

Consolidated Financial Results for Interim FY2006/3 (April 1, 2005 to September 30, 2005)

November 24, 2005

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 24, 2005

Parent company : TDK Corporation (Code no.: 6762)

Ownership ratio of voting rights by parent company : 59.3 %

Adoption of US GAAP (yes/no): No

1. Consolidated financial results for interim FY2006/3 (April 1, 2005 to September 30, 2005)

(1) Consolidated financial results

	Net sales	Operating income	Ordinary income
	JPY million	JPY million	JPY million
September 2005 (H1)	16,204 (-4.7 %)	839 (-17.9 %)	918 (-19.3 %)
September 2004 (H1)	16,996 (8.2 %)	1,022 (92.9 %)	1,137 (144.2 %)
March 2005	34,112 --	1,987 --	2,154 --

	Net income	Net income per share	Net income per share, fully diluted
	JPY million	JPY	JPY
September 2005 (H1)	193 (-68.1 %)	9.00	8.98
September 2004 (H1)	608 (1,707.0 %) (-	28.25	28.24
March 2005	784 --	35.58	35.57

Notes:

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

September 2005 (H1): - million yen September 2004 (H1): - million yen March 2005: - million yen

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

September 2005 (H1): 21,522,010 shares September 2004 (H1): 21,527,249 shares March 2005: 21,525,968 shares

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

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 2005 (H1)	33,102	18,296	55.3	850.20
September 2004 (H1)	32,067	17,809	55.5	827.35
March 2005	30,689	17,797	58.0	826.90

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

September 2005 (H1): 21,520,755 shares September 2004 (H1): 21,526,248 shares March 2005: 21,523,381 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 2005 (H1)	- 776	- 546	393	3,611
September 2004 (H1)	1,712	- 121	- 2,178	3,665
March 2005	3,346	- 553	- 2,571	4,409

(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 FY2006/3 (April 1, 2005 to March 31, 2006)

	Net sales	Ordinary income	Net income
	JPY million	JPY million	JPY million
Full year	39,000	3,000	1,300

Note: The estimated net income per share for the fiscal year is 60.40 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.

- Reinforce our relationship with key customers, and focus on developing new customers and markets.
- Implement sales strategies tailored to the needs of local markets in which we operate, and establish a thorough, detailed sales network.
- Promote OEM and EMS businesses while looking for new business-partnership opportunities.
- Promote the digital terrestrial broadcasting business.

- [2] Achieve world-class standards in production, quality and logistics.
 - Streamline the current production and logistics systems in order to achieve lower cost, higher quality, leaner inventory and shorter lead time.
- [3] Develop products that can meet the needs of the global marketplace.
 - Develop advanced technologies that will set new technical standards in the industry.
 - Actively promote joint developments and technical partnerships in order to shorten the lead time and increase the efficiency of technological development.
 - Boost global marketing ability in order to enhance our value to customers.
 - Develop new products that will contribute to larger share and higher profitability.
- [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.”
 - Put in place an improved disclosure system in order to make the necessary information available to shareholders, regulatory bodies, etc., in a timely manner, and thus enhance transparency.

(4) Issues Facing the Company

- In the area of switching power supplies, we will reinforce our relationships with sales agents and revitalize the strengths of local trading companies to expand our sales channels. At the same time the direct sales section that has strong ties with our customers will implement thorough market research in order to search for potential customers and new business opportunities. By utilizing our advantage that we have all functions of production, development, sales and service in Asian district, our domestic and overseas sales departments will cooperate together to win global businesses.
- With respect to uninterruptible power systems (UPS), we will drive business partnerships with other companies in order to expand the scope of complementary product supply and enhance sales tie-ups, and thus boost sales. To that end we will step up the existing sales-support function, which acts as a consultant to propose systems and other solutions to our customers. We will also move forward with the sales of stabilized power supply systems combining emergency generator (EG) and UPS for use in relay stations for digital terrestrial broadcasting.
- We will build an optimal production system, continue our effort in regard to manufacturing reform and reintroduce TQM activity in order to improve production efficiency, optimize management resources and avoid risks such as disasters. Furthermore, we will maintain the policy of actively adopting parts and materials produced overseas in order to reduce costs, as we implement measures to trim inventory assets.
- Reflecting the globalization trends of the communications and IT markets on one hand and the FA and core industry markets on the other, we will develop (and increase our market share for) standard power supplies that can meet the needs of customers that conduct business globally. We will also move forward with advanced R&D and joint research projects aimed at developing new technologies and value-added products.
- Densai-Lambda, as an environmentally aware company, considers environmental protection a very important responsibility. To fulfill that responsibility we will introduce new products employing environmentally friendly designs. Concurrently, we will

implement the necessary changes and substitutions to ensure that our key standard products are in compliance with the RoHS Directive, an EU regulation to take effect in July 2006 that will restrict the use of six environmentally hazardous substances..

