

Summary of Financial Results (Consolidated)

Interim Fiscal Year 2004 (April 1, 2004 to September 30, 2004)

November 25, 2004

Company: Densei-Lambda K.K. Exchanges on which listed: Tokyo and Osaka
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Date of Board of Directors' Meeting for approval of interim closing of accounts : November 25, 2004

Parent company : INVENSYS plc (Code no.: ___) Ownership ratio by parent company : 58.2 %

Adoption of US GAAP (yes/no): No

1. Consolidated financial results for interim FY2004 (April 1, 2004 to September 30, 2004)

(1) Consolidated financial results

	Net sales	Operating income	Ordinary income
	JPY million	JPY million	JPY million
September 2004 (H1)	16,996 (8.2 %)	1,022 (92.9 %)	1,137 (144.2 %)
September 2003 (H1)	15,705 (- 1.9 %)	530 (-- %)	465 (-- %)
March 2004	34,105	1,474	1,453

	Net income	Net income per share	Net income per share, fully diluted
	JPY million	JPY	JPY
September 2004 (H1)	608 (1,707.0 %)	28.25	28.24
September 2003 (H1)	33 (-- %)	1.56	1.56
March 2004	409	18.16	18.15

Notes:

1) Equity in earning (loss) of associates to:

September 2004 (H1): - million yen September 2003 (H1): - million yen March 2004: - million yen

2) Average number of shares in issue during period to (Consolidated):

September 2004 (H1): 21,527,249 shares September 2003 (H1): 21,530,865 shares March 2004: 21,529,929 shares

3) Change in accounting policies (yes/no): No

4) Figures in bracket under net sales, operating income, ordinary income and net income refer to year-on-year percentage change.

(2) Consolidated financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	JPY million	JPY million	%	JPY
September 2004 (H1)	32,067	17,809	55.5	827.35
September 2003 (H1)	33,527	17,140	51.1	796.12
March 2003	33,583	17,275	51.4	802.47

Notes: Number of shares outstanding at end of term (Consolidated) :

September 2004 (H1): 21,526,248 shares September 2003 (H1): 21,530,074 shares March 2004: 21,528,043 shares

(3) Consolidated statements of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	JPY million	JPY million	JPY million	JPY million
September 2004 (H1)	1,712	- 121	- 2,178	3,665
September 2003 (H1)	247	- 420	797	4,699
March 2004	2,003	- 892	- 1,009	4,122

(4) Consolidated subsidiaries and application of the equity method

Number of consolidated subsidiaries: 10

Number of non-consolidated subsidiaries: 0

Number of associated companies with equity method applied: 0

(5) Change in consolidated subsidiaries and application of the equity method

New consolidated subsidiaries: 0

Excluded consolidated subsidiaries: 0

Equity method newly applied: 0

Excluded equity method: 0

2. Consolidated financial forecast for FY2004 (April 1, 2004 to March 31, 2005)

	Net sales	Ordinary income	Net income
	JPY million	JPY million	JPY million
Full year	37,000	2,000	1,000

Note: The estimated net income per share for the fiscal year is 46.45 yen.

*The above forecast is based on the information available as of the date when this information is disclosed, so our actual performance could be different from it due to possible factors from now on.

1. Management Policies

(1) Principle Management Policies

Our principle policy at Densei-Lambda is to utilize our comprehensive expertise in advanced technology, research and development, production, sales and marketing to provide value-adding total power solutions for our customers, and thereby become the world's leading supplier of electronic power equipment.

We are also striving to ensure "safety and a sense of security" and provide "profitability and pride" on behalf of the many customers, investors and shareholders who have high expectations for the Company, and to establish a firm business foundation as a leading manufacturer of switching power supplies and uninterruptible power systems (UPS).

[Corporate Philosophy]

Densei-Lambda, as a total power solution provider, shall pledge to:

- Provide safety and a sense of security to its customers.
- Provide clean-power products that are friendly to the global environment.
- Become number one in the world by constantly embracing change and reform.

(2) Basic Profit-Appropriation Policies

We at Densei-Lambda believe that an increase in equity capital, which enables further investments in the future, will lead to lasting business growth and ultimately serve shareholder interests in the long run.

