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Outline of Consolidated Financial Results for the First Quarter

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Consolidated Results for Three Months ended Jun.30, 2006

Consolidated operating results

(Millions of yen, except per share amounts and percentages)

	Three Months ended Jun.30,			Fiscal Year ended
	2005	2006	Difference	Mar. 31, 2006
Sales	¥27,188	¥30,819	13.4%	¥148,308
Operating income	1,659	2,498	50.6	12,117
Recurring profit	1,718	2,549	48.4	12,356
Net income	956	1,519	58.9	7,482
Net income per share of common stock *				
—Basic	¥18.04	¥28.65		¥141.17
—Diluted	—	—		—

* Average shares used for computation of net income per share of common stock for the three-month period ended June. 30, 2005 and 2006, and for the fiscal year ended Mar. 31, 2006 are shown in the chart below.

(Thousands of shares)

	Three Months ended Jun.30,		Fiscal Year ended
	2005	2006	Mar. 31, 2006
Net income per share of common stock—Basic	52,998	52,998	52,998

For the first quarter, clients have had a strong will to invest in IT. Therefore, we have received many inquiries and orders vigorously, mainly from the finance industry. In addition, each project has progressed satisfactorily, and we have recorded sales smoothly, mainly in the Business Solutions operation.

As a result, both sales and recurring profit increased to ¥30,819 million by ¥3,631 million and to ¥2,549 million by ¥832 million, respectively, compared with the same three-month period of the last fiscal year.

Consolidated financial condition

(Millions of yen, except per share amounts and percentages)

	Jun.30, 2005	Jun.30, 2006	Mar. 31, 2006
Total assets	¥88,032	¥94,564	¥103,117
Net assets	54,489	62,287	60,006
Shareholders' equity ratio	61.9%	64.2%	58.2%
Shareholders' equity per share of common stock*	¥1,028.12	¥1,145.51	¥1,132.23

*The number of shares at the end of the periods (used for computation of shareholders' equity per share of common stock) for the three-month period ended Jun. 30, 2005 and 2006, and for the fiscal year ended Mar. 31, 2006 is shown in the chart below.

(Thousands of shares)

	Three Months ended Jun. 30,		Fiscal Year ended
	2005	2006	Mar. 31, 2006
Number of issued shares at end of period	52,999	52,999	52,999
Number of own shares at end of period	1	1	1

Ref. Consolidated cash flow

(Millions of yen)

	Three Months ended Jun.30,			Fiscal Year ended
	2005	2006	Difference	Mar.2006
Cash flow from operating activities	¥3,585	¥2,688	¥△897	¥10,420
Cash flow from investing activities	(251)	(303)	△52	(630)
Cash flow from financing activities	(510)	(712)	△203	(1,173)
Cash and cash equivalents at end of period	25,925	33,398	7,473	31,725

Cash and cash equivalents at the end of the first quarter of this fiscal year increased by ￥1,673 million to ¥33,398 million compared with the end of the last fiscal year. Cash flows by activities are as follows:

Operating Activities: Operating activities generated ¥2,688 million cash. This is mainly due to income before income taxes of ¥2,561 million and improvements in inter-company credit of ¥9,281 million, while negatively impacted by income taxes paid of ¥3,668 million and an increase in inventories of ¥5,348 million.

Investing Activities: Investing activities used ¥303 million cash. This is mainly due to payments for purchase of property and equipment and intangible fixed assets of ¥333 million.

Financing Activities: Financing activities used ¥712 million. This is due to dividends paid.

Consolidated outlook for the Fiscal Year ending March 31, 2007 (FY2006)

Business results for the three-month period ended June 30, 2006 have been moving steadily as forecasted before. Therefore, we keep unchanged our previous outlook both for the first half of the current fiscal year and for the current fiscal year.

Current outlook (Millions of yen)

	Sales	Recurring profit	Net income
First half of FY2006	66,000	4,500	2,500
FY2006	¥152,000	12,500	7,000

Ref. Net income per share forecast (full-year) 132.08 yen*

Adoption of Concise Accounting Procedure for the Quarterly Period

None.

