



H.I.S. Co., Ltd.

Non-consolidated Results

Fiscal year ended October 31, 2005

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product launches, and pricing and product initiatives of competitors.



NON-CONSOLIDATED RESULTS: FISCAL YEAR ENDED OCTOBER 31, 2005

SUMMARY OF FINANCIAL STATEMENTS (Non-consolidated)

Results for the Fiscal Year Ended October 31, 2005

December 19, 2005

H.I.S. Co., Ltd.

Stock Code: 9603

www.his-j.com

President: Yoshio Suzuki

Date of board meeting: December 19, 2005

Listed exchanges: Tokyo Stock Exchange 1st section

Inquiries: Kazumasa Namekata

Representative Director and Managing Director

Telephone: +81-3-5908-2070

1) Non-consolidated results

Millions of yen, rounded down

	FY ended October 31, 2005		FY ended October 31, 2004	
		Change %		Change %
Net sales	251,845	12.4	224,032	23.1
Operating income.....	4,996	12.6	4,438	120.0
Ordinary income.....	5,726	20.1	4,769	97.1
Net income.....	2,002	(29.6)	2,845	53.9
Net income per share (¥)	¥59.21		¥126.42	
Fully diluted earnings per share (¥).....	--		--	
Return on equity.....	5.1%		7.7%	
Ratio of ordinary income to total capital	7.7%		7.2%	
Ratio of ordinary income to net sales	2.3%		2.1%	

(1) Average number of shares outstanding during the period:

FY ended October 31, 2005:	33,393,784 shares
FY ended October 31, 2004:	22,312,089 shares

(2) Changes to accounting methods: None

(3) On December 20, 2004 a 1:1.5 share split was undertaken. Net income per share for the fiscal year ended October 31, 2005 has been calculated as if the share split had occurred at the beginning of the period.

(4) If restated based on the revised number of shares outstanding following the share split, net income per share for the fiscal year ended October 31, 2004 would be ¥84.28.

2) Dividends

Yen, Millions of yen, %

	As of October 31, 2005	As of October 31, 2004
Annual dividend per share	¥17.50	¥22.50
Interim dividend per share	¥0.00	¥0.00
Year-end dividend per share	¥17.50	¥22.50
Dividend paid for the year.....	584	501
Dividend payout ratio.....	29.6%	17.8%
Ratio of dividend to shareholder's equity	1.4%	1.3%

(1) If restated based on the share split having occurred in the previous fiscal period the annual dividend per share for the fiscal year ended October 31, 2004 would be ¥15.00.

3) Non-consolidated financial position

Millions of yen, rounded down

	As of October 31, 2005	As of October 31, 2004
Total assets.....	74,335	73,465
Shareholders' equity	40,567	37,932
Equity ratio (%)	54.6%	51.6%
Shareholders' equity per share (¥).....	¥1,214.23	¥1,702.40

Notes: (1) Outstanding shares at year end:

FY ended October 31, 2005:	33,389,159 shares
FY ended October 31, 2004:	22,266,902 shares

(2) Outstanding treasury stock at year end:

FY ended October 31, 2005:	872,309 shares
FY ended October 31, 2004:	574,077 shares

(3) If restated based on the revised number of shares outstanding following the share split, shareholders' equity per share as of October 31, 2004 would be ¥1,134.93

Non-consolidated forecast for the fiscal year ending October 31, 2006

Millions of yen, rounded down

	Interim period ending April 30, 2006		FY ending October 31, 2006	
		Change %		Change %
Net Sales	130,000	17.6	300,000	19.1
Ordinary Income	1,700	3.7	6,300	10.0
Net Income	900	--	3,500	74.8
Annual dividend per share	--		¥17.50	
Interim dividend per share.....	¥0.00		--	
Year-end dividend per share.....	--		¥17.50	

Note: Non-consolidated net income per share forecast for the fiscal year ending October 31, 2006: ¥104.82

This forecast contains forward-looking statements that are based on management's estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.