Therefore, our basic policy regarding the appropriation of profits is to maintain stable dividends over the long term. We determine dividend ratios by taking into account a range of factors, such as the Company's balance sheet, business environment and projected earnings.

Retained earnings are to be used to finance investments, such as capital investments on production facilities and research and development.

(3) Medium- and Long-Term Business Strategies

As the power-supply industry continues the trend toward globalization, competition among the domestic players and overseas counterparts is likely to intensify. Amid the challenges of this environment, the Group plans to implement the following measures for the expansion of business over the mid- to long term:

[1] Further expand the switching power supply business and UPS business.

- Export core technologies and products to the global marketplace.
- Expand the scope of business in order to achieve continued growth, both organically and through M&A and business tie-ups.

[2] Achieve world-class standards in production, distribution, technological development and quality.

- Further streamline the production and distribution systems to reduce costs, shorten lead time, scale back inventories and improve quality.
- Promote joint development and technical partnerships with other companies and thereby increase the speed and efficiency of technological development.

- Develop new products for the global marketplace, as well as original products based on our proprietary technologies.
- [3] Practice customer-oriented thinking at all levels of operations.
- Enhance business relationships with key customers, and develop new customers and markets.
 - Implement sales strategies that meet the needs of each region in which we operate and build a thorough, detailed sales network.
- [4] Implement efforts to preserve the global environment.
- Provide environmental “clean power” products to ensure the benefits of resource savings and energy conservation, while pushing forward to eliminate the use of controlled substances that are harmful to our environment.
- [5] Ensure “openness and transparency.”
- Enhance corporate transparency by putting in place a proper disclosure system and releasing the necessary information in a timely manner, thus facilitating accurate assessment of the Company’s business and operating conditions.

(4) Issues Facing the Company

- We will continue to work to shorten the delivery term and thereby achieve greater customer satisfaction on behalf of our switching power supplies. Additionally, we will implement a sales-expansion initiative designed to produce a more rapid increase in the sales of new products while expanding business with local trading companies to develop new customers throughout Japan. Overseas, we will position North America as our key market and step up our sales activity in factory automation (FA) markets in collaboration with sister company Lambda America.
- Regarding UPS operations, we will reorganize the current structure to enhance our business efficiencies, review the existing sales channels, and increase the skills and knowledge of our sales representatives. We will also bolster our networks in the regional markets and focus on expanding the market shares for our Power-EX, Power-MAX and Power-SOL products. Further, we will expand our OEM and EMS businesses.
- We will move forward in our effort to reform production and complete the transfer to overseas factories, thereby strengthening the cost-competitiveness of our products. At the same time we will continue actively adopting materials and parts produced overseas to achieve further cost reductions while taking the necessary steps to prevent quality problems.
- We will quickly grasp the changing needs of the telecommunications and IT markets on one hand and the FA and core industry markets on the other, and will accelerate product developments targeting the global marketplace to become a total power solutions provider. Concurrently we will bolster advance development efforts and joint research projects with other companies, so as to provide new technologies and value-added products that will meet tomorrow’s power-supply needs.
- To contribute to environmental protection throughout the globe, we will eliminate the use of lead solder in our plants by March 2005 and expand the range of environmentally friendly products. As for the RoHS Directive, an EU regulation set for July 2006 that will restrict the use of six environmentally hazardous substances, we will speed up the development of fifth-

generation products and modify the key standard products one by one, thus ensuring compliance.

(5) Basic Policy on Corporate Governance and Implementation of Related Measures

Densei-Lambda recognizes the importance of corporate governance. Accordingly, we make it our objective to promote communication with the shareholders and investors and set forth appropriate disclosure standards in order to achieve higher transparency.

