

July 8, 2008

Third Quarter ended May 31, 2008 Financial Results (Consolidated)

| Company name: | BIC CAI | MERA INC. | Stock listing: | Tokyo Stock Exchange, JASDAQ |
|-----------------|--------------------|---------------------------------------|---------------------|------------------------------|
| Code number: | 3048 | | URL: | http://www.biccamera.co.jp/ |
| Representative: | Hiroyuki Miyajima, | Representative Director and President | | |
| Contact: | Masaaki Kanazawa, | Managing Director, General Manager | Accounting Division | |
| Telephone: | +81-3-3987-8785 | | | |

(Amounts of less than 1 Million Yen are discarded)

1. Consolidated Results of Third Quarter ended May 31, 2008 (From September 1, 2007 to May 31, 2008) (1) Consolidated financial results

| (1) Consolidated Infancial results (% indicates changes from the previous ter | | | | | | | | | |
|---|-----------------|------|-----------------|-------|-----------------|-------|--|--|--|
| | Net sales | | Operating inco | ome | Ordinary income | | | | |
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | | | |
| Third Quarter ended May 31, 2008 | 451,614 | 11.5 | 12,950 | (2.6) | 13,473 | (6.2) | | | |
| Third Quarter ended May 31, 2007 | 405,202 | 14.0 | 13,289 | 35.5 | 14,367 | 43.5 | | | |
| Year ended August 31, 2007 | 542,294 | - | 16,002 | - | 17,448 | - | | | |

| | Net income | Net income | | Fully diluted net income per share |
|----------------------------------|-----------------|------------|------------|---------------------------------------|
| | Millions of yen | % | Yen | Yen |
| Third Quarter ended May 31, 2008 | 9,347 | 45.7 | 6,180.34 | |
| Third Quarter ended May 31, 2007 | 6,415 | 58.6 | *8,483.57 | |
| Year ended August 31, 2007 | 8,146 | - | *10,772.56 | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| Third Quarter ended May 31, 2008 | 253,514 | 57,413 | 21.6 | 36,288.67 |
| Third Quarter ended May 31, 2007 | 205,221 | 51,934 | 24.4 | *66,151.77 |
| Year ended August 31, 2007 | 201,838 | 52,474 | 24.9 | *66,499.42 |

(3) Consolidated cash flows

| | Cash flows from | Cash flows from | Cash flows | Cash and cash equivalents | |
|----------------------------------|----------------------|----------------------|---------------------------|---------------------------|--|
| | operating activities | investing activities | from financing activities | at term-end | |
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen | |
| Third Quarter ended May 31, 2008 | 742 | (35,764) | 35,548 | 22,818 | |
| Third Quarter ended May 31, 2007 | 190 | (11,235) | 1,640 | 23,739 | |
| Year ended August 31, 2007 | 7,136 | (13,702) | (4,703) | 22,012 | |

Note*: The Company implemented a 2-for-1 stock split on September 1, 2007.

The stock split has been resolved at the Board of Directors meeting held on July 9, 2007.

Net income and Net assets per share for the Third Quarter ended May 31, 2007 and the Fiscal Year ended August 31, 2007 are not reflected the impact of the stock split.

2. Dividends

| | Cash dividends per share |
|----------------------------------|--------------------------|
| (Record date) | Third Quarter ended |
| | Yen |
| Third Quarter ended May 31, 2007 | - |
| Third Quarter ended May 31, 2008 | - |

3. Forecast of Consolidated Financial Results for Year ended August 31, 2008 (From September 1, 2007 to August 31, 2008)

| | (% indicates changes from the previous te | | | | | | | | | | |
|-----------|---|-----------|-----------------|------------------|-----------------|-----------------|-----------------|------|----------------------|--|--|
| | Sales | Sales Ope | | Operating income | | Ordinary income | | : | Net income per share | | |
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen | | |
| Full year | 610,000 | 12.5 | 17,700 | 10.6 | 18,200 | 4.3 | 12,000 | 47.3 | 7,742.31 | | |

Note: Expecting Net income per share, no revisions have been made to initial interim and full-year forecasts announced on April 14, 2008.

4. Others

(2) Adoption of simplified accounting method: Yes

- (3) Change in accounting policies from the previous consolidated financial statements: No
- Note: These forecasts are based on the Company's current assumptions and beliefs in light of the information currently available to it, and involve known and unknown risks and uncertainties. The Company's actual results may differ materially from those discussed in these forecasts as a result of numerous factors outside of the Company's control.

