Japan Transcity Corporation

Consolidated Financial Statements

March 31, 2007 and 2006

Report of Independent Auditors

To the Board of Directors and Shareholders of
Japan Transcity Corporation,

We have audited the accompanying consolidated balance sheets of Japan Transcity Corporation and its consolidated subsidiaries as of March 31, 2007 and 2006, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Japan Transcity Corporation and its consolidated subsidiaries as of March 31, 2007 and 2006, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

As described in Note 2(j), effective from the year ended March 31, 2006, Japan Transcity Corporation and its domestic consolidated subsidiaries adopted a new accounting standard for impairment of fixed assets.

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note 1 to the accompanying consolidated financial statements.

Misuzu Audit Corporation
Nagoya, Japan
June 28, 2007

Japan Transcity Corporation and Consolidated Subsidiaries
Consolidated Balance Sheets
March 31, 2007 and 2006

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Current assets:			
Cash and cash equivalents	¥ 12,946	¥ 14,332	$ 109,712
Short-term investments (Notes 3 and 4)	703	275	5,958
Trade receivables:			
Notes	974	865	8,254
Accounts	13,673	13,192	115,873
Allowance for doubtful accounts	(19)	(18)	(161)
	14,628	14,039	123,966
Inventories	91	106	771
Deferred tax assets (Note 10)	236	512	2,000
Other current assets	1,529	1,567	12,957
Total current assets	30,133	30,831	255,364
Property and equipment, at cost (Note 4):			
Land	27,762	27,734	235,271
Buildings and structures	42,143	41,631	357,144
Machinery and equipment	10,765	10,877	91,229
Vehicles and vessels	7,482	8,369	63,407
Construction in progress	1,563	141	13,246
	89,715	88,752	760,297
Less, accumulated depreciation	(42,125)	(41,633)	(356,992)
Net property and equipment	47,590	47,119	403,305
Investments and other assets:			
Investment securities (Note 3)	10,236	11,737	86,746
Investments in unconsolidated subsidiaries and affiliates	2,976	2,814	25,220
Deferred tax assets (Note 10)	505	491	4,280
Lease deposits	935	929	7,924
Other assets	1,527	1,473	12,941
Allowance for doubtful accounts	(50)	(51)	(424)
Total investments and other assets	16,129	17,393	136,687
Total assets	¥ 93,852	¥ 95,343	$ 795,356

See accompanying Notes to Consolidated Financial Statements.

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Current liabilities:			
Short-term borrowings (Note 4)	¥ 2,710	¥ 3,208	$ 22,966
Current maturities of long-term debt (Note 4)	1,136	1,357	9,627
Trade payables:			
Notes	1,454	1,447	12,322
Accounts	6,476	6,645	54,881
	7,930	8,092	67,203
Accrued expenses	1,759	1,654	14,907
Income taxes payable	463	1,392	3,924
Deferred tax liabilities (Note 10)	203	-	1,720
Other current liabilities	2,507	1,550	21,246
Total current liabilities	16,708	17,253	141,593
Long-term debt (Note 4)	25,634	26,339	217,237
Employee retirement benefit liability (Note 5)	3,872	4,814	32,814
Guarantee deposits received	4,381	4,466	37,127
Deferred tax liabilities for revaluation	5,281	5,281	44,754
Deferred tax liabilities (Note 10)	1,107	1,709	9,382
Accrued severance indemnities for directors and corporate auditors	489	436	4,144
Other long-term liabilities	121	45	1,025
Total liabilities	57,593	60,343	488,076
Equity (Note 6):			
Common stock	8,428	-	71,423
Capital surplus	6,738	-	57,102
Retained earnings	18,253	-	154,686
Less, treasury stock, at cost	(138)	-	(1,169)
Total shareholders' equity	33,281	-	282,042
Other components of equity	1,628	-	13,797
Minority interests	1,350	-	11,441
Total equity	36,259	-	307,280
Total liabilities and equity	¥ 93,852	-	$ 795,356
Minority interests	-	1,201	-
Shareholders' equity:			
Common stock	-	8,411	-
Capital surplus	-	6,720	-
Retained earnings	-	16,256	-
Land revaluation decrement	-	(2,018)	-
Net unrealized gains on available-for-sale securities	-	4,467	-
Foreign currency translation adjustment	-	(9)	-
Less, treasury stock, at cost	-	(28)	-
Total shareholders’ equity	-	33,799	-
Total liabilities, minority interests and shareholders’ equity	-	¥ 95,343	-

Japan Transcity Corporation and Consolidated Subsidiaries
Consolidated Statements of Income
For the Years Ended March 31, 2007 and 2006

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Operating revenue (Note 11)	¥ 83,333	¥ 83,099	$ 706,212
Operating costs and expenses (Notes 5, 8 and 11)	78,690	79,195	666,864
Operating income	4,643	3,904	39,348
Other income (expenses) :			
Interest and dividend income	170	126	1,440
Interest expenses	(409)	(381)	(3,466)
Equity in net earnings of unconsolidated subsidiaries and affiliates	188	128	1,593
(Loss) gain on sale or disposal of property and equipment	(139)	1,596	(1,178)
Impairment loss on fixed assets (Note 2(j))	-	(2,953)	-
Other, net	78	195	661
	(112)	(1,289)	(950)
Income before income taxes and minority interests	4,531	2,615	38,398
Income taxes (Note 10)	1,777	2,183	15,059
Less, minority interests in net income of consolidated subsidiaries	143	103	1,212
Net income	¥ 2,611	¥ 329	$ 22,127

	Yen		U.S. Dollars
Per share:			
Net income:			
-Basic	¥ 39.08	¥ 4.27	$ 0.33
-Diluted	37.05	4.09	0.31
Cash dividends	8.50	8.00	0.07

See accompanying Notes to Consolidated Financial Statements.

