



Summary of Consolidated Financial Results for the Three Months Ended October 2006

December 5, 2006

Company name: Ardepro Co., Ltd. (Stock code: 8925, TSE Mothers Market)
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1. Significant Accounting Policies in the Preparation of Quarterly Consolidated Financial Statements

- (1) Accounting standards for the preparation of quarterly consolidated financial statements: Standards for interim consolidated financial statements
- (2) Changes in accounting treatment from the most recent consolidated fiscal year: None
- (3) Changes in the scope of consolidation and application of the equity method: None
 Consolidation (Newly added): - (Excluded): -
 Equity method (Newly added): - (Excluded): -
- (4) Auditing process by independent accountants: Yes
 The quarterly consolidated financial statements has been through auditing process in accordance with the supplementary provisions “Standards of Auditors’ Opinion for the Quarterly Financial Statements” of the “Instructions for the Application of the Regulations for Timely Disclosure of Corporate Information by Issuers of Listed Securities” as set by the Tokyo Stock Exchange.

2. Consolidated Financial Results for the Three Months Ended October 2006 (August 1, 2006 – October 31, 2006)

(1) Consolidated Results of Operations (All amounts are rounded down to the nearest million yen)

	Sales		Operating profit		Recurring profit	
	Million yen	%	Million yen	%	Million yen	%
Three months ended October 2006	16,695	127.8	3,110	173.5	2,742	160.9
Three months ended October 2005	7,328	84.5	1,136	77.0	1,051	80.8
(Reference) Year ended July 2006	43,001		7,171		6,698	

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	%	Yen	Yen
Three months ended October 2006	1,457	180.0	422.10	419.57
Three months ended October 2005	520	68.2	782.21	771.28
(Reference) Year ended July 2006	3,739		5,572.12	5,511.23

- Notes: 1. Percentages for sales, operating profit and other figures represent year-on-year percentage change.
 2. A 5-for-1 stock split was conducted on August 1, 2006.

[Qualitative Information Regarding Consolidated Results of Operations]

In the first quarter of the current fiscal year, Japan’s economy stayed firm, underpinned by rising capital investment against a backdrop of strong corporate earnings and favorable consumer spending, reflecting an improved employment picture.

According to the Official Land Price Survey 2006, announced by the Ministry of Land, Infrastructure and Transport, land prices continued to decline in terms of nationwide average but the rate of decline slowed down. The decline in residential land prices was 2.3% in 2006 against a drop of 3.8% in 2005. Similarly, the decline in commercial land prices slowed to 2.1% in 2006 from 5.0% in the previous year. On the other hand, land prices gains in the central parts of major metropolitan areas (Tokyo, Osaka, Kyoto, and Nagoya) accelerated in 2006. The increases were particularly evident in certain locations with outstanding convenience and profitability. Residential land prices in the central districts of Tokyo rose 6.4% in 2006, up from an increase of 0.5% in 2005, while commercial land prices increased 8.3% in 2006 compared to 0.6% in the

previous year. Land prices in major regional cities, including Sapporo, Sendai, Hiroshima and Fukuoka, are also rising. Last year, both residential and commercial land prices in the nation's regional areas did not increase at any of the survey sites. However, in the 2006 survey the price of residential land in regional cities was up at one site and that of commercial land prices at three sites. The data clearly shows that there is an overall trend toward recovery in land prices.

In this environment, Ardepro Co., Ltd., the core company in the Group, recorded strong sales of residential properties to individuals and investment properties to corporate buyers, including properties in large-scale urban development projects.

In addition to the real estate revitalization business, the Company plans to aggressively expand into real estate development type projects to increase turnover.

At Group companies, the property management business, which includes leasing and building management services, was favorable at Ardepro Property Management Co., Ltd. and Japan Realty Supervision Co., Ltd. Odaka Denko Co., Ltd.'s electrical construction business also expanded satisfactorily.

Due to these items, consolidated sales in the first quarter totaled 16,695 million yen, 127.8% higher than the same period one year earlier. Recurring profit was up 160.9% to 2,742 million yen and net income rose 180.0% to 1,457 million yen.

(2) Consolidated Financial Position

(All amounts are rounded down to the nearest million yen)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Three months ended October 2006	44,568	11,369	25.5	3,291.89
Three months ended October 2005	13,159	4,269	32.4	6,407.23
(Reference) Year ended July 2006	33,130	10,835	32.7	15,694.78

(3) Consolidated Cash Flow Position

(All amounts are rounded down to the nearest million yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the period
	Million yen	Million yen	Million yen	Million yen
Three months ended October 2006	(10,439)	(540)	11,691	9,280
Three months ended October 2005	(2,567)	167	2,637	2,220
(Reference) Year ended July 2006	(7,463)	(1,390)	15,509	8,639

[Qualitative Information Regarding Consolidated Financial Position]

Cash and cash equivalents as of the end of the first quarter totaled 9,280 million yen, up from 2,220 million yen as of the end of the first quarter in the previous fiscal year, reflecting a large volume of property acquisitions to support future sales growth as well as rising current sales.

A summary of cash flows was as follows:

Cash flows from operating activities

Net cash used in operating activities was 10,439 million yen, compared with net cash used of 2,567 million yen one year earlier. Income before income taxes and minority interests was 2,725 million yen, but there were increases of 8,732 million yen in inventories because of the large volume of property acquisitions and 2,754 million yen in income tax payment.

Cash flows from investing activities:

Net cash used in investing activities was 540 million yen, compared with net cash provided of 167 million yen one year earlier. This was due mainly to a payment of 235 million yen for the purchase of Alive Community Co., Ltd. stock to forge a stronger business alliance with the company and 216 million yen for time deposits.

Cash flows from financing activities:

Net cash provided by financing activities was 11,691 million yen, compared with net cash provided of 2,637 million yen one year earlier. The major reason was a 12,429 million yen increase in short-term borrowings to fund property acquisitions.

3. Consolidated Forecast for the Fiscal Year Ending July 2007 (August 1, 2006 - July 31, 2007)

(All amounts are rounded down to the nearest million yen)

	Sales	Recurring profit	Net income
	Million yen	Million yen	Million yen
First half	37,105	6,105	3,357
Full year	55,715	8,460	4,451

Reference: Estimated net income per share for the full year: 1,289.43 yen

[Qualitative Information Regarding Consolidated Forecast]

In the current fiscal year ending July 2007, the operating environment for the real estate industry is expected to remain favorable accompanied by a continuing economic recovery. According to the Land Investment Trends Survey (September 2006) by the Ministry of Land, Infrastructure and Transport, 45.0% of the Tokyo-based companies included in the survey replied that land transactions are “brisk.” The figure for Osaka-based firms was 39.5%. Both the figures significantly exceeded the figures for respondents who felt that land transactions were “not brisk” (6.0% and 9.4% respectively). Regarding the outlook for the year after, close to half (49.3%) of the Tokyo-based companies included in the survey expected land transactions remain “brisk” one year from now. The corresponding figure for Osaka-based firms was 49.1%. Based on this data, we expect real estate transactions to continue at high levels for the foreseeable future.

The Company’s current network comprises the head office, nine branches and 21 sales offices and plans call for opening nine more sales offices by the end of the current fiscal year, bringing our national network of offices to 40. The expanding network of offices is expected to contribute to boosting sales. In the real estate revitalization business, the Company plans to diversify into property development, thus increasing profit in this business segment.

Elsewhere, the number of condominiums under management at subsidiaries Ardepro Property Management Co., Ltd. and Japan Realty Supervision Co., Ltd. is also rising along with the growing number of properties handled by the Company. Ardepro Property Management’s plans for more tie-ups with leading property management companies throughout Japan will also lift the total number of properties under management, leading to satisfactory business expansion. We also expect Odaka Denko’s electrical construction business to continue to expand satisfactorily.

In the fiscal year ending in July 2007, the Company is forecasting consolidated sales up 29.6% to 55,715 million yen, a 26.3% increase in recurring profit to 8,460 million yen, and net income is expected to increase 19% to 4,451 million yen.

*Forecasts regarding future performance in these materials are based on judgments made in accordance with information available at the time this presentation was prepared. Actual results may differ significantly from these forecasts for a number of factors.

4. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

Thousand yen

Account	Note	Three months ended Oct. 2005 (As of Oct. 31, 2005)		Three months ended Oct. 2006 (As of Oct. 31, 2006)		Year ended Jul. 2006 Summary (As of Jul. 31, 2006)	
		Amount	%	Amount	%	Amount	%
Assets							
I Current assets							
1. Cash and deposits	*2	2,324,367		9,639,793		8,801,345	
2. Trade notes and accounts receivable		649,068		804,316		800,489	
3. Real estate for sale	*2	7,886,780		28,152,360		19,597,304	
4. Work in process		85,386		327,163		149,267	
5. Advances		875,036		-		534,308	
6. Suspense payment		-		2,385,752		-	
7. Deferred tax assets		56,333		171,760		245,501	
8. Others		284,796		1,203,828		622,221	
Allowance for doubtful accounts		(45,450)		(81,714)		(64,969)	
Total current assets		12,116,319	92.1	42,603,261	95.6	30,685,468	92.6
II Fixed assets							
1. Tangible fixed assets	*1,2	169,653		199,900		194,076	
2. Intangible fixed assets							
(1) Goodwill		-		937,275		973,661	
(2) Consolidation adjustment account		575,104		-		-	
(3) Others		73,514		44,600		21,901	
Total intangible fixed assets		648,619		981,876		995,562	
3. Investments and other assets		224,900		783,233		1,255,714	
Total fixed assets		1,043,174	7.9	1,965,011	4.4	2,445,354	7.4
Total assets		13,159,493	100.0	44,568,272	100.0	33,130,822	100.0

Thousand yen

Account	Note	Three months ended Oct. 2005 (As of Oct. 31, 2005)		Three months ended Oct. 2006 (As of Oct. 31, 2006)		Year ended Jul. 2006 Summary (As of Jul. 31, 2006)	
		Amount	%	Amount	%	Amount	%
Liabilities							
I Current liabilities							
1. Accounts payable		110,013		247,253		228,259	
2. Short-term borrowings	*2,3	7,408,458		29,104,330		16,674,920	
3. Current portion of long-term borrowings		4,440		13,440		4,440	
4. Current portion of corporate bonds		100,000		-		-	
5. Accrued income taxes		516,534		1,207,074		2,797,811	
6. Allowance for employees' bonuses		46,225		70,321		32,176	
7. Allowance for directors' bonuses		-		1,887		3,850	
8. Others		663,152		2,032,283		2,066,338	
Total current liabilities		8,848,824	67.2	32,676,591	73.3	21,807,795	65.8
II Long-term liabilities							
1. Corporate bonds		-		450,000		450,000	
2. Long-term borrowings		6,310		36,370		2,980	
3. Allowance for retirement benefits		28,220		35,335		34,695	
4. Others		449		-		-	
Total long-term liabilities		34,980	0.3	521,705	1.2	487,675	1.5
Total liabilities		8,883,804	67.5	33,198,297	74.5	22,295,471	67.3
Minority interest							
Minority interests		5,912	0.0	-	-	-	-
Shareholders' equity							
I Common stock							
Common stock		1,180,160	9.0	-	-	-	-
II Capital surplus							
Capital surplus		1,021,130	7.8	-	-	-	-
III Retained earnings							
Retained earnings		2,068,485	15.7	-	-	-	-
Total shareholders' equity		4,269,775	32.4	-	-	-	-
Total liabilities, minority interests and shareholders' equity		13,159,493	100.0	-	-	-	-
Net assets							
I Shareholders' equity							
1. Common stock		-	-	2,930,948	6.6	2,930,948	8.8
2. Capital surplus		-	-	2,771,918	6.2	2,771,918	8.4
3. Retained earnings		-	-	5,651,953	12.7	5,126,905	15.5
Total shareholders' equity		-	-	11,354,819	25.5	10,829,771	32.7
II Valuation and translation adjustments							
1. Unrealized holding gain (loss) on other securities		-	-	8,444		-	-
Total valuation and translation adjustments		-	-	8,444	0.0	-	-
III Minority interests							
Minority interests		-	-	6,711	0.0	5,579	0.0
Total net assets		-	-	11,369,974	25.5	10,835,351	32.7
Total liabilities and net assets		-	-	44,568,272	100.0	33,130,822	100.0

(2) Quarterly Consolidated Income Statements

Thousand yen

Account	Note	Three months ended Oct. 2005 (Aug. 1, 2005 - Oct. 31, 2005)		Three months ended Oct. 2006 (Aug. 1, 2006 - Oct. 31, 2006)		Year ended Jul. 2006 Summary (Aug. 1, 2005 - Jul. 31, 2006)	
		Amount	%	Amount	%	Amount	%
I Sales		7,328,463	100.0	16,695,041	100.0	43,011,471	100.0
II Cost of sales		5,489,857	74.9	12,521,965	75.0	33,648,697	78.3
Gross profit		1,838,606	25.1	4,173,076	25.0	9,352,773	21.7
III Selling, general and administrative expenses	*1	701,610	9.6	1,062,842	6.4	2,181,252	5.0
Operating profit		1,136,995	15.5	3,110,234	18.6	7,171,521	16.7
IV Non-operating income							
1. Interest income		1,788		674		1,976	
2. Dividend income		-		14		-	
3. Others		20,509	0.3	20,358	0.1	70,930	0.2
V Non-operating expenses							
1. Interest expenses		57,533		193,542		305,437	
2. Commissions paid		14,804		108,698		68,113	
3. Consumption tax adjustment loss		20,061		66,456		76,069	
4. New share issue expenses		1,925		-		22,647	
5. Provision of allowance for doubtful accounts		-		94		-	
6. Others		13,928	1.5	20,027	2.3	73,978	1.3
Recurring profit		1,051,040	14.3	2,742,463	16.4	6,698,183	15.6
VI Extraordinary gains							
1. Gain on sales of affiliate stock		-		-		51,918	
2. Gain on transfer of businesses		-		-		1,904	
3. Reversal of allowance for doubtful accounts		-		1,469		6,216	
4. Gain on sales of fixed assets		-		923		32,043	
5. Prior year income adjustments		-	-	-	0.0	6,058	0.2
VII Extraordinary losses	*2						
1. Loss on removal of fixed assets		9,184		-		9,184	
2. Loss on sales of fixed assets		-		-		35	
3. Head office relocation expenses		538		-		8,842	
4. Prior year loss adjustments		-		-		6,403	
5. Provision of allowance for doubtful accounts		-		-		19,052	
6. Bad debts loss		-		-		1,968	
7. Loss on transfer of businesses		-		-		17,371	
8. Amortization of goodwill		28,571		-		-	
9. Amortization of goodwill (revised standard)		-		-		28,571	
10. Structural and other tests of real estate for sale		-		-		19,719	
11. Loss on valuation of investment securities		-	0.5	18,924	0.1	-	0.3
Net income before income taxes		1,012,745	13.8	2,725,932	16.3	6,685,175	15.5
Current income taxes		514,976		1,192,924		3,185,175	
Deferred income taxes		(22,258)	6.7	75,434	7.6	(238,577)	6.8
Minority interests		350	0.0	513	0.0	(683)	0.0
Net income		520,377	7.1	1,457,059	8.7	3,739,261	8.7

(3) Quarterly Consolidated Surplus Statements

Thousand yen

Account	Three months ended Oct. 2005 (Aug. 1, 2005 - Oct. 31, 2005)	
	Amount	
Capital surplus		
I Balance at beginning of the period		1,019,900
II Increase in capital surplus		
1. New share issuance for capital increase	1,230	1,230
III Balance at end of the period		1,021,130
Retained earnings		
I Balance at beginning of the period		1,837,099
II Increase in retained earnings		
1. Net income	520,377	520,377
III Decrease in retained earnings		
1. Dividends	285,141	
2. Directors' bonuses	3,850	288,991
Balance at end of the period		2,068,485

Consolidated Statements of Change in Shareholders' Equity

Three months ended October 2006 (Aug. 1, 2006 - Oct. 31, 2006)

	Shareholders' equity			
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance as of July 31, 2006 (thousand yen)	2,930,948	2,771,918	5,126,905	10,829,771
Changes during the period	-	-	-	-
Dividend of surplus	-	-	(932,011)	(932,011)
Net income	-	-	1,457,059	1,457,059
Changes (net) in items other than shareholders' equity	-	-	-	-
Total changes during the period (thousand yen)	-	-	525,047	525,047
Balance as of Oct. 31, 2006 (thousand yen)	2,930,948	2,771,918	5,651,953	11,354,819

	Valuation and translation adjustments		Minority interests	Total net assets
	Unrealized holding gain (loss) on other securities	Total valuation and translation adjustments		
Balance as of July 31, 2006 (thousand yen)	-	-	5,579	10,835,351
Changes during the period				
Dividend of surplus				(932,011)
Net income				1,457,059
Changes (net) in items other than shareholders' equity	8,444	8,444	1,131	9,575
Total changes during the period (thousand yen)	8,444	8,444	1,131	534,623
Balance as of Oct. 31, 2006 (thousand yen)	8,444	8,444	6,711	11,369,974

Year ended July 2006 (Aug. 1, 2005 – Jul. 31, 2006)

	Shareholders' equity				Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity		
Balance as of July 31, 2005 (thousand yen)	1,178,930	1,019,900	1,837,099	4,035,929	-	4,035,929
Changes during the fiscal year						
Issuance of new share	1,752,018	1,752,018	-	3,504,036	-	3,504,036
Dividend of surplus	-	-	(451,741)	(451,741)	-	(451,741)
Directors' bonuses paid	-	-	(3,850)	(3,850)	-	(3,850)
Increase in surplus due to decrease in subsidiaries	-	-	6,136	6,136	-	6,136
Net income	-	-	3,739,261	3,739,261	-	3,739,261
Changes (net) in items other than shareholders' equity	-	-	-	-	5,579	5,579
Total changes during the fiscal year (thousand yen)	1,752,018	1,752,018	3,289,805	6,793,841	5,579	6,799,421
Balance as of July 31, 2006 (thousand yen)	2,930,948	2,771,918	5,126,905	10,829,771	5,579	10,835,351

