Vitec Co., Ltd.

Non-consolidated Financial Statements for the Years Ended March 31, 2005 and 2004, and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Vitec Co., Ltd.:

We have audited the accompanying non-consolidated balance sheets of Vitec Co., Ltd. (the "Company") as of March 31, 2005 and 2004, and the related non-consolidated statements of income and shareholders' equity for the years then ended, all expressed in Japanese yen. These non-consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these non-consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the financial position of Vitec Co., Ltd. as of March 31, 2005 and 2004, and the results of its operations for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

June 27, 2005

Vitec Co., Ltd.

Non-consolidated Balance Sheets
March 31, 2005 and 2004

ASSETS	Millions of Yen 2005	Millions of Yen 2004	Thousands of U.S. Dollars (Note 1) 2005
CURRENT ASSETS:			
Cash and cash equivalents	¥ 1,053	¥ 2,006	$ 9,806
Receivables:			
Trade notes	1,693	349	15,765
Trade accounts	11,307	14,350	105,289
Other	298	440	2,775
Allowance for doubtful receivables	(904)	(1,554)	(8,418)
Inventories (Note 3)	2,144	3,425	19,965
Short-term loans:			
Subsidiaries	4,654	5,419	43,337
Other	888	878	8,269
Deferred tax assets (Note 8)	1,662	1,226	15,476
Prepaid expenses and other	763	348	7,105
Total current assets	23,558	26,887	219,369
PROPERTY, PLANT AND EQUIPMENT:			
Land	2,023	2,603	18,838
Buildings and structures	1,809	1,920	16,845
Machinery and equipment	525	704	4,889
Furniture and fixtures	285	270	2,654
Total	4,642	5,497	43,226
Accumulated depreciation	(935)	(863)	(8,707)
Net property, plant and equipment	3,707	4,634	34,519
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Note 4)	1,453	1,462	13,530
Investments in and advances to subsidiaries	2,234	2,361	20,803
Guarantee deposits	1,019	995	9,489
Deferred tax assets (Note 8)	1,197	1,208	11,146
Other assets	317	346	2,952
Total investments and other assets	6,220	6,372	57,920
TOTAL	¥33,485	¥37,893	$311,808

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of Yen 2005	Millions of Yen 2004	Thousands of U.S. Dollars (Note 1) 2005
CURRENT LIABILITIES:			
Short-term bank loans (Note 5)	¥ 5,205	¥ 4,689	$ 48,468
Current portion of long-term debt (Note 5)	1,246	5,941	11,612
Payables:			
Trade notes	746	2,167	6,947
Trade accounts	11,258	10,401	104,833
Subsidiaries		23	
Other	164	48	1,527
Income taxes payable	37	15	344
Accrued bonuses	77	74	717
Accrued expenses and other	309	173	2,868
Total current liabilities	19,042	23,531	177,316
LONG-TERM LIABILITIES:			
Long-term debt (Note 5)	3,547	4,218	33,029
Liability for retirement benefits (Note 6)	212	167	1,974
Allowance for investments	3,387	3,219	31,539
Other	106	83	988
Total long-term liabilities	7,252	7,687	67,530
COMMITMENTS AND CONTINGENT LIABILITIES (Notes 9 and 10)			
SHAREHOLDERS' EQUITY (Notes 7 and 12):			
Common stock—authorized, 28,200,000 shares; issued, 12,076,358 shares in 2005 and 11,795,927 shares in 2004	4,504	4,329	41,941
Capital surplus—additional paid-in capital	1,699	1,524	15,821
Retained earnings—unappropriated	1,087	913	10,122
Unrealized loss on available-for-sale securities	(95)	(88)	(885)
Treasury stock—at cost, 2,122 shares in 2005 and 1,767 shares in 2004	(4)	(3)	(37)
Total shareholders' equity	7,191	6,675	66,962
TOTAL	¥33,485	¥37,893	$311,808

See notes to non-consolidated financial statements.

Vitec Co., Ltd.

