

Consolidated Results for the Fiscal Year Ended July 31, 2006

(English Translation of "Kessan Tanshin")



September 1, 2006

Company Name **Nippon Parking Development Co., Ltd.**

Exchanges Listed: TSE 1 • J A S D A Q

Securities Code: 2353

Location of Company Headquarters: Osaka Prefecture

(U R L <http://www.n-p-d.co.jp>)

Position of Representative: President & Representative Director

Name: Kazuhisa Tatsumi

Position of Contact Person: Vice President & Managing Director

Name: Taro Ujike

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Date of Board of Directors Meeting for Business Results: September 1, 2006

US GAAP not applied

1. Consolidated results for the fiscal year ending July 2006 (from August 1, 2005 to July 31, 2006)

(1) Consolidated Financial Results (Note) Amounts truncated to the nearest million yen.

Fiscal Year to:	Net Sales		Operating Income		Ordinary Income	
	Yen Mln	%	Yen Mln	%	Yen Mln	%
July 2006	5,548	23.0	1,127	15.2	1,824	79.0
July 2005	4,512	25.9	979	38.7	1,019	43.3

Fiscal Year to:	Net Income		Earnings per Share	Fully Diluted Earnings per Share	Net Income Return on Equity	Ordinary Income Return on Total Assets	Ordinary Income to Sales Ratio
	Yen Mln	%	Yen	Yen	%	%	%
July 2006	1,069	74.7	315.09	309.34	49.5	36.0	32.9
July 2005	612	54.2	183.13	178.76	35.7	34.3	22.6

- (Notes) 1. Earnings from minority interests: July 2006: — Yen Mln July 2005 — Yen Mln
 2. Average outstanding shares during the period (consolidated): July 2006: 3,394,147 Shares, July 2005: 3,343,152 Shares
 A 1:21 stock split was affected on November 19, 2004. In addition, average outstanding shares for the July 2005 period and earnings per share assuming that this stock split occurred at the beginning of the reporting period.
 3. Changes in accounting method: Yes
 4. Percentages for net sales, operating income, ordinary income and net income represent changes from the previous fiscal year.

(2) Consolidated Financial Condition

	Total Assets	Shareholders' Equity	Shareholders Equity Ratio	Book Value per Share	
	Yen Mln	Yen Mln	%	Yen	Sen
July 2006	6,244	2,329	37.3	681	30
July 2005	3,885	1,995	51.4	591	99

(Note) Outstanding shares at the beginning of the period (consolidated): July 2006: 3,419,115 Shares, July 2005 3,371,571 Shares

(3) Status of Consolidated Cash Flows

	Cash Flow from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	End of Period Cash and Cash Equivalents
	Yen Mln	Yen Mln	Yen Mln	Yen Mln
July 2006	346	(735)	1,053	2,236
July 2005	659	(1,278)	949	1,572

(4) Items concerning the scope of consolidation

Consolidated subsidiaries: 3 Co. Non-consolidated affiliates not included under equity method: 0 Co.

Affiliates included under the equity method: 0 Co.

(5) Changes in scope of consolidation and inclusion under equity method.

Consolidated (New): 1 Co., (Excluded): 0 Co., Under Equity Method (New): 0 Co., (Excluded) 0 Co.

2. Forecast for the fiscal year to July 2007 (from August 1, 2006 to July 31, 2007)

	Net Sales	Ordinary Income	Net Income
	Yen Mln	Yen Mln	Yen Mln
Jan. 2007 Interim	3,370	640	371
July 2007 Fiscal Year	8,000	2,200	1,276

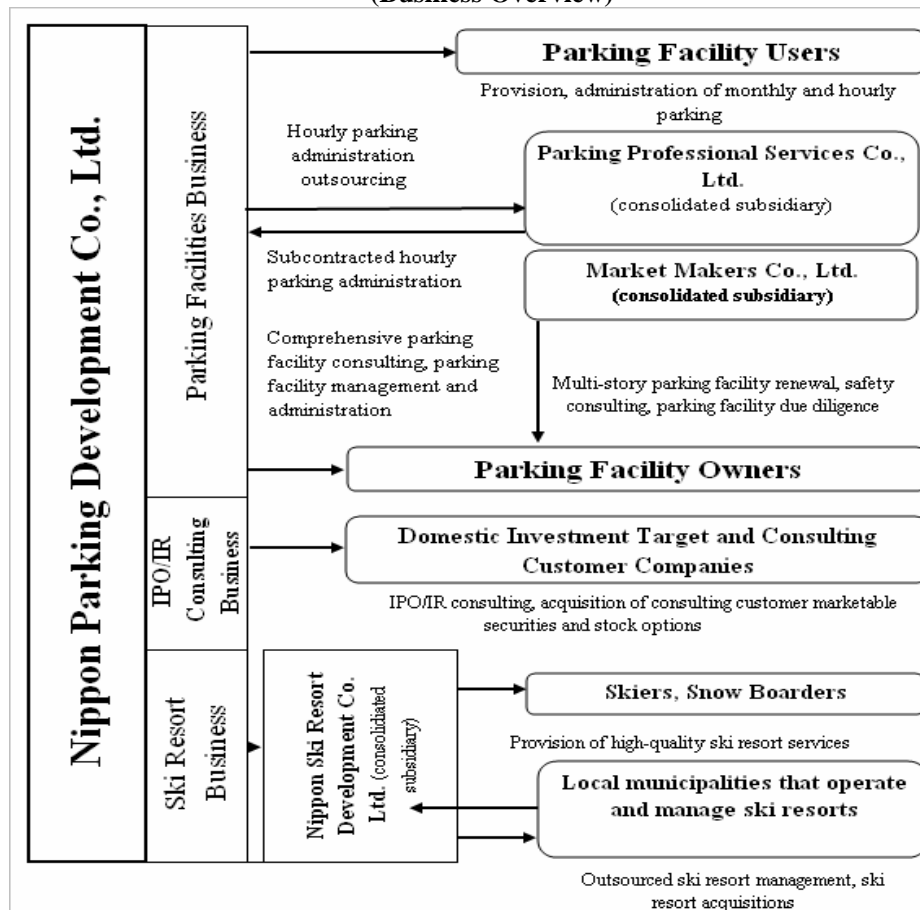
(Reference) Fiscal year (to July 2007) forecast earnings per share: ¥373.20

※ The above forecast is based on the data available at the time this document was created. Actual results may differ materially from these forecasts due to various factors.

1. The Nippon Parking Development Group

The Nippon Parking Development Group consists of the parent company and three consolidated subsidiaries: two parking facilities business-related subsidiaries (Parking Professional Services Co., Ltd. and Market Makers Co., Ltd.), and one consolidated subsidiary (Nippon Ski Resort Development Co., Ltd.) that provides ski resort services. The Group provides consulting-based services for parking facilities, including direct operations, leasing operations to attract high quality customers to underutilized parking facilities, management operations to provide subcontracted parking facility administration, and value-added services such as parking facility due diligence and renewal consulting as well as the brokerage of income-producing parking facilities. In addition, the Group began IPO, IR consulting services to provide IPO support for un-listed companies and IR consulting for listed companies from the fiscal year under review. Nippon Ski Resort Development Co., Ltd. was established in December 2005 as a new business to provide ski resort services.

(Business Overview)



(Note) Market Makers Co., Ltd. was merged into Nippon Parking Development Co., Ltd. on September 1, 2006, while Nippon Ski Resort Development Co., Ltd. was established in December 2005. In addition, as a ski resort was acquired on September 1, 2006, the above diagram includes an overview of this business after the acquisition and initiation of ski resort outsourcing contracts.

2. Management Policies

(1) Basic Group Policies

Based on a philosophy of “a happy business relationship” with all associated with our business, the Group identifies underutilized resources, and by revitalizing these resources, increases the satisfaction of related involved.

In the parking facilities business, the mission of the Company’s and its 100%-owned subsidiary Parking Professional Services’ mission is to provide solutions that offer merit to parking facility owners, users and the society as a whole. In keeping with its mission, the Group endeavors to continually provide innovative parking facility services. In the IPO, IR consulting business, the Group established a new investment business headquarters in August 2005 and has created a superior business model that targets venture companies whose growth potential can be enhanced by support from the Group, and provides them with support to further enhance corporate value.

In addition, the Group established Nippon Ski Resort Development Co., Ltd. as a 100%-owned subsidiary in December 2005. As with the parking facilities business, the ski resort business has various gaps between service providers and users, as many ski resorts are experiencing financial difficulties because of past large capital expenditures and declining users, while people are abandoning skiing because they are dissatisfied with the available ski resort facilities and services offered. The Group aims to revitalize ski resorts by providing solutions for these gaps.

(2) Basic Policy Regarding Distribution of Profits

Since listing on JASDAQ in February 18, 2003, the Group has pursued sustainable growth in addition to providing shareholder returns that are commensurate with this growth. On the occasion of our listing on February 25, 2004 on the Second Section of the Tokyo Stock Exchange (TSE) and on the First Section of the TSE on January 4, 2005, we as a matter of course have renewed our commitment to sustainable growth, and at the same time will be deciding each year's dividend policy giving consideration to the medium-term development of the Group's business and capital efficiency. Concerning dividends for the fiscal year under review, we plan to declare an end-of-period dividend of ¥200 per share in accordance with this policy.

(3) Goals Used as Management Indicators

The Group is daily making aware of the size of demand in the underdeveloped parking facilities market and the speed at which demand is being created, given the growing emphasis on real estate profitability with the introduction of impairment accounting, the size of potential demand from restructuring and business reorganizations, and changes in the supply-demand balance due to urban renewal and new building constructions. Despite such market conditions, no clear competitor to the Group's business has yet emerged, which has allowed the Group to focus on business expansion without having to concentrate too much on management indicators.

Going forward, the Group will continue its pursuit of business expansion while using objective indicators to achieve highly transparent management. In terms of specific management indicators, the Group is emphasizing a balance between growth, profitability, financial strength and efficiency in order to avoid being over-dependent on one specific indicator or trend as we strive to achieve both stable and efficient high growth while at the same time emphasizing shareholder returns. In terms of specific indicators, our goal is to maintain high levels of ordinary income growth, ordinary income to sales margins and net income to shareholders' equity ratio (ROE). For ROE in particular, our goal is to maintain a position as one of the highest ROE among listed companies.

(4) Medium-Term Group Management Strategies

The Nippon Parking Development Group is developing parking facilities, IPO/IR consulting and ski resort revitalization businesses.

The Group's parking facilities business has grown based on an "asset less" business model through which the Group provides solutions for the effective use of underutilized multistory parking facilities attached to buildings that offer parking facility owners stable revenues and reduced risk, while improving convenience to parking facility users by lowering costs, in addition to helping to reduce the social problem of traffic accidents and congestion caused by illegal parking.

