

# Fiscal 2007

## Interim Results

(For the Period from January 1, 2007, to June 30, 2007)

Yamazaki Baking Co., Ltd.

(August 1, 2007)

1. Overview

(Millions of yen)

	Fiscal 2006		Fiscal 2007		Increase/ (decrease)	Percentage change
	interim	Percentage of total	interim	Percentage of total		
Net sales	369,734	100.0	382,483	100.0	12,749	3.4
Operating income	10,045	2.7	10,635	2.8	589	5.9
Ordinary income	10,385	2.8	10,839	2.8	453	4.4
Net income	2,251	0.6	5,173	1.4	2,921	129.8

	First quarter	Second quarter
Net sales	185,566	196,916
Operating income	4,733	5,902

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

	Fiscal 2006 interim	Fiscal 2007 interim	Increase/ (decrease)
Number of consolidated subsidiaries	15	16	1
Number of equity-method subsidiaries	0	0	0

2. Income and Expenses

(1) Operating Income and Expenses

(Millions of yen)

	Fiscal 2006		Fiscal 2007		Increase/ (decrease)	Percentage change	Reasons
	interim	Percentage of total	interim	Percentage of total			
Gross profit	132,233	35.8	138,675	36.3	6,441	4.9	
Selling, general and administrative expenses	122,188	33.1	128,040	33.5	5,851	4.8	Increase in subcontracted freight charges  Increase in commission fees: ¥0.6 billion
Advertising expenses	12,078		14,442		2,364	19.6	
Shipping and transport expenses	19,405		20,923		1,517	7.8	
Provision for allowance for doubtful accounts	96		22		(73)	(76.2)	
Personnel expenses	54,211		54,450		239	0.4	
Depreciation and amortization	3,963		3,836		(127)	(3.2)	
Rental fees	12,395		12,148		(247)	(2.0)	
Others	20,036		22,215		2,178	10.9	
Operating income	10,045	2.7	10,635	2.8	589	5.9	

<b>Consolidated Results</b>
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(2) Ordinary Income and Expenses

(Millions of yen)

	Fiscal 2006		Fiscal 2007		Increase/ (decrease)	Percentage change	Reasons
	interim	Percentage of total	interim	Percentage of total			
Nonoperating income	1,461	0.4	1,502	0.3	41	2.8	
Interest and dividend income	457		511		54	11.8	
Other nonoperating income	1,004		805		(198)	(19.8)	
Foreign exchange gains	-		186		186	-	Loans to affiliated companies
Nonoperating expenses	1,121	0.3	1,298	0.3	177	15.8	
Interest expense	564		938		374	66.4	
Other nonoperating expenses	408		360		(48)	(11.8)	
Foreign exchange losses	149		-		(149)	-	Loans to affiliated companies
Ordinary income	10,385	2.8	10,839	2.8	453	4.4	

(3) Net Income

(Millions of yen)

	Fiscal 2006		Fiscal 2007		Increase/ (decrease)	Percentage change	Reasons
	interim	Percentage of total	interim	Percentage of total			
Extraordinary gains	313	0.1	22	0.0	(290)	(92.8)	
Gain on sales of fixed assets	13		22		9	68.3	
Reversal of allowance for doubtful accounts	300		-		(300)	-	
Extraordinary losses	4,366	1.2	1,345	0.3	(3,021)	(69.2)	
Loss on sales and disposal of fixed assets	798		806		8	1.1	
Loss on store closures	161		134		(26)	(16.5)	
Impairment loss	3,247		-		(3,247)	-	
Loss on revaluation of investment securities	7		-		(7)	-	
Expenses related to early retirement program	54		6		(48)	(88.6)	
Provision for allowance for losses from acceptances and guarantees	60		289		229	381.7	
Other extraordinary losses	36		108		72	199.0	
Income before income taxes	6,332	1.7	9,516	2.5	3,184	50.3	
Income and other taxes	4,008	1.1	4,311	1.1	302	7.6	
Minority interests	72	0.0	32	0.0	(40)	(55.8)	
Net income	2,251	0.6	5,173	1.4	2,921	129.8	

