

2005 Annual Report

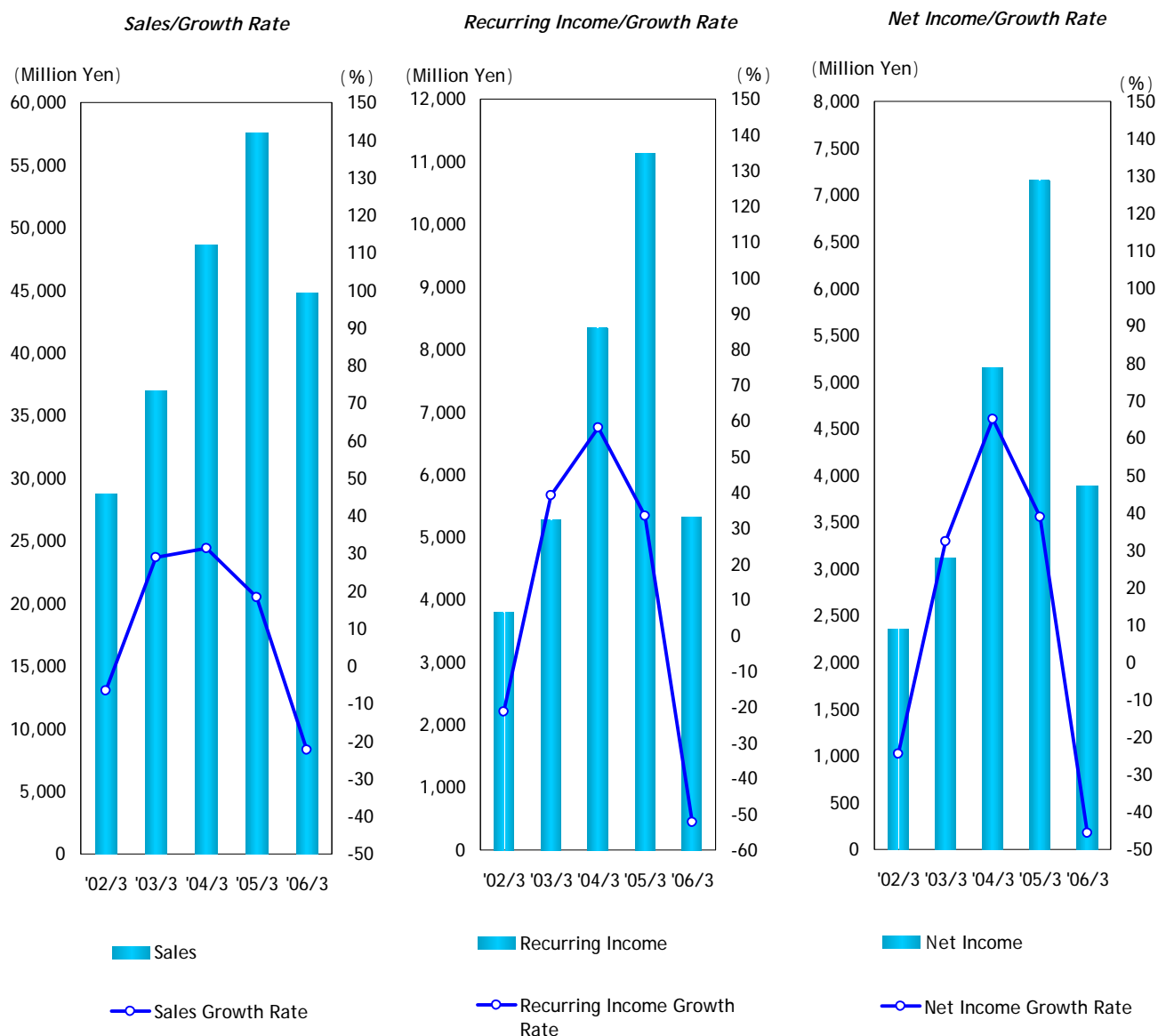
*Arisawa*

Move fast Change faster  
Challenge 600

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## Consolidated Performance



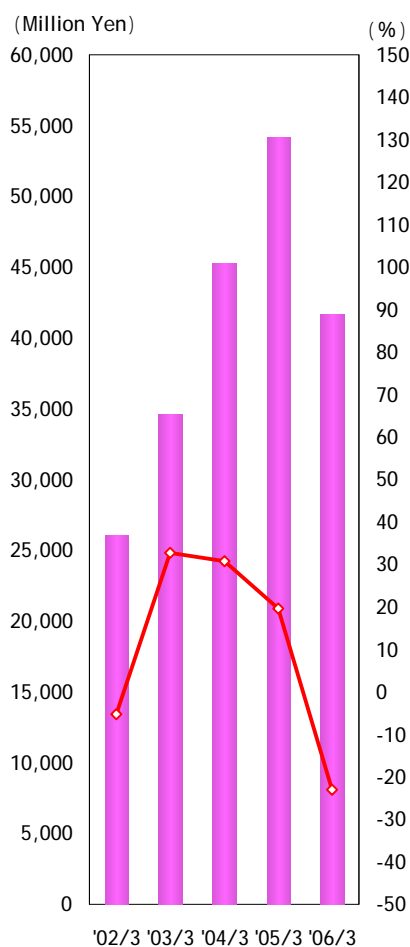
Fiscal Year Ended	'02/3	'03/3	'04/3	'05/3	'06/3
Sales(Million Yen)	28,711	37,004	48,629	57,552	44,759
Sales Growth Rate(%)	-6.5	28.9	31.4	18.3	-22.2
Operating Income(Million Yen)	3,170	4,435	7,532	9,873	3,828
Operating Profit Growth Rate(%)	-17.1	39.9	69.8	31.1	-61.2
Recurring Income(Million Yen)	3,791	5,276	8,345	11,132	5,320
Recurring Income Growth Rate(%)	-21.3	39.2	58.2	33.4	-52.2
Net Income(Million Yen)	2,358	3,119	5,150	7,156	3,892
Net Income Growth Rate(%)	-24.4	32.3	65.1	38.9	-45.6
Gross Profit(%)	20.9	21.6	23.3	24.3	16.4
SG & A Ratio(%)	9.4	9.6	7.8	7.1	7.8