Going forward, the Group intends to continue improving the quality of parking facilities provided by using this basic business model to actively provide effective solutions for the growing number of required parking facilities that are not being fully utilized in over 50,000 buildings nationwide, provide consulting for attached parking facilities for newly constructed buildings and commercial facilities from the design stage, renewal and safety consulting for existing multi-story parking facilities, and heretofore unavailable high value added services such as valet services from luxury hotels, boutiques and restaurants.

Specifically, the Group will continue to strengthen its efforts to approach the owners of approximately 12,000 buildings with attached parking facilities in the largest cities in the Kanto, Chubu and Kinki regions and to provide users with highly safe and personalized services. In addition to the emphasis on metropolitan areas, the Group is also pinpointing selected regional cities such as the branch that was opened in Sapporo in April 2006 to efficiently respond to user needs in major regional cities. In responding to social needs regarding parking facilities, the Group intends to create the greatest amount of well being and profit through expansion of this business model, which is dramatically changing the image and market for parking facilities in Japan.

Based on the above strategies, the Group intends to further strengthen and enhance its presence as a parking facilities company. In the IPO/IR consulting business, the Group is working to enhance the corporate value of the companies for which it provides support. As a result of this support, the client company is able to enhance corporate value, and is well-regarded by the companies receiving the support as it allows unlisted companies to achieve their IPO aims and listed companies to upgrade their listing on the stock exchange. In order to further improve its ability to provide corporate value-enhancing proposals to client companies, the Group will continue to recruit qualified personnel.

In the ski resort business, consolidated subsidiary Nippon Ski Resort Development Co., Ltd. ended its first year since establishment, and has signed a basic agreement for the acquisition of its first ski resort. Going forward, this subsidiary will continue building its base of acquiring and revitalizing ski resorts in implementing its first project, and in addition to making acquisitions, intends to further strengthen its ski resort revitalization operations by incorporating other methods such as ski resort management outsourcing.

Based on the above policies, the Group intends to further strengthen its core parking facilities business, while at the same time will be working to nurture and expand its IPO/IR consulting and ski resort businesses.

(5) Management Issues that Need to be Addressed

The Group has grown through the provision of effective solutions for underutilized parking facilities. In the parking facilities business, changes in the operating environment, such as the amended Road Traffic Law which became effective in June 2006 further clarified the responsibilities of drivers who park illegally and allowed for the outsourcing of a portion of illegal parking enforcement to private companies, have affected the supply-demand balance for parking facilities, and have increased the importance of parking facilities. The key to the Group's growth in this area will be to embrace these changes as business opportunities, to identify customer needs as early as possible, and to provide appropriate solutions in response.

In addition, the Group is developing new business domains. The Group continues to make good progress in signing contracts with high quality-unlisted companies in the IPO/IR consulting business, while it has acquired a ski resort for revitalization in the ski resort business. In continually responding to the external environment and strengthening internal processes, the Group has identified the following specific areas that will require further strengthening in the future.

① Maintenance of Customer Satisfaction

The Group aims to provide optimal solutions that ensure the continued satisfaction of both parking facility owners and users. In addition, in terms of providing proper customer response, we are working to enhance the content of our working manual as well continually striving to improve the skills and morale of our employees. For large-scale, manned parking facilities in particular, we are improving and thoroughly implementing the contents of our working manual, while at the same time re-affirming our basic policies to increase customer satisfaction by providing better service. By bringing the concept of service which had heretofore been lacking in the parking facilities market, we intend to continue working to maintain and improve customer satisfaction.

② Differentiation Strategy

As there are few legal barriers to entry in the parking facility market, there are many parking facility operators nationwide, from large corporations to individual owners, and the company has competed with such operators from its founding. However, no rival listed companies have yet emerged in the three years since Nippon Parking Development was listed. The Group intends to maintain its superior market position going forward by raising the qualitative barriers through the differentiation of its services from other companies in providing high quality hardware and software-oriented services, including unique operating capabilities (revenue maximization through an optimal mix of monthly, daily and hourly parking services), abundant information (information on monthly parking facility usage by mainly corporate users), consulting from the design stage for mandatory parking facilities attached to new building and commercial facility constructions, renewal and safety consulting for existing multi-story parking facilities, and valet services for luxury hotels, boutiques and restaurants.

③ New Business Development

Since its founding, Nippon Parking Development has specialized in the parking facilities business based on a philosophy of creating a happy business relationship for all involved by focusing on the revitalization of underutilized resources to increase the satisfaction of all parties involved. Our entry into both the IPO/IR consulting and ski resort businesses was also based on this philosophy. While progress in the development of both businesses is proceeding as planned, we have as yet to solidify our customer base in these areas. We therefore need to continue improving the level of services provided and to increase customer satisfaction. In order to accomplish this, we will be implementing measures which we believe are needed to nurture these businesses.

3. Consolidated Operating Results and Financial Condition

(1) Operating Results

(a) Overview of Results for the Fiscal Year to July 2006

For the fiscal year under review, Japan's economy was characterized by a clear recovery in corporate profits, expanding capital expenditures and signs of an improvement in personal consumption, even though the Nikkei 225 index declined below ¥15,000 in June. In addition, progress was seen in the emergence from deflation as evidenced by the Bank of Japan's abandonment of its quantitative easing policy, as the economy continued to gradually expand.

In the real estate market, there were active formations of revenue-focused private real estate funds and REITs, which continued to compete for high quality properties in metropolitan Tokyo as well as in regional cities. In addition, the implementation of the amended Road Traffic Law raised the social awareness of illegal parking by providing for stricter illegal parking enforcement through the partial outsourcing of this enforcement to private companies, which continued to provide a favorable business environment for the Group.

The Group actively worked to respond to the social needs created by the business environment with active marketing and efforts to maintain and improve service levels.

Fiscal Year Consolidated Operating Results by Business Segment

Segment	Previous Fiscal Year (from Aug. 1, 2004 to Jul. 31, 2005)	Current Fiscal Year (from Aug. 1, 2005 to Jul. 31, 2006)	Year-on-Year Change(%)
	Amount Unit: Thousands of Yen	Amount Unit: Thousands of Yen	
Directly Managed Business	3,924,879	4,650,662	118.5
Management Business	213,201	427,512	200.5
VA Services Business	183,694	167,921	91.4
Leasing Business	164,996	156,402	94.8
IPO/IR Consulting Business	---	78,312	---
Other Businesses	25,437	67,675	266.0
Total	4,512,208	5,548,486	123.0

Directly Managed Sales by Region

Unit: Thousands of Yen		Previous Fiscal Year (from Aug. 1, 2004 to Jul. 31, 2005)	Current Fiscal Year (from Aug. 1, 2005 to Jul. 31, 2006)	Year-on-Year Change(%)
		Amount Unit: Thousands of Yen	Amount Unit: Thousands of Yen	
Directly Managed Business	Hokkaido	---	50	---
	Kanto	2,096,796	2,591,787	123.6
	Kinki	1,439,081	1,550,078	107.7
	Tokai	265,665	359,654	135.4
	Chugoku	11,194	59,121	528.1
	Kyushu	112,141	89,969	80.2
	Total	3,924,879	4,650,662	118.5

Monthly-only and Combined Hourly Directly Managed Facilities, Total Directly Managed Facilities by Region, and Total Contracted Units versus Total Unit Capacity

		As of July 31, 2005	As of July 31, 2006	YoY (%) Change	As of July 31, 2005	As of July 31, 2006	YoY (%) Change	As of July 31, 2005	As of July 31, 2006	YoY (%) Change			
		Monthly Directly Managed Facilities			Combined Hourly Directly Managed Facilities			Total Directly Managed Facilities					
		(Number) Contracted Units	(Number) Contracted Units			(Number) Contracted Units Unit Capacity		(Number) Contracted Units Unit Capacity			(Number) Contracted Units	(Number) Contracted Units	
Directly Managed Business	Hokkaido	-	1	-	-	0	-	-	1	-			
		-	12	-	-	0	-	-	12	-			
	Kanto	187	234	125.1	31	37	119.4	218	271	124.3			
		3,414	3,995	117.0	1,398	2,132	152.5	4,812	6,127	127.3			
	Kinki	67	87	129.9	40	41	102.5	107	128	119.6			
		1,012	1,227	121.2	1,711	1,752	102.4	2,723	2,979	109.4			
					2,912	3,129	107.5						
	Tokai	16	21	131.3	9	13	144.4	25	34	136.0			
	256	295	115.2	288	494	171.5	544	789	145.0				
				575	813	141.4							
Chugoku	1	6	600.0	1	2	200.0	2	8	400.0				
	18	93	516.7	88	103	117.0	106	196	184.9				
				88	158	179.5							
Kyushu	8	22	275.0	3	3	100.0	11	25	227.3				
	138	293	212.3	105	101	96.2	243	394	162.1				
				178	178	100.0							
Total	279	371	133.0	84	96	114.3	363	467	128.7				
	4,838	5,915	122.3	3,590	4,582	127.6	8,428	10,497	124.5				
				5,885	7,361	125.1							

(Note) “Contracted units” as listed above represent the number of parking units contracted between the Group and parking facility owners, while “Unit Capacity” represents the total parking units available. As hourly combined directly managed facilities include services other than contracted parking spaces, these units are included in “total unit capacity”.

Hourly Managed Parking Facility Units and Total Unit Capacity by Region and Total

		As of July 31, 2005	As of July 31, 2006	YoY (%) Change
		Hourly Managed Facilities		
		(Number) Contracted Units	(Number) Contracted Units	
Hourly Managed Parking Facilities	Hokkaido	-	1	-
		-	124	-
	Kanto	0	4	-
		0	802	-
	Kinki	5	5	100.0
		380	380	100.0
	Tokai	4	6	150.0
		212	292	137.7
Chugoku	0	2	-	
	0	206	-	
Kyushu	2	1	50.0	
	270	20	7.4	
Total	11	19	172.7	
	862	1,824	211.6	

In the directly managed business, the favorable trend in revenues from existing facilities continued, while the Group accelerated acquisitions of new facilities mainly in Tokyo and Yokohama, resulting in favorable growth in both existing and new facilities. As a result, directly managed sales were ¥4,650,662 thousand (up 18.5% year-on-year).

In the management business, an increase in management contracts for large-scale commercial facilities supported total segment sales of ¥427,512 thousand (up 100.5% year-on-year).

Revenues from renewal and safety consulting for multi-story parking facilities were also favorable, and while the Group initiated management consulting services for regional cities and in South Korea, the lack of large-scale renewal construction revenues recorded in the previous fiscal year resulted in VA services sales of ¥167,921

thousand (down 8.6% year-on-year).