Non-consolidated Statements of Income
Years Ended March 31, 2005 and 2004

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
NET SALES	¥96,650	¥103,135	$899,990
COST OF SALES	92,031	98,526	856,979
Gross profit	4,619	4,609	43,011
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	2,886	2,760	26,874
Operating income	1,733	1,849	16,137
OTHER INCOME (EXPENSES):			
Interest and dividend income	217	148	2,021
Interest expense	(199)	(184)	(1,853)
Foreign exchange gain (loss)	15	(79)	140
Gain (loss) on valuation of derivatives	(46)	142	(428)
Loss on sales of trade accounts	(56)	(34)	(521)
Loss on sales of property, plant and equipment	(505)		(4,702)
Depreciation on rental machinery	(88)	(134)	(819)
Loss on doubtful receivables		(86)	
Provision of allowance for doubtful receivables	(42)	(7)	(391)
Provision of allowance for investment	(941)	(1,601)	(8,762)
Retirement benefits for directors		(194)	
Cumulative effect of accounting change for retirement benefits to directors and corporate auditors		(123)	
Other—net	(130)		(1,213)
Other expenses—net	(1,775)	(2,152)	(16,528)
LOSS BEFORE INCOME TAXES	42	303	391
INCOME TAXES (Note 8):			
Current	26	15	242
Deferred	(420)	(1,231)	(3,911)
Total income taxes	(394)	(1,216)	(3,669)
NET INCOME	¥ 352	¥ 913	$ 3,278

(Continued)

Vitec Co., Ltd.

Non-consolidated Statements of Income
Years Ended March 31, 2005 and 2004

	Yen		U.S. Dollars
	2005	2004	2005
PER SHARE OF COMMON STOCK (Notes 2.m and 11):			
Basic net income	¥29.20	¥77.41	$0.27
Diluted net income	23.07	58.68	0.21
Cash dividends applicable to the year	20.00	15.00	0.19

See notes to non-consolidated financial statements.

(Concluded)

Vitec Co., Ltd.

Non-consolidated Statements of Shareholders' Equity
Years Ended March 31, 2005 and 2004

	Thousands	Millions of Yen				
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus Additional Paid-in Capital	Retained Earnings (Deficit) Unappropriated	Unrealized Loss on Available-for-sale Securities	Treasury Stock
BALANCE, APRIL 1, 2003	11,789	¥4,325	¥4,137	¥(2,617)	¥(164)	¥(3)
Net income				913		
Reversal of capital surplus in compensation for deficit			(2,617)	2,617		
Shares issued on conversion of convertible bonds	5	4	4			
Net decrease in unrealized loss on available-for-sale securities					76	
BALANCE, MARCH 31, 2004	11,794	4,329	1,524	913	(88)	(3)
Net income				352		
Cash dividends, ¥15 per share				(178)		
Repurchase of treasury stock						(1)
Shares issued on conversion of convertible bonds	280	175	175			
Net increase in unrealized loss on available-for-sale securities					(7)	
BALANCE, MARCH 31, 2005	12,074	¥4,504	¥1,699	¥ 1,087	¥ (95)	¥(4)

	Thousands of U.S. Dollars (Note 1)				
	Common Stock	Capital Surplus Additional Paid-in Capital	Retained Earnings Unappropriated	Unrealized Loss on Available-for-sale Securities	Treasury Stock
BALANCE, MARCH 31, 2004	$40,311	$14,191	$ 8,502	$(820)	$(28)
Net income			3,278		
Cash dividends, $0.14 per share			(1,658)		
Repurchase of treasury stock					(9)
Shares issued on conversion of convertible bonds	1,630	1,630			
Net increase in unrealized loss on available-for-sale securities				(65)	
BALANCE, MARCH 31, 2005	$41,941	$15,821	$10,122	$(885)	$(37)

See notes to non-consolidated financial statements.

1. BASIS OF PRESENTING NON-CONSOLIDATED FINANCIAL STATEMENTS

The accompanying non-consolidated financial statements have been prepared from the accounts maintained by Vitec Co., Ltd. (the "Company") in accordance with the provisions set forth in the Japanese Commercial Code (the "Code") and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

As consolidated statements of cash flows and certain disclosures are presented in the consolidated financial statements of the Company, non-consolidated statements of cash flows and certain disclosures are not presented herein in accordance with accounting principles generally accepted in Japan.

In preparing these non-consolidated financial statements, certain reclassifications and rearrangements have been made to the Company's financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2004 financial statements to conform to the classifications used in 2005.

