

Quick Report on Interim Closing (Consolidated)

Name of Listed Company : Sanshin Electronics Co., Ltd. Stock Exchange Where Listed : Tokyo
 Code No. : 8150 Prefecture Where Head Office : Tokyo is Located
 (URL: <http://www.sanshin.co.jp>) TEL : 03-3453-5111

Representative : Mitsumasa Matsunaga (President)
 Enquiries to : Hitoshi Suzuki (Associate Senior Vice-President)
 Date of Meeting of Board of Directors on Closing Accounts : 16th November, 2005
 Application of US Accounting Standards : No

1. Consolidated Business Performance for September, 2005 Interim Term (from 1st April, 2005 to 30th September, 2005)

(1) Consolidated Business Performance (Note: Amounts of less than one million yen are omitted for the figures given.)

	Sales Volume		Operating Profit		Ordinary Profit	
	¥ million	%	¥ million	%	¥ million	%
Sept., 2005 Interim Term	99,185	3.8	1,870	-0.4	1,979	3.8
Sept., 2004 Interim Term	95,581	21.9	1,877	89.8	1,907	77.1
March, 2005 Term	190,541		3,719		3,747	

	Interim Net Profit (for Current Term)		Interim Net Profit per Share (for Current Term)		Interim Net Profit per Share after Adjustment of Potential Shares (for Current Term)	
	¥ million	%	Yen		Yen	
Sept., 2005 Interim Term	1,104	5.3	33.78		-	
Sept., 2004 Interim Term	1,049	102.4	32.08		-	
March, 2005 Term	2,045		61.70		-	

Notes:

- ① Investment profit and loss based on the equity method: Sept., 2005 Interim Term: ¥ - million, Sept., 2004 Interim Term: ¥ - million, March, 2005 Term: ¥ - million
- ② Average number of issued shares during the term (consolidated): September, 2005 Interim Term: 32,703,244 shares, Sept., 2004 Interim Term: 32,714,471 shares, March, 2005 Term: 32,711,740 shares
- ③ Change of accounting method: No
- ④ The percentages for the sales volume, operating profit, ordinary profit and interim net profit (for the current term) indicate an increase or decrease against the corresponding figures for the interim term of the previous year

(2) State of Consolidated Finance

	Gross Assets	Capital Stock	Ratio of Capital Stock	Capital Stock per Share
	¥ million	¥ million	%	Yen
Sept., 2005 Interim Term	97,301	56,670	58.2	1,733.09
Sept., 2004 Interim Term	92,499	54,781	59.2	1,674.70
March, 2005 Term	93,592	55,744	59.6	1,703.60

Note: Number of issued shares at the term end (consolidated): Sept., 2005 Interim Term: 32,698,987 shares, Sept., 2004 Interim Term: 32,711,524 shares, March, 2005 Term: 32,705,959 shares

(3) Consolidated Cash Flow Situation

	Cash Flow Based on Business Activities	Cash Flow Based on Investment Activities	Cash Flow Based on Financial Activities	Term-End Balance of Cash and Cash Equivalent
	¥ million	¥ million	¥ million	¥ million
Sept., 2005 Interim Term	-207	101	-728	3,372
Sept., 2004 Interim Term	-6,075	-245	3,250	3,355
March, 2005 Term	-4,001	-389	2,153	4,132

(4) Matters Relating to Scope of Consolidation and Application of Equity Method

Number of consolidated subsidiaries : 6
 Number of non-consolidated subsidiaries to which the equity method is applied : 0
 Number of associated companies to which the equity method is applied : 0

(5) Changes of Scope of Consolidation and Application of Equity Method

Consolidation : (newly added) 0, (excluded) 0
 Application of the equity method : (newly added) 0, (excluded) 0

2. Forecast for Consolidated Business Performance for March, 2006 Term (from 1st April, 2005 to 31st March, 2006)

	Sales Volume	Ordinary Profit	Net Profit for Current Term
	¥ million	¥ million	¥ million
Whole Term	202,000	4,100	2,400

(Reference) Forecast for the net profit per share for the term (whole term): ¥73.40

* The above forecast is a forecast for the future based on data available at present and contains potential risks and uncertain factors. The actual performance may considerably differ from the forecast due to various factors.

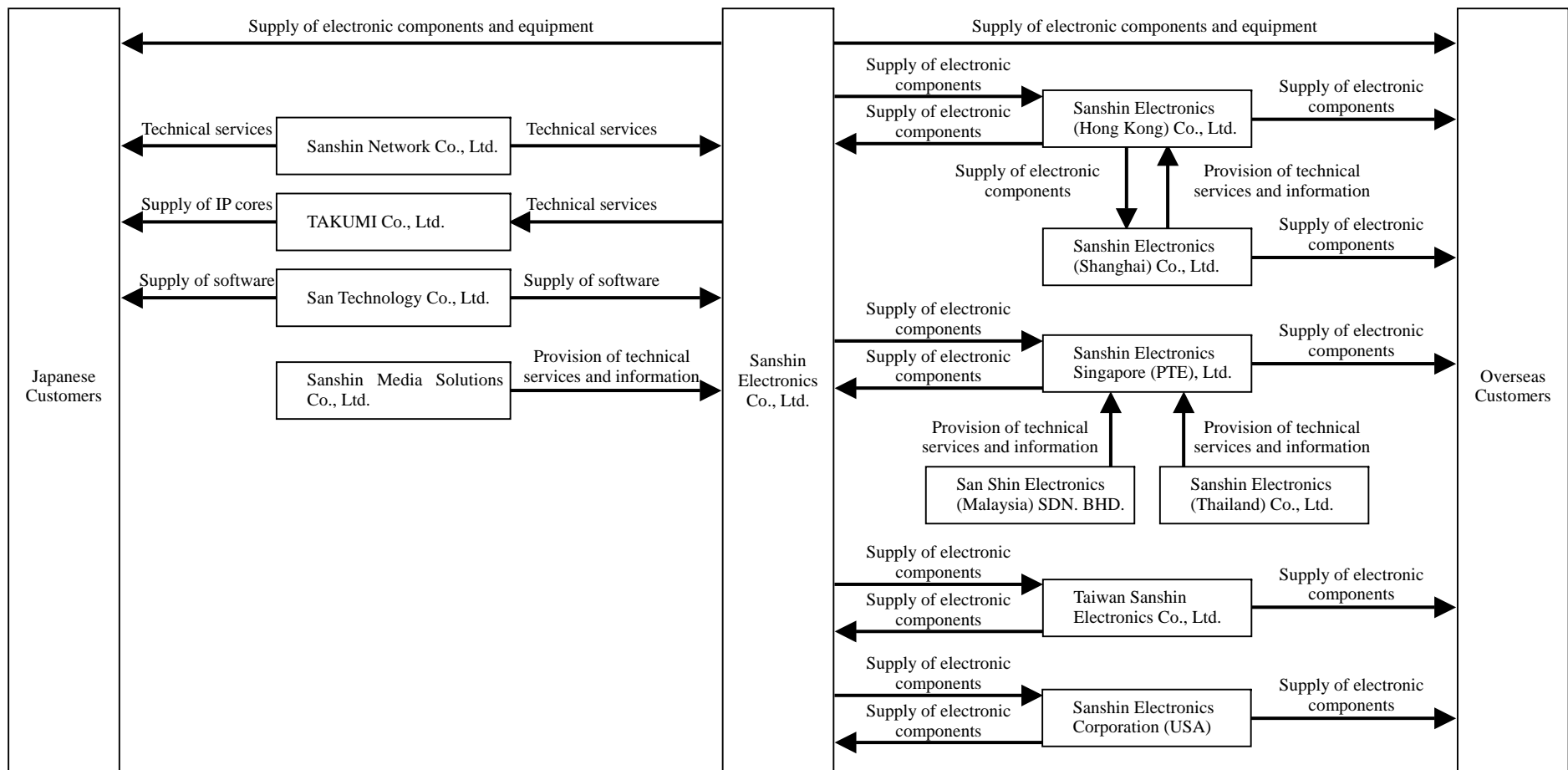
See Pages 11 and 13 of the Attached Paper regarding the relevant matters for the above forecast for the business performance.