In the IPO/IR consulting business that was inaugurated this fiscal year, new consulting contracts for mainly unlisted companies and stock option awards from already listed companies resulted in IPO/IR consulting segment sales of ¥78,312 thousand (no year-on-year comparisons are available).

As a result, total Group sales recorded a sharp gain to ¥5,548,486 thousand (up 23.0% year-on-year).

The gross profit margin was 42.2% (down 1.2 percentage points year-on-year) reflecting an increase in personnel assigned to the model office for the Aoyama area hourly parking facilities and other policies to improve the level of service for hourly parking services, rate revisions for some parking facilities that were affecting the Group's revenues, and revenue enhancement for parking facility owners.

Sales, general and administrative expenses were 21.9% of total sales reflecting an increase in personnel expenses because of business expansion, increased rents with the opening of new branches and increased depreciation expenses because of active IT system investment. As a result, operating income was ¥1,127,918 thousand (up 15.2% year-on-year).

While interest payments (of ¥14,728 thousand) were incurred on borrowings that were made to strengthen ties with financial institutions, other income was recorded from the sale of investment securities (¥603,324 thousand) and silent partnership investment returns (¥84,128 thousand) from a private issue fund distribution. As a result, ordinary income increased sharply to ¥1,824,299 thousand (up 79.0% year-on-year) and net income for the period was ¥1,069,476 thousand (up 74.7% year-on-year).

(b) Outlook for the Coming Fiscal Year

While there are a number of uncertainties regarding the direction of the Japanese economy, including the trend in the U.S. and Chinese economies and higher interest rates resulting from the removal of the Bank of Japan's zero interest rate policy that had been in place for the past five years, Nippon Parking Development foresees continued improvement in corporate profits and a continued mild expansion in the economy.

In terms of the parking facilities business, aided by favorable factors such as the increase in private issue real estate funds and REITs as well as amendments to the Road Traffic Law, the Group intends to strengthen its capability to provide solutions in mainly the directly managed business. In addition, the Group will continue strengthening its marketing activities not only in Tokyo and Osaka, but also in regional cities such as Sendai where a new branch will be established in the coming fiscal year, with an eye toward owning parking facilities in regional cities. In addition, the Group intends to continue actively pursuing parking facilities management and administration contracts from private issue funds and REITs, valet services for luxury hotels, restaurants and boutiques, and renewal and safety consulting contracts for multi-story parking facilities in an on-going effort to differentiate its services from other companies and increase the Group's name recognition among customers.

In the IPO/IR consulting business, the Group will continue to focus on assisting the non-listed companies that have unique competitiveness with support in getting listed on securities markets, while at the same time striving to discover and nurture un-listed companies that are both financially strong and have a strong desire for transparent management. The Group also intends to strengthen alliances with financial institutions and other companies. In terms of investment activities, the Group is looking beyond immediate short-term returns in loaning specialist staff with front-line experience in various areas to the companies it supports in an effort to enhance corporate value over the medium-term through revenue optimization for the companies we support.

In the ski resort business, Sanalpina Kashimayari, which was the first ski resort acquired, the Group intends to refurbish restaurant and other facilities and strengthen various services while thoroughly reducing costs in an effort to achieve substantial improvements in both service levels and profitability. In addition to establishing a track record with this first acquisition, the Group intends to expand this business domain into resort management outsourcing and consulting, in an effort to expand revenues in addition to revitalizing winter sports and the local society.

In terms of full fiscal year forecasts, the Group is forecasting sales of ¥8,000 million, operating income of ¥1,900 million, ordinary income of ¥2,200 million and net income of ¥1,276 million.

The breakdown of the sales forecast is as follows.

	Amount Unit: Millions of Yen	Vs July 2006 (%)
Parking Facilities Business	7,150	130.7
IPO/IR Consulting Business	350	446.9
Ski Resort Business	500	---
Total	8,000	144.2

(2) Consolidated Financial Condition

Cash and cash equivalents (hereafter, “funds”) at the end of the period under review were ¥2,236,733 thousand and ¥664,686 thousand higher than at the end of the previous fiscal year, reflecting cash inflows from income before taxes and minority interests of ¥1,806,385 thousand, ¥1,500,000 thousand from long-term borrowings, and ¥1,944,939 thousand from the sale of investment securities, versus cash outflows of ¥506,375 thousand from the payment of taxes, ¥696,971 thousand of investments in silent partnerships, an outflow of ¥2,041,315 thousand for the purchase of investment securities and dividend payments of ¥674,314 thousand.

The status of respective cash flows during the period was as follows.

(Cash Flows from Operating Activities)

Net cash provided from operating activities was ¥346,696 thousand (compared to ¥659,416 thousand the previous fiscal year). While there was a cash outflow of ¥506,375 thousand for the payment of corporate and other taxes and purchases of investment securities (operating assets) increased by ¥374,486 thousand, this was offset by the sharp increase in cash from income before taxes and minority interests of ¥1,806,385 thousand (compared to ¥1044,282 thousand the previous fiscal year).

(Cash Flows from Investing Activities)

Net cash used in investing activities was ¥735,395 thousand (compared to a cash outflow of ¥1,278,513 thousand the previous fiscal year). This reflected cash inflows from the sale of investment securities amounting to ¥1,944,939 thousand, and ¥165,867 thousand from the dissolution of and a distribution from a silent investment partnership, while cash outflows included ¥2,041,315 thousand for the purchase of investment securities and ¥696,971 thousand for investment in another silent partnership.

(Cash Flows from Financing Activities)

Net cash provided by financing activities was ¥1,053,385 thousand (versus a cash inflow of ¥949,324 thousand in the previous fiscal year). While there were cash outflows of ¥674,314 thousand for dividend payments and ¥150,000 thousand for the repayment of long-term borrowings, this was offset by a cash inflow from new long-term borrowings from financial institutions of ¥1,800,000 thousand.

Major cash flow indicators for the period are as follows

	Fiscal Year to July 2003	Fiscal Year to July 2004	Fiscal Year to July 2005	Fiscal Year to July 2006
Shareholders' Equity Ratio (%)	67.9	69.3	51.4	37.3
Current Value-Based Shareholders' Equity Ratio (%)	1,566.6	1,920.4	1,657.5	1,128.4
Years to Repay Debt	---	---	1.5	7.6
Interest Coverage Ratio	4,906.9	1,361.9	243.0	22.7

(Notes) Shareholders' Equity Ratio: Shareholders' Equity/Total Assets
Current Value-Based Shareholders' Equity Ratio: Market Capitalization/Total Assets
Years to Repay Debt: Interest-Bearing Debt/Operating Cash Flow
Interest Coverage Ratio: Operating Cash Flow/Interest Paid

1. All indicators are based on numbers contained in the consolidated financial statements.
2. Market capitalization is calculated by using the end-of-period stock price X end-of-period outstanding shares. However, as the stock price at the end of July 2003 reflects a stock split effected on September 19, 2003, market capitalization has been calculated including the extra shares from the stock split.
3. Operating cash flows used are consolidated operating cash flows as reflected in the statement of consolidated cash flows. Interest-bearing debt includes all debts that bear interest and that are included in the consolidated balance sheet. The interest paid figure used is the amount of interest paid as is shown in the statements of consolidated cash flows.

(3) Business and Other Risks

The following is a list of the major conceivable business and other possible risks regarding the Group's businesses as of the date of announcement of financial results. Being aware of such risks, while it is the Group's policy to avoid these risks or to respond to them when they occur, readers are advised to carefully consider these risks as well as information contained in other sections of this report when considering to invest in the Group's stock. In addition, the Group makes no representation that the factors given below are a complete list of all of the risks associated with investment in Nippon Parking Development's stock.

A. Characteristics of the Business

(1) Business Characteristics and Dependency on the Parking Facilities Market

The Nippon Parking Development Group is involved in the effective utilization of parking facilities. Specifically, the Group leases underutilized parking facilities (empty parking spaces) and sub-leases these spaces on a monthly or hourly bases to parking facility users (directly managed business), introduces and acts as a broker to introduce

customers to parking facilities (leasing business), provides outsourced parking facility management and administration services (management business), provides parking facilities management consulting, renewal consulting and introduces parking facilities as income-producing properties (VA services business).

The characteristic of the Group's business is that it mainly focuses on commercial areas within major metropolitan centers (metropolitan Tokyo, Osaka and other major regional cities), and its marketing activities are aimed at providing mainly "directly managed" subleasing of primarily office building, commercial building and other facilities with attached or accompanying multi-story mechanical parking facilities. Required parking facilities are those facilities so-deemed by local government ordinance for newly constructed or expanded buildings above a certain size in terms of floor space, the majority of which are located in urban areas.

As a significant amount of parking space within parking facilities in urban areas, and especially required parking facilities, is underutilized, the Group leases the entire amount of underutilized parking space from parking facility holders (owners) and rents it to third parties on a monthly basis. Depending on the parking facility, the Company also considers the owner's wishes, location of the parking facility, and condition as well as capacity of the facilities in combining monthly parking services with hourly parking administration. Hourly parking services are provided by the Group's employees in the form of manned parking facility administration. The Group's "directly managed" services do not merely refer to the administration of ground level self-service (coin operated) parking for individual vehicles, but also refer to the effective administration of various types of parking facilities, including mainly multi-story mechanical parking facilities inside or attached to buildings and other facilities that hold dozens of vehicles, as well as coin parking.

Because the Group has developed its business centering on its "directly managed" business, the proportion of this business to total sales is high. In addition, as essentially all of the Group's sales are dependent on the parking facilities market, the Group's business performance or financial condition could be materially affected by a shrinking market for parking facilities or an increase in parking facility supply that would lead to lower parking fees and shrinking profit margins.

(2) Directly Managed Business Risk

a) Parking Facility Owner Income Guarantees

As the majority of contracts signed under the directly managed business with parking facility owners commit the Group to lease a number of parking spaces in bulk, the Group incurs monthly fixed costs in the form of pre-set payments to owners, whether or not the Group has any revenues.

Consequently, should the Group fail to recruit the planned number of general users, or parking fees decline due to intensified competition, it could be forced to lower rental fees. In addition, should the Group experience a decline in revenues as the result of an increase in contract cancellation from existing users, while on the other hand continue to be obligated to pay monthly lease fees to facility owners; it could experience losses from leased parking facilities where the income yield is minus.