Non-consolidated Financial Statements					
Non-consolidated Balance Sheets					
<i>Millions of yen</i>					
	As of October 31, 2005		As of October 31, 2004		Change
		%		%	
ASSETS					
Current assets					
Cash and deposits.....	23,683		29,496		(5,813)
Notes & accounts receivable.....	2,311		2,191		119
Accrued sales receivable.....	6,471		5,016		1,454
Marketable securities.....	3,149		2,879		269
Travel deposits.....	5,291		3,808		1,482
Pre-paid expenses	575		555		20
Deferred tax assets	1,307		1,232		74
Accrued income.....	44		137		(93)
Short-term loans receivable.....	358		727		(368)
Short-term loans to affiliates.....	923		1,146		(222)
Accrued revenue.....	1,117		816		301
Other current assets.....	743		224		518
Total current assets	45,976	61.9	48,233	65.7	(2,256)
Fixed assets					
Tangible fixed assets					
Buildings and structures	673		862		(188)
Vehicles	3		5		(1)
Equipment and fittings	646		595		50
Land.....	254		2,436		(2,181)
Total tangible fixed assets	1,578	2.1	3,900	5.3	(2,321)
Intangible fixed assets					
Software.....	1,485		1,432		52
Other intangible fixed assets.....	104		105		(0)
Total Intangible fixed assets	1,589	2.1	1,537	2.1	51
Investments and other assets					
Investment securities.....	10,391		1,702		8,689
Shares in affiliates	10,415		13,334		(2,918)
Investments in affiliates	292		294		(2)
Long-term loans receivable	435		--		435
Long-term loans to affiliates	223		738		(515)
Long-term prepaid expenses.....	11		14		(3)
Deferred tax assets	--		502		(502)
Guarantee deposits	3,391		3,194		196
Other investments and other assets.....	28		11		16
Total investments and other assets	25,190	33.9	19,794	26.9	5,395
Total fixed assets	28,358	38.1	25,232	34.3	3,126
Total Assets	74,335	100.0	73,465	100.0	869

Non-consolidated Balance Sheets					
<i>Millions of yen</i>					
	As of October 31, 2005		As of October 31, 2004		Change
		%		%	
LIABILITIES					
Current liabilities					
Notes & accounts payable	10,659		14,403		(3,743)
Accrued payable	607		510		96
Accrued expenses	962		1,146		(183)
Accrued income taxes.....	410		1,896		(1,485)
Accrued consumption taxes	256		412		(156)
Pre-trip deposits.....	16,486		13,415		3,070
Insurance deposits.....	462		393		68
Accrued bonuses	1,523		1,400		123
Gift certificates	365		278		86
Reserve for losses on liquidation of affiliates	350		--		350
Other current liabilities	291		435		(143)
Total current liabilities	32,377	43.5	34,292	46.7	(1,915)
Long-term liabilities					
Deferred tax liabilities.....	149		--		149
Accrued employees' retirement benefits	805		717		88
Accrued directors' and statutory auditors' retirement benefits.....	395		347		47
Guarantee deposits.....	40		175		(134)
Total long-term liabilities	1,391	1.9	1,240	1.7	150
Total liabilities	33,768	45.4	35,533	48.4	(1,764)
SHAREHOLDERS' EQUITY					
Common stock	6,882	9.2	6,882	9.3	--
Capital surplus					
1. Capital reserve	7,778		7,778		--
2. Other capital surplus					
Excess arising from sale of treasury stock	3		0		3
Total capital reserve	7,782	10.5	7,778	10.6	3
Retained earnings					
1. Earned reserve.....	246		246		--
2. Contingent reserve					
a. Other reserve.....	21,565		19,565		2,000
b. Reserve for special depreciation.....	4		5		(1)
3. Unappropriated retained earnings for the period	3,984		4,506		(522)
Total retained earnings.....	25,800	34.7	24,323	33.1	1,476
Unrealized holding gains (losses) on securities.....	945	1.3	(238)	(0.3)	1,183
Treasury stock	(842)	(1.1)	(814)	(1.1)	(28)
Total shareholders' equity	40,567	54.6	37,932	51.6	2,634
Total Liabilities and Shareholders' Equity	74,335	100.0	73,465	100.0	869

