

Fiscal 2006 Results

(For the Period from January 1, 2006, to December 31, 2006)

Yamazaki Baking Co., Ltd.

(February 20, 2007)

1. Overview

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change
		Percentage of total		Percentage of total		
Net sales	749,169	100.0	737,530	100.0	11,639	1.6
Operating income	17,079	2.3	14,164	1.9	2,914	20.6
Ordinary income	17,254	2.3	15,845	2.1	1,408	8.9
Net income	4,541	0.6	6,198	0.8	(1,656)	(26.7)

	First quarter	Second quarter	Third quarter	Fourth quarter	Fiscal 2006
Net sales	179,781	189,953	184,731	194,703	749,169
Operating income	3,919	6,125	2,605	4,427	17,079

(Note) Tohato Inc., was consolidated from second half of fiscal 2006.

	Fiscal 2006	Fiscal 2005	Increase/ (decrease)
Number of consolidated subsidiaries	16	15	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
		Percentage of total		Percentage of total			
Gross profit	266,492	35.6	259,803	35.2	6,689	2.6	
Selling, general and administrative expenses	249,413	33.3	245,639	33.3	3,774	1.5	
Advertising expenses	25,285		24,519		765	3.1	
Shipping and transport expenses	40,334		36,543		3,790	10.4	Increase in subcontracted freight charges
Provision for allowance for doubtful accounts	248		254		(5)	(2.3)	
Personnel expenses	108,648		109,770		(1,122)	(1.0)	Decrease in retirement benefit expenses
Depreciation and amortization	8,376		8,702		(325)	(3.7)	
Rental fees	24,336		25,232		(896)	(3.6)	
Others	42,183		40,616		1,566	3.9	
Operating income	17,079	2.3	14,164	1.9	2,914	20.6	

Consolidated Results

(2) Ordinary Income and Expenses

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change	Reasons
		Percentage of total		Percentage of total			
Nonoperating income	2,526	0.3	3,707	0.5	(1,181)	(31.9)	
Interest and dividend income	725		563		161	28.7	
Other nonoperating income	1,781		2,432		(651)	(26.8)	
Foreign exchange gains	19		711		(691)	(97.2)	Loans to affiliated companies
Nonoperating expenses	2,351	0.3	2,026	0.3	324	16.0	
Interest expense	1,370		1,003		367	36.7	
Bonds issue cost	189		—		189	—	
Other nonoperating expenses	791		1,023		(232)	(22.7)	
Ordinary income	17,254	2.3	15,845	2.1	1,408	8.9	

(3) Net Income

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change	Reasons
		Percentage of total		Percentage of total			
Extraordinary gains	657	0.1	3,194	0.4	(2,537)	(79.4)	
Gain on sales of fixed assets	27		21		6	28.3	
Gain on sales of investment securities	329		2,529		(2,200)	(87.0)	
Gain on return of entrusted government portion of national pension fund	—		643		(643)	—	
Reversal of allowance for doubtful accounts	300		—		300	—	
Extraordinary losses	6,873	0.9	4,546	0.6	2,326	51.2	
Loss on sales and disposal of fixed assets	2,250		1,883		366	19.5	
Impairment loss	3,557		—		3,557	—	Stores: ¥2.5 billion
Expenses related to early retirement program	54		826		(771)	(93.4)	
Provision for allowance for losses from acceptances and guarantees	394		786		(392)	(49.9)	
Loss on store closures	493		472		20	4.4	
Other extraordinary losses	122		577		(454)	(78.8)	
Income before income taxes	11,038	1.5	14,493	1.9	(3,455)	(23.8)	
Income and other taxes	6,395	0.9	8,148	1.1	(1,753)	(21.5)	
Minority interests	101	0.0	146	0.0	(45)	(30.8)	
Net income	4,541	0.6	6,198	0.8	(1,656)	(26.7)	