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

[1] Basic policy on corporate governance

Densei-Lambda recognizes the importance of corporate governance. Accordingly, we will improve our business management system, organization and infrastructure systems, and implement measures to increase the soundness and efficiency of our business operations and ensure that they're in compliance with the applicable laws. By so doing we'll continually enhance the value we bring to our shareholders and all other stakeholders in Densei-Lambda. Furthermore, we will set forth appropriate disclosure standards in order to achieve higher transparency.

[2] Implementation of related measures

a. Various functions of the Company and internal control system

- The Company employs the auditor system. The Company's officers consist of five directors (including three external directors) and three auditors (including two external auditors). The Board of Directors is held periodically or when needed to discuss and decide on matters specified by law or in the Company's Articles of Incorporation and other regulations, as well as important management issues. It also implements the necessary supervision based on reports received on the condition of the Company's business and affairs.
- The Company introduced an executive officer system designed to separate the function of managing/supervising the Company from the function of executing the corporation's business affairs, thus reinforcing the management/supervisory function and ensuring quick decision making in regard to management issues. The Board of Executive Officers consists of full-time directors and an auditor, executive officers and other top management personnel, such as the head of each business operation. The Board of Executive Officers discusses and reports on important management issues and as for especially important issues, it submits them to the Board of Directors.
- The internal audit group is tasked with the implementation of regular internal audits. The results of audits are reported to Representative Director and President, and if necessary, it requires related sections to improve operations as well as giving support for the improvement.

b. Risk management system

- Seeking 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, the Company spells out the culture it aims to develop and maintain as well as the code of conduct. These important principles are fully communicated to and infused into all employees in order to build awareness regarding the importance of compliance. The internal audit group is also checking the business and affairs of each department from the perspective of compliance with (and observance of) various internal regulations. We receive advice on legal matters concerning the running of the Company, such advice coming from multiple law offices that are retained as corporate counsel.

In the area of risk management, the head of each department works to manage and prevent risks as part of his or her day-to-day duties. Furthermore, if risk becomes

obvious, we are promptly taking actions, under the initiative of top management, to correct problems, as well as stepping up the risk-monitoring system. Additionally, a dedicated committee or other task force is formed if the corrective action requires cross-functional collaboration.

To achieve higher transparency through proper disclosure, the Company implements the thorough management of insider information and important corporate information that may affect the Company's investment rating, and discloses the required information in accordance with the rules of disclosure set forth by the stock exchange.

c. Internal audits, auditor's audits and accounting audits

- Internal audits are carried out on a regular basis by the internal audit group for the purpose of monitoring the appropriateness and efficiency of business activities and ensuring that all operations are carried out in an appropriate, efficient manner. The internal audit group also collaborates with the auditors to monitor the business and affairs of each functional organization within the Company.
- Auditor's audits are carried out by each auditor in accordance with the audit policies and duties/responsibilities defined by the Board of Auditors. The auditors attend meetings of the Board of Directors and other important gatherings, interview the directors and other members of the top management regarding the execution of their duties, review important authorization documents, etc., investigate the business and asset conditions of the head office and key business facilities and, if necessary, request business reports from subsidiaries and conduct audits on subsidiaries. The auditors also receive reports and explanations from the independent auditor so that appropriate courses of action can be discussed.
- Accounting audits are carried out by the Company's independent auditor, Ernst & Young Shin Nihon. This is mainly done with respect to the annual and semiannual settlements of accounts. There is no special conflict of interest between the Company and Ernst & Young Shin Nihon or its employees carrying out actual accounting audits that must be disclosed under the Certified Public Accountant Law. The names of certified public accountants who have performed the accounting audits for the business year in review, as well as the makeup of the audit team (including assistants), are as follows:

Names of certified public accounts who have carried out the accounting audits:

Koji Miyazawa (1), Hidehiro Takayama (18), Masayuki Miyairi (6)

Note: The figure in parentheses indicates continuous audit years.

