

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

Listed Company Name: Plaza Create Co., Ltd.  
 Listed Market: JASDAQ  
 Code Number: 7502  
 URL: <http://www.plazacreate.co.jp/>  
 Representative: Yasuhiro Oshima, President and Representative Director  
 Inquiries: Toru Kuromatsu, Director and General Manager, Administration  
 Department  
 Tel: (03) 3222-3265

Scheduled Date for Submission of Quarterly Report: November 14, 2008

(Figures are rounded to the nearest million yen.)

1. Financial Results for the End of the Second Quarter of the Fiscal Year Ending March 31, 2009  
 (April 1 to September 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	%
Second quarter, fiscal year ending March 31, 2009	10,490	—	-493	—	-376	—	-310	—
Second quarter, fiscal year ended March 31, 2008	11,934	6.0	190	—	226	118.3	96	169.7

	Net Income per Share	Net Income per Share on a Fully Diluted Basis
	Yen	Yen
Second quarter, fiscal year ending March 31, 2009	-61.21	—
Second quarter, fiscal year ended March 31, 2008	18.34	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Asset per Share
	Million yen	Million yen	%	Yen
Second quarter, fiscal year ending March 31, 2009	13,706	3,875	28.3	798.35
Fiscal year ended March 31, 2008	15,201	4,613	30.3	891.52

(Reference) Equity capital: 3,875 million yen for second 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
Full year	22,500	-10.8	-100	—	50	-91.5	50	-82.3	10.07

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 second 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: 1,278,657 for second 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):

5,079,629 for second quarter, fiscal year ending March 31, 2009; 5,267,355 for second 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 forecast of consolidated results” under “Qualitative Information and financial statements.”

[Qualitative information and financial statements]

## 1. Qualitative information related to consolidated operating results

In the second quarter of the consolidated fiscal year (from July 1, 2008 to September 30, 2008), the perception that the Japanese economy was slowing down increased, as capital expenditures and consumer spending stalled mainly because of worldwide concerns about the health of the financial system, resulting from misgivings about fluctuations in stock and foreign exchange markets; rises in commodity prices caused by skyrocketing prices of crude oil and raw materials; and decreases in corporate earnings. In the Japanese photography market, while sales are growing steadily, centering on digital single lens reflex cameras, growth of digital printing services is slowing down. Against this backdrop, we consider it an important challenge for the expansion of the photography business to provide new value-added print menus to urge customers to print their digital data more than before. Under such circumstances, regarding environmental change as a chance to indicate its new management vision, the Plaza Create Group strived to fully push forward with the development and introduction of value-added prints and new merchandise that fit the digital era, leveraging its original ideas and technologies.

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 launched a summer campaign from July 18 to September 2, following the introduction of new merchandise. In the sale of the new product (3 types; 3 sizes; and 38 kinds of cover design) of “Photo Book,” which will be the mainstay product of digital printing in the future, while a half-price sale we offered contributed to sales, we incurred unexpected expenses primarily because of the development of a system and measures to cope with a delay in delivery time. We also made efforts to promote printing of digital data stored in a large quantity in personal computers and media. Among such efforts were a volume discount project for printing of data stored in digital cameras and the introduction of “Happiness Paper,” highest-quality photographic paper, to emphasize the quality of photographic paper. In addition, we focused on the development of “ECO digi MODE” — a disposable digital camera that is suitable for an eco-friendly era since it uses recycled liquid crystal displays of cellular phones. We started marketing in mid-August a waterproof model in a waterproof package, which can take up to 50 pictures, for summer, with its sales limited to some shops. We plan to chalk up new profit from sales of the new product by positioning it as a product suitable for an environmentally friendly society, which will replace film-based disposable cameras. Though we steadily proceeded with these measures to ensure profit from sales, sluggishness in consumer spending caused by the rapid deceleration of business became noticeable. Against this backdrop, sales in this division stood at ¥4,702 million. The total number of DPE chain shops at the end of the second quarter under review was 1,146 (660 Palette Plaza chain shops and 55 Station shops and 486 ALM Station shops).