Japan Transcity Corporation and Consolidated Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended March 31, 2007 and 2006

	Number of common shares issued	Common stock	Capital surplus	Retained earnings	Land revaluation increment (decrement)	Net unrealized gains on available-for-sale securities	Foreign currency translation adjustment	Treasury stock	Total shareholders' equity
		Millions of Yen							
Balance at March 31, 2005	64,262,367	¥ 7,884	¥ 6,193	¥ 15,731	¥ 2,717	¥ 2,188	¥ (58)	¥ (13)	¥ 34,642
Net income for the year	-	-	-	329	-	-	-	-	329
Cash dividends	-	-	-	(524)	-	-	-	-	(524)
Bonuses to directors and corporate auditors	-	-	-	(42)	-	-	-	-	(42)
Reversal of land revaluation increment	-	-	-	762	(762)	-	-	-	-
Adjustment for applicable income taxes	-	-	-	-	(3,973)	-	-	-	(3,973)
Conversion of convertible bonds	2,757,243	527	527	-	-	-	-	-	1,054
Net change in unrealized gains on available-for-sale securities, net of applicable income taxes	-	-	-	-	-	2,279	-	-	2,279
Translation adjustment	-	-	-	-	-	-	49	-	49
Fractional shares acquired, net	-	-	-	-	-	-	-	(15)	(15)
Balance at March 31, 2006	67,019,610	¥ 8,411	¥ 6,720	¥ 16,256	¥ (2,018)	¥ 4,467	¥ (9)	¥ (28)	¥ 33,799

		Shareholders' equity					Other components of equity					
	Number of common shares issued	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on available-for-sale securities	Land revaluation decrement	Foreign currency translation adjustment	Total other components of equity	Minority interests	Total equity
		Millions of Yen										
Balance at March 31, 2006	67,019,610	¥ 8,411	¥ 6,720	¥ 16,256	¥ (28)	¥ 31,359	¥ 4,467	¥ (2,018)	¥ (9)	¥ 2,440	¥ 1,201	¥ 35,000
Net income for the year	-	-	-	2,611	-	2,611	-	-	-	-	-	2,611
Cash dividends	-	-	-	(568)	-	(568)	-	-	-	-	-	(568)
Bonuses to directors and corporate auditors	-	-	-	(46)	-	(46)	-	-	-	-	-	(46)
Conversion of convertible bonds	122,807	17	18	-	-	35	-	-	-	-	-	35
Purchase of treasury stock and fractional shares, net	-	-	-	-	(110)	(110)	-	-	-	-	-	(110)
Net changes other than shareholders' equity	-	-	-	-	-	-	(878)	-	66	(812)	149	(663)
Balance at March 31, 2007	67,142,417	¥ 8,428	¥ 6,738	¥ 18,253	¥ (138)	¥ 33,281	¥ 3,589	¥ (2,018)	¥ 57	¥ 1,628	¥ 1,350	¥ 36,259

	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on available-for-sale securities	Land revaluation decrement	Foreign currency translation adjustment	Total other components of equity	Minority interests	Total equity
	Thousands of U.S. Dollars										
Balance at March 31, 2006	$ 71,279	$ 56,949	$ 137,763	$ (237)	$ 265,754	$ 37,856	$ (17,102)	$ (76)	$ 20,678	$ 10,178	$ 296,610
Net income for the year	-	-	22,127	-	22,127	-	-	-	-	-	22,127
Cash dividends	-	-	(4,814)	-	(4,814)	-	-	-	-	-	(4,814)
Bonuses to directors and corporate auditors	-	-	(390)	-	(390)	-	-	-	-	-	(390)
Conversion of convertible bonds	144	153	-	-	297	-	-	-	-	-	297
Purchase of treasury stock and fractional shares, net	-	-	-	(932)	(932)	-	-	-	-	-	(932)
Net changes other than shareholders' equity	-	-	-	-	-	(7,440)	-	559	(6,881)	1,263	(5,618)
Balance at March 31, 2007	$ 71,423	$ 57,102	$ 154,686	$ (1,169)	$ 282,042	$ 30,416	$ (17,102)	$ 483	$ 13,797	$ 11,441	$ 307,280

See accompanying Notes to Consolidated Financial Statements.

Japan Transcity Corporation and Consolidated Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended March 31, 2007 and 2006

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 4,531	¥ 2,615	$ 38,398
Adjustments for:			
Depreciation	2,755	2,640	23,347
Net reversal for employee retirement benefit liability	(943)	(558)	(7,992)
Loss (gain) on sale or disposal of property and equipment	139	(1,596)	1,178
Impairment loss on fixed assets	-	2,953	-
Increase in trade receivables	(503)	(1,102)	(4,263)
Decrease in inventories	16	448	136
(Decrease) increase in trade payables	(123)	354	(1,042)
Other, net	193	(212)	1,636
Sub-total	6,065	5,542	51,398
Interest and dividend received	210	175	1,780
Interest paid	(403)	(381)	(3,415)
Income taxes paid	(2,246)	(571)	(19,034)
Net cash provided by operating activities	3,626	4,765	30,729
Cash flows from investing activities:			
Increase in property and equipment and intangible assets	(2,555)	(4,175)	(21,653)
Decrease in property and equipment and intangible assets	76	3,067	644
Acquisition, net of cash acquired	(3)	(98)	(25)
Increase in short-term investments	(427)	(296)	(3,619)
Other, net	(25)	(395)	(212)
Net cash used in investing activities	(2,934)	(1,897)	(24,865)
Cash flows from financing activities:			
Increase in long-term debt	253	9,291	2,144
Repayment of long-term debt	(1,211)	(7,596)	(10,262)
Decrease in short-term borrowings	(499)	(954)	(4,229)
Dividends paid	(568)	(523)	(4,814)
Other, net	(110)	(16)	(932)
Net cash (used in) provided by financing activities	(2,135)	202	(18,093)
Effect of exchange rate changes on cash and cash equivalents	57	43	483
Net (decrease) increase in cash and cash equivalents	(1,386)	3,113	(11,746)
Cash and cash equivalents at beginning of year	14,332	11,219	121,458
Cash and cash equivalents at end of year	¥ 12,946	¥ 14,332	$ 109,712

See accompanying Notes to Consolidated Financial Statements.