### 3. Segment Information

#### (1) Net Sales by Segment

(Millions of yen)

	Fiscal 2006		Fiscal 2007		Increase/ (decrease)	Percentage change
	interim	Percentage of total	interim	Percentage of total		
Food business	341,854	92.5	354,934	92.8	13,080	3.8
Bread	45,377	12.3	44,510	11.6	(867)	(1.9)
Sweet buns	142,952	38.7	147,236	38.5	4,283	3.0
Japanese-style confectionery	31,061	8.4	30,825	8.1	(235)	(0.8)
Western-style confectionery	38,621	10.5	38,875	10.2	253	0.7
Processed bread and prepared rice and side dishes	47,057	12.7	45,878	12.0	(1,179)	(2.5)
Biscuits, crackers, <i>sembei</i> and other merchandise	36,783	9.9	47,608	12.4	10,824	29.4
Retail business	27,318	7.4	26,846	7.0	(471)	(1.7)
Other businesses	561	0.1	702	0.2	140	25.1
Net sales	369,734	100.0	382,483	100.0	12,749	3.4

#### (2) Operating Income by Segment

(Millions of yen)

	Fiscal 2006 interim	Fiscal 2007 interim	Increase/ (decrease)	Percentage change
Food business	9,881	10,295	413	4.2
Retail business	(129)	96	225	-
Other businesses	87	191	103	118.2
Subtotal	9,840	10,583	743	7.6
Elimination and corporate	205	52	(153)	
Operating income	10,045	10,635	589	5.9

#### (3) Number of Employees by Segment

(Number of employees)

	Fiscal 2006 interim		Fiscal 2007 interim		Increase/(decrease)	
Food business	20,456	[16,708]	20,686	[16,830]	230	[122]
Retail business	758	[299]	771	[269]	13	[(30)]
Other businesses	59	[28]	54	[29]	(5)	[1]
Total	21,273	[17,035]	21,511	[17,128]	238	[93]

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 2007 interim	Increase/ (decrease)	Reasons
<b>Current assets</b>	140,805	144,010	3,205	
Cash and deposits	60,113	49,076	(11,037)	
Notes and accounts receivable	53,323	67,958	14,634	Increase in accounts receivable resulting from bank holiday at end of month
Marketable securities	1,442	-	(1,442)	Decrease resulting from transfer to investment securities
Inventories	12,781	13,605	823	
Deferred tax assets	2,047	2,251	204	
Other current assets	12,274	12,265	(8)	
Allowance for doubtful accounts	(1,178)	(1,146)	32	
<b>Fixed assets</b>	359,618	403,886	44,267	
<b>Tangible fixed assets</b>	243,701	252,299	8,598	Capital investment: ¥12.9 billion/ Depreciation and amortization: ¥12.2 billion
Buildings and structures	80,995	83,231	2,235	Additions of newly consolidated Tohato Inc.: ¥2.2 billion
Machinery, equipment and vehicles	66,867	71,192	4,325	Additions of newly consolidated Tohato Inc.: ¥1.5 billion
Tools, furniture and fixtures	4,813	4,696	(116)	
Land	90,414	92,532	2,117	Additions of newly consolidated Tohato Inc.: ¥1.8 billion
Construction in progress	611	647	36	
Intangible fixed assets	5,331	24,575	19,244	Consolidated goodwill: ¥19.4 billion
Investments and other assets	110,585	127,010	16,425	
Investment securities	45,043	62,421	17,377	Stock acquisition of Fujiya Co., Ltd.: ¥16.4 billion
Long-term loans receivable	1,644	1,674	29	
Deferred tax assets	25,069	23,972	(1,097)	Decrease in applicable amount for tax benefit accounting
Other investments and other assets	41,931	42,022	91	
Allowance for doubtful accounts	(3,103)	(3,079)	23	
<b>Total assets</b>	500,424	547,897	47,473	
<b>Current liabilities</b>	164,087	175,743	11,656	
Notes and accounts payable	57,830	61,695	3,864	Additional accounts payable of newly consolidated Tohato Inc.: ¥1.9 billion
Short-term loans payable	52,622	52,740	118	
Accrued income tax	4,448	4,304	(144)	
Accrued expenses	26,271	29,681	3,409	Additional accrued expenses of newly consolidated Tohato Inc.: ¥0.8 billion
Allowance for employees' bonuses	2,893	2,917	24	
Other current liabilities	20,021	24,404	4,383	Increase in construction notes payable and other accounts payable: ¥1.8 billion
<b>Long-term liabilities</b>	125,473	156,788	31,315	
Corporate bonds	-	7,560	7,560	Increase in newly issued bonds of Tohato Inc.
Long-term loans payable	32,610	59,285	26,674	Increase resulting from new loans
Allowance for employees' retirement benefits	80,289	76,959	(3,330)	Decrease resulting from improved results of pension assets
Reserve for loss on guarantees	6,922	7,545	623	
Other long-term liabilities	5,651	5,439	(211)	
<b>Total liabilities</b>	289,560	332,532	42,971	
<b>Total net assets</b>	210,863	215,364	4,501	Minority interests: ¥3.3 billion
<b>Total liabilities and net assets</b>	500,424	547,897	47,473	