Note: Amounts less than one million yen are omitted

The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

## Parent's Performance

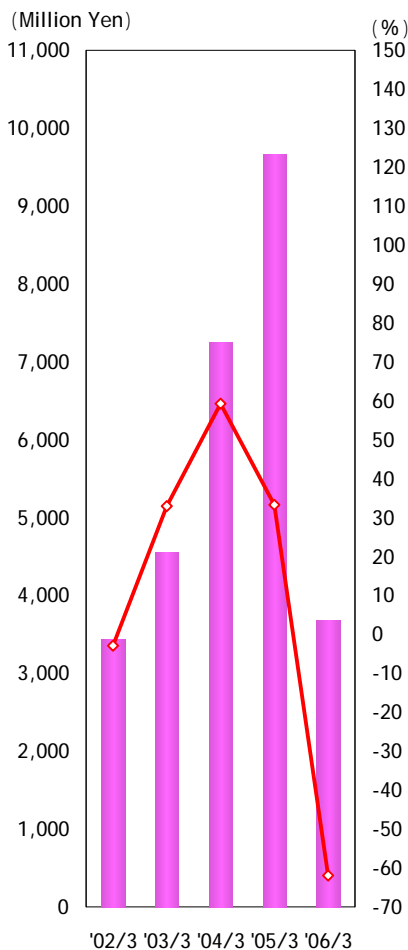
Sales/Growth Rate



■ Sales

◆ Sales Growth Rate

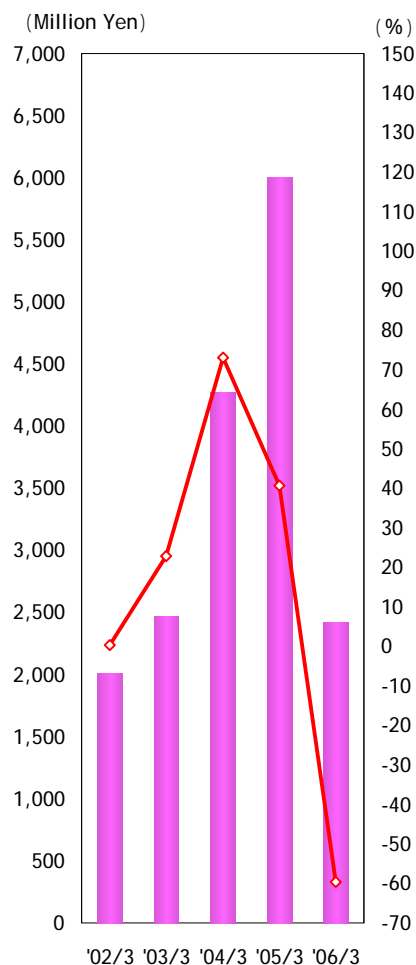
Recurring Income/Growth Rate



■ Recurring Income

◆ Recurring Income Growth Rate

Net Income/Growth Rate



■ Net Income

◆ Net Income Growth Rate

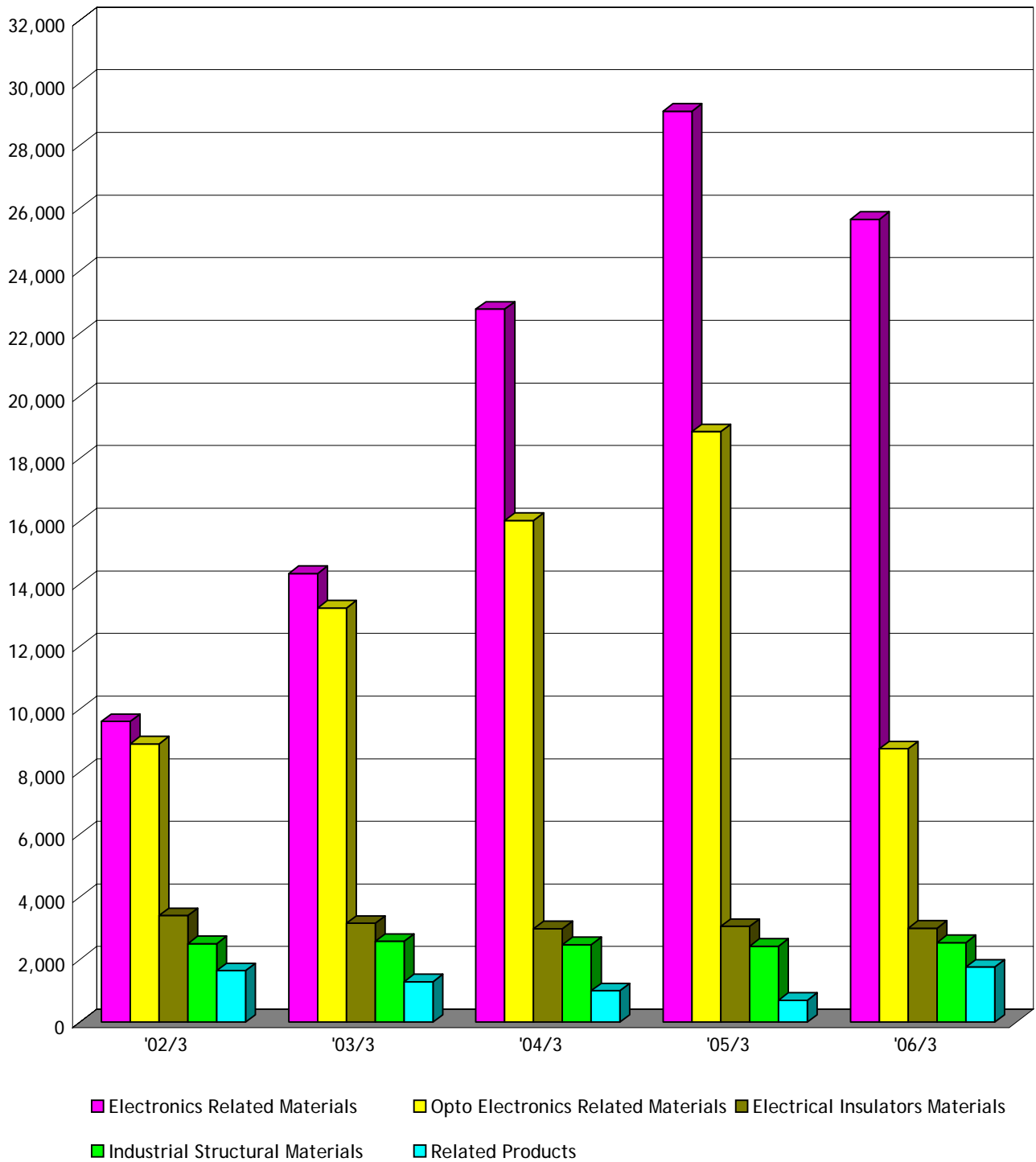
Fiscal Year Ended	'02/3	'03/3	'04/3	'05/3	'06/3
Sales(Million Yen)	26,063	34,594	45,267	54,149	41,696
Sales Growth Rate(%)	-5.3	32.7	30.8	19.6	-23
Operating Income(Million Yen)	3,093	4,382	6,980	9,072	2,982
Operating Profit Growth Rate(%)	-6.2	41.7	59.3	30	-67.1
Recurring Income(Million Yen)	3,425	4,552	7,252	9,658	3,676
Recurring Income Growth Rate(%)	-2.9	32.9	59.3	33.2	-61.9
Net Income(Million Yen)	2,009	2,469	4,271	6,003	2,419
Net Income Growth Rate(%)	0.3	22.9	73	40.6	-59.7
Gross Profit(%)	20.2	21.2	22.9	23.8	15.1
SG & A Ratio(%)	8.3	8.6	7.5	7.1	7.9

Note: Amounts less than one million yen are omitted

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## Parent's Sales Breakdown by Segments