This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

⁽¹⁾ Significant changes of subsidiaries during period under review (affecting specific subsidiaries due to changes in scope of consolidation): No

1. (Summary) Consolidated Financial Statements

| | nsolidated Balai | | | | | | (Million | • |
|---------------------------------------|------------------|-------|-----------------|-------|------------------------|-------|---------------------------------|-------|
| | As of May 31, 20 | 007 | As of May 31, 2 | 008 | Increase (decrease) | | (Reference) As of August 31, | |
| Account item | Amount | (%) | Amount | (%) | Amount | (%) | Amount | (%) |
| (Assets) | | | | | | | | |
| I Current assets | | | | | | | | |
| 1 Cash and deposits | 26,213 | | 24,511 | | (1,701) | | 24,485 | |
| 2 Notes and accounts receivable—trade | 17,644 | | 21,403 | | 3,759 | | 14,780 | |
| 3 Inventories | 37,942 | | 49,911 | | 11,969 | | 36,121 | |
| 4 Other | 16,734 | | 17,979 | | 1,244 | | 21,752 | |
| Allowance for doubtful accounts | (30) | | (36) | | (6) | | (39) | |
| Total current assets | 98,504 | 48.0 | 113,769 | 44.9 | 15,265 | 15.5 | 97,101 | 48.1 |
| II Fixed assets | | | | | | | | |
| 1 Tangible fixed assets | | | | | | | | |
| (1) Buildings and structures | 11,531 | | 18,109 | | 6,577 | | 12,884 | |
| (2) Land | 29,914 | | 48,371 | | 18,457 | | 29,894 | |
| (3) Other | 3,056 | | 2,185 | | (871) | | 2,791 | |
| Total tangible fixed assets | 44,503 | 21.7 | 68,666 | 27.1 | 24,162 | 54.3 | 45,570 | 22.6 |
| 2 Intangible fixed assets | | | | | | | | |
| (1) Goodwill | 1,074 | | 979 | | (94) | | 1,242 | |
| (2) Land lease rights | 2,783 | | 13,773 | | 10,990 | | 2,783 | |
| (3) Other | 948 | | 1,760 | | 812 | | 1,093 | |
| Total intangible fixed assets | 4,805 | 2.3 | 16,513 | 6.5 | 11,708 | 243.7 | 5,119 | 2.5 |
| 3 Investment and other assets | | | | | | | | |
| (1) Investment securities | 24,290 | | 21,169 | | (3,120) | | 20,914 | |
| (2) Guarantee deposits | 27,771 | | 27,915 | | 144 | | 29,890 | |
| (3) Other | 7,837 | | 5,712 | | (2,124) | | 3,679 | |
| Allowance for doubtful accounts | (2,489) | | (437) | | 2,052 | | (437) | |
| Total investment and other assets | 57,408 | 28.0 | 54,360 | 21.4 | (3,048) | (5.3) | 54,047 | 26.8 |
| Total fixed assets | 106,717 | 52.0 | 139,540 | 55.0 | 32,823 | 30.8 | 104,736 | 51.9 |
| III Deferred assets | - | - | 203 | 0.1 | 203 | - | - | - |
| Total assets | 205,221 | 100.0 | 253,514 | 100.0 | 48,292 | 23.5 | 201,838 | 100.0 |

