



Afia Corporation - Results of Operations

(April 1, 2006 - March 31, 2007)

(1) Key operations, location, shares, employees, etc

Afia Corporation retreated from its management consulting business as of January 1, 2006, in order to focus on its higher margin translation business, and has achieved increased revenues and profits as a result. The Company has gained a number of new major clients, and continues to enjoy stable revenues through a high amount of repeat orders.

There were no changes in office location, shares, or employees.

(2) Key results of operations

Revenues increased 66% from last fiscal year. Inquiries about Afia's services continue to increase due to the increased awareness of its corporate brand.

Sales and marketing expenses for the fiscal year were maintained at levels comparable to the previous fiscal year despite the revenue increase, leading to a doubling of profits and the second consecutive year of positive earnings. The Company has sold its entire stock portfolio in order to focus on its core business, and has reported capital losses as a result.

Cash flows continued to be stable. The company has no borrowings and no debt has been issued. Afia has maintained a quick ratio well over 100%, and there are no issues calling for large expenditures in the foreseeable future.

(3) Relationship with parent company / subsidiaries; other matters relating to consolidation

N/A

(4) Description of operations and accounts during last 3 fiscal years

Operations have grown exponentially every year since incorporation. In the current fiscal



year, larger orders were received in the first and fourth quarters, leading to annual results in excess of expectations. Cash flows continue to be stable, and there has been no need to seek external funding.

(5) Issues faced by the Company

Due to the great demand for the Company's services, the Company constantly operated at full capacity, and many orders were lost due to the lack of capacity. Recruiting top-quality translators as well as a manager to oversee operations remains important issue for the Company going forward.

The Company expects a decrease in revenues and profits for the fiscal year ending March 31, 2008, as no special orders are expected during the period.

(6) Scope of auditor's work and position within the Company

Afia's auditor is external and thus is able to exercise free judgment on accounting matters. Ledgers and financial statements created by the president & CEO have been reviewed by the auditor in electronic form such that incorrect formulas as well as incorrect accounting treatment can be detected.

Afia is a "small corporation" as defined by the Japanese Commercial Code and thus the auditor's scope is limited to the auditing of accounting practices and statements.

(7) Top 7 shareholders and number of shares held; capital injections

President & CEO Takeshi Okamoto holds 100% of the shares outstanding. There has been no change in total shares outstanding (200,000 shares) or authorized shares (800,000 shares).

(8) Borrowings

N/A



(8-2) Treasury stock

N/A

(9) Important issues that arose after the end of the fiscal year

N/A

Best regards,

Takeshi Okamoto
President & CEO
Afia Corporation

June 17, 2007