

Consolidated Interim Earnings Report for the Fiscal Year Ended March 31, 2005 (Summary)

November 11, 2004

Company Name	Yusen Air & Sea Service Co., Ltd.	Registered Issue	
Code Number	9370	Head Office	Tokyo
(URL http://www.yusen.co.jp)			
Representative Director	President Michio Tanaka		
Inquiries	General Manager, Accounting Division Kazuo Kato	TEL	(03) 3639-6436
Meeting of the Board of Directors for Approval of Results November 11, 2004			
Parent company	Nippon Yusen Kaisha (Code Number: 9101)	Parent company shareholding	60.94%
U.S. GAAPs Applied	None		

1. Consolidated Results of Operations for the First Half of Fiscal 2004 (from April 1, 2004 to September 30, 2004)

(1) Consolidated Business Results

(Figures are rounded to the nearest Million yen)

	Net Sales		Operating Income		Ordinary Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Half Ended September 30, 2004	69,136	(17.2)	4,944.0	(62.7)	5,074.0	(57.8)
First Half Ended September 30, 2003	58,980	(16.6)	3,039.0	(6.3)	3,216.0	(3.9)
Fiscal Year Ended March 31, 2004	118,465		7,222.0		7,604.0	

	Net Income		Net Income per Share		Fully Diluted Net Income per Share	
	Millions of yen	%	Yen	sen	Yen	sen
First Half Ended September 30, 2004	3,234	(67.5)	153.0	42	-	-
First Half Ended September 30, 2003	1,931	(44.6)	109.0	80	-	-
Fiscal Year Ended March 31, 2004	3,738		208.0	38	-	-

Notes 1. Equity in earnings of affiliated companies: First Half Ended September 30, 2004: 40 million yen;

First Half Ended September 30, 2003: -2 million yen; Fiscal Year Ended March 31, 2004: 67 million yen

2. Average number of shares issued and outstanding (Consolidated basis) in First Half Ended September 30, 2004: 21,080,024 shares;

First Half Ended September 30, 2003: 17,582,056 shares; Fiscal Year Ended March 31, 2004: 17,579,451 shares

3. Changes in accounting procedures: None

4. The percentage figures accompanying Net sales, Operating income, Ordinary profit, and Net income represent year-on-year changes.

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Shareholders'	Shareholders' equity	
	Millions of yen	Millions of yen	%	Yen	sen
First Half Ended September 30, 2004	70,468	32,477	46.1	1,541	16
First Half Ended September 30, 2003	65,571	29,295	44.7	1,666	30
Fiscal Year Ended March 31, 2004	66,332	29,488	44.4	1,673	78

Notes Number of shares issued and outstanding (consolidated basis): First Half Ended September 30, 2004: 21,073,196 shares;

First Half Ended September 30, 2003: 17,580,760 shares; Fiscal Year Ended March 31, 2004: 17,573,300 shares

(3) Consolidated Cash Flow

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
First Half Ended September 30, 2004	3,570	(981)	(776)	11,235
First Half Ended September 30, 2003	1,967	(1,153)	(1,857)	9,341
Fiscal Year Ended March 31, 2004	3,997	(2,173)	(2,425)	9,384

(4) Scope of Consolidation and Adoption of the Equity Method

Consolidated subsidiaries: 33 companies Non-consolidated subsidiaries accounted for by the equity method: 3 companies

Affiliates accounted for by the equity method: 1 company

(5) Changes in Scope of Consolidation and Affiliates Accounted for Under the Equity Method

Consolidated subsidiaries: New 1 company Excluded 1 company

Affiliates accounted for under the equity method: New 0 company Excluded 0 company

2. Consolidated Outlook for Fiscal 2004 (from April 1, 2004 to March 31, 2005)

	Net Sale	Ordinary Profit	Net Income
	Millions of yen	Millions of yen	Millions of yen
Full year	141,000	9,700	6,100

References 1. Estimated net income per share (full year): 285.84 yen

2. Estimated operating income (full year): 9,450 million yen

* The above projections are based on information available at the time of release of this report and contain uncertain factors.
Actual results could materially differ from projections due to changes in business conditions and a variety of other factors.

