

CONSOLIDATED BALANCE SHEETS

Danto Corporation and Subsidiaries

December 31, 2004 and 2003

	Millions of yen		Thousands of U.S.dollars
	2004	2003	2004
Assets			
Current assets :			
Cash and cash equivalents	12,464	7,675	119,621
Notes and accounts receivable	2,960	3,224	28,412
(less allowance for doubts)	(16)	(17)	(159)
Inventories	3,308	3,126	31,755
Deferred income taxes	6	4	65
Other current assets	417	476	4,010
Total current assets	19,142	14,491	183,705
Fixed assets :			
Property, plant and equipment :			
Land	264	264	2,539
Buildings and structures	5,575	5,574	53,510
Machinery	9,104	9,007	87,371
Vehicle and delivery equipment	188	188	1,808
Furniture and fixtures	826	818	7,931
Construction in progress	125	14	1,207
(less accumulated depreciation)	(11,497)	(11,049)	(110,343)
Investments in securities	14,635	20,415	140,451
Deferred income taxes	2,401	2,257	23,045
Other assets	628	770	6,032
(less allowance for doubts)	(21)	(43)	(205)
Total fixed assets	22,231	28,217	213,349
Total assets	41,373	42,708	397,055
Liabilities , Minority interests and Stockholders' Equity			
Current liabilities :			
Short-term debt	13,000	12,500	124,760
Notes and accounts payable	1,961	2,347	18,822
Derivatives debts	744	1,261	7,143
Other current liabilities	152	146	1,459
Total current liabilities	15,857	16,256	152,185
Long term liabilities :	3,199	3,379	30,700
Total liabilities	19,056	19,636	182,886
Minority interests	486	473	4,670
Stockholders' equity			
Common stock	1,635	1,635	15,698
Authorized shares:2004 and 2003, 40,000,000			
Issued and outstanding shares:2004 and 2003, 30,000,000			
Additional paid-in capital	1	1	13
Retained earnings	21,690	21,511	208,166
Valuation differences	(1,435)	(503)	(13,774)
(less treasury stock)	(62)	(45)	(604)
Total stockholders' equity	21,829	22,599	209,497
Total liabilities, minority interests and stockholders' equity	41,373	42,708	397,055

U.S.dollar amounts in this report have been translated from Japanese yen at the rate of 104.20 yen to US\$1, the rate of exchange prevailing on December 31, 2004.

CONSOLIDATED STATEMENTS OF INCOME

Danto Corporation and Subsidiaries

Years ended December 31, 2004 and 2003

	Millions of yen		Thousands of U.S.dollars
	2004	2003	2004
Net sales	11,590	11,891	111,237
Cost of sales	8,803	8,960	84,483
Gross profit	2,787	2,931	26,753
Selling, general and administrative expenses	3,835	3,984	36,806
Operating income (loss)	(1,047)	(1,053)	(10,052)
Other income			
Interest and dividends income	514	546	4,937
Foreign exchange gain	0	-	1
Gain on sales of investments in securities	1,255	-	12,046
Gain on derivatives	631	-	6,064
Other	48	52	465
Total	2,450	599	23,515
Other expenses			
Interest expenses	101	104	973
Foreign exchange loss	-	248	-
Loss on derivatives	-	329	-
Other	120	1,539	1,152
Total	221	2,222	2,126
Income (loss) before income taxes	1,181	(2,675)	11,337
Income taxes			
Current	48	62	462
Deferred	475	(1,082)	4,564
Minority interest	17	14	170
Net income (loss)	639	(1,670)	6,139

U.S.dollar amounts in this report have been translated from Japanese yen at the rate of 104.20 yen to US\$1, the rate of exchange prevailing on December 31, 2004.

NON - CONSOLIDATED BALANCE SHEETS

Danto Corporation

December 31, 2004 and 2003

	Millions of yen		Thousands of U.S.dollars
	2004	2003	2004
Assets			
Current assets :			
Cash and cash equivalents	12,149	7,446	116,596
Notes and accounts receivable	1,756	1,924	16,855
(less allowance for doubts)	(3)	(3)	(35)
Inventories	3,010	2,838	28,894
Deferred income taxes	5	1	56
Other current assets	499	565	4,789
Total current assets	17,417	12,773	167,157
Fixed assets :			
Property, plant and equipment :			
Land	211	211	2,027
Buildings and structures	5,118	5,115	49,120
Machinery	9,104	9,007	87,371
Vehicle and delivery equipment	99	98	950
Furniture and fixtures	796	787	7,646
Construction in progress	125	14	1,207
(less accumulated depreciation)	(11,209)	(10,773)	(107,579)
Investments in securities	14,680	20,460	140,886
Deferred income taxes	2,362	2,197	22,672
Other assets	659	839	6,328
(less allowance for doubts)	(0)	(2)	(2)
Total fixed assets	21,947	27,956	210,628
Total assets	39,365	40,729	377,785
Liabilities and Stockholders' Equity			
Current liabilities :			
Short-term debt	13,000	12,500	124,760
Accounts payable	1,455	1,816	13,971
Derivatives debts	744	1,261	7,143
Other current liabilities	215	255	2,067
Total current liabilities	15,415	15,834	147,942
Long term liabilities :	3,054	3,229	29,314
Total liabilities	18,470	19,063	177,257
Stockholders' equity			
Common stock	1,635	1,635	15,698
Authorized shares:2004 and 2003, 40,000,000			
Issued and outstanding shares:2004 and 2003, 30,000,000			
Legal reserve	408	408	3,924
Retained earnings	20,343	20,166	195,238
Valuation differences	(1,435)	(503)	(13,774)
(less treasury stock)	(58)	(41)	(561)
Total stockholders' equity	20,895	21,666	200,528
Total liabilities and stockholders' equity	39,365	40,729	377,785