Non-consolidated Statements of Income					
<i>Millions of yen</i>					
	FY ended October 31, 2005		FY ended October 31, 2004		Change
Net sales	251,845	100.0	224,032	100.0	27,812
Cost of sales	216,602	86.6	191,940	85.7	24,662
Gross profit.....	35,242	14.0	32,092	14.3	3,150
Selling, general and administrative expenses	30,245	12.0	27,653	12.3	2,592
Operating income	4,996	2.0	4,438	2.0	557
Non-operating income					
Interest income	145		152		(7)
Dividend income	422		156		265
Commission income.....	24		0		24
Foreign exchange gains.....	103		--		103
Miscellaneous income.....	37		28		9
Total non-operating income	733	0.3	338	0.1	394
Non-operating expenses					
Foreign exchange losses	--		4		(4)
Stock issue costs	0		--		0
Miscellaneous expenses	2		3		(0)
Total non-operating expenses	3	0.0	7	0.0	(4)
Ordinary income	5,726	2.3	4,769	2.1	956
Extraordinary gains					
Income from recovery of bad debts.....	--		40		(40)
Reversal of allowance for doubtful receivables	--		7		(7)
Gain on sale of fixed assets	1,474		--		1,474
Gain on sale of investment securities.....	11		--		11
Income from contract cancellation	--		300		(300)
Total extraordinary gains	1,485	0.5	347	0.2	1,137
Extraordinary losses					
Loss on disposal of fixed assets	51		21		29
Loss on redemption of marketable securities	442		--		442
Appraisal loss on investment securities	31		--		31
Loss on cancellation of shares in affiliates	3,000		--		3,000
Addition to reserve for losses on liquidation of affiliates	350		--		350
Total extraordinary losses	3,875	1.5	21	0.0	3,853
Net income before income taxes	3,337	1.3	5,095	2.3	(1,758)
Income taxes—current.....	1,568	0.6	2,616	1.2	(1,047)
Income taxes—deferred	(234)	(0.1)	(366)	(0.2)	131
Net income	2,002	0.8	2,845	1.3	(843)
Balance brought forward	1,982		2,369		(387)
Treasury stock retired	--		708		(708)
Unappropriated profits.....	3,984		4,506		(522)



NON-CONSOLIDATED RESULTS: FISCAL YEAR ENDED OCTOBER 31, 2005

Non-consolidated Statements of Surplus			
	<i>Millions of Yen</i>		
	FY ended October 31, 2005	FY ended October 31, 2004	Change
Utilization of Unappropriated profit			
Unappropriated profit at end of period	3,984	4,506	(522)
Utilization of voluntary reserves:			
Utilization of special amortization reserves.....	1	1	--
Total	3,985	4,508	(522)
Utilization of retained earnings			
Dividends	584	501	83
Directors' and statutory auditors' bonuses	25	25	(0)
Of which auditors' bonuses.....	1	1	--
Unappropriated reserve:			
Other reserve	2,000	2,000	--
Total	2,609	2,526	83
Profit carried forward	1,376	1,982	(605)
Utilization of other capital surplus:			
Other capital surplus	3	0	3
Other capital surplus carried forward	3	0	3

Note: Dividends excluding treasury shares:
 FY ended October 31, 2004: 574,077 shares
 FY ended October 31, 2005: 872,309 shares