Makeup of the audit team, including assistants:

3 certified public accounts, 4 junior accountants, 1 other assistant

- [3] Overview of personal, financial or business relationships or other conflicts of interest between the Company and its external directors and auditors

The Company's external directors consist of one representative from Invensys plc, the Company's indirect parent, along with one representative from the Japanese subsidiary of the Invensys Group companies and one lawyer from the law office acting as the standing proxy for the parent. The Company conducts sales transactions and maintains other business relationships with its sister companies belonging to the Lambda Power Division of Invensys plc.

There is no conflict of interest between the Company and its two external auditors.

- (6) Items Regarding the Parents, etc.

Effective on October 1, 2005, TDK U.S.A. Corporation, a wholly owned subsidiary of TDK Corporation, acquired the entire shares of Lambda Holdings Inc. from the Invensys Group. As a result, TDK Corporation became an indirect parent of the Company. We will strengthen our ties with the TDK Group in order to achieve maximum synergy.

[1] Trade names of the parents, etc.

(As of September 30 2005)

Parent, etc.	Relationship	Ownership of voting rights by the parent, etc. (%)	Stock exchange on which the parent, etc., is listed
Lambda Far-East Ltd.	Company affiliated with the listed company	9.58	None
Lambda Holdings Inc.	Parent	59.29 (9.58)	None
Invensys Inc.	Parent	(59.29)	None
Invensys International Holdings Inc.	Parent	(59.29)	None
Invensys Group Ltd.	Parent	(59.29)	None
Invensys plc	Parent	(59.29)	London Stock Exchange

(Note) In the column “Ownership of voting rights by the parent, etc.,” the figure in parentheses indicates a percentage of indirect ownership, including overlapping interests.

Trade names of the parents, etc. after October 1, 2005

Parent, etc.	Relationship	Ownership of voting rights by the parent, etc. (%)	Stock exchange on which the parent, etc., is listed
Lambda Far-East Ltd.	Company affiliated with the listed company	9.58	None
Lambda Holdings Inc.	Parent	59.29 (9.58)	None
TDK U.S.A. Corporation.	Parent	(59.29)	None
TDK Corporation	Parent	(59.29)	1 st section of Tokyo and Osaka, New York, London, Brussels

(Note) In the column “Ownership of voting rights by the parent, etc.,” the figure in parentheses indicates a percentage of indirect ownership, including overlapping interests.

[2] Trade name or name of the parent having the largest impact on the Densei-Lambda Group, and reason

Among our parents, etc., TDK Corporation has the most significant impact on the Group. The Company’s direct parent is Lambda Holdings Inc., which owns 59.29% of voting rights in the Company. However, TDK Corporation owns the company as its subsidiary, and as such it indirectly owns 100% of voting rights in the Company.

[3] Positioning of the Densei-Lambda Group in the groups of companies including the parents,

etc., and other relationships of the Densei-Lambda Group with the parents, etc.

The Densei-Lambda Group manufactures mainly power supplies and sells them to the companies belonging to the TDK Group that is considered the “parent, etc.” of the Company.

The Company is solely responsible for its business operations and makes its management decisions independently. The Company’s most business relationships are those without capital relationship. The Company has no financial or other lender/borrower relationship, guarantor/guarantee relationship, owner/user relationship regarding important leased manufacturing facility, etc., with the parents, etc.

On the condition that items 1 to 3 are resolved at the extraordinary general shareholders’ meeting scheduled for November 29, 2005 will change the makeup of the current external directors and external auditors, as well as our independent auditor. The changes will be as follows:

Of the seven directors, five will be accounted for by external auditors (including four from TDK Corporation).

Of the four corporate auditors, three will be accounted for by external auditors (including one from TDK Corporation).

Regarding the independent auditor, our audit system will be centralized with that of the TDK Group in order to boost the efficiency of accounting audit by TDK Corporation on a consolidated basis. Accordingly, Ernst & Young ShinNihon will resign as our independent auditor upon the conclusion of the extraordinary general shareholders’ meeting, and KPMG AZSA & Co. (the current independent auditor for the TDK Group) will take over as the Company’s independent auditor. Ernst & Young ShinNihon will prepare the interim consolidated financial statements and independent auditor’s report on interim financial statements under the Securities Exchange Law.