3. Segment Information

(1) Net Sales by Segment

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change
		Percentage of total		Percentage of total		
Food business	691,706	92.3	678,227	92.0	13,479	2.0
Bread	87,173	11.6	87,962	11.9	(789)	(0.9)
Sweet buns	282,226	37.7	275,592	37.4	6,633	2.4
Japanese-style confectionery	64,099	8.6	65,132	8.8	(1,033)	(1.6)
Western-style confectionery	76,612	10.2	73,292	9.9	3,319	4.5
Processed bread and prepared rice and side dishes	97,201	13.0	99,034	13.5	(1,833)	(1.9)
Biscuits, crackers, <i>sembei</i> and other merchandise	84,393	11.2	77,212	10.5	7,181	9.3
Retail business	56,326	7.5	57,878	7.8	(1,551)	(2.7)
Other businesses	1,136	0.2	1,424	0.2	(288)	(20.2)
Total	749,169	100.0	737,530	100.0	11,639	1.6

(2) Operating Income by Segment

(Millions of yen)

	Fiscal 2006	Fiscal 2005	Increase/ (decrease)	Percentage change
Food business	15,584	13,810	1,774	12.8
Retail business	747	(336)	1,083	—
Other businesses	438	408	29	7.3
Subtotal	16,769	13,881	2,888	20.8
Elimination and corporate	309	282	26	
Total	17,079	14,164	2,914	20.6

(3) Number of Employees by Segment

(Number of employees)

	Fiscal 2006		Fiscal 2005		Increase/(decrease)	
Food business	20,270	[16,955]	20,213	[17,143]	57	[(188)]
Retail business	750	[295]	754	[309]	(4)	[(14)]
Other businesses	56	[27]	54	[31]	2	[(4)]
Total	21,076	[17,277]	21,021	[17,483]	55	[(206)]

(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	Fiscal 2005	Increase/ (decrease)	Reasons
Current assets	149,696	147,682	2,014	
Cash and deposits	49,973	53,329	(3,355)	Decrease resulting from repayments of bank loans
Notes and accounts receivable	71,647	66,330	5,317	Additional receivables of newly consolidated Tohato Inc.: ¥3.2 billion
Marketable securities	1,382	1,711	(329)	
Inventories	12,783	12,249	534	
Deferred tax assets	2,042	2,210	(168)	
Other current assets	13,096	13,031	65	
Allowance for doubtful accounts	(1,229)	(1,181)	(48)	
Fixed assets	387,069	363,691	23,377	
Tangible fixed assets	253,109	247,641	5,468	Capital investment: ¥28.7 billion/ Depreciation and amortization: ¥25.2 billion
Buildings and structures	83,549	83,263	285	
Machinery, equipment and vehicles	70,898	68,059	2,838	
Tools, furniture and fixtures	4,755	4,870	(115)	
Land	92,569	91,048	1,520	Additions of newly consolidated Tohato Inc.: ¥1.8 billion
Construction in progress	1,337	399	938	
Intangible fixed assets	25,118	5,512	19,605	Consolidated goodwill: ¥19.9 billion
Investments and other assets	108,840	110,536	(1,696)	
Investment securities	43,655	44,255	(600)	
Long-term loans receivable	1,560	2,174	(614)	
Deferred tax assets	25,221	24,715	505	
Other investments and assets	41,425	42,805	(1,379)	Decrease in rental deposits and guarantees: ¥0.8 billion
Allowance for doubtful accounts	(3,022)	(3,414)	392	
Total assets	536,766	511,373	25,392	
Current liabilities	178,466	172,502	5,963	
Notes and accounts payable	62,558	62,887	(329)	
Short-term loans payable	56,234	52,773	3,461	Increase in current portion of long-term debt: ¥5.3 billion
Accrued income tax	2,879	3,867	(987)	
Accrued expenses	29,187	27,995	1,192	Additional expenses of newly consolidated Tohato Inc.: ¥0.8 billion
Allowance for employees' bonuses	2,868	2,988	(119)	
Other current liabilities	24,737	21,991	2,746	Increase in other accounts payable: ¥1.7 billion
Long-term liabilities	146,068	127,285	18,782	
Bonds	8,000	—	8,000	Increase in newly issued bonds of Tohato Inc.
Long-term loans payable	46,484	33,944	12,540	Increase resulting from new loans
Allowance for employees' retirement benefits	78,874	81,482	(2,608)	Decrease resulting from improved results of pension assets
Reserve for loss on guarantees	7,256	6,862	394	
Other long-term liabilities	5,453	4,997	456	
Total liabilities	324,534	299,788	24,746	
Minority interests	—	3,334	—	
Total stockholders' equity	—	208,249	—	
Total liabilities, minority interests and stockholders' equity	—	511,373	—	
Total net assets	212,231	—	—	Minority interests: ¥3.3 billion
Total liabilities and net assets	536,766	—	—	