Japan Transcity Corporation and Consolidated Subsidiaries
Notes to Consolidated Financial Statements

1. Basis of Consolidated Financial Statements

(a) Basis of presenting the consolidated financial statements

The accompanying consolidated financial statements of Japan Transcity Corporation (the "Company") and its consolidated subsidiaries (together with the Company, the "Japan Transcity Group ") have been prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards. These consolidated financial statements are compiled from the original consolidated financial statements in Japanese prepared by the Company as required by the Securities and Exchange Law of Japan and submitted to the Director of Kanto Finance Bureau of Japan.

(b) U.S. dollar amounts

The Company maintains its accounting records in Japanese Yen. The U.S. dollar amounts included in the accompanying consolidated financial statements and notes thereto represent the arithmetic results of translating Japanese Yen into U.S. dollars at a rate of ¥118 to $1, the approximate rate of exchange at March 31, 2007. The inclusion of such dollar amounts is solely for the convenience of the readers and is not intended to imply that the assets and liabilities originating in Yen have been or could be readily converted, realized or settled in dollars at ¥118 to $1 or at any other rate.

2. Summary of Significant Accounting Policies

(a) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and its significant subsidiaries. Investments in significant unconsolidated subsidiaries and affiliates are accounted for by the equity method. Investments in unconsolidated subsidiaries and affiliates not accounted for by the equity method are stated at cost. Differences between acquisition cost of investments in subsidiaries and the underlying equity in their net assets adjusted based on the fair value at the time of acquisition are principally deferred as goodwill or negative goodwill and amortized over five years.

The number of consolidated subsidiaries, unconsolidated subsidiaries and affiliates for the years ended March 31, 2007 and 2006 was as follows:

	2007	2006
Consolidated subsidiaries	27	27
Unconsolidated subsidiaries and affiliates, accounted for by the equity method	5	5
Unconsolidated subsidiaries, stated at cost	13	13
Affiliates, stated at cost	4	4

All inter-company accounts and transactions have been eliminated on consolidation.

The accompanying consolidated financial statements included the accounts of overseas consolidated subsidiaries (three subsidiaries in 2007 and 2006). Such overseas consolidated subsidiaries close their books at December 31 every year, three months earlier than the Company and other domestic consolidated subsidiaries. The Company consolidated such subsidiaries' financial statements as of their year-end. Significant transactions for the period between subsidiaries' year-end and the Company's year-end are adjusted on consolidation.

Overseas consolidated subsidiaries adopt accounting principles generally accepted in their countries, and no adjustments to conform to accounting principles generally accepted in Japan have been made to their financial statements on consolidation as allowed under accounting principles generally accepted in Japan.

(b) Accounting standard for presentation of net assets in the balance sheet

The Accounting Standards Board of Japan ("ASBJ") issued "Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Statement No.5)" and Implementation Guidance "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Guidance No.8)" on December 9, 2005, which are applied for the year ending on May 1, 2006. The standard requires presenting the equity section in the balance sheet as similar to International Financial Reporting Standards. The Japan Transcity Group has adopted these new accounting standards from the year ended March 31, 2007. If the previous accounting method had been applied for the consolidated balance sheet at March 31, 2007, equity would have amounted to ¥34,908 million ($295,831 thousand).

(c) Cash equivalents

The Japan Transcity Group considers cash equivalents to be highly liquid debt instruments purchased with an original maturity of three months or less.

(d) Investments and marketable securities

The Japan Transcity Group classifies certain investments in debt and equity securities as "held-to-maturity", "trading" or "available-for-sale", whose classification determines the respective accounting method as stipulated by the accounting standard for financial instruments. Marketable securities with available market quotations for available-for-sale securities are stated at fair value and net unrealized gains or losses on these securities are reported as a component of equity, net of applicable income taxes. Gains and losses on disposition of available-for-sale securities are computed based on the moving-average method. Non-marketable securities without available market quotations for available-for-sale securities are carried at cost determined by the moving-average method. Adjustments in carrying values of individual securities are charged to income through write-downs, when a decline in value is deemed other than temporary.

(e) Accounting for derivatives

Derivatives are valued at fair value, if hedge accounting is not appropriate or where there is no hedging designation, and the gains or losses on derivatives are recognized in the current earnings. According to the special treatment as permitted by the accounting standard for financial instruments, the hedging interest rate swap is accounted for on an accrual basis, and recorded net of interest expenses generated from the hedged borrowings, if certain conditions are met.

(f) Inventories

Inventories consisted of supplies. Supplies are stated at cost, using moving-average method.

(g) Allowance for doubtful accounts

Allowance for doubtful accounts has been provided for at the aggregate amount of estimated credit loss based on the individual financial review approach for doubtful or troubled receivables and a general reserve for other receivables calculated based on the historical loss experience for a certain past period.

(h) Property and equipment, and depreciation

Property and equipment, including significant renewals and additions, are stated at cost, and have been depreciated principally by the declining-balance method at rates based on the estimated useful lives of the assets, except that the buildings acquired on and after April 1, 1998 have been depreciated by the straight-line method. Property of the cost of not less than ¥100,000 and below ¥200,000 each is capitalized and depreciated over three years on a straight-line basis.

Expenditures on maintenance and repairs are charged to operating income as incurred.

(i) Leases

Where financing leases do not transfer ownership of the leased property to the lessee during the term of the lease, the leased property of the Company and its domestic consolidated subsidiaries is not capitalized and relating rental and lease expenses are charged to income as incurred as accepted by the "Opinion Concerning Accounting Standard for Leases" issued by the Business Accounting Council of Japan (“BACJ”) and the related practical guideline issued by the Japanese Institute of Certified Public Accountants (“JICPA”).

