

Financial and Business Results for the First Quarter of the Fiscal Year Ending June 2008

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Company **REALCOM INC.**
 Stock Code 3856
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(Rounded down to the nearest 1 million yen)

1. Results of operations for the first quarter of the fiscal year ending June 2008 (July 1, 2007 to September 30, 2007)

(1) Consolidated results of operations (% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2008 1Q	192	—	-80	—	-92	—	-55	—
FY2007 1Q	—	—	—	—	—	—	—	—
FY June 2007	1,337	—	194	—	195	—	108	—

	Net income per share		Diluted net income per share	
	Yen		Yen	
FY2008 1Q	-3,804.80		—	
FY2007 1Q	—		—	
FY June 2007	9,776.65		—	

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2008 1Q	1,611	1,412	87.7	88,169.61
FY2007 1Q	—	—	—	—
FY June 2007	1,316	969	73.6	72,083.97

(3) Consolidated results of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financial activities	Balance of cash and cash equivalents at the end of year
	Million yen	Million yen	Million yen	Million yen
FY2008 1Q	-96	-125	495	773
FY2007 1Q	—	—	—	—
FY June 2007	561	-435	-4	500

(Note) Since REALCOM Group started releasing quarterly consolidated financial statements from the current first quarter, no data for FY June 2007 and percentage change from the previous first quarter are presented.

2. Dividends

(Record date)	Dividend per share		
	End of interim	Year-end	Annual
	Yen	Yen	Yen
FY June 2007	—	—	0.00
FY June 2008	/		0.00
FY June 2008 (forecast)	—	—	

3. Forecast of financial performance in FY June 2008 (From July 1, 2007 to June 30, 2008)

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	636	33.1	11	—	10	—	6	—	412.50
FY ending June 2008	1,855	38.7	333	71.4	332	70.1	193	78.4	12,370.35

4. Others

- (1) Changes in important subsidiary during the period (changes in specified subsidiary due to changes in the scope of consolidation): None
- (2) Basis of preparation of quarterly financial statements: The standards for Preparation of Interim Financial Statements
- (3) Changes in accounting treatment compared to the most recent fiscal year: None
- (4) Participation of a certified public accountant or audit corporation: Yes

Financial statements were audited by our auditors in order to obtain their opinion in accordance with the Tokyo Stock Exchange's "Supplementary Rules" to the "Rules on Timely Disclosure of Corporate Information by Issuer of Listed Securities and the Like".

5. Summary of non-consolidated financial results (From July 1, 2007 to September 30, 2007)

(1) Non-consolidated results of operations

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2008 1Q	192	—	-81	—	-92	—	-55	—
FY2007 1Q	—	—	—	—	—	—	—	—
FY June 2007	1,337	—	202	—	202	—	115	—

	Net income per share
	Yen
FY2008 1Q	-3,814.34
FY2007 1Q	—
FY June 2007	10,398.91

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2008 1Q	1,622	1,420	87.6	88,687.08
FY2007 1Q	—	—	—	—
FY June 2007	1,324	975	73.6	72,513.63

3. Forecast of financial performance in FY June 2008 (From July 1, 2007 to June 30, 2008)

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	636	33.1	26	—	25	—	15	—	992.11
FY ending June 2008	1,811	35.5	322	59.5	321	58.7	187	63.2	12,034.69

*** Explanation regarding appropriate use of business forecasts and other special instructions**

(Note)

Above forecasts regarding future performance in these materials are based on information and assumption at the time this report was prepared. Please note that actual results may differ significantly from the forecasts due to various factors.

(Other special instructions)

Although the Company has outstanding Stock Acquisition Rights, diluted net income per share for FY June 2007 in the above “(1) Consolidated results of operations” of “1. Results of operations for the first quarter of the fiscal year ending June 2008 (From July 1, 2007 to September 30, 2007)” is not presented since the Company was unable to reasonably assess the average number of shares outstanding during the period because its is not a publicly traded company.