

CONSOLIDATED BALANCE SHEET

Japan Securities Depository Center, Inc.

As of March 31, 2004 and 2005

	¥ (thousands)		\$ (thousands) (Note 4)
	2004	2005	2005
ASSETS			
Current Assets:			
Cash and cash equivalents	¥ 1,733,337	¥ 1,203,318	\$ 11,205
Accounts receivable—trade	3,803,049	4,056,477	37,773
Deferred income taxes (Note 8)	129,490	50,470	469
Designated assets for clearing funds (Note 3)	—	54,570,594	508,154
Other current assets	190,571	266,278	2,480
Total Current Assets	5,856,447	60,147,137	560,081
Property and Equipment:			
Buildings	149,075	756,824	7,047
Tools and furniture	4,017,025	4,190,155	39,018
	4,166,100	4,946,979	46,065
Less: Accumulated depreciation	(2,164,535)	(2,830,335)	(26,355)
Total Property and Equipment	2,001,565	2,116,644	19,710
Intangible Assets, Net:			
Software	3,625,338	9,694,192	90,271
Construction in progress (Software)	6,912,863	920,785	8,574
Other intangible assets	9,755	10,462	97
Total Intangible Assets	10,547,956	10,625,439	98,942
Investment and Other Assets:			
Long-term refundable lease deposits	424,619	509,657	4,746
Long-term prepaid expenses	42,927	31,999	298
Deferred income taxes (Note 8)	30,869	154,948	1,443
Total Investment and Other Assets	498,415	696,604	6,487
Total Assets	¥18,904,383	¥73,585,824	\$685,220
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Short-term debt (Note 6)	¥ 5,000,000	¥ 4,500,000	\$ 41,903
Accounts payable—trade	1,846,861	2,281,906	21,249
Income tax payable	644,945	26,223	244
Accrued employees' bonuses	100,675	115,199	1,073
Consumption tax payable	77,617	160,541	1,495
Deposits received for clearing funds	—	54,570,594	508,153
Other current liabilities	521,687	363,243	3,383
Total Current Liabilities	8,191,785	62,017,706	577,500
Long-term Liabilities:			
Accrued employees' retirement benefits (Note 7)	32,863	52,249	486
Accrued executives' retirement benefits	43,170	55,260	515
Total Long-term Liabilities	76,033	107,509	1,001
Total Liabilities	8,267,818	62,125,215	578,501
Shareholders' Equity:			
Common stock			
Authorized: 10,000 shares			
Issued: 8,500 shares	4,250,000	4,250,000	39,575
Capital surplus	4,250,000	4,250,000	39,575
Retained earnings	2,136,565	2,960,609	27,569
Total Shareholders' Equity	10,636,565	11,460,609	106,719
Total Liabilities and Shareholders' Equity	¥18,904,383	¥73,585,824	\$685,220

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENT OF INCOME

Japan Securities Depository Center, Inc.
For the years ended March 31, 2004 and 2005

	¥ (thousands)		\$ (thousands)
	2004	2005	(Note 4)
Operating Income	¥17,124,010	¥ 19,003,966	\$176,962
Operating Expenses			
Executives' compensation	117,438	135,545	1,262
Salaries and bonuses	1,139,758	1,240,492	11,552
Severance costs for employees	13,350	26,643	248
Executives' retirement benefits	24,810	21,410	199
Maintenance for systems	4,314,280	4,871,921	45,367
Outside services	2,543,018	2,688,531	25,035
Registration fees	1,866,472	2,302,067	21,437
Depreciation	2,838,420	3,923,948	36,539
Rent	237,525	290,398	2,704
Advertisement	264,327	463,429	4,315
Others	1,164,279	1,127,454	10,499
Total Operating Expenses	14,523,677	17,091,838	159,157
Income from Operations	2,600,333	1,912,128	17,805
Other Income (Expenses):			
Interest income	19	34	0
Operational revenue on the designated assets for clearing funds	—	478	5
Adjustments for prior year consumption taxes	—	77,617	723
Interest expenses	(30,439)	(65,616)	(611)
Commitment fees	—	(33,294)	(310)
Fees for fund operation of designated assets for clearing funds	—	(8,984)	(84)
Loss on disposal of property and equipment	(4,557)	(55,038)	(513)
Loss on disposal of intangible assets	—	(192,285)	(1,791)
Cancellation fee for system operations	—	(27,923)	(260)
Others, net	1,524	588	6
Total	(33,453)	(304,423)	(2,835)
Income before Income Taxes	2,566,880	1,607,705	14,970
Income Taxes (Note 8)			
Current	963,539	602,519	5,610
Deferred	(47,288)	(45,058)	(419)
Net Income	¥ 1,650,629	¥ 1,050,244	\$ 9,779
U.S. Dollars			
		Yen	(Note 4)
Per Share (Note 11)			
Net income — primary	¥192,579.99	¥ 121,511.06	\$1,131.49
Dividends	25,000	25,000	232.80
Weighted average number of common stock shares outstanding (in shares)			
	8,500	8,500	