(4) Quarterly Consolidated Cash Flow Statements

Thousand yen

		Three months ended Oct. 2005 (Aug. 1, 2005 – Oct. 31, 2005)	Three months ended Oct. 2006 (Aug. 1, 2006 – Oct. 31, 2006)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)
Account	Note	Amount	Amount	Amount
I Cash flows from operating activities				
Income before income taxes and minority interests		1,012,745	2,725,932	6,685,175
Depreciation and amortization		4,178	8,903	22,940
Amortization of consolidated adjustment account		30,268	-	-
Amortization of goodwill		48,255	-	-
Amortization of goodwill (revised standard)		-	36,385	168,950
Increase (decrease) in allowance for doubtful accounts		4,301	16,745	22,077
Increase (decrease) in allowance for employees' bonuses		27,247	38,145	12,935
Increase in allowance for directors' bonuses		-	(1,962)	3,850
Increase (decrease) in allowance for retirement benefits		1,222	640	(626)
Interest and dividend income		(1,788)	(688)	(1,976)
Interest expenses		57,533	193,542	305,437
Loss on valuation of investment securities		-	18,924	-
New share issue expenses		1,925	-	22,647
Corporate bond issue expenses		-	-	8,550
Gain on sales of affiliate stock		-	-	(51,918)
Gain on sales of land		-	-	(32,043)
Loss on removal of fixed assets		9,184	-	9,184
Gain (loss) on sales of fixed assets		-	(923)	35
Head office relocation expenses		-	-	8,842
Decrease (increase) in trade receivable		(456,784)	(3,827)	(561,896)
Decrease (increase) in inventories		(1,681,958)	(8,732,951)	(13,446,224)
Decrease (increase) in advances		(686,129)	63,885	(345,402)
Decrease (increase) in other current assets		(33,894)	(1,697,847)	(293,879)
Increase (decrease) in trade payable		(6,273)	18,994	(201)
Increase (decrease) in accrued consumption taxes		(115,234)	(11,095)	(3,701)
Increase (decrease) in advances received		565	272,529	132,914
Increase (decrease) in other current liabilities		(103,248)	(436,464)	1,226,297
Others		69	690	(2,677)
Subtotal		(1,887,813)	(7,490,443)	(6,110,708)
Interests and dividends received		1,789	688	1,976
Interests paid		(75,043)	(194,969)	(305,437)
Income taxes paid		(606,866)	(2,754,992)	(1,040,087)
Head office relocation expenses paid		-	-	(8,842)
Net cash used in operating activities		(2,567,934)	(10,439,715)	(7,463,098)

Thousand yen

		Three months ended Oct. 2005 (Aug. 1, 2005 – Oct. 31, 2005)	Three months ended Oct. 2006 (Aug. 1, 2006 – Oct. 31, 2006)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)
Account	Note	Amount	Amount	Amount
II Cash flows from investing activities				
Payments for time deposits		(18,201)	(216,000)	(71,657)
Proceeds from time deposits		-	89,140	24,003
Proceeds from sales of subsidiary stock with changes in scope of consolidation	*3	-	-	78,640
Payments from acquisition of subsidiary stock		(24,642)	-	6,216
Payments from acquisition of subsidiary stock with changes in scope of consolidation	*2	-	-	(631,773)
Payments for purchase of investment securities		(29,400)	(235,480)	(2,506,350)
Proceeds from sale of investment securities		-	-	1,572,000
Proceeds from sale of tangible fixed assets		-	3,352	50,193
Payments for purchase of tangible fixed assets		(37,664)	(24,520)	(90,674)
Payments for purchase of intangible fixed assets		-	(525)	(7,666)
Payments for guarantee deposits		(42,713)	(193,287)	(199,151)
Proceeds for return of guarantee deposits		-	37,948	65,539
Payments for loans receivable		(250,000)	-	(250,000)
Proceeds from collections of loans receivable		570,000	129	570,000
Others		(200)	(853)	474
Net cash provided by (used in) investing activities		167,236	(540,093)	(1,390,206)
III Cash flows from financing activities				
Net increase (decrease) in short-term borrowings		2,876,086	12,429,410	12,142,548
Proceeds from long-term borrowings		-	45,000	-
Repayments of long-term borrowings		(1,110)	(2,610)	(4,440)
Proceeds from corporate bond issuance		-	-	441,450
Payments for redemption of corporate bonds		-	-	(100,000)
Proceeds from new share issuance		534	-	3,481,388
Cash dividends paid		(238,149)	(780,491)	(451,741)
Net cash provided by financing activities		2,637,360	11,691,308	15,509,205
IV Increase (decrease) in cash and cash equivalents		236,663	711,498	6,655,900
V Cash and cash equivalents at beginning of the period		1,983,999	8,568,987	1,983,999
VI Cash and cash equivalents at end of the period	*1	2,220,662	9,280,485	8,639,899

Significant Accounting Policies in the Preparation of Quarterly Consolidated Financial Statements

Item	Three months ended Oct. 2005 (Aug. 1, 2005 - Oct. 31, 2005)	Three months ended Oct. 2006 (Aug. 1, 2006 - Oct. 31, 2006)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)								
1. Scope of consolidation	<p>Consolidated subsidiaries: 3 Name of consolidated subsidiary: Planet Support Co., Ltd. Japan Realty Supervision Co., Ltd. Ardepro Asset Management Co., Ltd. All subsidiaries are consolidated. On October 18, 2005, Ardepro Asset Management Co., Ltd. was established as a wholly owned subsidiary.</p>	<p>Consolidated subsidiaries: 3 Name of consolidated subsidiaries: Japan Realty Supervision Co., Ltd. Ardepro Property Management Co., Ltd. Odaka Denko Co., Ltd. All subsidiaries are consolidated.</p>	<p>Consolidated subsidiaries: 3 Name of consolidated subsidiaries: Japan Realty Supervision Co., Ltd. Ardepro Property Management Co., Ltd. Odaka Denko Co., Ltd. All subsidiaries are consolidated. Effective on November 1, 2005, Planet Support Co., Ltd. was absorbed by Japan Realty Supervision Co., Ltd. Ardepro Property Management Co., Ltd. was established on March 20, 2006 as a wholly owned subsidiary and Odaka Denko Co., Ltd. became a subsidiary on March 15, 2006 following the purchase by the Company of all its shares. On October 18, 2005, Ardepro Asset Management Co., Ltd. was established as a wholly owned subsidiary and the Company sold its 85.05% of equity stake on July 31, 2006.</p>								
2. Equity method of accounting	The Company does not have any non-consolidated subsidiaries or affiliates.	Same as on the left.	Same as on the left.								
3. Accounting period of consolidated subsidiaries	The period of consolidated subsidiaries ends on the closing date of consolidated financial statements.	<p>The consolidated financial statements include the accounts of a following consolidated subsidiary, of which the fiscal year ends on a different day.</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Closing date</th> </tr> </thead> <tbody> <tr> <td>Odaka Denko Co., Ltd.</td> <td>August 31</td> </tr> </tbody> </table> <p>The Company prepares provisional accounts for the subsidiary as of the period-end financial results reporting date in order to prepare consolidated financial statements. The Company makes necessary consolidation adjustments to account for any major transactions that occur before the consolidated closing date.</p>	Name	Closing date	Odaka Denko Co., Ltd.	August 31	<p>The consolidated financial statements include the accounts of a following consolidated subsidiary, of which the fiscal year ends on a different day.</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Closing date</th> </tr> </thead> <tbody> <tr> <td>Odaka Denko Co., Ltd.</td> <td>May 31</td> </tr> </tbody> </table> <p>The Company prepares provisional accounts for the subsidiary as of the fiscal-year financial results reporting date in order to prepare consolidated financial statements. The Company makes necessary consolidation adjustments to account for any major transactions that occur before the consolidated closing date.</p>	Name	Closing date	Odaka Denko Co., Ltd.	May 31
Name	Closing date										
Odaka Denko Co., Ltd.	August 31										
Name	Closing date										
Odaka Denko Co., Ltd.	May 31										