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NON - CONSOLIDATED STATEMENTS OF INCOME

Danto Corporation

Years ended December 31, 2004 and 2003

	Millions of yen		Thousands of U.S.dollars
	2004	2003	2004
Net sales	8,689	8,877	83,395
Cost of sales	6,759	6,896	64,867
Gross profit	1,930	1,981	18,528
Selling, general and administrative expenses	3,066	3,161	29,426
Operating income (loss)	(1,135)	(1,180)	(10,898)
Other income			
Interest and dividends income	525	558	5,047
Foreign exchange gain	0	-	1
Gain on sales of investments in securities	1,255	-	12,046
Gain on derivatives	631	-	6,064
Other	27	30	260
Total	2,440	558	23,420
Other expenses			
Interest expenses	102	106	981
Foreign exchange loss	-	248	-
Loss on derivatives	-	329	-
Other	96	1,479	928
Total	199	2,163	1,910
Income (loss) before income taxes	1,105	(2,754)	10,612
Income taxes			
Current	16	15	154
Deferred	451	(1,073)	4,337
Net income (loss)	637	(1,697)	6,120

U.S.dollar amounts in this report have been translated from Japanese yen at the rate of 104.20 yen to US\$1, the rate of exchange prevailing on December 31, 2004.

CONSOLIDATED BALANCE SHEETS

Danto Corporation and Subsidiaries

June 30, 2004 and 2003

	Millions of yen		Thousands of U.S.dollars
	2004	2003	2004
Assets			
Current assets :			
Cash and cash equivalents	7,643	9,640	70,491
Notes and accounts receivable	2,794	2,905	25,774
(less allowance for doubts)	(16)	(16)	(147)
Inventories	3,196	3,938	29,483
Deferred income taxes	7	3	73
Derivatives credits	-	47	-
Other current assets	223	323	2,064
Total current assets	13,850	16,842	127,739
Fixed assets :			
Property, plant and equipment :			
Land	264	264	2,440
Buildings and structures	5,577	5,604	51,441
Machinery	9,125	12,446	84,160
Vehicle and delivery equipment	189	205	1,749
Furniture and fixtures	820	927	7,566
Construction in progress	2	44	27
(less accumulated depreciation)	(11,301)	(14,275)	(104,227)
Investments in securities	19,509	22,821	179,929
Deferred income taxes	2,621	62	24,173
Other assets	539	583	4,972
(less allowance for doubts)	(44)	(36)	(406)
Total fixed assets	27,305	28,647	251,824
Total assets	41,156	45,489	379,563
Liabilities , Minority interests and Stockholders' Equity			
Current liabilities :			
Short-term debt	12,600	13,000	116,204
Notes and accounts payable	1,731	1,963	15,965
Derivatives debts	1,507	-	13,898
Other current liabilities	171	194	1,585
Total current liabilities	16,010	15,157	147,654
Long term liabilities :	3,274	3,888	30,200
Total liabilities	19,284	19,046	177,854
Minority interests	478	460	4,410
Stockholders' equity			
Common stock	1,635	1,635	15,085
Authorized shares:2004 and 2003, 40,000,000			
Issued and outstanding shares:2004 and 2003, 30,000,000			
Additional paid-in capital	1	1	12
Retained earnings	20,855	23,446	192,343
Valuation differences	(1,048)	940	(9,665)
(less treasury stock)	(51)	(40)	(478)
Total stockholders' equity	21,393	25,983	197,298
Total liabilities, minority interests and stockholders' equity	41,156	45,489	379,563

U.S.dollar amounts in this report have been translated from Japanese yen at the rate of 108.43 yen to US\$1, the rate of exchange prevailing on June 30, 2004.

