

**Q.P. CORPORATION**

**BRIEFING OF THE ACCOUNT**

**(NON-CONSOLIDATION)**

**FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2006**

(Translation)

January 11, 2007

**BRIEFING OF THE ACCOUNT (NON-CONSOLIDATION)  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2006**

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Listed corporate name:	KEWPIE KABUSHIKI-KAISHA
English corporate name:	Q.P. Corporation
Security code number:	2809
URL:	<a href="http://www.kewpie.co.jp/english/">http://www.kewpie.co.jp/english/</a>
Listed exchange:	Tokyo Stock Exchange
Location of head office:	4-13, Shibuya 1-chome, Shibuya-ku, Tokyo
Name and title of representative:	Yutaka Suzuki President and Representative Director
Contact for inquiries:	Katsuhiko Sasaki Director and General Manager of Administration Division Tel. +81-3-3486-3331
Board of directors' meeting for approval of the account:	January 11, 2007
Ordinary general meeting of shareholders:	February 23, 2007
Date of the dividend payment:	February 26, 2007

The unit of shares for one vote is 100 shares.

1. Business results for the fiscal year ended November 30, 2006 (From December 1, 2005 to November 30, 2006):

(1) Operating results

	<u>Year ended November 30, 2006</u>	<u>Year ended November 30, 2005</u>
Net sales	¥230,598 million (-0.9%)	¥ 232,668 million (1.1%)
Operating income	¥ 5,645 million (-7.1%)	¥ 6,074 million (-16.5%)
Ordinary income	¥6,165 million (-4.5%)	¥ 6,453 million (-15.8%)
Net income	¥2,883 million (-23.5%)	¥ 3,769 million (-16.8%)
Net income per share-primary	¥ 18.83	¥ 24.44
Net income per share-diluted	¥ 18.83	¥ 22.83
Return on equity	2.4%	3.2%
Ordinary income to total assets	3.2%	3.4%
Ordinary income to net sales	2.7%	2.8%
(Notes)		
1. Weighted average number of shares	153,136,803 shares	153,006,803 shares
2. Changes in accounting principles in the current fiscal year	None	
3. The percentage (%) of Net sales, Operating income, Ordinary income and Net income is the ratio of increase or decrease compared with the previous year.		

(2) Financial conditions

	<u>Year ended November 30, 2006</u>	<u>Year ended November 30, 2005</u>
Total assets	¥ 200,019 million	¥ 189,865 million
Net assets	¥ 120,325 million	¥ 118,987 million
Equity ratio	60.2%	62.7%
Net assets per share	¥ 785.35	¥ 777.57
(Notes)		
1. Number of outstanding shares	153,211,800 shares	152,986,058 shares
2. Number of treasury stock	2,252,715 shares	2,478,457 shares

2. Estimate of operating results for the fiscal year ending November 30, 2007 (From December 1, 2006 to November 30, 2007):

	<u>Interim period</u>	<u>Yearly period</u>
Net sales	¥ 115,800 million	¥ 235,000 million
Ordinary income	¥ 2,500 million	¥ 6,200 million
Net income	¥ 1,150 million	¥ 3,100 million
(Reference) Estimate of yearly net income per share	¥ 20.23	

3. Dividend status

Cash dividend

	<u>Year ended November 30, 2006 (Actual)</u>	<u>Year ending November 30, 2007 (Estimate)</u>	<u>Year ended November 30, 2005 (Actual)</u>
Dividend paid per share at the end of:			
Interim period	¥6.50	¥ 7.00	¥ 6.50
Year	¥ 7.50	¥ 7.00	¥ 6.50
Annual Dividend per share	¥ 14.00	¥ 14.00	¥ 13.00
Total amount of yearly dividends	¥ 2,144million	-	¥ 1,988million
Dividend pay-out ratio	74.3%	-	53.2%
Dividend to Shareholders ' equity	1.8%	-	1.7%

(Note)

Dividend paid per share at the fiscal year ended November 30, 2006 includes:

Commemorative dividend	-
Special dividend	-

(Notes)

- (1) Figures of amounts are described by discarding fractions less than one million yen.
- (2) The above estimate information is reported based on available information and uncertain factors which may have an effect on the future operating results, and the estimate of operating results may differ significantly from the actual operating results due to uncertain various factors.