In order to avoid such losses, the Group conducts research on the supply-demand situation as well as rent levels in the area where the facility is located, and only signs contracts for those facilities it believes can be operated profitably. In addition, for those facilities where it is determined that ensuring profitability would be relatively difficult under normal contract terms, the Group adopts a "volume payment system" for monthly parking fees for only those parking spaces that have continuing general user contracts in order to avoid negative income yield on the facility. Moreover, in addition to providing the parking facility owner with information specific to surrounding properties, the Group provides comprehensive revenue and expense planning services based on the Group's accumulated information about the parking facilities market as a whole combined with administrative know-how in an effort to secure a contract that is profitable for both the owner and the Group. As a result, we believe the Group's procurement prices are contracted at relatively cheaper levels than actual market prices in each area. The Group also uses other methods to avoid negative income yield, reduces expenses in the early stages of the contract and to allow for flexible review of contract conditions. These include clauses with owners that provide for a rent-free period (the period in which procurement expenses are waived), clauses that allow for contract cancellations within the contract period provided that a three month notice period is given, or clauses that provide for a review of rent levels given changes in economic conditions.

This notwithstanding, there is no guarantee that such losses can be completely avoided. Thus an increase in facilities with negative income yields could have a material impact on the Group's business performance or financial condition.

b) Possibility of Lease Contracts with Owners Being Cancelled within a Short Period

When the Group procures a parking facility, it signs a contract with the owner in which Nippon Parking Development becomes the tenant. The initial contract period for most contracts is two years, and while these contracts are automatically renewed for one year after expiration of the contract period, the parties to the contract can cancel the contract early provided that three months written notice is given to the counterparty. The terms of the contract state that the cancellation becomes effective even without agreement of the counterparty. Consequently, it is possible that the Group could lose income from the facility in a relatively short period of time if the parking facility owner suddenly decides to cancel the contract.

As the Group provides parking facility owners with optimal proposals and solutions, we believe owners recognize the value of these services. Since the Group began the "directly managed" business, there have been few cancellations amounting to only 68 of a total 535 contracts to July 31, 2006, with none of these cancellations being due to unforeseen circumstances. This notwithstanding, in those cases where parking facility owners retract their policy of renting to third parties, or where there are others who can provide the parking facility owner with a better

solution, or where the owner of parking facilities leased by the Group decides that it is more advantageous to administer and manage the facility themselves, cancellations of lease contracts with the Group or reduction in the number of parking spaces leased could have a material impact on the Group's business performance or financial condition.

c) Administration of Hourly Parking Facilities

For the July 2006 fiscal year, the proportion of hourly parking rental sales to total sales was relatively high at 42.3%, and is an important business for the Group. The hourly parking rental business is managed using the Group's proprietary know-how in order to increase the asset turnover ratio for the parking facility, enhance the revenue potential for the parking facility owner and the Group, and to respond to the needs of general users. In actual operations, in addition to ensuring safety when vehicles are being guided into the facility and fulfilling our responsibility to store the vehicle—including the valet services that are provided for some customers (where the Group's employees are entrusted with moving the car and parking it as well as returning the car to the driver)—the Group takes the utmost care in fulfilling its safety and storage responsibilities. In addition, the Group has sufficient insurance to cover accidents, casualties and other contingencies.

This notwithstanding, in the event that the Group is unable to attract sufficient general users because of mistaken analysis of the surrounding environment, it is possible that the Group would be unable to achieve revenues as initially planned. In addition, claims arising from accidents or misdeeds that are the Group's fault and which the Group is not able to deal with in an appropriate and timely manner could result in a loss of not only customer trust, but also result in contract cancellations, damage claims and social criticism that could have a material effect on the Group's development, business performance or financial position.

(3) Concentration of Sales Area

Because the Group has focused its sales efforts on commercial areas in urban centers where there are many buildings that require parking facilities, the majority of parking facilities administered and managed are located in metropolitan Tokyo and Osaka prefecture. Of total consolidated sales of ¥5,548,486 thousand for the fiscal year ended July 2006, parking facilities located in metropolitan Tokyo and Osaka prefecture accounted for a significant ¥2,440,618 thousand (44.0%) and ¥1,483,966 (26.7%) of total sales, respectively. In addition, the Group plans to continue actively developing the capital region centering on metropolitan Tokyo. As a result, earthquakes, large fires or other unforeseen disasters in these regions could significantly damage properties that the Group administers and manages, and because of closures or other factors could hinder marketing activities, such disasters could have a material impact on the Group's business performance or financial condition.

B. Special Legal Restrictions

There are no special legal restrictions that govern the rental, administration or management of the Group's parking facilities-related businesses. In terms of national and local public organizations, the "Parking Facilities Law" contains provisions relating to the accountability to provide comprehensive, planned parking facilities and the responsibilities regarding establishment of mandatory attached parking facilities, while the "Road Traffic Law" contains traffic regulations as determined by Prefectural and City government safety commissions, while the "Law Regarding the Securing of Storage Space for Automobiles" (Car Storage Law) requires that automobile owners secure a place to store (park) their automobile.

As these laws were formulated to ensure smooth traffic flow and safety, there presently is no legislative movement to relax these legal restrictions. However, if regulations contained in these laws were to be relaxed, the Group's business performance and financial position could be materially affected by declining parking demand in the areas where the Group conducts its business, a decline in rental (parking) fees, or a decline in the number of parking facilities.

C. Personal Information Security

The Group holds a significant amount of information regarding its customers, as information collected from customers contracting for monthly parking such as driver's license copies, automobile inspection certificates and car insurance certificates. As the department responsible for the custody of such information, the management planning department takes the utmost care in ensuring the protection of this information. Specifically, personal information recorded on paper is prohibited from leaving the Group's premises, while personal information that is stored electronically is managed by the responsible manager through a terminal located in a security room established by the Group that is not connected to the corporate network.

The Group's internal information security has been strengthened to meet third-party certification organization requirements, and received ISMS (information security management systems) certification from the Japan Information Processing Development Corporation (JIPDEC) in December 2004. In addition, the Group continues working to increase internal awareness of information security by holding internal training sessions.

This notwithstanding, public trust in the Group could be negatively affected, and damage claims could arise from external leaks of customer personal information, which could materially affect the Group's business performance and financial position.

D. Competition

The parking facilities industry of which the Group is part has no particular legal barriers to entry, and because the barriers to entry are relatively low, there are many competitors nationwide, ranging from individual, small-scale businesses to large corporations. In addition to competing with these industry participants, the Group also competes with real estate developers who provide rental buildings with attached parking facilities. Further, the Group expects

that more competitors will enter the business from other industries. In order to successfully compete with such competitors, the Group intends to continue providing solutions that meet customer needs, and to raise customer satisfaction as well as clearly differentiating its services from competing companies, while at the same time working to increase sales and earnings by expanding its business base through the acquisition of new customers and raising the ratio of repeat users for its hourly parking services.

However, in the event that costs increase due to measures taken to meet this competition, and profits on rents received decline because of intensified competition, or if customers determine there is no merit in the services the Group provides, the Group could see a material impact on business performance or financial position as the result of cancellations in parking facility lease contracts.

E. Method of Recovering Sales Proceeds

The method used to recover the monthly sales proceeds of the Group for monthly parking contracts is mainly direct fund transfers from general users, cash payments and automatic deduction from user accounts through such services provided by financial institutions and consumer finance companies. The sales proceeds received from such automatic account deductions are held from two to 10 days by the financial institutions and consumer finance companies with which the Group has service contracts. Consequently, unforeseen circumstances could result in the Group failing to receive the contracted amount of sales proceeds in any particular month. In addition to causing losses, the additional time and expense spent in establishing a different method of recovering sales proceeds could have a material impact on the Group's business performance or financial position.

F. Investment in the Businesses of Other Companies

At a general meeting of its shareholders in October 2005, a resolution was approved to change the Group's corporate charter to allow for additional business development, and the IPO/IR consulting business was inaugurated from the July 2006 fiscal year.

This IPO/IR consulting business provides consulting services for unlisted and already listed companies, and the Group sometimes directly acquires stock in the company receiving such consulting as an investment in that company's business. Consequently, there is a risk that the Group will not be able to recover its invested capital or that adequate investment returns cannot be obtained. This could have a material impact on the Group's business performance and financial condition if these risks are realized.

As of the end of July 2006, the outstanding balance of investment securities treated as operating assets was ¥352,932 thousand and 5.7% of total assets shown on the Group's consolidated balance sheet. When these investments are made, specialist staff with the appropriate knowledge and experience perform due diligence on the candidate company's business, major shareholders, quality of management, business plans and operating environment, and select companies for investment through an evaluation of quantitative and qualitative factors. Thereafter, the Group, through its daily consulting activities, closely monitors the financial and management condition of the company, and provides support in continuously improving management.

G. Entry into the Ski Resort Revitalization Business

The Group established Nippon Ski Resort Development Co., Ltd. as a wholly-owned subsidiary in December 2005 and entered the ski resort management business.

Thereafter, this subsidiary purchased the Sanalpina Kashimayari ski resort located in Ohmachi City, Nagano Prefecture from the Shinshu Gakuen educational foundation and the Kyoiku Kikaku Center Co., Ltd. in August 2006 for ¥550,000 thousand, and current is making preparations to begin operations for the resort during the winter season of this year. Given seasonal factors such as the amount of snowfall and factors that would inhibit the execution of the planned opening, this project could have a material impact on the Group's business performance and financial condition.

H. Stock Price Fluctuation Risk

As of the end of July 2006, the Group held ¥1,819,683 thousand (current market value base) worth of marketable investment securities, mainly in companies where there are synergy effects with the Group's parking facilities business. These assets account for 29.1% of the Group's total assets as shown on its consolidated balance sheet. The unrealized loss on the value of these assets after the effect of tax accounting is ¥88,955 thousand. Given fluctuations in future stock prices, these unrealized losses could expand further and have a material impact on the Group's business performance or financial condition.