(1) Situation of the Group

The Sanshin Group of companies consists of Sanshin Electronics Co., Ltd. (the Company) and its 11 subsidiaries. The main businesses and intra-group status of these companies are shown below.

The Company operates a trading house specializing in electronic components and equipment and sells electronic components, communication equipment and electronic equipment to government offices and manufacturers of electronic equipment, etc. In addition, six overseas subsidiaries, including Sanshin Electronics (Hong Kong) Co., Ltd., are engaged in marketing and procurement activities to expand their business operation at key overseas bases in their respective areas. Meanwhile, Sanshin Network Service Co., Ltd. provides technical services for the operation and maintenance of information and communication systems, TAKUMI Co., Ltd. develops and provides technical services regarding IP cores to be incorporated in electronic components, San Technology Co., Ltd. develops software to be incorporated in electronic components and Sanshin Media Solutions Co., Ltd. provides technical services and information relating to image editing systems.

The linkage of the business operations of the group companies is shown below.



: Consolidated subsidiary

: Non-consolidated subsidiary to which the equity method is not applied

(2) Basic Policies

1) Basic Business Policies

Since its foundation, the Company has consistently followed its corporate philosophy of “Trustability, Faith and Honesty” and has upheld the basic policy of creating “Sanshin Electronics Justifying the Value of Its Existence with Trustability and Genuine Solutions”. While harsh competition due to the advancement of technological innovation is continuing in the electronics and information communication/networking industries, the Company is determined to strive to enhance its corporate value by realizing management practices for growth through the active use of the distributor function (distribution of merchandise) and the further differentiation of the Company from others based on such added value as technological and service strength and its unique IP core business to the satisfaction of clients.

2) Basic Policy for Profit Distribution

The basic policy regarding the dividend of the Company is to determine an appropriate dividend level, taking the improved return of profits to the shareholders and consolidation of the internal reserves for strengthening of the business base into consideration. Under this policy, the Company is striving for the continuation and increase of the dividend for shareholders in a stable manner with a target pay-out ratio of 30% or higher to the consolidated net profit for the term.

3) Basic Concept and Policy Regarding Lowering of the Unit Investment Amount

The Company is fully aware of the importance of developing a business environment in which investors find investment in the Company reassuring for the purposes of promoting the long-term, stable holding of the Company’s shares by investors and enlarging the investor base. However, a prudent approach is required to lower the unit investment amount, taking the movement of the share price and cost effectiveness, etc. into consideration, and this matter will be decided in consideration of future changes of the share price, cost-benefit analysis results and other relevant matters.

4) Target Business Indicator

The Company upholds the ROE (rate of earnings on shareholders’ equity for the current term) as an important business indicator and will endeavour to improve the earning capacity while ensuring a shareholders equity ratio of 50% or higher.

5) Medium to Long-Term Business Strategy

The principal aim of the Company is to realize enhancement of the corporate value through the steady growth of both the device and solution businesses.

In the device business, the further advancement of globalization and accompanying technological innovations and expansion of the application fields is massively increasing the demand base. Under such circumstances, the Company will conduct a comprehensive check of the purchasing potential of clients, develop a matrix marketing system featuring clients and products and consolidate the business strength of overseas subsidiaries with a view to strengthening the technical support as well as marketing activities to satisfy the every needs of clients. The Company is also determined to secure higher growth potential by means of developing new supply sources as well as merchandise and expanding the business fields from those dealing with semiconductors and electronic parts as individual units to those dealing with modules, half-finished products and completed products.

In the solution business, the Company has been aiming at expanding the business, primarily featuring the network system business and the image editing system business, to enhance its status as the core business of the Company. In the network system business, the Company will seek to increase its profit by providing total solutions against the background of a growing awareness of the importance of security and the increasing need for business reform and higher efficiency. Meanwhile, in the image editing system business, the priority tasks identified by the Company are the discovery of competitive new merchandise and expansion of the business field through the development of new markets featuring educational institutions and private enterprises. Moreover, the Company will seek synergy between the network system business and the image editing business in the light of the accelerating use of broadband and also the expansion of IT services using its technical subsidiaries in order to ensure the medium-term development of the Company.

6) Matters to be Dealt With

The business environment for the Company is expected to support gentle but continuous growth even though there are some uncertainties and the Company is shifting its business priority to growth to satisfy shareholders, committing itself to reinforcing its business strength and further improving its business base. To be more precise, the implementation of the following measures will be sought.

- ① Expansion and strengthening of the earning capacity of the semiconductor and electronic component businesses

- ② Continued expansion of new businesses
- ③ Strengthening of overseas business operations
- ④ Stronger commitment to realising the superior competitiveness of the solution business
- ⑤ Reinforcement of the business strength of the group
- ⑥ Increased commitment to social responsibilities

7) Basic Concept of Corporate Governance and State of Implementation of Relevant Measures

(Basic Concept of Corporate Governance)

The Company is well aware of the importance of strengthening and consolidating corporate governance as a managerial theme to achieve increased corporate value. Through the implementation of the relevant measures, the Company will ensure the transparency of its business management and swiftness of managerial judgements to increase the corporate value for shareholders and to perform its responsibility to stakeholders.

(State of Implementation of Relevant Measures)

- ① Various Organs of the Company and State of Development of Internal Control System
 - i) The Company adopts the auditor system. As the Company believes that appropriate corporate governance can be implemented with this system, this system will be maintained for the foreseeable future. Meanwhile, the suitability of transforming the Company into one with committees, etc. will be continuously examined.
 - ii) The Board of Directors consists of 10 members (no external directors) and holds extraordinary meetings as required in addition to regular monthly meetings at which important issues relating to business management are discussed and the business performance and other matters are reported to ensure swift managerial judgement and decisions. In addition, other business meetings, such as meetings of the executive directors and meetings of full-time directors, are regularly held. Directors with specific responsibilities also attend business strategy meetings and other important meetings. The term of office of the directors is set at one year or less to clarify the responsibility of each director in each accounting year.

- iii) The Board of Auditors of the Company consists of three members, including one external auditor, and holds a regular meeting every month. A regular meeting of the CEO and the auditors to exchange opinions is also in place. It is planned to meet the statutory requirement regarding the number of external auditors by the end of the Regular General Meeting of Shareholders to be held in June, 2006. In order to further reinforce the independence of the auditors from the business management of the Company, the bonus for auditors has been withdrawn from the March, 2005 term.
- iv) Regarding legal advice, a corporation lawyer contract has been signed with a law firm. Close collaboration with other external lawyers is also maintained so that their advice can be sought when necessary. For corporate accounting, an audit contract has been signed with Tohmatsu.
- v) The Audit Division has been established as an independent division with two full-time members to monitor the internal control system.
- vi) The Meeting on Corporate Strategy is established as a body to specifically analyse ways to strengthen corporate governance, thereby consolidating the overall system of analysing, planning and implementing various corporate governance measures.