Item	Three months ended Oct. 2005 (Aug. 1, 2005 - Oct. 31, 2005)	Three months ended Oct. 2006 (Aug. 1, 2006 - Oct. 31, 2006)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)																																				
<p>4. Significant accounting policies</p> <p>(1) Valuation criteria and methods for principal assets</p> <p>(2) Depreciation and amortization method of principal assets</p>	<p>1. Securities</p> <p>1) Other securities</p> <p>Securities with market quotations:</p> <p style="text-align: center;">—————</p> <p>Securities without market quotations: Securities without market quotations are stated at cost, cost being determined by the moving-average method.</p> <p>2. Inventories</p> <p>1) Real estate for sale, and work in process</p> <p>Stated at cost, cost being determined by the specific identification method.</p> <p>2) Supplies</p> <p>Stated at cost, cost being determined by the method of most recent purchase price.</p> <p>1. Tangible fixed assets</p> <p>Depreciation of tangible fixed assets is calculated by the declining-balance method. Depreciation of buildings (excluding attached equipment) acquired on and after April 1, 1998 is calculated by the straight-line method. Useful lives of major items are as follows (years):</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Buildings</td> <td style="text-align: right;">28</td> </tr> <tr> <td>Buildings and attached structures</td> <td style="text-align: right;">15</td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">10-15</td> </tr> <tr> <td>Machinery equipment</td> <td style="text-align: right;">9-15</td> </tr> <tr> <td>Vehicles</td> <td style="text-align: right;">4-6</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td style="text-align: right;">4-10</td> </tr> </table> <p>2. Intangible fixed assets</p> <p>1) Software</p> <p>Software development costs are amortized over an expected useful life of five years by the straight-line method.</p> <p>2) Goodwill</p> <p>Goodwill is amortized by the straight-line method over a period of up to five years.</p>	Buildings	28	Buildings and attached structures	15	Structures	10-15	Machinery equipment	9-15	Vehicles	4-6	Tools, furniture and fixtures	4-10	<p>1. Securities</p> <p>1) Other securities</p> <p>Securities with market quotations: Securities with market quotations are carried at fair value on the balance sheet date. Changes in unrealized holding gain or loss are included directly in net assets. The cost of securities sold is determined primarily by the moving-average method.</p> <p>Securities without market quotations: Same as on the left.</p> <p>2. Inventories</p> <p>1) Real estate for sale, and work in process</p> <p>Same as on the left.</p> <p>2) Raw materials and supplies</p> <p>Stated at cost, cost being determined by the method of most recent purchase price.</p> <p>1. Tangible fixed assets</p> <p>Same as on the left.</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Buildings</td> <td style="text-align: right;">15-28</td> </tr> <tr> <td>Buildings and attached structures</td> <td style="text-align: right;">3-22</td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">9-20</td> </tr> <tr> <td>Machinery equipment</td> <td style="text-align: right;">9-15</td> </tr> <tr> <td>Vehicles</td> <td style="text-align: right;">2-6</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td style="text-align: right;">3-20</td> </tr> </table> <p>2. Intangible fixed assets</p> <p>1) Software</p> <p>Same as on the left.</p> <p>2) Goodwill</p> <p>Same as on the left.</p>	Buildings	15-28	Buildings and attached structures	3-22	Structures	9-20	Machinery equipment	9-15	Vehicles	2-6	Tools, furniture and fixtures	3-20	<p>1. Securities</p> <p>1) Other securities</p> <p>Securities with market quotations: Securities with market quotations are carried at fair value on the balance sheet date. Changes in unrealized holding gain or loss are included directly in net assets. The cost of securities sold is determined primarily by the moving-average method.</p> <p>Securities without market quotations: Same as on the left.</p> <p>2. Inventories</p> <p>1) Real estate for sale, and work in process</p> <p>Same as on the left.</p> <p>2) Raw materials and supplies</p> <p>Same as on the left.</p> <p>1. Tangible fixed assets</p> <p>Same as on the left.</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Buildings</td> <td style="text-align: right;">15-28</td> </tr> <tr> <td>Buildings and attached structures</td> <td style="text-align: right;">3-22</td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">9-20</td> </tr> <tr> <td>Machinery equipment</td> <td style="text-align: right;">9-15</td> </tr> <tr> <td>Vehicles</td> <td style="text-align: right;">2-6</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td style="text-align: right;">3-20</td> </tr> </table> <p>2. Intangible fixed assets</p> <p>1) Software</p> <p>Same as on the left.</p> <p>2) Goodwill</p> <p>Same as on the left.</p>	Buildings	15-28	Buildings and attached structures	3-22	Structures	9-20	Machinery equipment	9-15	Vehicles	2-6	Tools, furniture and fixtures	3-20
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Item	Three months ended Oct. 2005 (Aug. 1, 2005 - Oct. 31, 2005)	Three months ended Oct. 2006 (Aug. 1, 2006 - Oct. 31, 2006)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)
	3. Long-term prepaid expenses Long-term prepaid expenses are amortized by the straight-line method.	3. Long-term prepaid expenses Same as on the left.	3. Long-term prepaid expenses Same as on the left.
(3) Accounting for significant allowances	<p>1. Allowance for doubtful accounts To prepare for credit losses on receivables, an allowance equal to the estimated amount of uncollectible receivables is provided for general receivables based on the historical write-off ratio, and bad receivables based on a case-by-case determination of collectibility.</p> <p>2. Allowance for employees' bonuses To provide for employee bonus obligation, an amount accrued for the current three-month period among the estimated future obligations is designated in the reserve account.</p> <p>3. Allowance for directors' bonuses _____</p> <p>4. Allowance for retirement benefits To provide for accrued employees' retirement benefits, an allowance is provided in the amount deemed to have accrued at the end of current three-month period based on projected benefit obligations.</p>	<p>1. Allowance for doubtful accounts Same as on the left.</p> <p>2. Allowance for employees' bonuses Same as on the left.</p> <p>3. Allowance for directors' bonuses To provide for director bonus obligation, an amount accrued for the current three-month period among the estimated future obligations is designated in the reserve account.</p> <p>4. Allowance for retirement benefits Same as on the left.</p>	<p>1. Allowance for doubtful accounts Same as on the left.</p> <p>2. Allowance for employees' bonuses To provide for employee bonus obligation, an amount accrued for the current fiscal year among the estimated future obligations is designated in the reserve account.</p> <p>3. Allowance for directors' bonuses To provide for director bonus obligation, an amount accrued for the current fiscal year among the estimated future obligations is designated in the reserve account.</p> <p>4. Allowance for retirement benefits To provide for accrued employees' retirement benefits, an allowance is provided in the amount deemed to have accrued at the end of current fiscal year based on projected benefit obligations.</p>
(4) Accounting for leases	Finance leases other than those, which are deemed to transfer the ownership of the leased assets to the lessees, are accounted for by a method similar to that applicable to ordinary operating leases.	Same as on the left.	Same as on the left.
(5) Other significant accounting policies	1. Accounting for consumption taxes Consumption taxes are accounted by the tax-exclusion method.	1. Accounting for consumption taxes Same as on the left.	1. Accounting for consumption taxes Same as on the left.
5. Cash and cash equivalents in the cash flow statements	Cash and cash equivalents in the cash flow statements consist of vault cash, deposits that can be withdrawn on demand, and short-term investments, generally with original maturities of three months or less, that are readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of change in value.	Same as on the left.	Cash and cash equivalents in the cash flow statements consist of vault cash, deposits that can be withdrawn on demand, and short-term investments, generally with original maturities of three months or less, that are readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of change in value.

Changes in the Accounting Policies

Three months ended Oct. 2005 (Aug. 1, 2005 - Oct. 31, 2005)	Three months ended Oct. 2006 (Aug. 1, 2006 - Oct. 31, 2006)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)
<p>(Accounting standard for impairment of fixed assets) Effective from the current three-month period, the Company has adopted “Statement of Opinion, Accounting for Impairment of Fixed Assets” (Business Accounting Council, August 9, 2002) and “Guidance on Accounting Standards for Impairment of Fixed Assets” (ASBJ Guidance No. 6: Accounting Standards Board of Japan, October 31, 2003) The effect of this change on financial statements is insignificant.</p>	<p style="text-align: center;">—————</p>	<p>(Accounting standard for impairment of fixed assets) Effective from the current fiscal year, the Company has adopted “Statement of Opinion, Accounting for Impairment of Fixed Assets” (Business Accounting Council, August 9, 2002) and “Guidance on Accounting Standards for Impairment of Fixed Assets” (ASBJ Guidance No. 6: Accounting Standards Board of Japan, October 31, 2003) The effect of this change on financial statements is insignificant.</p>
<p style="text-align: center;">—————</p>	<p>(Accounting standard for directors’ bonuses) Effective from the current three-month period, the Company has adopted “Accounting Standard for Directors’ Bonuses” (ASBJ Statement No. 4: Accounting Standards Board of Japan, November 29, 2005) The effect of this change was to decrease operating profit, recurring profit and income before income taxes and minority interests by 1,887,000 yen respectively, compare to the previous method.</p>	<p>(Accounting standard for directors’ bonuses) Effective from the current fiscal year, the Company has adopted “Accounting Standard for Directors’ Bonuses” (ASBJ Statement No. 4: Accounting Standards Board of Japan, November 29, 2005) The effect of this change was to decrease operating profit, recurring profit and income before income taxes and minority interests by 3,850,000 yen respectively, compare to the previous method.</p>
<p style="text-align: center;">—————</p>	<p>(Accounting standard for presentation of net assets on balance sheet) Effective from the current three-month period, the Company has adopted “Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ Statement No. 5: Accounting Standards Board of Japan, December 9, 2005) and “Guidance on Accounting Standards for Presentation of Net Assets in Balance Sheet” (ASBJ Guidance No. 8: Accounting Standards Board of Japan, December 9, 2005) The effect of this change is insignificant.</p> <p>Changes in presentation in consolidated balance sheets to conform to the revision of the regulations of consolidated financial statements:</p> <ol style="list-style-type: none"> 1. Effective from the current three-month period, “Shareholders’ equity” section is renamed “Net assets” section. “Net assets” section comprises “Shareholders’ equity,” “Valuation and translation adjustments,” etc. 2. Effective from the current three-month period, “Common stock,” “Capital surplus,” “Retained earnings,” stated as line items in prior periods, is presented under “Shareholders’ equity.” 	<p>(Accounting standard for presentation of net assets on balance sheet) Effective from the current fiscal year, the Company has adopted “Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ Statement No. 5: Accounting Standards Board of Japan, December 9, 2005) and “Guidance on Accounting Standards for Presentation of Net Assets in Balance Sheet” (ASBJ Guidance No. 8: Accounting Standards Board of Japan, December 9, 2005) The effect of this change is insignificant.</p> <p>Changes in presentation in consolidated balance sheets to conform to the revision of the regulations of consolidated financial statements:</p> <ol style="list-style-type: none"> 1. Effective from the current fiscal year, “Shareholders’ equity” section is renamed “Net assets” section. “Net assets” section comprises “Shareholders’ equity,” “Valuation and translation adjustments,” etc. 2. Effective from the current fiscal year, “Common stock,” “Capital surplus,” “Retained earnings,” stated as line items in prior periods, is presented under “Shareholders’ equity.”