(1) (Summary) Consolidated Balance Sheets

| As of May 31. 2007 As of May 31. 2007 As of May 31. 2007 Increase (decrease) Concent (decrease) Concent (decrease) <thconcent< th=""><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th>(Million</th><th>s of yen)</th></thconcent<> | | | | | | | | (Million | s of yen) |
|---|--|-----------------|-------|-----------------|-------|---------|------|----------|-----------|
| Labilities) I Lurent liabilities 44,071 51,513 7,442 43,222 2 Short-term borrowings 31,009 38,319 7,310 24,014 3 Current portion of longs- term borrowings 17,367 22,043 4,675 17,754 4 Current portion of bonds 1,090 625 (465) 1,225 5 Income taxes payable 3,217 4,906 1,689 4,045 6 Reserve for bonases 2,231 2,569 338 1,709 7 Allowance for customer- discourn points 11,564 12,364 799 11,858 8 Allowance for repair guarantee 25 | | As of May 31, 2 | 007 | As of May 31, 2 | 008 | | | | 2007 |
| I Current liabilities I Accounts payabe-rade 44.071 51.513 7.42 4.322 2 Short-term borrwings 31.000 3.8310 7.340 4.322 2 Short-term borrwings 11.056 2.2043 4.675 1.225 3 Current portion of bong-term borrwings 1.030 2.2043 4.675 1.225 1 Current portion of bong-term borrwings 3.217 4.000 4.675 4.675 1 Current portion of bong-term borrwings 3.217 4.000 4.675 4.675 1 Current portion of bong-term borrwings 3.217 4.000 4.675 4.675 1 Current portion of bong-term borrwings 3.217 4.000 4.675 4.675 2 Current portion of bong-term borrwings 1.223 2.011 1.1422 3 Chorent curse payabe 1.233 5.85 1.1437 4.000 1.1422 4 Current portion of bong-term biblinitis 1.2000 5.85 1.4148 5.6 1.000 1 Cong-term biblinitis 1.2000 5.85 1.4148 5.6 1.201 1 Cong-term biblinitis 1.202 4.523 1.62 1.202 2 Cong-term biblinitis 1.202 1.202 1.203 1.203 3 Cong-term biblinitis 1.202 | Account item | Amount | (%) | Amount | (%) | Amount | (%) | Amount | (%) |
| 1 Accounts payable—trade 44,071 51,513 7,442 4,222 2 Short-term borrowings 31,009 3,3,109 7,310 2,40,14 3 Current portion of long- term borrowings 17,367 2,2,043 4,675 1,7,574 4 Current portion of bonds 1,009 6,625 (465) 1,2,25 5 Income taxes payable 2,231 2,566 3,38 1,709 6 Reserve for bonds 2,231 2,566 3,38 1,709 7 Allowance for customer- discount points 11,564 1,2,364 2,368 1,709 9 Other 9,425 11,497 2,071 11,422 9 Other 9,425 11,497 2,071 11,422 1 long-term liabilities 12,020 58.5 14,3,480 56.8 23,383 19.9 111,616 1 long-term liabilities 12,024 4,141 57.7 3,656 | (Liabilities) | | | | | | | | |
| 2. Short-sem borrowings $31,009$ $38,319$ $7,310$ $24,014$ 3. Current portion of bonds $1,090$ 625 (465) $1,225$ 5. Incent axes payable $3,217$ $4,906$ $1,689$ $4,945$ 6. Reserve for bonuses $2,231$ $2,569$ 338 $1,709$ 7. Allownee for exuster $11,564$ $12,254$ 799 $11,858$ 8. Allownee for requir 25 (25) (25) 122 9. Other $9,425$ $11,497$ $2,071$ $11,422$ 10 out core constomer- $35,53$ $143,840$ 568 $23,838$ 19.9 $116,164$ 11 Long-term liabilities $120,001$ $58,5$ $143,840$ 568 $23,838$ 19.9 $116,164$ 11 Long-term liabilities $152,600$ $45,275$ $18,774$ $26,816$ 3 Reserve for retirement benefits $33,285$ 16.2 $52,22,60$ 20.6 $18,974$ 57.0 $33,199$ 1 tallabilities $153,287$ 74.7 $196,100$ 77.4 $42,812$ 27.9 149 | I Current liabilities | | | | | | | | |
| 3 Current portion of long- term borrowings17,36722,0434,6751,7,7544 Current portion of bonds1,090625(465)1,2255 Income taxes payable3,2174,9061,6894,9456 Reserve for bonnses2,2312,5693381,7097 Allowance for customer- discomu points11,56412,36479911,8588 Allowance for repair guarantee2511,4972,07111,4229 Other9,42511,4972,07111,4229 Other9,42514,384056.823,38319.9116,164I Long-term liabilities120,00158.5143,84056.823,83819.9116,1641 Bonds1,7249000(824)1,20026,50645,27518,77426,6163 Reserve for treitement benefits3,5634,1415773,6565395 Other9716252,226020.618,97453,3191 Jahareholders' equity16,252,26620.618,97457,033,1991 Ualiabilities133,28774,7196,1007442,81227,914,93631 Shareholders' equity12,54812,24212,1222,24712,2422,24941 Common stock12,5482455,54821,99,66221,447,6171 Matahoiders' equity44,3732,66656,6554,48032,6662,2,6661 Statina and ina aljuismernis4,1 | 1 Accounts payable—trade | 44,071 | | 51,513 | | 7,442 | | 43,222 | |
| term borrowings 11,30 2,343 4,673 11,73 4 Current portion of bonds 1,000 622 $4,673$ $11,734$ 4 Current portion of bonds $3,217$ $4,906$ $1,689$ $4,945$ 6 Reserve for bonnese $2,231$ $2,569$ 338 $1,709$ 7 Allowance for customer $11,564$ $12,364$ 799 $11,858$ 8 Allowance for repair 225 $$ (25) 1122 9 Other $9,425$ $11,497$ 2071 $11,422$ 9 Other $9,425$ $11,497$ 2071 $11,422$ 10 du current liabilities 120001 585 $143,840$ 568 $23,838$ 19.9 $116,164$ I Long-term liabilities 120001 585 $443,810$ 568 $23,838$ 19.9 $116,164$ I Long-term liabilities $12,724$ 900 (824) 1200 1365 $445,275$ $18,774$ $26,816$ 3 Reserve for retriement 568 | 2 Short-term borrowings | 31,009 | | 38,319 | | 7,310 | | 24,014 | |
