Kenwood Corporation and Consolidated Subsidiaries For the Years ended March 31, 2005 and 2004

Common Stock (Note7): Beginning balance Capital increase upon issuance of 92,000,000 shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Preferred Stock (Note7): Beginning balance Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Ending balance Preferred Stock (Note7): Beginning balance Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Ending balance Transfer to accumulated deficit Capital increase upon issuance of 92,000,000 shares of common stock on July 1, 2004 Capital increase upon issuance of 92,000,000 shares of common stock on July 1, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Retained earnings (Accumulated Deficit) (Note7): Beginning balance Transfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings for dismiss of consolidated subsidiaries Ending balance Land Revaluation Surplus (Note 4): Beginning balance Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Net unrease of unrealized gain of available-for-sale securities Beginning balance Yerrical Currency Translation Adjustments: Beginning balance	2005 26,969 11,040 (20,000) (9,850) 538 8,697 12,500 (6,250) 6,250 10,983 1,859 532 13,374 (9,778) 4,836 18,141	* * * * * * * * * * * * * * * * * * *	26,969	s s s s s s	252,047 103,177 (186,916) (92,056) 5,028 81,280 116,822 (58,411) 58,411 102,645 17,374 4,972 124,991
Beginning balance Capital increase upon issuance of 92,000,000 shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Preferred Stock (Note7): Beginning balance Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Ending balance Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Ending balance Capital Surplus (Note7): Beginning balance Capital surplus (Note7): Beginning balance Yaransfer to accumulated deficit Capital increase upon issuance of 92,000,000 shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Yaransfer from capital surplus Capital reduction of common stock on March 18, 2005 Ending balance Yaransfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Yaransfer from capital surplus (Note 4): Beginning balance Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Net unrease of unrealized gain of available-for-sale securities Ending balance Yaransfer Gurrency Translation Adjustments: Beginning balance Yaransfer Gurrency Translation Adjustments: Beginning balance	11,040 (20,000) (9,850) 538 8,697 12,500 (6,250) 6,250 10,983 1,859 532 13,374 (9,778) 4,836	¥	12,500 12,500 17,087 (17,087) 	ss ss	103,177 (186,916) (92,056) 5,028 81,280 116,822 (58,411) 58,411 102,645 17,374 4,972 124,991
Capital increase upon issuance of 92,000,000 shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on May 18, 2005 Ending balance Preferred Stock (Note7): Beginning balance Capital reduction of 31,250,000 shares of preferred Stock (Note7): Beginning balance Preferred Stock (Note7): Beginning balance Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Ending balance Capital surplus (Note7): Beginning balance Yamsfer to accumulated deficit Capital increase upon issuance of 92,000,000 shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Yamsfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Capital reduction of common stock on March 18, 2005 Ending balance Net income Transfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Yamsfer from capital surplus (Note 4): Beginning balance Yamsfer from capital surplus (Note 4): Beginning balance Yamsfer from capital surplus (Note 4): Beginning balance Yamsfer from capital carnings fo dismiss of consolidated subsidiaries Ending balance Yamsfer from capital surplus (Note 4): Beginning balance Yamsfer from capital carnings fo dismiss of consolidated subsidiaries Ending balance Yamsfer from capital carnings fo dismiss of consolidated subsidiaries Ending balance Yamsfer from capital carnings fo forming balance Yamsfer from capital	11,040 (20,000) (9,850) 538 8,697 12,500 (6,250) 6,250 10,983 1,859 532 13,374 (9,778) 4,836	¥	12,500 12,500 17,087 (17,087) 	ss ss	103,177 (186,916) (92,056) 5,028 81,280 116,822 (58,411) 58,411 102,645 17,374 4,972 124,991
shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Preferred Stock (Note7): Beginning balance Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Ending balance Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Ending balance Capital Surplus (Note7): Beginning balance Transfer to accumulated deficit Capital increase upon issuance of 92,000,000 shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Retained earnings (Accumulated Deficit) (Note7): Beginning balance Net income Transfer for acpital surplus Capital reduction of common stock without compensation on August 6, 2004 Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Land Revaluation Surplus (Note 4): Beginning balance Valuation Surplus (Note 4): Beginning balance Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Foreign Currency Translation Adjustments: Beginning balance	(20,000) (9,850) 538 8,697 12,500 (6,250) 6,250 10,983 1,859 532 13,374 (9,778) 4,836	¥¥	12,500 12,500 17,087 (17,087) - (34,238) 7,318	ss	(186,916) (92,056) 5,028 81,280 116,822 (58,411) 58,411 102,645 17,374 4,972 124,991
Capital reduction of common stock without compensation on August 6, 2004 Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of preferred Stock (Note7): Beginning balance Preferred Stock (Note7): Beginning balance Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Ending balance Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Ending balance Capital Surplus (Note7): Beginning balance Transfer to accumulated deficit Capital increase upon issuance of 92,000,000 shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Retained earnings (Accumulated Deficit) (Note7): Beginning balance Preferred Stock (Note7): Beginning balance Preversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Preferred Stock (Note7): Beginning balance Preferred Stock	(20,000) (9,850) 538 8,697 12,500 (6,250) 6,250 10,983 1,859 532 13,374 (9,778) 4,836	¥¥	12,500 12,500 17,087 (17,087) - (34,238) 7,318	ss	(186,916) (92,056) 5,028 81,280 116,822 (58,411) 58,411 102,645 17,374 4,972 124,991
without compensation on August 6, 2004 Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Preferred Stock (Note7): Beginning balance Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Ending balance Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Ending balance Transfer to accumulated deficit Capital increase upon issuance of 92,000,000 Shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital increase upon issuance of 5,069,000 Shares of common stock on March 18, 2005 Ending balance Retained earnings (Accumulated Deficit) (Note7): Beginning balance Retained earnings (Accumulated Deficit) (Note7): Beginning balance Transfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital reduction of common stock Without compensation on August 6, 2004 Capital reduction of common stock Without compensation on August 6, 2004 Capital reduction of common stock Without compensation on August 6, 2004 Capital reduction of common stock Without compensation on August 6, 2004 Capital reduction of common stock Without compensation on August 6, 2004 Capital reduction of common stock Without compensation on August 6, 2004 Capital reduction of common stock Without compensation on August 6, 2004 Capital reduction of common stock Without compensation on August 6, 2004 Capital reduction of common stock Capital reduction of common stock Without compensation on August 6, 2004 Capital reduction of common stock Capital reduction of common sto	(9,850) 538 8,697 12,500 (6,250) 6,250 10,983 1,859 532 13,374 (9,778) 4,836	¥¥	12,500 12,500 17,087 (17,087) - (34,238) 7,318	ss	(92,056) 5,028 81,280 116,822 (58,411) 58,411 102,645 17,374 4,972 124,991
Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Preferred Stock (Note7): Beginning balance Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Ending balance Capital Surplus (Note7): Beginning balance Transfer to accumulated deficit Capital increase upon issuance of 92,000,000 shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Y Retained earnings (Accumulated Deficit) (Note7): Beginning balance Net income Transfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Y Land Revaluation Surplus (Note 4): Beginning balance Y Land Revaluation Surplus (Note 4): Beginning balance Net increase of unrealized gain of available-for-sale Securities: Beginning balance Net uncrease of unrealized gain of available-for-sale securities Ending balance Y Foreign Currency Translation Adjustments: Beginning balance Y Foreign Currency Translation Adjustments: Beginning balance	(9,850) 538 8,697 12,500 (6,250) 6,250 10,983 1,859 532 13,374 (9,778) 4,836	¥¥	12,500 12,500 17,087 (17,087) - (34,238) 7,318	ss	(92,056) 5,028 81,280 116,822 (58,411) 58,411 102,645 17,374 4,972 124,991