The non-consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made at the rate of ¥107.39 to $1, the approximate rate of exchange at March 31, 2005. Such translation should not be construed as representation that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Non-consolidation—The non-consolidated financial statements do not include the accounts of subsidiaries. Investments in subsidiaries are stated at cost.

b. Cash Equivalents—Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits, certificate of deposits, commercial paper and bond funds, all of which mature or become due within three months of the date of acquisition.

c. Inventories—Inventories are stated at the lower of cost, determined by the average method, or market.

d. ***Investment Securities***—Securities are classified and accounted for, depending on management's intent, as follows: (1) trading securities, which are held for the purpose of earning capital gains in the near term, are reported at fair value, and the related unrealized gains and losses are included in earnings, (2) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are reported at amortized cost, (3) investment securities in subsidiaries and associated companies are reported at cost, and (4) available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of shareholders' equity. The Company has neither such trading securities nor held-to-maturity debt securities.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

e. ***Property, Plant and Equipment***—Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment is computed substantially by the declining-balance method at rates based on the estimated useful lives of the assets, while the straight-line method is applied to buildings acquired after April 1, 1998. The range of useful lives is principally as follows:

Buildings and structures	8–50 years
Machinery and equipment	2–15 years
Furniture and fixtures	2–20 years

f. ***Retirement and Pension Plan***—The Company has a non-contributory funded pension plan covering substantially all of its employees.

An unfunded pension obligation (that is the accumulated benefit obligation over the fair value of pension plan assets) is stated as liability for retirement benefits.

Retirement benefits to directors and corporate auditors are provided at the amount which would be required if all directors and corporate auditors retired at the balance sheet date.

g. ***Leases***—All leases are accounted for as operating leases. Under Japanese accounting standards for leases, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements.

h. ***Income Taxes***—The provision for income taxes is computed based on the pretax income included in the statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

i. ***Appropriations of Retained Earnings***—Appropriations of retained earnings are reflected in the financial statements for the following year upon shareholders' approval.

j. ***Foreign Currency Transactions***—All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the income statement to the extent that they are not hedged by forward exchange contracts.

k. ***Derivatives and Hedging Activities***—The Company uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange and interest rates. Foreign exchange forward contracts, interest rate swaps and interest caps are utilized by the Company to reduce foreign currency exchange and interest rate risks. The Company does not enter into derivatives for trading purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: (a) all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the income statement and (b) for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

In principle, the foreign exchange forward contracts, interest rate swaps and interest caps are measured at fair value and the unrealized gains and losses are recognized in income. Trade receivables or payables denominated in foreign currencies are translated at the contracted rates if the forward contracts qualify for hedge accounting. The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements are recognized and included in interest expense or income.

l. ***Related Party Transactions***—Related party transactions other than with subsidiaries and associated companies are not presented herein, as they are disclosed in the consolidated financial statements of the Company and consolidated subsidiaries.

m. ***Per Share Information***—Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted net income per share of common stock assumes full conversion of the outstanding convertible bonds at the beginning of the year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

Cash dividends per share presented in the accompanying non-consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

n. ***New Accounting Pronouncements***—In August 2002, the Business Accounting Council issued a Statement of Opinion, "Accounting for Impairment of Fixed Assets," and in October 2003 the Accounting Standards Board of Japan ("ASB") issued ASB Guidance No. 6, "Guidance for Accounting Standard for Impairment of Fixed Assets." These new pronouncements are effective for fiscal years beginning on or after April 1, 2005 with early adoption permitted for fiscal years ending on or after March 31, 2004.

The new accounting standard requires an entity to review its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

The Company expects to adopt these pronouncements as of April 1, 2005 and is currently in the process of assessing the effect of adoption of these pronouncements.

3. INVENTORIES

Inventories at March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Semiconductors	¥1,631	¥2,755	$15,188
Electronic equipment	513	670	4,777
Total	¥2,144	¥3,425	$19,965

4. INVESTMENT SECURITIES

Investment securities as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Non-current:			
Marketable equity securities	¥ 899	¥ 908	$ 8,371
Non-marketable equity securities	554	554	5,159
Total	¥1,453	¥1,462	$13,530

5. SHORT-TERM BANK LOANS AND LONG-TERM DEBT

Short-term bank loans at March 31, 2005 and 2004 consisted of overdrafts to banks. The annual interest rates applicable to the short-term bank loans ranged from 0.58% to 0.83% and 1.29% to 2.42% at March 31, 2005 and 2004, respectively.