(j) Accounting standard for impairment of fixed assets

On August 9, 2002, BACJ issued "Accounting Standard for Impairment of Fixed Assets", which is effective for the fiscal years beginning on and after April 1, 2005. ASBJ issued related practical guidance on October 31, 2003. The Company and its domestic consolidated subsidiaries adopted this new accounting standard and related practical guidance effective from the year ended March 31, 2006. The standard requires that fixed assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss shall be recognized in the income statement by reducing the carrying amount of impaired assets or a group of assets to the recoverable amount to be measured as the higher of the asset’s net selling price or value in use. Fixed assets include land, buildings and other forms of property as well as intangible assets and are to be grouped at the lowest level for which there are identifiable cash flows from other groups of assets. For the purpose of recognition and measurement of an impairment loss, fixed assets are principally grouped into cash-generating units, such as regional business divisions, other than idle or unused property. Recoverable amounts of the assets were measured based on value in use calculated using discounted future cash flows by interest rate of 4.0% for Golf club courses or net selling prices primarily for municipal property tax bases or estimated disposal value for idle or unused property. For the year ended March 31, 2006, the Japan Transcity Group recognized impairment loss as follows:

	Millions of Yen
Buildings and structures	¥ 82
Land	2,871
	¥ 2,953

As a result of adoption of this new accounting standard, income before income taxes and minority interests decreased by ¥2,953 million, as compared with the previous accounting method.

(k) Revaluation of land

In accordance with the Law Concerning Revaluation of Land (“Law”), the Company elected the one-time revaluation to restate the cost of land used for the Company’s business at values rationally reassessed effective on March 31, 2002, reflecting appropriate adjustments for land shape and other factors, based on the values of the municipal property tax bases. According to the Law, the amount equivalent to the tax effect on the difference between the sound reassessed values and original book values is recorded as deferred tax liabilities for revaluation account, and the rest of such difference, net of the tax effect, is recorded in the equity as land revaluation decrement account in the accompanying consolidated balance sheets. At March 31, 2007 and 2006, the difference of the carrying values of land used for the Company's business after reassessment over the current market value at the fiscal year-ends amounted to ¥7,240 million ($61,356 thousand) and ¥6,736 million, respectively.

On September 8, 2005, JICPA issued "Q&A for the Treatment of Revaluation Increment Account of Land". As the Company adopted this treatment relating to the assessment of relaizability of deferred tax assets for land revaluation from the year ended March 31, 2006, land revaluation difference deceased by ¥3,973 million and deferred tax liabilities for revaluation increased by the same amount. This change of accounting treatment resulted in no effect on the operating results for the year ended March 31, 2006.

(l) Employee retirement benefits

Employees who terminate their service with the Japan Transcity Group are entitled to retirement benefits generally determined by the reference of current basic rates of pay, length of service and conditions under which the termination occurs.

In accordance with the accounting standard for employee retirement benefits, the Japan Transcity Group has recognized the retirement benefits for employees including pension cost and related liability based on actuarial present value of projected benefit obligation using actuarial appraisal approach and the pension plan assets available for benefits at the fiscal year-ends. Unrecognized actuarial differences as changes in the projected benefit obligation or pension plan assets resulting from the experience different from that assumed and from changes in assumptions are amortized on a straight-line basis over ten years as a certain period within average remaining service lives of employees from the next year in which they arise. Unrecognized prior service cost is amortized using the straight-line method over ten years from the year in which it occurs.

In conjunction with enforcement of the Defined Benefit Enterprise Pension Plan Law, the Company received an approval from the Minister of Health, Labor and Welfare of Japan, for exemption from payment of future benefit regarding the substituted portion of the employee pension fund on January 1, 2004 and additional approval for the exemption from the payment of past benefit and established a new benefit pension plan for its employees on January 1, 2005. For the year ended March 31, 2006, excess of the estimated balance equivalent to the amount to be returned to the Japanese Government as of March 31, 2005 over the actual payment of liability reserve of the pension plan in the current year was recorded as other income in the amount of ¥72 million.

(m) Accrued severance indemnities for directors and corporate auditors

The Japan Transcity Group may pay severance indemnities to directors and corporate auditors, which are subject to the approval of the shareholders. The Japan Transcity Group has provided for at the full amount of the liabilities of directors' and corporate auditors' severance indemnities at the respective balance sheet dates.

(n) Translation of foreign currency accounts

Receivables, payables and securities, other than stocks of subsidiaries and certain other securities, are translated into Japanese Yen at the exchange rates at the respective fiscal year-ends. Transactions in foreign currencies are recorded based on the prevailing exchange rates on the transaction dates. Resulting translation gains or losses are included in the current earnings.

In respect of the financial statement items of overseas consolidated subsidiary, all asset and liability accounts are translated into Japanese Yen by applying the exchange rates in effect at the fiscal year-ends. All income and expense accounts are translated at the average rates of exchange prevailing during the respective fiscal years. Translation differences are reported as foreign currency translation adjustment in a component of equity in the accompanying consolidated balance sheets.

(o) New share issue expenses

New share issue expenses are charged to income as incurred.

(p) Income taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforward. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

(q) Enterprise taxes

With the implementation of the “Revision of the Local Tax Law” issued on March 31, 2003, a local corporate enterprise tax base such as “added value amount” and “capital amount” has been adopted. Enterprise taxes based on “added value amount” and “capital amount” are included in selling, general and administrative expenses pursuant to “Practical Treatment for Presentation of Sized-based Corporate Enterprise Taxes in the Statement of Income” (ASBJ Report of Practical Issues No.12).

(r) Accounting standard for directors’ bonus

From the year ended March 31, 2007, the Japan Transcity Group has adopted “Accounting Standard for Directors’ Bonus (ASBJ Statement No.4)” issued by ASBJ on November 29, 2005. The standard requires that the directors’ bonuses, including those for corporate auditors, shall be accounted for as an expense of the accounting period in which such bonuses are accrued. Until the year ended March 31, 2006, bonuses to directors and corporate auditors were recorded as a part of the appropriation of retained earnings in the fiscal year when a proposed appropriation of retained earnings for directors and corporate auditors’ bonuses was approved by the Board of Directors and/or shareholders. The adoption of this new accounting standard resulted in no effect on the consolidated financial statements.