Basis of Presentation of Non-consolidated Financial Statements

1. Method and basic principles of valuation of marketable securities

- | | |
|--|---|
| (1) Bonds held to maturity | Bonds are valued using the cost amortization method (Straight line method) |
| (2) Investments in affiliated companies and equity of affiliated companies | Investments are valued at cost, which is determined by the moving average method |
| (3) Other marketable securities | |
| 1. Securities with market value: | Securities with market value are valued based on the market price on the balance sheet date. (The entire difference between the book value and the appraisal value is directly charged or credited to shareholders' equity). The cost of such securities sold is mainly computed by the moving average method). |
| 2. Securities without market value: | Securities without market value are valued at cost, which is determined by the moving average method |

2. Method and basic principles of valuation of derivatives

Derivatives are stated at market value

3. Method for Depreciating Important Assets

(1) Tangible fixed assets

Depreciation of buildings (excludes facilities attached to buildings) is computed primarily using the straight-line method and the declining balance method is used for other items. Estimated useful lives of tangible fixed assets are as follows:

Buildings and structures: 3-52 years

Equipment and fittings: 3-20 years

(2) Intangible fixed assets

Amortization is computed using the straight-line method. Amortization of software for in-house use is computed by the straight-line method, assuming a useful life of 5 years. In accordance with Commercial Law, trading rights etc., are amortized over an average period of 5 years.

(3) Long-term prepaid expenses

Amortization is computed by the straight-line method.

4. Deferred assets

New share issue expenses are charged to expense as incurred.

5. Important Reserves

(1) Allowance for doubtful accounts

In order to provide for losses in respect of bad and doubtful accounts, the allowance for doubtful receivables is provided for primarily at rates based on past collection experience. In addition, the amount deemed necessary to cover individual uncollectible receivables, based on management's estimate of the collectability of each, is provided for.

(2) Accrued bonuses

Accrued bonus liabilities for employees are based on estimated amounts to be paid.

(3) Accrued employees' retirement benefits

Accrued employee retirement benefits are provided for on the basis of severance benefit obligations calculated at the end of the fiscal year.

Past service liabilities are mainly calculated by the straight-line method based on a period (5 years) that is less than the average remaining years of service of employees. Additionally, the difference in the actuarial calculation is mainly charged as a one-time expense in the following fiscal period.

(4) Accrued directors' and statutory auditors' retirement benefits

The required Directors' retirement benefit reserve payments as of the end of the fiscal period are provided for based on the Company's internal rules for allowance for directors' retirement benefits.

(5) Reserve for losses on liquidation of affiliates

Losses related to the liquidation of affiliates are forecast and provided for taking into account items such as the financial position of the affiliate company.

6. Income and expense calculation

Net sales in overseas and domestic travel	Accounted for on the basis of the day of departure
Cost of sales in overseas and domestic travel	Accounted for on the basis of the day of departure

7. Translation of material foreign currency denominated assets and liabilities into Japanese yen

All foreign currency denominated monetary liabilities are translated into yen amounts at the rates of exchange in effect at the balance sheet date, and translation gains and losses are accounted for as a profit or loss.

8 Accounting treatment of significant leases

Finance leases, other than those that transfer ownership of the leased assets to the lessee, are treated in the same way as ordinary operating leases for accounting purposes

9. Significant hedge accounting methods

(1) Hedge accounting

In principal, deferred hedge accounting is used. Forward foreign exchange contracts are allocated specific hedged risks when they meet the criteria for qualification.

(2) Hedging methods and risks hedged

Hedging methods: forward foreign exchange contracts.

Risks hedged: foreign currency denominated accrued operational expenses.

(3) Hedging policy

Based on our internal 'Market Risk Management Regulations', foreign exchange rate fluctuation risk is hedged.

(4) Assessing the effectiveness of a hedge

The effectiveness of the hedge is measured on a bi-annual basis through a comparative analysis of the fluctuations in the cumulative cash flows from hedging instruments and the risks hedged.

10. Other significant accounting policies

Accounting for consumption tax: The consumption tax exclusion method is applied.