- We have introduced an executive-officer system that is designed to separate the function of managing/supervising the Company from that of executing the corporation's business affairs. This system will enable us to reinforce the management/supervisory function and ensure speedy decision making on issues of management. To increase the speed of decision making and efficiency of business operations, the number of directors was reduced from 11 to seven at the annual shareholders' meeting this year. At the same time, to manage the Company in compliance with the applicable laws and regulations, our 7-member Board of Directors, including four external directors, provides decision making in regard to the matters specified by law or in the Company's Articles of Incorporation and other regulations, as well as important management issues. It also provides appropriate supervision based on reports on the state of Company business affairs. The Board of Executive Officers, which consists of directors, auditors and executive officers, is tasked with scrutinizing all important matters and issues relative to the Company's business operations.
- The Company also employs an auditor system. At the annual shareholders' meeting, one more external auditor was elected for the purpose of bolstering the Company's auditing system, then three of four statutory auditors are external auditors. One full-time statutory auditor attends every important meeting, including the meeting of the Board of Directors, in order to audit the execution of duties by the directors, and reports to and discusses with the external auditors at the Board of Auditors meetings on the state of Company business affairs, as well as daily audit. An internal audit group was established in July of this year. Under the leadership of this new group, we are conducting regular internal audits for the purpose of monitoring and improving our operations.
- We retain the firm of Shin Nihon & Co., Certified Public Accountants, to audit our annual and interim financial statements, along with multiple corporate counsels who advise us on legal issues when applicable.
- To ensure that our business activities are always in compliance with the highest standards of corporate ethics as well as the applicable laws and regulations, we have defined our corporate motto and action guidelines. These are being communicated to all employees in order to enhance their awareness in regard to compliance. Moreover, to ensure appropriate disclosure and maintain thorough transparency, we placed the IR and public-relations functions within the Office of the President, which is positioned directly under the Company President, thus facilitating better communication with shareholders and investors. In the interim period in review we conducted a presentation in May that explained the Company's final business results and disclosed financial information, including the consolidated balance sheet and income statement on a quarterly basis.

Overview of Personal, Capital and Transactional Relationships and Other Conflicts of Interest Between the Company and Its External Directors and Auditors

Our external directors include two representatives from the Lambda Power Division of Invensys plc, our indirect parent company; two representatives from Invensys Group companies in Japan; and one lawyer from the firm that serves as the standing proxy of the parent company. Densei-Lambda sells

and purchases products to and from sister companies of the Lambda Power Division of Invensys plc. There is no conflict of interest with our three external auditors.

(6) Basic Policies Concerning Relationships with Affiliated Parties (including the parent company)

Lambda Holdings Inc., which is headquartered in Melville, New York, USA, is Densei-Lambda's parent company, holding 59.32% of the Company's total voting rights (including 9.59% held indirectly).

All voting rights of Lambda Holdings Inc. are indirectly yet wholly owned by Invensys plc, whose head office is in London, U.K. The Company is therefore an indirect subsidiary of Invensys plc. The Invensys Group is a London-based global conglomerate in industrial electric equipment and parts. Currently Invensys plc is implementing a group-wide restructuring effort geared toward the selective allocation and concentration of management resources. The Lambda Power Division, to which the Company belongs, is included in the restructuring plan.

(7) Other Important Item Affecting the Company's Business Condition

Our Nagaoka Plant was hit by the Niigata Chuetsu Earthquake on October 23. On November 4, following a brief closure, operations gradually resumed. We are currently assessing the impact of this earthquake on the Company's business results for the period ending March 31, 2005. Although we are currently unable to present a definite forecast, the losses are expected to be minor.

2. Business Results and Financial Condition

(1) Business Results

[1] Overview of the Interim Period in Review

The Japanese economy continued to recover during the interim business period in review, due in part to increasing exports and capital investments on the back of steady growth in the U.S. and Asian economies, and partly due to improved personal spending domestically.

The electronics industry has been experiencing robust growth in broad market segments, thanks to brisk demand for digital consumer products.

Given the economic environment, the Company has implemented the following measures:

- We decided to consolidate our two production subsidiaries in Malaysia, effective as of October 1, in order to enhance our operating efficiencies. Concurrently we reorganized and consolidated our domestic offices as a means of boosting business efficiencies and cutting costs.
- Turning to the area of switching power supplies, we formed and launched an improvement project team for the purpose of reducing the delivery term and ensuring the achievement and maintenance of optimal inventory levels. We also restructured our sales network and strengthened our relationships with sales agents while cultivating new sales opportunities through local trading concerns who are closely tied to the regional markets, so as to win new customers and expand our sales of new products. Overseas, we endeavored to bolster our ties with the companies of the Group and the network of sales agents in Europe and the U.S.

