

Fiscal Year Ending March 2006
Brief Note on Interim Settlement of Accounts (Consolidated)
(News Flash)

Name of Company Listed: **Nippon Paper Group, Inc.**

Stock Exchange Listings: Tokyo, Osaka and Nagoya

Code Number: 3893

Location of Corporate Headquarters: Tokyo

URL: <http://www.np-g.com>

Representative:

Title of Representative Person: President

Name of Representative Person: Masatomo Nakamura

Person in Charge of Contact:

Title of Contact Person: Director, Member of the Board

Name of Contact Person: Keisuke Ito

Telephone: +81-(0)3-3218-9300

Date on Which the Board of Directors' Meeting Was Held to Approve the Interim Settlement of Accounts: October 31, 2005

Whether U.S. Accounting Standards Are Adopted: No

1. Consolidated Results of Operations for the Interim Accounting Period of Fiscal Year Ending March 2006 (April 1, 2005 to September 30, 2005)

(Amounts indicated are displayed with amounts of less than one million yen rounded off.)

(1) Consolidated Business Results

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim accounting period of fiscal year ending March, 2006	578,163	(-3.3)	30,640	(-10.9)	31,175	(-4.7)
Interim accounting period of fiscal year ended March, 2005	597,759	(0.5)	34,401	(37.9)	32,696	(51.9)
(Reference) Fiscal year ended March 31, 2005	1,179,696		65,231		62,801	

	Net income		Net income per share	Net income per share after adjusting for dilution
	Millions of yen	%	Yen	Yen
Interim accounting period of fiscal year ending March, 2006	3,476	(-66.5)	3,190.50	3,073.59
Interim accounting period of fiscal year ended March, 2005	10,384	(21.9)	9,484.27	9,103.25
(Reference) Fiscal year ended March 31, 2005	24,350		21,996.96	21,107.50

Notes: 1. Investment income and loss accounted for by the equity method:

Interim accounting period of fiscal year ending March, 2006 661 million yen

Interim accounting period of fiscal year ended March, 2005 990 million yen

Accounting period of fiscal year ended March, 2005 1,993 million yen

2. Average number of shares (consolidated):

Interim accounting period of fiscal year ending March, 2006 1,089,581.01 shares

Interim accounting period of fiscal year ended March, 2005 1,094,937.62 shares

Accounting period of fiscal year ended March, 2005 1,094,820.37 shares

3. Changes in accounting method: Yes

4. Percentages for net sales, operating income, ordinary income and net income indicate the percentage increase/decrease compared with the interim accounting period of the previous fiscal year.

(2) Consolidated Financial Status

	Total assets	Total shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Interim accounting period of fiscal year ending March, 2006	1,508,502	436,942	29.0	409,526.80
Interim accounting period of fiscal year ended March, 2005	1,595,848	432,838	27.1	395,339.21
(Reference) Fiscal year ended March 31, 2005	1,529,975	442,876	28.9	404,369.11

Note: Number of issued and outstanding shares at the end of the accounting periods (consolidated):

Interim accounting period of fiscal year ending March, 2006	1,066,943.68 shares
Interim accounting period of fiscal year ended March, 2005	1,094,852.28 shares
Accounting period of fiscal year ended March, 2005	1,094,565.87 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
Interim accounting period of fiscal year ending March, 2006	55,251	-19,295	-39,177	15,218
Interim accounting period of fiscal year ended March, 2005	43,982	-9,176	-41,788	14,751
(Reference) Fiscal year ended March 31, 2005	108,195	-26,062	-86,009	18,181

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

Number of consolidated subsidiaries: 43 companies
Number of non-consolidated subsidiaries to which the equity method is applied: 0
Number of affiliated companies to which the equity method is applied: 6 companies

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

Consolidated (New): 0 (Eliminated): 1 company
Equity method (New): 0 (Eliminated): 0

2. Projection of Consolidated Results of Operations for the Fiscal Year Ending March 2006 (April 1, 2005–March 31, 2006)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Accounting period of fiscal year	1,165,000	53,000	17,000

(Reference) Projected net income per share (full fiscal year) 15,933.36 yen

Forecast performance is predicted based on the information available at the time of the announcement. Actual performance may differ from forecasts due to a variety of factors.