4. Interim Consolidated Financial Statement

(1) Interim Consolidated Balance Sheets (As of September 30, 2003, September 30, 2004, and March 31, 2004)

Items	Interim Period Ended September 30, 2003		Interim Period Ended September 30, 2004		March 31, 2004	
	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Ratio (%)
ASSETS						
I Current Assets						
1 Cash and time deposits	9,397		11,258		9,390	
2 Trade notes and accounts receivable	27,907		30,889		29,447	
3 Inventory assets	21		17		17	
4 Deferred tax assets – current	717		806		712	
5 Other current assets	1,801		2,154		1,454	
Less: Allowance for doubtful accounts	(300)		(291)		(286)	
Total current assets	39,542	60.3	44,833	63.6	40,734	61.4
II Fixed Assets						
1 Property, plant and equipment						
(1) Buildings and structures	13,100		12,835		12,797	
Less: Accumulated depreciation	3,979	9,120	4,347	8,488	4,117	8,680
(2) Motor vehicles	937		874		864	
Less: Accumulated depreciation	606	331	594	280	557	307
(3) Machinery and equipment	2,809		2,734		2,584	
Less: Accumulated depreciation	1,884	926	1,870	864	1,753	831
(4) Land	7,560		7,638		7,632	
(5) Construction in progress	6		1,134		378	
Total property, plant and equipment	17,942	27.4	18,404	26.1	17,828	26.9
2 Intangible fixed assets	1,238		1,125		1,162	
Total intangible fixed assets	1,238	1.9	1,125	1.6	1,162	1.7
3 Investments and advances						
(1) Investments in securities	2,582		1,514		1,747	
(2) Long-term loans receivable	217		194		190	
(3) Deferred tax assets – non-current	1,198		2,014		1,878	
(4) Other assets	2,953		2,751		3,160	
Less: Allowance for doubtful accounts	(101)		(367)		(367)	
Total investments and advances	6,849	10.4	6,106	8.7	6,608	10.0
Total fixed assets	26,029	39.7	25,635	36.4	25,598	38.6
Total assets	65,571	100.0	70,468	100.0	66,332	100.0

Items	Interim Period Ended September 30, 2003		Interim Period Ended September 30, 2004		March 31, 2004	
	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Ratio (%)
LIABILITIES						
I Current Liabilities						
1 Trade notes and accounts payable	13,711		15,593		14,769	
2 Short-term bank loans	5,733		3,375		4,193	
3 Accrued income taxes	1,443		1,978		1,718	
4 Deferred tax assets – current	4		3		3	
5 Accrued bonuses to employees	1,357		1,546		1,196	
6 Other current liabilities	3,666		3,779		3,368	
Total current liabilities	25,914	39.5	26,274	37.3	25,247	38.1
II Long-term Liabilities						
1 Long-term debt	4,711		5,850		5,649	
2 Deferred tax liabilities – non-current	369		386		398	
3 Accrued retirement benefits to employees	4,261		4,281		4,420	
4 Accrued retirement benefits to directors and statutory auditors	274		265		308	
5 Excess of investment cost over underlying equity in net assets of consolidated subsidiaries	84		163		185	
6 Other long-term liabilities	98		169		168	
Total long-term liabilities	9,798	14.9	11,114	15.8	11,128	16.8
Total liabilities	35,712	54.4	37,388	53.1	36,375	54.9
MINORITY INTERESTS						
Minority interests in consolidated subsidiaries	565	0.9	603	0.8	469	0.7
SHAREHOLDERS' EQUITY						
I Common stock	4,301	6.6	4,301	6.1	4,301	6.5
II Capital surplus	4,744	7.2	4,744	6.7	4,744	7.1
III Retained earnings	20,097	30.6	24,797	35.2	21,769	32.8
IV Unrealized gains on securities	228	0.4	102	0.1	129	0.2
V Adjustments on foreign currency statement translation	(60)	(0.1)	(1,381)	(1.9)	(1,419)	(2.1)
VI Treasury stock	(15)	(0.0)	(86)	(0.1)	(36)	(0.1)
Total shareholders' equity	29,295	44.7	32,477	46.1	29,488	44.4
Total liabilities, minority interests and shareholders' equity	65,571	100.0	70,468	100.0	66,332	100.0