### (2) Mobile Phone Sale Business

In the Cell Phone Division, though we positively strived to ensure sales by setting up shops under a new framework and launching campaigns under harsh conditions caused by significant changes in the environment surrounding the cellular phone market, sales in this division amounted to ¥686 million mainly owing to declines in consumer spending following the worsening of business and the introduction of new sales system (installment sales method). The total number of shops at the end of the second quarter under review stood at 19 (10 Keitai-no Osama shops, 6 shops set up in DPE shops and 3 Carrier Shops).

As a result, for the second quarter under review (from July 1, 2008 to September 30, 2008), we posted an operating loss of ¥331 million, ordinary loss of ¥273 million and quarterly net loss of ¥240 million, since net sales stood at ¥5,388 million, lower than the initial projection.

## 2. Qualitative information related to changes in consolidated financial position

### (1) Financial position

#### (Assets)

Total assets at the end of the second quarter of the fiscal year ending March 2009 decreased ¥1,494 million in comparison with the end of the previous fiscal year to ¥13,706 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 ¥128 million in cash and time deposits, as shown in Cash flows.

#### (Liabilities)

Liabilities at the end of the second quarter under review decreased ¥756 million compared with the end of the previous fiscal year to ¥9,831 million. This was primarily because of a decrease of ¥330 million in other current liabilities (accounts payable-other, etc.), a decline of ¥120 million in corporate bonds and a decrease of ¥84 million in debt.

(Net assets)

Net assets at the end of the second quarter under review decreased ¥738 million compared with the end of the previous fiscal year to ¥3,875 million. This was mainly attributable to a decrease of ¥517 million in retained earnings, resulting from dividend payments of ¥206 million and other factors, and an increase of ¥224 million in treasury stock. Equity ratio at the end of the second quarter under review was 28.3 percent.

## (2) Cash flows

Cash and cash equivalents at the end of the second quarter under review increased ¥128 million compared with the end of the previous fiscal year to ¥1,811 million.

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

(Cash flows from operating activities)

Cash flows used in operating activities during the second quarter under review amounted to ¥74 million. This was mainly attributable to an expenditure of ¥130 million resulting from an increase in inventories, although there was income of ¥112 million owing to a decrease in accounts receivable.

(Cash flows from investing activities)

Cash flows provided by investing activities during the second quarter under review were ¥837 million. This was mainly because of an expenditure of ¥988 million for acquisition of tangible fixed assets, a gain of ¥268 million on sale of tangible fixed assets and 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 second quarter under review were ¥635 million. This was primarily attributable to a gain of ¥900 million from borrowing of long-term debt, an expenditure of ¥114 million for the repayment of interest-bearing liabilities, including long-term debt, an expenditure of ¥224 million for the acquisition of treasury stock and an expenditure of ¥206 million for dividend payments.

## 3. Qualitative information related to forecast of consolidated results

We made revisions to our forecast of results (consolidated and non-consolidated) for the fiscal year ending March 31, 2009, released on May 16, 2008, in consideration of the progress in earnings in the accumulated period up to the consolidated second quarter and outlook for the third quarter and thereafter.

For details, refer to “Notice on Revision to Forecast of Results and Occurrence of Extraordinary Income and Extraordinary Loss,” separately released on October 27, 2008.

## 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 second 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 loss, ordinary loss and quarterly loss before taxes and other adjustments.

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

(Thousands of yen)

	As of the end of the second quarter under review (September 30, 2008)	Summarized Consolidated Balance Sheets as of the End of the Previous Fiscal Year (March 31, 2008)
<b>Assets</b>		
Current assets		
Cash and time deposits	1,811,532	1,682,957
Notes and accounts receivable-trade	682,454	837,054
Merchandise	602,865	601,031
Finished goods	20,903	19,481
Raw materials	124,878	115,246
Supplies	159,662	42,304
Others	1,195,908	1,236,857
Reserve for doubtful accounts	-6,036	-46,224
Total current assets	4,592,170	4,488,708
Fixed assets		
Tangible fixed assets		
Buildings and structures	2,920,710	3,003,649
Accumulated depreciation	-2,193,314	-2,220,839
Buildings and structures, net	727,395	782,809
Machinery and transport equipment	5,191,357	4,927,285
Accumulated depreciation	-3,055,383	-3,014,577
Machinery and transport equipment, net	2,135,973	1,912,707
Land	1,344,924	1,344,924
Others	1,326,886	1,266,777
Accumulated depreciation	-860,788	-789,100
Others, net	466,097	477,677
Total tangible fixed assets	4,674,391	4,518,119
Intangible fixed assets		
Goodwill	156,718	190,514
Others	355,114	322,222
Total intangible fixed assets	511,832	512,736
Investments and other assets		
Deposits and reserve	2,918,779	3,000,613
Others	1,419,061	3,067,578
Reserve for doubtful accounts	-409,930	-386,610
Total investments and other assets	3,927,911	5,681,582
Total fixed assets	9,114,135	10,712,438
Total assets	13,706,305	15,201,146