Fiscal 2005 November 1, 2004 - October 31, 2005	Fiscal 2004 November 1, 2003 - October 31, 2004
<p>1. Following the promulgation from March 31, 2003 of the Partial Revisions to the Law Concerning Regional Tax (2003 Article 9) for fiscal years commencing on or after April 1, 2004, and along with the introduction of the tax system based on business size 'Treatment of the tax based on business size portion of corporate taxes in the Statements of Income' (February 13, 2004, Corporate Accounting Standards Committee Practice Report 12), from the current fiscal year the proportionate amounts of corporation tax on value added and capital have been included in Selling, General and Administrative expenses. As a result Selling, General and Administration expenses increased by ¥120 million and operating income, ordinary income and income before taxes, etc. each decreased by ¥120 million.</p>	<p>1. Formerly, at the end of the fiscal year, of airline ticket issue expenses those in respect of October departures were accounted for as accrued liabilities. However, from the current consolidated fiscal period the total amount of ticket sales has been recorded as payable and the amounts in respect of departures for November and later have been recorded as travel prepayments. As a result, and compared to the treatment previously applied trade payables and travel prepayments are each ¥2,296 million greater. This treatment has no effect on profits and losses.</p>
<p>2.</p>	<p>2. As a result of the non-fulfillment of contract terms by the counterparty the contract for sale of the company's property that was signed on October 30 2003 and recorded as a post-balance sheet event in the previous fiscal year has been annulled.</p>

Non-Consolidated Balance Sheets

As of October 31, 2005					As of October 31, 2004				
1. Accumulated depreciation of tangible fixed assets: ¥1,605 million					1. Accumulated depreciation of tangible fixed assets: ¥1,540 million				
2. Pledged assets					2. Pledged assets				
(¥ million)					(¥ million)				
Pledged assets			Secured liabilities		Pledged assets			Secured liabilities	
Type	Book value	Type of pledge	Comments	End of term balance	Type	Book value	Type of pledge	Comments	End of term balance
Cash and deposits.....	818	Pledge	-Bank guarantee	818	Cash and deposits.....	647	Pledge	-Bank guarantee	647
3. Number of treasury stock and value on balance sheet					3. Number of treasury stock and value on balance sheet				
(1) Common shares: 872,309 shares					(1) Common shares: 574,077 shares				
(2) Value: ¥842 million					(2) Value: ¥814 million				
4. Number of authorized shares and shares in issuance					4. Number of authorized shares and shares issued				
No. of authorized shares	common shares		88,551,450 shares		No. of authorized shares	common shares		59,034,300 shares	
Shares in issuance	common shares		34,261,468 shares		Shares in issuance	common shares		22,840,979 shares	
5. Increase in number of shares in issuance in the period under review					5. Decrease in number of shares in issuance in the previous period				
Method of issuance Stock split (1:1.5)					Disposal of treasury shares				
Date of issuance December 20, 2004					Number of shares sold 500,000 shares				
Number of shares issued 11,420,489					Acquisition price of shares ¥708 million				
Issue price --									
Capital allocation amount --									
6. Assets and liabilities of affiliated companies					6. Assets and liabilities of affiliated companies				
¥ million					¥ million				
Trade receivables 507					Trade receivables 438				
Trade payables 2,596					Trade payables 2,359				
7. Contingent liabilities					7. Contingent liabilities				
(1) The limits of debt guarantee regarding bank guarantees are as follows:					(1) The limits of debt guarantee regarding bank guarantees are as follows:				
H.I.S. INTERNATIONAL TOURS FRANCE 1,690 thousand euros (¥236 million)					H.I.S. INTERNATIONAL TOURS FRANCE 1,090 thousand euros (¥147 million)				
H.I.S. Deutschland Touristik GmbH. 354 thousand euros (¥49 million)					H.I.S. Deutschland Touristik GmbH. 354 thousand euros (¥47 million)				
H.I.S. EUROPE ITALY S.R.L. 20 thousand euros (¥2 million)					H.I.S. EUROPE ITALY S.R.L. 20 thousand euros (¥2 million)				
H.I.S. EUROPE LIMITED 3,500 thousand pounds (¥719 million)					H.I.S. EUROPE LIMITED 3,000 thousand pounds (¥583 million)				
HIS (HONG KONG) COMPANY LIMITED 1,600 Hong Kong dollars (¥23 million)					Orion Tours Co., Ltd. ¥100 million				
ATB Co., Ltd. ¥618 million					ATB Co., Ltd. ¥447 million (formerly Map International Co., Ltd.)				
(2) Contingent payment liabilities with respect to the companies listed below are as follows:					(2) Contingent payment liabilities with respect to the companies listed below are as follows:				
Skymark Airlines Co.Ltd. US\$ 1,478 thousand (¥171 million)					H.I.S. INTERNATIONAL TRAVEL PTE LTD. 70 thousand Singapore dollars ¥4 million				
ATB Co., Ltd. None set					Skymark Airlines Co.Ltd. US\$1,478 thousand (¥157 million)				
					ATB Co., Ltd. None set (formerly Map International Co., Ltd.)				
8. Bank overdraft contracts					8. Bank overdraft contracts				
The company has a credit facility agreement with one bank for the efficient procurement of working capital. Based on this agreement the remaining balance of credit available at the fiscal year end was:					The company has a credit facility agreement with one bank for the efficient procurement of working capital. Based on this agreement the remaining balance of credit available at the fiscal year end was:				
(¥ million)					(¥ million)				
Limit of credit 200					Limit of credit 200				
Current amount of loans --					Current amount of loans --				
Balance of remaining credit 200					Balance of remaining credit 200				
9. Dividend limits					9. Dividend limits				
As a result of applying market values in accordance with the Japanese Commercial Code Section 124, Clause 3, the value of net assets on the balance sheet increased to ¥945 million.									

