

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The six months ended September 30, 2005 and 2004

TAKASAGO INTERNATIONAL CORPORATION

Financial Highlights for the Interim Period (April 1, 2005/2004-September 30, 2005/2004)

	Yen in millions		Percent change 2005/2004	U.S.dollars in thousands
	2005	2004		2005
Net Sales	¥52,620	¥52,072	+1.1	\$464,889
Net Income	2,313	2,794	-17.2	\$20,441
Total Assets	117,224	108,990		\$1,035,641
Shareholders' Equity	45,706	41,068		\$403,802

	Yen		U.S.dollars
	2005	2004	2005
Net income per share	23.02	27.79	\$0.20

Note 1. U.S.dollar amounts have been translated at the rate of JPY113.19 per 1 U.S. dollar, the exchange rate prevailing on September 30, 2005

2. Amounts are rounded down to millions of yen and thousands of U.S. dollars.

TAKASAGO INTERNATIONAL CORPORATION
INTERIM CONSOLIDATED BALANCE SHEET

September 30, 2005 and 2004

ASSETS	Yen in millions		U.S.dollars in thousands	LIABILITIES AND SHAREHOLDERS' EQUITY	Yen in millions		U.S.dollars in thousands
	2005	2004	2005		2005	2004	2005
Current assets:				Current liabilities:			
Cash and cash equivalents	¥6,163	¥6,432	\$54,455	Bank loans	¥24,367	¥21,973	\$215,275
Notes and accounts receivable, trade:				Current portion of long-term debt	3,978	6,046	35,148
Notes and accounts receivable	22,880	20,320	202,145	Notes and accounts payable, trade	10,885	10,458	96,171
Allowance for doubtful accounts	(151)	(192)	(1,342)	Accrued income taxes	498	572	4,400
	22,728	20,128	200,803	Accrued expenses and other current liabilities	6,772	6,680	59,829
Inventories	27,491	25,375	242,878	Total current liabilities	46,501	45,731	410,826
Other current assets	2,314	2,604	20,447				
Total current assets	58,698	54,541	518,584	Long-term liabilities:			
Property, plant and equipment:				Long-term debt	11,745	10,173	103,771
Land	5,320	5,316	47,005	Retirement allowance	8,918	9,119	78,792
Buildings and structures	40,806	39,618	360,513	Other	3,667	2,244	32,400
Machinery and equipment	47,413	45,135	418,886	Total long-term liabilities	24,331	21,537	214,964
Construction in progress	2,115	798	18,687				
	95,656	90,869	845,092	Minority interests	684	652	6,047
Less: Accumulated depreciation	(56,910)	(52,877)	(502,787)				
Total Property, plant and equipment:	38,745	37,991	342,305	Shareholders' equity:			
Investments and other assets:				Common stock			
Investments in securities	18,078	14,345	159,718	Authorized - 300,000,000 shares			
Other	1,352	1,774	11,952	Issued and outstanding - 100,761,988 shares	9,248	9,248	81,708
Total investments and other assets	19,431	16,120	171,670	Paid-in capital in excess of par value	8,357	8,356	73,835
				Retained earnings	22,484	20,661	198,645
Other assets:	348	337	3,082		40,090	38,266	354,188
TOTAL ASSETS	¥117,224	¥108,990	\$1,035,641	Accumulated other comprehensive income			
				Unrealized gain on securities	7,792	5,476	68,844
				Foreign currency translation adjustment	(2,085)	(2,605)	(18,425)
					5,706	2,870	50,418
				Treasury stock, at cost	(91)	(69)	(805)
				Total shareholders' equity	45,706	41,068	403,802
				TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	¥117,224	¥108,990	\$1,035,641