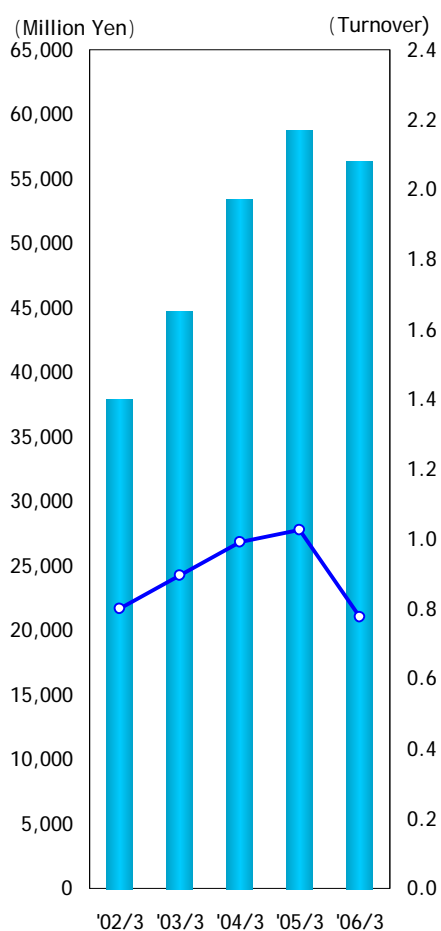
(Million Yen)



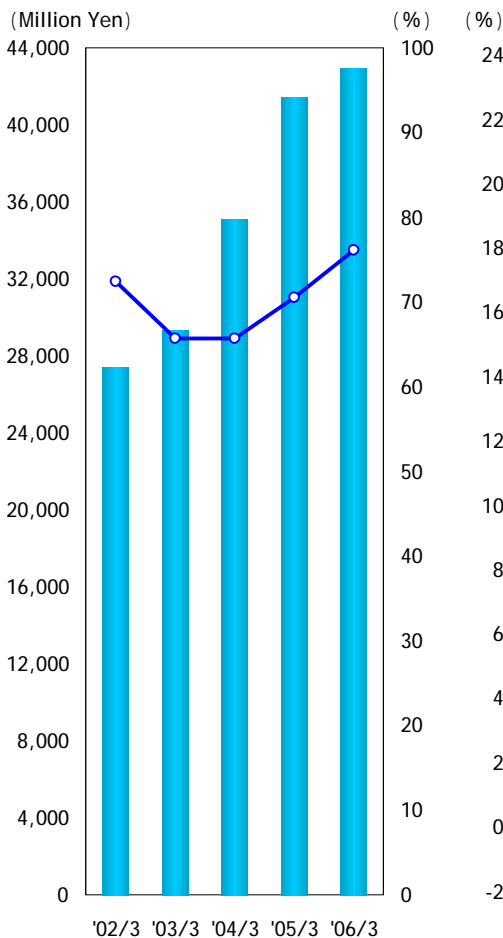
Fiscal Year Ended	'02/3	'03/3	'04/3	'05/3	'06/3
Electronics Related Materials	9,608	14,329	22,772	29,096	25,640
Opto Electronics Related Materials	8,894	13,228	16,023	18,858	8,736
Electrical Insulators Materials	3,405	3,163	2,990	3,064	3,008
Industrial Structural Materials	2,508	2,581	2,479	2,428	2,546
Related Products	1,648	1,293	1,003	703	1,766
<b>Total</b>	<b>26,063</b>	<b>34,594</b>	<b>45,267</b>	<b>54,149</b>	<b>41,696</b>

## Consolidated Shareholders' Equity/Return on Shareholders' Equity

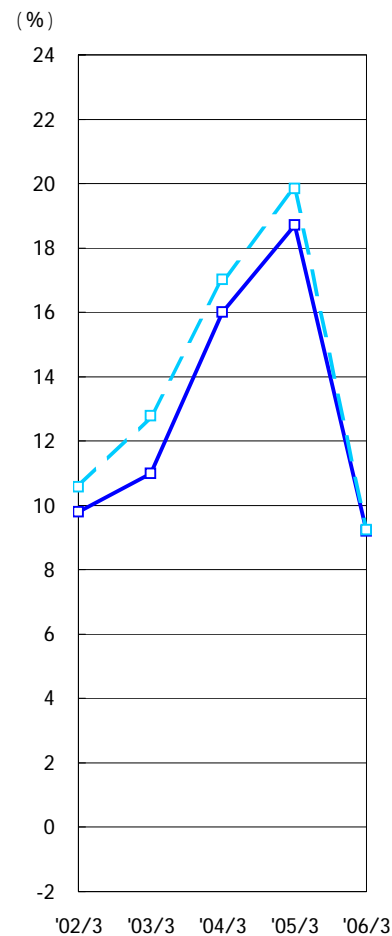
**Total Liabilities and Net Worth/  
Turnover Ratio of Total  
Liabilities and Net Worth**



**Shareholders' Equity/  
Shareholders' Equity to Total Assets**



**Return on Equity/Operating Profit Ratio  
of Total Liabilities and Net Worth**



■ Total Liabilities and Net Worth

■ Shareholders' Equity

—□— Return on Equity

—○— Turnover Ratio of Total Liabilities and Net Worth

—○— Shareholders' Equity to Total Assets

—□— Operating Profit Ratio of Total Liabilities and Net Worth

Fiscal Year Ended	'02/3	'03/3	'04/3	'05/3	'06/3
Total Liabilities and Net Worth(Million Yen)	37,851	44,712	53,410	58,768	56,385
Turnover Ratio of Total Liabilities and Net Worth	0.80	0.90	0.99	1.03	0.78
Operating Profit Ratio of Total Liabilities and Net Worth(%)	10.6	12.8	17.0	19.8	9.2
Shareholders' Equity(Million Yen)	27,385	29,314	35,101	41,431	42,927
Shareholders' Equity to Total Assets(%)	72.4	65.7	65.7	70.5	76.1
Return on Equity(%)	9.8	11.0	16.0	18.7	9.2

Note: Turnover Ratio of Total Liabilities and Net Worth = Net Sales/Total Liabilities and Net Worth(Mid-term Average)

Operating Profit Ratio of Total Liabilities and Net Worth = Ordinary Income/Total Liabilities and Net Worth (Mid-term Average)X100

Shareholders' Equity to Total Assets=Shareholders' Equity(Term End)/Total Liabilities and Net Worth(Term End)X100

Return on Equity = Net Income/Shareholders' Equity(Mid-term Average)X100

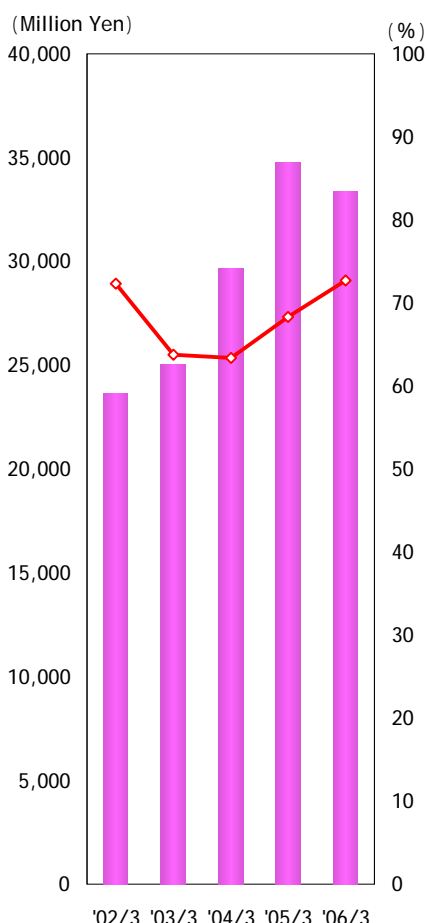
The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