Reclassifications

Three months ended Oct. 2005 (Aug. 1, 2005 - Oct. 31, 2005)	Three months ended Oct. 2006 (Aug. 1, 2006 - Oct. 31, 2006)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)
<p style="text-align: center;">—————</p>	<p>(Quarterly consolidated balance sheets) Effective from the current three-month period, Consolidation adjustment account, stated as a separate item under intangible fixed assets in the prior periods, is presented as Goodwill due to conform to the revision of the regulations of interim consolidated financial statements.</p> <p>(Advances) Effective from the current three-month period, advances,” presented as a line item in previous periods, is reclassified and included in “Others” under current assets since the amount of “Advances” declined to less than 5% as a percentage of total assets. In the previous three-month period, “Advances” amounted to 470,404,000 yen.</p> <p>(Suspense payments) Effective from the current three-month period, “Suspense payments,” included in “Others” under current assets in previous periods is reclassified and presented as a line item since the amount of “Suspense payments” increased to more than 5% as a percentage of “Total assets.” In the previous three-month period, “Suspense payments” amounted to 31,517,000 yen.</p>	<p>(Consolidated balance sheets) Effective from the current fiscal year, Consolidation adjustment account, stated as a separate item under intangible fixed assets in the prior periods, is presented as Goodwill due to conform to the revision of the regulations of consolidated financial statements.</p> <p style="text-align: center;">—————</p>
<p style="text-align: center;">—————</p>	<p>(Quarterly consolidated cash flow statements) Effective from the current three-month period, “Amortization of consolidation adjustment account,” stated as a separate item under “Cash flows from operating activities” in the prior periods, is presented as “Amortization of goodwill” due to conform to the revision of the regulations of interim consolidated financial statements.</p>	<p>(Consolidated cash flow statements) Effective from the current fiscal year, “Amortization of consolidation adjustment account,” stated as a separate item under “Cash flows from operating activities” in the prior periods, is presented as “Amortization of goodwill” due to conform to the revision of the regulations of consolidated financial statements.</p>

Supplementary Information

Three months ended Oct. 2005 (Aug. 1, 2005 - Oct. 31, 2005)	Three months ended Oct. 2006 (Aug. 1, 2006 - Oct. 31, 2006)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)
<p style="text-align: center;">—————</p>	<p>(Contingent liabilities) The Company on July 3, 2006 received a formal notice from Tozai Asset Management demanding 178,634,000 yen as damages for breach of contract regarding referral of real estate. We are examining the justification of the claim. However, at the moment, we are the opinion that there is no need to pay.</p>	<p>(Contingent liabilities) Same as on the left.</p>

Notes

Notes to Quarterly Consolidated Balance Sheets

Thousand yen

Three months ended Oct. 2005 (As of Oct. 31, 2005)	Three months ended Oct. 2006 (As of Oct. 31, 2006)	Year ended Jul. 2006 (As of Jul. 31, 2006)
*1. Accumulated depreciation of tangible fixed assets 44,277	*1. Accumulated depreciation of tangible fixed assets 70,212	*1. Accumulated depreciation of tangible fixed assets 84,352
*2. Assets pledged as collateral and corresponding liabilities Assets pledged as collateral Real estate for sale 6,147,227 Buildings 5,358 Land 1,506	*2. Assets pledged as collateral and corresponding liabilities Assets pledged as collateral Cash and deposits 150,000 Real estate for sale 25,562,794 Buildings 5,265 Land 3,013	*2. Assets pledged as collateral and corresponding liabilities Assets pledged as collateral Cash and deposits 150,000 Real estate for sale 17,130,921 Buildings 5,265 Land 1,506
Corresponding liabilities Short-term borrowings 6,441,158	Corresponding liabilities Short-term borrowings 24,889,530	Corresponding liabilities Short-term borrowings 16,357,120
	*3. The Company has an overdraft facility and commitment line agreements with its bankers. The balance of unused credit lines under these agreements as of the end of period was as follows: Current account overdraft 3,200,000 Credit used <u>2,204,350</u> Credit available <u>995,650</u>	*3. The Company has an overdraft facility and commitment line agreements with its bankers. The balance of unused credit lines under these agreements as of the end of fiscal year was as follows: Current account overdraft 3,200,000 Credit used <u>2,234,190</u> Credit available <u>965,810</u>
	4. Notes receivable endorsed 1,029	4. Notes receivable endorsed 10,400

Notes to Quarterly Consolidated Income Statements

Thousand yen

Three months ended Oct. 2005 (Aug. 1, 2005 - Oct. 31, 2005)	Three months ended Oct. 2006 (Aug. 1, 2006 - Oct. 31, 2006)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)
*1. Major items of “Selling, general and administrative expenses”	*1. Major items of “Selling, general and administrative expenses”	*1. Major items of “Selling, general and administrative expenses”
Sales commissions 16,738	Sales commissions 138,332	Sales commissions 182,442
Directors remunerations 26,450	Directors remunerations 30,060	Provision of allowance for doubtful accounts 12,972
Salaries and bonuses 201,979	Salaries and bonuses 337,620	Directors remunerations 117,070
Amortization of goodwill 30,268	Amortization of goodwill 36,385	Provision of allowance for directors’ bonuses 3,850
Provision of allowance for employees’ bonuses 22,366	Provision of allowance for employees’ bonuses 36,070	Salaries and bonuses 699,851
Provision of allowance for doubtful accounts 4,301	Provision of allowance for doubtful accounts 18,120	Provision of allowance for employees’ bonuses 24,882
		Retirement benefit expenses 2,096
		Amortization of goodwill 121,074
*2. Breakdown of “Loss on removal of fixed assets”	*2. Breakdown of “Loss on removal of fixed assets”	*2. Prior year income adjustments
Buildings and attached structures 6,619	—————	Accrued social insurance premiums 6,058
Furniture and fixtures 2,565		
		*3. Breakdown of “Loss on removal of fixed assets”
		Buildings 6,619
		Tools, furniture and fixtures 2,565
		Total 9,184
		*4. Breakdown of “Loss on sales of fixed assets”
		Telephone rights 35
		*5. Prior year loss adjustments
		Prior period tax in arrears 6,403

Notes to Consolidated Statements of Changes in Shareholders' Equity

Three months ended October 2006 (Aug. 1, 2006 - Oct. 31, 2006)

1. Outstanding shares

Type of share	Number of shares as of July 31, 2006	Increase during the period	Decrease during the period	Number of shares as of October 31, 2006
Common shares (Shares)	690,379	2,761,516	-	3,451,895

Outline of changes:

Increase in the number of shares (itemized)

Due to issuance of new shares through a stock split (5-for-1): 2,761,516 shares

2. Dividends

(1) Dividend payment

Resolution	Type of share	Source of funds	Total amount of dividend (Thousand yen)	Dividend per share (Yen)	Record date	Effective date
Annual meeting of shareholders on October 29, 2006	Common shares	Retained earnings	932,011	1,350	July 31, 2006	October 31, 2006

Year ended July 2006 (Aug. 1, 2005 - Jul. 31, 2006)

1. Outstanding shares

Type of share	Number of shares as of July 31, 2005	Increase during the fiscal year	Decrease during the fiscal year	Number of shares as of July 31, 2006
Common shares (Shares)	663,120	27,259	-	690,379

Outline of changes:

Increase in the number of shares (itemized)

Due to issuance of private placement of stock: 21,339 shares

Due to exercise of stock options: 5,920 shares

2. Dividends

(1) Dividend payment

Resolution	Type of share	Total amount of dividend (Thousand yen)	Dividend per share (Yen)	Record date	Effective date
Annual meeting of shareholders on October 26, 2005	Common shares	285,141	430	July 31, 2005	October 27, 2005
Board of Directors meeting on March 1, 2006	Common shares	166,600	250	January 31, 2006	April 3, 2006

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Source of funds	Total amount of dividend (Thousand yen)	Dividend per share (Yen)	Record date	Effective date
Annual meeting of shareholders on October 29, 2006	Common shares	Retained earnings	932,011	1,350	July 31, 2006	October 31, 2006