1. Interim Consolidated Balance Sheets

(Millions of yen)

	Interim accounting period of fiscal year ending March, 2006 (as of September 30, 2005)		Interim accounting period of fiscal year ended March, 2005 (as of September 30, 2004)		Accounting period of fiscal year ended March, 2005 (as of March 31, 2005)		Change
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount
(Assets)		%		%		%	
I Current assets	437,117	29.0	476,448	29.9	443,177	29.0	-6,060
Cash and time deposits	15,373		14,930		18,349		-2,975
Notes and accounts receivable	240,245		265,926		247,881		-7,636
Inventories	140,069		137,295		131,834		8,234
Deferred tax assets	4,175		8,912		3,911		263
Other current assets	38,986		51,094		43,200		-4,213
Allowance for doubtful receivables	-1,732		-1,711		-1,999		266
II Fixed assets	1,071,377	71.0	1,119,321	70.1	1,086,788	71.0	-15,410
1 Property, plant and equipment	825,869	54.7	869,371	54.5	843,346	55.1	-17,477
Buildings and structures	184,928		195,066		188,974		-4,046
Machinery and equipment	353,011		370,643		362,336		-9,325
Land	236,452		244,421		244,036		-7,584
Others	51,477		59,240		47,998		3,478
2 Intangible fixed assets	39,602	2.6	43,722	2.7	42,206	2.8	-2,603
Difference between cost and underlying net equity in consolidated subsidiaries	25,820		28,383		27,596		-1,775
Others	13,781		15,339		14,610		-828
3 Investments and other assets	205,906	13.7	206,227	12.9	201,235	13.1	4,670
Investments in securities	170,155		159,202		161,520		8,635
Long-term loans receivable	15,098		23,931		17,549		-2,451
Deferred tax assets	10,710		13,595		11,608		-897
Other assets	59,005		63,146		62,178		-3,172
Allowance for doubtful receivables	-49,064		-53,647		-51,621		2,557
III Deferred assets	7	0.0	78	0.0	9	0.0	-1
Total assets	1,508,502	100.0	1,595,848	100.0	1,529,975	100.0	-21,472

(Millions of yen)

	Interim accounting period of fiscal year ending March, 2006 (as of September 30, 2005)		Interim accounting period of fiscal year ended March, 2005 (as of September 30, 2004)		Accounting period of fiscal year ended March, 2005 (as of March 31, 2005)		Change
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount
		%		%		%	
(Liabilities)							
I Current liabilities	636,225	42.2	695,410	43.6	703,486	46.0	-67,260
Notes and accounts payable	131,018		133,939		127,542		3,476
Short-term borrowings	285,488		325,828		352,578		-67,090
Bonds to be redeemed in one year or less	31,000		26,500		56,000		-25,000
Commercial paper	85,500		84,000		66,000		19,500
Other current liabilities	103,218		125,142		101,365		1,853
II Long-term liabilities	412,497	27.3	444,262	27.8	359,966	23.5	52,530
Corporate bonds	120,000		131,000		100,000		20,000
Long-term debt	221,645		237,598		191,560		30,085
Deferred tax liabilities	13,224		7,475		5,374		7,849
Accrued retirement benefits	53,244		62,670		57,774		-4,530
Accrued officer's retirement benefits	1,599		1,878		2,263		-663
Other long-term liabilities	2,782		3,639		2,993		-210
Total liabilities	1,048,723	69.5	1,139,673	71.4	1,063,453	69.5	-14,730
(Minority interests in consolidated subsidiaries)							
Minority interests in consolidated subsidiaries	22,837	1.5	23,337	1.5	23,644	1.6	-807
(Shareholders' equity)							
I Common stock	55,730	3.7	55,730	3.5	55,730	3.6	-
II Capital surplus	252,440	16.7	252,447	15.8	252,443	16.5	-3
III Retained earnings	132,499	8.8	124,067	7.8	133,653	8.7	-1,153
IV Unrealized holding gain on other securities	17,240	1.2	12,749	0.8	13,181	0.9	4,058
V Translation adjustments	-3,872	-0.3	-6,534	-0.4	-6,382	-0.4	2,509
VI Treasury stock	-17,095	-1.1	-5,622	-0.4	-5,749	-0.4	-11,345
Total shareholders' equity	436,942	29.0	432,838	27.1	442,876	28.9	-5,934
Total liabilities, minority interests and shareholders' equity	1,508,502	100.0	1,595,848	100.0	1,529,975	100.0	-21,472

2. Interim Consolidated Statements of Income

(Millions of yen)