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

	Fiscal 2006 interim	Fiscal 2007 interim	Increase/ (decrease)
Capital investment	10,688	12,918	2,230
Depreciation and amortization	11,802	12,237	434

6. Interest-bearing Debt (Millions of yen)

	Fiscal 2006 interim	Fiscal 2007 interim	Increase/ (decrease)	Reasons
Interest-bearing debt	90,366	125,144	34,777	Increase resulting from new loans

7. Cash Flows (Millions of yen)

	Fiscal 2006 interim	Fiscal 2007 interim	Increase/ (decrease)	Reasons
Net cash provided by operating activities	24,415	24,383	(32)	
Net cash used in investing activities	(13,454)	(29,423)	(15,969)	Acquisition of investment securities
Net cash (used in) provided by financing activities	(4,210)	6,574	10,784	Increase resulting from new loans
Cash and cash equivalents at beginning of period	50,208	46,951	(3,256)	
Cash and cash equivalents at end of period	56,999	48,488	(8,511)	

8. Number of Daily Yamazaki and Vie de France Stores

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

	Fiscal 2006 interim	Fiscal 2007 interim	Increase/ (decrease)
Total Daily Yamazaki	1,767	1,669	(98)
[Yamazaki Daily Store]	[308]	[236]	[(72)]
[Directly operated]	[263]	[250]	[(13)]

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 2007 interim	Increase/ (decrease)
Vie de France	182	192	10
[Directly operated]	[150]	[161]	[11]

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

# Full-Term Projections for Fiscal 2007

## Consolidated Results

### 1. Overview

(Millions of yen)

	Fiscal 2006		Fiscal 2007 projection		Increase/ (decrease)	Percentage change
		Percentage of total		Percentage of total		
Net sales	749,169	100.0	766,000	100.0	16,830	2.2
Gross profit	266,492	35.6	273,990	35.8	7,497	2.8
Selling, general and administrative expenses	249,413	33.3	253,690	33.1	4,276	1.7
Operating income	17,079	2.3	20,300	2.7	3,220	18.9
Ordinary income	17,254	2.3	17,800	2.3	545	3.2
Extraordinary loss	(6,216)	(0.8)	(4,190)	(0.5)	2,026	-
Net income	4,541	0.6	5,500	0.7	958	21.1

	Fiscal 2007 first half			Fiscal 2007 second half		
		Increase/(decrease)	Percentage change	projection	Increase/(decrease)	Percentage change
Net sales	382,483	12,749	3.4	383,516	4,080	1.1
Operating income	10,635	589	5.9	9,664	2,630	37.4
Ordinary income	10,839	453	4.4	6,960	91	1.3
Net income	5,173	2,921	129.8	326	(1,963)	(85.7)

### 2. Net Sales by Segment

(Millions of yen)