Long-term debt at March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Unsecured 0.1% yen convertible bonds due 2005, with a 130% call option		¥ 4,773	
Unsecured 0.44% yen straight bonds due 2008, guaranteed by a bank	¥ 900	1,200	$ 8,381
Unsecured 0.73% yen straight bonds due 2009, guaranteed by a bank	800	1,000	7,449
Unsecured floating rate yen straight bonds due 2009, guaranteed by a bank	800	1,000	7,449
Unsecured 0.2% yen straight bonds due 2014, guaranteed by a bank	475		4,423
Unsecured loans from banks, due serially to 2009 with interest rates ranging from 2.08% to 2.32% (2005) and from 0.82% to 2.08% (2004)	1,719	2,186	16,007
Unsecured loans from life insurance company, due serially to 2008 with interest rate of 1.1%	100		932
Total	4,794	10,159	44,641
Less current portion	(1,247)	(5,941)	(11,612)
Total	¥3,547	¥ 4,218	$33,029

Annual maturities of long-term debt at March 31, 2005 were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2006	¥1,247	$11,612
2007	1,247	11,608
2008	1,247	11,611
2009	713	6,642
2010	115	1,071
2011 and thereafter	225	2,097
Total	¥4,794	$44,641

6. RETIREMENT AND PENSION PLANS

The Company has a non-contributory funded pension plan, which covers substantially all employees of the Company. The plan provides for a lump-sum payment to terminated employees with less than 20 years of participation in the plan. For those employees with participation of 20 years or more, either a lump-sum payment or an annuity are available at the option of the employee under certain circumstances.

The liability for retirement benefits at March 31, 2005 and 2004 for directors and corporate auditors was ¥176 million ($1,639 thousand) and ¥138 million, respectively. The retirement benefits for directors and corporate auditors are paid subject to the approval of the shareholders.

7. SHAREHOLDERS' EQUITY

Japanese companies are subject to the Code.

The Code requires that all shares of common stock are recorded with no par value and at least 50% of the issue price of new shares is required to be recorded as common stock and the remaining net proceeds as additional paid-in capital. The Code permits companies, upon approval of the Board of Directors, to issue shares to existing shareholders without consideration as a stock split. Such issuance of shares generally does not give rise to changes within the shareholders' accounts.

The Code also provides that an amount at least equal to 10% of the aggregate amount of cash dividends and certain other appropriations of retained earnings associated with cash outlays applicable to each period shall be appropriated as a legal reserve until such reserve and additional paid-in capital equals 25% of common stock. The amount of total additional paid-in capital and legal reserve that exceeds 25% of the common stock may be available for dividends by resolution of the shareholders. In addition, the Code permits the transfer of a portion of additional paid-in capital and legal reserve to the common stock by resolution of the Board of Directors.

The Code allows Japanese companies to repurchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The repurchased amount of treasury stock cannot exceed the amount available for future dividends plus amount of common stock, additional paid-in capital or legal reserve to be reduced in the case where such reduction was resolved at the shareholders meeting.

In addition to the provision that requires an appropriation for a legal reserve in connection with the cash payment, the Code imposes certain limitations on the amount of retained earnings available for dividends. The amount of retained earnings available for dividends under the Code was ¥985 million ($9,176 thousand) as of March 31, 2005, based on the amount recorded in the Company's general books of account.

Dividends are approved by the shareholders at a meeting held subsequent to the fiscal year to which the dividends are applicable. Semiannual interim dividends may also be paid upon resolution of the Board of Directors, subject to certain limitations imposed by the Code.

Under certain stock option plans approved by the Company's shareholders, the Company has granted stock options to managers. Each option permits the holder to purchase one share of the Company's common stock at a specified exercise price, during a specified period.

Information about the outstanding stock option plans is as follows:

Date of Approval	Option Holder	Total Number of Outstanding Options	Exercise Period	Exercise Price*
June 27, 2000	Managers	54,000	From July 1, 2002 to June 30, 2005	¥1,864

* Subject to adjustment for subsequent stock splits and other circumstances.

8. INCOME TAXES

The Company is subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rates of approximately 41% and 42% for the years ended March 31, 2005 and 2004, respectively.