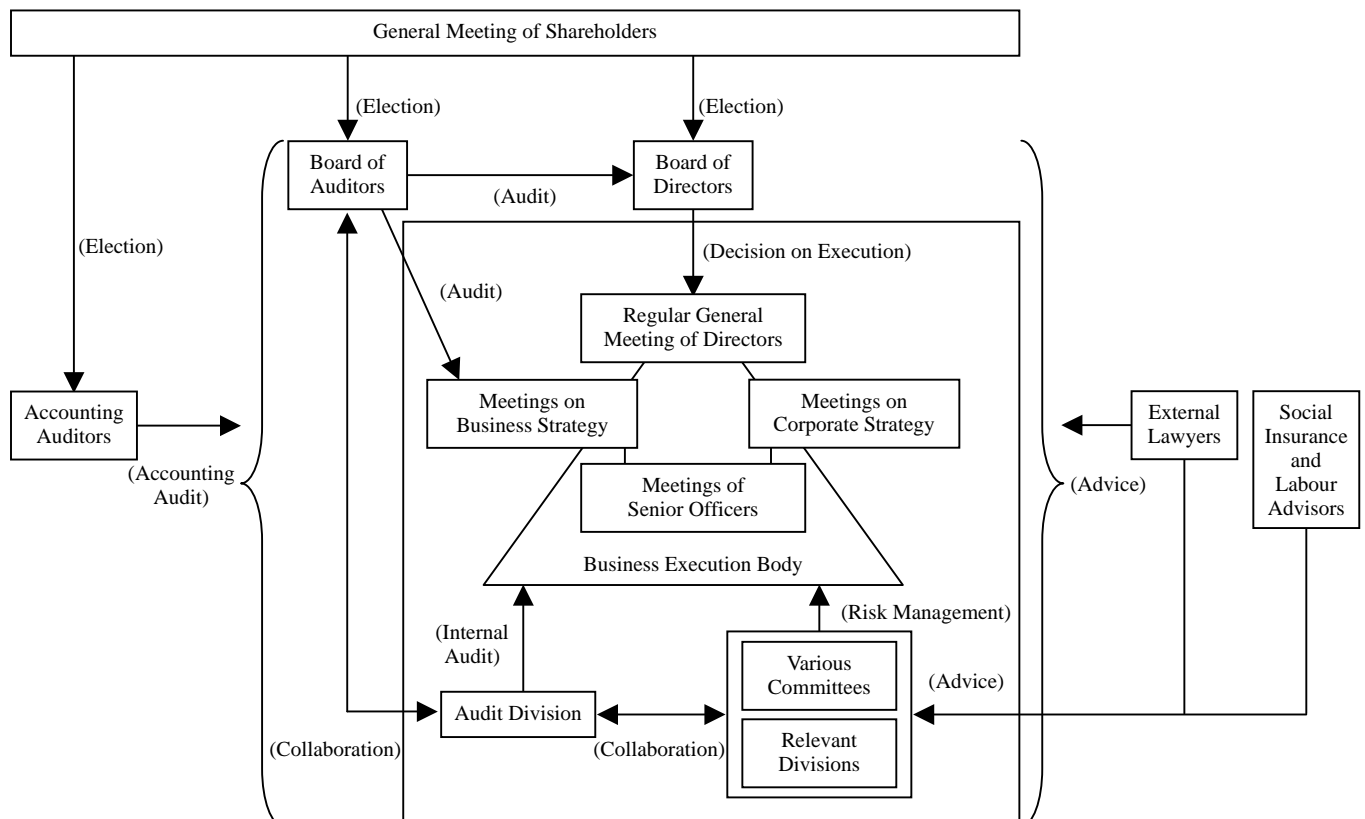
② State of Development of Risk Management System

- i) The market risk is constantly monitored at regular meetings on business strategies, meetings of managers and other meetings to pick up problematic points as soon as possible.
- ii) Risks concerning credit, inventory, quality, export control, investment, safety, hygiene, environmental issues and the leakage of information, etc. are dealt with through the establishment of various committees and the preparation and enforcement of various rules and manuals to ensure reliable risk management.
- iii) Problems concerning agreements with clients and labour management, etc. are dealt with by the relevant divisions in consultation with the legal advisor and other external lawyers as well as social insurance and labour advisors.

③ State of Internal Audit, Audit by Auditors and Audit of Accounts

- i) The Audit Division is responsible for internal audits and conducts regular business audits as well as special audits based on special instructions. The Audit Division audits various rules, etc. in collaboration with the related divisions and/or committees from the viewpoint of compliance to ensure the propriety of the internal control system.
- ii) For audit by auditors, the auditors always attend meetings of the Board of Directors and also attend other important meetings, including committee meetings, as the occasion arises to audit the execution of business by the directors. The auditors closely liaise with the Audit Division with a view to conducting an audit when deemed necessary. The necessary audits of subsidiaries are also carried out.
- iii) As the auditor of accounts for the Company, Tohmatsu conducts an audit at the time of the settlement of accounts and also expresses its opinions on the managerial and organizational problems, etc. discovered through the audit of accounts. There is no special relationship of interest between the Company and Tohmatsu or members of Tohmatsu who actually conduct the audit of accounts for the Company.

The corporate governance regime explained in ① through ③ is illustrated below.



④ Implementation Situation of Measures to Consolidate Corporate Governance of the Company in the Last One Year Period

- i) At the end of the Regular General Meeting of Shareholders held in June, 2005, an explanatory meeting on the state of business management was held to provide vital information for shareholders.
- ii) English versions of various IR reference materials, including the Notice of the Regular General Meeting of Shareholders and the Quick Report on Closing, etc. have been produced for foreign shareholders and parts of these have been uploaded for general access to the Company's web site.
- iii) The solution business of the Company and two subsidiaries, i.e. Sanshin Network Service Co., Ltd. and Sanshin Media Solutions Co., Ltd. have acquired ISMS certification (Registration Certificate No: JQA-IM0207).
- iv) The following four subsidiaries and one office have acquired ISO 14001 certification (Registration Certificate No: JQA-EM1012).

Sanshin Electronics Singapore (PTE) Ltd.

San shin Electronics (Malaysia) SDN. BHD.

Sanshin Electronics (Thailand) Co., Ltd.

Sanshin Electronics (Hong Kong) Co., Ltd.

Sanshin Electronics (Hong Kong) Co., Ltd., Shanghai Liaison Office

In addition to the above, all of the offices as well as all of the four domestic subsidiaries of the Company have acquired ISO 14001 certification (Registration Certificate No: JQA-EM1012).

- v) The Meeting on Corporate Strategy has been in place since June, 2005 to further strengthen the corporate governance.

(3) Business Results and State of Finance

1) Business Results

① General Business Situation During Present Interim Term

The Japanese economy during the present interim term saw an improved employment situation and an upturn of investment in plant and equipment for wide-ranging business types, underpinning the gentle trend of recovery. Meanwhile, the US economy was steady as the buoyant housing market supported personal consumption. The Chinese economy also maintained a high level of growth due to

increased exports backed by the strong price competitiveness of Chinese products. However, there was increasing concern for the future of the global economy in view of the adverse impacts of rising oil prices in the world and rising housing prices and severe damage by hurricanes in the US.

The domestic electronics industry experienced year-on-year declined production volumes of digital electronic household appliances and other electronic equipment for civilian use as well as electronic devices due to the fall of their prices and changed production balance between Japan and abroad. However, the amounts of orders received turned upward in the summer and the forecast for increased production in the second half is gaining strength.

