

ELNA CO.,LTD.

Non-Consolidated Balance Sheets
As of December 31,2004 and 2003

| Assets | Millions of Yen | | Thousands of U.S.Dollars (1US\$= ¥ 104.21) |
|--|-----------------|----------------|--|
| | 2003 | 2004 | 2004 |
| Current assets: | | | |
| Cash on hand and in banks | ¥721 | ¥760 | \$7,297 |
| Notes and accounts receivable - | | | |
| Outside customers | 6,126 | 5,111 | 49,045 |
| Subsidiary companies and affiliated companies | 2,649 | 3,119 | 29,936 |
| Non-trade accounts | 395 | 300 | 2,885 |
| | <u>9,893</u> | <u>9,291</u> | <u>89,165</u> |
| Less: allowance for doubtful accounts | (1) | (0) | (8) |
| | <u>9,892</u> | <u>9,291</u> | <u>89,156</u> |
| Inventories | 1,901 | 1,853 | 17,785 |
| Prepaid expenses | 7 | 7 | 70 |
| Consumption tax refund | 59 | 81 | 778 |
| Deferred tax assets - current | 245 | 238 | 2,283 |
| Other current assets | 51 | 76 | 729 |
| Total current assets | <u>12,159</u> | <u>11,546</u> | <u>110,804</u> |
| Investments and other assets: | | | |
| Investments in securities | 360 | 420 | 4,035 |
| Investments in subsidiary companies and affiliated companies | 3,265 | 3,863 | 37,074 |
| Long-term loan to subsidiary companies and affiliated companies | 4,666 | 3,460 | 33,203 |
| Long-term loan to employees | 4 | 2 | 24 |
| Long-term prepaid expenses | - | 80 | 767 |
| Long-term other receivable to affiliated companies | - | 794 | 7,622 |
| Claim in bankruptcy | 11 | - | - |
| Other investments | 101 | 101 | 973 |
| | <u>8,410</u> | <u>8,722</u> | <u>83,701</u> |
| Less: allowance for investments losses | (450) | (938) | (9,007) |
| Less: allowance for doubtful accounts | (701) | (737) | (7,080) |
| Total investments and other assets | <u>7,258</u> | <u>7,045</u> | <u>67,613</u> |
| Property,Plant and equipment: | | | |
| Buildings and structures | 3,710 | 4,017 | 38,550 |
| Machinery and equipment | 4,102 | 4,108 | 39,421 |
| Vehicles | 50 | 40 | 386 |
| Tools and furniture | 1,481 | 1,562 | 14,991 |
| Construction in progress | 258 | 262 | 2,519 |
| Land | 2,073 | 2,065 | 19,821 |
| | <u>11,677</u> | <u>12,056</u> | <u>115,691</u> |
| Less: accumulated depreciation | (6,191) | (6,449) | (61,891) |
| Total property,plant and equipment | <u>5,486</u> | <u>5,606</u> | <u>53,799</u> |
| Right for using facilities | 16 | 14 | 140 |
| Total assets | <u>¥24,920</u> | <u>¥24,213</u> | <u>\$232,357</u> |

ELNA CO.,LTD.

