

**BALANCE SHEETS**

As of March 31, 2006

Thousands of yen

	2005
<b>( ASSETS )</b>	
<b>Current Assets</b>	
1 Cash and Bank deposits	4,726,311
2 Notes receivable-trade	1,717,206
3 Accounts receivable-trade	13,818,520
4 Inventories	1,241,305
5 Advance payment	2,020,731
6 Accounts receivable-non-trade	211,095
7 Deposits receivable	2,000,000
8 Deferred tax assets-current	138,888
9 Other current assets	231,055
10 Allowance for doubtful receivables	33,600
<b>Total current assets</b>	<b>26,071,514</b>
<b>Fixed Assets</b>	
1 Tangible fixed assets	
(1) Buildings	44,717
(2) Machinery and equipment	72,402
(3) Autos and trucks	1,862
(4) Furniture and fixtures	25,396
Total tangible fixed assets	144,379
2 Intangible fixed assets	
(1) Software	14,949
(2) Other intangible fixed assets	999
Total intangible fixed assets	15,949
3 Investments and other fixed assets	
(1) Investment securities	410,459
(2) Deposits	258,912
(3) Deferred tax assets-non-current	1,433,663
(4) Others	3,587,986
(5) Allowance for doubtful receivables	3,571,986
Total investment and other fixed assets	2,119,036
<b>Total fixed assets</b>	<b>2,279,364</b>
<b>Total Assets</b>	<b>28,350,878</b>

Sojitz Machinery Corporation

	2005
<b>( LIABILITIES )</b>	
<b>Current Liabilities</b>	
1 Notes payable-trade	3,429,386
2 Accounts payable-trade	14,345,156
3 Short-term loans payable	4,898,000
4 Accounts payable-non-trade	443,947
5 Income taxes payable	65,857
6 Advance received	2,854,454
7 Other current liabilities	307,334
<b>Total current liabilities</b>	<b>26,344,138</b>
<b>( SHAREHOLDERS' EQUITY )</b>	
<b>Common Stock</b>	1,500,000
<b>Capital surplus</b>	833,000
<b>Retained Earnings</b>	392,559
1 Legal reserve	81,601
2 General reserve	24,000
3 Unappropriated earned surplus/loss	498,161
<b>Securities Gain/Loss</b>	66,299
<b>Total Shareholders' equity</b>	<b>2,006,740</b>
<b>Total Liabilities and shareholders' equity</b>	<b>28,350,878</b>

**STATEMENTS OF INCOME**

For the year ended March 31,2006

Thousands of yen

	2005
<b>Net sales</b>	78,193,714
Cost of sales	72,754,620
Gross trading profit	5,439,094
Selling,general and administrative expenses	4,161,183
<b>Operating income</b>	1,277,909
Non-operating income	
Interest income	65,626
Receipt dividends	8,710
Other income	77,704
	152,041
Non-operating expenses	
Interest expense	124,863
Foreign exchange loss	6,810
Other expenses	40,078
	171,752
<b>Recurring profit</b>	1,258,198
Extraordinary income	
Gain on sales of investment securities	4,460
Extraordinary profits-other	1,890
Extraordinary loss	
Losses on bad debts	3,589,759
Losses on sales of fixed assets	61,850
Extraordinary losses-other	62,332
<b>Income before income taxes</b>	2,449,394
Income taxes current	486,781
Income taxes deferred	1,467,567
<b>Net Income/Loss</b>	1,468,609