Under these circumstances, the Company strove to strengthen the ability to propose the right solutions along with the continual expansion of a range of merchandise from new sources and the creation of new business models. The consolidated business performance for the present interim term showed sales of ¥99,185 million (a 3.8% increase on the same period of the previous year), ordinary profit of ¥1,979 million (a 3.8% increase on the same period of the previous year) and net profit of ¥1,104 million (a 5.3% increase on the same period of the previous year).

② Outline of Business Performance by Segment in Each Business Field

a) Device Business

Consolidated sales of the device business for the present interim term were ¥93,235 million (a 4.5% increase on the same period of the previous year). By segment, sales of memories for mobile phones and PCs increased along with sales of overseas sourced products, such as CMOS sensors for mobile phones, module products for portable multiple terminals and Printed Circuit Boards for PDP TVs. In contrast, sales of system LSIs for DVD recorders and liquid crystal display driver ICs for PC-related equipment dropped as a reaction to the Olympic-driven demand last year. The overall sales, however, increased on the same period of the previous year.

Owing to increased sales, the consolidated operating profit for the device business was ¥2,291 million (a 2.5% increase on the same period of the previous year). The consolidated orders received amounted to ¥96,574 million and the balance of outstanding orders at the term end stood at ¥28,156 million.

b) Solution Business

The sales of the resolution business in the present interim term were ¥5,949 million (a 6.1% decline on the same period of the previous year). Although the sales related to the image editing system business increased, the extent of the increase was not large enough to compensate for the declined sales of the network system business serving private enterprises. The strengthening of such non-hard businesses as network monitoring and integrated maintenance service to compensate for the declined sales returned a consolidated operating profit of the solution business of ¥279 million (a 26.6% increase on the same period of the previous year).

The consolidated orders received amounted to ¥6,852 million and the balance of outstanding orders at the term end stood at ¥3,666 million.

③ Business Prospect for Whole Term

For the business performance in the second half, there appears to be some worrying factors for the global economy, including a continual increase of the oil price from the first half, quietening down of the US housing market and moves to adjust the over-heating of the Chinese economy. In this situation, the Company is determined to perform its integral strength in the form of the further promotion of design-in based on strengthening of the Company's ability to propose solutions, expansion of marketing channels exploiting new merchandise and intensified collaboration with subsidiaries. The target figures for the consolidated business performance for the whole term are ¥202,000 million for sales (a 6.0% increase on the same period of the previous year), ¥4,100 million for the ordinary profit (a 9.4% increase on the same period of the previous year) and ¥2,400 million for the net profit for the current term (a 17.3% increase on the same period of the previous year).

Based on the consolidated business prospect of the Company, an annual dividend of ¥22 per share is planned, consisting of an ¥8/share for the interim term and a ¥14/share at the term end.

The business prospect for the whole term is outlined below.

(Prospect for Consolidated Business Results)

Sales	: ¥202 billion (6.0% increase on the previous year)
Ordinary profit	: ¥4.1 billion (9.4% increase on the previous year)
Net profit for the current term	: ¥2.4 billion (17.3% increase on the previous year)

(Prospect for Non-Consolidated Business Results)

Sales	: ¥145 billion (4.7% increase on the previous year)
Ordinary profit	: ¥3.2 billion (3.3% increase on the previous year)
Net profit for the current term	: ¥1.8 billion (0.7% increase on the previous year)

- * The above prospects for the consolidated and non-consolidated business results are forecasts for the future based on currently available data and contain potential risks and uncertain factors. The actual performance may considerably differ from the forecast due to various factors. The important factors significantly affecting the actual business performance include the economic conditions in Japan, North America and Asia, etc., production trends and product development of customers, supply situation and product development of suppliers, price decline due to intensified competition and consumption trends of digital household electronic equipment and PC-related equipment. There are many other factors which may also affect the business performance.

2) Financial Situation

① Cash Flow Situation for Interim Term

The consolidated cash and cash equivalents during the present interim term fell by ¥760 million compared to the end of the previous consolidated term due to increased expenditure caused by increased sales receivable and the repayment of loans, etc. The balance at the term end was ¥3,372 million (an 18.4% decrease on the previous term).

(Cash Flow from Operating Activities)

The cash flow from operating activities for the present interim term recorded an expenditure excess of ¥207 million as the increased sales receivable could not be absorbed by a decreases of the inventories and an increase of the notes and accounts payable. As a result, the cash flow for the present interim term showed a decreased expenditure excess of ¥5,868 million compared to the previous consolidated interim term.

(Cash Flow from Investment Activities)

The cash flow from investment activities for the present interim term recorded an income excess of ¥101 million due to the sale of investment securities and other reasons. Compared to the previous interim term, the income excess

increased by ¥346 million compared to the expenditure excess of ¥245 million recorded for the previous consolidated interim term.

(Cash Flow from Financing Activities)

The cash flow from financing activities recorded an expenditure excess of ¥728 million due to the repayment of short-term loans and other reasons. Compared to the previous interim term which recorded an income of ¥3,250 million, the present interim term showed increased expenditure of ¥3,978 million.

② Prospect of Cash Flow for Whole Term

The consolidated balance of cash and cash equivalents at the end of the current term is expected to be approximately ¥3,000 million, a decrease of some ¥1,100 million compared to the balance at the end of the previous term although the increased expenditure due to increased sales receivable, etc. reflecting the increased sales and the repayment of short-term loans is compensated for by the increased income from the increased net income before adjustment, including tax, and the decreases of inventories and the increase of notes and accounts payable. The balance of interest-bearing debts is expected to be some ¥10,000 million. The trends of the cash flow indicators are shown below.

	51st Term (March, 2002 Term)	52nd Term (March, 2003 Term)	53rd Term (March, 2004 Term)	54th Term (March, 2005 Term)	55th Term (Sept., 2006 Interim Term)
Ratio of Shareholders' Equity (%)	51.5	62.6	61.1	59.6	58.2
Ratio of Shareholders' Equity on Current Price Base (%)	16.6	16.3	29.5	32.1	38.6
Debt Redemption Period (year)	-	0.7	1.6	-	-
Interest Coverage Ratio (%)	-	54.6	79.7	-	-

Notes

Ratio of Shareholders' Equity	: Shareholders' Equity ÷ Gross Assets
Ratio of Shareholders' Equity on Current Price Base	: Total Current Value of Shares ÷ Gross Assets
Debt Redemption Period	: Interest-Bearing Debts ÷ Operating Cash Flow
Interest Coverage Ratio	: Operating Cash Flow ÷ Interest Payment

* Each indicator is calculated using the consolidated financial figures.

* The total current value of shares is calculated as the ending share price at the term end multiplied by the number of shares issued at the term end (after the deduction of treasury stock).

* For the operating cash flow, the cash flow from operating activities shown in the consolidated statement of cash flows is used. The interest-bearing debts feature all debts bearing interest among the debts listed in the consolidated balance sheet. For the amount of interest paid, the paid interest listed in the consolidated statement of cash flows is used.

* Figures for the debt redemption period and the interest coverage ratio are not entered when the operating cash flow figure is negative.