(Thousands of yen)

	As of the end of the second quarter under review (September 30, 2008)	Summarized Consolidated Balance Sheets as of the End of the Previous Fiscal Year (March 31, 2008)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	960,589	903,394
Short-term debt	2,537,400	2,565,000
Current portion of long-term debt	190,000	240,000
Income taxes payable	42,429	56,562
Reserve for bonuses	158,647	180,028
Reserve for point card certificates	179,658	197,799
Others	1,165,500	1,495,754
Total current liabilities	5,234,225	5,638,539
Long-term liabilities		
Corporate bonds	210,000	280,000
Long-term debt	2,265,100	2,321,500
Reserve for retirement benefits	633,583	645,050
Negative goodwill	664,943	797,932
Long-term guarantee deposited	705,955	767,150
Deferred tax liabilities	84,130	103,238
Others	33,242	34,594
Total long-term liabilities	4,596,956	4,949,465
Total liabilities	9,831,181	10,588,004
<b>Net assets</b>		
Shareholders' equity		
Capital	1,017,880	1,017,880
Capital surplus	265,346	265,346
Retained earnings	3,577,039	4,094,955
Treasury stock	-971,878	-747,615
Total shareholders' equity	3,888,386	4,630,566
Valuation and translation adjustments		
Net unrealized gain on other	-13,262	-20,263
Foreign currency translation		2,839
Total valuation and translation	-13,262	-17,424
Total net assets	3,875,124	4,613,141
Total liabilities and net assets	13,706,305	15,201,146

**(2) Quarterly Consolidated Statements of Income**

(Second quarter consolidated cumulative period)

(Thousands of yen)

	Second Quarter Consolidated Cumulative Period under Review (From April 1 through September 30, 2008)
Net sales	10,490,564
Cost of sales	5,322,667
Gross profit	5,167,896
Selling, general and administrative expenses	
Advertising and sales promotion	608,064
Salary and bonuses	744,269
Provision for bonuses	151,043
Retirement benefit expenses	24,773
Miscellaneous salaries	1,192,889
Office supplies expenses	370,096
Rent	816,263
Amortization of goodwill	38,076
Other selling, general and administrative expenses	1,716,236
Total selling, general and administrative expenses	5,661,711
Operating losses	-493,815
Non-operating income	
Interest and dividends income	5,673
Amortization of negative goodwill	132,988
Others	43,419
Total non-operating income	182,081
Non-operating expenses	
Interest expense	48,306
Others	16,192
Total non-operating expenses	64,498
Ordinary loss	-376,232
Extraordinary income	
Gain on sale of fixed assets	199,637
Gains on reversal of provisions for doubtful accounts	1,370
Gain on bad debts recovered	2,027
Liquidation dividend	1,115
Total extraordinary income	204,151
Extraordinary losses	
Loss on sales of noncurrent assets	1,067
Losses on impaired assets	77,183
Loss on disposal of fixed assets	31,875
Loss on sales of investment securities	582
Loss on sales of stocks of subsidiaries and affiliates	19,079
Store closure cost	10,922
Loss on cancellation of rental contract	3,539
Total extraordinary losses	144,250
Loss before income taxes and other adjustments	-316,330
Corporate income, resident and business taxes	17,913
Income taxes-deferred	-23,307
Total income taxes	-5,393
Net loss	-310,936

(Second quarter consolidated accounting period)

(Thousands of yen)

