

Summary Statement of First Quarter Settlement of Accounts Fiscal Year Ending March 31, 2009

Listed Company Name: Plaza Create Co., Ltd.
 Listed Market: JASDAQ
 Code Number: 7502
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(Figures are rounded to the nearest million yen.)

1. Financial Results for the End of the First Quarter of the Fiscal Year Ending March 31, 2009
 (April 1 to June 30, 2008)

(1) Consolidated Operating Results (Cumulative) (The percentage figures represent year-on-year changes.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter, fiscal year ending March 31, 2009	5,101	—	-163	—	-103	—	-70	—
First quarter, fiscal year ended March 31, 2008	5,645	2.6	120	191.1	181	141.8	190	472.6

	Net Income per Share	Net Income per Share on a Fully Diluted Basis
	Yen	Yen
First quarter, fiscal year ending March 31, 2009	-13.62	—
First quarter, fiscal year ended March 31, 2008	36.03	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Asset per Share
	Million yen	Million yen	%	Yen
First quarter, fiscal year ending March 31, 2009	13,620	4,317	31.7	841.16
Fiscal year ended March 31, 2008	15,201	4,613	30.3	891.52

(Reference) Equity capital: 4,317 million yen for first quarter, fiscal year ending March 31, 2009;
 4,613 million yen for fiscal year ended March 31, 2008.

2. Dividends

(Record date)	Dividend per Share				
	First Quarter	Interim	Third Quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 2008	—	—	—	40.00	40.00
Fiscal year ending March 2009	—	—	—	—	—
Fiscal year ending March 2009 (Forecast)	—	—	—	30.00	30.00

Note: Revision of our dividend projection in the quarter under review: No

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2009 (April 1, 2008 to March 31, 2009)

(The percentage figures represent year-on-year changes.)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Total for 2Q (consolidated)	11,600	-2.9	10	-94.8	100	-55.9	50	-48.2	9.66
Full year	25,000	-0.9	500	6.9	600	2.4	400	41.8	77.30

Note: Revision of our forecasts for consolidated results in the quarter under review: No

4. Others

(1) Change in the number of important subsidiaries (change in the number of specified subsidiaries that accompanies the change in the scope of consolidation): Yes

Newly consolidated: __ company (companies) (name of company)

Excluded from consolidation: Two companies (Digipri Corporation and IT Agent Corporation)

Note: Please refer to “4. Others” on page 4, under “Qualitative information and financial statements.”

(2) Application of simplified accounting practices and accounting methods specific to the preparation of consolidated quarterly financial statements: Yes

Note: Please refer to “4. Others” on page 4, under “Qualitative information and financial statements.”

(3) Change in accounting principles and procedures, presentation related to the preparation of consolidated quarterly financial statements (described in changes in basic significant matters regarding the preparation of consolidated quarterly financial statements)

1) Changes accompanying the revision of accounting or other standards: Yes

2) Changes other than those described in 1) above: No

Note: Please refer to “4. Others” on page 4, under “Qualitative information and financial statements.”

(4) Number of shares outstanding (common stocks)

1) Number of shares outstanding at the end of the fiscal year (including treasury stocks):

6,132,582 for first quarter of fiscal year ending March 31, 2009; 6,132,582 for the fiscal year ended March 2008

2) Number of treasury stocks at the end of the fiscal year: 999,457 for first quarter of fiscal year ending March 31, 2009; 958,099 for the fiscal year ended March 2008

3) Average number of shares during the period (quarterly consolidated cumulative period): 5,154,011 for first quarter, fiscal year ending March 31, 2009; 5,286,471 for first quarter, fiscal year ended March 31, 2008

*Appropriate use of forecasts and other special instructions

Forward-looking statements, including earnings projections, are based on currently available information and certain premises that we have judged to be rational. Actual results may differ greatly from the results projected and presented hereby for a variety of reasons.

With respect to matters related to earnings projections, please refer to “3. Qualitative information related to consolidated results” under “Qualitative Information and financial statements.”