Notes to Quarterly Consolidated Cash Flow Statements

Thousand yen

Three months ended Oct. 2005 (Aug. 1, 2005 - Oct. 31, 2005)	Three months ended Oct. 2006 (Aug. 1, 2006 - Oct. 31, 2006)	Year ended Jul. 2006 (Aug. 1, 2005 - Jul. 31, 2006)
<p>*1. Reconciliation of cash and cash equivalents of the cash flows statements and cash and deposits of balance sheets for the current three-month period is made as follows:</p> <p style="text-align: right;">(As of October 31, 2005)</p> <p>Cash and deposits 2,324,367</p> <p>Time deposits with maturities longer than three months (103,704)</p> <p>Cash and cash equivalents <u>2,220,662</u></p>	<p>*1. Reconciliation of cash and cash equivalents of the cash flows statements and cash and deposits of balance sheets for the current three-month period is made as follows:</p> <p style="text-align: right;">(As of October 31, 2006)</p> <p>Cash and deposits 9,639,793</p> <p>Time deposits with maturities longer than three months 359,307</p> <p>Cash and cash equivalents <u>9,280,485</u></p>	<p>*1. Reconciliation of cash and cash equivalents of the cash flows statements and cash and deposits of balance sheets for the current fiscal year is made as follows:</p> <p style="text-align: right;">(As of July 31, 2006)</p> <p>Cash and deposits 8,801,345</p> <p>Time deposits with maturities longer than three months (211,771)</p> <p>Money Management Fund 50,326</p> <p>Cash and cash equivalents <u>8,639,899</u></p> <p>*2. Assets and liabilities of newly consolidated subsidiaries through acquisition of their shares</p> <p>Assets and liabilities at the time of consolidation, purchase price of stock and deduction from income related to the acquisition of stock of Odaka Denko Co., Ltd. included in consolidation due to the acquisition of its shares.</p> <p>Current assets 630,031</p> <p>Fixed assets 20,364</p> <p>Goodwill 489,362</p> <p>Current liabilities (131,435)</p> <p>Long-term liabilities (8,323)</p> <p>Purchase price for Odaka Denko 1,000,000</p> <p>Cash and cash equivalents of Odaka Denko (368,226)</p> <p>Difference:</p> <p>Outlays (net) for purchase of Odaka Denko's stock <u>631,773</u></p> <p>*3. Assets and liabilities at the time of sale, value of stock sold and deduction from income related to the sale of stock of Ardepro Asset Management Co., Ltd. excluded from consolidation due to divestiture of stock holding.</p> <p>Current assets 725,790</p> <p>Fixed assets 24,496</p> <p>Current liabilities (691,331)</p> <p>Minority interests (8,813)</p> <p>Gain on sale of stock 50,141</p> <p>Sales value for AAM 102,060</p> <p>Cash and cash equivalents of AAM (23,419)</p> <p>Difference:</p> <p>Gain (net) on sales of AAM's stock <u>78,640</u></p>

Lease Transaction

Thousand yen

Three months ended Oct. 2005 (Aug. 1, 2005 - Oct. 31, 2005)	Three months ended Oct. 2006 (Aug. 1, 2006 - Oct. 31, 2006)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)
1. Finance lease transactions not involving the transfer of title to lessee	1. Finance lease transactions not involving the transfer of title to lessee	1. Finance lease transactions not involving the transfer of title to lessee
1) Acquisition cost, accumulated depreciation and period-end balance equivalents of the leased property	1) Acquisition cost, accumulated depreciation and period-end balance equivalents of the leased property	1) Acquisition cost, accumulated depreciation and year-end balance equivalents of the leased property
<i>Tools, furniture and fixtures</i>	<i>Tools, furniture and fixtures</i>	<i>Tools, furniture and fixtures</i>
Acquisition cost 7,000	Acquisition cost 7,000	Acquisition cost 7,000
Accumulate depreciation 1,166	Accumulate depreciation 2,566	Accumulate depreciation 2,216
Period-end balance 5,833	Period-end balance 4,433	Year-end balance 4,783
<i>Total</i>	<i>Total</i>	<i>Total</i>
Acquisition cost 7,000	Acquisition cost 7,000	Acquisition cost 7,000
Accumulate depreciation 1,166	Accumulate depreciation 2,566	Accumulate depreciation 2,216
Period-end balance 5,833	Period-end balance 4,433	Year-end balance 4,783
2) Outstanding lease commitments and the period-end balance equivalents	2) Outstanding lease commitments and the period-end balance equivalents	2) Outstanding lease commitments and the year-end balance equivalents
Due within one year 1,373	Due within one year 1,395	Due within one year 1,390
Due over one year 4,498	Due over one year 3,103	Due over one year 3,454
Total 5,872	Total 4,498	Total 4,844
3) Lease payments, depreciation and interest equivalents	3) Lease payments, depreciation and interest equivalents	3) Lease payments, depreciation and interest equivalents
Lease payments 364	Lease payments 364	Lease payments 1,458
Depreciation equivalents 349	Depreciation equivalents 349	Depreciation equivalents 1,399
Interest equivalents 24	Interest equivalents 19	Interest equivalents 90
4) Calculation of depreciation equivalents Depreciation is based on the straight-line method, assuming the lease period to be the useful life and no residual value.	4) Calculation of depreciation equivalents Same as on the left.	4) Calculation of depreciation equivalents Same as on the left.
5) Calculation of interest equivalents Interest equivalents are defined as the difference between the total lease payments and acquisition cost equivalents and is allocated for each period using the simple-interest method.	5) Calculation of interest equivalents Same as on the left.	5) Calculation of interest equivalents Same as on the left.

Securities

Three months ended October 2005 (As of Oct. 31, 2005)

1. Securities without market quotations

Thousand yen

Item	Carrying value
Other securities	
Unlisted stock	54,400
Total	54,400

Three months ended October 2006 (As of Oct. 31, 2006)

1. Other securities with market quotations

Thousand yen

	Acquisition cost	Carrying value	Unrealized gain (loss)
Securities with carrying value exceeding acquisition cost			
1) Equity	234,361	249,958	15,596
2) Bonds	-	-	-
3) Others	-	-	-
Subtotal	234,361	249,958	15,596
Securities with carrying value not exceeding acquisition cost			
1) Equity	1,180	575	(604)
2) Bonds	-	-	-
3) Others	-	-	-
Subtotal	1,180	575	(604)
Total	235,452	250,534	14,992

2. Securities without market quotations

Thousand yen

Item	Carrying value
Other securities	
1) Unlisted stock	95,048
2) Money Management Fund	50,344
Total	145,393

Year ended July 2006 (As of July 31, 2006)

1. Other securities with market quotations

Thousand yen

	Acquisition cost	Carrying value	Unrealized gain (loss)
Securities with carrying value exceeding acquisition cost			
1) Equity	-	-	-
2) Bonds	-	-	-
3) Others	-	-	-
Subtotal	-	-	-
Securities with carrying value not exceeding acquisition cost			
1) Equity	4,294	4,294	-
2) Bonds	-	-	-
3) Others	-	-	-
Subtotal	4,294	4,294	-
Total	4,294	4,294	-

2. Sales of other securities during the fiscal year

Thousand yen

Sales amount	Aggregate gain	Aggregate loss
1,674,060	51,918	-

3. Securities without market quotations

Thousand yen

Item	Carrying value
Other securities	
1) Investment partnership	850,000
2) Unlisted stock	110,492
3) Money Management Fund	50,326
Total	1,010,819

Derivatives

Three months ended October 2005 (Aug. 1, 2005 - Oct. 31, 2005)

No reportable information since the Company did not enter into any derivative transactions.

Three months ended October 2006 (Aug. 1, 2006 - Oct. 31, 2006)

No reportable information since the Company did not enter into any derivative transactions.

Year ended July 2006 (Aug. 1, 2005 - Jul. 31, 2006)

No reportable information since the Company did not enter into any derivative transactions.

Equity in Earnings (Losses) of Non-consolidated Subsidiaries

Three months ended October 2005 (Aug. 1, 2005 - Oct. 31, 2005)

No reportable information since the Company does not have affiliates.

Three months ended October 2006 (Aug. 1, 2006 - Oct. 31, 2006)

No reportable information since the Company does not have affiliates.

Year ended July 2006 (Aug. 1, 2005 - Jul. 31, 2006)

No reportable information since the Company does not have affiliates.

Segment Information

1. Operating segment information

Three months ended October 2005 (Aug. 1, 2005 - Oct. 31, 2005)

Thousand yen

	Condominium revitalization business	Real estate sales business	Other businesses	Total	Elimination or corporate	Consolidation
I. Sales and operating profit						
Sales						
(1) External sales	3,151,099	3,720,329	457,034	7,328,463	-	7,328,463
(2) Inter-segment sales and transfers	-	-	33,076	33,076	(33,076)	-
Total	3,151,099	3,720,329	490,110	7,361,540	(33,076)	7,328,463
Operating expenses	2,804,906	2,826,812	424,060	6,055,778	135,689	6,191,468
Operating profit	346,193	893,517	66,050	1,305,761	(168,765)	1,136,995

Notes: 1. Method for division of business activities

Businesses are divided in accordance with similarities in the types of products, the nature of business activities, sales methods and other items, as well as on categories for calculating earnings, the assets used and other items.