	Second Quarter Consolidated Accounting Period under Review (From July 1 through September 30, 2008)
Net sales	5,388,717
Cost of sales	2,741,466
Gross profit	2,647,250
Selling, general and administrative expenses	
Advertising and sales promotion	367,498
Provision of allowance for doubtful accounts	1,024
Salary and bonuses	378,756
Provision for bonuses	74,246
Retirement benefit expenses	9,452
Miscellaneous salaries	602,212
Office supplies expenses	172,638
Rent	406,495
Amortization of goodwill	19,084
Other selling, general and administrative expenses	947,477
Total selling, general and administrative expenses	2,978,886
Operating losses	-331,635
Non-operating income	
Interest and dividends income	3,983
Amortization of negative goodwill	66,494
Others	17,510
Total non-operating income	87,988
Non-operating expenses	
Interest expense	23,008
Others	7,029
Total non-operating expenses	30,038
Ordinary loss	-273,686
Extraordinary income	
Gain on sale of fixed assets	70,200
Gain on bad debts recovered	1,675
Liquidation dividend	1,115
Total extraordinary income	72,991
Extraordinary losses	
Loss on sales of noncurrent assets	1,067
Losses on impaired assets	5,465
Loss on disposal of fixed assets	30,223
Store closure cost	3,005
Loss on cancellation of rental contract	1,464
Total extraordinary losses	41,227
Loss before income taxes and other adjustments	-241,922
Corporate income, resident and business taxes	9,957
Income taxes-deferred	-11,135
Total income taxes	-1,177
Net loss	-240,744

**(3) Quarterly Consolidated Statements of Cash Flows**

(Thousands of yen)

	Second Quarter	Consolidated
	Cumulative Period	Period under Review
	(From April 1 through	(From April 1 through
	September	September
	30, 2008)	30, 2008)
<b>Cash Flows from Operating Activities</b>		
Loss before income taxes and other adjustments		-316,330
Depreciation expenses		624,611
Losses on impaired assets		77,183
Amortization of goodwill		38,076
Amortization of negative goodwill		-132,988
Increase (decrease) in allowance for doubtful accounts		-1,370
Increase (decrease) in reserve for retirement benefits		-11,466
Increase (decrease) in reserve for point card certificates		-18,141
Interest and dividends received		-5,673
Interest paid		48,306
Loss (gain) on sales of fixed assets		-198,570
Loss on disposal of fixed assets		31,875
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		112,358
Increase (decrease) in inventories		-130,246
Increase (decrease) in accounts payable-trade		57,195
Others		-217,451
Subtotal		-22,971
Interests and dividends received		34,685
Interest paid		-52,542
Corporate taxes paid		-41,213
Income taxes refund		7,892
Net cash provided by (used in) operating activities		-74,149
<b>Cash Flows from Investing Activities</b>		
Expenditure for acquisition of tangible fixed assets		-988,252
Gain on sale of tangible fixed assets		268,174
Expenditure for acquisition of intangible fixed assets		-86,742
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		10,567
Others		35,381
Net cash provided by (used in) investing activities		837,768
<b>Cash Flows from Financing Activities</b>		
Increase (decrease) in short-term debt		-168,000
Proceeds from long-term loans payable		900,000
Expenditure for repayment of long-term debt		-816,000
Redemption of bonds		-120,000
Purchase of treasury stocks		-224,263
Dividends paid		-206,936
Net cash provided by (used in) financing activities		-635,200
Translation Balance Relating to Cash and Cash Equivalents		156
Increase (Decrease) in Cash and Cash Equivalents		128,575
Balance of Cash and Cash Equivalents at Beginning of Period		1,682,957
Balance of Cash and Cash Equivalents at End of Period		1,811,532

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  
[Segment information by type of business]  
Consolidated second quarter of fiscal year under review (from April 1 to September 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.