(4) Consolidated Financial Statements for Interim Term

Consolidated Interim Balance Sheet

(Unit: ¥ million)

Item	Term		Previous Consolidated Accounting Year (as of 31st March, 2005)		Increase/ Decrease Amount	Previous Consolidated Interim Term (as of 30th Sept., 2004)	
	Current Consolidated Interim Term (as of 30th Sept., 2005)		Amount	%		Amount	%
(Assets)							
I. Current Assets	88,147	90.6	84,198	90.0	3,948	83,538	90.3
- Cash and Cash Equivalents	3,372		4,132		-760	3,355	
- Notes Receivable and Accounts Receivable-Trade	69,158		62,492		6,666	62,227	
- Securities	40		40		-	-	
- Inventories	14,556		16,056		-1,499	16,446	
- Accrued Income	485		505		-20	709	
- Differed Tax Assets	418		456		-37	456	
- Others	243		667		-424	511	
- Allowance or Doubtful Receivables	-128		-152		24	-169	
II. Fixed Assets	9,153	9.4	9,394	10.0	-240	8,961	9.7
Property and Equipment	5,348	5.5	5,475	5.8	-126	5,546	6.0
- Buildings and Structures	2,858		2,922		-63	2,989	
- Land	2,240		2,317		-77	2,317	
- Others	249		235		14	239	
Intangible Fixed Assets	312	0.3	356	0.4	-43	249	0.3
Investment and Other Assets	3,492	3.6	3,562	3.8	-69	3,165	3.4
- Investment in Securities	3,088		3,131		-42	2,657	
- Prepaid Pension Expenses	53		48		4	53	
- Others	415		455		-40	529	
- Allowance for Doubtful Receivables	-64		-73		8	-75	
Total Assets	97,301	100.0	93,592	100.0	3,708	92,499	100.0

(Unit: ¥ million)

Item	Term	Current Consolidated Interim Term (as of 30th Sept., 2005)		Previous Consolidated Accounting Year (as of 31st March, 2005)		Increase/Decrease Amount	Previous Consolidated Interim Term (as of 30th Sept., 2004)	
		Amount	%	Amount	%		Amount	%
(Liabilities)								
I.	Current Liabilities	40,061	41.2	34,741	37.1	5,320	34,802	37.6
	- Notes Payable and Accounts Payable-Trade	26,002		23,015		2,986	22,454	
	- Short-Term Loans Payable	8,818		9,034		-216	9,950	
	- Long-Term Loans Due to Repayment within One Year	2,500		-		2,500	-	
	- Accrued Corporate Tax, etc.	880		949		-68	774	
	- Allowance for Bonuses	640		620		20	620	
	- Others	1,221		1,121		99	1,003	
II.	Fixed Liabilities	569	0.6	3,107	3.3	-2,537	2,915	3.2
	- Long-Term Loans Payable	-		2,500		-2,500	2,500	
	- Retirement Allowance for Directors and Corporate Auditors	194		243		-48	227	
	- Deposits Received	16		15		1	15	
	- Deferred Tax Liabilities	357		348		9	171	
	- Others	0		0		-0	0	
Total Liabilities		40,630	41.8	37,848	40.4	2,782	37,717	40.8
(Shareholders' Equity)								
I.	Common Stock	14,811	15.2	14,811	15.8	-	14,811	16.0
II.	Capital Surplus	15,329	15.8	15,329	16.4	-	15,329	16.6
III.	Retained Earnings	26,633	27.4	25,948	27.7	685	25,148	27.2
IV.	Unrealised Gains on Available-for-Sale Securities	806	0.8	778	0.9	27	511	0.5
V.	Foreign Exchange Conversion Adjustments	-464	-0.5	-683	-0.7	219	-584	-0.6
VI.	Treasury Stock	-446	-0.5	-439	-0.5	-6	-435	-0.5
Shareholders' Equity Total		56,670	58.2	55,744	59.6	925	54,781	59.2
Total Liabilities and Shareholders' Equity		97,301	100.0	93,592	100.0	3,708	92,499	100.0

Consolidated Interim Profit and Loss Statement

(Unit: ¥ million)

Item	Term	Current Consolidated Interim Term (from 1st Apr., 2005 to 30th Sept., 2005)		Previous Consolidated Interim Term (from 1st Apr., 2004 to 30th Sept., 2004)		Increase/ Decrease		Previous Consolidated Accounting Year (from 1st Apr., 2004 to 31st Mar., 2005)	
		Amount	%	Amount	%	Amount	%	Amount	%
I. Sales		99,185	100.0	95,581	100.0	3,603	3.8	190,541	100.0
II. Cost of Sales		92,108	92.9	88,572	92.7	3,536	4.0	176,641	92.7
	Gross Profit on Sales	7,076	7.1	7,009	7.3	66	1.0	13,900	7.3
III. Selling, General and Administrative Expenses		5,205	5.2	5,131	5.3	73	1.4	10,180	5.3
	Operating Income	1,870	1.9	1,877	2.0	-6	-0.4	3,719	2.0
IV. Non-Operating Income		204	0.2	78	0.1	126	161.5	152	0.1
	- Interest Received	20		9		11		22	
	- Dividend Received	23		11		11		19	
	- Purchase Discounts	6		7		-1		14	
	- Profit from Foreign Exchange Transactions	73		14		58		27	
	- Others	81		34		46		67	
V. Non-Operating Expenses		95	0.1	48	0.1	47	97.4	123	0.1
	- Interest Paid	37		36		1		73	
	- Sales Discounts	-		2		-2		-	
	- Others	57		9		48		50	
	Ordinary Income	1,979	2.0	1,907	2.0	72	3.8	3,747	2.0
VI. Extraordinary Profits		117	0.1	4	0.0	112	2,403.3	16	0.0
	- Gain on Sale of Fixed Assets	-		0		-0		1	
	- Gain on Sale of Investment Securities	83		4		78		14	
	- Income from Refund of Allowance for Doubtful Receivables	34		-		34		-	
VII. Extraordinary Losses		90	0.1	14	0.0	75	507.2	20	0.0
	- Loss on Sale of Fixed Assets	49		-		49		0	
	- Loss on Disposition of Fixed Assets	4		5		-0		8	
	- Loss on Valuation of Investment Securities	36		-		36		-	
	- Loss on Valuation of Membership Rights	-		8		-8		10	
	- Loss Due to Non-Refunding of Invested Capital	-		1		-1		1	
	- Net Profit for Interim Term (Current Term Before Tax and Adjustments)	2,006	2.0	1,897	2.0	109	5.8	3,742	2.0
	- Adjustment for Corporate Tax, etc.	848	0.9	751	0.8	96	12.8	1,599	0.8
	- Loss on Minority Interests	54	0.0	96	0.1	-41	-43.5	98	0.1
	Net Profit for Interim Term (Current Term)	1,104	1.1	1,049	1.1	55	5.3	2,045	1.1

Consolidated Interim Surplus Statement

(Unit: million)

Term Item	Current Consolidated Interim Term From 1st Apr., 2005 to 30th Sept., 2005	Previous Consolidated Interim Term From 1st Apr., 2004 to 30th Sept., 2004	Previous Consolidated Accounting Year From 1st Apr., 2004 to 31st Mar., 2005
(Capital Surplus)			
I. Balance of Capital Surplus at Beginning of the Term	15,329	15,329	15,329
II. Balance of Capital Surplus at End of Interim Term (Current Term)	15,329	15,329	15,329
(Earned Surplus)			
I. Balance of Earned Surplus at Beginning of the Term	25,948	24,384	24,384
II. Increase of Earned Surplus	1,104	1,049	2,045
- Net Profit for Interim Term (Current Term)	1,104	1,049	2,045
III. Decrease of Earned Surplus	419	285	481
- Dividend	392	261	457
- Bonuses for Directors and Corporate Auditors	27	24	24
IV. Balance of Earned Surplus at End of Interim Term (Current Term)	26,633	25,148	25,948