Accounting Procedure Differences between the Quarters ended Jun. 30, 2005 and 2006, and the Fiscal Year ended March 31, 2006

None.

Difference in Consolidation and Equity Method Scope between the Quarters ended Jun. 30, 2005 and 2006, and the Fiscal Year ended March 31, 2006.

None.

Non-consolidated Results Information

Non-consolidated operating results

(Millions of yen, except per share amounts and percentages)

	Three Months ended Jun. 30,			Fiscal Year ended
	2005	2006	Difference	Mar. 2006
Sales	¥24,784	¥27,933	12.7%	¥133,143
Operating income	1,597	2,150	34.7	9,484
Recurring profit	1,863	2,429	30.4	9,794
Net income	1,112	1,555	39.8	6,732
Net income per share of common stock				
—Basic	¥20.99	¥29.35		¥127.01
—Diluted	—	—		—

* Average shares used for computation of net income per share of common stock for the three-month period ended Jun. 30, 2005 and 2006, and for the fiscal year ended Mar. 31, 2006 are shown in the chart below.

(Thousands of shares)

	Three Months ended Jun. 30,		Fiscal Year ended Mar. 31, 2006
	2005	2006	
Net income per share of common stock—Basic	52,998	52,998	52,998

Non-consolidated financial condition

(Millions of yen, except per share amounts and percentages)

	Jun. 30, 2005	Jun. 30, 2006	Mar. 31, 2006
Total assets	¥82,199	¥88,964	¥96,052
Net assets	49,147	54,479	53,730
Shareholders' equity ratio	59.8%	61.2%	55.9%
Shareholders' equity per share of common stock*	¥927.33	¥1,027.94	¥1,013.81

*The number of shares at the end of the periods (used for computation of shareholders' equity per share of common stock) for the three-month period ended Jun.30, 2005 and 2006, and for the fiscal year ended Mar. 31, 2006 is shown in the chart below.

(Thousands of shares)

	Three Months ended Jun 30,		Fiscal Year ended Mar. 31, 2006
	2005	2006	
Number of issued shares at end of period	52,999	52,999	52,999
Number of own shares at end of shares	1	1	1

Non-consolidated Outlook for the Fiscal Year ending March 31, 2007 (FY2006)

Business results for the three-month period ended June 30, 2006 have been moving steadily as forecasted before. Therefore, we keep unchanged our previous outlook both for the first half of the current fiscal year and for the current fiscal year.

Current outlook (Millions of yen)

	Sales	Recurring profit	Net income
First half of FY2006	58,500	3,800	2,200
FY2006	¥136,000	10,200	6,000

Ref. Net income per share forecast (full-year) 113.21yen*

(Note) Figures in this material have been rounded.

The above statements were prepared, based on the materials available as of the release date. Actual results may vary from the outlook figures by various factors in the future.

NS SOLUTIONS CORPORATION

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

As of Jun. 30, 2005, Mar. 31, 2006 and Jun. 30, 2006

	Millions of yen			Thousands of U.S. dollars (Note 4)
	Jun. 30, 2005	Mar. 31, 2006	Jun. 30, 2006	Jun. 30, 2006
Assets				
Current assets				
Cash and bank deposits	¥12,021	¥12,845	¥10,847	$94,126
Deposited money	13,904	18,880	22,551	195,689
Trade notes and accounts receivable	17,269	34,234	19,057	165,368
Inventories	14,355	7,634	12,982	112,649
Deferred tax assets-current	3,100	3,218	3,280	28,465
Others	567	571	458	3,974
Allowance for doubtful accounts	(11)	(21)	(9)	(81)
Total current assets	61,205	77,361	69,166	600,190
Property and equipment (Note 2(8))	4,444	4,861	4,726	41,009
Intangible fixed assets	614	524	483	4,194
Investments and other assets				
Long term loan-related party	12,000	12,000	12,000	104,131
Others	9,769	8,371	8,189	71,057
Total assets	¥88,032	¥103,117	¥94,564	$820,581
Liabilities				
Current liabilities				
Trade notes and accounts payable	10,132	15,691	9,795	85,000
Accrued expenses	3,034	2,605	2,588	22,461
Accrued income taxes	915	3,806	1,251	10,857
Advance receipts	6,087	3,212	5,083	44,107
Accrued bonuses to employees	3,092	5,803	3,008	26,106
Accrued bonuses to directors	0	22	0	0
Allowance for program product warranties	0	337	346	3,002
Others	1,524	1,901	1,821	15,793
Total current liabilities	24,784	33,377	23,892	207,326
Allowance for employees' retirement benefits	7,197	7,810	8,065	69,987
Other long-term liabilities (Note 8)	245	301	320	2,772
Shareholders' Equity				
Minority interest in consolidated subsidiaries	1,317	1,623		
Shareholders' equity				
Common stock	12,953	12,953		
Additional paid-in capital	9,950	9,950		
Retained earnings	31,736	37,600		
Reserve for revaluation of land	(757)	(1,277)		
Valuation gain on available-for-sale	613	780		