Q.P. CORPORATION

**Non-Consolidated Balance Sheets**

**NOVEMBER 30, 2006 AND 2005**

(Millions of yen)

	<b>2006</b>	<b>2005</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and deposits	16,724	10,182
Notes	458	587
Accounts receivable	37,837	34,294
Inventories	7,959	7,832
Short-term loans receivable	20,741	25,301
Deferred tax assets	1,065	621
Other	2,580	2,796
Allowance for doubtful accounts	(1,137)	(208)
Total current assets	86,230	81,407
<b>FIXED ASSETS:</b>		
Tangible fixed assets		
Buildings	25,150	23,609
Machinery and equipment	15,888	16,325
Land	17,189	16,171
Construction in progress	1,048	1,369
Other	2,613	2,520
Total tangible fixed assets	61,888	59,996
Intangible fixed assets	1,405	1,511
Investments and other assets		
Investment in securities	17,520	16,501
Stocks of subsidiaries and affiliated companies	19,259	19,249
Prepaid pension costs	8,840	6,625
Other	5,025	5,178
Allowance for doubtful accounts	(150)	(603)
Total investment and other assets	50,495	46,951
Total fixed assets	113,789	108,458
Total assets	200,019	189,865

	2006	2005
<b>LIABILITIES:</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	22,108	21,114
Short-term loans payable	5,818	10,358
Accounts payable-other	7,961	8,388
Accrued income taxes	1,387	447
Reserve for sales rebates	1,237	726
Reserve for bonuses	310	258
Reserve for directors' and corporate auditors' bonuses	30	-
Other	3,857	3,613
<b>Total current liabilities</b>	<b>42,712</b>	<b>44,906</b>
<b>LONG-TERM LIABILITIES:</b>		
Bonds	10,000	10,000
Long-term loans payable	14,048	4,312
Reserve for directors' and corporate auditors' retirement pay	545	455
Deferred tax liabilities	6,162	4,852
Other	6,226	6,352
<b>Total long-term liabilities</b>	<b>36,982</b>	<b>25,971</b>
<b>Total liabilities</b>	<b>79,694</b>	<b>70,878</b>
<b>NET ASSETS:</b>		
<b>OWNERS' EQUITY</b>		
Paid-in capital	24,104	-
Capital surplus		
Capital legal reserve	29,418	-
Other capital surplus	14	-
<b>Total capital surplus</b>	<b>29,432</b>	<b>-</b>
Earned surplus		
Earned legal reserve	3,115	-
Other earned surplus	61,704	-
Special depreciation reserve	33	-
Reserve for deduction entry of property replaced by purchase	2,108	-
General reserve	56,500	-
Earned surplus brought forward	3,063	-
<b>Total earned surplus</b>	<b>64,820</b>	<b>-</b>
Treasury Stock	(2,255)	-
<b>Total owners' equity</b>	<b>116,101</b>	<b>-</b>
<b>VALUATION AND TRANSLATION ADJUSTMENTS</b>		
Valuation difference on available-for-sale securities	4,223	-
<b>Total valuation and translation adjustments</b>	<b>4,223</b>	<b>-</b>
<b>Total net assets</b>	<b>120,325</b>	<b>-</b>
<b>Total liabilities and net assets</b>	<b>200,019</b>	<b>-</b>

	2006	2005
<b>SHAREHOLDERS' EQUITY:</b>		
Capital stock	-	24,104
Capital surplus	-	29,418
Capital surplus reserve	-	29,418
Earned surplus	-	63,957
Earned surplus reserve	-	3,115
Voluntary retained earnings	-	56,915
Special depreciation reserve	-	49
Reserve for deduction entry of property replaced by purchase	-	2,105
Special account reserve for deduction entry of property replaced by purchase	-	59
General reserve	-	54,700
Unappropriated retained earnings	-	3,927
Unrealized valuation gain on other securities – net	-	3,994
Treasury stock	-	(2,487)
Total shareholders' equity	-	118,987
Total liabilities and shareholders' equity	-	189,865

Q.P. CORPORATION

**Non-Consolidated Statements of Income**  
**FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2006 AND 2005**

(Millions of yen)