(2) Interim Consolidated Statement of Income

Items	For the Interim Period Ended September 30, 2003		For the Interim Period Ended September 30, 2004		For the Year Ended March 31, 2004	
	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Ratio (%)
I Net Sales						
1 Air and sea cargo	57,367		67,118		115,018	
2 Travel	1,572		1,970		3,354	
3 Others	41	58,980	48	69,136	93	118,465
II Cost of Sales						
1 Air and sea cargo	42,195		50,217		84,682	
2 Travel	117		113		181	
3 Others	129	42,441	174	50,504	269	85,132
Gross profit on sales		16,540		18,632		33,333
III Selling, General and Administrative Expenses		13,501		13,688		26,111
Operating income		3,039		4,944		7,222
IV Extraordinary income						
1 Interest income	39		39		74	
2 Dividend income	15		14		17	
3 Gains on foreign exchange	181		62		368	
4 Gains on sale of investments in securities	18		2		30	
5 Equity in earnings of unconsolidated subsidiaries and affiliates	-		40		67	
6 Other non-operating income	117	370	95	249	178	734
V Extraordinary Expenses						
1 Interest expense	127		96		234	
2 Equity in losses of unconsolidated subsidiaries and affiliates	2		-		-	
3 Losses on disposal of fixed assets	25		7		50	
4 Other non-operating expenses	39	193	16	119	68	352
Ordinary profit		3,216		5,074		7,604
VI Extraordinary Income						
1 Reversal of allowance for doubtful accounts	7	7	8	8	15	
2 Compensation for expropriated land	-		-		182	197
VII Extraordinary Expenses						
1 Loss on write-down of investment securities	-		-		178	
2 Loss on sales of golf club memberships	7		-		-	
3 Loss on write-down of golf club memberships	12		6		16	
4 Impairment loss of fixed assets	-		-		902	
5 Allowance for doubtful accounts	-		-		293	
6 Other extraordinary expenses	-	19	-	6	89	1,478
Income before income taxes		3,204		5,076		6,323
Income taxes	1,359		1,965		3,078	
Deferred income taxes	(143)	1,216	(224)	1,741	(724)	2,363
Minority shareholders' income		58		101		222
Net Income		1,931		3,234		3,738

(3) Interim Consolidated Statement of Retained Earnings

	For the Interim Period Ended September 30, 2003		For the Interim Period Ended September 30, 2004		For the Year Ended March 31, 2004	
Items	Amount (Millions of yen)		Amount (Millions of yen)		Amount (Millions of yen)	
Capital Surplus						
I Capital surplus at the beginning of the period		4,744		4,744		4,744
II Capital surplus at the end of the period		4,744		4,744		4,744
Retained earnings						
I Retained earnings at the beginning of the period		18,460		21,769		18,460
II Increase in retained earnings during the period						
Net income for the period	1,931	1,931	3,234	3,234	3,738	3,738
III Decrease in retained earnings during the period						
1 Cash dividends	193		132		325	
2 Bonuses to directors and statutory auditors	71		74		71	
3 Decrease in retained earnings due to inclusion of additional subsidiaries in consolidation	28		-		29	
4 Decrease in retained earnings due to exclusion from application of the equity method of investment in affiliate:	-	293	-	206	4	429
IV Retained earnings at the end of the period		20,097		24,797		21,769