securities and others				
Foreign currency translation				
adjustment	(4)	2		
Treasury stock	(2)	(2)		
Total shareholders' equity	54,489	60,006		
Total liabilities, minority interests and shareholders' equity	¥88,032	¥103,117		
Net assets				
Net assets				
Common stock			12,953	112,398
Additional paid-in capital			9,950	86,345
Retained earnings			38,456	333,704
Treasury stock			(2)	(20)
Valuation gain on available-for-sale securities and others			628	5,451
Reserve for revaluation of land			(1,277)	(11,081)
Foreign currency translation adjustment			2	18
Minority interest in consolidated subsidiaries			1,577	13,681
Total net assets			62,287	540,496
Total liabilities and net assets			¥94,564	$820,581

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NS SOLUTIONS CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended Jun. 30, 2005 and 2006

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2005	2006	2006
Net sales	¥27,188	¥30,819	$267,433
Cost of sales	21,059	23,646	205,187
Gross profit	6,129	7,173	62,246
Selling, general and administrative expenses (Note 6,7)	4,470	4,675	40,570
Operating income	1,659	2,498	21,676
Other income (expenses)	70	63	546
Income before income taxes and minority interest	1,729	2,561	22,222
Income Taxes	826	1,038	9,009
Income before minority interest	903	1,523	13,213
Minority interest	(53)	4	35
Net income	¥956	¥1,519	$13,178

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NS SOLUTIONS CORPORATION

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Three Months Ended Jun. 30, 2005 and 2006

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2005	2006	2006
Cash flows from operating activities;			
Income before income taxes			
Adjustments to reconcile income before income taxes to net cash provided by operating activities	¥1,729	¥2,561	$22,221
Depreciation	305	329	2,856
Decrease in allowance for doubtful accounts	(2,621)	(2,816)	(24,438)
Increase in allowance for employees' retirement benefits, net of payments	257	255	2,209
Decrease in accounts receivable	19,996	15,177	131,697
Increase in inventories	(6,853)	(5,348)	(46,409)
Decrease in accounts payable	(7,209)	(5,896)	(51,162)
Others, net	1,764	2,072	17,991
Sub total	7,368	6,334	54,965
Income taxes paid	(3,823)	(3,668)	(31,826)
Others, net	40	22	188
Net cash provided by operating activities	3,585	2,688	23,327
Cash flow from investing activities;			
Payments for purchase of property and equipment and intangible fixed assets	(262)	(333)	(2,892)
Others, net	11	30	261
Net cash used for investing activities	(251)	(303)	(2,631)
Cash flows from financing activities;			
Payments for purchase of treasury stock	—	—	—
Dividends paid	(464)	(662)	(5,749)
Dividends paid to minority shareholders	(46)	(50)	(434)
Net cash used for financing activities	(510)	(712)	(6,183)
Effect of exchange rate changes on cash and cash equivalents	2	0	2
Net increase in cash and cash equivalents	2,826	1,673	14,515
Cash and cash equivalents at beginning of period	23,099	31,725	275,299
Cash and cash equivalents at end of period	¥25,925	¥33,398	$289,814

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NS SOLUTIONS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared based on the accounts maintained by the Company and its consolidated subsidiaries in accordance with the provisions set forth in the Commercial Code of Japan and the Securities and Exchange Law of Japan, and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards and of accounting principles and practices generally accepted and applied in the United States. The consolidated financial statements are not intended to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan. However, certain reclassifications are incorporated in order to present the financial statements in a form which is more familiar to readers outside Japan. Such reclassifications have no effect on net income or retained earnings.