(s) Appropriations of retained earnings

Cash dividends and bonuses to directors and corporate auditors are recorded in the fiscal year when a proposed appropriation of retained earnings is approved by the Board of Directors and/or shareholders. See Note 2(r) for the accounting for bonuses to directors and corporate auditors.

(t) Per share data

Basic net income per share is computed by dividing income available to common shareholders by the weighted-average number of shares of common stock outstanding during the fiscal year. Diluted net income per share is computed assuming convertible bonds were converted at the time of issue unless having anti-dilutive effects. Cash dividends per share for each fiscal year in the accompanying consolidated statements of income represent dividends declared by the Company as applicable to the respective years.

3. Investments

At March 31, 2007 and 2006, short-term investments consisted of time deposits with an original maturity of more than three months.

At March 31, 2007 and 2006, investment securities consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Marketable securities:			
Equity securities	¥ 9,400	¥ 10,889	$ 79,661
Other	11	10	93
	9,411	10,899	79,754
Other non-marketable securities	825	838	6,992
	¥ 10,236	¥ 11,737	$ 86,746

Marketable investment securities classified as available-for-sale are stated at fair value with unrealized gains and losses excluded from the current earnings and reported as a net amount within the equity account until realized. At March 31, 2007 and 2006, gross unrealized gains and losses for marketable securities classified as available-for-sale are summarized as follows:

	Cost	Gross unrealized gains	Gross unrealized losses	Fair and carrying value
	Millions of Yen			
Available-for-sale securities at March 31, 2007:				
Equity securities	¥ 3,268	¥ 6,150	¥ (18)	¥ 9,400
Other	10	1	-	11
	¥ 3,278	¥ 6,151	¥ (18)	¥ 9,411
Available-for-sale securities at March 31, 2006:				
Equity securities	¥ 3,252	¥ 7,640	¥ (3)	¥ 10,889
Other	10	-	-	10
	¥ 3,262	¥ 7,640	¥ (3)	¥ 10,899
	Thousands of U.S. Dollars			
Available-for-sale securities at March 31, 2007:				
Equity securities	$ 27,695	$ 52,119	$ (153)	$ 79,661
Other	85	8	-	93
	$ 27,780	$ 52,127	$ (153)	$ 79,754

4. Short-term Borrowings and Long-term Debt

At March 31, 2007 and 2006, short-term borrowings consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Short-term bank loans or bank overdrafts with interest rates ranging from 0.84 % to 1.71 % per annum at March 31, 2007:			
Collateralized	¥ 30	¥ 745	$ 254
Unsecured	2,680	2,463	22,712
	¥ 2,710	¥ 3,208	$ 22,966

At March 31, 2007 and 2006, long-term debt consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Zero coupon unsecured convertible bonds due March 2008	-	35	-
1.47 % unsecured bonds due July 2008	2,500	2,500	21,186
1.41 % unsecured bonds due July 2008	1,500	1,500	12,712
1.76 % unsecured bonds due September 2008	4,000	4,000	33,898
Zero coupon unsecured convertible bonds due September 2009	1,500	1,500	12,712
Long-term loans from banks and other financial institutions due through 2022 with interest rates ranging from 0.05 % to 6.97 % per annum at March 31, 2007:			
Collateralized	470	1,561	3,983
Unsecured	16,800	16,600	142,373
	26,770	27,696	226,864
Less, current maturities	(1,136)	(1,357)	(9,627)
	¥ 25,634	¥ 26,339	$ 217,237

At March 31, 2007, the current conversion price of zero coupon convertible bonds due September 2009 was ¥410 per share, which is subject to adjustment under certain circumstances, including stock splits. At March 31, 2007, the number of shares of common stock necessary for conversion of all convertible bonds outstanding was approximately 4 million.

The aggregate annual maturities of long-term debt at March 31, 2007 ware as follows:

Year ending March 31,	Millions of Yen	Thousands of U.S. Dollars
2008	1,136	9,627
2009	10,125	85,805
2010	3,069	26,008
2011	3,093	26,212
2012	420	3,559
2013 and thereafter	8,927	75,653
	¥ 26,770	$ 226,864

At March 31, 2007, the following assets were pledged as collateral for short-term borrowing and long-term liabilities:

	Millions of Yen	Thousands of U.S. Dollars
Time deposits included in short-term investments	¥ 41	$ 348
Buildings and structures	850	7,203

As is customary in Japan, substantially all loans from banks (including short-term loans) are made under general agreements which provide that, at the request of the relevant bank, the Japan Transcity Group is required to provide collateral or guarantors (or additional collateral or guarantors, as appropriate) with respect to the loans, and that all assets pledged as collateral under such agreements will be applicable to all present and future indebtedness to the bank concerned. The Japan Transcity Group has not received such requests. The general agreements further provide that the banks have the right, as indebtedness matures or becomes due prematurely by reason of default thereon, to offset deposits at the banks against indebtedness due to the banks.

5. Employee Retirement Benefits

The Company has defined benefit retirement plans, which cover 100% of retirement benefits for employees of the Company who terminate at the compulsory retirement age and 70% of other retirement benefits of the Company. Certain portions of the benefits are covered by a pension plan governed by the regulations of the Japanese Welfare Pension Insurance Law. Some of the consolidated subsidiaries have similar retirement benefit plans. In addition, two consolidated subsidiaries have a defined benefit pension plan in certain pension funds organized by others.