preferred stock on August 6, 2004 Capital increase upon issuance of 5,069,000 Shares of common stock on March 18, 2005 Ending balance Preferred Stock (Note7): Beginning balance Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Ending balance Capital Surplus (Note7): Beginning balance Capital Surplus (Note7): Beginning balance Transfer to accumulated deficit Capital increase upon issuance of 92,000,000 Shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital increase upon issuance of 5,069,000 Shares of common stock on March 18, 2005 Ending balance Preferred Stock (Note7): Retained earnings (Accumulated Deficit) (Note7): Beginning balance Transfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Y Land Revaluation Surplus (Note 4): Beginning balance Valuation Surplus (Note 4): Beginning balance Net uncrease of unrealized gain of available-for-sale securities Ending balance Net uncrease of unrealized gain of available-for-sale securities Ending balance Y Foreign Currency Translation Adjustments: Beginning balance Foreign Currency Translation Adjustments: Beginning balance	538 8,697 12,500 (6,250) 6,250 10,983 1,859 532 13,374 (9,778) 4,836	¥¥	12,500 12,500 17,087 (17,087) - (34,238) 7,318	ss	5,028 81,280 116,822 (58,411) 58,411 102,645 17,374 4,972 124,991
Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Preferred Stock (Note7): Beginning balance Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Ending balance Capital Surplus (Note7): Beginning balance Transfer to accumulated deficit Capital increase upon issuance of 92,000,000 shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Retained earnings (Accumulated Deficit) (Note7): Beginning balance Net income Transfer from capital surplus Capital reduction of common stock on March 18, 2005 Ending balance Net income Transfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Land Revaluation Surplus (Note 4): Beginning balance Land Revaluation Surplus (Note 4): Beginning balance Y Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Net increase of unrealized gain of available-for-sale securities Ending balance Y Foreign Currency Translation Adjustments: Beginning balance	538 8,697 12,500 (6,250) 6,250 10,983 1,859 532 13,374 (9,778) 4,836	¥¥	12,500 12,500 17,087 (17,087) - (34,238) 7,318	ss	5,028 81,280 116,822 (58,411) 58,411 102,645 17,374 4,972 124,991
Ending balance Preferred Stock (Note7): Beginning balance	12,500 (6,250) 6,250 10,983 1,859 532 13,374 (9,778) 4,836	¥¥	12,500 12,500 17,087 (17,087) - (34,238) 7,318	ss	81,280 116,822 (58,411) 58,411 102,645 17,374 4,972 124,991
Preferred Stock (Note7): Beginning balance Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Ending balance Capital Surplus (Note7): Beginning balance Transfer to accumulated deficit Capital increase upon issuance of 92,000,000 shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Retained earnings (Accumulated Deficit) (Note7): Beginning balance Transfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Land Revaluation Surplus (Note 4): Beginning balance Y Land Revaluation Surplus (Note 4): Beginning balance Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Net increase of unrealized gain of available-for-sale securities Ending balance Foreign Currency Translation Adjustments: Beginning balance Foreign Currency Translation Adjustments: Beginning balance	12,500 (6,250) 6,250 10,983 1,859 532 13,374 (9,778) 4,836	¥¥	12,500 12,500 17,087 (17,087) - (34,238) 7,318	ss	116,822 (58,411) 58,411 102,645 17,374 4,972 124,991
Beginning balance Capital reduction of \$1,250,000 shares of preferred stock on August 6, 2004 Ending balance Capital Surplus (Note7): Beginning balance Transfer to accumulated deficit Capital increase upon issuance of \$2,000,000 shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital increase upon issuance of \$5,069,000 shares of common stock on March 18, 2005 Ending balance Retained earnings (Accumulated Deficit) (Note7): Beginning balance Net income Transfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Change of enterprise tax rate Reversal of land revaluation due to sale of land Ending balance Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Net unrease of unrealized gain of available-for-sale securities Ending balance Foreign Currency Translation Adjustments: Beginning balance Foreign Currency Translation Adjustments: Beginning balance Foreign Currency Translation Adjustments: Beginning balance	(6,250) 6,250 10,983 1,859 532 13,374 (9,778) 4,836	¥¥	12,500 17,087 (17,087) - - (34,238) 7,318	ss	(58,411) 58,411 102,645 17,374 4,972 124,991