4) Consolidated Financial Statements
(1) Consolidated Balance Sheets

	As of July 31, 2005		As of July 31, 2006		Increase/ Decrease Amount	
	Amount Unit: Thousands of Yen	(% Total)	Amount Unit: Thousands of Yen	(% Total)		
(Assets)						
I Current Assets						
1. Cash and bank deposits	1,572,047		2,236,733			
2. Accounts receivable	98,947		76,694			
3. Operating investment securities	---		352,932			
4. Investment in silent partnerships	---		200,000			
5. Deferred tax assets	25,489		57,193			
6. Advances paid	71,838		90,002			
7. Prepaid expenses	22,559		18,240			
8. Short-term loans	---		50,000			
9. Others	2,949		70,627			
10. Allowance for doubtful accounts	(130)		---			
Total Current Assets	1,793,702	46.2	3,152,425	50.5	1,358,722	
II. Fixed Assets						
1. Tangible assets						
(1) Buildings and structures	14,873		18,911			
Accumulated depreciation	3,109	11,764	5,355	13,555		
(2) Machinery and equipment	---		9,400			
Accumulated depreciation	---	---	889	8,510		
(3) Vehicles and delivery equipment	---		4,492			
Accumulated depreciation	---	---	477	4,014		
(4) Tools and instruments	41,618		62,135			
Accumulated depreciation	16,437	25,181	26,928	35,207		
Total Tangible Assets		36,945	1.0	61,288	1.0	24,342
2. Intangible assets						
(1) Software	42,578		33,931			
(2) Software under construction	---		4,675			
(3) Others	805		704			
Total Intangible Assets		43,384	1.1	39,311	0.6	(4,072)
3. Investments and other assets						
(1) Investments in securities	1,474,360		1,954,683			
(2) Investments in silent partnerships	318,908		731,104			
(3) Deposits and guarantees	217,494		240,764			
(4) Deferred tax assets	249		65,023			
(5) Others	107		133			
Total Investments and Other Assets	2,011,118	51.7	2,991,709	47.9	980,590	
Total Fixed Assets	2,091,448	53.8	3,092,309	49.5	1,000,860	
Total Assets	3,885,151	100.0	6,244,734	100.0	2,359,582	

	As of July 31, 2005		As of July 31, 2006		Increase/ Decrease Amount
	Amount Unit: Thousands of Yen	(% Total)	Amount Unit: Thousands of Yen	(% Total)	
(Liabilities)					
I. Current Liabilities					
1. Accounts payable-trade	52,617		42,212		
2. Short-term borrowings	---		300,000		
3. Long-term borrowings due within one year	66,800		433,200		
4. Accrued liabilities	54,588		46,391		
5. Accrued expenses	13,616		36,843		
6. Accrued income taxes	282,324		561,230		
7. Accrued consumption taxes	38,358		50,119		
8. Deferred tax liabilities	---		2,508		
9. Advances received	128,731		166,608		
10. Deposits received	42,643		67,004		
Total Current Liabilities	679,679	17.5	1,706,119	27.3	1,026,439
II. Fixed Liabilities					
1. Long-term debt	933,200		1,916,800		
2. Deferred tax liabilities	20,501		---		
3. Guarantees received	255,837		292,009		
Total Fixed Liabilities	1,209,538	31.1	2,208,809	35.4	999,271
Total Liabilities	1,889,218	48.6	3,914,928	62.7	2,025,710
(Minority Interests)					
Minority Holdings	---	---	---	---	---
(Shareholders' Equity)					
I. Common stock * 1	457,137	11.8	---	---	(457,137)
II. Capital surplus	340,447	8.8	---	---	(340,447)
III. Retained earnings	1,163,120	29.9	---	---	(1163,120)
IV. Net unrealized gains on other securities holdings	35,227	0.9	---	---	(35,227)
Total Shareholders' Equity	1,995,933	51.4	---	---	(1,995,933)
Total Liabilities, Minority Interests and Shareholders' Equity	3,885,151	100.0	---	---	(3,885,151)
(Net Assets)					
I. Shareholders' Equity					
1. Common stock	---	---	511,578	8.2	511,578
2. Capital surplus	---	---	367,266	5.9	367,266
3. Retained earnings	---	---	1,558,283	24.9	1,558,283
Total Shareholders' Equity	---	---	2,437,128	39.0	2,437,128
II. Valuation and Conversion Adjustments					
1. Valuation differential for other securities	---	---	(107,670)	(1.7)	(107,670)
Valuation and Conversion Adjustments Total	---	---	(107,670)	(1.7)	(107,670)
III. New Stock Options	---	---	347	0.0	347
IV. Minority Holdings	---	---	---	---	---
Total Net Assets	---	---	2,329,805	37.3	2,329,805
Total Net Liabilities	---	---	6,244,734	100.0	6,244,734

(2) Consolidated Statements of Income

	Fiscal Year to July 2005 (from August 1, 2004 to July 31, 2005)		Fiscal Year to July 2006 (from August 1, 2005 to July 31, 2006)		Change Amount		
	Amount Unit: Thousands of Yen	(% Total)	Amount Unit: Thousands of Yen	(% Total)			
I. Net Sales		4,512,208	100.0		5,548,486	100.0	1,036,277
II. Cost of Sales		2,554,847	56.6		3,208,311	57.8	653,464
Gross Profit		1,957,361	43.4		2,340,174	42.2	382,813
III. Sales, General and Administrative Expenses * 1		978,267	21.7		1,212,256	21.9	233,989
Operating Income		979,093	21.7		1,127,918	20.3	148,824
IV. Other Income							
1. Interest income	14			3,170			
2. Dividends income	15,596			24,207			
3. Gains on the sale of investment securities	2,802			603,324			
4. Gains from investments in silent partnerships	40,977			84,128			
5. Miscellaneous income	996	60,387	1.3	3,221	718,052	13.0	657,665
V. Other Expenses							
1. Interest paid	2,491			14,728			
2. New stock issue expenses	16,653			3,559			
3. Losses on the sale of marketable securities	24			---			
4. New company set-up expenses	---			343			
5. Losses on investments in silent partnerships	1,052			3,036			
6. Miscellaneous losses	---	20,221	0.4	2	21,670	0.4	1,449
Ordinary Income		1,019,259	22.6		1,824,299	32.9	805,039
VI. Extraordinary Gains							
1. Gains on the sale of fixed assets *2	32,507			---			
2. Reversals of allowance for doubtful accounts	65	32,572	0.7	130	130	0.0	(32,442)
VII. Extraordinary Losses							
1. Losses on the sale of fixed assets *3	3,950			724			
2. Office rest oral expenses	3,600			1,703			
3. Accident burden charges	---	7,550	0.2	15,616	18,044	0.3	10,493
Income before Income Taxes and Minority Interests		1,044,282	23.1		1,806,385	32.6	762,103
Income Taxes	439,189			753,344			
Income Tax Adjustments	(7,150)	432,039	9.5	(16,436)	736,908	13.3	304,868
Net Income for the Period		612,242	13.6		1,069,476	19.3	457,234

(3) Consolidated Statements of Retained Earnings

Consolidated Statement of Capital Surplus

	Fiscal Year to July 2005 (from August 1, 2004 to July 31, 2005)	
	Amount Unit: Thousands of Yen	
(Capital Surplus)		
I. Balance of capital surplus at the beginning of the period		340,447
II. Balance of capital surplus at the end of the period		340,447
(Retained Earnings)		
I. Beginning of period retained earnings		663,168
II. Increases in retained earnings		
Net Income for the Period	612,242	612,242
III. Decreases in retained earnings		
1. Cash dividends	79,290	
2. Bonuses to directors	33,000	112,290
IV. End of period retained earnings		1,163,120

Statement of Changes in Shareholders' Equity

Fiscal Year to July 2006 (from August 1, 2005 to July 31, 2006)

(Unit : Thousands of Yen)

	Shareholders' Equity				Valuation, Conversion Adjustments	Exercise of Stock Options	Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity	Other marketable securities valuation		
Balance as of July 31, 2005	457,137	340,447	1,163,120	1,960,706	35,227	---	1,995,933
Change during the fiscal year							
Issuance of new stock (Exercise of stock options)	54,440	26,819	---	81,259	---	---	81,259
Dividends on reserves	---	---	(674,314)	(674,314)	---	---	(674,314)
Net income for the period	---	---	1,069,476	1,069,476	---	---	1,069,476
Change in non-shareholders' equity items during the period (Net)	---	---	---	---	(142,897)	347	(142,549)
Total change during the fiscal year	54,440	26,819	395,162	476,422	(142,897)	347	333,872
Balance as of July 31, 2006	511,578	367,266	1,558,283	2,437,128	(107,670)	347	2,329,805

(4) Consolidated Statements of Cash Flows

	Fiscal Year to July 2005 (from August 1, 2004 to July 31, 2005)	Fiscal Year to July 2006 (from August 1, 2005 to July 31, 2006)
	Amount Unit: Thousands of Yen	Amount Unit: Thousands of Yen
I. Cash Flows from Operating Activities		
1. Income before income taxes and minority interests	1,044,282	1,806,385
2. Depreciation and amortization	15,395	23,958
3. Increase (decrease) in allowance for doubtful receivables	(65)	(130)
4. Gain on the sale of fixed assets	(32,507)	---
5. Loss on the retirement of fixed assets	3,950	724
6. Loss on the sale of investment securities	(2,802)	(603,324)
7. Gain on the sale of investment securities	24	---
8. Gain on the sale of silent partnerships	(40,977)	(84,128)
9. Loss on the sale of silent partnerships	1,052	3,036
10. New stock issue expenses	605	3,559
11. Stock remuneration expenses	---	347
12. Interest and dividends paid	(15,610)	(27,377)
13. Interest received	2,491	14,728
14. Decrease (increase) in accounts receivable	(78,025)	22,252
15. Increase in operating investment securities	---	(374,486)
16. Decline in prepaid expenses	5,067	5,864
17. Decrease (increase) in advances paid	9,140	(18,163)
18. Increase in guarantees paid	(30,435)	(11,657)
19. Increase (decrease) in accounts payable	49,422	(10,404)
20. Increase in advances paid	41,217	37,877
21. Increase (decrease) in accrued expenses	16,267	(6,873)
22. Increase in deposits received	12,098	24,360
23. Increase in guarantees received	36,023	36,172
24. Increase in accrued expenses	4,569	22,217
25. Increase in accrued consumption taxes	1,136	11,760
26. Bonuses to directors	(33,000)	---
27. Others	10,038	(35,740)
Total	1,019,361	840,958
28. Interest and dividends received	15,610	27,377
29. Interest paid	(2,713)	(15,264)
30. Income and other taxes paid	(372,842)	(506,375)
Cash Flows from Operating Activities	659,416	346,696

	Fiscal Year to July 2005 (from August 1, 2004 to July 31, 2005)	Fiscal Year to July 2006 (from August 1, 2005 to July 31, 2006)
	Amount Unit: Thousands of Yen	Amount Unit: Thousands of Yen
II. Cash Flows from Investing Activities		
1. Acquisitions of fixed assets	(22,358)	(39,359)
2. Proceeds from the sale of fixed assets	229,525	---
3. Acquisitions of tangible assets	(32,775)	(6,915)
4. Acquisition of marketable securities	(1,453,701)	(2,041,315)
5. Proceeds from the sale of investment securities	69,257	1,944,939
6. Acquisition of silent partnerships	(165,934)	(696,971)
7. Redemption and distributions from silent partnerships	94,573	165,867
8. Short-term loans	---	(50,000)
9. Payment of deposits	(9,731)	(18,933)
10. Returns of deposits paid	12,658	7,320
11. Others	(26)	(26)
Cash Flows from Investing Activities	(1,278,513)	(735,395)
III. Cash Flows from Financing Activities		
1. Increase in short-term debt	---	300,000
2. Increase in long-term debt	1,000,000	1,500,000
3. Repayment of long-term debt	---	(150,000)
4. Proceeds from issuance of stock	28,614	77,699
5. Dividends paid	(79,290)	(674,314)
Cash Flows from Financing Activities	949,324	1,053,385
IV. Increase in Cash and Cash Equivalents	330,227	664,686
V. Cash and Cash Equivalents at the Beginning of the Year	1,241,820	1,572,047
VI. Cash and Cash Equivalents at the End of the Year	1,572,047	2,236,733