(4) Interim Consolidated Statements of Cash Flows

	For the Interim Period Ended September 30, 2003	For the Interim Period Ended Ended September 30, 2004	For the Year Ended March 31, 2004
Items	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
I Cash Flow from Operating Activities			
Income before income taxes	3,204	5,076	6,323
Depreciation and amortization	623	615	1,245
Impairment loss of fixed assets	-	-	902
Losses on disposal of fixed assets	-	-	50
Amortization of difference between investment costs and equity in net assets acquired of consolidated subsidiaries	(11)	(23)	(22)
Equity in earnings of affiliates	2	(40)	(67)
Increase in accrued bonuses to employees	288	350	127
Increase/decrease in accrued retirement benefits to employees	147	(139)	318
Increase/decrease in accrued retirement benefits to directors and statutory auditors	(15)	(43)	19
Increase/decrease in allowance for doubtful accounts	(9)	6	264
Interest and dividend income	(53)	(50)	(91)
Interest expenses	127	96	234
Gain on sale of investments in securities	(18)	(2)	(30)
Loss on write-down of investments in securities	-	-	178
Loss on sale of golf club memberships	7	-	7
Loss on write-down of golf club memberships	12	6	16
Increase in trade notes and accounts receivable	(172)	(1,447)	(2,879)
Increase in trade notes and accounts payable	311	838	1,908
Bonuses to directors paid	(73)	(77)	(73)
Others	353	114	(239)
Sub total	4,723	5,280	8,190
Interest and dividend received	71	68	173
Interest paid	(108)	(73)	(237)
Income tax paid	(2,718)	(1,705)	(4,129)
Net cash provided by operating activities	1,967	3,570	3,997

	For the Interim Period Ended September 30, 2003	For the Interim Period Ended Ended September 30, 2004	For the Year Ended March 31, 2004
Items	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
II Cash Flows from Investing Activities			
Payments for time deposits	(85)	(35)	(63)
Proceeds from repayment of time deposits	70	18	98
Lending of loans	(71)	(12)	(82)
Collection of loans	126	21	138
Purchase of property, plant and equipment	(1,353)	(1,173)	(3,504)
Proceeds from sale of property, plant and equipment	34	4	447
Purchase of investments in securities	(38)	(8)	(84)
Proceeds from sale of investments in securities	49	28	145
Purchase of investment in subsidiaries	-	-	(79)
Proceeds from sale of investment in subsidiaries	-	-	1
Proceeds from sale of investment in affiliated companies	-	2	-
Others	114	174	810
Net cash used in investing activities	(1,153)	(981)	(2,173)
III Cash Flows from Financing Activities			
Short-term bank loans, net	(768)	(477)	(1,373)
Borrowing of long-term debt	1,000	300	2,100
Repayment of long-term debt	(1,915)	(419)	(2,858)
Cash dividends paid	(193)	(132)	(325)
Cash dividends paid to minority shareholders	(2)	(3)	(4)
Others, net	21	(45)	35
Net cash provided by financing activities	(1,857)	(776)	(2,425)

	For the Interim Period Ended September 30, 2003	For the Interim Period Ended Ended September 30, 2004	For the Year Ended March 31, 2004
Items	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
IV Effect of exchange rate changes on cash and cash equivalents	212	12	(188)
V Decrease/increase in cash and cash equivalents	(832)	1,825	(789)
VI Cash and cash equivalents at the beginning of the period	9,196	9,384	9,196
VII Adjustments of new consolidated subsidiaries on cash and cash equivalents	977	26	977
VIII Cash and cash equivalents at the end of the period	9,341	11,235	9,384

4. Segment Information

[Industry Segments]

Interim Period Ended September 30, 2003

	Air and sea Cargo (Millions of yen)	Travel (Millions of yen)	Others (Millions of yen)	Total (Millions of yen)	Elimination or unallocatable amounts (Millions of yen)	Consolidated total (Millions of yen)
Net Sales and Operating Income						
Net Sales						
(1) Net sales to outside customers	57,367	1,572	41	58,980	-	58,980
(2) Inter-segment sales/transfer	0	-	257	257	(257)	-
Total sales	57,367	1,572	298	59,238	(257)	58,980
Operating expenses	54,375	1,586	234	56,195	(253)	55,941
Operating income (loss)	2,993	(14)	64	3,043	(4)	3,039

Notes 1. Business segments are decided according to the applicability of the business description and characteristics

2. Breakdown of each segment

Air and sea cargo: Air transportation agency, Consolidation business, Customs agency