Beginning balance Capital reduction of \$1,250,000 shares of preferred stock on August 6, 2004 Ending balance Capital Surplus (Note7): Beginning balance Transfer to accumulated deficit Capital increase upon issuance of \$2,000,000 shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital increase upon issuance of \$5,069,000 shares of common stock on March 18, 2005 Ending balance Retained earnings (Accumulated Deficit) (Note7): Beginning balance Net income Transfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Change of enterprise tax rate Reversal of land revaluation due to sale of land Ending balance Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Net unrease of unrealized gain of available-for-sale securities Ending balance Foreign Currency Translation Adjustments: Beginning balance Foreign Currency Translation Adjustments: Beginning balance Foreign Currency Translation Adjustments: Beginning balance	(6,250) 6,250 10,983 1,859 532 13,374 (9,778) 4,836	¥¥	12,500 17,087 (17,087) - - (34,238) 7,318	ss	(58,411) 58,411 102,645 17,374 4,972 124,991
Capital reduction of 31,250,000 shares of preferred stock on August 6, 2004 Ending balance Capital Surplus (Note7): Beginning balance Transfer to accumulated deficit Capital increase upon issuance of 92,000,000 shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Retained earnings (Accumulated Deficit) (Note7): Beginning balance Net income Transfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Land Revaluation Surplus (Note 4): Beginning balance Change of enterprise tax rate Reversal of land revaluation due to sale of land Ending balance Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Net unrease of unrealized gain of available-for-sale securities Ending balance Yerical Currency Translation Adjustments: Beginning balance Foreign Currency Translation Adjustments: Beginning balance	6,250 10,983 1,859 532 13,374 (9,778) 4,836	¥	12,500 17,087 (17,087) - - (34,238) 7,318	s s	58,411 102,645 17,374 4,972 124,991
Preferred stock on August 6, 2004 Ending balance Capital Surplus (Note7): Beginning balance Transfer to accumulated deficit Capital increase upon issuance of 92,000,000 shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Retained earnings (Accumulated Deficit) (Note7): Beginning balance Net income Transfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Land Revaluation Surplus (Note 4): Beginning balance Valuation Surplus (Note 4): Valuation	6,250 10,983 1,859 532 13,374 (9,778) 4,836	¥	17,087 (17,087) - - - (34,238) 7,318	s s	58,411 102,645 17,374 4,972 124,991
Ending balance Capital Surplus (Note7): Beginning balance Transfer to accumulated deficit Capital increase upon issuance of 92,000,000 shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Retained earnings (Accumulated Deficit) (Note7): Beginning balance Transfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Land Revaluation Surplus (Note 4): Beginning balance Yauth Land Revaluation Surplus (Note 4): Beginning balance Valuation Surplus (6,250 10,983 1,859 532 13,374 (9,778) 4,836	¥	17,087 (17,087) - - - (34,238) 7,318	s s	58,411 102,645 17,374 4,972 124,991
Capital Surplus (Note7): Beginning balance	1,859 532 13,374 (9,778) 4,836	¥	17,087 (17,087) - - - (34,238) 7,318	\$ <u></u>	17,374 4,972 124,991
Beginning balance	1,859 532 13,374 (9,778) 4,836	¥	(17,087) - - - - (34,238) 7,318	\$ <u></u>	17,374 4,972 124,991
Transfer to accumulated deficit Capital increase upon issuance of 92,000,000 shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Retained earnings (Accumulated Deficit) (Note7): Beginning balance Net income Transfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Land Revaluation Surplus (Note 4): Beginning balance Change of enterprise tax rate Reversal of land revaluation due to sale of land Ending balance Y Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Net increase of unrealized gain of available-for-sale securities Ending balance Y Foreign Currency Translation Adjustments: Beginning balance Y Foreign Currency Translation Adjustments: Beginning balance	1,859 532 13,374 (9,778) 4,836	¥	(17,087) - - - - (34,238) 7,318	\$ <u></u>	17,374 4,972 124,991