Consolidated Interim Cash Flow Statement

(Unit: ¥ million)

Term	Current Consolidated Interim Term From 1st Apr., 2005 to 30th Sept., 2005	Previous Consolidated Interim Term From 1st Apr., 2004 to 30th Sept., 2004	Increase/ Decrease	Previous Consolidated Accounting Year From 1st Apr., 2004 to 31st Mar., 2005
Item	Amount	Amount	Amount	Amount
I. Operating Activities				
- Income for Interim Term (Current Term) before Taxes	2,006	1,897	109	3,742
- Depreciation and Amortisation	172	153	18	322
- Decrease of Liability for Retirement Benefits	-	-79	79	-79
- Increase of Prepaid Pension Expenses	-4	-53	49	-48
- Increase (Decrease) of Retirement Allowance for Directors and Corporate Auditors	-48	-7	-40	8
- Increase (Decrease) of Allowance for Doubtful Receivables	-34	68	-102	50
- Interest and Dividends Receivable	-43	-21	-22	-42
- Interest Payable	37	36	1	73
- Loss on Sale of Investment Securities	-83	-4	-78	-14
- Loss on Sale of Fixed Assets	49	-	49	0
- Loss on Valuation of Investment Securities	36	-	36	-
- Decrease (Increase) of Notes and Accounts Receivable	-6,227	-3,040	-3,187	-3,450
- Decrease (Increase) of Inventories	1,718	-3,492	5,210	-3,267
- Increase of Notes and Accounts Payable	2,570	-270	2,841	468
- Increase (Decrease) of Consumption and Other Taxes Payable	72	-44	116	-40
- Decrease (Increase) of Consumption and Other Taxes Receivable	421	-204	625	-421
- Bonuses Paid to Directors	-27	-24	-3	-24
- Increase (Decrease) of Other Assets and Liabilities	84	-15	100	372
- Other Non-Fund Transactions	16	10	6	15
Sub-Total	717	-5,092	5,809	-2,334
- Interest and Dividend Received	42	20	22	42
- Interest Paid	-40	-37	-3	-72
- Corporate and Other Taxes Paid	-926	-966	40	-1,636
Net Cash Provided by Operating Activities	-207	-6,075	5,868	-4,001
II. Investment Activities				
- Purchase of Property and Equipment	-53	-57	4	-95
- Proceeds from Sale of Property and Equipment	29	0	29	2
- Purchase of Software	-4	-15	10	-124
- Purchase of Investment Securities	-9	-232	222	-257
- Proceeds from Sale of Investment Securities	121	8	113	38
- Others	18	51	-33	47
Net Cash Used for Investment Activities	101	-245	346	-389
III. Financing Activities				
- Proceeds from Long-Term Debt	-	2,500	-2,500	2,500
- Repayment of Long-Term Debt	-	-7,500	7,500	-7,500
- Proceeds from Short-Term Bank Loans	6,718	9,950	-3,232	15,534
- Repayment of Short-Term Bank Loans	-7,048	-1,435	-5,612	-7,915
- Net Expenditure for Repurchase/Sale of Treasury Stock	-6	-3	-3	-8
- Dividend Paid	-391	-260	-130	-457
Net Cash Used for Financing Activities	-728	3,250	-3,978	2,153
IV. Foreign Currency Conversion Adjustments for Cash and Cash Equivalents	73	92	-19	36
V. Net Increase of Cash and Cash Equivalents	-760	-2,977	2,217	-2,200
VI. Balance of Cash and Cash Equivalents, Beginning of the Term	4,132	6,333	-2,200	6,333
VII. Balance of Cash and Cash Equivalents, End of Interim Term (Current Term)	3,372	3,355	16	4,132

Important Basic Matters for Preparation of Consolidated Interim Financial Statements

1. Scope of Consolidation

The following six subsidiaries are included for consolidated accounting purposes.

Sanshin Electronics (Hong Kong) Co., Ltd.

Sanshin Electronics Singapore (PTE), Ltd.

Taiwan Sanshin Electronics Co., Ltd.

Sanshin Electronics Corporation

Sanshin Network Service Co., Ltd.

TAKUMI Co., Ltd.

Other subsidiaries, namely San Technology Co., Ltd., Sanshin Media Solutions Co., Ltd., Sanshin Electronics (Shanghai) Co., Ltd., San shin Electronics (Malaysia) SDN, BHD and Sanshin Electronics (Thailand) Co., Ltd. are omitted from the scope of consolidated accounting as the total assets, sales, equity profit or loss and equity portion of the earned surplus, etc. of each of these companies are insignificant to the extent that a rational judgement on the Sanshin Group of companies in terms of the financial state and business results would not be affected by their omission from the consolidated accounting. For the profit criterion to judge the level of importance, the average value of the net profit or loss of the Company and its subsidiaries for the current term for the last five years is used.

2. Application of the Equity Method

The equity method is not applied to investment in five non-consolidated subsidiaries, i.e. San Technology Co., Ltd., Sanshin Media Solutions Co., Ltd., Sanshin Electronics (Shanghai) Co., Ltd., San shin Electronics (Malaysia) SDN. BHD and Sanshin Electronics (Thailand) Co., Ltd., as the equity profit or loss and equity portion of the earned surplus, etc. of these companies are insignificant to the extent that their combined business performance would not affect a rational judgement on the Sanshin Group of companies in terms of the financial state and business results. Instead, such investment is evaluated by the cost method. For this judgement, the average value of the net profit or loss for the current term of these five subsidiaries for the last five years is used.

3. Interim Settlement Date for Consolidated Subsidiaries

The interim settlement date for each consolidated subsidiary is the same date for consolidated interim settlement.

4. Accounting Standards

(1) Evaluation Criteria and Methods for Important Assets

① Securities

Other securities

- Those with a market value :

Market price method based on the market price on the last day of the interim settlement period (the unrealised gain on available-for-sale securities is entirely dealt with by the direct capitalisation method while the sales cost is calculated by the moving average method)

- Those without market value :

Cost method using the moving average method

② Derivatives :

Market price method

③ Inventories

- Merchandise :

Lower cost method using the moving average method

- Expenditure for work in progress :

Cost method using the individual production order costing method

(2) Depreciation Methods for Important Assets Subject to Depreciation

① Property and Equipment :

Fixed rate method except for buildings (excluding auxiliary equipment for buildings) to which the straight line method is applied

The typical depreciation period is 9 – 50 years for buildings and structures and 3 – 20 years for others

② Intangible Fixed Assets :

Straight line method

The typical depreciation period is 3 - 5 years for software used in-house.

(3) Accounting Criteria for Important Allowances

① Allowance for Doubtful Receivables :

In preparation for possible losses due to failure to recover receivables, the necessary amount in view of the ratio of bad debts in the past and other relevant matters is accounted for by ordinary receivables while the estimated amount of unrecoverable receivables based on the assessment results for recoverability in each case is accounted for by the receivables of which the recovery is doubtful and receivables subject to the rehabilitation process following bankruptcy.

② Allowance for Bonuses :

The estimated amount of bonuses in the second half is allowed in preparation for their pay-out to employees of the Company which has submitted consolidated interim financial statements.