(7) Other Important Items Relating to Management of the Company

The Densei Lambda Group agreed to purchase shares in the Lambda Americas and Lambda Europe groups from TDK Corporation, Densei Lambda’s indirect parent, as part of our global strategy to increase the sales of switching power supplies. Accordingly, the companies of the Lambda Americas and Lambda Europe groups will become our subsidiaries with effect from January 2006. This will facilitate a speedy rollout of our expansion strategy in Europe and the U.S.

* Lambda Europe Group ----- Coutant-Lambda LTD. (U.K.), Lambda Scandinavia AB (Sweden), Lambda GmbH (Germany), Lambda SAS (France), Lambda S.r.l. (Italy)

* Lambda Americas Group --- Lambda America Inc. (U.S.), Lambda Electronics (Canada) Inc.

2. Business Results and Financial Condition

(1) Business Results

[1] Overview of the current interim period

The Japanese economy finally turned around and followed a steady path of recovery during the interim consolidated financial period in review, backed mainly by domestic demand. Capital investment remained strong on the back of improved corporate earnings and higher demand, while personal spending also increased gradually.

The electronics industry turned to an up trend from the end of the first half, as the inventory adjustments by IT companies were generally complete.

In light of the above circumstances, the Group implemented the following measures:

- In the area of switching power supplies, we increased the sales force to boost our sales-and-marketing activities and thereby ensure greater customer satisfaction. Additionally, we conducted the education and training needed to improve the skill levels of our sales representatives.
To improve the ratio of contract closings, we introduced SFA (Sales Force Automation) to facilitate sales reviews in a more specific, effective and quick manner.
- Additionally, we implemented measures to shorten the delivery time, and also sent sales managers from the Company and an overseas subsidiary to the U.S. in order to expand business in our largest market outside Japan.
- Regarding uninterruptible power systems (UPS), we actively contacted broadcasters across Japan in order to tap the rising demand for digital terrestrial broadcasting infrastructure, as well as system integrators, government and other public offices. Specifically, we extended our “Power SOL” network management software and introduced the version that supports Linux, an operating system whose use is expanding in the IP market, etc.
To tap undeveloped markets and customers to increase sales, we strengthened our sales partnerships with other companies and expanded EMS at Densei (Thailand) Co., Ltd.
In the area of maintenance service, we arranged maintenance engineers to assume sales roles as a means to persuade existing customers with old facilities to upgrade to new Densei Lambda products.
- We continued our manufacturing innovation activities in order to enhance the efficiency and profitability of production, and began transplanting the initiative to our overseas production subsidiaries.
- The establishment of production systems compliant with the RoHS Directive (the regulation on usage of harmful substances) is nearly complete at our key overseas production subsidiaries, and the factories have begun producing RoHS-compliant products. Over 2,000 models of our switching power supplies now conform to the RoHS Directive.

Despite the above efforts, the impact of inventory adjustments in the IT sector, which had continued until the beginning of the first half, affected our sales. As a result, the Group’s net sales in the current interim consolidated fiscal period ended at 16,204 million yen (4.7% down from the same period of the previous year). As for the profit-and-loss situation, the Group recorded ordinary income of 918 million yen (down 19.3%) due to lower sales, impairment losses, extraordinary losses on sale of fixed assets, etc. Interim net income stood at 193

million yen (down 68.1%).

By product category, sales of switching power supplies dropped to 13,234 million yen (down 7.0%). Although the previous interim period had seen strong demand for digital consumer electronics, led by LCD panels, the demand for our key product categories remained low during the current interim period due to softness in the communications and semiconductor sectors.

However, there is also a bright spot. Our focused measures to expand FA and other business fields are beginning to take effect, with August and September sales from these segments reaching their highest levels in the past five years.

All in all, our UPS sales jumped 7.2% relative to the same period of the previous year, amounting to 2,970 million yen. Although digital terrestrial broadcasting and IP phone continue to grow, and though the demand for small to medium-size UPS products is recovering in the distribution sector, the overall UPS market has seen no drastic change in demand. On the other hand, the demand for engine generators (EG) finally saw an increase after a period of downturn, due to increased capital investments for fixed phones and other communications facilities.