Capital increase upon issuance of 92,000,000 shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Retained earnings (Accumulated Deficit) (Note7): Beginning balance Net income Transfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Land Revaluation Surplus (Note 4): Beginning balance Change of enterprise tax rate Reversal of land revaluation due to sale of land Ending balance Y Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Net increase of unrealized gain of available-for-sale securities Ending balance Y Foreign Currency Translation Adjustments: Beginning balance Y Foreign Currency Translation Adjustments: Beginning balance	1,859 532 13,374 (9,778) 4,836	¥¥	(34,238) 7,318	_	17,374 4,972 124,991
shares of common stock on July 1, 2004 Capital reduction of common stock without compensation on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Retained earnings (Accumulated Deficit) (Note7): Beginning balance Net income Transfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Land Revaluation Surplus (Note 4): Beginning balance Change of enterprise tax rate Reversal of land revaluation due to sale of land Ending balance Y Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Y Foreign Currency Translation Adjustments: Beginning balance Y Foreign Currency Translation Adjustments: Beginning balance Y Foreign Currency Translation Adjustments: Beginning balance	1,859 532 13,374 (9,778) 4,836	¥¥	7,318	_	17,374 4,972 124,991
Capital reduction of common stock without compensation on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Retained earnings (Accumulated Deficit) (Note7): Beginning balance Net income Transfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Land Revaluation Surplus (Note 4): Beginning balance Change of enterprise tax rate Reversal of land revaluation due to sale of land Ending balance Y Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Y Net increase of unrealized gain of available-for-sale securities Ending balance Y Foreign Currency Translation Adjustments: Beginning balance Y Foreign Currency Translation Adjustments: Beginning balance	1,859 532 13,374 (9,778) 4,836	¥¥	7,318	_	17,374 4,972 124,991
without compensation on August 6, 2004 Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Retained earnings (Accumulated Deficit) (Note7): Beginning balance Net income Transfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Land Revaluation Surplus (Note 4): Beginning balance Change of enterprise tax rate Reversal of land revaluation due to sale of land Ending balance Y Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Y Foreign Currency Translation Adjustments: Beginning balance Y Foreign Currency Translation Adjustments: Beginning balance	532 13,374 (9,778) 4,836	¥ ¥	7,318	_	4,972 124,991
Capital increase upon issuance of 5,069,000 shares of common stock on March 18, 2005 Ending balance Retained earnings (Accumulated Deficit) (Note7): Beginning balance Net income Transfer from capital surplus Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Land Revaluation Surplus (Note 4): Beginning balance Change of enterprise tax rate Reversal of land revaluation due to sale of land Ending balance Vet Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Net increase of unrealized gain of available-for-sale securities Ending balance Foreign Currency Translation Adjustments: Beginning balance Y Foreign Currency Translation Adjustments: Beginning balance	532 13,374 (9,778) 4,836	¥¥	7,318	_	4,972 124,991
shares of common stock on March 18, 2005 Ending balance	(9,778) 4,836	¥	7,318	_	124,991
Ending balance	(9,778) 4,836	¥	7,318	_	<i>y</i> -
Beginning balance	4,836	¥	7,318	\$	(91,383)
Beginning balance	4,836	¥	7,318	\$	(91.383)
Net income	4,836	¥	7,318	\$	(91,383)
Transfer from capital surplus	-				. , ,
Capital reduction of common stock without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Land Revaluation Surplus (Note 4): Beginning balance Change of enterprise tax rate Reversal of land revaluation due to sale of land Ending balance Y Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Net increase of unrealized gain of available-for-sale securities Ending balance Y Foreign Currency Translation Adjustments: Beginning balance Y Foreign Currency Translation Adjustments: Beginning balance	18,141				45,196