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY*Japan Securities Depository Center, Inc.**For the years ended March 31, 2004 and 2005*

	¥ (thousands)				
	Number of common stock shares	Common stock	Additional paid-in capital	Retained earnings	Total shareholders' equity
Balance as of March 31, 2003	8,500	¥4,250,000	¥4,250,000	¥ 711,036	¥ 9,211,036
Net income for the year	—	—	—	1,650,629	1,650,629
Cash dividends	—	—	—	(212,500)	(212,500)
Bonuses to executives	—	—	—	(12,600)	(12,600)
Balance as of March 31, 2004	8,500	¥4,250,000	¥4,250,000	¥2,136,565	¥10,636,565
Net income for the year	—	—	—	1,050,244	1,050,244
Cash dividends	—	—	—	(212,500)	(212,500)
Bonuses to executives	—	—	—	(13,700)	(13,700)
Balance as of March 31, 2005	8,500	¥4,250,000	¥4,250,000	¥2,960,609	¥11,460,609

	\$ (thousands) (Note 4)				
	Number of common stock shares	Common stock	Additional paid-in capital	Retained earnings	Total shareholders' equity
Balance as of March 31, 2004	8,500	\$39,575	\$39,575	\$19,895	\$ 99,045
Net income for the year	—	—	—	9,779	9,779
Cash dividends	—	—	—	(1,978)	(1,978)
Bonuses to executives	—	—	—	(127)	(127)
Balance as of March 31, 2005	8,500	\$39,575	\$39,575	\$27,569	\$106,719

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Japan Securities Depository Center, Inc.
For the years ended March 31, 2004 and 2005

	¥ (thousands)		\$ (thousands) (Note 4)
	2004	2005	2005
Cash Flows from Operating Activities:			
Income before income taxes	¥2,566,880	¥ 1,607,705	\$ 14,970
Depreciation	2,838,420	3,923,948	36,539
Increase in accrued employees' bonuses	12,613	14,524	135
Increase in accrued employees' retirement benefits	10,291	19,386	180
Increase in accrued executives' retirement benefits	24,810	12,090	112
Interest income	(19)	(34)	0
Interest expense	30,439	65,616	611
Loss on sales of property and equipment	69	—	—
Loss on disposal of property and equipment	4,487	55,038	513
Loss on disposal of intangible assets	—	192,285	1,791
Increase in accounts receivable—trade	(703,543)	(253,428)	(2,359)
Increase in accounts payable—trade	556,142	435,044	4,051
Decrease in other assets	334,505	3,308	31
Increase in other liabilities	41,020	122,028	1,136
Others, net	(12,597)	(13,697)	(128)
Sub-total	5,703,517	6,183,813	57,582
Interest and dividends received	19	34	0
Interest paid	(33,260)	(64,009)	(596)
Income tax paid	(961,297)	(1,327,274)	(12,359)
Net cash provided by operating activities	4,708,979	4,792,564	44,627
Cash Flows from Investing Activities:			
Payments for purchase of property, plant and equipment	(435,224)	(1,130,647)	(10,528)
Payments for purchase of intangible assets	(4,656,346)	(3,394,399)	(31,608)
Proceeds from sales of property and equipment	546	—	—
Payment of guarantee money deposits received	—	(85,037)	(792)
Net cash flows used in investing activities	(5,091,024)	(4,610,083)	(42,928)
Cash Flows from Financing Activities:			
Proceeds from short-term debt	5,000,000	1,000,000	9,311
Repayment of short-term debt	(3,100,000)	(1,500,000)	(13,967)
Cash dividends paid	(212,500)	(212,500)	(1,978)
Net cash flows provided by (used in) financing activities	1,687,500	(712,500)	(6,634)
Net Increase in Cash and Cash Equivalents	1,305,455	(530,019)	(4,935)
Cash and Cash Equivalents at beginning of Year	427,882	1,733,337	16,140
Cash and Cash Equivalents at End of Year	¥ 1,733,337	¥ 1,203,318	\$ 11,205

The accompanying notes are an integral part of these statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Japan Securities Depository Center, Inc.