Travel: Travel agency, Airline agency

Others: Non-life insurance agency, Finance business, Real estate lease business, Temporary staffing business

3. Joint costs in operating expenses are allocated to each segment.

Interim Period Ended September 30, 2004 (Millions of yen)

	Air and sea Cargo (Millions of yen)	Travel (Millions of yen)	Others (Millions of yen)	Total (Millions of yen)	Elimination or unallocatable amounts (Millions of yen)	Consolidated total (Millions of yen)
Net Sales and Operating Income						
Net Sales						
(1) Net sales to outside customers	67,118	1,970	48	69,136	-	69,136
(2) Inter-segment sales/transfer	0	-	298	298	(298)	-
Total sales	67,118	1,970	346	69,434	(298)	69,136
Operating expenses	62,660	1,558	269	64,487	(295)	64,192
Operating income (loss)	4,458	412	77	4,947	(3)	4,944

Notes 1. Business segments are decided according to the applicability of the business description and characteristics

2. Breakdown of each segment

Air and sea cargo: Air transportation agency, Consolidation business, Customs agency

Travel: Travel agency, Airline agency

Others: Non-life insurance agency, Finance business, Real estate lease business, Temporary staffing business

3. Joint costs in operating expenses are allocated to each segment.

Preceding Fiscal Year Ended March 31, 2004

	Air and sea Cargo (Millions of yen)	Travel (Millions of yen)	Others (Millions of yen)	Total (Millions of yen)	Elimination or unallocatable amounts (Millions of yen)	Consolidated total (Millions of yen)
Net Sales and Operating Income						
Net Sales						
(1) Net sales to outside customers	115,018	3,354	93	118,465	-	118,465
(2) Inter-segment sales/transfer	1	-	511	512	(512)	-
Total sales	115,019	3,354	604	118,977	(512)	118,465
Operating expenses	108,116	3,160	471	111,747	(504)	111,243
Operating income	6,903	194	133	7,230	(8)	7,222

Notes 1. Business segments are decided according to the applicability of the business description and characteristics

2. Breakdown of each segment

Air and sea cargo: Air transportation agency, Consolidation business, Customs agency

Travel: Travel agency, Airline agency

Others: Non-life insurance agency, Finance business, Real estate lease business, Temporary staffing business

3. Joint costs in operating expenses are allocated to each segment.

[Geographic Areas]
Interim Period Ended September 30, 2003

	Japan	North America	Europe	East Asia	South Asia and Oceania	Total	Elimination or unallocated amounts	Consolidated total
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Net Sales and Operating Income								
Net sales								
(1) Sales to outside customers	31,768	5,441	5,916	9,857	5,998	58,980	-	58,980
(2) Inter-segment sales/transfers	91	351	126	88	48	703	(703)	-
Total Sales	31,859	5,792	6,042	9,945	6,046	59,684	(703)	58,980
Operating expenses	30,144	5,583	5,767	9,377	5,774	56,645	(703)	55,941
Operating income	1,715	209	275	568	273	3,039	-	3,039

Notes 1. Geographic areas are decided according to the linkage and geographical proximity of each business

2. Breakdown of each area

- (1) North America: U.S., Canada
- (2) Europe: U.K., Germany, France, Italy, Netherlands
- (3) East Asia: China, Hong Kong, Taiwan, South Korea
- (4) South East and Oceania: Singapore, Australia, Indonesia, Thailand

3. Joint costs in operating expenses are allocated to each area.

Interim Period Ended September 30, 2004

	Japan	North America	Europe	East Asia	South Asia and Oceania	Total	Elimination or unallocated amounts	Consolidated total
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Net Sales and Operating Income								
Net sales								
(1) Sales to outside customers	39,825	5,422	6,418	10,739	6,732	69,136	-	69,136
(2) Inter-segment sales/transfers	95	372	267	113	88	935	(935)	-
Total Sales	39,920	5,794	6,685	10,852	6,820	70,071	(935)	69,136
Operating expenses	36,711	5,560	6,215	10,178	6,463	65,127	(935)	64,192
Operating income	3,209	234	470	674	357	4,944	0	4,944

