

CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006 and 2005

TAKASAGO INTERNATIONAL CORPORATION

FINANCIAL HIGHLIGHTS

	Yen in millions		Percent change 2006/2005	U.S.dollars in thousands
	2006	2005		2006
Net Sales	¥105,721	¥101,205	+4.5	\$899,986
Net Income	2,907	3,257	-10.7	\$24,752
Total Assets	120,345	111,556	+7.9	\$1,024,475
Shareholders' Equity	48,723	41,890	+16.3	\$414,774

	Yen		U.S.dollars
	2006	2005	2006
Net income per share	28.46	31.91	\$0.24

Note 1. U.S.dollar amounts have been translated at the rate of JPY117.47 per 1 U.S. dollar, the exchange rate prevailing on March 31, 2006

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

TAKASAGO INTERNATIONAL CORPORATION
CONSOLIDATED BALANCE SHEET

March 31, 2006 and 2005

ASSETS	Yen in millions		U.S.dollars in thousands	LIABILITIES AND SHAREHOLDERS' EQUITY	Yen in millions		U.S.dollars in thousands
	2006	2005	2006		2006	2005	2006
Current assets:				Current liabilities:			
Cash and cash equivalents	¥6,384	¥6,801	\$54,352	Bank loans	¥22,837	¥20,382	\$194,410
Notes and accounts receivable, trade:				Current portion of long-term debt	3,162	7,738	26,924
Notes and accounts receivable	21,812	21,213	185,686	Notes and accounts payable, trade	10,156	10,170	86,460
Allowance for doubtful accounts	(127)	(179)	(1,082)	Accrued income taxes	493	748	4,199
	21,685	21,034	184,604	Accrued expenses and other current liabilities	7,078	6,995	60,256
Inventories	28,339	26,286	241,248	Total current liabilities	43,728	46,035	372,252
Other current assets	2,125	3,300	18,094				
Total current assets	58,535	57,423	498,300	Long-term liabilities:			
Property, plant and equipment:				Long-term debt	13,269	10,955	112,957
Land	5,307	5,272	45,178	Retirement allowance	8,909	8,937	75,843
Buildings and structures	42,480	40,359	361,624	Other	4,988	3,096	42,461
Machinery and equipment	48,810	46,400	415,511	Total long-term liabilities	27,166	22,989	231,263
Construction in progress	700	698	5,965				
	97,297	92,731	828,279	Minority interests	726	640	6,185
Less: Accumulated depreciation	(58,756)	(55,110)	(500,186)	Shareholders' equity:			
Total Property, plant and equipment:	38,541	37,620	328,092	Common stock			
				Authorized — 300,000,000 shares			
Investments and other assets:				Issued and outstanding — 100,761,988 shares	9,248	9,248	78,731
Investments in securities	21,358	14,831	181,817	Paid-in capital in excess of par value	8,357	8,357	71,147
Other	1,422	1,351	12,111	Retained earnings	22,676	20,721	193,039
Total investments and other assets	22,780	16,182	193,928		40,282	38,327	342,917
				Accumulated other comprehensive income			
Other assets:	487	329	4,153	Unrealized gain on securities	9,427	5,967	80,258
TOTAL ASSETS	¥120,345	¥111,556	\$1,024,475	Foreign currency translation adjustment	(886)	(2,321)	(7,546)
					8,541	3,646	72,712
				Treasury stock, at cost	(100)	(83)	(855)
				Total shareholders' equity	48,723	41,890	414,774
				TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	¥120,345	¥111,556	\$1,024,475