	<b>2006</b>	<b>2005</b>
NET SALES	230,598	232,668
COST OF SALES	157,646	160,486
Gross profit	72,951	72,181
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	67,306	66,106
Operating income	5,645	6,074
NON-OPERATING INCOME:		
Interest income and dividend receivable	780	745
Other	252	359
NON-OPERATING EXPENSES:		
Interest expense	228	283
Other	283	444
Ordinary income	6,165	6,453
EXTRAORDINARY GAINS:		
Gain on sales of fixed assets	110	-
Reversal of allowance for doubtful accounts	57	82
Gain on sales of investment in securities	48	139
Other	37	0
EXTRAORDINARY LOSSES:		
Loss on disposal of fixed assets	493	363
Cost of allowance for doubtful	476	19
Write-down of investment in securities	53	6
Other	193	274
Net income before income taxes	5,203	6,011
Income taxes	1,612	930
Income taxes deferred	708	1,310
Net income	2,883	3,769
Retained earnings at beginning of the year	-	1,151
Interim dividends	-	994
Unappropriated retained earnings	-	3,927

Q.P. CORPORATION

**Proposal of Appropriated Retained Earnings**

(Millions of yen)

	<b>2005</b>
UNAPPROPRIATED RETAINED EARNINGS	3,927
REVERSAL OF VOLUNTARY RETAINED EARNINGS:	
Special depreciation reserve	15
Reserve for deduction entry of property replaced by purchase	29
Special account reserve for deduction entry of property replaced by purchase	59
	105
Total	4,032
APPROPRIATED RETAINED EARNINGS:	
Cash dividends	994
Directors' and corporate auditors' bonuses	30
Reserve for voluntary retained earnings	
Special depreciation reserve	5
Reserve for deduction entry of property replaced by purchase	60
General reserve	1,800
	1,866
	2,891
UNAPPROPRIATED RETAINED EARNINGS OF CARRY FORWARD TO NEXT YEAR	1,141

(Note) Special depreciation reserve, reserve for deduction entry of property replaced by purchase, and special account reserve for deduction entry of property replaced by purchase are accounted for in conformity with Corporation Income Tax Law and the Special Taxation Measures Law.

## Statement of Changes in Net Assets

(Millions of yen)

Current fiscal year ended November 30, 2006

	Owners' equity										
	Paid-in capital	Capital surplus			Earned legal reserve	Earned surplus					Total earned surplus
		Capital legal reserve	Other capital surplus	Total capital surplus		Other earned surplus					
						Special depreciation reserve	Reserve for deduction entry of property replaced by purchase	Special account reserve for deduction entry of property replaced by purchase	General reserve	Earned surplus brought forward	
Balance at November 30, 2005	24,104	29,418	—	29,418	3,115	49	2,105	59	54,700	3,927	63,957
Changes of items during the current fiscal year											
Dividends from surplus										(1,990)	(1,990)
Net income										2,883	2,883
Repurchase of treasury stock											
Disposal of treasury stock			14	14							
Transfer to reserve						13	69		1,800	(1,882)	—
Transfer from reserve						(29)	(66)	(59)		156	—
Directors' and corporate auditors' bonuses										(30)	(30)
Net changes of items other than owners' equity											
Total changes of items during the current fiscal year	—	—	14	14	—	(16)	2	(59)	1,800	(864)	862
Balance at November 30, 2006	24,104	29,418	14	29,432	3,115	33	2,108	—	56,500	3,063	64,820

	Owners' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total owners' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at November 30, 2005	(2,487)	114,993	3,994	3,994	118,987
Changes of items during the current fiscal year					
Dividends from surplus		(1,990)			(1,990)
Net income		2,883			2,883
Repurchase of treasury stock	(8)	(8)			(8)
Disposal of treasury stock	240	254			254
Transfer to reserve		—			—
Transfer from reserve		—			—
Directors' and corporate auditors' bonuses		(30)			(30)
Net changes of items other than owners' equity			229	229	229
Total changes of items during the current fiscal year	231	1,108	229	229	1,337
Balance at November 30, 2006	(2,255)	116,101	4,223	4,223	120,325

## 1. SIGNIFICANT ACCOUNTING POLICIES

**Figures of amounts are described by discarding fractions less than one million yen.**

### a. Valuation basis and valuation methods for significant assets

#### Securities

1. Held-to-maturity bonds are stated at amortized cost. Discounts and premiums are amortized by the straight-line method.
2. Stocks of subsidiaries and affiliated companies are stated at moving average cost.
3. Other securities with fair value are stated at fair value based on market price at the closing date. Valuation differences comprise net assets as valuation difference on available-for-sale securities. When sold, cost of sales is determined by the moving average method. Other securities with no fair value are stated at moving average cost.