	Fiscal 2006	Fiscal 2007 projection	Increase/ (decrease)	Percentage change
Food business	691,706	709,820	18,113	2.6
Bread	87,173	87,270	96	0.1
Sweet buns	282,226	290,680	8,453	3.0
Japanese-style confectionery	64,099	64,630	530	0.8
Western-style confectionery	76,612	77,460	847	1.1
Processed bread and prepared rice and side dishes	97,201	94,370	(2,831)	(2.9)
Biscuits, crackers, <i>sembei</i> and other merchandise	84,393	95,410	11,016	13.1
Retail business	56,326	55,040	(1,286)	(2.3)
Other businesses	1,136	1,140	3	0.3
Net sales	749,169	766,000	16,830	2.2

### 3. Operating Income by Segment

(Millions of yen)

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

## Full-Term Projections for Fiscal 2007

## Consolidated Results

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

	Fiscal 2006	Fiscal 2007 projection	Increase/ (decrease)
Capital investment	28,747	30,900	2,152
Depreciation and amortization	25,267	26,500	1,232

### 1. Overview

(Millions of yen)

	Fiscal 2006		Fiscal 2007		Increase/ (decrease)	Percentage change
	interim	Percentage of total	interim	Percentage of total		
Net sales	287,322	100.0	290,469	100.0	3,146	1.1
Operating income	8,063	2.8	8,262	2.8	199	2.5
Ordinary income	9,201	3.2	9,408	3.2	207	2.3
Net income	4,759	1.7	4,803	1.7	43	0.9

	First quarter	Second quarter
Net sales	141,599	148,869
Operating income	3,868	4,393

### 2. Net Sales by Product Category

(Millions of yen)

	Fiscal 2006		Fiscal 2007		Increase/ (decrease)	Percentage change
	interim	Percentage of total	interim	Percentage of total		
Bread	45,529	15.9	44,517	15.3	(1,012)	(2.2)
Sweet buns	130,281	45.3	134,521	46.3	4,240	3.3
Japanese-style confectionery	30,754	10.7	30,555	10.5	(199)	(0.6)
Western-style confectionery	36,194	12.6	36,342	12.5	147	0.4
Processed bread and prepared rice and side dishes	21,100	7.3	21,122	7.3	21	0.1
Biscuits, crackers, <i>sembei</i> and other merchandise	23,461	8.2	23,409	8.1	(51)	(0.2)
Total	287,322	100.0	290,469	100.0	3,146	1.1

### 3. Income and Expenses

#### (1) Operating Income and Expenses

(Millions of yen)

	Fiscal 2006		Fiscal 2007		Increase/ (decrease)	Percentage change	Reasons
	interim	Percentage of total	interim	Percentage of total			
Gross profit	90,555	31.5	91,671	31.6	1,116	1.2	
Selling, general and administrative expenses	82,491	28.7	83,408	28.8	916	1.1	
Advertising expenses	8,555		8,594		39	0.5	
Shipping and transport expenses	15,139		15,598		458	3.0	
Provision for allowance for doubtful accounts	25		-		(25)	-	
Personnel expenses	38,983		38,613		(370)	(1.0)	
Depreciation and amortization	3,021		2,890		(131)	(4.3)	
Rental fees	3,490		3,436		(54)	(1.6)	
Others	13,274		14,275		1,000	7.5	Increase in commission fees: ¥0.4 billion
Operating income	8,063	2.8	8,262	2.8	199	2.5	

(2) Ordinary Income and Expenses

(Millions of yen)

	Fiscal 2006		Fiscal 2007		Increase/ (decrease)	Percentage change	Reasons
	interim	Percentage of total	interim	Percentage of total			
Nonoperating income	1,864	0.7	1,939	0.7	75	4.0	
Interest and dividend income	735		760		25	3.4	
Other nonoperating income	1,129		992		(136)	(12.1)	
Foreign exchange gains	-		186		186	-	Loans to affiliated companies
Nonoperating expenses	726	0.3	794	0.3	67	9.3	
Interest expense	309		523		213	68.9	
Other nonoperating expenses	267		270		2	1.0	
Foreign exchange losses	149		-		(149)	-	Loans to affiliated companies
Ordinary income	9,201	3.2	9,408	3.2	207	2.3	