Notes 1. Geographic areas are decided according to the linkage and geographical proximity of each business

2. Breakdown of each area

- (1) North America: U.S., Canada
- (2) Europe: U.K., Germany, France, Italy, Netherlands
- (3) East Asia: China, Hong Kong, Taiwan, South Korea
- (4) South East and Oceania: Singapore, Australia, Indonesia, Thailand

3. Joint costs in operating expenses are allocated to each area.

Preceding Fiscal Year Ended March 31, 2004

	Japan	North America	Europe	East Asia	South Asia and Oceania	Total	Elimination or unallocated amounts	Consolidated total
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Net Sales and Operating Income								
Net sales								
(1) Sales to outside customers	68,462	9,807	11,652	16,515	12,029	118,465	-	118,465
(2) Inter-segment sales/transfers	186	703	433	179	184	1,685	(1,685)	-
Total Sales	68,648	10,510	12,085	16,694	12,213	120,150	(1,685)	118,465
Operating expenses	63,966	10,108	11,520	15,687	11,646	112,927	(1,684)	111,243
Operating income	4,682	402	565	1,007	567	7,223	(1)	7,222

Notes 1. Geographic areas are decided according to the linkage and geographical proximity of each business

2. Breakdown of each area

- (1) North America: U.S., Canada
- (2) Europe: U.K., Germany, France, Italy, Netherlands
- (3) East Asia: China, Hong Kong, Taiwan, South Korea
- (4) South East and Oceania: Singapore, Australia, Indonesia, Thailand

3. Joint costs in operating expenses are allocated to each area.

[Net Sales in Overseas Countries]

		North America	Europe	East Asia	South Asia and Oceania	Others	Total
Interim Period Ended September 30, 2003	I Net Sales in Overseas Countries (Millions of yen)	5,816	6,070	9,977	6,067	2	27,932
	II Consolidated Net Sales (Millions of yen)						58,980
	III Percentage of the sales from each area in Consolidated Net Sales (%)	9.9	10.3	16.9	10.3	0.0	47.4
Interim Period Ended September 30, 2004	I Net Sales in Overseas Countries (Millions of yen)	5,822	6,723	10,872	6,891	1	30,309
	II Consolidated Net Sales (Millions of yen)						69,136
	III Percentage of the sales from each area in Consolidated Net Sales (%)	8.4	9.7	15.7	10.0	0.0	43.8
Preceding Fiscal Year Ended March 31, 2004	I Net Sales in Overseas Countries (Millions of yen)	10,560	12,150	16,782	12,269	3	51,764
	II Consolidated Net Sales (Millions of yen)						118,465
	III Percentage of the sales from each area in Consolidated Net Sales (%)	8.9	10.3	14.1	10.4	0.0	43.7

Notes 1. Geographic areas are decided according to the linkage and geographical proximity of each business

2. Breakdown of each area

- (1) North America: U.S., Canada
- (2) Europe: U.K., Germany, France, Italy, Netherlands
- (3) East Asia: China, Hong Kong, Taiwan, South Korea
- (4) South East and Oceania: Singapore, Australia, Indonesia, Thailand
- (5) Others: Countries of South America, Africa, India, et al

3. Net Sales in overseas countries are the net sales made by consolidated subsidiaries of Yusen & Sea Service Co., Ltd. in countries or areas outside Japan.

Non-consolidated Interim Earnings Report for the Fiscal Year Ended March 31, 2005 (Summary)

November 11, 2004

Company Name	Yusen Air & Sea Service Co., Ltd.	Registered Issue	
Code Number	9370	Head Office	Tokyo
(URL http://www.yusen.co.jp)			
Representative Director	President Michio Tanaka		
Inquiries	General Manager, Accounting Division Kazuo Kato	TEL	(03) 3639-6436
Meeting of the Board of Directors for Approval of Results	November 11, 2004	Interim Dividend System	Yes
Date of Interim Dividend Payment	December 10, 2004	Minimum Trading Unit System	Yes (1 unit = 100 shares)