The following table reconciles the benefit liability and net periodic retirement benefit expense as at or for the years ended March 31, 2007 and 2006:

	Millions of Yen		Thousands of U.S Dollars
	2007	2006	2007
Reconciliation of benefit liability:			
Projected benefit obligation	¥ 14,828	¥ 14,850	$ 125,661
Less, fair value of pension plan assets at end of year	(13,161)	(12,451)	(111,534)
	1,667	2,399	14,127
Unrecognized actuarial differences	1,836	2,047	15,559
Unrecognized prior service cost of retroactive benefits granted by the pension plan amendment	326	368	2,763
Accrued retirement and severance benefits	3,829	4,814	32,449
Prepaid pension cost	43	-	365
Balance of employee retirement benefit liability recognized on the consolidated balance sheets	¥ 3,872	¥ 4,814	$ 32,814

Note: 1. Projected benefit obligation of consolidated subsidiaries was calculated using the simplified calculation method as permitted by the accounting standard for employee retirement benefits.

2. The above table excluded the amounts for the assets not separately allocatable to some of the domestic consolidated subsidiaries in certain pension funds organized by others together with the consolidated subsidiaries or effectively restricted so that they cannot *be used by the employees for other purpose, which amounted to ¥248 million ($2,102 thousand) and ¥249 million at March 31, 2007 and 2006, respectively.*

	Millions of Yen		Thousands of U.S Dollars
	2007	2006	2007
Components of net periodic retirement benefit expense:			
Service cost	¥ 560	¥ 541	$ 4,746
Interest cost	257	262	2,178
Expected return on pension plan assets	(232)	(161)	(1,966)
Amortization of actuarial differences	(99)	214	(839)
Amortization of prior service cost	(42)	(42)	(356)
Premiums to defined contribution plan	14	14	119
Net periodic retirement benefit expense	¥ 458	¥ 828	$ 3,882

Major assumptions used in the calculation of the above information for the years ended March 31, 2007 and 2006 were as follows:

	2007	2006
Method attributing the projected benefits to periods of services	Straight-line method	Straight-line method
Discount rate	2.0%	2.0%
Expected rate of return on pension plan assets	2.0%	2.0%
Amortization of actuarial differences	10 years	10 years
Amortization of prior service cost	10 years	10 years

6. Equity

(a) The authorized number of shares of common stock without par value is 240,000,000. At March 31, 2007 and 2006, the number of shares of common stock issued was 67,142,417 and 67,019,610 shares, respectively. At March 31, 2007 and 2006, the number of treasury stock held by the Japan Transcity Group was 275,911 and 80,167 shares, respectively.

(b) At March 31, 2007 and 2006, capital surplus principally consisted of additional paid-in capital. In addition, retained earnings included legal reserve of the Company in the amount of ¥1,200 million ($10,169 thousand) at March 31, 2007 and 2006, respectively. The Corporate Law of Japan provides that an amount equivalent to 10% of cash dividends as an appropriation of retained earnings shall be appropriated as legal reserve until a total amount of additional paid-in capital and such legal reserve equals 25% of common stock. The reduction of legal reserve is restricted under the certain circumstances by proper actions of shareholders of the Company.

(c) Shareholders of the Company approved the appropriation of retained earnings at the annual general meeting of shareholders on June 28, 2007 as follows:

	Millions of Yen	Thousands of U.S. Dollars
Cash dividends (¥4.50 per share)	¥ 301	$ 2,551

7. Contingent Liabilities

At March 31, 2007 and 2006, the Japan Transcity Group was contingently liable for guarantees of indebtedness principally of affiliates in amounts of ¥1,349 million ($11,432 thousand) and ¥1,688 million, respectively.

8. Lease Commitments

The Japan Transcity Group leases, as lessee, land and buildings to be used for office spaces and warehouses principally under long-term cancelable or non-cancelable operating lease agreements, and also computer equipment, other equipment and vehicles which are not generally cancelable.

Total rental and lease expenses including cancelable and non-cancelable leases for the years ended March 31, 2007 and 2006 were ¥6,409 million ($54,314 thousand) and ¥6,116 million, respectively. For the years ended March 31, 2007 and 2006, the lease expenses for non-cancelable lease agreements which were categorized as financing leases amounted to ¥454 million ($3,847 thousand) and ¥366 million, respectively.

The aggregate future minimum payments for non-cancelable operating leases and financing leases, including the imputed interest, at March 31, 2007 and 2006 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Operating leases:			
Due within one year	¥ 546	¥ 592	$ 4,627
Due after one year	3,654	4,129	30,966
	¥ 4,200	¥ 4,721	$ 35,593
Financing leases:			
Due within one year	¥ 451	¥ 446	$ 3,822
Due after one year	2,513	2,772	21,297
	¥ 2,964	¥ 3,218	$ 25,119

9. Derivative Instruments

The Japan Transcity Group is a party to derivative instruments such as interest rate swap contracts in the normal course of business to reduce its own exposure to fluctuations in interest rates for the hedge purposes. In addition, during the year ended March 31, 2007, the Company entered into the derivative contract relating to earthquake for the hedge purposes, whose outstanding contract amount was ¥300 million ($2,542 thousand) at March 31, 2007. As the fair value of such a contract is not considered determinable, that derivative contract has not been accounted for at the fair value. All other derivative instrument contracts are qualified for hedge accounting. The Japan Transcity Group is exposed to credit loss in the event of nonperformance by other parties. However, the Japan Transcity Group does not expect nonperformance by the counterparties.

10. Income Taxes

Income taxes for the years ended March 31, 2007 and 2006 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Income taxes:			
Current	¥ 1,312	¥ 1,691	$ 11,118
Deferred	465	492	3,941
	¥ 1,777	¥ 2,183	$ 15,059

The tax effects on temporary differences that give rise to a significant portion of deferred tax assets and liabilities at March 31, 2007 and 2006 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Deferred tax assets:			
Enterprise tax accruals	¥ 40	¥ 112	$ 339
Accrued bonuses to employees	458	447	3,881
Employee retirement benefit liability	2,489	2,925	21,093
Accrued severance indemnities for directors and corporate auditors	197	175	1,670
Inter-company capital gains	339	346	2,873
Net operating loss carryforward	182	232	1,542
Impairment loss on fixed assets	1,187	1,190	10,059
Other	345	391	2,924
	5,237	5,818	44,381
Less, valuation allowance	(1,581)	(1,648)	(13,398)
Deferred tax assets	3,656	4,170	30,983
Deferred tax liabilities:			
Deferred capital gain	1,364	1,404	11,559
Unrealized gains on available-for-sale securities	2,465	3,070	20,890
Other	396	402	3,356
Deferred tax liabilities	4,225	4,876	35,805
Net deferred tax liabilities	¥ 569	¥ 706	$ 4,822