## Parent's Shareholders' Equity/Return on Shareholders' Equity

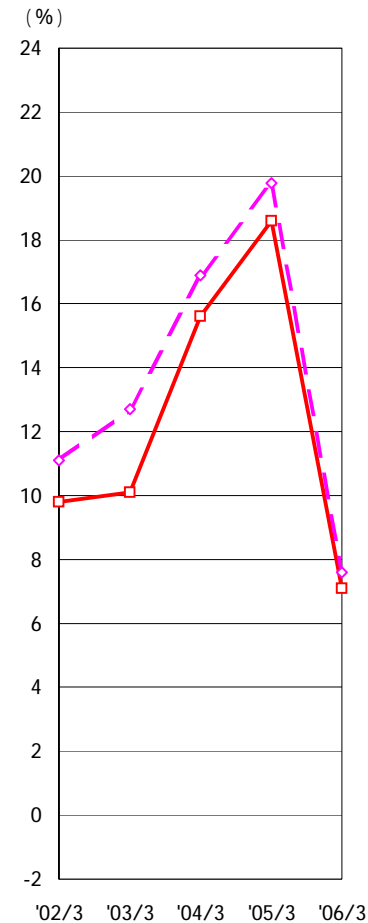
**Total Liabilities and Net Worth/  
Turnover Ratio of Total Liabilities  
and Net Worth**



**Shareholders' Equity/  
Shareholders' Equity to Total Assets**



**Return on Equity/Operating Profit Ratio  
of Total Liabilities and Net Worth**



■ Total Liabilities and Net Worth

■ Shareholders' Equity

—□— Return on Equity

—◇— Turnover Ratio of Total Liabilities and Net Worth

—◇— Shareholders' Equity to Total Assets

—◇— Operating Profit Ratio of Total Liabilities and Net Worth

Fiscal Year Ended	'02/3	'03/3	'04/3	'05/3	'06/3
Total Liabilities and Net Worth(Million Yen)	32,718	39,185	46,744	50,937	45,884
Turnover Ratio of Total Liabilities and Net Worth	0.84	0.96	1.05	1.11	0.86
Operating Profit Ratio of Total Liabilities and Net Worth(%)	11.1	12.7	16.9	19.8	7.6
Shareholders' Equity(Million Yen)	23,645	25,015	29,636	34,796	33,370
Shareholders' Equity to Total Assets(%)	72.3	63.8	63.4	68.3	72.7
Return on Equity(%)	9.8	10.1	15.6	18.6	7.1
Number of Shares Outstanding at Term End(thousand)	24,311	26,793	29,880	33,088	35,472

Note: Turnover Ratio of Total Liabilities and Net Worth = Net Sales/Total Liabilities and Net Worth(Mid-term Average)

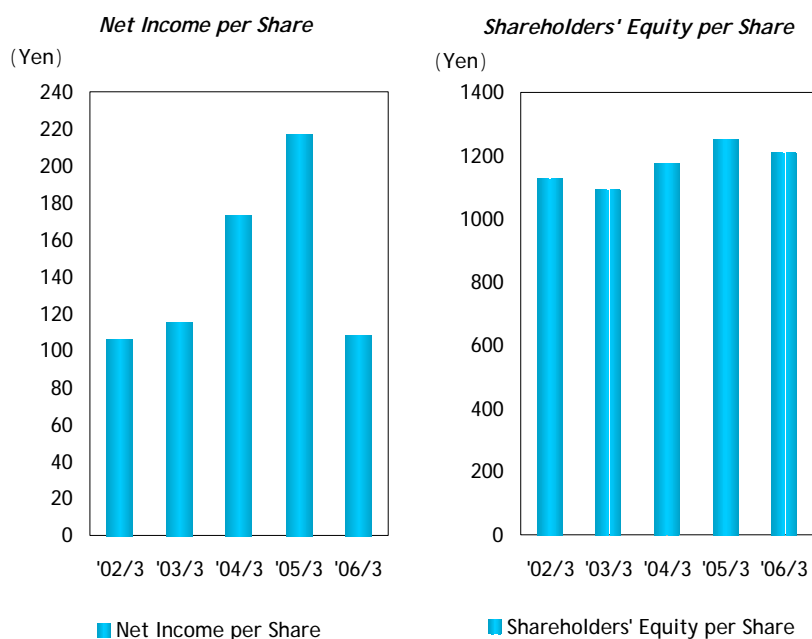
Operating Profit Ratio of Total Liabilities and Net Worth = Ordinary Income/Total Liabilities and Net Worth (Mid-term Average)X100

Shareholders' Equity to Total Assets=Shareholders' Equity(Term End)/Total Liabilities and Net Worth(Term End)X100

Return on Equity = Net Income/Shareholders' Equity(Mid-term Average)X100

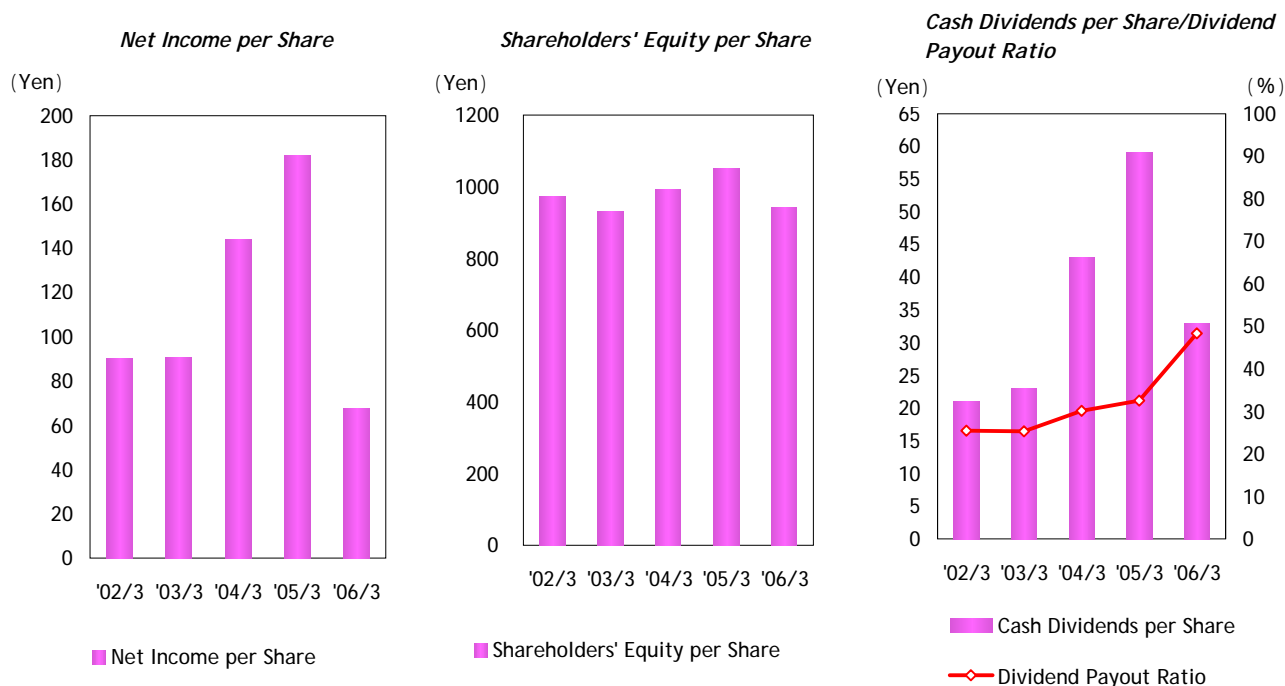
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## Consolidated Per Share Data