1.

BASIS OF PRESENTING THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared from the accounts maintained by Japan Securities Depository Center, Inc (“the Company”) and its subsidiary in accordance with the provisions set forth in the Securities and Exchange Law and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Finance Reporting Standards. Certain items presented in the consolidated financial statements filed with the Director of the Kanto Local Finance Bureau in Japan have been reclassified for the convenience of readers outside Japan.

2.

SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

(1) Consolidation

The consolidated financial statements include the accounts of Japan Securities Depository Center, Inc. (“the Company”) and its wholly-owned subsidiary, JASDEC DVP Clearing Corporation (hereafter, “JDCC”) which is the only subsidiary of the Company. JDCC uses a fiscal year ended on March 31, which is the same as that of the Company.

(2) Cash and cash equivalents

Cash and cash equivalents include all highly liquid investments, with original maturities of three months or less, which are readily convertible to known amounts of cash and are so near maturity that they present only an insignificant risk of changes in value because of changes in interest rates.

(3) Property and equipment

Depreciation for buildings, excluding improvements, is computed on the straight-line method using the estimated useful lives prescribed by Japanese Corporate Tax Laws. Depreciation for other capital assets is computed on the declining-balance method at the rates based on the estimated useful lives prescribed by such laws.

(4) Software costs

Costs of software for internal use are capitalized and amortized on the straight-line method over the estimated useful life of 5 years.

(5) Accrued bonuses

Accrued employees’ bonuses represent liabilities estimated as of the balance sheet date. Bonuses to directors, which are subject to approval at the shareholders’ meeting, are accounted for as an appropriation of retained earnings.

(6) Severance indemnity benefits

The Company has a severance indemnity plan covering all employees who meet the eligibility requirements of the Company’s retirement regulations. The Company records accrued employees’ retirement benefit costs based on the amount that would be payable if all eligible employees voluntarily terminated their employment with the Company at the balance sheet date.

Retirement benefits payable to directors and statutory auditors are accrued as accrued executives’ retirement benefits at the amount computed based on the Company’s internal rules and regulations on these benefits.

(7) Finance leases

In the normal course of business, the Company enters into lease agreements. Finance lease agreements, except for those agreements where the ownership of the leased assets is transferred to the Company, are accounted for as operating leases.

(8) Accounting standard for impairment of non-current assets

On August 9, 2002, the Business Accounting Council in Japan issued “Accounting Standard for Impairment of Non-current Assets”. The standard requires that non-current assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying

amount of an assets may not be recoverable. An impairment loss shall be recognized in the income statement by reducing the carrying amount of impaired assets or a group of assets to the recoverable amount to be measured as the higher of net selling price and value in use. The standard shall be effective for fiscal years beginning April 1, 2005. However, earlier adoption is permitted for fiscal years beginning April 1, 2004 and for fiscal years ending between March 31, 2004 and March 30, 2005. The Company has not yet applied this new standard nor has it determined the effect of applying it on the Company's consolidated financial statements.

(9) **Consumption taxes**

The consumption taxes withheld by the Company and its subsidiary on sales and the consumption taxes paid by the Company and its subsidiary on its purchases of goods and services are not included in the amounts of the relevant accounts in the accompanying statements of income. The consumption taxes withheld and paid are recorded as an asset or a liability, as the case may be, and the net balance is shown in the balance sheets.

(10) **Appropriation of retained earnings**

Under the Japanese Commercial Code and the Articles of Incorporation of the Company, the appropriation of retained earnings (including year-end cash dividend payments proposed by the Board of Directors) must be approved at the shareholders' meeting, which must be held within three months of the end of each financial year. The appropriation of retained earnings reflected in the accompanying consolidated financial statements represents the results of appropriations which were applicable to the immediately preceding financial year, approved at the shareholders' meeting and disposed of during that year. Year-end cash dividends are paid to shareholders on the shareholders' register at the end of each financial year.

The payment of bonuses to directors and statutory auditors is made out of retained earnings instead being charged to income for the year, and constitutes a part of the appropriations cited above.

