

# Consolidated Statements of Operations

Years Ended March 31, 2007 and 2006

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2007	2006	2007
<b>OPERATING REVENUES</b>	<b>¥1,161,568</b>	¥1,144,961	<b>\$9,839,624</b>
<b>OPERATING COSTS AND EXPENSES:</b>			
Operating costs	<b>1,064,044</b>	1,043,372	<b>9,013,501</b>
Selling, general and administrative expenses	<b>30,363</b>	32,868	<b>257,203</b>
Total operating costs and expenses	<b>1,094,407</b>	1,076,240	<b>9,270,704</b>
Operating income	<b>67,161</b>	68,721	<b>568,920</b>
<b>OTHER (INCOME) EXPENSES:</b>			
Interest and dividend income	<b>(786)</b>	(559)	<b>(6,656)</b>
Interest expense	<b>259</b>	500	<b>2,191</b>
Amortization of negative goodwill		(130)	
Gain on adjustment of leasing property		(1,250)	
Gain on sales of marketable and investment securities	<b>(19)</b>	(45)	<b>(162)</b>
Gain on sales of investments in subsidiaries	<b>(608)</b>		<b>(5,149)</b>
Loss on disposal of property, plant and equipment	<b>919</b>	1,121	<b>7,783</b>
Loss on impairment of long-lived assets (Note 5)	<b>1,127</b>	2,177	<b>9,550</b>
Bond issuance costs	<b>9</b>	4	<b>74</b>
Loss on devaluation of land		60,161	
Other—net	<b>(565)</b>	(970)	<b>(4,789)</b>
Other expenses—net	<b>336</b>	61,009	<b>2,842</b>
<b>INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS</b>	<b>66,825</b>	7,712	<b>566,078</b>
<b>INCOME TAXES</b> (Note 9):			
Current	<b>31,734</b>	35,152	<b>268,814</b>
Deferred	<b>736</b>	(3,876)	<b>6,238</b>
Total income taxes	<b>32,470</b>	31,276	<b>275,052</b>
<b>MINORITY INTERESTS IN NET EARNINGS OF CONSOLIDATED SUBSIDIARIES</b>	<b>542</b>	404	<b>4,593</b>
<b>NET INCOME (LOSS)</b>	<b>¥ 33,813</b>	¥ (23,968)	<b>\$ 286,433</b>
	Yen		U.S. Dollars
	<b>2007</b>	2006	<b>2007</b>
<b>PER SHARE OF COMMON STOCK</b> (Notes 2.s and 12):			
Basic net income (loss)	<b>¥ 75.59</b>	¥ (53.47)	<b>\$ 0.64</b>
Diluted net income	<b>74.00</b>		<b>0.63</b>
Cash dividends applicable to the year	<b>20.00</b>	20.00	<b>0.17</b>

See notes to consolidated financial statements.