2. Summary of Significant Accounting Policies

(1) Principles of consolidation

The consolidated financial statements for the fiscal year ended March 31, 2006 and the three-month period ended June 30, 2005 and 2006 include the accounts of the Company and its 11 significant subsidiaries, as listed below:

Hokkaido NS Solutions Corporation
Tohoku NS Solutions Corporation
NS Solutions Tokyo Corporation
NS Solutions Kansai Corporation
NS Solutions Chubu Corporation
NS Solutions Nishinihon Corporation
NS Solutions Oita Corporation
NSSLC Service Corporation
Nittetsu Hitachi Systems Engineering, Inc.
NCI Systems Integration, Inc.
NS Solutions Software (Shanghai) Co., Ltd.

Due to a decrease in its importance as a result of suspension of its business operations, the investment in NS Solutions USA Corporation, a wholly-owned subsidiary, is stated at cost, after recognition of impairment losses, on the Company's consolidated balance sheets. The total assets, net sales, net income and surplus of NS

Solutions USA Corporation are not significant to the Company's consolidated financial statements.

All significant inter-company accounts and transactions and unrealized inter-group profit, if any, have been eliminated on consolidation.

The Company's overseas subsidiary, NS Solutions Software (Shanghai) Co., Ltd., has a fiscal year ending June 30 and the three-month period ending March 31, which differ from those of the Company. The company incorporated this subsidiary's accounts for the three-month period ended March 31, 2005 into these unaudited condensed consolidated financial statements for the three-month period ended June 30, 2005. Any material transactions occurring in the period, April 1 to June 30 are adjusted for in these unaudited condensed consolidated financial statements.

(2) Investments in affiliates

The Company's investments in three significant affiliates were accounted for using the equity method for the three-month period ended June 30, 2005 as listed below:

NS&I System Service Corporation
Solnet Co., Ltd.
Hokkaido High Information Technology Center Co., Ltd.

The Company excluded NS&I System Service Corporation from the scope of the equity method at the end of the third quarter, due to the sale of the Company's ownership interest in it on December 28, 2005.

As a result, the Company's investments in the two significant affiliates were accounted for using the equity method for years ended June 30, 2006 and the fiscal year ended March 31, 2006 as listed below:

Solnet Co., Ltd.
Hokkaido High Information Technology Center Co., Ltd.

(3) Allowance for doubtful accounts

Receivables are required to be categorized into "normal receivables" and "doubtful receivables" for the purpose of providing an allowance for doubtful accounts under prevailing accounting practice in Japan. An allowance for doubtful accounts is provided for normal receivables based on the Company's historical write-off experience, plus an estimate of irrecoverable amounts on an individual account basis.

(4) Allowance for loss on guarantees

An allowance for loss on guarantees is provided at the estimated amount of future losses likely to occur from guaranteeing the indebtedness of other parties, based on the Company's analysis of the other parties' financial condition and results of operations.

(5) **Allowance for program product warranties**

Allowance for program product warranties is provided at the estimated amount computed by the actual rate of the past expenditure, in order that the Company prepare for expenditure of program product warranties in the future.

Effective from the year ended March 31, 2006, the Company adopted the above procedure. Prior to this adoption, program product waranty expenses were charged to income in the fiscal year when the payment was made. Compared to the results which would have been obtained applying the same procedure as that used in the previous period, operateing income and income before income taxes and minority interests decreased ¥9 million($78 thousand).

(6) Inventories

Inventories are valued at cost as determined by the following methods:

Work-in-process ....the individual cost method

Merchandise and supplies ....primarily, the gross average method

(7) Investments in securities

Available-for-sale securities with a market quotation on a stock exchange are valued at market value. Unrealized holding gains and losses, net of tax, are recognized in "Valuation gain on available-for-sale securities" as a separate component of shareholders' equity.

Available-for-sale securities without a market quotation are recorded at cost. The cost of available-for-sale securities sold is principally based on the moving average cost method.