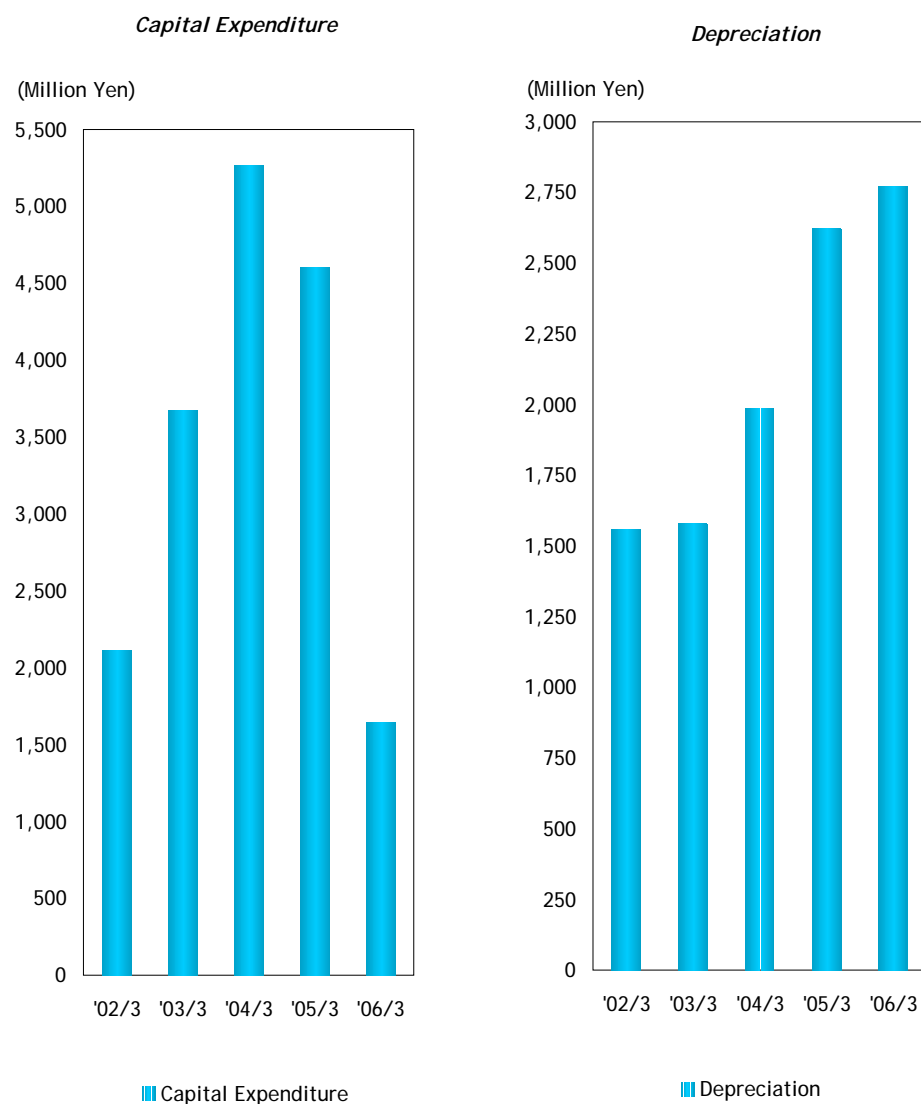
Fiscal Year Ended	'02/3	'03/3	'04/3	'05/3	'06/3
Net Income per Share(Yen)	106.08	115.15	173.17	216.83	108.06
Shareholders' Equity per Share(Yen)	1126.44	1092.69	1174.57	1251.92	1209.94

## Parent's Per Share Data



Fiscal Year Ended	'02/3	'03/3	'04/3	'05/3	'06/3
Net Income per Share(Yen)	90.36	90.87	143.73	182.11	67.31
Shareholders' Equity per Share(Yen)	972.60	932.23	991.84	1051.65	940.76
Cash Dividends per Share(Yen)	21	23	43	59	33
Dividend Payout Ratio(%)	25.4	25.3	30.1	32.5	48.4