| S Income taxes payable3,2174,9064,9061,6894,9486 Reserve for bonuses2,2312,5693381,7097 Allowance for repair guarance11,56412,3642,6593381,7099 Other9,42511,4272,07111,4229 Other9,42511,4375.823,83819.9116,164II Long-term liabilities120,00158.5143,8405.623,83819.9116,164II Long-term liabilities120,00158.5143,8405.623,83819.9116,164II Sonds1,7240668.2113,87426,8163 Reserve for retirement benefits3,563244,141513,0364 Reserve for retirement benefits3,328816252,26020.618,97457.05 Other0971111149,36333,18933,19910al liabilities153,28774.7196,10077.442,81227.910al liabilities12,54812,5481149,363149,3631 Shareholders' equity4212,122149,36312,2491 Shareholders' equity455,554821.99,66221.11 Aldanion and translatio adjustments4,13722.0666560.3(4,803)21.41 Nuturalized gaino accurring stability4,13722.0666560.3(4,803)21.4 | | 17,367 | | 22,043 | | 4,675 | | 17,754 | |
| 6 Reserve for bonuses 2,231 2,369 338 1,109 7 Allowance for customer discourt points 11,564 12,364 79 11,858 8 Allowance for repair guarantice guarantice guarantice guarantice for customer discourt points 25 11,497 2,071 11,422 9 Oher 9,425 11,497 2,071 11,422 9 Oher 9,425 11,497 2,071 11,422 10 clut current liabilities 12,000 58.5 143,840 56.8 23,838 19.9 116,164 11 Long-term liabilities 12,000 26,500 445,275 5 18,774 26,816 3 Reserve for retirement benefits 3,563 44,414 577 51 3,656 4 Reserve for retirement benefits 3,328 162 52,260 20.6 18,974 57.0 10 al liabilities 13,3287 74.7 196,010 77.4 42,812 27.9 149,363 1 Shareholders' equity 1 4 12,548 2.0 2.1 12,248 2.1 2.2 2.2 2.2 2.2 2.2 2.2 2 | 4 Current portion of bonds | 1,090 | | 625 | | (465) | | 1,225 | |
| 7 Allowance for customer- discount points 11,564 12,364 14 10 11,858 11,858 8 Allowance for repair guarance guarance 9 Other 9,425 11,497 2,001 11,422 9 Other 9,425 11,497 2,001 10 11,422 10 long-term liabilities 120,001 58.5 143,840 56.8 23,838 19.9 11,616 11 Long-term liabilities 120,001 58.5 143,840 56.8 23,838 19.9 11,616 11 Long-term liabilities 120,001 58.5 143,840 56.8 23,838 19.9 11,616 11 Bonds 1.724 4 900 1.6 12.00 12 | 5 Income taxes payable | 3,217 | | 4,906 | | 1,689 | | 4,945 | |
| discount points Allowance for repair guarantee 11.564 12.364 12.364 799 11.888 8 Allowance for repair guarantee 2.5 11.497 2.071 12 9 Other 9.425 11.497 2.071 11.422 10 Long-tern liabilities 12.0001 58.5 1443,840 56.8 23.838 19.9 116.164 11 Long-tern liabilities 12.0001 58.5 1443,840 56.8 23.838 19.9 116.164 11 Long-tern liabilities 12.000 58.5 1443,840 56.8 23.838 19.9 116.164 11 Long-tern liabilities 2.6,500 45.575 5.8 18.774 2.6,816 3 Reserve for retirement benefits for directors and correctors | 6 Reserve for bonuses | 2,231 | | 2,569 | | 338 | | 1,709 | |
| guarantee -2 -1 | | 11,564 | | 12,364 | | 799 | | 11,858 | |
| Total current liabilities 120,001 58.5 143,840 56.8 23,838 19.9 116,164 IL Long-term liabilities 1 <td></td> <td>25</td> <td></td> <td>-</td> <td></td> <td>(25)</td> <td></td> <td>12</td> <td></td> | | 25 | | - | | (25) | | 12 | |
| I Long-tern liabilities I Cong-tern liabilities <thi cong-tern="" liabilities<="" th=""> I Cong-tern liabilities<td>9 Other</td><td>9,425</td><td></td><td>11,497</td><td></td><td>2,071</td><td></td><td>11,422</td><td></td></thi> | 9 Other | 9,425 | | 11,497 | | 2,071 | | 11,422 | |
| 1 Bonds $1,724$ 900 (824) $1,200$ 2 long-term borrowings $26,500$ $45,275$ $18,774$ $26,816$ 3 Reserve for retirement benefits $3,563$ $4,141$ 577 $3,656$ 4 Reserve for retirement benefits for directors and corporate auditors 526 577 51 539 5 Other971 $1,366$ 394 986Total long-term liabilities $33,285$ 162 $52,260$ 20.6 $18,974$ 57.0 Total long-term liabilities $153,287$ 74.7 $196,100$ 77.4 $42,812$ 27.9 $149,363$ I Shareholders' equity $12,548$ $12,548$ $12,548$ $12,548$ $12,548$ $12,548$ 2 Capital surplus $12,122$ $12,122$ $12,122$ $12,122$ 3 Retained earnings $21,216$ $22,4$ $55,548$ 21.9 $9,662$ 21.1 $47,617$ I Net unrealized gain on available-for-sale securities $4,137$ 2.0 (665) (0.3) $(4,803)$ $ 2,669$ | Total current liabilities | 120,001 | 58.5 | 143,840 | 56.8 | 23,838 | 19.9 | 116,164 | 57.6 |
| 2 long-term borrowings26,50045,27518,77426,8163 Reserve for retirement benefits3,5634,14157773,6564 Reserve for retirement benefits for directors and corporate auditors3265777513,6565 Other9711,366394986Total long-term liabilities33,28516.252,20020.618,97457.033,199Total long-term liabilities153,28774.7196,10077.442,81227.9149,3631 Shareholders' equity | II Long-term liabilities | | | | | | | | |
| 3 Reserve for retirement benefits3,5634,1415773,6564 Reserve for retirement benefits for directors and corporate auditors52657751515 Other9711,366394986Total long-term liabilities33,28516.252,26020.618,97457.0Total long-term liabilities153,28774.7196,10077.442,81227.9149,363I Shareholders' equity1412,5484412,54812,54812,54812,54812,1223 Retained earnings21,21630,8789,66221.147,61712,1221 Valuation and translation adjustments4,1372.0(665)0.0(4,803)21.147,617Total valuation and justments4,1372.0(665)0.0(4,803)21.42,669 | 1 Bonds | 1,724 | | 900 | | (824) | | 1,200 | |