(8) Property and equipment

Property and equipment is recorded at cost, net of accumulated depreciation of ¥5,603 million and ¥6,451 million ($55,982 thousand) at June 30, 2005 and 2006 and ¥6,210 million at March 31, 2006, respectively. Depreciation of property and equipment is computed principally using the declining-balance method at rates based on the estimated useful lives of the assets. However, depreciation of buildings (except for building improvements) acquired on or after April 1, 1998, is computed using the straight-line method.

Depreciation of leased assets is computed using the straight-line method over the period of the lease contract term, with no residual value.

Normal repairs and maintenance, including minor renewals and improvements, are charged to income as incurred.

(9) Intangible fixed assets and long-term prepaid expenses

Amortization of intangible fixed assets and long-term prepaid expenses is computed using the straight-line method over the estimated useful lives of the assets. Software costs for internal use are amortized over their estimated useful lives (less than 5 years) on a straight-line basis.

(10) Allowance for retirement benefits

(a) Retirement benefits for employees

The employees of the Company are generally covered by retirement benefit plans under which retiring employees are entitled to lump-sum payments determined by reference to current rates of pay, length of service and conditions under which the termination occurs.

An allowance for retirement benefits to employees of the Company and its major consolidated subsidiaries is provided based on the estimated present value of projected benefit obligations. For some minor consolidated subsidiaries, an allowance for retirement benefits to employees is provided using a simple method, as permitted by "Opinion Concerning Establishment of Accounting Standard for Retirement Benefits", based on the estimated amount which would be payable if all employees voluntarily retired at the relevant balance sheet date.

Actuarial gains (losses) are charged as income or expense in the year they arise.

(b) Retirement benefits for directors

An allowance for retirement benefits to directors and corporate auditors of the Company and its consolidated subsidiaries is provided based on the Companies' internal rules and is based on the estimated amount which would be payable if all directors and corporate auditors retired at the relevant balance sheet date.

(11) Accrued bonuses to employees

Accrued bonuses to employees are provided at the estimated amount which the Company is obliged to pay to employees after the period-end, based on their service for the three-month period ended on the relevant balance sheet date.

(12) Accounting for finance lease transactions

Finance lease transactions, except for those which are deemed to transfer ownership of the leased assets to lessees, are accounted for using a method similar to that used for regular operating lease transactions.

(13) Net income per share

Net income per share of common stock is computed based on the weighted average number of outstanding shares of common stock during the respective periods. Under the Statement of Financial Accounting Standard No. 2 "Net income per Share" issued by the Accounting Standards Board of Japan, net income should be adjusted by deducting the payment of dividends to shareholders of preferred stocks to be recognized as an appropriation of retained earnings, from net income shown in the statements of income, and the computation of net income per share be made on that adjusted net income basis. Since no convertible bonds or warrants were issued and outstanding, there was no dilutive effect on net income per share during these periods.

The average number of shares used in the computation was 52,998 thousand for the fiscal year ended March 31, 2006 and the three-month period ended June 30, 2005 and 2006, respectively.

3. Change in accounting principle

(1) Accounting Standard for Impairment of Fixed Assets

The Company adopted "Accounting Standard for Impairment of Fixed Assets" and "Application Guideline for Accounting Standard for Impairment of Fixed Assets" effective for the fiscal years begining April 1, 2005 or thereafter.

There were no effects on the Companys' consolidated financial statements during the three-month ended June 30, 2006.

(2) Accounting Standard for Net Assets of Balance Sheet

"Accounting Standard for Net Assets of Balance Sheet" and "Application Guideline for Accounting Standard for Net Assets of Balance Sheet" have been adopted from the current term.

Total amount of conventional shareholders' equity was 60,710 million yen at June 30, 2006.

4. U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of readers. The rate of ¥115.24=U.S. $1, the effective rate of exchange prevailing at June 30, 2006, has been used in translation of yen amounts to U.S. dollar amounts. The inclusion of such amounts is not intended to imply that Japanese yen have been or could be readily converted, realized or settled in U.S. dollars at this or any other rate.