[Qualitative information and financial statements]

1. Qualitative information related to consolidated operating results

In the first quarter of the consolidated fiscal year ending March 2009, corporate earnings rapidly declined in Japan mainly because of cost increases resulting from skyrocketing prices of raw materials, and perceptions of business conditions on the part of corporations aggravated significantly, while consumer sentiment continued to worsen because of a decrease in real income accompanying the rises in commodity prices.

In the Japanese photography market, while digitalization keeps on expanding, we continue to see an expansion of demand for new ways of enjoying photographs taken by digital cameras, and we consider it an urgent issue to provide new value-added print menus using more digital data than before.

Under such circumstances, the Plaza Create Group strived to thoroughly raise management efficiency and restructure business so that we can steadily ensure earnings now and in the future in order to get on a new growth track. As part of such efforts, in April 2008, the Company integrated the businesses of Digipri Corporation, which provides digital print services via the Internet, and IT Agent Corporation, which operates a sales website, into its business by acquiring them.

An overview of earnings by division for the quarter under review is as follows.

(1) Photography Service Related Business

In the Photo Service Division, we proactively pushed forward with the development of new value-added print menus, new merchandise, and other products in a bid to satisfy the needs of customers who are seeking new ways to enjoy photographs. However, sales in this division stood at ¥4,468 million because of a decrease in the number of stores, following our closure of money-losing shops, a decline in the number of customers because of bad weather on holidays and other reasons.

(2) Mobile Phone Sale Business

In the Cell Phone Division, while we positively strived to provide services that take advantage of our original shop network, the influence of changes in the environment surrounding the cellular phone market remained, including the introduction of new sales system (installment sales method). Against this backdrop, sales of this division amounted to ¥633 million.

As a result, for the first quarter under review, we posted net sales of ¥5,101 million, an operating loss of ¥163 million, ordinary loss of ¥103 million and quarterly net loss of ¥70 million.

2. Qualitative information related to changes in consolidated financial position

(1) Financial position

(Assets)

Total assets at the end of the first quarter of the fiscal year ending March 2009 decreased ¥1,580 million in comparison with the end of the previous fiscal year to ¥13,620 million. This was mainly attributable to a decrease of ¥1,615 million in investment securities resulting from the transfer of all shares the Company held in GignoSystem Japan Inc., an affiliate accounted for by the equity method, and an increase of only ¥419 million in cash and time deposits because of a reduction in interest-bearing liabilities, despite the fact that we received funds from the aforementioned transfer of shares.

(Liabilities)

Liabilities at the end of the first quarter under review decreased ¥1,285 million compared with the end of the previous fiscal year to ¥9,302 million. This was primarily because of a decrease of ¥301 million in notes and accounts payable-trade as well as a decrease of ¥255 million in short-term debt and a decrease of ¥228 million in long-term debt, resulting from the reduction of interest-bearing liabilities.

(Net assets)

Net assets at the end of the first quarter under review decreased ¥295 million compared with the end of the previous fiscal year to ¥4,317 million. This was mainly attributable to a decrease of ¥277 million in retained earnings, resulting from dividend payments of ¥206 million and other factors, and an increase of ¥29 million in treasury stock. Equity ratio at the end of the first quarter under review was 31.7 percent.

(2) Cash flows

Cash and cash equivalents at the end of the first quarter under review increased ¥419 million compared with the end of the previous fiscal year to ¥2,102 million.

Cash flows during the first quarter under review and the factors behind them are described below.

(Cash flows from operating activities)

Cash flows used in operating activities during the first quarter under review amounted to ¥155 million. This was mainly attributable to expenditure of ¥301 million resulting from a decrease in accounts payable, although there was income of ¥255 million owing to a decrease in accounts receivable.

(Cash flows from investing activities)

Cash flows provided by investing activities during the first quarter under review were ¥1,272 million. This was mainly because of a gain of ¥1,605 million on transfer of all shares held in GignoSystem Japan Inc., an affiliate accounted for by the equity method.