Non-Consolidated Balance Sheets
As of December 31,2004 and 2003

| Liabilities and Stockholders'equity | Millions of Yen | | Thousands of U.S.Dollars (1US\$= ¥ 104.21) |
|---|-----------------|----------------|--|
| | 2003 | 2004 | 2004 |
| Current liabilities: | | | |
| Short-term loans | ¥6,543 | ¥6,417 | \$61,578 |
| Current-portion of long-term debt | 1,573 | 1,271 | 12,196 |
| Notes and accounts payable - | | | |
| Outside suppliers | 4,543 | 4,858 | 46,622 |
| Subsidiary companies and affiliated companies | 2,434 | 1,953 | 18,745 |
| Notes payable for facilities | 177 | 234 | 2,246 |
| Accrued liabilities | 46 | 47 | 454 |
| | <u>15,317</u> | <u>14,781</u> | <u>141,844</u> |
| Accrued expenses | 507 | 609 | 5,844 |
| Income taxes payable | 10 | 11 | 106 |
| Deposits received | 37 | 44 | 424 |
| Total current liabilities | <u>15,873</u> | <u>15,445</u> | <u>148,219</u> |
| Fixed liabilities: | | | |
| Long-term loans | 2,312 | 2,158 | 20,715 |
| Accrued retirement benefits | 1,523 | 1,896 | 18,200 |
| Accrued retirement benefits to directors | 118 | 87 | 841 |
| Deferred tax liabilities for revaluation | 323 | 322 | 3,093 |
| Long-term deferred income | 4 | - | - |
| Deferred tax liabilities - fixed - | 37 | 51 | 491 |
| Total fixed liabilities | <u>4,319</u> | <u>4,516</u> | <u>43,341</u> |
| Stockholders'equity: | | | |
| Common stock | | | |
| Authorized: 52,800,000 shares at December 31,2003 and 2004 | | | |
| Issued: 26,611,458 shares at December 31,2003 and 2004 | 2,008 | 2,008 | 19,276 |
| Additional paid-in capital | 121 | 121 | 1,162 |
| Other capital surplus | 1,394 | 1,314 | 12,612 |
| Legal reserve | 381 | 381 | 3,656 |
| Voluntary reserve - | | | |
| Reserve for loss from overseas investment | 32 | 21 | 209 |
| Retained earnings(Accumulated loss) | 263 | (153) | (1,476) |
| Land revaluation excess | 484 | 483 | 4,640 |
| Net unrealized holding gains on securities | 44 | 76 | 736 |
| Treasury stock | (1) | (2) | (21) |
| Total stockholders'equity | <u>4,727</u> | <u>4,251</u> | <u>40,795</u> |
| Total liabilities and stockholders'equity | <u>¥24,920</u> | <u>¥24,213</u> | <u>\$232,357</u> |

ELNA CO.,LTD.

Non-Consolidated Statements of Income
For the years ended December 31,2004 and 2003

| | Millions of Yen | | Thousands of U.S.Dollars (1US\$= ¥ 104.21) |
|--|-----------------|------------|--|
| | 2003 | 2004 | 2004 |
| Net sales | ¥30,149 | ¥33,860 | \$324,928 |
| Cost of sales | 26,750 | 30,161 | 289,433 |
| Gross profit | 3,399 | 3,699 | 35,495 |
| Selling,General and administrative expenses | 3,025 | 3,260 | 31,289 |
| Operating profit | 373 | 438 | 4,206 |
| Non-operating income: | | | |
| Interest and dividend income | 113 | 103 | 992 |
| Income from rent & leasehold | 50 | 48 | 466 |
| Material supplying income | 5 | 10 | 103 |
| Other | 22 | 15 | 153 |
| | 192 | 178 | 1,716 |
| Non-operating expenses: | | | |
| Interest expenses | 183 | 168 | 1,615 |
| Foreign exchange losses | 108 | 25 | 243 |
| Other | 39 | 52 | 506 |
| | 331 | 246 | 2,366 |
| Ordinary income | 233 | 370 | 3,556 |
| Extraordinary losses: | | | |
| Loss on sale or disposal of property and equipment | 56 | 12 | 124 |
| Cumulative effect of the application of new accounting standard for retirement benefits | 286 | 286 | 2,746 |
| Provision of allowance for investments losses | 388 | 488 | 4,689 |
| Provision of allowance for doubtful accounts | 256 | - | - |
| | 987 | 787 | 7,560 |
| Income (loss) before income taxes | (753) | (417) | (4,004) |
| Income taxes - Current | 10 | 11 | 115 |
| Income taxes - Deferred | (0) | (0) | (4) |
| Net income (loss) | (¥763) | (¥428) | (\$4,114) |
| | | Yen | U.S.Dollars |
| Per share: | | | |
| Net income (loss) | (¥28.69) | (¥16.11) | (\$0.15) |
| Cash dividends | 3.00 | - | - |
| Weighted average number of shares | 26,605,431 | 26,604,433 | |