3.

**ASSETS AND
LIABILITIES HELD
FOR SOUND
SETTLEMENT
SYSTEM OPERATION
AND MANAGEMENT**

In order to secure the Delivery Versus Payment ("DVP") for Non-exchange Transaction Deliveries ("NETD") settlement system, JDCC, a consolidated subsidiary of the Company, receives cash or securities as collateral from the DVP participants whom JDCC officially acknowledge as a party who undertakes securities obligations in accordance with the provisions set in JDCC's general provisions in accordance with Article 156, Paragraph 7-1, of the Securities Exchange Law (Law No. 25, 1948).

JDCC manages cash and securities entrusted by the DVP participants as clearing funds defined in Article 156-11 of the Securities Exchange Law separately from other assets in accordance with Article 7 of the cabinet ordinance related to securities clearing agencies (Cabinet Ordinance No. 76, 2002).

(1) **Participant fund specified assets and participant funds under management**

Under the DVP for the NETD settlement system, when JDCC accepts obligations from DVP participants, the DVP participants involved in the transactions make JDCC responsible for payment obligations and the content thereof.

JDCC requires each DVP participant to establish a participant fund in excess of the necessary amount set forth in JDCC's general provisions to ensure that the respective obligations of DVP participants are covered. The aggregate amount of participant funds entrusted to JDCC as of March 31, 2005 was ¥15 billion. In the event a DVP participant defaults on the required payment obligations of the DVP for the NETD settlement system, JDCC shall take deposits from the participant fund of this DVP participant to fulfill its obligations to other DVP participants.

The participant funds entrusted to JDCC will be managed as money trusts, in line with the stated general provisions of JDCC.

The evaluation technique applied to money trusts will be the present value method for investments with no market value, a process corresponding to that used for other marketable securities.

Assets and liabilities pertaining to participant funds are expressed as line items for this purpose, with assets indicated as designated assets for clearing assets, and liabilities indicated as deposits received for clearing funds.

(2) **Collateral securities**

Under the DVP for the NETD settlement system, DVP participants are able to entrust marketable securities listed in JDCC's general provisions (hereafter, "collateral securities") to ensure that obligations to JDCC are met.

When a DVP participant fails to meet its obligations to JDCC, JDCC is authorized to dispose of the entrusted collateral securities by selling them in securities markets or through other methods deemed appropriate by JDCC.

As of March 31, 2005, the market value of collateral securities entrusted to JDCC was ¥128,125,806 thousand.

4.

US DOLLAR AMOUNTS

Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥107.39=U.S. \$1, the rate of exchange as of March 31, 2005, has been used in translation. The inclusion of such amounts is not intended to imply that Japanese yen have been or could be readily converted, realized or settled in U.S. dollars at this or any other rate.

5.

LEASE TRANSACTIONS

Finance lease transactions, other than those in which the ownership of the leased asset is transferred to the lessee, are accounted for as operating leases. Certain key information (in equivalent data) on such lease contracts of the Company for the periods ended March 31, 2004 and 2005 is as follows:

	¥ (thousands)		\$ (thousands)
	2004	2005	2005
Tools and furniture:			
Acquisition cost	¥268,933	¥265,068	\$2,468
Accumulated depreciation	(48,108)	(97,836)	(911)
Net book value	¥220,825	¥167,232	\$1,557

The scheduled maturities of future lease payments, including the portion of interest thereon, on such lease contracts as of March 31, 2004 and 2005 are as follow:

	¥ (thousands)		\$ (thousands)
	2004	2005	2005
Due within one year	¥ 52,660	¥ 52,469	\$ 488
Due over one year	169,597	117,128	1,091
Total	¥222,257	¥169,597	\$1,579

Finance lease charges as well as depreciation and interest amounts (in equivalent data) for the years ended March 31, 2004 and 2005 are as follow:

	¥ (thousands)		\$ (thousands)
	2004	2005	2005
Finance lease charges	¥31,697	¥55,801	\$519
Depreciation (in equivalent data)	30,435	53,593	499
Interest (in equivalent data)	2,135	3,140	29

(Note) Methods applied in computation of the equivalent data are as follows:

Depreciation: Straight-line method with zero residual value over the lease contract period

Interest: Computed as the difference between the lease obligations and the acquisition cost, allocated for the lease contract period based on the interest rate method.