without compensation on August 6, 2004 Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Land Revaluation Surplus (Note 4): Beginning balance Change of enterprise tax rate Reversal of land revaluation due to sale of land Ending balance Y Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Net increase of unrealized gain of available-for-sale securities Ending balance Y Foreign Currency Translation Adjustments: Beginning balance Y Foreign Currency Translation Adjustments: Beginning balance	18,141		17,007		_
Reversal of land revaluation surplus due to sale of land Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance # Land Revaluation Surplus (Note 4): Beginning balance # Change of enterprise tax rate Reversal of land revaluation due to sale of land Ending balance # Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance # Net increase of unrealized gain of available-for-sale securities Ending balance # Foreign Currency Translation Adjustments: Beginning balance #			_		169,542
Adjustment to retained earnings fo dismiss of consolidated subsidiaries Ending balance Land Revaluation Surplus (Note 4): Beginning balance Change of enterprise tax rate Reversal of land revaluation due to sale of land Ending balance Y Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Net increase of unrealized gain of available-for-sale securities Ending balance Y Foreign Currency Translation Adjustments: Beginning balance Y Foreign Currency Translation Adjustments: Beginning balance	_		57		100,812
Ending balance					
Land Revaluation Surplus (Note 4): Beginning balance. Change of enterprise tax rate Reversal of land revaluation due to sale of land Ending balance. Y Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance. Y Net increase of unrealized gain of available-for-sale securities Ending balance. Y Foreign Currency Translation Adjustments: Beginning balance. Y Foreign Currency Translation Adjustments:	-		(2)		-
Beginning balance Change of enterprise tax rate Reversal of land revaluation due to sale of land Ending balance Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance Net increase of unrealized gain of available-for-sale securities Ending balance Foreign Currency Translation Adjustments: Beginning balance Feeignning bala	13,199	¥	(9,778)	\$	123,355
Beginning balance ¥ Change of enterprise tax rate Reversal of land revaluation due to sale of land Ending balance ¥ Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance ¥ Net increase of unrealized gain of available-for-sale securities Ending balance ¥ Foreign Currency Translation Adjustments: Beginning balance ¥					
Change of enterprise tax rate	3,167	¥	3,235	S	29,598
Reversal of land revaluation due to sale of land Ending balance	-		(11)	Ψ	25,550
Net Unrealized Gain (Loss) on Available-for-sale Securities: Beginning balance	-		(57)		-
Beginning balance Net increase of unrealized gain of available-for-sale securities Ending balance Foreign Currency Translation Adjustments: Beginning balance ¥	3,167	¥	3,167	\$	29,598
Beginning balance Net increase of unrealized gain of available-for-sale securities Ending balance Foreign Currency Translation Adjustments: Beginning balance ¥					
Net increase of unrealized gain of available-for-sale securities Ending balance Foreign Currency Translation Adjustments: Beginning balance ¥	254	¥	(269)	\$	2,374
of available-for-sale securities Ending balance Foreign Currency Translation Adjustments: Beginning balance ¥	234	т	(209)	J	2,374
Ending balance ¥ Foreign Currency Translation Adjustments: Beginning balance ¥	365		523		3,411
Foreign Currency Translation Adjustments: Beginning balance ¥	619	¥	254	\$	5,785
Beginning balance ¥			-		
	(12,901)	¥	(11,548)	\$	(120,570)
Net increase (decrease) of foreign currency					
translation adjustments	792 (12,109)	¥-	(1,353)	•	7,402
Ending balance	(12,109)	1	(12,901)	\$	(113,168)
Treasury Stock, at cost, Common Stock:					
Beginning balance ¥	(50)	¥	(32)	\$	(467)
Repurchase of treasury stock	(14)		(18)		(131)
Ending balance ¥	(64)	¥	(50)	\$	(598)
-					
Total Shareholders' Equity	22 122		20.161	_	200 (54
Total Shareholders' Equity	33,133	Ť	20,161	³ <u> </u>	309,654
	Thousands of shares				
Number of Outstanding Shares		011			
Beginning balance			272,688		
Issuance of common stock	272,629		-		
Reduction of preferred stock			-		
Repurchase of treasury stock	272,629				
Ending halana	272,629 97,069		(59)		
Ending balance	272,629 97,069 (31,250)		(59) 272,629		