| benefits3,5634,1415773,5564 Reserve for retirement benefits for directors and corporate auditors526577515395 Other9711,366394986Total long-term liabilities33,28516.252,26020.618,97457.033,199Total labilities153,28774.7196,10077.442,81227.9149,363(Net assets)174.7196,10077.442,81227.9149,3631 Shareholders' equity12,54821.2,54841.2,54841.2,54841.2,54841.2,5482 Capital surplus12,12212,12230,8789,66221.147,6171 Valuation and translation adjustments41.1372.0(665)(0.3)(4,803)21.01 Net unrealized gain on available-for-sale securities41.1372.0(665)(0.3)(4,803)1.2,669 | 2 long-term borrowings | 26,500 | | 45,275 | | 18,774 | | 26,816 | |
| 4 Reserve for retirement benefits for directors and corporate auditors505050515395 Other9711,366394986Total long-term liabilities33,28516.252,26020.618,97457.033,199Total liabilities153,28774.7196,10077.442,81227.9149,363(Net assets)174.7196,10077.442,81227.9149,3631 Shareholders' equity12,54812,5484.12,5484.12,54812,5482 Capital surplus12,12212,1224.13712,1223 Retained earnings21,21630,8789,66221.147,617I Valuation and translation adjustments4,1372.0(665)(0.3)(4,803)-2,669 | | 3,563 | | 4,141 | | 577 | | 3,656 | |
| 5 Other 971 1,366 394 986 Total long-term liabilities 33,285 162 52,260 20.6 18,974 57.0 33,199 Total liabilities 153,287 74.7 196,100 77.4 42,812 27.9 149,363 (Net assets) 1 Shareholders' equity 1 1 12,548 12, | 4 Reserve for retirement benefits for directors and | 526 | | 577 | | 51 | | 539 | |
| Total liabilities153,28774.7196,10077.442,81227.9149,363(Net assets)IShareholders' equityII </td <td><u>^</u></td> <td>971</td> <td></td> <td>1,366</td> <td></td> <td>394</td> <td></td> <td>986</td> <td></td> | <u>^</u> | 971 | | 1,366 | | 394 | | 986 | |
| (Net assets)IShareholders' equityIII | Total long-term liabilities | 33,285 | 16.2 | 52,260 | 20.6 | 18,974 | 57.0 | 33,199 | 16.4 |
| I Shareholders' equityII <th< td=""><td>Total liabilities</td><td>153,287</td><td>74.7</td><td>196,100</td><td>77.4</td><td>42,812</td><td>27.9</td><td>149,363</td><td>74.0</td></th<> | Total liabilities | 153,287 | 74.7 | 196,100 | 77.4 | 42,812 | 27.9 | 149,363 | 74.0 |
| 1 Common stock12,54812,54812,54812,5482 Capital surplus12,12212,12212,1223 Retained earnings21,21630,8789,66221.1Total shareholders' equity45,88622.455,54821.99,66221.1I Valuation and translation adjustments4,1372.0(665)(0.3)(4,803)2.669 | (Net assets) | | | | | | | | |
| 2 Capital surplus12,12212,12212,12212,1223 Retained earnings21,21630,8789,66222,947Total shareholders' equity45,88622.455,54821.99,66221.147,617I Valuation and translation adjustments4,137(665)(4,803)(4,803)2,669Total valuation and translation adjustments4,1372.0(665)(0.3)(4,803)-2,669 | I Shareholders' equity | | | | | | | | |
| 3 Retained earnings21,21630,8789,66222,947Total shareholders' equity45,88622.455,54821.99,66221.147,617II Valuation and translation adjustments1 Net unrealized gain on available-for-sale securities4,137(665)(4,803)2,669Total valuation and translation adjustments4,1372.0(665)(0.3)(4,803)-2,669 | 1 Common stock | 12,548 | | 12,548 | | - | | 12,548 | |
| Total shareholders' equity45,88622.455,54821.99,66221.147,617II Valuation and translation adjustments1 Net unrealized gain on available-for-sale securities4,137(665)(4,803)2,669Total valuation and translation adjustments4,1372.0(665)(0.3)(4,803)-2,669 | 2 Capital surplus | 12,122 | | 12,122 | | - | | 12,122 | |
| II Valuation and translation adjustments4,1372.0(665)(4,803)2,669I Net unrealized gain on available-for-sale securities4,1372.0(665)(0.3)(4,803)2,669 | 3 Retained earnings | 21,216 | | 30,878 | | 9,662 | | 22,947 | |
| adjustments 1 Net unrealized gain on available-for-sale securities4,137CCC <th< td=""><td>Total shareholders' equity</td><td>45,886</td><td>22.4</td><td>55,548</td><td>21.9</td><td>9,662</td><td>21.1</td><td>47,617</td><td>23.6</td></th<> | Total shareholders' equity | 45,886 | 22.4 | 55,548 | 21.9 | 9,662 | 21.1 | 47,617 | 23.6 |
| 1 Net unrealized gain on available-for-sale securities4,137(665)(4,803)2,669Total valuation and translation adjustments4,1372.0(665)(0.3)(4,803)2,669 | | | | | | | | | |
| translation adjustments 4,137 2.0 (665) (0.3) (4,803) - 2,669 | 1 Net unrealized gain on available-for-sale | 4,137 | | (665) | | (4,803) | | 2,669 | |
| | | 4,137 | 2.0 | (665) | (0.3) | (4,803) | - | 2,669 | 1.3 |
| III Minority interests 1,910 0.9 2,530 1.0 620 32.5 2,187 | III Minority interests | 1,910 | 0.9 | 2,530 | 1.0 | 620 | 32.5 | 2,187 | 1.1 |
| Total net assets 51,934 25.3 57,413 22.6 5,479 10.6 52,474 | Total net assets | 51,934 | 25.3 | 57,413 | 22.6 | 5,479 | 10.6 | 52,474 | 26.0 |
| Total liabilities and net assets 205,221 100.0 253,514 100.0 48,292 23.5 201,838 | Total liabilities and net assets | 205,221 | 100.0 | 253,514 | 100.0 | 48,292 | 23.5 | 201,838 | 100.0 |