Sales from maintenance service increased significantly due to aggressive sales activity by maintenance engineers.

[2] Outlook for the Year

Looking forward in the current fiscal year, exports are expected to pick up due to expansion in overseas economies, and capital spending is likely to remain strong. However, there are concerns over a temporary slowdown in the U.S. economy due to the hurricane disasters, and oil prices are likely to remain high. Going forward, these factors call for extreme caution in reading the economic trends.

Although the electronics industry will probably continue its gradual recovery, industry competition is expected to heat up. The situation does not allow room for premature optimism.

Given the above, we project consolidated net sales of 39 billion yen for the fiscal year, with consolidated ordinary income of 3 billion yen and consolidated net income of 1.3 billion yen.

[3] Dividends

In light of the business results and economic outlook from now on, we decided to pay an interim dividend of 5 yen per share in order to bolster our corporate strength and remain consistent with our policy of maintaining a stable dividend level.

(2) Financial Condition

Cash and cash equivalents (hereinafter “cash”) decreased 54 million yen from the end of the previous interim consolidated financial year to 3,611 million yen at the end of the interim consolidated financial year in review. This was mainly because of restrained liquidation of notes and accounts receivable, because interest-bearing debt had been largely decreased during the previous interim consolidated financial year and strong capital needs were not estimated.

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

[1] Cash flow from operating activities

Net cash used in operating activities was 776 million yen.

This was mainly because decrease in cash due to increase in note and accounts receivable (1,436 million yen) and increase in inventories (1,957 million yen) largely exceeded cash increases due to recording of net income before taxes (509 million yen) and depreciation expenses (306 million yen), and increase in note and accounts payable (1,511 million yen).

[2] Cash flow from investing activities

Net cash used in investing activities was 546 million yen.

This was chiefly attributable to an expenditure arising from the acquisition of tangible fixed assets (517 million yen) in order to upgrade equipment to enhance production capacity and to meet our environmental objective and to purchase inspection equipment.

[3] Cash flow from financing activities

Net cash provided by financing activities was 393 million yen.

This was mainly because increase in short-term borrowings (534 million yen) exceeded decrease in cash due to payments for long-term debt (30 million yen) as well as dividends paid (107 million yen).

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

	September, 2004	March, 2005	September, 2005
Net-worth ratio (%)	55.5	58.0	55.3
Net-worth ratio based on market price (%)	54.2	68.9	100.4
Number of debt- repayment years	1.5	0.7	--
Interest-coverage ratio	43.8	51.4	--

* 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)

- Each index is calculated from financial figures on a consolidated basis.
- 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)."
- 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.
- Number of debt-repayment years and interest-coverage ratio for this interim period are not shown because cash flow from operating activities is negative.

Interim Consolidated Balance Sheets

(Thousands of yen)

	FY2005/3 First Half As of September 30, 2004		FY2006/3 First Half As of September 30, 2005		FY2005/3 As of March 31, 2005	
		%		%		%
ASSETS		%		%		%
Current assets	19,782,681	61.7	22,041,770	66.6	19,294,783	62.9
Cash and deposits	3,675,521		3,621,340		4,419,645	
Notes and accounts receivable-trade	8,908,933		10,948,068		9,350,349	
Inventories	5,753,454		5,997,355		3,896,710	
Deferred tax assets	868,706		995,473		1,247,256	
Others	603,126		508,028		411,199	
Allowance for doubtful accounts	-27,061		-28,496		-30,379	
Fixed assets	12,284,505	38.3	11,060,444	33.4	11,395,213	37.1
Tangible fixed assets	7,843,094		7,460,044		7,809,405	
Buildings and structures	1,531,109		1,248,392		1,564,257	
Machinery and delivery equipment	1,598,193		1,968,595		1,757,346	
Land	4,065,687		3,694,223		3,854,143	
Others	648,103		548,832		633,658	
Intangible fixed assets	1,341,840		1,173,868		1,273,775	
Investments and others	3,099,570		2,426,531		2,312,031	
Investment securities	1,411,199		1,889,575		1,615,273	
Deferred tax assets	1,282,602		169,027		352,891	
Others	437,957		412,027		383,053	
Allowance for doubtful accounts	-32,189		-44,098		-39,187	
Total assets	32,067,186	100.0	33,102,214	100.0	30,689,996	100.0

(Thousands of yen)