③ Liability for Retirement Benefits :

In preparation for the payment of retirement benefits to employees, the amount recognised as outstanding at the end of the current term is accounted for based on the estimated amount of liabilities for retirement benefits and pension plan assets at the end of the current interim term. However, as the estimation amount of the pension plan assets at the end of the current consolidated interim term exceeds the estimated amount of liability for retirement benefits which is adjusted with the liabilities based on unrecognised past services and unrecognised actuarial gains and losses, the difference is accounted for as pre-paid pension expenses.

Unrecognised actuarial gains and losses of each consolidated accounting year are recognised by the straight line method over a specific period (13 years) which is within the estimated average remaining service lives of the employees from the next consolidated accounting year.

The liability based on past services is recognised by the straight line method over a specific period (13 years) which is within the estimated average remaining service lives of the employees.

④ Retirement Allowance for Directors and Corporate Auditors :

The required payment amount at the end of the consolidated interim term in accordance with the internal policies is accounted for in preparation for payment of

retirement allowance for directors for the Company which has submitted consolidated interim financial statements.

(4) Conversion Criteria for Receivables and Payables Denominated in Foreign Currencies into Japanese Yen

Receivables and payables denominated in foreign currencies and converted to Japanese yen at spot exchange rates on the interim settlement date and the gains or losses from this conversion are recognised in the profit and loss statement. The assets, liabilities, earnings and expenses of overseas subsidiaries, etc. were converted to Japanese yen at spot exchange rates on the last day of the consolidated interim term and the gains or losses from this conversion are included in the Foreign Currency Transaction Adjustments under Shareholders' Equity.

(5) Accounting Practice for Important Leases

Finance leases other than those which are deemed to transfer the ownership of the leased property to the lessee are accounted for by the method used for ordinary operating leases.

(6) Hedge Accounting

① Hedge Accounting Method

All receivables and payables denominated in foreign currencies with a foreign exchange contract are proportioned.

② Method of and Subjects to Hedge

Means : forward hedge contract

Subjects : receivables and payables denominated in foreign currencies

③ Hedge Policies

The Company conducts derivative transactions relating to forward exchange contracts for the purpose of hedging the risks of fluctuating earnings/expenses or values of receivables/payables due to the fluctuation of foreign exchange rates. These transactions are conducted in accordance with the internal policies which state that the Finance Division is solely responsible for such transactions and no derivative transactions for speculative purposes not specified in these policies are conducted.

④ Evaluation Method for Effectiveness of Hedging

Evaluation is conducted at least once every half term to check if there is a high level of offset between fluctuations of the subject cash flow of hedging and fluctuations of the cash flow used as the means of hedging.

(7) Accounting of Consumption Taxes

The consumption tax and local consumption tax are accounted for using the without-tax method for the Company which has submitted consolidated interim financial statements and domestic consolidated subsidiaries.

5. Scope of Funds in Consolidated Interim Cash Flow Statement

The funds (cash and cash equivalents) showed in the consolidated interim cash flow statement consists of cash in hand and short-term investments which can be easily changed to cash and which are redeemed within three months of the date of investment, carrying little risk in terms of a change of the value.

Change of Important Basic Matters for Preparation of Consolidated Interim Financial Statements

(Accounting Standards Relating to the Loss on Fixed Assets)

For the present consolidated interim accounting period, the Accounting Standards Relating to the Loss on Fixed Assets (“Opinion Paper Regarding the Introduction of the Accounting Standards Relating to the Loss on Fixed Assets” by the Corporate Accounting Council on 9th August, 2002) and the Application Guidelines for the Accounting Standards Relating to the Loss on Fixed Assets (“Application Guidelines for the Accounting Standards Relating to the Loss on Fixed Assets”, Application Guidelines for Corporate Accounting Standards No. 6 of 31st October, 2003) are applied. The loss and profit have not been affected by this new practice.

The Sanshin Group groups assets mainly using the workplace as the minimum unit generating independent cash flow based on the classification of the group’s businesses.

Change of Listing Method

Sales discounts (¥3 million for the present consolidated interim accounting period) listed independently up to the previous consolidated interim accounting period are included in Others under Non-Operating Expenses as the amount is now below ten-hundredths of the total non-operating expenses.

Notes

(Related to the Interim Balance Sheet)

	<u>Present Consolidated</u> <u>Interim Term</u>	<u>Previous Consolidated</u> <u>Term</u>	<u>Consolidated Interim</u> <u>Term of Previous Year</u>
1. Accumulated Amount of Depreciation of Property and Equipment	¥4,800 million	¥4,741 million	¥4,716 million
2. Incidental Liabilities			
Payment Guarantees for Bank Loans by Non-Consolidated Subsidiary and Its Employees Sanshin Electronics (Shanghai) Co., Ltd. *1	¥84 million (US\$ 0.75 million)	¥75 million (US\$ 0.7 million)	¥22 million (US\$ 0.2 million)
<u>Employees *2</u>	<u>¥90 million</u>	<u>¥90 million</u>	<u>¥95 million</u>
Total	¥175 million	¥165 million	¥117 million

*1 From the present consolidated interim accounting period, the payment guarantee has been replaced by the supply of a memorandum on business management guidance.

*2 Among the debt guarantees for banks in connection with housing loans for employees, those with a housing loan insurance policy are excluded from the incidental liabilities because no real loss will occur with such loans.

3. Export Bill Discounts	¥125 million (US\$ 1.106 million)	¥115 million (US\$ 1.081 million)	¥754 million (US\$ 6.785 million)
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(Related to Consolidated Interim Profit and Loss Statement)

	<u>Present Consolidated</u> <u>Interim Term</u>	<u>Consolidated Interim</u> <u>Term of Previous Year</u>	<u>Previous Consolidated</u> <u>Term</u>
1. Main Sales, General and Administrative Expenses			
- Packaging and Transportation Expenses	¥188 million	¥161 million	¥323 million
- Travelling and Transport Expenses	¥281 million	¥245 million	¥514 million
- Remuneration for Directors and Corporate Auditors	¥105 million	¥103 million	¥222 million
- Salaries and Allowances	¥1,712 million	¥1,748 million	¥4,076 million
- Transfer to Allowance for Bonuses	¥640 million	¥620 million	¥620 million
- Transfer to Retirement Allowance for Directors and Corporate Auditors	¥14 million	¥15 million	¥30 million
- Retirement Benefits	¥76 million	¥120 million	¥210 million
- Depreciation	¥117 million	¥100 million	¥222 million
- Transfer to Allowance for Doubtful Receivables	-	¥68 million	¥52 million
2. Breakdown of Gain on Sale of Fixed Assets			
- Others (Vehicles and Fixtures)	-	¥0 million	¥1 million
3. Breakdown of Loss on Sale of Fixed Assets			
- Others (Fixtures)	¥0 million	-	¥0 million
- Land	¥49 million	-	-
4. Breakdown of Loss on Disposition of Fixed Assets			
- Buildings and Structures	¥3 million	-	-
- Others (Fixtures)	¥1 million	¥5 million	¥8 million
- Intangible Fixed Assets (Software)	-	-	¥0 million

(Related to Consolidated Interim Cash Flow Statement)

Relationship between the balance of cash and cash equivalents at the end of the interim term (end of the term) and amounts under the items listed in the consolidated interim (full term) balance sheet

	<u>Present Consolidated</u> <u>Interim Term</u>	<u>Consolidated Interim</u> <u>Term of Previous Year</u>	<u>Previous Consolidated</u> <u>Term</u>
Cash and Deposits Account	<u>¥3,372 million</u>	<u>¥3,355 million</u>	<u>¥4,132 million</u>
Cash and Cash Equivalents	<u>¥3,372 million</u>	<u>¥3,355 million</u>	<u>¥4,132 million</u>

