

**Japan Vilene Company, Ltd. and Consolidated Subsidiaries**

**Consolidated Statements of Shareholders' Equity  
Years Ended March 31, 2006 and 2005**

	Thousands	Millions of Japanese Yen					Treasury Stock
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Unrealized Gain on Available-for-sale Securities	Foreign Currency Translation Adjustments	
BALANCE, APRIL 1, 2004	64,649	¥ 9,816	¥ 7,410	¥ 11,897	¥ 91	¥ (1,369)	¥ (146)
Net income				2,379			
Cash dividends, ¥9 per share				(582)			
Bonuses to directors				(27)			
Disposal of treasury stock	322		3				97
Repurchase of treasury stock	(39)						(23)
Net increase in unrealized gain on available-for-sale securities					41		
Net change in foreign currency translation adjustments						(33)	
BALANCE, MARCH 31, 2005	64,932	9,816	7,413	13,667	132	(1,402)	(72)
Net income				2,495			
Cash dividends, ¥8 per share				(520)			
Bonuses to directors				(38)			
Disposal of treasury stock	41		1				13
Repurchase of treasury stock	(41)						(33)
Increase resulting from merger			83				
Decrease resulting from merger				(83)			
Net increase in unrealized gain on available-for-sale securities					71		
Net change in foreign currency translation adjustments						1,195	
BALANCE, MARCH 31, 2006	<u>64,932</u>	<u>¥ 9,816</u>	<u>¥ 7,497</u>	<u>¥ 15,521</u>	<u>¥ 203</u>	<u>¥ (207)</u>	<u>¥ (92)</u>

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**Consolidated Statements of Shareholders' Equity  
Years Ended March 31, 2006 and 2005**

	Thousands of U.S. Dollars (Note 1)					
	Common Stock	Capital Surplus	Retained Earnings	Unrealized Gain on Available-for-sale Securities	Foreign Currency Translation Adjustments	Treasury Stock
BALANCE, MARCH 31, 2005	\$ 83,897	\$ 63,359	\$ 116,812	\$ 1,128	\$ (11,983)	\$ (615)
Net income			21,325			
Cash dividends, \$0.07 per share			(4,445)			
Bonuses to directors			(325)			
Disposal of treasury stock		9				111
Repurchase of treasury stock						(282)
Increase resulting from merger		709				
Decrease resulting from merger			(709)			
Net increase in unrealized gain on available-for-sale securities				607		
Net change in foreign currency translation adjustments					10,214	
BALANCE, MARCH 31, 2006	<u>\$ 83,897</u>	<u>\$ 64,077</u>	<u>\$ 132,658</u>	<u>\$ 1,735</u>	<u>\$ (1,769)</u>	<u>\$ (786)</u>

See notes to consolidated financial statements.