5. Capital Investment and Depreciation and Amortization

(Millions of yen)

	Fiscal 2006	Fiscal 2005	Increase/ (decrease)
Capital investment	28,747	27,833	913
Depreciation and amortization	25,267	25,083	183

6. Interest-Bearing Debt

(Millions of yen)

	Fiscal 2006	Fiscal 2005	Increase/ (decrease)	Reasons
Interest-bearing debt	115,901	91,891	24,010	Increase in long-term loans payable and issuance of new bonds

7. Cash Flows

(Millions of yen)

	Fiscal 2006	Fiscal 2005	Increase/ (decrease)	Reasons
Net cash provided by operating activities	30,273	29,015	1,257	
Net cash used in investing activities	(45,993)	(34,733)	(11,260)	Additional payments to acquire shares of Tohato Inc.
Net cash provided by financing activities	12,406	6,693	5,712	Increase resulting from new loans and issuance of new bonds
Cash and cash equivalents at beginning of period	50,208	49,052	1,155	
Cash and cash equivalents at end of period	46,951	50,208	(3,256)	

8. Number of Daily Yamazaki and Vie de France Stores

(1) Daily Yamazaki Co., Ltd.

(Number of stores)

	Fiscal 2006	Fiscal 2005	Increase/ (decrease)
Total Daily Yamazaki	1,706	1,854	(148)
[Yamazaki Daily store]	[269]	[376]	[[107]]
[Directly operated]	[263]	[269]	[[6]]

(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	Fiscal 2005	Increase/ (decrease)
Vie de France	189	182	7
[Directly operated]	[156]	[151]	[5]

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

Projections for Fiscal 2007

Consolidated Results

1. Overview

(Millions of yen)

	Fiscal 2007 projection		Fiscal 2006		Increase/ (decrease)	Percentage change
		Percentage of total		Percentage of total		
Net sales	766,000	100.0	749,169	100.0	16,830	2.2
Gross profit	274,240	35.8	266,492	35.6	7,747	2.9
Selling, general and administrative expenses	253,940	33.1	249,413	33.3	4,526	1.8
Operating income	20,300	2.7	17,079	2.3	3,220	18.9
Ordinary income	20,000	2.6	17,254	2.3	2,745	15.9
Extraordinary loss	(4,240)	(0.6)	(6,216)	(0.8)	1,976	-
Net income	7,700	1.0	4,541	0.6	3,158	69.5

	Fiscal 2007 first half projection			Fiscal 2007 second half projection		
		Increase/(decrease)	Percentage change		Increase/(decrease)	Percentage change
Net sales	382,000	12,265	3.3	384,000	4,546	1.2
Operating income	10,900	854	8.5	9,400	2,366	33.6
Ordinary income	10,700	314	3.0	9,300	2,431	35.4
Net income	4,600	2,348	104.3	3,100	809	35.3

2. Net Sales by Segment

(Millions of yen)

	Fiscal 2007 projection	Fiscal 2006	Increase/ (decrease)	Percentage change
Food business	710,000	691,706	18,293	2.6
Bread	87,840	87,173	666	0.8
Sweet buns	290,790	282,226	8,563	3.0
Japanese-style confectionery	64,660	64,099	560	0.9
Western-style confectionery	77,430	76,612	817	1.1
Processed bread and prepared rice and side dishes	94,270	97,201	(2,931)	(3.0)
Biscuits, crackers, <i>sembei</i> and other merchandise	95,010	84,393	10,616	12.6
Retail business	55,050	56,326	(1,276)	(2.3)
Other businesses	950	1,136	(186)	(16.4)
Total	766,000	749,169	16,830	2.2