	FY2005/3 First Half		FY2006/3 First Half		FY2005/3	
	As of September 30, 2004		As of September 30, 2005		As of March 31, 2005	
LIABILITIES		%		%		%
Current liabilities	9,392,799	29.3	10,242,085	30.9	8,176,521	26.6
Notes and accounts payable-trade	6,331,057		6,963,193		5,287,939	
Short-term borrowings	500,000		781,149		246,836	
Current portion of long-term debt	60,000		90,000		75,000	
Income taxes payable	179,605		137,995		180,110	
Reserve for bonuses	613,287		651,150		541,801	
Others	1,708,849		1,618,597		1,844,833	
Long-term liabilities	4,840,149	15.1	4,536,952	13.7	4,692,139	15.3
Long-term debt	2,090,000		2,000,000		2,045,000	
Deferred tax liabilities	41,980		-		-	
Revaluation of deferred tax liabilities	329,263		329,263		329,263	
Reserve for employees' retirement benefits	2,123,372		1,924,664		2,020,512	
Reserve for directors' retirement allowances	121,430		120,954		139,130	
Others	134,103		162,071		158,234	
Total liabilities	14,232,949	44.4	14,779,037	44.6	12,868,660	41.9
MINORITY INTEREST IN CONSOLIDATED COMPANIES	24,407	0.1	26,317	0.1	23,551	0.1
SHAREHOLDERS' EQUITY						
Common stock	2,941,025	9.2	2,941,025	8.9	2,941,025	9.6
Additional paid-in capital	2,803,150	8.7	2,803,150	8.5	2,803,150	9.1
Retained earnings	12,888,691	40.2	13,021,572	39.4	12,955,307	42.2
Revaluation account for land	479,737	1.5	479,737	1.4	479,737	1.6
Unrealized gains or losses on other securities	268,874	0.8	559,358	1.7	390,152	1.3
Foreign currency translation adjustments	-1,088,348	-3.4	-1,018,856	-3.1	-1,286,057	-4.2
Treasury stock	-483,301	-1.5	-489,127	-1.5	-485,531	-1.6
Total shareholders' equity	17,809,829	55.5	18,296,859	55.3	17,797,783	58.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	32,067,186	100.0	33,102,214	100.0	30,689,996	100.0

Interim Consolidated Statements of Income

(Thousands of yen)

	FY2005/3		FY2006/3		FY2005/3	
	First Half (From April 1, 2004 to September 30, 2004)		First Half (From April 1, 2005 to September 30, 2005)		First Half (From April 1, 2004 to March 31, 2005)	
		%		%		%
Net sales	16,996,440	100.0	16,204,531	100.0	34,112,048	100.0
Cost of sales	12,330,596	72.5	11,701,696	72.2	24,854,705	72.9
Gross profit	4,665,843	27.5	4,502,835	27.8	9,257,342	27.1
Selling, general and administrative expenses	3,643,554	21.5	3,663,708	22.6	7,269,394	21.3
Operating income	1,022,289	6.0	839,126	5.2	1,987,947	5.8
Non-operating income	177,723	1.1	125,420	0.8	275,833	0.8
Interest income	14,944		24,204		39,581	
Dividend income	19,753		9,494		25,751	
Foreign exchange gains	-		21,049		17,766	
Dormitory income	-		19,957		42,825	
Others	143,025		50,715		149,909	
Non-operating expenses	62,299	0.4	45,994	0.3	109,303	0.3
Interest payment	39,470		29,241		64,758	
Reversal of allowance for doubtful accounts	-		209		119	
Others	22,829		16,543		44,425	
Ordinary income	1,137,712	6.7	918,552	5.7	2,154,477	6.3
Extraordinary income	17,662	0.1	13,800	0.1	151,760	0.5
Revised profit carried from previous term	12,731		10,343		147,339	
Gain on sales of fixed assets	2,171		3,181		4,421	
Reversal of allowance for doubtful accounts	2,758		-		-	
Others	-		274		-	
Extraordinary losses	121,316	0.7	423,311	2.7	498,851	1.5
Loss on sales of fixed assets	-		188,107		46,898	
Loss on disposal of fixed assets	12,154		40,994		70,873	
Loss on valuation of investment securities	4,869		11,035		5,248	
Casualty losses	-		-		57,775	
Loss on disposal of inventories	-		-		42,213	
Extraordinary loading of retirement expenses	-		-		168,640	
Extraordinary loss from consolidation of subsidiaries	104,292		-		106,946	
Loss due to impairment	-		183,173		-	
Others	-		-		254	
Net income before taxes and other adjustments	1,034,059	6.1	509,041	3.1	1,807,387	5.3
Corporate, inhabitant and enterprise taxes	185,119		111,472		265,411	
Adjustment of corporate taxes	238,262		202,572		755,754	
Minority interest in income of consolidated companies	2,439	0.0	1,199	0.0	2,155	0.0
Net income	608,237	3.6	193,797	1.2	784,065	2.3