Additionally, we focused on increasing our presence in the FA markets. In Asia we worked to expand our share of the respective markets, mainly through continuous contact with Japanese companies operating locally.

- Regarding our operations in uninterruptible power supplies (UPS), we continued to market actively to IT companies—particularly system integrators—while exploring business opportunities in the terrestrial digital broadcast market and the local governments that are proceeding with the consolidation of municipalities. In addition to the conventional stand-alone UPS products, we drove the sales of medium- to large-capacity UPS systems utilizing Power-SOL. In the area of maintenance and service we found the upgrade needs among the users of power-supply facilities that were introduced at the time of the “IT bubble,” and actively proposed the upgrading of new facilities, the overhauling of current facilities and other proactive solutions wherever applicable.
- We continued to implement our production-reform initiative, as designed to improve production efficiencies, thereby causing manpower saving and introducing a 24-hour operation system. Additionally, the Group companies improved and enhanced their production systems to comply with the current and anticipated environmental regulations.

Given the measures described above, and aided by brisk sales of switching power supplies, the Group reported consolidated sales of 16,996 million yen, an increase of 8.2% from the same period of the previous year. The Group also recorded consolidated ordinary income of 1,137 million yen, a whopping increase of 144.2% over the same period last year, thanks in part to increased sales and partly to improved business efficiencies as a result of ongoing cost-reduction and expense-control measures. All in all, the Group’s consolidated interim net income soared 1,707.0% over the same period last year, reaching 608 million yen.

Gauging the results by product category, sales from switching power supplies amounted to 14,225 million yen, an increase of 12.4% from the same period last year. The strong demand continued for semiconductors and flat-panel displays as applied to digital consumer electronics, boosting the demand among semiconductor production equipment manufacturers for our unit power supplies, system power supplies and the Genesys Series variable-output power supplies introduced last year. In the same markets the MLP Series momentary-voltage-drop protection units enjoyed a substantial increase in market share. Turning to the FA markets, our new DLP Series and Alpha II Series made strong showings, increasing the sales of unit power supplies and modular watt boxes. However, a continuing slump in the communications market dragged the sales of power modules lower.

Sales of UPS (uninterruptible power supply) products amounted to 2,770 million yen, down 9.2% from the same period of the previous year. Due to a slump in capital spending for communications facilities—mainly fixed telephone systems—we failed to win large-scale orders and consequently missed the sales target for three-phase UPS products.

We are, however, experiencing a pickup in demand regarding small- and midsize UPS units for use in IP phones and security systems. Elsewhere, sales from maintenance and service have declined following the strong results of the same period last year, which resulted from rush demand amid the power crisis.

[2] Business Outlook for the Next Business Year

Going forward, although the current recovery trend should continue for the near term, the long-range outlook remains uncertain because of concerns over the deteriorating situation in the Middle East, as well as soaring oil prices and the cost of raw materials.

The electronics industry is expected to face an increasingly tougher business environment, given that the demand for semiconductors and electronics components is showing signs of a slowdown. Moreover, the ceaseless competition among companies is likely to dampen prices.

The Group projects 37,000 million yen in consolidated sales for the next business year, with a consolidated ordinary income of 2,000 million yen and consolidated net income of 1,000 million yen.

[3] Dividend

As for the interim dividend, five yen per share will be paid to the shareholders, in consideration of the Company's business condition, projected economic environment in the future, in order to reinforce our corporate constitution and maintain stable dividends.

(2) Financial Condition

Cash and cash equivalents (hereinafter referred to as "cash") decreased 1,034 million yen from the end of the previous consolidated interim business period to 3,665 million yen at the end of the consolidated interim business period in review. This was primarily due to the appropriation of cash provided by operating activities to cover the repayment of principal and interest on loans.

The condition of each respective cash-flow category as of the end of the current consolidated interim business period, including key items of cash flow, is summarized below:

[1] Cash flow from operating activities

Net cash provided by operating activities came to 1,712 million yen.