| | | | (Millions of yen) | | | | | |
|--|-----------------|-------|-------------------|--------------------|---------|--------|--------------------------------------|-------|
| | As of May 31, 2 | 007 | As of May 31, 2 | As of May 31, 2008 | | | (Reference) As of August 31, 2007 | |
| Account item | Amount | (%) | Amount | (%) | Amount | (%) | Amount | (%) |
| I Net Sales | 405,202 | 100.0 | 451,614 | 100.0 | 46,412 | 11.5 | 542,294 | 100.0 |
| II Cost of sales | 307,795 | 76.0 | 343,183 | 76.0 | 35,387 | 11.5 | 411,552 | 75.9 |
| Gross profit | 97,406 | 24.0 | 108,430 | 24.0 | 11,024 | 11.3 | 130,742 | 24.1 |
| III Selling, general and administrative expenses | 84,116 | 20.7 | 95,480 | 21.1 | 11,364 | 13.5 | 114,739 | 21.1 |
| Operating income | 13,289 | 3.3 | 12,950 | 2.9 | (339) | (2.6) | 16,002 | 3.0 |
| IV Non-operating income | 2,928 | 0.7 | 2,594 | 0.6 | (334) | (11.4) | 3,873 | 0.7 |
| V Non-operating expenses | 1,850 | 0.5 | 2,070 | 0.5 | 219 | 11.9 | 2,427 | 0.5 |
| Ordinary income | 14,367 | 3.5 | 13,473 | 3.0 | (894) | (6.2) | 17,448 | 3.2 |
| VI Extraordinary gains | 86 | 0.0 | 5,266 | 1.2 | 5,180 | - | 1,780 | 0.3 |
| VII Extraordinary losses | 2,252 | 0.5 | 659 | 0.2 | (1,592) | (70.7) | 3,382 | 0.6 |
| Income before income taxes and minority interests | 12,201 | 3.0 | 18,079 | 4.0 | 5,878 | 48.2 | 15,847 | 2.9 |
| Income taxes-deferred | 5,288 | 1.3 | 8,815 | 1.9 | 3,527 | 66.7 | 7,381 | 1.4 |
| Minority interest in loss or Minority interest in (income) | (498) | (0.1) | 82 | 0.0 | 581 | - | (319) | (0.0) |
| Net income | 6,415 | 1.6 | 9,347 | 2.1 | 2,931 | 45.7 | 8,146 | 1.5 |