Interim Consolidated Statements of Retained Earnings

(Thousands of yen)

	FY2005/3 First Half (From April 1, 2004 to September 30, 2004)	FY2006/3 First Half (From April 1, 2005 to September 30, 2005)	FY2005/3 (From April 1, 2004 to March 31, 2005)
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	12,406,394	12,955,307	12,406,394
Increase of retained earnings	608,237	193,797	784,065
Net income	608,237	193,797	784,065
Decrease of retained earnings	125,940	127,531	235,152
Dividends	107,640	107,616	215,271
Directors' bonuses	18,300	19,915	18,300
Staff and workers' welfare fund of the subsidiaries	-	-	1,581
Retained earnings at end of period	12,888,691	13,021,572	12,955,307

Interim Consolidated Statements of Cash Flows

(Thousands of yen)

	FY2005/3 First Half (From April 1, 2004 to September 30, 2004)	FY2006/3 First Half (From April 1, 2005 to September 30, 2005)	FY2005/3 (From April 1, 2004 to March 31, 2005)
1. Cash flows from operating activities			
Net income before taxes and other adjustments	1,034,059	509,041	1,807,387
Depreciation	295,134	306,622	605,133
Impairment losses	-	183,173	-
Increase (decrease) in other allowances	-112,198	-6,427	-208,021
Interest and dividend income	-34,698	-33,698	-65,332
Interest expenses	39,470	29,241	64,758
Foreign exchange gains (losses)	-2,306	-6,525	-33,555
Loss on valuation of investment securities	4,869	11,035	5,248
Gain (loss) on disposal and sales of fixed assets	9,982	225,920	113,350
Decrease (increase) in notes and accounts receivable	1,444,528	-1,436,776	868,817
Decrease (increase) in inventories	-810,759	-1,957,387	944,956
Increase (decrease) in notes and accounts payable	-76,635	1,511,730	-1,065,374
Others	92,815	30,614	571,938
Sub-total	1,884,261	-633,437	3,609,305
Interest and dividend income	34,696	33,692	65,329
Interest expenses	-39,795	-29,100	-65,159
Income tax and others	-166,189	-147,463	-262,534
Net cash provided by operating activities	1,712,973	-776,308	3,346,941

(Thousands of yen)

	FY2005/3 First Half (From April 1, 2004 to September 30, 2004)	FY2006/3 First Half (From April 1, 2005 to September 30, 2005)	FY2005/3 (From April 1, 2004 to March 31, 2005)
2. Cash flows from investing activities			
Payments for acquisition of tangible fixed assets	-289,114	-517,425	-780,762
Proceeds from sales of tangible fixed assets	3,395	55,297	172,977
Payments for acquisition of intangible fixed assets	-31,540	-62,612	-196,471
Proceeds from sales of intangible fixed assets	217,020	-	217,020
Others	-21,659	-21,695	34,152
Net cash used in investing activities	-121,898	-546,435	-553,084
3. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	-2,036,985	534,313	-2,290,149
Payments for long-term debt	-30,000	-30,000	-60,000
Payments for purchase of treasury stock	-1,569	-3,596	-3,799
Dividends paid	-107,640	-107,616	-215,271
Dividends paid to minority shareholders	-2,083	-	-2,083
Net cash provided by financing activities	-2,178,277	393,101	-2,571,302
4. Effect of exchange rate changes on cash and cash equivalents	130,166	131,337	64,533
5. Increase (decrease) in cash and cash equivalents	-457,036	-798,305	287,088
6. Cash and cash equivalents at beginning of period	4,122,557	4,409,645	4,122,557
7. Cash and cash equivalents at end of period	3,665,521	3,611,340	4,409,645