This was mainly due to increases in cash due to the recording of net income before taxes (1,034 million yen), decreased notes and accounts receivables (1,444 million yen) and others, which together generated a substantial surplus over the cash decreases of 810 million yen as a result of increased inventory assets.

[2] Cash flow from investing activities

Net cash used in investing activities came to 121 million yen.

This was chiefly attributable to an expenditure arising from the purchase of tangible fixed assets needed to upgrade facilities in order to meet our environmental objectives (289 million yen) and purchase inspection equipment, and due to proceeds from the sales of intangible fixed assets (217 million yen), etc.

[3] Cash flow from financing activities

Net cash provided by financing activities came to 2,178 million yen.

This was mainly because the reductions in cash, chiefly as the result of decreased short-term borrowing (2,036 million yen), repayment of long-term debt (30 million yen) and payment of dividends (107 million yen).

The trends in the Group's cash flow indices are shown below:

	As of Sep. 30, 2003	As of Mar. 31, 2004	As of Sep. 30, 2004
Net-worth ratio (%)	51.1	51.4	55.5
Net-worth ratio based on market price (%)	59.6	58.4	54.2
Number of debt- repayment years	25.9	2.4	1.5
Interest-coverage ratio	3.6	15.4	43.8

* Net-worth ratio : Net assets / Total assets
 Net-worth ratio based on market price : Total market value of outstanding shares / Total assets
 Number of debt-repayment years : Interest-bearing debt / Operating cash flow
 Interest-coverage ratio : Operating cash flow / Interest-payment expenses

(Note)

1. Each index is calculated from financial figures on a consolidated basis.
2. The total market value of outstanding shares is calculated by "Closing price of share at end of period" x "Total number of shares outstanding at end of period (after deducting treasury stocks)."
3. Operating cash flow represents the cash flow from operating activities on the consolidated statements of cash flows. Interest-bearing debt covers all debts recorded on the consolidated balance sheet that are subject to interest payments. Interest-payment expenses indicate the amount of interest payable on the consolidated statements of cash flows.

Interim Consolidated Balance Sheets

(Thousands of yen)

	FY2003		FY2004		FY2003	
	As of September 30, 2003		As of September 30, 2004		As of March 31, 2004	
ASSETS		%		%		%
Current assets	20,246,544	60.4	19,782,681	61.7	20,702,240	61.6
Cash and deposits	4,714,981		3,675,521		4,132,557	
Notes and accounts receivable-trade	8,174,907		8,908,933		10,199,044	
Inventories	5,524,251		5,753,454		4,823,457	
Deferred tax assets	961,504		868,706		924,978	
Others	920,523		603,126		674,108	
Allowance for doubtful accounts	(49,623)		(27,061)		(51,907)	
Fixed assets	13,281,385	39.6	12,284,505	38.3	12,881,465	38.4
Tangible fixed assets	7,976,434		7,843,094		7,685,213	
Buildings and structures	1,639,816		1,531,109		1,490,242	
Machinery and delivery equipment	1,694,827		1,598,193		1,543,991	
Land	4,074,647		4,065,687		4,050,757	
Others	567,142		648,103		600,221	
Intangible fixed assets	1,790,188		1,341,840		1,655,175	
Investments and others	3,514,762		3,099,570		3,541,076	
Investment securities	1,531,815		1,411,199		1,785,174	
Deferred tax assets	1,657,834		1,282,602		1,400,765	
Others	384,366		437,957		406,851	
Allowance for doubtful accounts	(59,254)		(32,189)		(51,714)	
Total assets	33,527,929	100.0	32,067,186	100.0	33,583,705	100.0

(Thousands of yen)