2. Major categories of business activities

(1) Condominium revitalization business: Sales of used condominiums

(2) Real estate sales business: Sales of office buildings, commercial facilities, and hotels

(3) Other businesses: Real estate leasing income, renovation services, fees and commissions, others

3. Operating expenses (135,689,000 yen) included in elimination or corporate consist primarily of operating expenses related to the administration division.

Three months ended October 2006 (Aug. 1, 2006 - Oct. 31, 2006)

Thousand yen

	Condominium revitalization business	Real estate sales business	Other businesses	Total	Elimination or corporate	Consolidation
I. Sales and operating profit						
Sales						
(1) External sales	3,250,781	12,512,970	931,290	16,695,041	-	16,695,041
(2) Inter-segment sales and transfers	-	-	131,228	131,228	(131,228)	-
Total	3,280,781	9,655,844	1,062,519	16,826,270	(131,228)	16,695,041
Operating expenses	2,682,174	9,655,844	692,846	13,030,865	553,942	13,584,807
Operating profit	568,606	2,857,125	369,672	3,795,405	-	3,110,234

Notes: 1. Method for division of business activities

Businesses are divided in accordance with similarities in the types of products, the nature of business activities, sales methods and other items, as well as on categories for calculating earnings, the assets used and other items.

2. Major categories of business activities

(1) Condominium revitalization business: Sales of used condominiums

(2) Real estate sales business: Sales of office buildings, commercial facilities, and hotels

(3) Other businesses: Real estate leasing income, renovation services, fees and commissions, others

3. Operating expenses (553,942,000 yen) included in elimination or corporate consist primarily of operating expenses related to the administration division.

Year ended July 2006 (Aug. 1, 2005 - Jul. 31, 2006)

Thousand yen

	Condominium revitalization business	Real estate sales business	Other businesses	Total	Elimination or corporate	Consolidation
I. Sales and operating profit						
Sales						
(1) External sales	26,279,054	14,314,164	2,408,251	43,001,471	-	43,001,471
(2) Inter-segment sales and transfers	-	50,193	263,808	314,001	(314,001)	-
Total	26,279,054	14,364,358	2,672,059	43,315,472	-	43,001,471
Operating expenses	22,083,467	11,265,092	2,214,545	35,563,104	266,844	35,829,949
Operating profit	4,195,587	3,099,266	457,514	7,752,368	(580,846)	7,171,521
II. Assets, depreciation and capital expenditure						
Assets	9,786,782	9,952,945	27,493	19,767,221	13,363,600	33,130,822
Depreciation	-	-	84,711	84,711	12,270	96,981
Capital expenditure	-	-	7,783	7,783	90,557	98,341

Notes: 1. Method for division of business activities

Businesses are divided in accordance with categories used for the internal management of earnings.

2. Major categories of business activities

(1) Condominium revitalization business: Sales of used condominiums

(2) Real estate sales business: Sales of office buildings, commercial facilities, hotels and other properties

(3) Other businesses: Real estate leasing income, renovation services, fees and commissions, others

3. Operating expenses (547,771,000 yen) included in elimination or corporate consist primarily of operating expenses related to the administration division.

4. Corporate assets (14,293,518,000 yen) included in elimination or corporate consist primarily of cash and deposits, and investment securities related to the administration division.

2. Geographical segment information

Three months ended October 2005 (Aug. 1, 2005 - Oct. 31, 2005)

Geographical segment information is not presented since the Company has no consolidated subsidiaries or branch offices in countries and regions other than Japan.

Three months ended October 2006 (Aug. 1, 2006 - Oct. 31, 2006)

Geographical segment information is not presented since the Company has no consolidated subsidiaries or branch offices in countries and regions other than Japan.

Year ended July 2006 (Aug. 1, 2005 - Jul. 31, 2006)

Geographical segment information is not presented since the Company has no consolidated subsidiaries or branch offices in countries and regions other than Japan.

3. Overseas sales

Three months ended October 2005 (Aug. 1, 2005 - Oct. 31, 2005)

No reportable information since the Company had no overseas sales.

Three months ended October 2006 (Aug. 1, 2006 - Oct. 31, 2006)

No reportable information since the Company had no overseas sales.

Year ended July 2006 (Aug. 1, 2005 - Jul. 31, 2006)

No reportable information since the Company had no overseas sales.

Per Share Data

Yen

Three months ended Oct. 2005 (Aug. 1, 2005 - Oct. 31, 2005)	Three months ended Oct. 2006 (Aug. 1, 2006 - Oct. 31, 2006)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)																
Net assets per share 6,407.23 Net income per share (basic) 782.21 Net income per share (diluted) 771.28	Net assets per share 3,291.89 Net income per share (basic) 422.10 Net income per share (diluted) 419.57 The Company implemented a 5-for-1 stock split on August 1, 2006. Assuming the stock split was implemented at the start of the previous fiscal year, per share data for the previous fiscal year would be as follows: <table border="1"> <thead> <tr> <th colspan="2">Three months ended Oct. 2005</th> </tr> </thead> <tbody> <tr> <td>Net assets per share</td> <td>1,281.44</td> </tr> <tr> <td>Net income per share (basic)</td> <td>156.44</td> </tr> <tr> <td>Net income per share (diluted)</td> <td>154.25</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">Year ended Jul. 2006</th> </tr> </thead> <tbody> <tr> <td>Net assets per share</td> <td>3,138.95</td> </tr> <tr> <td>Net income per share (basic)</td> <td>1,114.42</td> </tr> <tr> <td>Net income per share (diluted)</td> <td>1,102.24</td> </tr> </tbody> </table>	Three months ended Oct. 2005		Net assets per share	1,281.44	Net income per share (basic)	156.44	Net income per share (diluted)	154.25	Year ended Jul. 2006		Net assets per share	3,138.95	Net income per share (basic)	1,114.42	Net income per share (diluted)	1,102.24	Net assets per share 15,694.78 Net income per share (basic) 5,572.12 Net income per share (diluted) 5,511.23
Three months ended Oct. 2005																		
Net assets per share	1,281.44																	
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Year ended Jul. 2006																		
Net assets per share	3,138.95																	
Net income per share (basic)	1,114.42																	
Net income per share (diluted)	1,102.24																	

Note: Basis for calculation of net income per share (basic) and net income per share (diluted) is as follows.

Thousand yen

Item	Three months ended Oct. 2005 (Aug. 1, 2005 - Oct. 31, 2005)	Three months ended Oct. 2006 (Aug. 1, 2006 - Oct. 31, 2006)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)
Net income per share (basic)			
Net income	520,377	1,457,059	3,739,261
Amount not belonging to common shareholders	-	-	-
Net income applicable to common stock	520,377	1,457,059	3,739,261
Average shares outstanding	665,266 shares	3,451,895 shares	671,065 shares
Net income per share (diluted)			
Adjusted net income	-	-	-
Increase in common stock [of which stock acquisition rights]	9,428 shares [9,428 shares]	- [-]	7,415 shares [7,415 shares]
Summary of non-dilutive stock equivalents not used in calculation of net income per share (diluted)	Stock acquisition rights: 500	-	-