#### Derivative financial instruments

Derivative financial instruments are stated at fair value.

Hedge accounting is adopted for derivative financial instruments which conform to requirements of hedge accounting.

#### Inventories

Products, purchased goods, raw materials, supplies, and work in progress are principally stated at monthly moving average cost.

### b. Depreciation

#### Tangible fixed assets

Tangible fixed assets are depreciated by the declining balance method except for the following assets.

Buildings (except for equipment fixed inside buildings) acquired on and after April 1, 1998, are depreciated by the straight-line method.

The same basis with the Corporation Tax Law is adopted for useful life and scrap value.

#### Intangible fixed assets

Intangible fixed assets are depreciated by the straight-line method.

The same basis with the Corporation Tax Law is adopted for useful life.

Computer software purchased for internal use is amortized as no scrap value by the straight-line method for five years based on the estimated useful life for internal use.

#### Long-term prepaid expenses

Long-term prepaid expenses are amortized by the straight-line method.

### c. Accounting standards for reserves

#### Allowance for doubtful accounts

Allowance for doubtful accounts is provided for on the amounts calculated by an estimated uncollectible rate to general credits in consideration of the past actual bad debt losses, plus on the estimated uncollectible amounts in consideration of the possibility of collection to specific credits of apprehension credits of bad debt, etc.

#### Reserve for sales rebates

Reserve for sales rebates is based on the proportion to sales on an accrual basis.

#### Reserve for bonuses

Reserve for bonuses is based on the specific computation period.

#### Reserve for directors' and corporate auditors' bonuses

Reserve for directors' and corporate auditors' bonuses is provided for at the necessary amounts based on the estimated amounts payable at the end of current fiscal year.

#### (Change in accounting standard)

The Company adopted the Accounting Standard for Directors' Bonus (Accounting Standard Board of Japan Statement No.4 issued by Accounting Standard Board of Japan on November 29, 2005) from the current fiscal year. The standard is to be applied for the fiscal year ending on or after May 1, 2006, on which the Corporate Law takes effective.

As a result, selling, general and administrative expense increased by ¥ 30 million and operating income, ordinary income, and net income before income taxes decreased by the same amount, compared to those accounted for based on the prior standard, respectively.

#### Reserve for retirement benefits

Reserve for retirement benefits is provided for at the necessary amounts on an accrual basis based on the estimated retirement benefit obligations and pension fund assets at end of the current fiscal year.

Prior service liabilities are amortized by the straight-line method over twelve years based on the average remaining employees' service years and their amortization starts in the respective accrual years.

Actuarial gains or losses are amortized by the straight-line method over twelve years based on the average remaining employees' service years and their amortizations start in the next year of the respective accrual years.

As the pension fund assets exceeded retirement benefit obligations in the current fiscal year, its excess amounts were accounted for as prepaid pension costs in investments and other assets.

Retirement benefits systems of the Company consist of a defined benefit corporate pension plan (Fund-type and Contract-type).

(Change in accounting standard)

The Company adopted the Partial Revision of Accounting Standard for Retirement Benefits (Accounting Standard Board of Japan Statement No.3 issued by Accounting Standard Board of Japan on March 16, 2005) and the Guidance on Partial Revision of Accounting Standard for Retirement Benefits (Accounting Standard Board of Japan Guidance No.7 issued by Accounting Standard Board of Japan on March 16, 2005) from the current fiscal year. The standard is to be applied for the fiscal year beginning on or after April 1, 2005.

As a result, operating income, ordinary income, and net income before income taxes increased by ¥339 million, compared to those accounted for based on the prior standard, respectively.

Reserve for directors' and corporate auditors' retirement pay

The Company provides a reserve for directors' and corporate auditors' retirement pay at 100% of estimated amounts payable at end of the current fiscal year according to the Company's bylaw.

d. Accounting for lease transactions

Finance lease transactions other than those which are deemed to transfer the ownership of leased assets to lessees, are accounted for by the same method as that applied to ordinary operating leases.

e. Hedge accounting

1. Deferral hedge is adopted in the method of hedge accounting.

Designation transactions are applied to debts and credits in foreign currency which conform to the requirements of hedge accounting.