Significant Accounting Policies Used in the Preparation of Consolidated Financial Statements

Fiscal Year to July 2005 (from August 1, 2004 to July 31, 2005)	Fiscal Year to July 2006 (from August 1, 2005 to July 31, 2006)
<p>1. Scope of Consolidation</p> <p>Two subsidiaries are consolidated; Parking Professional Services Co., Ltd. and Market Makers Co., Ltd.</p>	<p>1. Scope of Consolidation</p> <p>Three subsidiaries are consolidated; Parking Professional Services Co., Ltd., Market Makers Co., Ltd., and Nippon Ski Resort Development Co., Ltd. Of the above, as Nippon Ski Resort was newly established during the period, it was included in the scope of consolidation.</p>
<p>2. Application of Equity Method Accounting</p> <p>(1) There are no non-consolidated subsidiaries reflected under the equity method.</p> <p>(2) There are no non-consolidated subsidiaries where the equity method is not applied.</p>	<p>2. Application of Equity Method Accounting</p> <p>Same as left</p>
<p>3. Fiscal Year End for Consolidated Subsidiaries</p> <p>The fiscal year accounting period for consolidated subsidiaries is the same as the consolidated accounting period.</p>	<p>3. Fiscal Year End for Consolidated Subsidiaries</p> <p>Same as left</p>
<p>4. Significant Accounting Policies</p> <p>(1) Valuation method for major assets</p> <p>① Marketable securities</p> <p>Other marketable securities</p> <p>Those with current market value</p> <p>Current value based on market prices at the end of the accounting period (valuation differentials are calculated using the total capital applied method, using a liquidation cost based on the moving average method).</p> <p>Those without current market value</p> <p>Costs calculated using the moving average method</p> <p>(2) Depreciation and amortization method</p> <p>① Tangible Assets</p> <p>Computed using the declining balance method. However, straight-line depreciation is used for buildings acquired after April 1998 (excluding attached facilities).</p> <p>In addition, useful lives applied are as follows</p> <p>Buildings and structures: 10~15 years</p> <p>Tools, instruments, fixtures: 4~10 years</p> <p>② Intangible Assets</p> <p>Computed using the straight-line method. However, software (for internal use) is depreciated using the straight line method based on a useful life for internal purposes of five years.</p>	<p>4. Significant Accounting Policies</p> <p>(1) Valuation method for major assets</p> <p>① Marketable securities</p> <p>Other marketable securities</p> <p>(Including operating investment securities)</p> <p>Those with current market value</p> <p>Current value based on market prices at the end of the accounting period (valuation differentials are calculated using the total capital applied method, using a liquidation cost based on the moving average method).</p> <p>Those without current market value</p> <p>Costs calculated using the moving average method</p> <p>(2) Depreciation and amortization method</p> <p>① Tangible Assets</p> <p>Computed using the declining balance method. However, straight-line depreciation is used for buildings acquired after April 1998 (excluding attached facilities).</p> <p>In addition, useful lives applied are as follows</p> <p>Buildings and structures: 10~18 years</p> <p>Machinery & equipment: 15 years</p> <p>Vehicles: 6 years</p> <p>Tools, instruments, fixtures: 4~15 years</p> <p>② Intangible Assets</p> <p>Same as left</p>

Fiscal Year to July 2005 (from August 1, 2004 to July 31, 2005)	Fiscal Year to July 2006 (from August 1, 2005 to July 31, 2006)
<p>(3) Allowances and Reserves</p> <p>① Allowance for doubtful accounts An allowance for doubtful accounts is used to provide against estimated losses.</p> <p>a. General receivables Based on historical bad debt ratios</p> <p>b. Recoverable amounts are recorded based on the collectibles of each account.</p> <p>(4) Lease Contracts All finance leases except those for which ownership of the leased asset is transferred to the lease are accounted for as operating leases.</p> <p>(5) Other Significant Accounting Policies</p> <p>① Treatment of consumption taxes Net of consumption taxes method</p>	<p>(3) Allowances and Reserves</p> <p>① Allowance for doubtful accounts Same as left</p> <p>(4) Lease Contracts Same as left</p> <p>(5) Other Significant Accounting Policies</p> <p>① Treatment of consumption taxes Same as left</p>
<p>5. Valuation of Consolidated Subsidiary Assets and Liabilities</p> <p>The valuation for all consolidated subsidiary assets and liabilities is the current value method.</p>	<p>5. Valuation of Consolidated Subsidiary Assets and Liabilities</p> <p>Same as left</p>
<p>6. Treatment of Appropriated Earnings</p> <p>Based on earnings and loss appropriation for amounts confirmed during the fiscal year.</p>	<p>6. Treatment of Appropriated Earnings</p> <p>Same as left</p>
<p>7. Scope of Funds Included in Consolidated Statements of Cash Flows</p> <p>Funds included in the consolidated statements of cash flows (cash and cash equivalents) consist of short-term, highly liquid investments that are easily converted into available funds with minimal risk of price fluctuation, including cash on hand, demand deposits and time deposits maturing within three months of the date acquired.</p>	<p>7. Scope of Funds Included in Consolidated Statements of Cash Flows</p> <p>Same as left</p>

Changes in Accounting Policies Used in the Preparation of Consolidated Financial Statements

Fiscal Year to July 2005 (from August 1, 2004 to July 31, 2005)	Fiscal Year to July 2006 (from August 1, 2005 to July 31, 2006)
_____	<p>The Group changed the method of accounting for operating investment securities from the current fiscal year from to reflect the characteristics of the investment business. As a result, marketable securities related to the operations of the investment business have been reclassified from fixed assets to current assets on the consolidated balance sheet, and from other income and expenses on the income statement to operating income and expenses.</p> <p>This change reflects a resolution passed on October 26, 2005 to change the Company's charter to establish an investment business headquarters to conduct activities including investment in unlisted companies and IPO support and consulting for listed companies to enhance corporate value.</p> <p>Because of this change, ¥352,932 thousand worth of operating investment securities has been recorded. In addition, disclosed sales for the IPO/IR consulting business initiated during the current fiscal year were ¥78,312 thousand.</p>
_____	<p>(Accounting standards for impairment of fixed assets)</p> <p>Accounting standards for impairment of fixed assets were adopted during the current fiscal year in accordance with "Opinion Regarding the Establishment of Accounting Standards for Fixed Asset Impairment" (Business Accounting Council, August 9, 2002) and "Policy for the Application of Fixed Asset Impairment Accounting Standards" (October 31, 2003, Accounting Standards Board of Japan Directive #6).</p> <p>This change had no effect on reported earnings for the current fiscal year.</p>
_____	<p>(Accounting standards for director bonuses)</p> <p>"Accounting Standards for Director Bonuses" (Business Accounting Council, November 29, 2005) were applied from the current fiscal year.</p> <p>This change had no effect on reported earnings for the current fiscal year.</p>
_____	<p>(Accounting standards for the disclosure of net assets on the consolidated balance sheets)</p> <p>"Accounting Standards for the Disclosure of Net Assets on the Balance Sheet" (Accounting Standards Board of Japan, Directive #5, December 9, 2005) and "Directive for the Application of Accounting Standards for the Disclosure of Net Assets on the Balance Sheet Statement" (Accounting Standards Board of Japan, Directive #8, December 9, 2005) have been applied from the current fiscal year.</p> <p>The equivalent amount of shareholders' equity recorded heretofore is ¥2,329,458 thousand.</p> <p>In addition, due to a change in consolidated financial statement regulations, the portion of net assets as reflected in the consolidated balance sheets for the current fiscal year are based on these amended consolidated financial statement regulations.</p>

_____	<p>(Accounting standards for stock options, others)</p> <p>“Accounting Standards for Stock Options, Others” (Business Accounting Council, Corporate Accounting Standards Directive #8, December 27, 2005) and “Application of Accounting Standards for Stock Options, Others” (Business Accounting Council, Corporate Accounting Standards Directive #11, December 27, 2005) have been applied from the current fiscal year.</p> <p>As a result, stock compensation expenses of ¥347 thousand have been recorded, which reduced reported operating income, ordinary income and net income before taxes and minority interests by ¥347 thousand.</p>
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Notes to the Financial Statements
(Related to the Consolidated Balance Sheets)

Fiscal Year to July 2005 (from August 1, 2004 to July 31, 2005)	Fiscal Year to July 2006 (from August 1, 2005 to July 31, 2006)
*1. Total issued shares Common stock 3,371,571 shares	_____

(Related to the Consolidated Income Statements)

Fiscal Year to July 2005 (from August 1, 2004 to July 31, 2005)	Fiscal Year to July 2006 (from August 1, 2005 to July 31, 2006)
*1. Major items relating to sales, general and administrative expenses are as follows. Wages ¥292,193 thousand	*1. Major items relating to selling, general and administrative expenses are as follows. Wages 350,236 thousand
*2. The breakdown of proceeds from the sale of fixed assets is as follows Buildings ¥12,755 thousand Machinery 9,124 Land 10,627 <hr/> Total 32,507	*2. -----
*3. The breakdown of losses on the sale of fixed assets is as follows. Buildings, structures ¥1,788 thousand Phone subscription rights 2,161 <hr/> Total 3,950	*3. The breakdown of losses on the sale of fixed assets is as follows. Buildings, structures ¥423 thousand Phone subscription rights 300 <hr/> Total 724

(Related to the Statement of Changes in Shareholders' Equity)

Current Fiscal Year (from August 1, 2005 to July 31, 2006)

1. Type of shares issued and total outstanding type and outstanding amount of treasury stock

(Unit: Shares)

	Fiscal Year to July 2005 Number of Shares	Fiscal Year to July 2006 Shares Increased	Fiscal Year to July 2006 Shares Decreased	Number of Shares at the end of July, 2006
Issued Shares Common stock (Note)	3,371,571	47,544	---	3,419,115
Total	3,371,571	47,544	---	3,419,115
Treasury Shares Common stock	---	---	---	---
Total	---	---	---	---

(Note) The increase in the total number of common stock shares of 47,544 was due to the exercise of stock options.

2. Items concerning stock options and treasury stock warrants.

The outstanding amount of stock options at the end of the current fiscal year was ¥347 thousand.

