	6,100	1.1	5,629	1.0	470	8.4

	Fiscal 2006 first half			Fiscal 2006 second half		
		Increase/(decrease)	Percentage change	projection	Increase/(decrease)	Percentage change
Net sales	287,322	2,306	0.8	284,677	4,668	1.7
Operating income	8,063	304	3.9	5,036	2,160	75.1
Ordinary income	9,201	119	1.3	6,198	1,890	43.9
Net income	4,759	37	0.8	1,340	432	47.7

2. Net Sales by Product Category

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change
	projection	Percentage of total		Percentage of total		
Bread	88,300	15.4	88,228	15.6	71	0.1
Sweet buns	255,300	44.7	252,094	44.6	3,205	1.3
Japanese-style confectionery	64,300	11.2	64,240	11.4	59	0.1
Western-style confectionery	71,600	12.5	68,271	12.1	3,328	4.9
Processed bread and prepared rice and side dishes	43,200	7.6	42,896	7.6	303	0.7
Biscuits, crackers, <i>sembei</i> and other merchandise	49,300	8.6	49,294	8.7	5	0.0
Total	572,000	100.0	565,025	100.0	6,974	1.2

3. Capital Investment and Depreciation and Amortization

(Millions of yen)

	Fiscal 2006 projection	Fiscal 2005	Increase/ (decrease)
Capital investment	22,950	21,427	1,523
Depreciation and amortization	19,990	19,786	204

Cautionary Statements

This document contains discussions that include management plans, projections, strategies and estimates that are not historical facts. Projections of future performance are based on management extrapolations from current data, but actual future performance may differ materially from projections.