	FY2003		FY2004		FY2003	
	As of September 30, 2003		As of September 30, 2004		As of March 31, 2004	
LIABILITIES		%		%		%
Current liabilities	13,164,758	39.3	9,392,799	29.3	11,256,725	33.5
Notes and accounts payable-trade	5,013,884		6,331,057		6,280,361	
Short-term borrowings	4,734,250		500,000		2,536,985	
Current portion of long-term debt	1,500,000		60,000		60,000	
Income taxes payable	115,437		179,605		151,359	
Reserve for bonuses	514,544		613,287		511,648	
Others	1,286,642		1,708,849		1,716,371	
Long-term liabilities	3,197,252	9.5	4,840,149	15.1	5,027,406	15.0
Long-term debt	180,000		2,090,000		2,120,000	
Deferred tax liabilities	101,725		41,980		34,890	
Revaluation of deferred tax liabilities	329,263		329,263		329,263	
Reserve for employees' retirement benefits	2,297,954		2,123,372		2,238,509	
Reserve for directors' retirement allowances	150,610		121,430		172,110	
Others	137,700		134,103		132,633	
Total liabilities	16,362,011	48.8	14,232,949	44.4	16,284,131	48.5
MINORITY INTEREST IN CONSOLIDATED COMPANIES	25,372	0.1	24,407	0.1	23,972	0.1
SHAREHOLDERS' EQUITY						
Common stock	2,941,025	8.8	2,941,025	9.2	2,941,025	8.8
Additional paid-in capital	2,803,150	8.3	2,803,150	8.7	2,803,150	8.3
Retained earnings	12,142,852	36.2	12,888,691	40.2	12,406,394	36.9
Revaluation account for land	479,737	1.4	479,737	1.5	479,737	1.4
Unrealized gains or losses on other securities	340,820	1.0	268,874	0.8	487,754	1.5
Foreign currency translation adjustments	(1,087,004)	(3.2)	(1,088,348)	(3.4)	(1,360,728)	(4.1)
Treasury stock	(480,034)	(1.4)	(483,301)	(1.5)	(481,731)	(1.4)
Total shareholders' equity	17,140,545	51.1	17,809,829	55.5	17,275,601	51.4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	33,527,929	100.0	32,067,186	100.0	33,583,705	100.0

Interim Consolidated Statements of Income

(Thousands of yen)

	FY2003		FY2004		FY2003	
	(From April 1, 2003 to September 30, 2003)		(From April 1, 2004 to September 30, 2004)		(From April 1, 2003 to March 31, 2004)	
		%		%		%
Net sales	15,705,177	100.0	16,996,440	100.0	34,105,108	100.0
Cost of sales	11,618,984	74.0	12,330,596	72.5	25,372,391	74.4
Gross profit	4,086,193	26.0	4,665,843	27.5	8,732,717	25.6
Selling, general and administrative expenses	3,556,118	22.6	3,643,554	21.5	7,257,765	21.3
Operating income	530,074	3.4	1,022,289	6.0	1,474,951	4.3
Non-operating income	98,144	0.6	177,723	1.1	222,251	0.7
Interest income	15,314		14,944		27,632	
Dividend income	24,323		19,753		28,580	
Others	58,506		143,025		166,037	
Non-operating expenses	162,256	1.0	62,299	0.4	244,086	0.7
Interest payment	61,673		39,470		128,273	
Foreign exchange losses	47,737		-		50,113	
Others	52,845		22,829		65,700	
Ordinary income	465,963	3.0	1,137,712	6.7	1,453,116	4.3
Extraordinary income	1,124	0.0	17,662	0.1	4,738	0.0
Revised profit carried from previous term	-		12,731		-	
Gain on sales of fixed assets	1,124		2,171		2,797	
Reversal of allowance for doubtful accounts	-		2,758		-	
Others	-		-		1,941	
Extraordinary losses	15,326	0.1	121,316	0.7	165,659	0.5
Loss on disposal of fixed assets	12,841		12,154		65,922	
Loss on valuation of investment securities	-		4,869		982	
Extraordinary loss from office closure	-		-		94,965	
Extraordinary loss from integration of subsidiaries	-		104,292		-	
Others	2,484		-		3,788	
Net income before taxes and other adjustments	451,761	2.9	1,034,059	6.1	1,292,195	3.8
Corporate, inhabitant and enterprise taxes	154,156		185,119		313,746	
Corporate tax refunded	6,968		-		8,373	
Adjustment of corporate taxes	270,557		238,262		577,939	
Minority interest in income of consolidated companies	355	0.0	2,439	0.0	(286)	- 0.0
Net income	33,660	0.2	608,237	3.6	409,169	1.2