Subsequent Events

Three months ended Oct. 2005 (Aug. 1, 2005 - Oct. 31, 2005)	Three months ended Oct. 2006 (Aug. 1, 2006 - Oct. 31, 2006)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)																								
<p>I. Merger of subsidiaries Consolidated subsidiary Japan Realty Supervision Co., Ltd. and consolidated subsidiary Planet Support Co., Ltd. merged on November 1, 2005.</p> <p>1. Purpose of merger Japan Realty Supervision Co., Ltd. is based in the city of Kyoto and has offices in Osaka city (Osaka), Otsu city (Shiga) and Mitaka city (Tokyo). A property management firm, this company is mainly engaged in building maintenance and condominium management. The building maintenance and management industry is made up of a large number of small companies. Japan Realty Supervision Co., Ltd. has a competitive edge due to the ability to use data collected over many years to evaluate properties, manage properties and provide cost-competitive property management services. As a result, this company has core competences that its competitors cannot easily match.</p> <p>Planet Support Co., Ltd. is a property management company, with operations that include real estate leasing and management, based in Shinjuku-ku (Tokyo).</p> <p>Although both companies are engaged in property management, their primary operations do not overlap. Each company has different strengths concerning customer segments and geographic areas served.</p> <p>Combining the two companies is expected to make it easier to extend their respective core operations to other areas in a strategic manner, thus producing significant synergies.</p> <p>Furthermore, in Japan's relatively new real estate financial market, real estate funds and asset management companies are the most important clients for building maintenance and management services. This merger will improve the ability of these companies to provide comprehensive solutions for this important customer segment including customers of the Company's used condominium business.</p> <p>2. Summary of merger (1) Timetable Board of Directors to approve merger contract: August 29, 2005 Signing of merger contract: August 29, 2005 Shareholders' meeting to approve merger contract: September 15, 2005 Merger date: November 1, 2005</p>	<p style="text-align: center;">—————</p>	<p>I. Regarding stock split The Company's Board of Directors on June 1, 2006 approved a resolution to issue new shares through a stock split on August 1, 2006. Details are as follows:</p> <p>1. Method of split For shareholders and beneficial shareholders, as well as registered shareholders, of record as of July 31, 2006, each share will be split into 5 shares.</p> <p>2. Increase in the number of shares The number of total issued common shares outstanding as of July 31, 2006 increased by a factor of four.</p> <p>The following table shows per share information, if the stock split had been conducted at the beginning of the previous fiscal year.</p> <table border="1" data-bbox="1029 943 1442 1352" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2"></th> <th style="text-align: right;">Yen</th> </tr> <tr> <th style="text-align: left;">Previous fiscal year</th> <th style="text-align: left;">Current fiscal year</th> <th></th> </tr> </thead> <tbody> <tr> <td>Net assets per share</td> <td>Net assets per share</td> <td></td> </tr> <tr> <td style="text-align: right;">1,216.09</td> <td style="text-align: right;">3,138.95</td> <td></td> </tr> <tr> <td>Net income per share (basic)</td> <td>Net income per share (basic)</td> <td></td> </tr> <tr> <td style="text-align: right;">352.63</td> <td style="text-align: right;">1,114.42</td> <td></td> </tr> <tr> <td>Net income per share (diluted)</td> <td>Net income per share (diluted)</td> <td></td> </tr> <tr> <td style="text-align: right;">330.59</td> <td style="text-align: right;">1,102.24</td> <td></td> </tr> </tbody> </table>			Yen	Previous fiscal year	Current fiscal year		Net assets per share	Net assets per share		1,216.09	3,138.95		Net income per share (basic)	Net income per share (basic)		352.63	1,114.42		Net income per share (diluted)	Net income per share (diluted)		330.59	1,102.24	
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Three months ended Oct. 2005 (Aug. 1, 2005 - Oct. 31, 2005)	Three months ended Oct. 2006 (Aug. 1, 2006 - Oct. 31, 2006)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)																																								
<p>(2) Merger method Japan Realty Supervision Co., Ltd., which shall be the surviving company, shall absorb Planet Support Co., Ltd., which shall be dissolved.</p> <p>(3) Merger ratio Japan Realty Supervision Co., Ltd. shall exchange one half of a share of its stock for each share of Plant Support Co., Ltd.</p> <p>(4) Payment due to merger No monetary payment shall be made.</p>	<p>—————</p>	<p>—————</p>																																								
<p>3. Summary of merging companies (As of July 31, 2005)</p> <table border="1" data-bbox="151 667 582 1429"> <thead> <tr> <th colspan="2" data-bbox="151 667 582 712">Amalgamation company</th> </tr> </thead> <tbody> <tr> <td data-bbox="151 712 331 768">(1) Name</td> <td data-bbox="331 712 582 768">Japan Realty Supervision Co., Ltd.</td> </tr> <tr> <td data-bbox="151 768 331 947">(2) Main business</td> <td data-bbox="331 768 582 947">Building maintenance, condominium management, machinery controls, construction, residential property transactions</td> </tr> <tr> <td data-bbox="151 947 331 1037">(3) Established</td> <td data-bbox="331 947 582 1037">Oct. 22, 2001 (Predecessor formed in Dec. 1981)</td> </tr> <tr> <td data-bbox="151 1037 331 1160">(4) Head office</td> <td data-bbox="331 1037 582 1160">8 Nishitakatsukasa-cho, Nishiiru, Muromachi, Shimochoujamachi Dori, Kamigyo-ku, Kyoto</td> </tr> <tr> <td data-bbox="151 1160 331 1216">(5) Representative</td> <td data-bbox="331 1160 582 1216">Ryohei Higashiguchi, President</td> </tr> <tr> <td data-bbox="151 1216 331 1249">(6) Capital</td> <td data-bbox="331 1216 582 1249">122.5 million yen</td> </tr> <tr> <td data-bbox="151 1249 331 1305">(7) Fiscal year end</td> <td data-bbox="331 1249 582 1305">July 31</td> </tr> <tr> <td data-bbox="151 1305 331 1339">(8) Employee</td> <td data-bbox="331 1305 582 1339">74</td> </tr> <tr> <td data-bbox="151 1339 331 1429">(9) Major shareholder</td> <td data-bbox="331 1339 582 1429">Ardepro Co., Ltd. 91.3% (96.2% as of Aug. 30, 2005)</td> </tr> </tbody> </table> <table border="1" data-bbox="151 1462 582 2045"> <thead> <tr> <th colspan="2" data-bbox="151 1462 582 1507">Predecessor company</th> </tr> </thead> <tbody> <tr> <td data-bbox="151 1507 331 1574">(1) Name</td> <td data-bbox="331 1507 582 1574">Planet Support Co., Ltd.</td> </tr> <tr> <td data-bbox="151 1574 331 1753">(2) Main business</td> <td data-bbox="331 1574 582 1753">Real estate transactions and leasing along with agency, brokerage and management services associated with these activities</td> </tr> <tr> <td data-bbox="151 1753 331 1787">(3) Established</td> <td data-bbox="331 1753 582 1787">Aug. 4, 1998</td> </tr> <tr> <td data-bbox="151 1787 331 1843">(4) Head office</td> <td data-bbox="331 1787 582 1843">6-28-8 Shinjuku, Shinjuku-ku, Tokyo</td> </tr> <tr> <td data-bbox="151 1843 331 1899">(5) Representative</td> <td data-bbox="331 1843 582 1899">Takaya Akimoto, President</td> </tr> <tr> <td data-bbox="151 1899 331 1933">(6) Capital</td> <td data-bbox="331 1899 582 1933">10 million yen</td> </tr> <tr> <td data-bbox="151 1933 331 1966">(7) Fiscal year end</td> <td data-bbox="331 1933 582 1966">July 31</td> </tr> <tr> <td data-bbox="151 1966 331 2000">(8) Employee</td> <td data-bbox="331 1966 582 2000">6</td> </tr> <tr> <td data-bbox="151 2000 331 2045">(9) Major shareholder</td> <td data-bbox="331 2000 582 2045">Ardepro Co., Ltd. 100.0%</td> </tr> </tbody> </table>	Amalgamation company		(1) Name	Japan Realty Supervision Co., Ltd.	(2) Main business	Building maintenance, condominium management, machinery controls, construction, residential property transactions	(3) Established	Oct. 22, 2001 (Predecessor formed in Dec. 1981)	(4) Head office	8 Nishitakatsukasa-cho, Nishiiru, Muromachi, Shimochoujamachi Dori, Kamigyo-ku, Kyoto	(5) Representative	Ryohei Higashiguchi, President	(6) Capital	122.5 million yen	(7) Fiscal year end	July 31	(8) Employee	74	(9) Major shareholder	Ardepro Co., Ltd. 91.3% (96.2% as of Aug. 30, 2005)	Predecessor company		(1) Name	Planet Support Co., Ltd.	(2) Main business	Real estate transactions and leasing along with agency, brokerage and management services associated with these activities	(3) Established	Aug. 4, 1998	(4) Head office	6-28-8 Shinjuku, Shinjuku-ku, Tokyo	(5) Representative	Takaya Akimoto, President	(6) Capital	10 million yen	(7) Fiscal year end	July 31	(8) Employee	6	(9) Major shareholder	Ardepro Co., Ltd. 100.0%		
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Three months ended Oct. 2005 (Aug. 1, 2005 - Oct. 31, 2005)		Three months ended Oct. 2006 (Aug. 1, 2006 - Oct. 31, 2006)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)
4. Post-merger profile			
(1) Company name	Japan Realty Supervision Co., Ltd.	_____	_____
(2) Main business	Building maintenance, condominium management, machinery controls, construction, residential property transactions, real estate transactions and leasing along with agency, brokerage and management services associated with these activities		
(3) Head office	8 Nishitakatsukasa-cho, Nishiiru, Muromachi, Shimochoujamachi Dori, Kamigyō-ku, Kyoto		
(4) Representative	Ryohei Higashiguchi, President		
(5) Capital	204.64 million yen		
(6) Fiscal year end	July 31		
<p>II. Issue of straight corporate bond</p> <p>The Board of Directors on November 22, 2005 approved a resolution to issue straight corporate bond and its payment was completed on November 29, 2005. Details are as follows.</p> <p>1. Name of bond: Ardepro No. 2 Unsecured Corporate Bond (Guaranteed by The Kinki Osaka Bank, Limited)</p> <p>2. Total issue: 450 million yen</p> <p>3. Type of bond: Bearer bond with interest coupons</p> <p>4. Issue date: November 29, 2005</p> <p>5. Interest rate: 1.30% per annum</p> <p>6. Issue price: 100 yen for each 100 yen in face value</p> <p>7. Redemption date: November 29, 2010</p> <p>8. Redemption method: Lump sum upon maturity</p> <p>9. Redemption price: 100 yen for each 100 yen in face value</p> <p>10. Interest payment date: May 29 and November 29 every year</p> <p>11. Guaranteed by Kinki Osaka Bank</p> <p>12. Fiscal agent: Kinki Osaka Bank</p> <p>13. Registration agent: Kinki Osaka Bank</p> <p>14. Underwriter: Kinki Osaka Bank</p> <p>15. Principal and interest paying agent: Kinki Osaka Bank</p> <p>16. Use of bond: Funds raised through the bond issue will be used for the purchase of properties.</p>			