

CONSOLIDATED BALANCE SHEETS

As of March 31, 2005 and 2004	Millions of Yen		Thousands of U.S.Dollars
	2005	2004	2005
ASSETS			
Current assets:			
Cash and bank deposits	¥51,536	¥55,189	\$479,894
Notes and accounts receivable—trade	32,845	32,837	305,848
Marketable securities	3,521	4,903	32,788
Inventories	9,377	8,819	87,316
Deferred tax assets	1,833	873	17,065
Other current assets	1,344	2,038	12,515
Allowance for doubtful accounts	(1)	0	(7)
Total current assets	100,455	104,657	935,418
Fixed assets:			
Property, plant and equipment:			
Buildings and structures	19,837	21,378	184,721
Machinery, equipment and vehicles	10,557	10,514	98,304
Land	18,804	18,835	175,103
Construction in progress	2,073	283	19,306
Other fixed assets	984	957	9,165
Total property, plant and equipment	52,256	51,967	486,600
Intangible fixed assets			
Software	757	275	7,052
Software in progress	103	515	964
Other intangible fixed assets	277	227	2,576
Total intangible assets	1,137	1,016	10,592
Investments and other assets:			
Investment securities	54,976	55,314	511,933
Long-term loans receivable	17	20	158
Deferred tax assets	570	2,583	5,308
Long-term time deposits	2,600	2,600	24,211
Other investments, etc.	2,766	2,813	25,755
Allowance for doubtful accounts	(315)	(264)	(2,930)
Total investments and other assets	60,615	63,066	564,435
Total fixed assets	114,008	116,049	1,061,626
TOTAL ASSETS	¥214,463	¥220,706	\$1,997,044

	Millions of Yen		Thousands of U.S.Dollars
	2005	2004	2005
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Current liabilities:			
Notes and accounts payable-trade	¥17,260	¥16,639	\$160,723
Accounts payable-other	11,523	11,401	107,298
Accrued income taxes	947	1,792	8,820
Other current liabilities	3,124	3,189	29,094
Total current liabilities	32,854	33,020	305,934
Long-term liabilities:			
Retirement allowances for directors and corporate auditors	937	936	8,722
Liability for employee retirement benefits	1,860	9,841	17,319
Negative goodwill	–	21	–
Deferred tax liabilities	63	–	589
Other long-term liabilities	666	645	6,202
Total long-term liabilities	3,526	11,443	32,832
Total liabilities	36,380	44,463	338,766
 MINORITY INTEREST	 947	 435	 8,814
 SHAREHOLDERS' EQUITY			
Common stock, authorized number of shares; 2005 – 391,500,000 shares 2004 – 391,500,000 shares Total number of issued and outstanding shares; 2005 – 110,878,734 shares 2004 – 110,878,734 shares	9,948	9,948	92,637
Capital surplus	23,868	23,868	222,259
Retained earnings	139,841	137,735	1,302,183
Net unrealized gain on available-for-sale securities	5,549	5,662	51,670
Foreign currency translation adjustments	(789)	(653)	(7,349)
Treasury stock	(1,282)	(753)	(11,936)
Total shareholders' equity	177,136	175,808	1,649,464
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	 ¥214,463	 ¥220,706	 \$1,997,044

CONSOLIDATED STATEMENTS OF INCOME

For years ended March 31, 2005 and 2004	Millions of Yen		Thousands of U.S.Dollars
	2005	2004	2005
Net sales	¥184,981	¥188,384	\$1,722,518
Cost of Sales	96,337	100,579	897,079
Gross profit	88,644	87,805	825,439
Selling, general and administrative expenses	81,689	81,394	760,677
Operating income	6,955	6,411	64,762
Non-operating income:			
Interest and dividends received	828	928	7,708
Amortization of negative goodwill	21	243	194
Other	308	269	2,864
Non-operating expenses:			
Interest paid	15	12	143
Other	613	495	5,710
Ordinary income	7,482	7,343	69,675
Special income:			
Gain on sale of fixed assets	64	16	599
Gain on sale of investment securities	–	0	–
Gain on change of retirement benefits plan	7,138	–	66,464
Gain on sale of associated company shares	–	141	–
Other	36	4	338
Special losses:			
Loss on disposal of fixed assets	210	238	1,959
Loss on write-down of investment securities	0	33	0
Loss on write-down of golf club memberships	72	10	669
Loss on liquidation of associated company	–	14	–
Loss on impairment of fixed assets	5,391	–	50,206
Costs for early retirement support program	1,600	–	14,903
Other	174	1	1,617
Income before income taxes and minority interests	7,273	7,208	67,721
Income taxes:			
Current	1,771	3,539	16,489
Deferred	1,196	(339)	11,133
Total income taxes	2,966	3,200	27,622
Minority interests	28	46	259
Net income	¥4,278	¥3,962	\$39,840