5. Leases

Leased assets, and related expenses in respect of the Company's finance leases, other than those which transfer ownership of the leased assets, are accounted for using a method similar to that used for regular operating leases. Finance lease charges of the Companies were ¥138 million and ¥86 million ($742 thousand) for the three-month period ended June 30, 2005 and 2006 and ¥463 million for the fiscal year ended March 31, 2006, respectively. Had they been capitalized, the following items would have been recognized on the consolidated balance sheets and the consolidated statements of income as at and for the three-month period ended June 30, 2005 and 2006 and the fiscal year ended March 31, 2006:

	Millions of yen		
June 30, 2005	Acquisition Cost	Accumulated Depreciation	Net balance
Machinery and equipment	¥ 78	¥ 60	¥ 18
Tools, furniture and fixtures	1,894	1,230	664
Software	648	469	179
Total	¥2,620	¥1,759	¥861

	Millions of yen		
March 31, 2006	Acquisition Cost	Accumulated Depreciation	Net balance
Machinery and equipment	¥ 26	¥ 17	¥ 9
Tools, furniture and fixtures	1,897	1,416	481
Software	476	358	119
Total	¥2,399	¥1,791	¥ 608

	Millions of yen		
June 30, 2006	Acquisition Cost	Accumulated Depreciation	Net balance
Machinery and equipment	¥ 17	¥ 9	¥ 8
Tools, furniture and fixtures	1,257	789	468
Software	345	231	114
Total	¥1,619	¥1,029	¥ 590

June 30, 2006	Thousands of U.S. dollars (Note 4) Acquisition Cost	Accumulated Depreciation	Net balance
Machinery and equipment	$ 148	$ 78	$ 70
Tools, furniture and fixtures	10,908	6,850	4,058
Software	2,993	2,001	992
Total	$14,048	$8,929	$5,119

	Millions of Yen			Thousands of U.S. dollars (Note 4)
	June 30, 2005	March 31, 2006	June 30, 2006	June 30, 2006
Depreciation expense	¥129	¥431	¥77	$667
Interest expense	6	19	4	32

Depreciation is computed using the straight-line method over the lease period of leased assets, with no residual value at the end of the lease period. The interest expense portion is determined by subtracting an amount equivalent to the acquisition cost from the total lease fee. Total interest payments over the lease period are allocated to each period using the interest method.

The present values of future lease payments at June 30, 2005 and 2006 and March 31, 2006 are as follows:

	Millions of Yen			Thousands of U.S. dollars (Note 4)
	June 30, 2005	March 31, 2006	June 30, 2006	June 30, 2006
Within one year	¥406	¥246	¥256	$ 2,226
Over one year	502	387	354	3,071
Total	¥908	¥632	¥610	$5,296

Future operating lease payments under non-cancelable lease contracts at June 30, 2005 and 2006 and March 31, 2006 are as follows;

	Millions of Yen			Thousands of U.S. dollars (Note 4)
	June 30, 2005	March 31, 2006	June 30, 2006	June 30, 2006
Within one year	¥2	¥2	¥1	$11
Over one year	2	1	0	3
Total	¥4	¥3	¥2	$14

6. Selling, General and Administrative Expenses

The main components of selling, general and administrative expenses for the three-month period ended June 30, 2005 and 2006 are as follows:

	Millions of Yen		Thousands of U.S. dollars (Note 4)
June 30	2005	2006	2006
Payroll and bonuses	¥1,859	¥1,879	$16,308
Allowance for employees' retirement benefits	110	104	905
Allowance for directors' retirement benefits	19	19	165
Depreciation expense	40	52	449
Operating expense for acceptance of orders	754	800	6,942

7. Research and Development Costs

Research and development costs charged to income for the three-month period ended June 30, 2005 and 2006 were ¥277 million and ¥281 million ($2,438 thousand), respectively.

8. Contingent Liabilities

The Company's loss contingencies for guaranteeing the indebtedness of other parties, excluding the portion for which a related allowance is provided as a liability on the consolidated balance sheets, were ¥23 million at June 30, 2005 and ¥2 million at March 31, 2006, respectively, each of which are Guarantees for bank loans of the Hokkaido High Information Technology Center Co., Ltd.