## Consolidated Capital Expenditure

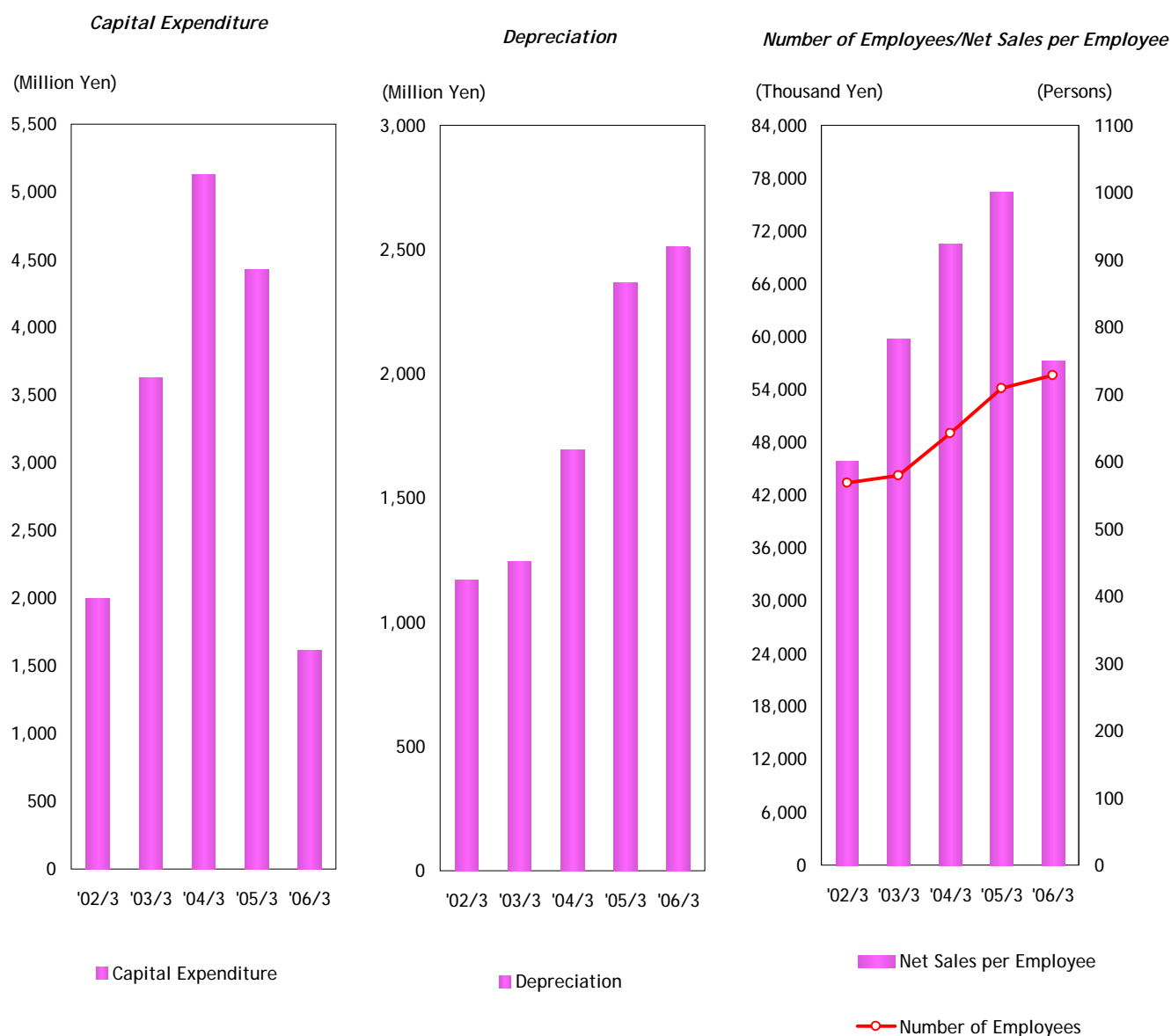


Fiscal Year Ended	'02/3	'03/3	'04/3	'05/3	'06/3
Capital Expenditure(Million Yen)	2,112	3,671	5,267	4,599	1,641
Depreciation(Million Yen)	1,559	1,578	1,989	2,621	2,771
Inventory Turnover Period(Days)	47.3	38.5	36.0	40.2	61.1
Interest Coverage	184.2	316.8	1,402.7	5,079.5	1,796.0

Note: Inventory Turnover Period(Days)=(Average Inventory/Net Sales)X365

The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

## Parent's Capital Expenditure



Fiscal Year Ended	'02/3	'03/3	'04/3	'05/3	'06/3
Capital Expenditure(Million Yen)	1,995	3,630	5,130	4,428	1,615
Depreciation(Million Yen)	1,169	1,244	1,692	2,366	2,511
Inventory Turnover Period(Days)	29.9	26.7	29.0	34.3	55.1
Interest Coverage	322.5	1298.7	2307.9	2307.9	2805.3
Number of Employees(including part time employees)	568	579	642	709	728
Net Sales per Employee(including part time employees)(Thousand Yen)	45,886	59,748	70,509	76,374	57,275
Labor Productivity(\ Thousands)	15,950	19,480	25,939	28,179	16,461
Labor's Relative Share(%)	45.2	45.3	43.7	37.3	43.4

Note: Inventory Turnover Period(Days)=(Average Inventory/Net Sales)X365

Labor Productivity=Value Added/Number of Employees

The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology ,Forms and Method of Preparation of Financial Statements ,etc

## Consolidated Balance Sheet

(Million Yen)

Fiscal Year Ended		'02/3	'03/3	'04/3	'05/3	'06/3	
<b>Assets</b>	<b>Current Assets</b>	19,096	23,631	28,006	29,647	25,625	
	Cash and Time Deposits	6,731	9,597	9,937	8,656	6,569	
	Notes and Accounts Receivable, Trade	7,989	8,698	11,078	12,390	10,138	
	Securities	160	160	160	-	-	
	Inventories	3,564	4,233	5,368	7,295	7,700	
	Deferred Tax Assets	228	590	1,078	566	278	
	Other Current Assets	433	369	403	757	990	
	Allowance for Doubtful Receivables	-11	-18	-21	-17	-50	
	<b>Fixed Assets</b>	18,755	21,081	25,404	29,121	30,760	
	<b>(Tangible Fixed Assets)</b>	11,359	13,185	16,435	18,343	16,908	
	Buildings and Structures	4,954	5,056	5,867	7,299	7,474	
	Machinery, Equipment and Automotive Equipment	3,622	4,245	6,279	7,218	6,869	
	Tools, Furnitures, Fixtures	226	194	220	239	257	
	Land	1,741	1,567	1,567	1,551	1,550	
	Construction in Progress	814	2,123	2,501	2,036	758	
	<b>(Intangible Fixed Assets)</b>	17	61	154	125	96	
	<b>(Investments and Other Assets)</b>	7,378	7,831	8,813	10,653	13,756	
	Investments in Securities	6,974	7,217	8,409	9,991	13,346	
	Long-Term Loans	43	64	75	292	296	
	Deferred Tax Assets	123	358	157	104	50	
	Other Investments	274	216	191	292	231	
Allowance for Doubtful Receivables	-38	-25	-21	-26	-167		
	<b>Total Assets</b>	<b>37,851</b>	<b>44,712</b>	<b>53,410</b>	<b>58,768</b>	<b>56,385</b>	
<b>負債の部 Liabilities</b>	<b>Current Liabilities</b>	9,695	14,886	17,903	16,837	12,975	
	Notes and Accounts Payable, Trade	5,868	8,430	10,233	11,278	9,916	
	Short-Term Loan Payables	967	646	196	196	194	
	Accrued Income Taxes	562	1,623	2,262	1,782	822	
	Deferred Tax Liabilities	1	0	0	0	0	
	Reserve for Bonuses	646	1,093	1,853	1,049	788	
	Other Current Liabilities	1,650	3,093	3,356	2,532	1,255	
	<b>Long-Term Liabilities</b>	759	511	405	500	483	
	Long-Term Debt	22	31	10	4	-	
	Deferred Tax Liabilities	396	-	83	205	345	
	Severance and Retirement Benefits	136	291	154	36	38	
	Reserve for Officers' Retirement Bonuses	149	169	136	-	-	
	Consolidated Adjustments	-	5	4	3	-	
	Other Long-Term Liabilities	54	14	15	252	100	
		<b>Total Liabilities</b>	<b>10,455</b>	<b>15,398</b>	<b>18,308</b>	<b>17,337</b>	<b>13,458</b>
	<b>Minority Interest</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>資本の部 Shareholders' Equity</b>	<b>Common Stock</b>	6,320	6,378	6,802	7,023	7,101	
	Additional Paid-in Capital	5,432	5,491	5,914	6,135	6,214	
	<b>Consolidated Surplus</b>	14,888	17,437	21,931	27,798	30,882	
	Net Unrealized holding gains on Securities available for Sales	727	71	550	615	1,076	
	Cumulative Translation Adjustments	17	-42	-37	-18	98	
	Treasury Stock	1	-22	-60	-122	-2,444	
		<b>Total Shareholders' Equity</b>	<b>27,385</b>	<b>29,314</b>	<b>35,101</b>	<b>41,431</b>	<b>42,927</b>
		<b>Total Liabilities, Minority Interest and Shareholders' Equity</b>	<b>37,851</b>	<b>44,712</b>	<b>53,410</b>	<b>58,768</b>	<b>56,385</b>

(注)財務諸表等の一部改正に伴い、改正後の表示区分に組替えてあります。

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(注)記載金額は、百万円未満を切り捨てて表示してあります。

Note: Amounts Less than one million yen are omitted

## Consolidated Income Statement

(Million Yen)