At March 31, 2007 and 2006, deferred tax assets and liabilities were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Deferred tax assets:			
Current	¥ 236	¥ 512	$ 2,000
Non-current	505	491	4,280
Deferred tax liabilities:			
Current	203	-	1,720
Non-current	1,107	1,709	9,382

In assessing the realizability of deferred tax assets, management of the Japan Transcity Group considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of the future taxable income during the periods in which those temporary differences become deductible. At March 31, 2007 and 2006, a valuation allowance was provided to reduce the deferred tax assets to the extent that the management believes that the amount of the deferred tax assets is expected to be realizable.

A reconciliation of the difference between the Japanese statutory effective tax rate and the actual effective income tax rate on pre-tax income reflected in the accompanying consolidated statements of income for the year ended March 31, 2006 was as follows:

	Percentage of pre-tax income
Japanese statutory effective tax rate	40.1%
Increase (decrease) due to:	
Permanently non-deductible expenses	2.7
Tax exempt income	(1.9)
Local minimum taxes per capita levy	1.4
Equity in net earnings of unconsolidated subsidiaries and affiliates	(2.0)
Change in valuation allowance	44.9
Other	(1.7)
Actual effective income tax rate	83.5%

The reconciliation for the year ended March 31, 2007 was not disclosed as such difference was not material.

11. Segment Information

The Japan Transcity Group's operations are classified into two major segments: Integrated logistics services and other services. Other services segment includes the operations for the trading of real estate or golf club and other services. Information by industry segment for the years ended March 31, 2007 and 2006 was summarized as follows:

	Integrated logistics services	Others	Total	Elimination	Consolidated
	Millions of Yen				
For the year 2007:					
Operating revenue:					
External customers	¥ 81,803	¥ 1,530	¥ 83,333	¥ -	¥ 83,333
Inter-segment sales	28	1,484	1,512	(1,512)	-
Total operating revenue	81,831	3,014	84,845	(1,512)	83,333
Operating costs and expenses	77,432	2,737	80,169	(1,479)	78,690
Operating income	¥ 4,399	¥ 277	¥ 4,676	¥ (33)	¥ 4,643
Identifiable assets	¥ 95,845	¥ 2,503	¥ 98,348	¥ (4,496)	¥ 93,852
Depreciation	2,544	211	2,755	-	2,755
Capital expenditures	3,299	56	3,355	-	3,355
For the year 2006:					
Operating revenue:					
External customers	¥ 80,229	¥ 2,870	¥ 83,099	¥ -	¥ 83,099
Inter-segment sales	28	2,510	2,538	(2,538)	-
Total operating revenue	80,257	5,380	85,637	(2,538)	83,099
Operating costs and expenses	76,475	5,283	81,758	(2,563)	79,195
Operating income	¥ 3,782	¥ 97	¥ 3,879	¥ 25	¥ 3,904
Identifiable assets	¥ 97,061	¥ 2,692	¥ 99,753	¥ (4,410)	¥ 95,343
Depreciation	2,371	269	2,640	-	2,640
Impairment loss on fixed assets	85	2,868	2,953	-	2,953
Capital expenditures	3,799	160	3,959	-	3,959
	Thousands of U.S. Dollars				
For the year 2007:					
Operating revenue:					
External customers	$ 693,246	$ 12,966	$ 706,212	$ -	$ 706,212
Inter-segment sales	237	12,576	12,813	(12,813)	-
Total operating revenue	693,483	25,542	719,025	(12,813)	706,212
Operating costs and expenses	656,203	23,195	679,398	(12,534)	666,864
Operating income	$ 37,280	$ 2,347	$ 39,627	$ (279)	$ 39,348
Identifiable assets	$ 812,246	$ 21,212	$ 833,458	$ (38,102)	$ 795,356
Depreciation	21,559	1,788	23,347	-	23,347
Capital expenditures	27,958	474	28,432	-	28,432

Geographic segment information is not shown, as the operating revenue of overseas subsidiaries is not material. Information for overseas sales is not disclosed, as such sales are not material.

12. Non-Consolidated Financial Information of Japan Transcity Corporation (Parent)

Presented below are the non-consolidated balance sheets, non-consolidated statements of income and changes in equity of Japan Transcity Corporation, the parent company, for the years ended March 31, 2007 and 2006.

Non-Consolidated Balance Sheets

Japan Transcity Corporation (Parent)

March 31, 2007 and 2006

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Current assets:			
Cash and cash equivalents	¥ 10,510	¥ 12,084	$ 89,068
Short-term investments	38	39	322
Trade receivables, net of allowance for doubtful accounts	13,866	13,192	117,509
Inventories	26	16	220
Deferred tax assets	-	307	-
Other current assets	1,981	1,595	16,788
Total current assets	26,421	27,233	223,907
Property and equipment, at cost	66,131	64,300	560,432
Less, accumulated depreciation	(28,439)	(27,576)	(241,008)
Net property and equipment	37,692	36,724	319,424
Investments and other assets:			
Investment securities	9,557	10,929	80,991
Investments in and long-term loans to subsidiaries and affiliates	3,499	3,928	29,653
Lease deposits	891	890	7,551
Other assets	1,442	1,427	12,220
Allowance for doubtful accounts	(50)	(50)	(424)
Total investments and other assets	15,339	17,124	129,991
Total assets	¥ 79,452	¥ 81,081	$ 673,322