1. Non-consolidated Results of Operation for the First Half of Fiscal 2004 (from April 1, 2004 to September 30, 2004)

(1) Non-consolidated Business Results (Figures are rounded to the nearest Million yen)

	Net Sales		Operating Income		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Half Ended September 30, 2004	36,251	(26.7)	2,483	(65.3)	2,542	(54.1)
First Half Ended September 30, 2003	28,604	(4.8)	1,502	(-13.5)	1,650	(-7.0)
Fiscal Year Ended March 31, 2004	62,091		3,992		4,385	

	Net Income		Net Income per Share	
	Millions of yen	%	Yen	sen
First Half Ended September 30, 2004	1,479	(56.1)	70	15
First Half Ended September 30, 2003	948	(1.9)	53	89
Fiscal Year Ended March 31, 2004	1,741		95	63

- Notes 1. Average number of shares outstanding in First Half Ended September 30, 2004: 21,080,024 shares;
 2. First Half Ended September 30, 2003: 17,582,056 shares; Fiscal Year Ended March 31, 2004: 17,579,451 shares
 3. Changes in accounting procedures: None
 4. The percentage figures accompanying Net sales, Operating income, Ordinary profit, and Net income represent year-on-year changes.

(2) Dividend Payments

	Interim dividend per share		Full year dividend per share	
	Yen	sen	Yen	sen
First Half Ended September 30, 2004	7	50	-	-
First Half Ended September 30, 2003	7	50	-	-
Fiscal Year Ended March 31, 2004	-	-	15	0

(3) Fiscal Position

	Total Assets	Shareholders' Equity	Shareholders'	Shareholders' Equity
	Millions of yen	Millions of yen	%	Yen sen
First Half Ended September 30, 2004	45,278	20,801	45.9	987 7
First Half Ended September 30, 2003	41,942	19,049	45.4	1,083 52
Fiscal Year Ended March 31, 2004	44,856	19,591	43.7	1,111 39

- Notes 1. Number of shares issued and outstanding: First Half Ended September 30, 2004: 21,073,196 shares;
 First Half Ended September 30, 2003: 17,580,760 shares; Fiscal Year Ended March 31, 2004: 17,573,300 shares
 2. Treasury stock: First Half Ended September 30, 2004: 37,204 shares;
 First Half Ended September 30, 2003: 11,240 shares; Fiscal Year Ended March 31, 2004: 18,700 shares

2. Non-consolidated Outlook for Fiscal 2004 (from April 1, 2004 to March 31, 2005)

	Net Sales	Ordinary Profit	Net Income	Full Year Dividend per Share			
				End of period			
	Millions of yen	Millions of yen	Millions of yen	Yen	sen	Yen	sen
Full year	72,000	4,800	2,800	12	50	20	0

References 1. Estimated net income per share (full year): 129.98 yen

2. Estimated operating income (full year): 4,650 million yen

* The above projections are based on information available at the time of release of this report and contain uncertain factors. Actual results could materially differ from projections due to changes in business conditions and a variety of other factors.

1. Interim Non-consolidated Financial Statements

(1) Interim Non-consolidated Balance Sheets (As of September 30, 2003, September 30, 2004, and March 31, 2004)

Items	Interim Period Ended September 30, 2003		Interim Period Ended September 30, 2004		March 31, 2004	
	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Ratio (%)
ASSETS						
I Current Assets						
1 Cash and time deposits	2,700		2,838		2,642	
2 Trade notes	87		40		84	
3 Accounts receivable	13,245		15,910		16,062	
4 Inventory assets	8		9		10	
5 Deferred tax assets – current	551		640		576	
6 Short-term loans receivable (affiliated company)	90		90		90	
7 Other current assets	714		785		611	
Less: Allowance for doubtful accounts	(9)		(8)		(11)	
Total current assets		17,386		20,304		20,064
II Fixed Assets						
1 Property, Plant and Equipment						
(1) Buildings and structures	3,990		3,756		3,857	
(2) Land	6,433		6,620		6,620	
(3) Others	350		1,424		670	
Total property, plant and equipment	10,773		11,800		11,147	
2 Intangible fixed assets	575		575		560	
3 Investments and advances						
(1) Investments in securities	1,757		815		1,032	
(2) Investments in stocks of affiliates	5,626		5,703		5,705	
(3) Investments in capital (affiliated company)	2,327		2,327		2,327	
(4) Deferred tax assets – non-current	1,143		1,959		1,827	
(5) Other assets	2,395		2,108		2,508	
Less: Allowance for doubtful accounts	(41)		(313)		(314)	
Total investments and advances	13,207		12,599		13,085	
Total fixed assets		24,556		24,974		24,792
Total assets		41,942		45,278		44,856
		58.5		55.2		55.3
		100.0		100.0		100.0