(2) (Summary) Consolidated Statements of Income and Expense

(3) (Summary) Consolidated Statement of Changes in Net Assets

Third Quarter ended May 31, 2007 (From September 1, 2006 to May 31, 2007)

| | Shareholders' equity | | | | Valuation and translation adjustments | Minority | Total net assets |
|--|----------------------|-----------------|-------------------------------------|--------|---|-----------|------------------|
| | Common stock | Capital surplus | s Retained earnings Retained equity | | Net unrealized gain on other securities | interests | |
| Balance as of August 31, 2006 (Millions of yen) | 12,548 | 12,122 | 15,551 | 40,221 | 1,655 | 1,385 | 43,262 |
| Changes in term | | | | | | | |
| Dividend of surplus | - | - | (756) | (756) | - | - | (756) |
| Net income | - | - | 6,415 | 6,415 | - | - | 6,415 |
| Adjustment of surplus for newly-consolidated subsidiaries | - | - | 5 | 5 | - | - | 5 |
| Net changes other than shareholders' equity | - | - | - | - | 2,481 | 524 | 3,006 |
| Total changes in term (Millions of yen) | - | - | 5,664 | 5,664 | 2,481 | 524 | 8,671 |
| Balance as of May 31, 2007 (Millions of yen) | 12,548 | 12,122 | 21,216 | 45,886 | 4,137 | 1,910 | 51,934 |

Third Quarter ended May 31, 2008 (From September 1, 2007 to May 31, 2008)

| | | Sharehold | ers' equity | | Valuation and translation adjustments | Minority | Total net assets |
|--|--------------|-----------------|-------------------|----------------------------------|---|-----------|------------------|
| | Common stock | Capital surplus | Retained earnings | Total shareholders' equity | Net unrealized gain on other securities | interests | lotal net assets |
| Balance as of August 31, 2007 (Millions of yen) | 12,548 | 12,122 | 22,947 | 47,617 | 2,669 | 2,187 | 52,474 |
| Changes in term | | | | | | | |
| Dividend of surplus | - | - | (1,134) | (1,134) | - | - | (1,134) |
| Net income | - | - | 9,347 | 9,347 | - | - | 9,347 |
| Adjustment of surplus for newly-consolidated subsidiaries | - | - | (281) | (281) | - | - | (281) |
| Net changes other than shareholders' equity | - | - | - | - | (3,335) | 342 | (2,992) |
| Total changes in term (Millions of yen) | - | - | 7,931 | 7,931 | (3,335) | 342 | 4,939 |
| Balance as of May 31, 2008 (Millions of yen) | 12,548 | 12,122 | 30,878 | 55,548 | (665) | 2,530 | 57,413 |

| | Shareholders' equity | | | Valuation and translation adjustments | Minority | Total net assets | |
|--|----------------------|-----------------|-------------------|---|---|------------------|-------------------|
| | Common stock | Capital surplus | Retained earnings | Total shareholders' equity | Net unrealized gain on other securities | interests | Total liet assets |
| Balance as of August 31, 2006 (Millions of yen) | 12,548 | 12,122 | 15,551 | 40,221 | 1,655 | 1,385 | 43,262 |
| Changes in term | | | | | | | |
| Dividend of surplus | - | - | (756) | (756) | - | - | (756) |
| Net income | - | - | 8,146 | 8,146 | - | - | 8,146 |
| Adjustment of surplus for newly-consolidated subsidiaries | - | - | 5 | 5 | - | - | 5 |
| Net changes other than shareholders' equity | - | - | - | - | 1,013 | 802 | 1,816 |
| Total changes in term (Millions of yen) | - | - | 7,395 | 7,395 | 1,013 | 802 | 9,211 |
| Balance as of August 31, 2007 (Millions of yen) | 12,548 | 12,122 | 22,947 | 47,617 | 2,669 | 2,187 | 52,474 |

(Reference) Year ended August 31, 2007 (From September 1, 2006 to August 31, 2007)