(Cash flows from financing activities)

Cash flows used in financing activities during the first quarter under review were ¥698 million, which was primarily attributable to an expenditure of ¥168 million resulting from a decrease in short-term debt, expenditure of ¥315 million for the repayment of long-term debt and expenditure of ¥186 million for dividend payments.

3. Qualitative information related to forecast of consolidated results

We made no revisions to our forecast of consolidated results for the first half period and for the full fiscal year, released on May 16, 2008, since we expect sales and profit to expand in and after the second quarter.

4. Others

(1) Change in the number of important subsidiaries (change in the number of specified subsidiaries that accompanies the change in the scope of consolidation)

Digipri Corporation and IT Agent Corporation are excluded from the scope of consolidation, since they were dissolved as a result of merger with the Company during the first quarter under review.

(2) Application of simplified accounting practices and accounting methods specific to the preparation of consolidated quarterly financial statements

1. Simplified accounting practices

1) Impairment of shares with no market price

We use the latest financial statements available by the end of the quarter to judge whether the financial conditions of the issuer of shares with no market price have aggravated.

2) Valuation method of inventories

With regard to the devaluation of book value of inventories, we estimate the net realizable value of only inventories whose profitability clearly declined, and then devalue the book value of those inventories.

3) Calculation method of depreciation of fixed assets

With regard to assets, to which the declining-balance method is applied, we calculate the applicable share of estimated depreciation costs of the consolidated fiscal year for the period.

4) Method of deciding impairment signs of fixed assets

When we decide whether we will determine signs of impairment or not, we pay attention to whether we have made decisions that significantly reduce the recoverable value of the relevant asset or asset group concerning the scope or method of use of the asset or whether an event that falls under significant aggravation of the management environment has occurred since the end of the previous fiscal year.

2. Accounting methods specific to the preparation of consolidated quarterly financial statements

There are no relevant matters to report.

(3) Change in accounting principles and procedures, presentation related to the preparation of consolidated quarterly financial statements:

1) Effective from the consolidated fiscal year ending March 2009, the Company adopted the "Accounting Standard for Quarterly Financial Reporting" (Accounting Standards Board of Japan Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14). Consolidated quarterly financial statements are prepared in conformity with the "Regulations of Consolidated Quarterly Financial Statements."

2) Change in accounting standards

(Change in valuation standards and methods for important assets)

Inventories

Previously ordinary inventories held for the purpose of sales were mainly stated at cost determined by the moving average method. With the application of the “Accounting Standards for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006), inventories are primarily stated at cost determined by the moving average method (we use the method of book value devaluation based on decline in profitability for the amounts stated in the balance sheets), effective from the first quarter under review.

This change had no effect on our operating income, ordinary income and quarterly income before taxes and other adjustments.

5. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of the end of the first quarter under review (June 30, 2008)	Summarized Consolidated Balance Sheets as of the End of the Previous Fiscal Year (March 31, 2008)
Assets		
Current assets		
Cash and time deposits	2,102,137	1,682,957
Notes and accounts receivable-trade	536,577	837,054
Merchandise	571,366	601,031
Finished goods	16,539	19,481
Raw materials	112,087	115,246
Supplies	35,556	42,304
Others	1,162,606	1,236,857
Reserve for doubtful accounts	-2,854	-46,224
Total current assets	4,534,017	4,488,708
Fixed assets		
Tangible fixed assets		
Buildings and structures	2,941,424	3,003,649
Accumulated depreciation	-2,214,815	-2,220,839
Buildings and structures, net	726,609	782,809
Machinery and transport equipment	5,156,923	4,927,285
Accumulated depreciation	-3,075,036	-3,014,577
Machinery and transport equipment, net	2,081,886	1,912,707
Land	1,344,924	1,344,924
Others	1,279,472	1,266,777
Accumulated depreciation	-825,328	-789,100
Others, net	454,144	477,677
Total tangible fixed assets	4,607,564	4,518,119
Intangible fixed assets		
Goodwill	171,522	190,514
Others	321,676	322,222
Total intangible fixed assets	493,199	512,736
Investments and other assets		
Deposits and reserve	2,958,730	3,000,613
Others	1,438,921	3,067,578
Reserve for doubtful accounts	-412,088	-386,610
Total investments and other assets	3,985,563	5,681,582
Total fixed assets	9,086,326	10,712,438
Total assets	13,620,344	15,201,146