Non-Consolidated Statements of Income

FY ended October 31, 2005	FY ended October 31, 2004
<p>1. Selling, general and administrative expenses</p> <p>Main items and amounts for Selling, general and administrative expenses:</p> <p style="text-align: right;">(¥ million)</p> <p>Advertising expense: 4,455</p> <p>Director remuneration 123</p> <p>Salary/Bonuses for employees 13,062</p> <p>Legal welfare expenses 1,811</p> <p>Bonus expenses 1,523</p> <p>Retirement benefit expenses 128</p> <p>Directors' and statutory auditor's retirement benefits expense 54</p> <p>Depreciation and amortization 862</p> <p>Rent 2,669</p> <p>2. Notes relating to affiliates</p> <p>Items related to affiliates are displayed below</p> <p style="text-align: right;">(¥ million)</p> <p>Interest income 23</p> <p>Dividend income 394</p> <p>Commission income 23</p> <p>3. Extraordinary gains and Losses</p> <p>(1) Extraordinary gains</p> <p style="text-align: right;">(¥ million)</p> <p>Gain on sale of fixed assets</p> <p>Land and buildings: 1,474</p> <p>(2) Extraordinary losses</p> <p>Loss on disposal of fixed assets</p> <p style="text-align: right;">(¥ million)</p> <p>Buildings 34</p> <p>Equipment and fittings 16</p> <p>Others 0</p>	<p>1. Selling, general and administrative expenses</p> <p>Main items and amounts for Selling, general and administrative expenses:</p> <p style="text-align: right;">(¥ million)</p> <p>Advertising expense: 4,160</p> <p>Director remuneration 106</p> <p>Salary for employees 11,757</p> <p>Legal welfare expenses 1,562</p> <p>Bonus expenses 1,400</p> <p>Retirement benefit expenses 183</p> <p>Directors' and statutory auditor's retirement benefits expense 63</p> <p>Depreciation and amortization 799</p> <p>Rent 2,432</p> <p>2. Notes relating to affiliates</p> <p>Items related to affiliates are displayed below</p> <p style="text-align: right;">(¥ million)</p> <p>Interest income 67</p> <p>Dividend income 156</p> <p>3. Extraordinary gains and Losses</p> <p>(1) Extraordinary gains</p> <p style="text-align: right;">_____</p> <p>(2) Extraordinary losses</p> <p>Loss on disposal of fixed assets</p> <p style="text-align: right;">(¥ million)</p> <p>Buildings 18</p> <p>Equipment and fittings 2</p> <p>Others 0</p>