(4) (Summary) Consolidated Statements of Cash Flows

| (4) (Summary) Consolidated State | | (Millions of yen) | | |
|---|--|--|---|--|
| | Third Quarter ended May 31, 2007 (From September 1, 2006 to May 31, 2007) | Third Quarter ended May 31, 2008 (From September 1, 2007 to May 31, 2008) | (Reference) Year ended August 31, 2007 (From September 1, 2006 to August 31, 2007) | |
| Account item | Amount | Amount | Amount | |
| I Cash flows from operating activities | | | | |
| 1 Pre-tax income | 12,201 | 18,079 | 15,847 | |
| 2 Depreciation and amortization | 1,211 | 1,829 | 1,697 | |
| 3 Impairment loss | 157 | 154 | 201 | |
| 4 Goodwill amortization | 210 | 238 | 279 | |
| 5 Net increase (decrease) in allowance for doubtful accounts | 172 | (2) | (1,519) | |
| 6 Net increase (decrease) in reserve for bonuses | 759 | 855 | 217 | |
| 7 Net increase in allowance for customer-discount points | 210 | 505 | 391 | |
| 8 Net increase in reserve for retirement benefits | 413 | 483 | 493 | |
| 9 Net increase in reserve for retirement benefits for directors and corporate auditors | 22 | 38 | 36 | |
| 10 Other increase (decrease) in allowances and reserves | (75) | (12) | (88) | |
| 11 Interest and dividend income | (95) | (334) | (159) | |
| 12 Interest expenses | 1,125 | 1,313 | 1,463 | |
| 13 Foreign exchange losses/gains | (16) | 39 | 4 | |
| 14 Gain on investment in anonymous association | (971) | (365) | (1,268) | |
| 15 Gain on sales of fixed assets | - | (265) | (0) | |
| 16 Loss on sales of fixed assets | - | 3 | - | |
| 17 Loss on disposal of fixed assets | 47 | 191 | 238 | |
| 18 Gain on sales of investment securities | (86) | (9) | (86) | |
| 19 Loss on sales of investment securities | - | 0 | 7 | |
| 20 Loss on devaluation of investment securities | 1,974 | 1 | 2,678 | |
| 21 Bad debt recovered | - | (4,920) | - | |
| 22 Loss on retirement of tie-in shares | - | - | 183 | |
| 23 Net decrease (increase) in trade notes and accounts receivable | (3,791) | (6,402) | (955) | |
| 24 Net decrease (increase) in inventories | (7,587) | (13,782) | (4,913) | |
| 25 Net increase (decrease) in trade notes and accounts payable | 3,464 | 8,110 | 2,142 | |
| 26 Other, net (operating activities) | (1,459) | (824) | (1,224) | |
| Subtotal | 7,886 | 4,925 | 15,666 | |
| 27 Interest and dividends received | 280 | 5,926 | 375 | |
| 28 Interest paid | (1,144) | (1,318) | (1,501) | |
| 29 Income taxes paid | (6,832) | (8,791) | (7,404) | |
| Net cash provided by operating activities | 190 | 742 | 7,136 | |

| | (Millions of yen) | | | | |
|--|--|--|---|--|--|
| | Third Quarter ended May 31, 2007 (From September 1, 2006 to May 31, 2007) | Third Quarter ended May 31, 2008 (From September 1, 2007 to May 31, 2008) | (Reference) Year ended August 31, 2007 (From September 1, 2006 to August 31, 2007) Amount | | |
| Account item | Amount | Amount | | | |
| II Cash flows from investing activities | | | | | |
| 1 Deposit into term-deposits | (501) | (60) | (501) | | |
| 2 Refund from term-deposits | 220 | 841 | 220 | | |
| 3 Payments for purchases of tangible fixed assets | (3,859) | (26,805) | (4,700) | | |
| 4 Proceeds from sale of tangible fixed assets | 5 | 1,774 | 206 | | |
| 5 Payments for purchases of intangible fixed assets | (453) | (12,124) | (621) | | |
| 6 Payments for purchases of investment securities | (5,910) | (6,404) | (5,910) | | |
| 7 Proceeds from sale of investment securities | 196 | 51 | 200 | | |
| 8 Proceeds from collection of investments | - | - | 0 | | |
| 9 Payments for payment of guarantee deposits | (1,626) | (1,230) | (3,283) | | |
| 10 Proceeds from refund of guarantee deposits | 712 | 3,207 | 827 | | |
| 11 Payments for loans | (41) | (49) | (78) | | |
| 12 Proceeds from collection of loans | 120 | 139 | 142 | | |
| 13 Payments for additional acquisition of shares of consolidated subsidiaries14 Proceeds from liquidation dividend of anonymous | - | - | (129) | | |
| association agreements | - | 4,920 | - | | |
| 15 Other, net (investing activities) | (99) | (23) | (74) | | |
| Net cash employed in investing activities | (11,235) | (35.764) | (13,702) | | |
| III Cash flows from financing activities | | | | | |
| 1 Net increase (decrease) in short-term borrowings | 17,743 | 14,305 | 10,749 | | |
| 2 Proceeds from long-term borrowings | 7,265 | 40,100 | 14,715 | | |
| 3 Repayments of long-term borrowings | (21,868) | (17,351) | (28,616) | | |
| 4 Repayment of bond redemption | (751) | (900) | (1,140) | | |
| 5 Proceeds from issue of shares | - | 598 | 338 | | |
| 6 Dividends paid | (749) | (1,125) | (750) | | |
| 7 Dividends paid to minority interests | - | (78) | - | | |
| Net cash used in financial activities | 1,640 | 35,548 | (4,703) | | |
| IV Foreign currency translation adjustments on cash and cash equivalents | 16 | (39) | (4) | | |
| V Net increase in cash and cash equivalents | (9,388) | 487 | (11,275) | | |
| VI Cash and cash equivalents at beginning of term | 33,108 | 22,012 | 33,108 | | |
| VII Increase in cash and cash equivalents from merger | - | - | 158 | | |
| VIII Cash and cash equivalents of newly consolidated subsidiaries | 19 | 319 | 19 | | |
| IX Cash and cash equivalents at end of the term | 23,739 | 22,818 | 22,012 | | |