3. Items concerning dividends from reserves for the current fiscal year

A regular meeting of shareholders held on October 26, 2005 resolved the following.

Dividends on common stock

(1) Total cash dividend	¥674,314 thousand
(2) Dividend per share	¥200
(3) Cutoff date	July 31, 2005
(4) Effective date	October 27, 2005

4. Items concerning dividends paid from reserves after the end of the current fiscal year.

The following is expected to be resolved at a regular meeting of shareholders held on October 25, 2006

Dividends on common stock

(1) Total cash dividend	¥683,823 thousand
(2) Funds for dividends	Retained earnings
(3) Dividend per share	¥200
(4) Cutoff date	July 31, 2006
(5) Effective date	October 26, 2006

(Related to the Statement of Cash Flows)

Fiscal Year to July 2005 (from August 1, 2004 to July 31, 2005)	Fiscal Year to July 2006 (from August 1, 2005 to July 31, 2006)
Reconciliation of cash and cash equivalents at the end of the period and amounts in the consolidated balance sheet for the period <p align="right">(As of July 31, 2005)</p>	Reconciliation of cash and cash equivalents at the end of the period and amounts in the consolidated balance sheet for the period <p align="right">(As of July 31, 2006)</p>
Cash and deposits account ¥1,572,047 thousand	Cash and deposits account ¥2,236,733 thousand
Cash and cash equivalents ¥1,572,047 thousand	Cash and cash equivalents ¥2,236,733 thousand

(Related to Lease Transactions)

Fiscal Year to July 2005 (from August 1, 2004 to July 31, 2005)	Fiscal Year to July 2006 (from August 1, 2005 to July 31, 2006)																																
For finance leases other than those for which ownership is transferred to the lease	For finance leases other than those for which ownership is transferred to the lease																																
1. Equivalent lease purchase cost, cumulative depreciation and end of period balance	1. Equivalent lease purchase cost, cumulative depreciation and end of period balance																																
<table border="1"> <thead> <tr> <th>Equivalent Amounts</th> <th>Acquisition cost (Thousands of Yen)</th> <th>Cumulative depreciation (Thousands of Yen)</th> <th>End of period balance (Thousands of Yen)</th> </tr> </thead> <tbody> <tr> <td>Tools, instruments, fixtures</td> <td style="text-align: right;">12,757</td> <td style="text-align: right;">5,620</td> <td style="text-align: right;">7,137</td> </tr> <tr> <td>Software</td> <td style="text-align: right;">11,804</td> <td style="text-align: right;">8,993</td> <td style="text-align: right;">2,811</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;">24,562</td> <td style="text-align: right;">14,613</td> <td style="text-align: right;">9,948</td> </tr> </tbody> </table>	Equivalent Amounts	Acquisition cost (Thousands of Yen)	Cumulative depreciation (Thousands of Yen)	End of period balance (Thousands of Yen)	Tools, instruments, fixtures	12,757	5,620	7,137	Software	11,804	8,993	2,811	Total	24,562	14,613	9,948	<table border="1"> <thead> <tr> <th>Equivalent Amounts</th> <th>Acquisition cost (Thousands of Yen)</th> <th>Cumulative depreciation (Thousands of Yen)</th> <th>End of period balance (Thousands of Yen)</th> </tr> </thead> <tbody> <tr> <td>Tools, instruments, fixtures</td> <td style="text-align: right;">11,401</td> <td style="text-align: right;">5,479</td> <td style="text-align: right;">5,922</td> </tr> <tr> <td>Software</td> <td style="text-align: right;">4,504</td> <td style="text-align: right;">3,283</td> <td style="text-align: right;">1,220</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;">15,906</td> <td style="text-align: right;">8,762</td> <td style="text-align: right;">7,143</td> </tr> </tbody> </table>	Equivalent Amounts	Acquisition cost (Thousands of Yen)	Cumulative depreciation (Thousands of Yen)	End of period balance (Thousands of Yen)	Tools, instruments, fixtures	11,401	5,479	5,922	Software	4,504	3,283	1,220	Total	15,906	8,762	7,143
Equivalent Amounts	Acquisition cost (Thousands of Yen)	Cumulative depreciation (Thousands of Yen)	End of period balance (Thousands of Yen)																														
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Total	15,906	8,762	7,143																														
2. End of period equivalent value of unexpired leases	2. End of period equivalent value of unexpired leases																																
Within 1 year ¥3,950 thousand	Within 1 year ¥3,218 thousand																																
Over 1 year ¥6,245 thousand	Over 1 year ¥4,053 thousand																																
Total ¥10,196 thousand	Total ¥7,272 thousand																																
3. Lease payment, equivalent depreciation and equivalent interest paid	3. Lease payment, equivalent depreciation and equivalent interest paid and impairment loss																																
Lease payment ¥6,076 thousand	Lease payment ¥4,277 thousand																																
Equivalent depreciation ¥5,565 thousand	Equivalent depreciation ¥3,918 thousand																																
Equivalent interest paid ¥328 thousand	Equivalent interest paid ¥148 thousand																																
4. Method for calculating equivalent depreciation amount	4. Method for calculating equivalent depreciation amount																																
Straight line depreciation, assuming the lease period as the years of useful life for calculating the outstanding balance	Straight line depreciation, assuming the lease period as the years of useful life for calculating the outstanding balance																																
5. Method of calculating equivalent interest	5. Method of calculating equivalent interest																																
Equivalent interest is the difference between total lease payments and the equivalent purchase cost of the lease, with the interest rate method being used to allocate interest paid for each period.	Equivalent interest is the difference between total lease payments and the equivalent purchase cost of the lease, with the interest rate method being used to allocate interest paid for each period.																																
	(Impairment losses)																																
	There were no impairment losses attributable to lease assets during the current fiscal year.																																

(Marketable Securities Related)

Fiscal Year to July 2005 (July 31, 2005)

1. Other marketable securities with a current market value

(Unit: Thousands of Yen)

	Type	Acquisition Cost	Reported Book Value	Difference
Holdings where book value exceeds acquisition cost	Stocks	745,948	805,560	59,612
	Bonds	---	---	---
	Others	---	---	---
	Subtotal	745,948	805,560	59,612
Holdings where book value is less than acquisition cost	Stocks	569,018	568,800	(218)
	Bonds	---	---	---
	Others	---	---	---
	Subtotal	569,018	568,800	(218)
Total		1,314,966	1,374,360	59,394

2. Other marketable securities sold during the previous fiscal year (from August 1, 2004 to July 31, 2005)

(Unit: Thousands of Yen)

Proceeds from Liquidation	Total Gains	Total Losses
41,781	2,802	24

3. Securities with no current market value

(Unit: Thousands of Yen)

Details	Value Reflected on the Balance Sheet
Other marketable securities Non-listed securities (excluding those traded over the counter)	100,000

Fiscal Year to July 2006 (July 31, 2006)

1. Other marketable securities with a current market value

(Unit: Thousands of Yen)

	Type	Purchase Cost	Reported Book Value	Difference
Holdings where book value exceeds acquisition cost	Stocks	279,266	334,356	55,089
	Bonds	---	---	---
	Others	62,400	70,600	8,200
	Subtotal	341,666	404,956	63,289
Holdings where book value is less than acquisition cost	Stocks	1,592,040	1,382,661	(209,379)
	Bonds	---	---	---
	Others	271,446	235,998	(35,448)
	Subtotal	1,863,487	1,618,659	(244,828)
Total		2,205,153	2,023,615	(181,538)

2. Other marketable securities sold during the current fiscal year (from August 1, 2005 to July 31, 2006)

(Unit: Thousands of Yen)

Proceeds from Liquidation	Total Gains	Total Losses
1,946,137	603,324	---

3. Marketable securities with no current market value

(Unit: Thousands of Yen)

Details	Value Reflected on the Balance Sheet
Other marketable securities Non-listed securities (excluding those traded over the counter)	284,000

(Derivatives Transactions Related)

The Group does not engage in any derivatives transactions.

(Retirement Allowances Related)

Fiscal Year to July 2005 (from August 1, 2004 to July 31, 2005)	Fiscal Year to July 2006 (from August 1, 2005 to July 31, 2006)
_____	1. Overview of the Company's retirement system From April 2006, the Group has adopted a defined contribution pension plan. 2. Items concerning retirement expenses Defined benefit pension plan premium ¥4,802 thousand

(Related to stock options, treasury stock options and grants or transfers of treasury stock)

Current fiscal year (from August 1, 2005 to July 31, 2006)

Amount and name of account item recorded

Stock compensation expenses ¥347 thousand

(Related to Stock Options)

Current fiscal year (from August 1, 2005 to July 31, 2006)

1. Details of stock options, size and status of changes

(1) Stock option details

	Fiscal Year to July 2002	Fiscal Year to July 2004	Fiscal Year to July 2004
Number of persons eligible for awards by position	Company directors 1 Company employees 6	Company directors 5 Company auditors 2 Company employees 21 Subsidiary company directors 3 Subsidiary company employees 9 Companies with which the company has signed a consulting contract 1	Company directors 5 Company auditors 2 Subsidiary company directors 3 Companies with which the company has signed a consulting contract 1
Number of stock options (Note) 1	Common stock: 90,720 shares	Common stock 51,912 shares	Common stock 3,696 shares
Date awarded	July 15, 2002	November 5, 2003	July 21, 2004
Exercise conditions	(Note) 2	(Note) 2	(Note) 2
Years of employment required	No restrictions	No restrictions	No restrictions
Exercise period	July 16, 2004 July 15, 2007	November 1, 2005 October 31, 2008	November 1, 2005 October 31, 2008
Exercise conditions	(Note) 3	(Note) 3	(Note) 3

	Fiscal Year to July 2006	Fiscal Year to July 2006	Fiscal Year to July 2006
Number of persons eligible for awards by position	Company employees 6 Company part-timers 1	Company directors 6 Company auditors 2 Company employees 14	Company employees 3
Number of stock options (Note) 1	Common stock 1,400 shares	Common stock 17,000 shares	Common stock 3,000 shares
Date awarded	September 2, 2005	April 25, 2006	July 14, 2006
Exercise conditions	(Note) 2	(Note) 2	(Note) 2
Years of employment required	No restrictions	No restrictions	No restrictions
Exercise period	November 1, 2006 October 31, 2009	November 1, 2007 October 31, 2010	November 1, 2007 October 31, 2010
Exercise conditions	(Note) 3	(Note) 3	(Note) 3

(Note) 1. Equivalent amounts converted into shares.