① Segment Information

1. Industrial Segments

Present Consolidated Interim Term (from 1st Apr., 2005 to 30th Sept., 2005)

(Unit: ¥ million)

	Device	Solution	Total	Elimination/ Corporate	Consolidated
Sales					
(1) Sales to External Customers	93,235	5,949	99,185	-	99,185
(2) Internal Sales or Transfer Between Segments	-	-	-	-	-
Total	93,235	5,949	99,185	-	99,185
Operating Expenses	90,943	5,670	96,614	699	97,314
Operating Income	2,291	279	2,570	(699)	1,870

Consolidated Interim Period of Previous Year (from 1st Apr., 2004 to 30th Sept., 2004)

(Unit: ¥ million)

	Device	Solution	Total	Elimination/ Corporate	Consolidated
Sales					
(1) Sales to External Customers	89,246	6,335	95,581	-	95,581
(2) Internal Sales or Transfer Between Segments	-	-	-	-	-
Total	89,246	6,335	95,581	-	95,581
Operating Expenses	87,011	6,114	93,125	578	93,703
Operating Income	2,235	220	2,455	(578)	1,877

Previous Consolidated Term (from 1st Apr., 2004 to 31st Mar., 2005)

(Unit: ¥ million)

	Device	Solution	Total	Elimination/ Corporate	Consolidated
Sales					
(1) Sales to External Customers	177,517	13,024	190,541	-	190,541
(2) Internal Sales or Transfer Between Segments	-	-	-	-	-
Total	177,517	13,024	190,541	-	190,541
Operating Expenses	173,104	12,520	185,624	1,197	186,822
Operating Income	4,413	503	4,916	(1,197)	3,719

Notes

- The classification of businesses is based on the organizational structure for business operation, taking the merchandise handled, classification of products and marketing modes, etc. into consideration.
- Main products of each business segment
 - Device business : ICs, semiconductors, display units and general electronic components
 - Solution business : electronic equipment
- The main expenses among those operating expenses which are impossible to distribute and which are included under the Elimination/Corporate heading are expenses relating to planning, general administration, accounting and personnel and other management indices of the parent company.

Present consolidated interim term	: ¥699 million
Consolidated interim term of previous year	: ¥578 million
Previous consolidated term	: ¥1,197 million

2. Geographical Segments

Present Consolidated Interim Term (from 1st Apr., 2005 to 30th Sept., 2005)

(Unit: ¥ million)

	Japan	Asia	North America	Total	Elimination/ Corporate	Consolidated
Sales						
(1) Sales to External Customers	71,273	26,660	1,251	99,185	-	99,185
(2) Internal Sales or Transfer Between Segments	1,416	248	2,404	4,069	(4,069)	-
Total	72,689	26,908	3,656	103,254	(4,069)	99,185
Operating Expenses	71,573	26,453	3,464	101,491	(4,177)	97,314
Operating Income	1,115	455	191	1,762	107	1,870

Consolidated Interim Term of Previous Year (from 1st Apr., 2004 to 30th Sept., 2004)

(Unit: ¥ million)

	Japan	Asia	North America	Total	Elimination/ Corporate	Consolidated
Sales						
(1) Sales to External Customers	67,435	26,524	1,621	95,581	-	95,581
(2) Internal Sales or Transfer Between Segments	1,705	228	1,067	3,002	(3,002)	-
Total	69,141	26,753	2,689	98,583	(3,002)	95,581
Operating Expenses	67,970	26,316	2,588	96,875	(3,171)	93,703
Operating Income	1,171	436	100	1,708	169	1,877

Previous Consolidated Term (from 1st Apr., 2004 to 31st Mar., 2005)

(Unit: ¥ million)

	Japan	Asia	North America	Total	Elimination/ Corporate	Consolidated
Sales						
(1) Sales to External Customers	136,454	51,399	2,688	190,541	-	190,541
(2) Internal Sales or Transfer Between Segments	2,365	475	2,210	5,051	(5,051)	-
Total	138,819	51,874	4,898	195,592	(5,051)	190,541
Operating Expenses	136,332	51,103	4,745	192,181	(5,359)	186,822
Operating Income	2,487	770	153	3,411	307	3,719

Notes

- The classification of country or area is based on geographical proximity.
- Main countries/area belonging to each segment
 - Asia : Hong Kong, Singapore and Taiwan
 - North America : USA

3. Overseas Sales

Present Consolidated Interim Term (from 1st April, 2005 to 30th Sept., 2005)

(Unit: ¥ million)

	Asia	North America	Other Regions	Total
I. Overseas Sales	29,047	1,257	5	30,310
II. Consolidated Sales				99,185
III. Ratio of Overseas Sales to Consolidated Sales	29.3%	1.3%	0.0%	30.6%

Consolidated Interim Term of Previous Year (from 1st Apr., 2004 to 30th Sept., 2004)

(Unit: ¥ million)

	Asia	North America	Other Regions	Total
I. Overseas Sales	32,577	1,676	0	34,254
II. Consolidated Sales				95,581
III. Ratio of Overseas Sales to Consolidated Sales	34.1%	1.7%	0.0%	35.8%

Previous Consolidated Term (from 1st Apr., 2004 to 31st Mar., 2005)

(Unit: ¥ million)

	Asia	North America	Other Regions	Total
I. Overseas Sales	67,278	2,846	0	70,125
II. Consolidated Sales				190,541
III. Ratio of Overseas Sales to Consolidated Sales	35.3%	1.5%	0.0%	36.8%

Notes

- 1) The classification of country or area is based on geographical proximity.
- 2) Main countries/area belonging to each region
 - (1) Asia : Hong Kong, Singapore, Taiwan, Korea and China
 - (2) North America : USA
- 3) Overseas sales mean sales in countries/area other than Japan by the Company which has submitted consolidated financial statements and its subsidiaries included in the consolidated financial statements.

② Leases

The descriptions of leases are omitted here as they are disclosed by the EDINET.

③ Securities

1. Securities with Market Price

(Unit: ¥ million)

Category	Present Consolidated Interim Term (as of 30th Sept., 2005)			Previous Consolidated Term (as of 31st Mar., 2005)			Consolidated Interim Term of Previous Year (as of 30th, Sept., 2004)		
	Purchase Cost	Value in Consolidated Interim Balance Sheet	Difference	Purchase Cost	Value in Consolidated Balance Sheet	Difference	Purchase Cost	Value in Consolidated Interim Balance Sheet	Difference
Shares	1,608	2,834	1,226	1,637	2,847	1,209	1,151	1,912	760
Total	1,608	2,834	1,226	1,637	2,847	1,209	1,151	1,912	760

2. Main Securities Not Evaluated at Market Price

(Unit: ¥ million)

Category	Present Consolidated Interim Term (as of 30th Sept., 2005)	Previous Consolidated Term (as of 31st Mar., 2005)	Consolidated Interim Term of Previous Year (as of 30th, Sept., 2004)
Other Securities	Value in Consolidated Interim Balance Sheet	Value in Consolidated Balance Sheet	Value in Consolidated Interim Balance Sheet
① Non-Listed Shares (excluding stock subject to over-the-counter dealing)	129	164	705
② Non-Listed Bonds	40	40	40
③ Others	69	67	-
Total	239	272	745

④ Derivatives

The descriptions of derivatives are omitted here as they are disclosed by the EDINET.