On March 31, 2003, a tax reform law concerning enterprise tax was enacted in Japan which changed the normal effective statutory tax rate from 42% to 41%, effective for years beginning on or after April 1, 2004. The deferred tax assets and liabilities which will be realized on or after April 1, 2004 are measured at the effective tax rate of 41% as at March 31, 2004.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2005 and 2004 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Deferred tax assets:			
Current:			
Allowance for doubtful receivables	¥ 366	¥ 629	$ 3,408
Accrued bonuses	31	30	289
Inventories	145	130	1,350
Allowance for investment	1,322	992	12,310
Other	13	4	121
Less valuation allowance	(215)	(559)	(2,002)
Deferred tax assets—current	¥1,662	¥1,226	$15,476
Non-current:			
Liability for retirement benefits	¥ 86	¥ 68	$ 801
Allowance for doubtful receivables	314	34	2,924
Allowance for investment	49	312	456
Goodwill	116	231	1,080
Tax loss carryforwards	1,120	1,182	10,429
Other	125	94	1,164
Less valuation allowance	(613)	(713)	(5,708)
Deferred tax assets—non-current	¥1,197	¥1,208	$11,146

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying non-consolidated statements of income for the years ended March 31, 2005 and 2004 is as follows:

	2005	2004
Normal effective statutory tax rate	41%	42%
Expenses not deductible for income tax purposes	(74)	(11)
Per capita levy of local taxes	(31)	(5)
Valuation allowance	988	392
Other—net	4	(17)
Actual effective tax rate	928%	401%

At March 31, 2005, the Company has tax loss carryforwards aggregating approximately ¥2,825 million ($26,306 thousand) which are available to be offset against taxable income of the Company in future years. These tax loss carryforwards, if not utilized, will expire as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2007	¥ 653	$ 6,081
2008	2,172	20,225
Total	¥2,825	$26,306

9. LEASES

The Company leases certain computer equipment, vehicles and other assets.

Total lease payments under finance lease arrangements that do not transfer ownership of the leased property to the lessee were ¥31 million ($289 thousand) and ¥31 million for the years ended March 31, 2005 and 2004, respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation and obligations under finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2005 and 2004 was as follows:

	Millions of Yen			
	2005			
	Machinery and Equipment	Furniture and Fixtures	Other Assets	Total
Acquisition cost	¥14	¥127	¥23	¥164
Accumulated depreciation	2	74	7	83
Net leased property	¥12	¥ 53	¥16	¥ 81

	Millions of Yen			
	2004			
	Machinery and Equipment	Furniture and Fixtures	Other Assets	Total
Acquisition cost	¥8	¥132	¥21	¥161
Accumulated depreciation	4	61	13	78
Net leased property	¥4	¥ 71	¥ 8	¥ 83

	Thousands of U.S. Dollars			
	2005			
	Machinery and Equipment	Furniture and Fixtures	Other Assets	Total
Acquisition cost	$130	$1,183	$214	$1,527
Accumulated depreciation	19	689	65	773
Net leased property	$111	$ 494	$149	$ 754

Obligations under finance leases which included the imputed interest expense portion as of March 31, 2005 and 2004 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Due within one year	¥33	¥29	$307
Due after one year	48	54	447
Total	¥81	¥83	$754

10. COMMITMENTS AND CONTINGENT LIABILITIES

At March 31, 2005, the Company had the following contingent liabilities:

	Millions of Yen	Thousands of U.S. Dollars
Trade notes endorsed	¥7,824	$72,855
Guarantees and similar items of subsidiaries' bank loans, accounts payable and installment purchase obligations	2,861	26,641

11. NET INCOME PER SHARE

Reconciliation of the differences between basic and diluted net income per share ("EPS") for the years ended March 31, 2005 and 2004 is as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
Year Ended March 31, 2005	Net Income	Weighted-average Shares	EPS	
Basic EPS—Net income available to common shareholders	¥352	12,041	¥29.20	$0.27
Effect of dilutive securities—Convertible bonds	3	3,312		
Diluted EPS—Net income for computation	¥355	15,353	¥23.07	$0.21

Year Ended March 31, 2004	Millions of Yen Net Income	Thousands of Shares Weighted-average Shares	Yen EPS
Basic EPS—Net income available to common shareholders	¥913	11,789	¥77.41
Effect of dilutive securities—Convertible bonds	6	3,873	
Diluted EPS—Net income for computation	¥919	15,662	¥58.68

12. SUBSEQUENT EVENT

The following appropriations of retained earnings at March 31, 2005 were approved at the Company's shareholders meeting held on June 27, 2005:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥20.00 ($0.19) per share	¥241	$2,249

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