Fiscal Year Ended	'02/3	'03/3	'04/3	'05/3	'06/3
Net Sales	28,711	37,004	48,629	57,552	44,759
Cost of Sales	22,718	29,024	37,293	43,571	37,433
Gross Profit	5,993	7,980	11,336	13,981	7,326
Selling, General and Administrative Expenses	2,823	3,544	3,803	4,108	3,498
<b>Operating Income</b>	<b>3,170</b>	<b>4,435</b>	<b>7,532</b>	<b>9,873</b>	<b>3,828</b>
Non-Operating Income	849	1,168	1,276	1,398	1,869
Interest and Dividend Income	44	70	69	66	84
Other Non-Operating Income	805	1,098	1,207	1,332	1,785
Non-Operating Expenses	228	327	463	139	377
Interest Expenses	17	15	5	2	2
Other Non-Operating Expenses	211	312	458	137	375
<b>Ordinary Income</b>	<b>3,791</b>	<b>5,276</b>	<b>8,345</b>	<b>11,132</b>	<b>5,320</b>
Extraordinary Income	122	18	156	141	700
Extraordinary Losses	142	352	337	18	656
Income Before Income Taxes	3,771	4,941	8,164	11,255	5,364
Corporation Tax . Inhabitant Tax and Business Taxes	1,417	2,350	3,528	3,456	1,302
Provision for Income Taxes—Deferred	18	-523	-515	643	170
Minority Stockholder Income	-24	-4	0	0	0
<b>Net Income</b>	<b>2,358</b>	<b>3,119</b>	<b>5,150</b>	<b>7,156</b>	<b>3,892</b>

## Consolidated Statements of Surplus

(百万円/Million Yen)

Fiscal Year Ended	'02/3	'03/3	'04/3	'05/3	'06/3
Capital surplus at start of term	2,988	5,432	5,491	5,914	6,135
Increase in capital surplus	2,443	58	423	220	78
Issuance of new shares in connection with capital increase	2,443	58	423	220	78
Decrease in capital surplus	-	-	-	-	-
Balance of capital surplus at end of period	5,432	5,491	5,914	6,135	6,213
Earned surplus at start of term	13,101	14,888	17,437	21,931	27,798
Increase in earned surplus	-	3,231	5,150	7,156	5,230
Net Income	3,119	3,119	7,156	7,156	3,892
Decrease in earned surplus	571	682	656	1,289	2,146
Dividends paid	475	510	616	1,284	1,952
Director's bonuses	47	32	40	5	8
Balance of earned surplus at end of period	14,888	17,437	21,931	27,798	30,882

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Note: Amounts Less than one million yen are omitted

## Consolidated Cash Flows Statement

(Million Yen)

Fiscal Year Ended	'02/3	'03/3	'04/3	'05/3	'06/3
<b>Cash Flows from Operating Activities</b>					
Income before Income Taxes	3,771	4,941	8,164	11,256	5,365
Depreciation	1,559	1,577	1,988	2,620	2,772
Amortization of Excess of Investments Cost Over Equity in Net Assets of Consolidated Subsidiaries	-	-	-1	-1	-
Equity in Earnings of Unconsolidated Subsidiaries and Affiliates	-499	-878	-897	-994	-1,298
Gain on Sale of Investments in Securities	-84	-	-156	-40	-570
Loss on Sale of Investments in Securities	-	-	-	-	36
Gain on Sale of Properties	-38	-18	0	-67	-2
Loss on Sale of Properties	-	-	-	-	0
Fixed assets tax refund	-	-	-	-33	-
Cost from Issue of New Bonds	51	1	7	4	3
Loss on Disposal of Tangible Fixed Assets	46	29	34	6	338
Loss on Write-Down of Investments in Securities	13	97	303	1	168
Golf-course-membership depreciation loss	-	-	-	10	-
Exchange Loss(Gain)	-4	154	98	-9	-60
(Decrease) Increase in Reserve for Officers' Retirement Bonuses	-81	19	-32	3	-
Increase in Reserve for Bonuses	646	464	760	-804	-263
Decrease in Reserve for Retirement Allowances	-	-	-137	-118	-118
Increase in Reserve for Retirement Allowances	111	143	-	-	-
Decrease in Allowance for Doubtful Receivables	-36	-5	-1	0	207
Interest and Dividend Income	-44	-70	-69	-66	-84
Interest Expenses	17	15	5	1	2
(Increase) Decrease in Receivables	2,293	-711	-2,370	-1,342	2,260
(Increase) Decrease in Inventories	328	-692	-1,134	-1,926	-405
(Decrease) Increase in Purchase Liabilities	-1,070	2,586	1,803	1,043	-1,362
(Decrease) Increase in Accrued Consumption Taxes	-123	97	25	139	-325
(Increase) Decrease in Other Assets	64	46	2	-268	-290
Increase in Other Liabilities	-796	138	236	-275	-65
Bonuses of Directors and Statutory Auditors	-47	-32	-40	-5	-8
<b>Subtotal</b>	<b>6,077</b>	<b>7,905</b>	<b>8,590</b>	<b>9,133</b>	<b>6,301</b>
Interest and Dividend Received	99	120	250	330	402
Interest Paid	-18	-14	-5	-1	-2
Income Taxes Paid	-2,128	-1,228	-2,901	-4,026	-2,230
<b>TOTAL</b>	<b>4,030</b>	<b>6,783</b>	<b>5,934</b>	<b>5,436</b>	<b>4,471</b>
<b>Cash Flows from Investing Activities</b>					
Payments for Received Time Deposits	-1,555	-3,898	-5,770	-2,150	-2,950
Proceeds from Purchase Time Deposits	121	1,452	4,099	5,124	4,310
Payments for Purchase of Investments in Securities	-2,771	-2,537	-5,212	-5,018	-2,579
Proceeds from Sales of Property, Plant and Equipment	46	191	0	97	9
Payments for Purchase of Investments in Securities	-396	-782	-491	-1,098	-1,181
Proceeds from Sales of Investments in Securities	191	-	621	222	1,133
Payments for Loans	-70	-81	-250	-276	-185
Proceeds from Recovery of Loans	55	301	191	107	349
Other	-2	-26	-103	-2	-4
<b>TOTAL</b>	<b>-4,380</b>	<b>-5,381</b>	<b>-6,914</b>	<b>-2,994</b>	<b>-1,098</b>
<b>Cash Flows from Financing Activities</b>					
Decrease in Short-Term Loans	-382	-347	-432	-	-
Borrowings of Long-Term Debt	-	-	-	-	-
Repayments of Long-Term Borrowings	-27	-36	-39	-6	-6
Proceeds from Issue of Bonds	4,836	114	840	436	154
Payments for Purchase of Treasury Stock and Proceeds from Sale	-1	-20	-38	-61	-2,322
Cash Dividends	-474	-510	-615	-1,283	-1,949
<b>TOTAL</b>	<b>3,951</b>	<b>-799</b>	<b>-285</b>	<b>-914</b>	<b>-4,123</b>
Translation difference of Cash and Cash Equivalents	4	-52	-3	5	15
Changes in Cash and Cash Equivalents	3,605	550	-1,269	1,532	-735
Cash and Cash Equivalents at Beginning of Year	1,593	5,251	5,773	4,503	6,036
Cash of New Consolidated Subsidiaries and Cash and Cash Equivalents at Beginning of Year	51	11	-	-	-
Cash of Removing Consolidated Subsidiaries and Cash and Cash Equivalents at Mid-Term of Year	-	-40	-	-	-
Changes in Cash and Cash Equivalents	-	-	-	-	7
Cash and Cash Equivalents at End of Year	5,251	5,773	4,503	6,036	5,309

