

**BALANCE SHEETS**

As of March 31, 2005

Thousands of yen

	2004
<b>( ASSETS )</b>	
<b>Current Assets</b>	
1 Cash and Bank deposits	5,202,340
2 Notes receivable-trade	2,911,959
3 Accounts receivable-trade	12,154,960
4 Inventories	765,105
5 Advance payment	3,338,372
6 Accounts receivable-non-trade	463,971
7 Deposits receivable	1,520,000
8 Deferred tax assets-current	123,153
9 Other current assets	58,941
10 Allowance for doubtful receivables	35,060
<b>Total current assets</b>	<b>26,503,746</b>
<b>Fixed Assets</b>	
1 Tangible fixed assets	
(1) Buildings	56,942
(2) Machinery and equipment	80,279
(3) Autos and trucks	3,414
(4) Furniture and fixtures	60,657
Total tangible fixed assets	201,294
2 Intangible fixed assets	
(1) Software	29,483
(2) Other intangible fixed assets	2,379
Total intangible fixed assets	31,862
3 Investments and other fixed assets	
(1) Investment securities	235,430
(2) Deposits	259,204
(3) Deferred tax assets-non-current	29,288
(4) Others	24,673
(5) Allowance for doubtful receivables	7,036
Total investment and other fixed assets	541,562
<b>Total fixed assets</b>	<b>774,719</b>
<b>Total Assets</b>	<b>27,278,465</b>

Sojitz Machinery Corporation

	2004
<b>( LIABILITIES )</b>	
<b>Current Liabilities</b>	
1 Notes payable-trade	2,642,341
2 Accounts payable-trade	12,962,122
3 Short-term loans payable	4,998,900
4 Accounts payable-non-trade	567,072
5 Income taxes payable	112,774
6 Advance received	3,293,211
7 Other current liabilities	294,854
<b>Total current liabilities</b>	<b>24,871,277</b>
<b>( SHAREHOLDERS' EQUITY )</b>	
<b>Common Stock</b>	1,000,000
<b>Capital surplus</b>	333,000
<b>Retained Earnings</b>	1,076,049
1 Legal reserve	81,601
2 General reserve	24,000
3 Unappropriated earned surplus/loss	970,448
<b>Securities Gain/Loss</b>	1,861
<b>Total Shareholders' equity</b>	<b>2,407,188</b>
<b>Total Liabilities and shareholders' equity</b>	<b>27,278,465</b>

## STATEMENTS OF INCOME

For the year ended March 31,2005

Thousands of yen

	2004
<b>Net sales</b>	65,236,845
Cost of sales	61,137,441
Gross trading profit	4,099,404
Selling,general and administrative expenses	2,879,603
<b>Operating income</b>	1,219,800
Non-operating income	
Interest income	69,623
Receipt dividends	4,728
Other income	24,939
	99,292
Non-operating expenses	
Interest expense	111,182
Foreign exchange loss	4,326
Other expenses	22,164
	137,672
<b>Recurring profit</b>	1,181,419
Extraordinary income	
Gain on sales of investment securities	30,420
Extraordinary profits-other	11,332
Extraordinary loss	
Losses on sales of fixed assets	41,819
Extraordinary losses-other	52,150
<b>Income before income taxes</b>	1,129,204
Income taxes current	465,128
Income taxes deferred	36,711
<b>Net Income/Loss</b>	700,785