CONSOLIDATED STATEMENT OF CASH FLOWS

	Millions of Yen	Thousands of U.S.Dollars
For the years ended March 31, 2005	2005	2005
Cash flows from operating activities:		
Income before income taxes and minority interests	¥7,273	\$67,721
Adjustments for:		
Depreciation and amortization	4,112	38,287
Amortization of negative goodwill	(19)	(178)
Loss on impairment of fixed assets	5,392	50,206
Equity in net losses of associated companies	282	2,624
Loss on write-down of investment securities and golf club memberships	1	8
Increase in allowance for doubtful accounts	54	504
Increase in retirement allowance for directors and corporate auditors	1	10
Decrease in liability for employee retirement benefits	(7,981)	(74,319)
Interest and dividends income	(828)	(7,708)
Interest expense	15	143
Foreign exchange gain	(6)	(60)
Gain on sale of marketable and investment securities	(0)	(0)
Gain on sale of fixed assets	(64)	(599)
Loss on retirement of fixed assets	210	1,952
Decrease in trade receivables	7	68
Increase in inventories	(561)	(5,225)
Decrease in trade payables	(502)	(4,671)
Decrease in accrued bonuses	(19)	(173)
Decrease in other assets	368	3,425
Decrease in other liabilities	(129)	(1,198)
Bonuses paid to directors and corporate auditors	(80)	(741)
Subtotal	7,526	70,084
Interest and dividends received	917	8,535
Interest paid	(16)	(149)
Income taxes paid	(2,619)	(24,391)
Net cash provided by operating activities	5,807	54,078
Cash flows from investing activities:		
Proceeds from sale of marketable securities	5,890	54,847
Payment for acquisition of property, plant and equipment	(8,532)	(79,446)
Proceeds from sale of property, plant and equipment	81	752
Payment for acquisition of intangible fixed assets	(297)	(2,765)
Payment for acquisition of investment securities	(5,166)	(48,102)
Proceeds from sale of investment securities	500	4,656
Payment for acquisition of associated company shares	(21)	(195)
Proceeds from sale of associated company shares	271	2,523
Net cash used in investing activities	(7,273)	(67,730)
Cash flows from financing activities:		
Acquisition of treasury stock	(529)	(4,924)
Dividends paid	(2,093)	(19,493)
Proceeds of capital contributions by minority shareholders	502	4,677
Dividends paid to minority shareholders	(3)	(29)
Net cash used in financing activities	(2,123)	(19,770)
Exchange loss on cash and cash equivalents	(64)	(595)
Decrease in cash and cash equivalents	(3,653)	(34,016)
Beginning balance of cash and cash equivalents	55,189	513,910
Ending balance of cash and cash equivalents	51,536	479,894

NON-CONSOLIDATED BALANCE SHEETS

As of March 31, 2005 and 2004	Millions of Yen		Thousands of U.S.Dollars
	2005	2004	2005
ASSETS			
Current assets:			
Cash and time deposits	¥43,631	¥47,386	\$406,286
Notes receivable	43	363	397
Accounts receivable-trade	30,319	30,042	282,330
Marketable securities	3,206	4,852	29,857
Finished products and merchandise	6,297	5,492	58,637
Raw materials	1,473	1,738	13,717
Work-in-process	555	597	5,169
Supplies	685	623	6,383
Deferred tax assets	1,652	688	15,380
Other current assets	1,806	1,911	16,818
Allowance for doubtful accounts	(1)	(0)	(7)
Total current assets	89,667	93,692	834,966
Fixed assets:			
Property, plant and equipment:			
Buildings	15,812	17,374	147,235
Structures	1,151	979	10,741
Machinery and equipment	9,068	8,903	84,441
Vehicles and transportation equipment	82	102	765
Tools, furniture and fixtures	763	858	7,102
Land	17,995	18,013	167,565
Construction in progress	584	220	5,438
Total property, plant and equipment	45,454	46,449	423,259
Intangible assets:			
Telephone subscription rights	45	46	422
Software	659	181	6,132
Software in progress	103	515	964
Other intangible fixed assets	22	11	201
Total intangible assets	829	753	7,719
Investments and other assets:			
Investment securities	60,260	60,018	561,130
Equity investments in non-stock companies	1,162	1,050	10,823
Long-term loans receivable	2,376	2,826	22,127
Guaranty money deposits	1,385	1,417	12,896
Long-term prepaid expenses	11	15	98
Deferred tax assets	—	2,186	—
Long-term time deposits	2,500	2,500	23,280
Other investments	99	97	926
Allowance for doubtful accounts	(308)	(263)	(2,870)
Total investments and other assets	67,485	69,847	628,410
TOTAL ASSETS	¥203,435	¥210,740	\$1,894,354