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Current liabilities:			
Short-term borrowings	¥ 4,547	¥ 4,200	$ 38,534
Current maturities of long-term debt	713	1,003	6,042
Trade payables	8,350	8,289	70,763
Accrued expenses	862	835	7,305
Income taxes payable	173	1,180	1,466
Deferred tax liabilities	203	-	1,720
Other current liabilities	2,174	1,348	18,424
Total current liabilities	17,022	16,855	144,254
Long-term debt	20,827	21,375	176,500
Employee retirement benefit liability	2,770	3,657	23,474
Deferred tax liabilities for revaluation	5,281	5,281	44,754
Deferred tax liabilities	1,078	1,673	9,136
Accrued severance indemnities for directors and corporate auditors	434	392	3,678
Other long-term liabilities	288	284	2,441
Total liabilities	47,700	49,517	404,237
Equity:			
Common stock	8,428	-	71,423
Capital surplus	6,738	-	57,102
Retained earnings	15,355	-	130,127
Less, treasury stock, at cost	(138)	-	(1,169)
Total shareholders' equity	30,383	-	257,483
Other components of equity	1,369	-	11,602
Total equity	31,752	-	269,085
Total liabilities and equity	¥ 79,452	-	$ 673,322
Shareholders’ equity:			
Common stock	-	8,411	-
Capital surplus	-	6,720	-
Retained earnings	-	14,271	-
Land revaluation decrement	-	(2,018)	-
Net unrealized gains on available-for-sale securities	-	4,208	-
Less, treasury stock, at cost	-	(28)	-
Total shareholders’ equity	-	31,564	-
Total liabilities and shareholders’ equity	-	¥ 81,081	-

Non-Consolidated Statements of Income

Japan Transcity Corporation (Parent)

For the Years Ended March 31, 2007 and 2006

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Operating revenue	¥ 77,649	¥ 77,054	$ 658,042
Operating costs and expenses	74,624	74,452	632,407
Operating income	3,025	2,602	25,635
Other income (expenses):			
Interest and dividend income	257	230	2,178
Interest expenses	(299)	(285)	(2,534)
(Loss) gain on sale or disposal of property and equipment	(129)	1,635	(1,093)
Loss on sale or devaluation of investment securities	(10)	-	(85)
Impairment loss on fixed assets	-	(75)	-
Miscellaneous, net	109	185	924
	(72)	1,690	(610)
Income before income taxes	2,953	4,292	25,025
Income taxes:			
Current	791	1,250	6,703
Deferred	464	299	3,932
Total income taxes	1,255	1,549	10,635
Net income	¥ 1,698	¥ 2,743	$ 14,390

	Yen		U.S. Dollars
Per share:			
Net income:			
-Basic	¥ 25.41	¥ 40.66	$ 0.22
-Diluted	24.09	35.57	0.20
Cash dividends	8.50	8.00	0.07

Non-Consolidated Statements of Changes in Equity
Japan Transcity Corporation (Parent)
For the Years Ended March 31, 2007 and 2006

	Common stock	Capital surplus	Retained earnings	Land revaluation increment (decrement)	Net unrealized gains on available-for-sale securities	Treasury stock	Total shareholders' equity
	Millions of Yen						
Balance at March 31, 2005	¥ 7,884	¥ 6,193	¥ 11,332	¥ 2,717	¥ 2,042	¥ (13)	¥ 30,155
Net income for the year	-	-	2,743	-	-	-	2,743
Cash dividends	-	-	(524)	-	-	-	(524)
Bonuses to directors and corporate auditors	-	-	(42)	-	-	-	(42)
Reversal of land revaluation increment	-	-	762	(762)	-	-	-
Adjustments for applicable income taxes	-	-	-	(3,973)	-	-	(3,973)
Conversion of convertible bonds	527	527	-	-	-	-	1,054
Net change in unrealized gains on available-for-sale securities, net of applicable income taxes	-	-	-	-	2,166	-	2,166
Fractional shares acquired, net	-	-	-	-	-	(15)	(15)
Balance at March 31, 2006	¥ 8,411	¥ 6,720	¥ 14,271	¥ (2,018)	¥ 4,208	¥ (28)	¥ 31,564

	Shareholders' equity					Other components of equity			
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on available-for-sale securities	Land revaluation decrement	Total other components of equity	Total equity
	Millions of Yen								
Balance at March 31, 2006	¥ 8,411	¥ 6,720	¥ 14,271	¥ (28)	¥ 29,374	¥ 4,208	¥ (2,018)	¥ 2,190	¥ 31,564
Net income for the year	-	-	1,698	-	1,698	-	-	-	1,698
Cash dividends	-	-	(568)	-	(568)	-	-	-	(568)
Bonuses to directors and corporate auditors	-	-	(46)	-	(46)	-	-	-	(46)
Conversion of convertible bonds	17	18			35				35
Purchase of treasury stock and fractional shares, net	-	-	-	(110)	(110)	-	-	-	(110)
Net changes other than shareholders' equity	-	-	-	-	-	(821)	-	(821)	(821)
Balance at March 31, 2007	¥ 8,428	¥ 6,738	¥ 15,355	¥ (138)	¥ 30,383	¥ 3,387	¥ (2,018)	¥ 1,369	¥ 31,752
	Thousands of U.S. Dollars								
Balance at March 31, 2006	$ 71,279	$ 56,949	$ 120,941	$ (237)	$ 248,932	$ 35,661	$ (17,102)	$ 18,559	$ 267,491
Net income for the year	-	-	14,390	-	14,390	-	-	-	14,390
Cash dividends	-	-	(4,814)	-	(4,814)	-	-	-	(4,814)
Bonuses to directors and corporate auditors	-	-	(390)	-	(390)	-	-	-	(390)
Conversion of convertible bonds	144	153	-		297				297
Purchase of treasury stock and fractional shares, net	-	-	-	(932)	(932)	-	-	-	(932)
Net changes other than shareholders' equity	-	-	-	-	-	(6,957)	-	(6,957)	(6,957)
Balance at March 31, 2007	$ 71,423	$ 57,102	$ 130,127	$ (1,169)	$ 257,483	$ 28,704	$ (17,102)	$ 11,602	$ 269,085