Note: Amounts Less than one million yen are omitted

## Parent's Balance Sheet

(Million Yen)

Fiscal Year Ended		'02/3	'03/3	'04/3	'05/3	'06/3
<b>Assets</b>	<b>Current Assets</b>	16,057	21,175	25,356	26,731	22,615
	Cash and Time Deposits	5,975	8,747	8,977	7,504	5,450
	Notes Receivable, Trade	1,620	1,403	1,487	1,257	1,510
	Accounts Receivable, Trade	5,724	6,638	8,550	10,123	7,729
	Loans of Subsidiaries	300	549	942	-	-
	Securities	160	160	160	-	-
	Inventories	2,044	3,025	4,164	6,001	6,578
	Prepaid Expenses	17	21	26	199	567
	Deferred Tax Assets	167	493	939	470	182
	Other Current Assets	54	147	117	1,190	648
	Allowance for Doubtful Receivables	-7	-8	-10	-13	-49
	<b>Fixed Assets</b>	16,660	18,007	21,387	24,206	23,269
	<b>(Tangible Fixed Assets)</b>	10,689	12,627	15,813	17,629	16,245
	Buildings	4,403	4,536	5,304	6,603	6,736
	Structures	241	226	271	353	417
	Machinery and Equipment	3,434	4,143	6,099	6,978	6,667
	Vehicles and Automotive Equipment	14	13	22	43	37
	Tools, Furnitures, Fixtures	198	176	204	221	240
	Land	1,580	1,407	1,407	1,390	1,389
	Construction in Progress	814	2,123	2,502	2,038	759
	<b>(Intangible Fixed Assets)</b>	14	36	149	120	93
	<b>(Investments and Other Assets)</b>	5,953	5,339	5,420	6,453	6,931
	Investments in Securities	2,891	2,243	2,643	2,509	3,099
	Stocks of affiliated companies	1,868	1,974	1,935	2,982	3,219
	Investments	1	0	0	0	0
	Investments to affiliated companies	36	36	15	16	2
	Long-term loans	11	35	37	268	294
	Long-term loans to employees	8	8	19	5	2
	Long-term loans to affiliated companies	1,012	763	634	445	260
	Long-term prepaid expense	25	20	20	120	107
	Deferred Tax Assets	-	179	-	-	-
	Investments real estate	5	5	5	5	1
	Other Investments	129	91	131	116	115
	Allowance for doubtful accounts	-33	-15	-19	-13	-168
	<b>Total Assets</b>	<b>32,718</b>	<b>39,185</b>	<b>46,744</b>	<b>50,937</b>	<b>45,884</b>
<b>Liabilities</b>	<b>Current Liabilities</b>	8,421	13,762	16,763	15,687	12,071
	Notes Payable, Trade	3,019	4,262	4,474	5,169	5,272
	Accounts Payable, Trade	2,461	3,775	5,051	5,296	4,127
	Short-Term Loan Payables	372	210	190	190	190
	Accounts Payable, Other	551	963	1,211	1,006	575
	Accrued Income Taxes	519	1,530	2,112	1,666	663
	Expenses Unpaid	30	30	263	213	112
	Reserve for Bonuses	496	920	1,612	893	618
	Deposits Received	23	30	32	43	52
	Employee Savings Deposits	377	387	390	-	-
	Bills Payable for Plant and Equipment	567	1,650	1,410	1,175	433
	Other Current Liabilities	1	2	15	36	29
	<b>Long-Term Liabilities</b>	651	407	343	453	443
	Long-Term Debt	-	-	-	-	-
	Deferred Tax Liabilities	396	-	83	205	345
	Reserve for Retirement Allowances	98	228	109	-	-
	Reserve for Officers' Retirement Bonuses	147	166	136	-	-
	Other Long-Term Liabilities	9	12	13	248	98
	<b>Total Liabilities</b>	<b>9,072</b>	<b>14,170</b>	<b>17,107</b>	<b>16,140</b>	<b>12,514</b>
<b>Shareholders' Equity</b>	<b>Common Stock</b>	6,320	6,378	6,802	7,023	7,101
	Capital surplus	5,432	5,491	5,914	6,135	6,214
	Capital reserve	5,432	5,491	5,914	6,135	6,213
	<b>Earned surplus</b>	11,165	13,094	16,426	21,145	21,426
	Earned surplus reserve	748	748	748	748	748
	Voluntary reserve	7,916	9,312	11,012	12,709	16,352
	Dividends reserve	171	171	171	171	172
	Fixed asset depreciation reserve	11	2	2	1	46
	Reserve for special depreciation	3	9	8	6	4
	Other retained earnings	7,730	9,130	10,830	12,530	16,130
	<b>Unappropriated Retained Earnings</b>	2,501	3,031	4,665	7,687	4,326
	Unappropriated Retained Earnings	2,501	3,031	4,665	7,687	4,326
	Net Unrealized holding gains on Securities available for Sales	727	73	553	615	1,073
	Treasury Stock	-1	-22	-60	-122	-2,444
	<b>Total Shareholders' Equity</b>	<b>23,645</b>	<b>25,015</b>	<b>29,636</b>	<b>34,796</b>	<b>33,370</b>
	<b>Total Liabilities and Shareholders' Equity</b>	<b>32,718</b>	<b>39,185</b>	<b>46,744</b>	<b>50,937</b>	<b>45,884</b>

Note: The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

Note: Amounts Less than one million yen are omitted

## Parent's Income Statement

(Million Yen)

Fiscal Year Ended	'02/3	'03/3	'04/3	'05/3	'06/3
<b>Net Sales</b>	26,063	34,594	45,267	54,149	41,696
Cost of Sales	20,805	27,243	34,896	41,246	35,423
Gross Profit	5,258	7,351	10,370	12,903	6,273
Selling, General and Administrative Expenses	2,164	2,968	3,389	3,830	3,291
<b>Operating Income</b>	<b>3,093</b>	<b>4,382</b>	<b>6,980</b>	<b>9,072</b>	<b>2,982</b>
Non-Operating Income	832	732	823	898	1,220
Interest and Dividend Income	120	145	266	347	505
Other Non-Operating Income	712	587	557	550	715
Non-Operating Expenses	500	562	551	312	526
Interest Expenses	9	3	3	1	1
Other Non-Operating Expenses	491	559	548	310	525
<b>Ordinary Income</b>	<b>3,425</b>	<b>4,552</b>	<b>7,252</b>	<b>9,658</b>	<b>3,676</b>
Extraordinary Income	122	19	155	141	700
Extraordinary Losses	130	330	336	15	807
Income Before Income Taxes	3,417	4,242	7,071	9,785	3,570
Corporation Tax . Inhabitant Tax and Business Taxes	1,309	2,204	3,309	3,233	1,033
Provision for Income Taxes—Deferred	99	-431	-508	548	118
<b>Net Income</b>	<b>2,009</b>	<b>2,469</b>	<b>4,271</b>	<b>6,003</b>	<b>2,419</b>
Unappropriated Retained Earnings Brought Forward	491	562	679	1,683	2,093
Other Non-Operating Expenses	-	-	-284	-	-186
Unappropriated Retained Earnings	2,501	3,031	4,665	7,687	4,326

Note: The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

Note: Amounts Less than one million yen are omitted