

Japan Vilene Company, Ltd. and Consolidated Subsidiaries

Consolidated Statements of Income Years Ended March 31, 2005 and 2004

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 1)
	<u>2005</u>	<u>2004</u>	<u>2005</u>
NET SALES (Notes 14 and 17)	¥ 49,364	¥ 48,833	\$ 461,346
COST OF SALES (Notes 6, 7, 10, 14, 15 and 17)	<u>37,681</u>	<u>37,876</u>	<u>352,159</u>
Gross profit	11,683	10,957	109,187
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Notes 6, 7, 10, 15 and 17)	<u>8,924</u>	<u>8,938</u>	<u>83,402</u>
Operating income (Note 17)	<u>2,759</u>	<u>2,019</u>	<u>25,785</u>
OTHER INCOME (EXPENSES):			
Interest and dividend income (Note 14)	71	97	664
Interest expense	(157)	(239)	(1,467)
Gain on sales of investment securities	80	114	748
Equity in earnings of associated companies	793	708	7,411
Loss on sales and disposal of property, plant and equipment—net	(162)	(212)	(1,514)
Loss on revaluation of land, buildings and structures		(170)	
Foreign exchange gain (loss)	21	(33)	196
Loss from termination of joint venture	(130)		(1,215)
Gain on transfer of the substitutional portion of the governmental pension program		1,146	
Other—net (Note 14)	<u>24</u>	<u>(216)</u>	<u>224</u>
Other income—net	<u>540</u>	<u>1,195</u>	<u>5,047</u>
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	<u>3,299</u>	<u>3,214</u>	<u>30,832</u>
INCOME TAXES (Note 9):			
Current	778	313	7,271
Deferred	<u>120</u>	<u>843</u>	<u>1,122</u>
Total income taxes	<u>898</u>	<u>1,156</u>	<u>8,393</u>
INCOME BEFORE MINORITY INTERESTS	2,401	2,058	22,439
MINORITY INTERESTS	<u>(22)</u>	<u>(21)</u>	<u>(205)</u>
NET INCOME	<u>¥ 2,379</u>	<u>¥ 2,037</u>	<u>\$ 22,234</u>

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	<u>2005</u>	<u>2004</u>	<u>2005</u>
PER SHARE AMOUNTS (Note 13):			
Net income	¥ 36.13	¥ 31.18	\$ 0.34
Diluted net income	36.09	31.02	0.34
Cash dividends applicable to the year	7.00	6.00	0.07

See notes to consolidated financial statements.