2. Hedge instruments are forward exchange contracts.

3. Hedge items are purchase transactions in foreign currencies.

4. The Company enters into forward exchange contracts to hedge risks from fluctuation in foreign exchange rate and never makes use of them for the purpose of speculative transactions.

5. Assessment of the effectiveness of hedge accounting

Control procedures of hedge transactions are executed according to the Company's bylaw. The effectiveness of the hedge is measured by comparing movements in the fair value of hedge items with those of hedge instruments. Hedge transactions are strictly controlled, analyzed, and assessed.

f. Accounting for consumption tax

Consumption taxes are recorded in separate accounts.

## CHANGES IN ACCOUNTING POLICY

(Accounting Standard for Impairment of Fixed Assets)

The Company adopted the Accounting Standard for Impairment of Fixed Assets (“Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets “issued by the Business Accounting Council on August 9, 2002) and the Guidance on Accounting for Impairment of Fixed Assets (Accounting Standard Board of Japan Guidance No.6 issued by Accounting Standard Board of Japan on October 31, 2003) from current fiscal year. The standard is to be applied for the fiscal year beginning on or after April 1, 2005.

As a result, net income before income taxes decreased by ¥ 112 million.

Accumulated loss on impairment is directly deducted from the related assets.

(Accounting Standard for Presentation of Net Assets in the Balance Sheet)

The Company adopted the Accounting Standard for Presentation of Net Assets in the Balance Sheet (Accounting Standard Board of Japan Statement No.5 issued by Accounting Standard Board of Japan on December 9, 2005) and the Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (Accounting Standard Board of Japan Guidance No.8 issued by Accounting Standard Board of Japan on December 9, 2005) from current fiscal year.

The equivalent amount of the total shareholders' equity regulated formerly is ¥ 120,325 million.

## 2. NOTES TO BALANCE SHEETS

	Millions of yen	
	<u>November 30, 2006</u>	<u>November 30, 2005</u>
(1) Accumulated depreciation of tangible fixed assets	99,342	95,899
(2) Contingent liabilities (guarantees)	3,480	3,290
(3) Treasury stock	—	2,487
(Including treasury stock for stock option granted)	—	(2,478,457 shares)

## 3. NOTES TO STATEMENTS OF INCOME

	Millions of yen	
	<u>November 30, 2006</u>	<u>November 30, 2005</u>
(1) Research and development costs included in selling, general and administrative expenses	2,537	2,271

(Note) Research and development costs are all included in general and administrative expenses.

### (2) Loss on impairment of fixed assets

The Company recognized loss on impairment on the following group of assets in this fiscal year.

Location	Use	Item	Loss on impairment (Millions of yen)
Tochigi, etc	Idol properties (2 properties)	Land	112

The Company classified in principle fixed assets into groups by the type of respective operation and business place based on the management accounting units on which revenue and expenditure continuously are taken in.

In the current fiscal year, the book value of the idol properties was written down to the recoverable amount by ¥ 112 million, accounted for as an extraordinary loss, due to decline of their land prices. Recoverable amount is measured by net sales amounts based on the estimated sales amounts.

## 4. NOTES TO STATEMENTS OF CHANGES IN NET ASSETS

Total numbers and periodic changes of treasury stock by class

Treasury stock by class	Common stock
Number of shares at the end of previous fiscal year	2,478,457 shares
Increase in number of shares	8,258 shares
Decrease in number of shares	234,000 shares
Number of shares at the end of current fiscal year	2,252,715 shares

(Notes)

- Increase in number of common shares of treasury stock is due to acquisition of the odd stock.
- Decrease in number of common shares of treasury stock is due to exercise of the former stock subscription rights in accordance with the Article 210-2 of the pre commercial code revision.

## 5. LEASE TRANSACTIONS

- (1) Finance lease transactions other than those which are deemed to transfer the ownership of leased assets to lessees.