(Thousands of yen)

	As of the end of the first quarter under review (June 30, 2008)	Summarized Consolidated Balance Sheets as of the End of the Previous Fiscal Year (March 31, 2008)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	601,457	903,394
Short-term debt	2,309,500	2,565,000
Current portion of long-term debt	240,000	240,000
Income taxes payable	23,135	56,562
Reserve for bonuses	80,805	180,028
Reserve for point card certificates	189,994	197,799
Others	1,263,265	1,495,754
Total current liabilities	4,708,159	5,638,539
Long-term liabilities		
Corporate bonds	280,000	280,000
Long-term debt	2,093,500	2,321,500
Reserve for retirement benefits	624,641	645,050
Negative goodwill	731,438	797,932
Long-term guarantee deposited	732,603	767,150
Deferred tax liabilities	95,266	103,238
Others	36,932	34,594
Total long-term liabilities	4,594,382	4,949,465
Total liabilities	9,302,541	10,588,004
Net assets		
Shareholders' equity		
Capital	1,017,880	1,017,880
Capital surplus	265,346	265,346
Retained earnings	3,817,783	4,094,955
Treasury stock	-766,651	747,615
Total shareholders' equity	4,324,358	4,630,566
Valuation and translation adjustments		
Net unrealized gain on other	-6,555	-20,263
Foreign currency translation	—	2,839
Total valuation and translation	-6,555	-17,424
Total net assets	4,317,802	4,613,141
Total liabilities and net assets	13,620,344	15,201,146

(2) Quarterly Consolidated Statements of Income

(Consolidated first quarter of the year)

	(Thousands of yen)
Consolidated First Quarter under Review (From April 1 through June 30, 2008)	
Net sales	5,101,847
Cost of sales	2,581,200
Gross profit	2,520,646
Selling, general and administrative expenses	
Advertising and sales promotion	240,566
Salary and bonuses	365,513
Provision for bonuses	76,796
Retirement benefit expenses	15,321
Miscellaneous salaries	590,676
Office supplies expenses	161,518
Rent	409,768
Amortization of goodwill	18,991
Other selling, general and administrative expenses	804,698
Total selling, general and administrative expenses	2,683,849
Operating losses	-163,203
Non-operating income	
Interest and dividends income	1,689
Amortization of negative goodwill	66,494
Others	25,909
Total non-operating income	94,093
Non-operating expenses	
Interest expense	25,297
Others	9,162
Total non-operating expenses	34,460
Ordinary loss	-103,570
Extraordinary income	
Gain on sale of fixed assets	129,437
Gains on reversal of provisions for doubtful accounts	2,394
Gain on bad debts recovered	352
Total extraordinary income	132,184
Extraordinary losses	
Losses on impaired assets	71,717
Loss on disposal of fixed assets	1,651
Loss on revaluation of investment securities	582
Loss on sales of stocks of subsidiaries and affiliates	19,079
Store closure cost	7,917
Loss on cancellation of rental contract	2,074
Total extraordinary losses	103,022
Loss before income taxes and other adjustments	-74,408
Corporate income, resident and business taxes	7,955
Income taxes-deferred	-12,171
Total income taxes	-4,215
Net loss	-70,192

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands

of yen)

Consolidated First Quarter under
Review
(From April 1 through June 30,
2008)