	Millions of Yen		Thousands of U.S.Dollars
	2005	2004	2005
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Current liabilities:			
Notes payable	¥3,536	¥2,278	\$32,925
Accounts payable-trade	11,118	12,706	103,532
Accounts payable-other	11,379	11,161	105,957
Accrued income taxes	693	1,384	6,453
Accrued expenses	2,211	1,868	20,592
Deposits received	96	87	890
Other current liabilities	44	405	408
Total current liabilities	29,077	29,889	270,758
Long-term liabilities:			
Liability for employee retirement benefits	1,399	9,364	13,024
Retirement allowance for directors and corporate audit	937	936	8,722
Guaranty money deposits	590	635	5,499
Deferred tax liabilities	58	—	536
Total long-term liabilities	2,983	10,935	27,780
Total liabilities	32,060	40,824	298,538
SHAREHOLDERS' EQUITY			
Common stock,	9,948	9,948	92,637
Authorized numbers of shares;			
2005 – 391,500,000 shares			
2004 – 391,500,000 shares			
Total numbers of issued and outstanding shares;			
2005 – 110,878,734 shares			
2004 – 110,878,734 shares			
Capital surplus	23,815	23,815	221,766
Retained earnings:			
Legal reserve	2,487	2,487	23,159
Voluntary reserve			
Other reserve	130,864	128,771	1,218,583
Total retained earnings	133,351	131,258	1,241,742
Unappropriated retained earnings	5,464	4,371	50,876
Net unrealized gain on available-for-sale securities	5,542	5,648	51,606
Treasury stock	(1,282)	(753)	(11,936)
Total shareholders' equity	171,375	169,917	1,595,816
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	¥203,435	¥210,740	\$1,894,354

NON-CONSOLIDATED STATEMENTS OF INCOME

For years ended March 31, 2005 and 2004	Millions of Yen		Thousands of U.S.Dollars
	2005	2004	2005
Net sales	¥158,263	¥159,374	\$1,473,727
Cost of sales:	73,658	76,424	685,893
Gross profit	84,605	82,950	787,834
Selling, general and administrative expenses	78,865	77,644	734,383
Operating income	5,740	5,307	53,451
Non-operating income:			
Interest and dividends received	981	1,090	9,135
Rental income	399	376	3,719
Other	218	199	2,033
Non-operating expenses:			
Interest paid	13	14	124
Rental costs	151	159	1,409
Other	256	337	2,384
Ordinary income	6,918	6,460	64,421
Extraordinary income:			
Gain on sale of fixed assets	63	14	590
Reversal of allowance for doubtful accounts	18	4	171
Gain on sale of investment securities	—	0	—
Gain on change of retirement benefit scheme	7,138	—	66,464
Extraordinary losses:			
Loss on disposal of fixed assets	172	206	1,597
Loss on write-down of investment securities	0	33	0
Loss on write-down of golf club memberships	65	10	608
Loss on impairment of fixed assets	5,392	—	50,206
Costs for early retirement support program	1,605	—	14,944
Loss on liquidation of associated company	—	80	—
Other	0	—	1
Income before income taxes	6,904	6,149	64,288
Income taxes:			
Current	1,303	2,942	12,135
Deferred	1,353	(27)	12,601
Total income taxes	2,656	2,915	24,736
Net income	4,248	3,234	39,553
Unappropriated retained earnings at beginning of year	1,216	1,137	11,323
Unappropriated retained earnings at end of year	¥5,464	¥4,371	\$50,876