3. Operating Income by Segment

(Millions of yen)

	Fiscal 2007 projection	Fiscal 2006	Increase/ (decrease)	Percentage change
Food business	18,650	15,584	3,066	19.7
Retail business	880	747	133	17.8
Other businesses	400	438	(38)	(8.7)
Subtotal	19,930	16,769	3,161	18.9
Elimination and corporate	370	309		
Total	20,300	17,079	3,220	18.9

Projections for Fiscal 2007**Consolidated Results**

4. Capital Investment and Depreciation and Amortization

(Millions of yen)

	Fiscal 2007 projection	Fiscal 2006	Increase/ (decrease)
Capital investment	31,300	28,747	2,552
Depreciation and amortization	27,100	25,267	1,832

1. Overview

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change
		Percentage of total		Percentage of total		
Net sales	572,067	100.0	565,025	100.0	7,041	1.2
Operating income	12,182	2.1	10,634	1.9	1,548	14.6
Ordinary income	14,061	2.5	13,389	2.4	671	5.0
Net income	6,434	1.1	5,629	1.0	804	14.3

	First quarter	Second quarter	Third quarter	Fourth quarter	Fiscal 2006
Net sales	140,293	147,028	137,868	146,876	572,067
Operating income	3,597	4,465	1,001	3,117	12,182

2. Net Sales by Product Category

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change
		Percentage of total		Percentage of total		
Bread	87,442	15.3	88,228	15.6	(786)	(0.9)
Sweet buns	258,178	45.1	252,094	44.6	6,083	2.4
Japanese-style confectionery	63,387	11.1	64,240	11.4	(853)	(1.3)
Western-style confectionery	71,580	12.5	68,271	12.1	3,309	4.8
Processed bread and prepared rice and side dishes	43,223	7.6	42,896	7.6	327	0.8
Biscuits, crackers, <i>sembei</i> and other merchandise	48,254	8.4	49,294	8.7	(1,039)	(2.1)
Total	572,067	100.0	565,025	100.0	7,041	1.2

3. Income and Expenses
(1) Operating Income and Expenses

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change	Reasons
		Percentage of total		Percentage of total			
Gross profit	177,207	31.0	174,400	30.9	2,807	1.6	
Selling, general and administrative expenses	165,024	28.9	163,765	29.0	1,259	0.8	
Advertising expenses	16,015		16,338		(322)	(2.0)	
Shipping and transport expenses	30,801		27,995		2,805	10.0	Increase in subcontracted freight charges
Provision for allowance for doubtful accounts	37		16		21	130.4	
Personnel expenses	77,566		78,936		(1,369)	(1.7)	Decrease in retirement benefit expenses
Depreciation and amortization	6,367		6,636		(268)	(4.1)	
Rental fees	6,946		7,079		(132)	(1.9)	
Others	27,289		26,764		525	2.0	
Operating income	12,182	2.1	10,634	1.9	1,548	14.6	

Nonconsolidated Results

(2) Ordinary Income and Expenses

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change	Reasons
		Percentage of total		Percentage of total			
Nonoperating income	3,149	0.6	4,094	0.7	(945)	(23.1)	
Interest and dividend income	1,018		855		163	19.1	
Other nonoperating income	2,111		2,527		(416)	(16.5)	
Foreign exchange gains	19		711		(691)	(97.3)	Loans to affiliated companies
Nonoperating expenses	1,270	0.2	1,339	0.2	(68)	(5.1)	
Interest expense	752		509		243	47.8	
Other nonoperating expenses	518		830		(312)	(37.6)	
Ordinary income	14,061	2.5	13,389	2.4	671	5.0	

(3) Net Income

(Millions of yen)