Cash Flows from Operating Activities	
Loss before income taxes and other adjustments	-74,408
Depreciation expenses	291,005
Losses on impaired assets	71,717
Amortization of goodwill	18,991
Amortization of negative goodwill	-66,494
Increase (decrease) in allowance for doubtful accounts	-2,394
Increase (decrease) in reserve for retirement benefits	-20,409
Increase (decrease) in reserve for point card certificates	-7,804
Interest and dividends received	-1,689
Interest paid	25,297
Loss (gain) on sales of fixed assets	-129,437
Loss on disposal of fixed assets	1,651
Loss (gain) on valuation of investment securities	582
Loss (gain) on sales of stocks of subsidiaries and affiliates	19,079
Increase (decrease) in accounts receivable-trade	255,908
Increase (decrease) in inventories	42,514
Increase (decrease) in accounts payable-trade	-301,936
Others	-251,090
Subtotal	-128,917
Interests and dividends received	31,444
Interest paid	-16,516
Corporate taxes paid	-41,213
Net cash provided by (used in) operating activities	-155,202
Cash Flows from Investing Activities	
Expenditure for acquisition of tangible fixed assets	-498,148
Gain on sale of tangible fixed assets	171,990
Expenditure for acquisition of intangible fixed assets	-24,573
Expenditure for acquisition of investment securities	-6,825
Proceeds from sales of stocks of subsidiaries and affiliates	1,605,466
Proceeds from recovery of loan	3,417
Others	21,631
Net cash provided by (used in) investing activities	1,272,958
Cash Flows from Financing Activities	
Increase (decrease) in short-term debt	-168,000
Expenditure for repayment of long-term debt	-315,500
Purchase of treasury stocks	-29,035
Dividends paid	-186,344
Net cash provided by (used in) financing activities	-698,880
Translation Balance Relating to Cash and Cash Equivalents	304
Increase (Decrease) in Cash and Cash Equivalents	419,180
Balance of Cash and Cash Equivalents at Beginning of Period	1,682,957
Balance of Cash and Cash Equivalents at End of Period	2,102,137

Effective from the consolidated fiscal year ending March 2009, the Company adopted the “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). Consolidated quarterly financial statements are prepared in conformity with the “Regulations of Consolidated Quarterly Financial Statements.”

(4) Notes related to premise of going concern
There are no relevant matters to report.

(5) Segment information

a. Segment information by type of business

Consolidated first quarter of fiscal year under review (from April 1 to June 30, 2008)

As the Plaza Create Group runs Imaging Service Business and its ancillary businesses and is not engaged in any other lines of business, there are no relevant matters to report.

b. Geographic segment information

Consolidated first quarter of the fiscal year under review (from April 1 to June 30, 2008)

Geographic segment information is not shown because the Group has no overseas consolidated subsidiaries or branches.

c. Overseas sales

Consolidated first quarter of the fiscal year under review (from April 1 to June 30, 2008)

Recording of overseas sales is omitted since overseas sales account for less than 10 percent of consolidated sales.

(6) Notes on significant changes to shareholders' equity

At the end of the consolidated first quarter under review (June 30, 2008) and consolidated first quarter under review (from April 1 through June 30, 2008)

1. Type and total amount of issued shares

Common stock: 6,132 thousand shares

2. Type and number of treasury stock

Common stock: 999 thousand shares

3. Matters related to share warrant, etc.

There are no relevant matters to report.

4. Matters regarding dividends

Dividends paid

(Resolution)	Type of stock	Total amount of dividends (thousands of yen)	Dividends per share (yen)	Base date	Effective date	Method of distributing dividends
June 27, 2008; ordinary general meeting of shareholders	Common stock	206,979	40.00	March 31, 2008	June 30, 2008	Paid from accumulated profit

(Reference)