6.**SHORT-TERM
DEBTS**

Short-term debts at March 31, 2005 comprised loans from banks with a weighted average interest rate of 1.675% per annum.

7.**ACCRUED
SEVERANCE
INDEMNITIES FOR
EMPLOYEES**

Accrued employees' retirement benefits at March 31, 2005 represented the amount that would be payable for the Company if all eligible employees voluntarily terminated their employment at the balance sheet date. Severance costs for employees charged to income for the year ended March 31, 2005 amounted to 26,643 thousand yen (248 thousand U.S. dollars). Severance costs for employees charged to income for the year ended March 31, 2004 amounted to 13,350 thousand yen.

8.**INCOME TAXES**

The Company and its subsidiary are subject to a number of different income taxes which, in the aggregate, indicate a nominal statutory tax rate in Japan of approximately 40.6% for the period ended March 31, 2005. Reconciliation between the nominal statutory income tax rate and the effective income tax rate in the consolidated statements of income for the years ended March 31, 2004 and 2005 is as follows;

	2004	2005
Nominal statutory income tax rate	42.0%	40.6%
Adjustments:		
Permanent non-deductible difference	0.2	0.3
Equal proportion of inhabitant taxes	0.2	0.3
Income tax credit on investment in IT	(6.8)	(6.9)
Other, net	0.1	0.4
Effective income tax rate	35.7%	34.7%

	¥ (thousands)		\$ (thousands)
	2004	2005	2005
Deferred tax assets:			
Accrued bonuses	¥ 41,175	¥ 46,936	\$ 437
Enterprise tax payable	72,408	(5,421)	(50)
Unpaid social insurance premiums	5,465	6,275	58
Business facility tax	2,334	2,681	25
Tax loss carried forwards	8,108	—	—
Accrued retirement benefits to employees	13,342	21,213	198
Accrued retirement benefits to executives	17,527	22,435	209
Excess depreciation of fixed assets	—	88,624	825
Excess deferred asset depreciation for tax purposes	—	22,572	210
Other	—	103	0
Deferred tax assets	¥160,359	¥205,418	\$1,912

9.**SEGMENT
INFORMATION****(1) Business Segment**

The Company operates a single business unit, the central securities custody and book-entry transfer system.

(2) Geographic Information

The Company has no overseas consolidated subsidiaries and no overseas branches for the years ended March 31, 2004 and 2005.

(3) Overseas sales

The Company does not have any overseas sales for the years ended March 31, 2004 and 2005.

10.

**RELATED PARTY
TRANSACTIONS**

The material transactions of the Company with related companies or individuals, excluding transactions with the consolidated subsidiary that are excluded from the consolidated financial statements, and other than those disclosed elsewhere in these financial statements, for the years ended March 31, 2004 and 2005 are as follows:

(1) Directors

As of March 31, 2004						(in thousand yen)
Titles	Name	Business	Transactions	Amount	Account	Ending balance
Director	Toshiji Shimizu (Note 1)	Director of the Company Director of Japan Securities Settlement & Custody, Inc	Outsourcing (Note 1)	1,728,381	Account payable-trade	65,113
			Use of equipment (Note 1)	51	—	—
Director	Masayuki Tanaka	Director of the Company Senior Managing Director of The Bank of Tokyo–Mitsubishi, Ltd	Repayment of borrowings	1,330,000	—	—
			Interest on borrowings (Note 2)	10,302	—	—
			Short term borrowing	2,140,000	Short-term dept	2,140,000
			Interest (Note 2)	2,749	Prepaid interest	6,383

(Notes) 1. The transaction amounts above exclude consumption tax. However, ending balance includes consumption tax.

2. Terms and Conditions

(1) These amounts include transactions with Japan Securities Settlement & Custody, Inc (JSSC) for the nine month period from July 2003 because Toshiji Shimizu was appointed representative director of JSSC at June 19, 2003. JASDEC outsources its operations to JSSC as needed.

(2) The terms and conditions of the above transactions are on an arm's-length basis.

(3) Interest on borrowing is determined based on the market interest rate from banks.