2. After the awarding of the options and to the exercise date (the first day that the respective options can be exercised), the individual must remain a director, auditor or employee of the Company or the Group. However, this restriction will not apply if there is a suitable reason as determined by the Board of Directors, such as resignation from the Company or regular retirement due to an end of the individual's duties as a director or auditor. In addition, for companies that have signed consulting contracts with the Company, the condition is that the consulting contract with the Company remains valid.
3. The conditions for the exercise of options are as follows.
 - a. That the owner of the option is a director, auditor or employee of the Company or the Group at the time the options are exercised. However, this condition can be waived given a suitable reason as determined by the Board of Directors such as resignation from the Company or regular retirement due to the end of the individual's duties as a director or auditor. In addition, for companies that have signed consulting contracts with the Company, the condition is that the consulting contract with the Company remains valid.
 - b. In the event that the owner of the options dies, the individual's heirs will inherit the right to exercise the options.
 - c. It is forbidden to pledge or otherwise transfer the options to other parties.
 - d. Other conditions regarding the exercise of the options are as described in the options transfer contract signed between the Company and the receiver of the options as determined by a resolution by the Board of Directors and ratified at a general meeting of the shareholders.

(2) Size of stock options and changes in status

The number of outstanding stock options for the current fiscal year has been converted into the equivalent amount of shares.

a. Number of stock options

(Unit: Shares)

	July 2002	July 2004	July 2004
Date awarded	July 15, 2002	November 5, 2003	July 21, 2004
Prior to determination of rights			
Balance at the end of the previous fiscal year	---	50,274	3,696
Awarded	---	---	---
Lapsed	---	---	---
Determination of Rights	---	50,274	3,696
Balance at the end of the fiscal year	---	---	---
After determination of rights			
Balance at the end of the previous fiscal year	49,329	---	---
Determination of rights	---	50,274	3,696
Exercised	39,123	8,379	42
Lapsed	---	693	---
End of fiscal year balance	10,206	41,202	3,654

	July 2006	July 2006	July 2006
Date awarded	September 2, 2005	April 25, 2006	July 14, 2006
Prior to determination of rights			
Balance at the end of the previous fiscal year	---	---	---
Awarded	1,400	17,000	3,000
Lapsed	100	---	---
Determination of rights	---	---	---
Balance at the end of the fiscal year	1,300	17,000	3,000
After determination of rights			
Balance at the end of the previous fiscal year	---	---	---
Determination of rights	---	---	---
Exercised	---	---	---
Lapsed	---	---	---
End of fiscal year balance	---	---	---

b. Unit Price Information

(Unit: Yen)

	July 2002	July 2004	July 2004
Date awarded	July 15, 2002	November 5, 2003	July 21, 2004
Exercise price	706	6,312	17,869
Average stock price at the time of option exercise	22,257	22,932	22,115
Fair unit price (as of Award date)	---	---	---

	July 2006	July 2006	July 2006
Date awarded	September 2, 2005	April 25, 2006	July 14, 2006
Exercise price	18,867	25,980	24,533
Average stock price at the time of option exercise	---	---	---
Fair unit price (as of Award date)	---	---	5,063

2. Method of estimating fair unit price for stock options

For the stock options during the current fiscal year that were awarded on July 14, 2006, the method of determining fair unit price is as follows.

a. Valuation Method Used

Black Scholes Model, Two Factor Model and other Eclectic Methods

	July 14, 2006 Stock Options
Stock price volatility (Note 1)	41%
Projected remaining life (Note 2)	2 years and 9 months
Estimated dividend (Note 3)	¥200/share
Riskless rate (Note 4)	0.92%

b. Stock Option Fundamental Value and Method of Estimation

(Note 1) Stock price volatility is estimated from the two years and nine months prior to the award date.

(Note 2) As a rational estimation is difficult due to the lack of historical data, it was assumed that the options would be exercised mid-way in the allowable exercise period.

(Note 3) July 2006 forecast dividends are based on actual dividends for July 2005.

(Note 4) A JGB bond yield of a duration approximating projected remaining life has been used.

3. Method of estimating the number of stock options exercised.

As it is fundamentally difficult to reasonably estimate future lapses in option rights, a method that reflects the actual number of lapses has been used.

4. Amount that affects the consolidated financial statements.

Stock compensation expenses under the stock option program ¥347 thousand.

(Tax Effective Accounting Related)

Fiscal Year to July 2005 (from August 1, 2004 to July 31, 2005)	Fiscal Year to July 2006 (from August 1, 2005 to July 31, 2006)		
1. Major reasons that deferred tax assets or deferred liabilities were incurred. (Deferred Tax Assets)	1. Major reasons that deferred tax assets or deferred liabilities were incurred. (Deferred Tax Assets)		
(1) Current Assets	(1) Current Assets		
Deferred corporate taxes	¥21,791 thousand	Deferred corporate taxes	¥43,264 thousand
Non-deductible bonuses	3,736	Losses carried forward	1,090
Total	¥25,527 thousand	Valuation differential on operating investment securities	12,839
		Total	¥57,193 thousand
(2) Fixed Assets	(2) Fixed Assets		
Depreciation in excess of deductible limit	¥130 thousand	Depreciation in excess of deductible limit	¥106 thousand
Deposit guarantees in excess of deductible limit	39	Deposit guarantees in excess of deductible limit	19
Silent partnership investments in excess of deductible limit	2,859	Silent partnership investments in excess of deductible limit	2,859
Amortization of telephone subscription rights in excess of deductible limit	886	Amortization of telephone subscription rights in excess of deductible limit	1,009
Total	¥3,914 thousand	Valuation differential on operating investment securities	61,028
Total Deferred Tax Assets	¥29,441 thousand	Total	¥65,023 thousand
		Total Deferred Tax Assets	¥122,217 thousand
(Deferred Liabilities)	(Deferred Liabilities)		
(1) Current Liabilities	(1) Current Liabilities		
Bad debt reserves	¥37 thousand	Enterprise taxes refunded	¥(2,508)thousand
Total	¥37 thousand	Total	¥(2,508)thousand
(2) Fixed Liabilities	(2) Fixed Liabilities	Total Deferred Liabilities	¥(2,508)thousand
Valuation differential on operating investment securities	¥24,167 thousand	Net Deferred Tax Assets	¥(119,708)thousand
Total	¥24,167 thousand		
Total Deferred Liabilities	¥24,204 thousand		
Net Deferred Tax Assets	¥5,237 thousand		
2. Breakdown of reasons for difference between statutory tax rate and corporate tax after application of tax effective accounting.	2. Breakdown of reasons for difference between statutory tax rate and corporate tax after application of tax effective accounting.		
Statutory tax rate	40.7%	Statutory tax rate	40.7%
(Adjustments)		(Adjustments)	
Items not permanently included as entertainment expenses, others	0.6	Items not permanently included as entertainment expenses, other	0.7
Average resident's tax	0.2	Average resident's tax	0.2
Items not permanently included as dividends received	(0.3)	Items not permanently included as dividends received	(0.3)
Others	1.0	Others	(0.5)
Corporate tax rate after application of tax effect accounting	42.2%	Corporate tax rate after application of tax effect accounting	40.8%

(Segment Information)

【Segment Information by Type of Business】

For the previous fiscal year (from August 1 2004 to July 31, 2005) and the current fiscal year (from August 1, 2005 to July 31, 2006)

The Group's main business was the administration and management of parking facilities, and as the sales and operating profit and assets from the administration and management of parking facilities business accounts for over 90% of total sales, operating income and assets, no business segment information has been included.

【Segment Information by Geographical Location】

For the previous fiscal year (from August 1 2004 to July 31, 2005) and the current fiscal year (from August 1, 2005 to July 31, 2006)

As the Group had no operations, subsidiaries or branches outside of Japan during this period, no geographical information has been included.

【Overseas Sales】

For the previous fiscal year (from August 1, 2004 to July 31, 2005)

The Group had no overseas sales

For the current fiscal year (from August 1, 2005 to July 31, 2006)

No information has been included for overseas sales because these sales are still less than 10% of total consolidated sales.

(Transactions with Related Parties)

For the previous fiscal year (from August 1, 2004 to July 31, 2005) and the current fiscal year (from August 1, 2005 to July 31, 2006)

There are no relevant items to report.

(Per Share Information)

Fiscal Year to July 2005 (from August 1, 2004 to July 31, 2005)		Fiscal Year to July 2006 (from August 1, 2005 to July 31, 2006)	
Book value per share	¥591.99	Book value per share	¥681.30
Net income per share	¥183.13	Net income per share	¥315.09
Fully diluted net income per share	¥178.76	Fully diluted net income per share	¥309.34
<p>The Company effected a 1:21 stock split on November 19, 2004. Per share amounts assuming that this stock split occurred at the beginning of the fiscal year are as follows.</p>			
Book value per share	¥419.96		
Net income per share	¥109.35		
Fully diluted net income per share	¥106.29		

(Note) History of calculated net income per share and fully diluted earnings per share.

	Fiscal Year to July 2005 (from August 1, 2004 to July 31, 2005)	Fiscal Year to July 2006 (from August 1, 2005 to July 31, 2006)
Net income per share		
Net income	¥612,242 thousand	¥1,069,476 thousand
Amount not available to holders to common shareholders	---	---
Net income attributable to common shareholders	¥612,242 thousand	¥1,069,476 thousand
Average common shares outstanding during the period	3,343,152 shares	3,394,147 shares
Fully diluted net income per share		
Net income adjustment	---	---
Increase in common shares	81,702 shares	63,124 shares
...Of which stock options	81,702 shares	63,124 shares
Overview of potential shares not included in the calculation of fully diluted earnings per share because there was no dilution effect	-----	Number of stock options as determined by a regular meeting of shareholders on October 26, 2005 (Stock Options) Common Stock 17,000 Shares Exercise Price ¥25,980 Number of stock options as determined by a regular meeting of shareholders on October 26, 2005 (Stock Options) Common Stock 3,000 Shares Exercise Price ¥24,533

(Other Important Additional Items)

Fiscal Year to July 2005 (from August 1, 2004 to July 31, 2005)	Fiscal Year to July 2006 (from August 1, 2005 to July 31, 2006)
-----	<p>On August 10, 2006, a contract was signed by subsidiary Nippon Ski Resort Development to purchase Sanalpina Kashimayari Ski Resort with the aim operating the ski resort.</p> <p>(1) Name(s) of sellers Shinshu Gakuen Educational Foundation Kyoiku Kikaku Center Co., Ltd.</p> <p>(2) Address of assets acquired Hiraka Shima Yari Kurosawa Kogen, Ohmachi City, Nagano Prefecture</p> <p>(3) Type of assets acquired Sanalpina Kashimayari Ski Resort property, buildings, lifts and other ski facilities and all rights related to the operation of the ski resort.</p> <p>(4) Date of ownership transfer September 1, 2006</p> <p>(5) Acquisition amount ¥550,000 thousand</p>