Lease Transactions

FY ended October 31, 2005	FY ended October 31, 2004
1. Finance lease transactions other than those in which the title to the leased asset is deemed to transfer to the lessee	1. Finance lease transactions other than those in which the title to the leased asset is deemed to transfer to the lessee
(1) Equivalents of acquisition cost, accumulated depreciation and period end balance	(1) Equivalents of acquisition cost, accumulated depreciation and period end balance
(¥ million)	(¥ million)
Equipment and fittings	Equipment and fittings
Acquisition cost 41	Acquisition cost 51
Accumulated depreciation equivalent 20	Accumulated depreciation equivalent 20
Period-end balance equivalent 21	Period-end balance equivalent 30
Note: As at the period end the balance of unexpired lease payments is not a significant proportion of total fixed assets, the acquisition cost equivalent is reported as the total amount of lease payments including interest.	Note: As at the period end the balance of unexpired lease payments is not a significant proportion of total fixed assets, the acquisition cost equivalent is reported as the total amount of lease payments including interest.
2. Period end balance of unexpired lease commitment equivalents	2. Period end balance of unexpired lease commitment equivalents
(¥ million)	(¥ million)
Within 1 year 8	Within 1 year 9
Over 1 year 12	Over 1 year 21
Total 21	Total 30
Note: As at the period end the balance of unexpired lease payments is not a significant proportion of total fixed assets, the acquisition cost equivalent is reported as the total amount of lease payments including interest.	Note: As at the period end the balance of unexpired lease payments is not a significant proportion of total fixed assets, the acquisition cost equivalent is reported as the total amount of lease payments including interest.
3. Lease payments and depreciation expense equivalents	3. Lease payments and depreciation expense equivalents
(¥ million)	(¥ million)
Lease payments 7	Lease payments 8
Depreciation expense equivalents 7	Depreciation expense equivalents 8
4. Method of calculating depreciation expense	4. Method of calculating depreciation expense
Straight line method:useful life assumed to be lease period; residual value zero	Straight line method:useful life assumed to be lease period; residual value zero

Securities

As of October 31, 2005, no securities of subsidiaries or affiliates had market value.

As of October 31, 2004, details of securities of subsidiaries or affiliates with market value were as follows:

(¥ million)

	Book value	Market value	Difference
Shares of affiliates	3,827	5,604	1,777
Total	3,827	5,604	1,777

Deferred Tax Accounting

As of October 31, 2005	As of October 31, 2004																																																
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Subsequent events