(3) Net Income

(Millions of yen)

	Fiscal 2006		Fiscal 2007		Increase/ (decrease)	Percentage change	Reasons
	interim	Percentage of total	interim	Percentage of total			
Extraordinary gains	8	0.0	8	0.0	0	2.0	
Reversal of allowance for doubtful accounts	-		7		7	-	
Gain on sales of fixed assets	8		0		(7)	(91.0)	
Extraordinary losses	1,140	0.4	895	0.3	(244)	(21.4)	
Loss on sales and disposal of fixed assets	596		555		(41)	(6.9)	
Impairment loss	475		-		(475)	-	
Loss on revaluation of investment securities	7		-		(7)	-	
Provision for allowance for losses from acceptances and guarantees	60		289		229	381.7	
Loss on revaluation of memberships	-		26		26	-	
Provision for allowance for doubtful accounts	-		25		25	-	
Income before income taxes	8,069	2.8	8,520	2.9	451	5.6	
Income and other taxes	3,309	1.1	3,717	1.2	407	12.3	
Net income	4,759	1.7	4,803	1.7	43	0.9	

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

(Millions of yen)

	Fiscal 2006 interim	Fiscal 2007 interim	Increase/ (decrease)	Reasons
Current assets	100,362	96,530	(3,832)	
Cash and deposits	39,878	27,125	(12,752)	
Notes and accounts receivable	46,033	56,031	9,998	Increase in accounts receivable resulting from bank holiday at end of month
Marketable securities	1,364	-	(1,364)	Decrease resulting from transfer to investment securities
Inventories	7,307	7,618	310	
Deferred tax assets	1,642	1,597	(44)	
Other current assets	4,942	4,946	3	
Allowance for doubtful accounts	(805)	(789)	16	
Fixed assets	302,225	339,742	37,516	
Tangible fixed assets	196,438	199,591	3,153	Capital investment: ¥10.0 billion/ Depreciation and amortization: ¥9.5 billion
Buildings and structures	60,132	59,909	(223)	
Machinery, equipment and vehicles	55,850	58,834	2,984	
Tools, furniture and fixtures	3,927	3,769	(157)	
Land	76,348	76,888	540	
Construction in progress	179	188	9	
Intangible fixed assets	3,437	2,991	(446)	
Investments and other assets	102,349	137,158	34,809	
Investment securities	38,472	39,314	841	
Shares in subsidiaries	23,964	59,161	35,197	Stock acquisition of Tohato Inc.: ¥18.6 billion/ Stock acquisition of Fujiya Co., Ltd.: ¥16.4 billion
Long-term loans receivable	5,037	5,172	135	
Deferred tax assets	23,249	22,308	(941)	
Other investments and other assets	14,140	14,019	(121)	
Allowance for doubtful accounts	(2,514)	(2,817)	(303)	
<b>Total assets</b>	<b>402,587</b>	<b>436,272</b>	<b>33,684</b>	
Current liabilities	104,530	111,987	7,457	
Notes and accounts payable	41,942	42,360	417	
Short-term loans payable	25,432	29,478	4,046	Increase in current portion of long-term debt
Accrued income tax	3,572	3,376	(195)	
Accrued expenses	17,848	19,448	1,600	Increase in periodic payment resulting from bank holiday at end of month
Other current liabilities	15,734	17,323	1,588	Increase in construction notes payable : ¥0.8 billion
Long-term liabilities	90,698	113,100	22,401	
Long-term loans payable	19,235	43,807	24,572	Increase resulting from new loans: ¥36.0 billion/ Decrease resulting from agreed repayments of loans: ¥7.3 billion
Allowance for employees' retirement benefits	62,428	59,440	(2,987)	Decrease resulting from improved results of pension assets
Reserve for loss on guarantees	7,862	8,485	623	
Other long-term liabilities	1,172	1,367	194	
<b>Total liabilities</b>	<b>195,228</b>	<b>225,087</b>	<b>29,859</b>	
<b>Total net assets</b>	<b>207,359</b>	<b>211,184</b>	<b>3,824</b>	
<b>Total liabilities and net assets</b>	<b>402,587</b>	<b>436,272</b>	<b>33,684</b>	