As of March 31, 2005						(in thousand yen)
Titles	Name	Business	Transactions	Amount	Account	Ending balance
Director	Toshitugu Shimizu (Note1)	Director of the Company Director of Japan Securities Settlement & Custody, Inc	Outsourcing (Note 1)	2,499,104	Account payable-trade	337,704
			Use of equipment (Note 1)	71	—	—
Director	Fumiyuki Akikusa	Director of the Company Managing Director of The Bank of Tokyo–Mitsubishi, Ltd	Repayment of borrowings	645,000	—	—
			Interest on borrowings (Note 2)	2,693	—	—
			Short term borrowing	430,000	Short-term dept	1,925,000
			Interest (Note 2)	315	Prepaid interest	5,918

(Notes) 1. The transaction amounts above exclude consumption tax. However, ending balance includes consumption tax.

2. Terms and Conditions

(1) These amounts include transactions with Japan Securities Settlement & Custody, Inc (JSSC) for the period from April 1, 2004 to March 31, 2005.

(2) The terms and conditions of the above transactions are on an arm's-length basis.

(3) Interest on borrowing is determined based on the market interest rate from banks.

(2) Principle shareholder and its subsidiaries

As of March 31, 2004

(in thousand yen)

Names of companies	Address	Capital	Principal business	Percentage of ownership with voting right	Relationship		Transactions	Amount of transactions	Descriptions	Ending balance
					Directors holding concurrent positions	Business relationship				
Tosho System Service Co. (Subsidiary of other affiliates)	Koto-ku, Tokyo	100,000	Design, development of software	—	—	Purchase of software	Outsourcing	1,359,083	Trade account payable	148,426
							Purchase of software	1,626,653	Other account payable	67,200
Japan Securities Clearing Corporation (Subsidiary of other affiliates)	Chuo-ku, Tokyo	1,700,000	Clearing securities	—	Three	Commission income	Commission income	2,845,288	Trade account receivable	556,184
Japan Securities Settlement & Custody, Inc (Subsidiary of other affiliates)	Chuo-ku, Tokyo	300,000	Custody & settlement of securities	—	One	Outsourcing	Outsourcing	1,728,321	Trade account payable	65,113
							Use of equipment	51	—	—

(Notes) 1. These transaction amounts above exclude consumption tax. However, ending balance includes consumption tax.
2. The terms and conditions of the above transactions are on an arm's-length basis.

As of March 31, 2005

(in thousand yen)

Names of companies	Address	Capital	Principal business	Percentage of ownership with voting right	Relationship		Transactions	Amount of transactions	Descriptions	Ending balance
					Directors holding concurrent positions	Business relationship				
Tosho System Service Co. (Subsidiary of other affiliates)	Koto-ku, Tokyo	100,000	Design, development of software	—	—	Purchase of software	Outsourcing	1,325,628	Trade account payable	123,467
							Purchase of software	942,028	Other account payable	151,438
Japan Securities Clearing Corporation (Subsidiary of other affiliates)	Chuo-ku, Tokyo	1,700,000	Clearing securities	—	Three	Commission income	Commission income	3,536,034	Trade account receivable	647,525
Japan Securities Settlement & Custody, Inc (Subsidiary of other affiliates)	Chuo-ku, Tokyo	300,000	Custody & settlement of securities	—	One	Outsourcing	Outsourcing	2,499,104	Trade account payable	337,704
							Use of equipment	71	—	—

(Notes) 1. These transaction amounts above exclude consumption tax. However, ending balance includes consumption tax.
2. The terms and conditions of the above transactions are on an arm's-length basis.

11.

NET INCOME PER SHARE

The basis for calculating earnings per share for the years ended March 31, 2004 and 2005 are as follows:

	¥ (thousands)		\$ (thousands)
	2004	2005	2005
Net income as reported in the consolidated statements of income	¥1,650,629	¥1,050,244	\$9,779
Directors' bonuses through the appropriation of retained earnings	13,700	17,400	162
Net income pertaining to common stock shareholders	¥1,636,929	¥1,032,844	\$9,617
Weighted average number of common stock shares outstanding (in shares)	8,500	8,500	—

12.

SUBSEQUENT EVENTS

Appropriations of retained earnings:

Appropriations of retained earnings are recorded in the accounts only after shareholders' approval has been obtained. The following appropriation of retained earnings of the Company for the year ended March 31, 2005 was approved at the Ordinary General Shareholders Meeting held on June 21, 2005:

	¥ (thousands)	\$ (thousands)
Cash dividends	¥212,500	\$1,979
Bonuses to executives	17,400	162

(Including bonuses to statutory auditors amounting to 2,900 thousand yen (27 thousand U.S. dollars))