FY ended October 31, 2005	FY ended October 31, 2004								
	<p>1. Main transfers of assets</p> <p>In order to improve asset utilization efficiency and the efficient use of business resources, on December 27, 2004 the company signed contracts for the sale of real estate it owned and received payment and completed transfer on the same day.</p> <p>The details of this transaction are shown below:</p> <p>(1) Purchasing company: Retec Consultants Co., Ltd.</p> <p>(2) Nature of real estate transferred: 688.52m² of land and an office building (4-chome, Ginza, Chuo-ku, Tokyo)</p> <p>(3) Value of transaction: ¥4,301 million (excluding consumption tax)</p> <p>2. Share split</p> <p>At a meeting of the Board of Directors on October 1, 2004, the Company resolved to issue new shares via a stock split.</p> <p>1. On December 20, 2004 each share of common stock was split into 1.5.</p> <p>(1) The increase in the number of common shares as a result of the share split was 11,420,489</p> <p>(2) Stock split method</p> <p>In respect of each one share owned by shareholders whose names were listed or recorded in the stock register and the effective stock register at the end of trading on October 31, 2004 (actually on October 29, 2004 as that date and the previous day were holidays for the transfer agent), 1.5 shares were allocated.</p> <p>2. Record date for dividend calculation: November 1, 2004</p> <p>Assuming that the stock split had taken place at the start of the previous fiscal year, or at the start of the current fiscal year the per-share information for the respective fiscal years would have been as follows:</p> <table border="1" data-bbox="842 1570 1508 1861"> <thead> <tr> <th data-bbox="842 1570 1177 1615">Previous fiscal year</th> <th data-bbox="1177 1570 1508 1615">Present fiscal year</th> </tr> </thead> <tbody> <tr> <td data-bbox="842 1615 1177 1682">Net assets per share ¥1,063.91</td> <td data-bbox="1177 1615 1508 1682">Net assets per share ¥1,134.93</td> </tr> <tr> <td data-bbox="842 1682 1177 1749">Net income per share ¥53.67</td> <td data-bbox="1177 1682 1508 1749">Net income per share ¥84.28</td> </tr> <tr> <td data-bbox="842 1749 1177 1861">Diluted net income per share Not applicable</td> <td data-bbox="1177 1749 1508 1861">Diluted net income per share Not applicable</td> </tr> </tbody> </table> <p>Diluted net income per share is not disclosed because no potentially dilutive shares have been issued.</p>	Previous fiscal year	Present fiscal year	Net assets per share ¥1,063.91	Net assets per share ¥1,134.93	Net income per share ¥53.67	Net income per share ¥84.28	Diluted net income per share Not applicable	Diluted net income per share Not applicable
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5. Changes to directors

(1) Changes to representative directors

None

(2) Changes to directors

Director Daisuke Mukai is scheduled to retire.

3. Sales

(1) Sales by type of operation

(¥ million)

	Fiscal year ended October 31, 2005		Fiscal year ended October 31, 2004		Change
	Net sales	% of total	Net sales	% of total	
Overseas travel	236,034	93.7	210,450	94.0	25,584
Domestic travel	13,574	5.4	11,256	5.0	2,318
Other	2,236	0.9	2,326	1.0	(90)
Total	251,845	100.0	224,032	100.0	27,812

Note: The above amounts do not include consumption tax.

(2) Overseas travel: Sales by destination

(¥ million)

	Fiscal year ended October 31, 2005		Fiscal year ended October 31, 2004		Change
	Net sales	% of total	Net sales	% of total	
North America	37,157	15.7	30,634	14.6	6,523
Europe	48,552	20.6	39,903	19.0	8,649
Asia	87,982	37.3	80,697	38.3	7,285
Oceania	13,772	5.8	13,537	6.4	234
Hawaii, Guam, Saipan	40,981	17.4	35,221	16.7	5,760
Other	7,587	3.2	10,456	5.0	(2,869)
Total	236,034	100.0	210,450	100.0	25,584

(3) Overseas travel: Passengers by destination

(Number of passengers)

	Fiscal year ended October 31, 2005		Fiscal year ended October 31, 2004		Change
	Number of passengers	% of total	Number of passengers	% of total	
North America	247,889	11.5	235,177	11.9	12,712
Europe	245,914	11.4	226,684	11.5	19,230
Asia	1,098,842	50.9	961,089	48.6	137,753
Oceania	96,121	4.4	98,296	5.0	(2,175)
Hawaii, Guam, Saipan	420,160	19.4	388,026	19.6	32,134
Other	51,639	2.4	66,637	3.4	(14,998)
Total	2,160,565	100.0	1,975,909	100.0	184,656