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

	Fiscal 2006 interim	Fiscal 2007 interim	Increase/ (decrease)
Capital investment	8,065	10,051	1,986
Depreciation and amortization	9,340	9,528	187

6. Interest-bearing Debt (Millions of yen)

	Fiscal 2006 interim	Fiscal 2007 interim	Increase/ (decrease)	Reasons
Interest-bearing debt	49,800	78,403	28,603	Increase resulting from new loans

7. Number of Employees (Number of employees)

	Fiscal 2006 interim		Fiscal 2007 interim		Increase/(decrease)	
Number of employees	16,301	[8,491]	16,207	[8,682]	(94)	[191]

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 2007 interim	Increase/ (decrease)
Daily Yamazaki	1,665	1,581	(84)
Yamazaki Shop	4,063	3,941	(122)
Sun Etoile	542	560	18
Other licensed stores	430	412	(18)
Supermarkets	14,613	14,736	123
Convenience stores	37,762	38,410	648
Other stores	37,153	36,697	(456)
Total	96,228	96,337	109

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 1,669.

9. Sales by Sales Channel (%)

	Fiscal 2006 interim	Fiscal 2007 interim	Increase/ (decrease)
Daily Yamazaki	3.7	3.3	(0.4)
Yamazaki Shop	5.5	5.4	(0.1)
Sun Etoile	2.6	2.5	(0.1)
Other licensed stores	1.2	1.3	0.1
Supermarkets	37.7	38.7	1.0
Convenience stores	22.9	22.6	(0.3)
Other stores	26.4	26.2	(0.2)
Total	100.0	100.0	0.0

## Full-Term Projections for Fiscal 2007

## Nonconsolidated Results

### 1. Overview

(Millions of yen)

	Fiscal 2006		Fiscal 2007 projection		Increase/ (decrease)	Percentage change
		Percentage of total		Percentage of total		
Net sales	572,067	100.0	582,000	100.0	9,932	1.7
Gross profit	177,207	31.0	180,000	30.9	2,792	1.6
Selling, general and administrative expenses	165,024	28.9	165,300	28.4	275	0.2
Operating income	12,182	2.1	14,700	2.5	2,517	20.7
Ordinary income	14,061	2.5	16,000	2.7	1,938	13.8
Extraordinary loss	(2,495)	(0.4)	(3,000)	(0.5)	(504)	-
Net income	6,434	1.1	6,500	1.1	65	1.0

	Fiscal 2007 first half			Fiscal 2007 second half projection		
		Increase/(decrease)	Percentage change		Increase/(decrease)	Percentage change
Net sales	290,469	3,146	1.1	291,530	6,786	2.4
Operating income	8,262	199	2.5	6,437	2,317	56.3
Ordinary income	9,408	207	2.3	6,591	1,731	35.6
Net income	4,803	43	0.9	1,696	22	1.3

### 2. Net Sales by Product Category

(Millions of yen)

	Fiscal 2006		Fiscal 2007 projection		Increase/ (decrease)	Percentage change
		Percentage of total		Percentage of total		
Bread	87,442	15.3	87,440	15.0	0	0.0
Sweet buns	258,178	45.1	267,040	45.9	8,861	3.4
Japanese-style confectionery	63,387	11.1	64,060	11.0	672	1.1
Western-style confectionery	71,580	12.5	72,440	12.5	859	1.2
Processed bread and prepared rice and side dishes	43,223	7.6	42,590	7.3	(633)	(1.5)
Biscuits, crackers, <i>sembei</i> and other merchandise	48,254	8.4	48,430	8.3	175	0.4
Total	572,067	100.0	582,000	100.0	9,932	1.7

### 3. Capital Investment and Depreciation and Amortization

(Millions of yen)

	Fiscal 2006	Fiscal 2007 projection	Increase/ (decrease)
Capital investment	22,434	24,300	1,865
Depreciation and amortization	19,804	20,700	895

### **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.