### Year ended November 30, 2006

- a. Estimated acquisition cost, accumulated depreciation and estimated value of lease properties  
(Millions of yen)

	Estimated acquisition cost	Accumulated depreciation	Estimated value
Tools, furniture and fixtures	1,112	548	564
Auto and transportation equipment	634	346	288
Machinery and equipment	175	128	46
Computer software	107	55	52
Total	2,030	1,078	952

- b. Future lease payments

Due within one year	¥ 502	million
Due over one year	¥ 463	million
Total	<u>¥ 965</u>	million

- c. Lease payments, depreciation and estimated interest expense

Lease payment	¥ 534	million
Depreciation expense	¥ 515	million
Estimated interest expense	¥ 20	million

- d. Method of depreciation

Depreciation expense is calculated by the straight-line method by considering lease period to be useful life and scrap value to be zero.

- e. Calculation method of estimated interest expense

Interest which is separated from the aggregate lease amounts, is calculated as the difference between the aggregate lease amounts on contracts and the presumed costs considered to be acquired by a lesser. Such calculated interest is allocated to the respective fiscal years by the interest-method.

(Note)

The item concerning loss on impairment of fixed assets is omitted because none of the loss is allocated to lease assets.

Year ended November 30, 2005

a. Estimated acquisition cost, accumulated depreciation and estimated value of lease properties  
(Millions of yen)

	Estimated acquisition cost	Accumulated depreciation	Estimated value
Tools, furniture and fixtures	1,131	532	599
Auto and transportation equipment	739	337	401
Machinery and equipment	190	118	71
Computer software	90	53	37
Total	2,152	1,041	1,110

b. Future lease payments

Due within one year	¥ 538	million
Due over one year	¥ 586	million
Total	<u>¥ 1,124</u>	million

c. Lease payments, depreciation and estimated interest expense

Lease payment	¥ 663	million
Depreciation expense	¥ 640	million
Estimated interest expense	¥ 21	million

d. Method of depreciation

Depreciation expense is calculated by the straight-line method by considering lease period to be useful life and scrap value to be zero.

e. Calculation method of estimated interest expense

Interest which is separated from the aggregate lease amounts, is calculated as the difference between the aggregate lease amounts on contracts and the presumed costs considered to be acquired by a lesser. Such calculated interest is allocated to the respective fiscal years by the interest-method.

## 6. SECURITIES

### Securities

Stocks of subsidiaries and affiliated companies with fair value

(Millions of yen)

Description	November 30, 2006			November 30, 2005		
	Book value	Fair value	Unrealized gain(loss)	Book value	Fair value	Unrealized gain(loss)
Stocks of subsidiaries	3,472	8,946	5,474	3,472	9,921	6,448
Stocks of affiliated companies	290	1,888	1,598	290	1,871	1,580
Total	3,763	10,835	7,072	3,763	11,792	8,029

## 7. TAX-EFFECT ACCOUNTING

(Millions of yen)

	Current fiscal year (As of November 30, 2006)	Previous fiscal year (As of November 30, 2005)
The principal details of deferred tax assets and liabilities are as follows:		
Deferred tax assets		
Current assets		
Reserve for sales rebates	503	295
Accrued enterprise taxes	126	83
Other	691	243
Sub Total	1,321	621
Valuation reserve	(255)	—
Total	1,065	621
Fixed assets		
Trust to cover retirement benefit obligations	1,442	1,442
Reserve for directors' and corporate auditors' retirement pay	222	185
Other	350	512
Sub Total	2,015	2,140
Valuation reserve	(210)	(61)
Total	1,804	2,078
Total deferred tax assets	2,870	2,700
Deferred tax liabilities		
Long-term liabilities		
Prepaid pension costs	(3,598)	(2,696)
Reserve for deduction entry of property replaced by purchase	(1,447)	(1,466)
Special depreciation reserve	(22)	(27)
Valuation difference on available-for-sale securities	(2,898)	(2,741)
Total	(7,966)	(6,931)
Total deferred tax liabilities	(7,966)	(6,931)
Net deferred tax assets(liabilities)	(5,096)	(4,230)
2.The principal details of the material differences between the statutory effective tax rate and the actual burden tax rate after application of tax-effect accounting		
The statutory effective tax rate (Adjustments)	40.7 %	40.7 %
Valuation reserve	7.7%	-
Permanent exclusion from expenses	1.1%	1.5%
Tax free income	(3.1%)	(2.4%)
Capita levy on inhabitant tax	1.5%	1.3%
Prior taxes and other	(3.4%)	(3.9%)
Actual burden tax rate after application of tax effect accounting	44.5%	37.3%

## 8. SIGNIFICANT SUBSEQUENT EVENT

None