	Interim accounting period of fiscal year ending March, 2006 (April 1, 2005 to September 30, 2005)		Interim accounting period of fiscal year ended March, 2005 (April 1, 2004 to September 30, 2004)		Change Amount	Accounting period of fiscal year ended March 2005 (April 1, 2004 to March 31, 2005)	
	Amount	Composition ratio	Amount	Composition ratio		Amount	Composition ratio
		%		%			%
I Net sales	578,163	100.0	597,759	100.0	-19,596	1,179,696	100.0
II Cost of sales	454,524	78.6	456,655	76.4	-2,130	914,384	77.5
Gross profit	123,638	21.4	141,103	23.6	-17,465	265,312	22.5
III Selling, general and administrative expenses	92,997	16.1	106,702	17.8	-13,704	200,080	17.0
Operating income	30,640	5.3	34,401	5.8	-3,761	65,231	5.5
IV Non-operating income	6,024	1.0	5,301	0.9	723	10,122	0.9
Interest income	241		233		8	467	
Dividends income	1,513		1,491		21	2,005	
Rental charge	817		903		-86	1,786	
Equity in earnings of affiliates	661		990		-329	1,993	
Others	2,790		1,682		1,108	3,869	
V Non-operating expenses	5,489	0.9	7,006	1.2	-1,517	12,553	1.1
Interest expense	3,653		4,625		-972	8,669	
Rental equipment expense	760		803		-42	1,600	
Others	1,075		1,577		-502	2,283	
Ordinary income	31,175	5.4	32,696	5.5	-1,520	62,801	5.3
VI Extraordinary gains	1,714	0.3	12,576	2.1	-10,862	22,146	1.9
Gains on sales of property, plant and equipment	831		11,276		-10,445	13,819	
Gains on sales of investments in securities	454		224		229	6,293	
Others	429		1,075		-646	2,033	
VII Extraordinary losses	19,507	3.4	21,150	3.6	-1,643	38,141	3.2
Losses on disposal of property, plant and equipment	2,171		2,499		-328	7,107	
Losses on sales of property, plant and equipment	-		-		-	2,384	
Losses due to impairment	8,820		-		8,820	-	
Provision for doubtful receivables	111		4,387		-4,275	8,978	
Supplementary retirement benefits	5,627		5,113		513	6,134	
Losses on restructuring	-		3,739		-3,739	4,997	
Losses on sales of investments in securities	-		3,326		-3,326	3,325	
Losses on devaluation of investments in securities	531		771		-239	941	
Others	2,245		1,312		932	4,271	
Income before income taxes and minority interests	13,382	2.3	24,122	4.0	-10,739	46,805	4.0
Corporate tax and others	3,729	0.6	5,429	0.9	-1,700	8,930	0.8
Income tax adjustment	5,587	1.0	7,225	1.2	-1,637	12,154	1.0
Minority interests in earnings of consolidated subsidiaries	589	0.1	1,082	0.2	-492	1,370	0.1
Net income	3,476	0.6	10,384	1.7	-6,908	24,350	2.1

3. Interim Consolidated Statements of Retained Earnings

(Millions of yen)

	Interim accounting period of fiscal year ending March, 2006 (April 1, 2005 to September 30, 2005)	Interim accounting period of fiscal year ended March, 2005 (April 1, 2004 to September 30, 2004)	Accounting period of fiscal year ended March 2005 (April 1, 2004 to March 31, 2005)
	Amount	Amount	Amount
(Capital surplus)			
I Capital surplus at beginning of period	252,443	252,447	252,447
II Increase in capital surplus during period	–	0	–
Gain on disposal of treasury stock	–	0	–
III Decrease in capital surplus during period	3	–	3
Loss on disposal of treasury stock	3	–	3
IV Capital surplus at end of period	252,440	252,447	252,443
(Retained earnings)			
I Retained earnings at beginning of period	133,653	118,044	118,044
II Increase in retained earnings during period	3,476	10,607	24,573
Net income	3,476	10,384	24,350
Increase due to merger of consolidated subsidiary and unconsolidated subsidiary	–	178	178
Increase due to exclusion of certain subsidiaries from consolidation	–	44	44
III Decrease in retained earnings during period	4,629	4,583	8,964
Cash dividends paid	4,379	4,381	8,762
Bonuses to directors and statutory auditors	250	202	202
IV Retained earnings at end of period	132,499	124,067	133,653

4. Interim Consolidated Statements of Cash Flow

(Millions of yen)