Interim Consolidated Statements of Retained Earnings

(Thousands of yen)

	FY2003 (From April 1, 2003 to September 30, 2003)	FY2004 (From April 1, 2004 to September 30, 2004)	FY2003 (From April 1, 2003 to March 31, 2004)
CAPITAL RETAINED EARNINGS			
Additional paid-in capital at beginning of period	2,803,150	2,803,150	2,803,150
Additional paid-in capital at end of period	2,803,150	2,803,150	2,803,150
RETAINED EARNINGS			
Retained earnings at beginning of period	12,216,847	12,406,394	12,216,847
Increase of retained earnings	33,660	608,237	409,169
Net income	33,660	608,237	409,169
Decrease of retained earnings	107,656	125,940	219,622
Dividends	107,656	107,640	215,306
Directors' bonuses	-	18,300	-
Decrease of retained earnings for decrease of consolidated subsidiaries	-	-	4,315
Retained earnings at end of period	12,142,852	12,888,691	12,406,394

Interim Consolidated Statements of Cash Flows

(Thousands of yen)

	FY2003 (From April 1, 2003 to September 30, 2003)	FY2004 (From April 1, 2004 to September 30, 2004)	FY2003 (From April 1, 2003 to March 31, 2004)
1. Cash flows from operating activities			
Net income before taxes and other adjustments	451,761	1,034,059	1,292,195
Depreciation	304,540	295,134	637,190
Increase (decrease) in other allowances	(5,828)	(112,198)	(36,500)
Interest and dividend income	(39,639)	(34,698)	(56,213)
Interest expenses	61,673	39,470	128,273
Foreign exchange gains (losses)	7,060	(2,306)	224,028
Loss on valuation and sales of investment securities	-	4,869	982
Gain (loss) on disposal and sales of fixed assets	11,717	9,982	63,125
Decrease (increase) in notes and accounts receivable	783,622	1,444,528	(1,515,730)
Decrease (increase) in inventories	(419,238)	(810,759)	159,437
Increase (decrease) in notes and accounts payable	(968,683)	(76,635)	538,330
Others	298,622	92,815	987,996
Sub-total	485,607	1,884,261	2,423,113
Interest and dividend income	39,640	34,696	55,999
Interest expenses	(68,630)	(39,795)	(130,087)
Income tax and others	(209,230)	(166,189)	(345,138)
Net cash provided by operating activities	247,387	1,712,973	2,003,887

(Thousands of yen)

	FY2003 (From April 1, 2003 to September 30, 2003)	FY2004 (From April 1, 2004 to September 30, 2004)	FY2003 (From April 1, 2003 to March 31, 2004)
2. Cash flows from investing activities			
Proceeds from decrease in time deposits	-	-	5,000
Payments for acquisition of tangible fixed assets	(218,517)	(289,114)	(677,235)
Proceeds from sales of tangible fixed assets	54,890	3,395	19,228
Payments for acquisition of intangible fixed assets	(299,385)	(31,540)	(387,931)
Proceeds from sales of intangible fixed assets	-	217,020	-
Payments for acquisition of investment securities	-	-	(2,800)
Proceeds from sales and redemption of investment securities	-	-	89,403
Others	42,262	(21,659)	62,275
Net cash used in investing activities	(420,750)	(121,898)	(892,060)
3. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	734,250	(2,036,985)	(1,463,015)
Proceeds from increase in long-term debt	180,000	-	2,180,000
Payments for long-term debt	-	(30,000)	(1,500,000)
Payments for purchase of treasury stock	(1,015)	(1,569)	(2,712)
Dividends paid	(107,656)	(107,640)	(215,306)
Dividends paid to minority shareholders	(8,366)	(2,083)	(8,366)
Net cash provided by financing activities	797,213	(2,178,277)	(1,009,399)
4. Effect of exchange rate changes on cash and cash equivalents	(101,644)	130,166	(157,646)
5. Increase (decrease) in cash and cash equivalents	522,206	(457,036)	(55,218)
6. Cash and cash equivalents at beginning of period	4,177,775	4,122,557	4,177,775
7. Cash and cash equivalents at end of period	4,699,981	3,665,521	4,122,557