CONSOLIDATED STATEMENTS OF INCOME

Danto Corporation and Subsidiaries

Six months ended June 30, 2004 and 2003

	Millions of yen		Thousands of U.S.dollars
	2004	2003	2004
Net sales	5,609	5,768	51,736
Cost of sales	4,290	4,227	39,573
Gross profit	1,318	1,541	12,162
Selling, general and administrative expenses	1,938	1,990	17,880
Operating income (loss)	(619)	(448)	(5,717)
Other income			
Interest and dividends income	285	293	2,628
Foreign exchange gain	132	260	1,221
Gain on derivatives	91	751	845
Other	29	26	269
Total	538	1,332	4,965
Other expenses			
Interest expenses	49	54	460
Other	31	321	286
Total	80	375	746
Income (loss) before income taxes	(162)	507	(1,498)
Income taxes			
Current	27	24	249
Deferred	(3)	216	(32)
Minority interest	9	1	85
Net income (loss)	(195)	265	(1,800)

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NON - CONSOLIDATED BALANCE SHEETS

Danto Corporation

June 30, 2004 and 2003

	Millions of yen		Thousands of U.S.dollars
	2004	2003	2004
Assets			
Current assets :			
Cash and cash equivalents	7,269	9,279	67,046
Notes and accounts receivable	1,640	1,748	15,128
(less allowance for doubts)	(3)	(3)	(35)
Inventories	2,887	3,689	26,629
Deferred income taxes	6	1	58
Derivatives credits	-	47	-
Other current assets	325	328	3,004
Total current assets	12,126	15,092	111,833
Fixed assets :			
Property, plant and equipment :			
Land	211	211	1,948
Buildings and structures	5,120	5,145	47,219
Machinery	9,125	12,446	84,160
Vehicle and delivery equipment	99	114	913
Furniture and fixtures	790	898	7,292
Construction in progress	2	44	27
(less accumulated depreciation)	(11,026)	(14,007)	(101,688)
Investments in securities	19,555	22,867	180,348
Deferred income taxes	2,559	-	23,602
Other assets	578	673	5,336
(less allowance for doubts)	(2)	(2)	(18)
Total fixed assets	27,014	28,391	249,140
Total assets	39,140	43,483	360,974
Liabilities and Stockholders' Equity			
Current liabilities :			
Short-term debt	12,600	13,000	116,204
Accounts payable	1,257	1,369	11,600
Derivatives debts	1,507	-	13,898
Other current liabilities	195	299	1,799
Total current liabilities	15,560	14,669	143,502
Long term liabilities :	3,122	3,735	28,797
Total liabilities	18,682	18,405	172,300
Stockholders' equity			
Common stock	1,635	1,635	15,085
Authorized shares:2004 and 2003, 40,000,000			
Isused and outstanding shares:2004 and 2003, 30,000,000			
Legal reserve	408	408	3,771
Retained earnings	19,508	22,130	179,916
Valuation differences	(1,048)	940	(9,665)
(less treasury stock)	(47)	(36)	(438)
Total stockholders' equity	20,457	25,078	188,673
Total liabilities and stockholders' equity	39,140	43,483	360,974

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NON - CONSOLIDATED STATEMENTS OF INCOME

Danto Corporation

Six months ended June 30, 2004 and 2003

	Millions of yen		Thousands of U.S.dollars
	2004	2003	2004
Net sales	4,183	4,294	38,578
Cost of sales	3,288	3,215	30,330
Gross profit	894	1,079	8,248
Selling, general and administrative expenses	1,548	1,578	14,281
Operating income (loss)	(654)	(499)	(6,033)
Other income			
Interest and dividends income	294	302	2,718
Foreign exchange gain	132	260	1,221
Gain on derivatives	91	751	845
Other	13	17	129
Total	532	1,332	4,915
Other expenses			
Interest expenses	50	54	464
Other	22	278	204
Total	72	332	669
Income (loss) before income taxes	(193)	499	(1,787)
Income taxes			
Current	7	7	68
Deferred	(3)	224	(33)
Net income (loss)	(197)	266	(1,823)

U.S.dollar amounts in this report have been translated from Japanese yen at the rate of 108.43 yen to US\$1, the rate of exchange prevailing on June 30, 2004.

NON - CONSOLIDATED FINANCIAL HIGHLIGHTS

	<i>Danto Corporation</i>			<i>Years ended December 31, 2004 and 2003</i>		
	<u>Millions of yen</u>		<u>Thousands of U.S.dollars</u>			
	2004	2003	2004			
Net sales	8,689	8,877	83,395			
Operating income (loss)	(1,135)	(1,180)	(10,898)			
Net income (loss)	637	(1,697)	6,120			
Common stock	1,635	1,635	15,698			
Stockholders' equity	20,895	21,666	200,528			
Total assets	39,365	40,729	377,785			
	<u>Yen</u>		<u>U.S.dollars</u>			
Cash dividends per share	15.00	15.00	0.14			
Net income (loss) per share	20.95	(57.16)	0.20			
	<u>%</u>		<u>%</u>			
Stockholders' equity as % of total assets	53.1	53.2	53.1			

CONSOLIDATED FINANCIAL HIGHLIGHTS

	<i>Danto Corporation and Subsidiaries</i>			<i>Years ended December 31, 2004 and 2003</i>		
	<u>Millions of yen</u>		<u>Thousands of U.S.dollars</u>			
	2004	2003	2004			
Net sales	11,590	11,891	111,237			
Operating income (loss)	(1,047)	(1,053)	(10,052)			
Net income (loss)	639	(1,670)	6,139			
Stockholders' equity	21,829	22,599	209,497			
Total assets	41,373	42,708	397,055			
	<u>Yen</u>		<u>U.S.dollars</u>			
Net income (loss) per share	21.02	(56.27)	0.20			

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