	Fiscal 2006		Fiscal 2005		Increase/ (decrease)	Percentage change	Reasons
		Percentage of total		Percentage of total			
Extraordinary gains	349	0.0	2,908	0.5	(2,559)	(88.0)	
Gain on sales of fixed assets	20		3		16	487.8	
Gain on sales of investment securities	329		2,346		(2,017)	(86.0)	
Gain on return of entrusted government portion of national pension fund	—		558		(558)	—	
Extraordinary losses	2,844	0.5	6,249	1.1	(3,404)	(54.5)	
Loss on sales and disposal of fixed assets	1,642		1,402		240	17.1	
Impairment loss	475		—		475	—	
Loss on revaluation of shares of affiliates	—		2,199		(2,199)	—	
Expenses related to early retirement program	—		826		(826)	—	
Provision for allowance for losses from acceptances and guarantees	394		786		(392)	(49.9)	
Provision for allowance for doubtful accounts	325		717		(392)	(54.7)	
Other extraordinary losses	7		317		(309)	(97.5)	
Income before income taxes	11,565	2.0	10,049	1.8	1,516	15.1	
Income and other taxes	5,131	0.9	4,419	0.8	711	16.1	
Net income	6,434	1.1	5,629	1.0	804	14.3	

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

(Millions of yen)

	Fiscal 2006	Fiscal 2005	Increase/ (decrease)	Reasons
Current assets	101,645	104,009	(2,364)	
Cash and deposits	27,037	31,166	(4,128)	Decrease resulting from repayments of bank loans
Notes and accounts receivable	59,791	57,944	1,847	Increase resulting from a rise in sales to supermarkets
Marketable securities	1,335	1,337	(2)	
Inventories	7,261	7,308	(46)	
Deferred tax assets	1,509	1,720	(211)	
Other current assets	5,518	5,333	184	
Allowance for doubtful accounts	(808)	(800)	(8)	
Fixed assets	322,401	305,081	17,319	
Tangible fixed assets	199,559	199,052	507	Capital investment: ¥22.4 billion/ Depreciation and amortization: ¥19.8 billion
Buildings and structures	60,201	61,341	(1,140)	
Machinery, equipment and vehicles	58,174	56,725	1,449	
Tools, furniture and fixtures	3,800	3,927	(126)	
Land	76,310	76,954	(643)	
Construction in progress	1,072	104	968	
Intangible fixed assets	3,195	3,553	(358)	
Investments and other assets	119,646	102,475	17,170	
Investment securities	37,123	38,914	(1,790)	Decrease in difference between market value and appraised value of other investment securities: ¥1.8 billion
Shares in subsidiaries	42,625	22,921	19,704	Acquisition of shares of Tohato Inc.: ¥18.6 billion
Long-term loans receivable	4,952	5,719	(767)	
Deferred tax assets	23,586	23,008	578	
Other investments and other assets	14,172	14,455	(283)	
Allowance for doubtful accounts	(2,814)	(2,542)	(271)	
Total assets	424,046	409,091	14,955	
Current liabilities	112,863	107,800	5,062	
Notes and accounts payable	43,360	43,857	(497)	
Short-term loans payable	28,986	23,648	5,338	Increase in current portion of long-term debt: ¥5.3 billion
Accrued income tax	2,156	2,750	(594)	
Accrued expenses	20,246	20,046	199	
Other current liabilities	18,114	17,498	616	
Long-term liabilities	102,958	95,622	7,335	
Long-term loans payable	32,392	23,209	9,183	Increase resulting from new loans: ¥20.1 billion/Decrease resulting from agreed repayments of loans: ¥5.6 billion
Allowance for employees' retirement benefits	61,156	63,504	(2,347)	Decrease resulting from improved results of pension assets
Reserve for loss on guarantees	8,196	7,802	394	
Other long-term liabilities	1,213	1,107	106	
Total liabilities	215,821	203,423	12,397	
Total stockholders' equity	—	205,667	—	
Total liabilities and stockholders' equity	—	409,091	—	
Total net assets	208,225	—	—	
Total liabilities and net assets	424,046	—	—	