Items	Interim Period Ended September 30, 2003		Interim Period Ended September 30, 2004		March 31, 2004		
	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Ratio (%)	
LIABILITIES							
I Current Liabilities							
1 Trade notes and accounts payable	7,602		9,397		9,557		
2 Short-term bank loans	4,762		2,902		3,672		
3 Accrued income taxes	849		1,277		1,189		
4 Accrued bonuses to employees	1,042		1,187		1,022		
5 Other current liabilities	752		697		774		
Total current liabilities		15,007	35.8	15,460	34.2	16,214	36.1
II Long-term Liabilities							
1 Long-term debt	4,411		5,688		5,444		
2 Accrued retirement benefits to employees	3,167		3,036		3,266		
3 Accrued retirement benefits to directors and statutory auditors	270		254		300		
4 Other long-term liabilities	38		39		41		
Total long-term liabilities		7,885	18.8	9,017	19.9	9,051	20.2
Total liabilities		22,893	54.6	24,477	54.1	25,265	56.3
SHAREHOLDERS' EQUITY							
I Common stock		4,301	10.3	4,301	9.5	4,301	9.6
II Capital Surplus							
1 Capital reserve	4,744		4,744		4,744		
Total capital surplus		4,744	11.3	4,744	10.5	4,744	10.6
III Retained earnings							
1 Legal reserve of retained earnings	337		337		337		
2 Voluntary reserve	3,620		3,916		3,620		
3 Unappropriated retained earnings	5,834		7,487		6,495		
Total retained earnings		9,791	23.3	11,740	25.9	10,452	23.3
IV Unrealized gains on securities		228	0.5	102	0.2	130	0.3
V Treasury stock		(15)	(0.0)	(86)	(0.2)	(36)	(0.1)
Total shareholders' equity		19,049	45.4	20,801	45.9	19,591	43.7
Total liabilities and shareholders' equity		41,942	100.0	45,278	100.0	44,856	100.0

(2) Interim Non-consolidated Statement of Income

Items	For the Interim Period Ended September 30, 2003		For the Interim Period Ended September 30, 2004		For the Year Ended March 31, 2004	
	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Ratio (%)
I Net Sales	28,604	100.0	36,251	100.0	62,091	100.0
II Cost of Sales	20,722	72.4	27,015	74.5	45,483	73.3
Gross profit on sales	7,881	27.6	9,236	25.5	16,608	26.7
III Selling, General and Administrative Expenses	6,380	22.3	6,735	18.7	12,616	20.3
Operating income	1,502	5.3	2,483	6.8	3,992	6.4
IV Extraordinary Income	243	0.8	129	0.4	568	0.9
V Extraordinary Expenses	95	0.3	70	0.2	175	0.2
Ordinary income	1,650	5.8	2,542	7.0	4,385	7.1
VI Extraordinary Profit	9	0.0	0	0.0	6	0.0
VII Extraordinary Expenses	-	-	-	-	1,373	2.2
Income before income taxes	1,658	5.8	2,542	7.0	3,018	4.9
Income taxes	873		1,241		2,082	
Deferred income taxes	(162)	2.5	(178)	2.9	(805)	2.1
Net income	948	3.3	1,479	4.1	1,741	2.8
Retained earnings brought forward	4,886		6,009		4,886	
Interim dividend	-		-		132	
Unappropriated retained earnings at the end of the period	5,834		7,487		6,495	