[Geographic segment information]  
Consolidated second quarter of the fiscal year under review (from April 1 to September 30, 2008)

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

[Overseas sales]  
Consolidated second quarter of the fiscal year under review (from April 1 to September 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 second quarter under review (September 30, 2008) and second quarter consolidated cumulative period under review (from April 1 through September 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: 1,278 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) Interim Consolidated Statements of Income

Item	Previous consolidated interim period (April 1 to September 30, 2007)		
	Amount (Thousands of yen)	Percentage	
I. Net sales		11,934,560	100.0
II. Cost of sales		6,123,535	51.3
Gross profit		5,811,025	48.7
III. Selling, general and administrative expenses			
1. Sales promotion and advertising	490,814		
2. Salary and bonuses	731,925		
3. Provision for bonuses	177,393		
4. Retirement benefit expenses	31,375		
5. Miscellaneous salaries	1,249,774		
6. Office supplies expenses and Repair expenses	391,278		
7. Rent and leases	937,096		
8. Amortization of goodwill	59,338		
9. Others	1,551,704	5,620,700	47.1
Operating income		190,324	1.6
IV. Non-operating income			
1. Interest received	9,382		
2. Purchase discount	15,543		
3. Amortization of negative goodwill	132,600		
4. Others	35,760	193,286	1.6
V. Non-operating expenses			
1. Interest expense	60,952		
2. Equity in losses of affiliates	76,062		
3. Others	19,884	156,899	1.3
Ordinary income		226,711	1.9
VI. Extraordinary income			
1. Gain on sale of fixed assets	37,212		
2. Gain on reversal of allowance for doubtful accounts	22,888		
3. Gain on bad debts recovered	14,141		
4. Liquidation dividend	20,724	94,967	0.8
VII. Extraordinary losses			
1. Loss on sale of fixed assets	13,751		
2. Impairment loss	180,480		
3. Store closure cost	11,631	205,864	1.7
Income before income taxes and other adjustments		115,814	1.0
Corporate income, resident and business taxes	20,211		
Income taxes-deferred	-985	19,226	0.2
Interim net income		96,587	0.8

## (2) Interim Consolidated Statements of Cash Flows

	Previous consolidated interim period (April 1 to September 30, 2007)
Item	Amount (thousands of yen)
<b>I. Cash Flows from Operating Activities</b>	
Income before income taxes and other adjustments	115,814
Depreciation expenses	599,711
Impairment loss	180,480
Amortization of goodwill	59,338
Amortization of negative goodwill	-132,600
Increase (decrease) in allowance for doubtful accounts	-22,888
Increase (decrease) in reserve for retirement benefits	10,851
Increase (decrease) in reserve for point card certificates	-22,196
Interest and dividends received	-10,284
Interest paid	60,952
Equity in losses of affiliates	76,062
Gain on sale of fixed assets	-37,212
Loss on disposal of fixed assets	13,751
Liquidation dividend	-20,724
Increase (decrease) in accounts receivable-trade	-234,262
Increase (decrease) in inventories	-232,453
Increase (decrease) in accounts payable-trade	381,470
Others	-545,805
Subtotal	240,007
Interests and dividends received	39,517
Interest paid	-61,764
Corporate taxes paid	-118,817
Income taxes refund	3,407
Net cash provided by (used in) operating activities	102,350
<b>II. Cash Flows from Investing Activities</b>	
Expenditure for acquisition of tangible fixed assets	-542,995
Gain on sale of tangible fixed assets	59,029
Expenditure for acquisition of intangible fixed assets	-48,869
Purchase of investment securities	-40,052
Expenditure for additional acquisition of subsidiary company stocks	-800
Payments for transfer of business	-265,754
Payments of loans receivable	-339,000
Proceeds from recovery of loan	88,062
Others	114,625
Net cash provided by (used in) investing activities	-975,754
<b>III. Cash Flows from Financing Activities</b>	
Increase (decrease) in short-term debt	97,000
Proceeds from long-term loans payable	450,000
Expenditure for repayment of long-term debt	-827,080
Redemption of bonds	-120,000
Purchase of treasury stocks	-46,864
Dividends paid	-105,274
Net cash provided by (used in) financing activities	-552,219
<b>IV. Translation Balance Relating to Cash and Cash Equivalents</b>	-129
<b>V. Increase (Decrease) in Cash and Cash Equivalents</b>	-1,425,752
<b>VI. Balance of Cash and Cash Equivalents at Beginning of Period</b>	2,628,584
<b>VIII. Balance of Cash and Cash Equivalents at End of Period</b>	1,202,832

(3) Segment information

[Segment information by type of business]

Previous second quarter of fiscal year ended March 31, 2008 (from April 1 to September 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.

[Geographic segment information]

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

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

[Overseas sales]

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

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