5. Capital Investment and Depreciation and Amortization

(Millions of yen)

	Fiscal 2006	Fiscal 2005	Increase/ (decrease)
Capital investment	22,434	21,427	1,006
Depreciation and amortization	19,804	19,786	17

6. Interest-Bearing Debt

(Millions of yen)

	Fiscal 2006	Fiscal 2005	Increase/ (decrease)	Reasons
Interest-bearing debt	66,560	52,031	14,529	Increase in long-term loans payable

7. Number of Employees

(Number of employees)

	Fiscal 2006		Fiscal 2005		Increase/(decrease)	
Number of employees	15,874	[8,540]	16,120	[8,601]	(246)	[(61)]

(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 per Sales Channel

(Number of stores)

	Fiscal 2006	Fiscal 2005	Increase/ (decrease)
Daily Yamazaki	1,612	1,744	(132)
Yamazaki Shop	3,975	4,152	(177)
Sun Etoile	550	551	(1)
Other licensed stores	426	448	(22)
Supermarkets	14,892	14,673	219
Convenience stores	38,163	37,425	738
Other stores	37,386	39,315	(1,929)
Total	97,004	98,308	(1,304)

(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 1,706.

9. Sales by Sales Channel

(%)

	Fiscal 2006	Fiscal 2005	Increase/ (decrease)
Daily Yamazaki	3.7	4.2	(0.5)
Yamazaki Shop	5.7	5.8	(0.1)
Sun Etoile	2.6	2.6	0.0
Other licensed stores	1.3	1.5	(0.2)
Supermarkets	37.5	36.4	1.1
Convenience stores	22.7	22.9	(0.2)
Other stores	26.5	26.6	(0.1)
Total	100.0	100.0	0.0

Projections for Fiscal 2007

Nonconsolidated Results

1. Overview

(Millions of yen)

	Fiscal 2007 projection		Fiscal 2006		Increase/(decrease)	Percentage change
		Percentage of total		Percentage of total		
Net sales	582,000	100.0	572,067	100.0	9,932	1.7
Gross profit	179,990	30.9	177,207	31.0	2,782	1.6
Selling, general and administrative expenses	165,290	28.4	165,024	28.9	265	0.2
Operating income	14,700	2.5	12,182	2.1	2,517	20.7
Ordinary income	16,000	2.7	14,061	2.5	1,938	13.8
Extraordinary loss	(3,140)	(0.5)	(2,495)	(0.4)	(644)	-
Net income	6,500	1.1	6,434	1.1	65	1.0

	Fiscal 2007 first half projection			Fiscal 2007 second half projection		
		Increase/(decrease)	Percentage change		Increase/(decrease)	Percentage change
Net sales	292,000	4,677	1.6	290,000	5,255	1.8
Operating income	8,700	636	7.9	6,000	1,880	45.6
Ordinary income	9,500	298	3.2	6,500	1,639	33.7
Net income	4,800	40	0.9	1,700	25	1.5

2. Net Sales by Product Category

(Millions of yen)

	Fiscal 2007 projection		Fiscal 2006		Increase/(decrease)	Percentage change
		Percentage of total		Percentage of total		
Bread	88,140	15.1	87,442	15.3	697	0.8
Sweet buns	266,380	45.8	258,178	45.1	8,201	3.2
Japanese-style confectionery	64,060	11.0	63,387	11.1	672	1.1
Western-style confectionery	72,440	12.5	71,580	12.5	859	1.2
Processed bread and prepared rice and side dishes	42,550	7.3	43,223	7.6	(673)	(1.6)
Biscuits, crackers, <i>sembei</i> and other merchandise	48,430	8.3	48,254	8.4	175	0.4
Total	582,000	100.0	572,067	100.0	9,932	1.7

3. Capital Investment and Depreciation and Amortization

(Millions of yen)

	Fiscal 2007 projection	Fiscal 2006	Increase/(decrease)
Capital investment	24,300	22,434	1,865
Depreciation and amortization	21,200	19,804	1,395

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.