Financial statements and other materials regarding the previous quarter

(1) Quarterly Consolidated Statements of Income

	Previous first quarter (April 1 to June 30, 2007)
Item	Amount (Thousands of yen)
I. Net sales	5,645,918
II. Cost of sales	2,805,296
Gross profit	2,840,622
III. Selling, general and administrative expenses	
Sales promotion and advertising	200,868
Salary and bonuses	345,553
Provision for bonuses	91,456
Retirement benefit expenses	15,591
Miscellaneous salaries	618,595
Office supplies expenses and Repair expenses	199,347
Rent and leases	462,145
Amortization of goodwill	28,065
Others	758,398
Total selling, general and administrative expenses	2,720,021
Operating income	120,600
IV. Non-operating income	
Interest received	2,731
Purchase discount	8,605
Equity in earnings of affiliates	7,522
Amortization of negative goodwill	66,494
Others	14,587
Total non-operating income	99,941
V. Non-operating expenses	
Interest expense	29,986
Others	8,789
Total non-operating expenses	38,775
Ordinary income	181,765
VI. Extraordinary income	
Gain on sale of fixed assets	28,944
Gain on sale of investment securities	23
Gain on bad debts recovered	4,777
Total extraordinary income	33,745
VII. Extraordinary losses	
Loss on sale of fixed assets	7,279
Store closure cost	4,711
Total extraordinary losses	11,990
Income before income taxes and other adjustments	203,520
Corporate income, resident and business taxes	13,057
Income taxes-deferred	—
Total Income Taxes	13,057
Net income	190,463

(2) Quarterly Consolidated Statements of Cash Flows

	Current first quarter (April 1 to June 30, 2007)
Item	Amount (thousands of yen)
I. Cash Flows from Operating Activities	
Income before income taxes and other adjustments	203,520
Depreciation expenses	291,625
Amortization of goodwill	28,065
Amortization of negative goodwill	-66,494
Increase (decrease) in reserve for retirement benefits	1,907
Increase (decrease) in reserve for point card certificates	30,925
Interest and dividends received	-3,599
Equity in earnings of affiliates	-7,522
Interest paid	29,986
Gain on sale of fixed assets	-28,944
Loss on disposal of fixed assets	7,279
Gain on sale of investment securities	-23
Increase (decrease) in accounts receivable-trade	176,381
Increase (decrease) in inventories	-139,102
Increase (decrease) in accounts payable-trade	286,328
Others	-823,832
Subtotal	-13,498
Interests and dividends received	33,510
Interest paid	-20,827
Corporate taxes paid	-118,913
Net cash provided by (used in) operating activities	-119,728
II. Cash Flows from Investing Activities	
Expenditure for acquisition of tangible fixed assets	-364,579
Gain on sale of tangible fixed assets	45,099
Expenditure for acquisition of intangible fixed assets	-227,877
Gain on sale of investment securities	23
Expenditure for additional acquisition of subsidiary company stocks	-800
Loan expense	-270,000
Proceeds from recovery of loan	35,280
Others	17,248
Net cash provided by (used in) investing activities	-765,604
III. Cash Flows from Financing Activities	
Increase (decrease) in short-term debt	196,000
Expenditure for repayment of long-term debt	-313,540
Purchase of treasury stocks	-17,400
Dividends paid	-79,473
Net cash provided by (used in) financing activities	-214,414
IV. Translation Balance Relating to Cash and Cash Equivalents	252
V. Increase (Decrease) in Cash and Cash Equivalents	-1,099,496
VI. Balance of Cash and Cash Equivalents at Beginning of Period	2,628,584
VIII. Balance of Cash and Cash Equivalents at End of Period	1,529,088

(3) Segment information

a. Segment information by type of business

Previous first quarter of fiscal year ended March 31, 2008 (from April 1 to June 30, 2007)

As the Plaza Create Group runs Imaging Service Business and its ancillary businesses and is not engaged in any other lines of business, there are no relevant matters to report.

b. Geographic segment information

Previous first quarter of fiscal year ended March 31, 2008 (from April 1 to June 30, 2007)

Geographic segment information is not shown because the Group has no overseas consolidated subsidiaries or branches.

c. Overseas sales

Previous first quarter of fiscal year ended March 31, 2008 (from April 1 to June 30, 2007)

Recording of overseas sales is omitted since overseas sales account for less than 10 percent of consolidated sales.