	Interim accounting period of fiscal year ended March, 2006 (April 1, 2005 to September 30, 2005)	Interim accounting period of fiscal year ended March, 2005 (April 1, 2004 to September 30, 2004)	Change	Accounting period of fiscal year ended March 2005 (April 1, 2004 to March 31, 2005)
I Cash flows from operating activities	55,251	43,982	11,268	108,195
Income before income taxes and minority interests	13,382	24,122	-10,739	46,805
Depreciation	34,922	36,637	-1,715	74,971
Amortization of consolidation account adjustment	1,002	1,012	-9	2,028
Changes in allowance for doubtful receivables	-349	4,863	-5,212	9,107
Decrease in allowance for accrued retirement benefits	-4,569	-4,457	-111	-11,045
Decrease (Increase) in allowance for officers' retirement benefits	-663	-284	-378	99
Interest and dividend income	-1,754	-1,724	-30	-2,473
Interest expense	3,653	4,625	-972	8,669
Equity in earnings of affiliates	-661	-990	329	-1,993
Gains on sales of property, plant and equipment	-831	-11,276	10,445	-13,819
Losses on sales of property, plant and equipment	-	-	-	2,384
Gains on sales of investments in securities	-454	-224	-229	-6,293
Losses on sales of investments in securities	-	3,326	-3,326	3,325
Losses due to impairment	8,820	-	8,820	-
Supplementary retirement benefits	5,627	5,113	513	6,134
Losses on restructuring	-	3,739	-3,739	4,997
Losses on disposal of property, plant and equipment	2,171	2,499	-328	7,107
Losses on devaluation of investments in securities	531	771	-239	941
Receivables	7,706	-3,746	11,452	13,869
Inventories	-8,104	-4,731	-3,372	895
Payables	3,396	-2,601	5,998	-9,114
Bonuses paid to directors and statutory auditors	-270	-219	-51	-219
Other, net	3,060	-866	3,926	-5,736
Sub-total	66,615	55,586	11,028	130,645
Interest and dividends received	1,841	1,850	-8	2,724
Interest paid	-3,743	-4,564	820	-8,591
Payments of supplementary retirement benefits	-5,613	-4,322	-1,290	-8,321
Expenditures for restructuring	-303	-1,242	938	-2,951
Income taxes paid	-3,544	-3,324	-219	-5,308
II Cash flows from investing activities	-19,295	-9,176	-10,118	-26,062
Purchases of time deposits	-114	-114	-	-168
Withdrawals of time deposits	126	122	4	192
Proceeds from sales of marketable securities	10	31	-21	31
Purchases of property, plant and equipment	-24,800	-27,589	2,788	-56,672
Proceeds from sales of property, plant and equipment	3,467	14,419	-10,951	17,591
Purchases of investments in other securities	-561	-885	323	-1,678
Proceeds from sales of investments in other securities	984	704	280	10,050
Proceeds from sales of a subsidiary's stock resulting in change in scope of consolidation	-	3,230	-3,230	3,230
Decrease in short-term loans	254	5,233	-4,979	4,624
Long-term loans made	-251	-6,185	5,933	-6,385
Collection of long-term loans	304	731	-427	1,927
Other, net	1,285	1,124	161	1,193
III Cash flows from financing activities	-39,177	-41,788	2,610	-86,009
Decrease in short-term borrowings	-27,045	-18,704	-8,340	-29,788
Increase (Decrease) in commercial paper	19,500	5,000	14,500	-13,000
Proceeds from long-term debt	26,000	26,200	-200	45,200
Repayments of long-term debt	-35,960	-43,871	7,911	-71,102
Proceeds from bond issuance	20,000	30,000	-10,000	30,000
Payments on bond redemptions	-25,000	-35,000	10,000	-36,500
Purchases of treasury stock	-11,360	-102	-11,257	-262
Proceeds from sales of treasury stock	13	11	2	38
Parent company dividend payments	-4,379	-4,377	-1	-8,762
Dividend payments to minority shareholders	-183	-164	-19	-292
Principal Payments under finance lease obligations	-762	-778	16	-1,540
IV Effect of exchange rate changes on cash and cash equivalents	258	-49	307	113
V Decrease in cash and cash equivalents	-2,963	-7,031	4,068	-3,763
VI Cash and cash equivalents at beginning of period	18,181	21,624	-3,443	21,624
VII Decrease due to elimination from the scope of consolidation	-	-82	82	-82
VIII Increase due to merger of unconsolidated subsidiaries	-	241	-241	403
IX Cash and cash equivalents at end of period	15,218	14,751	466	18,181

Fiscal Year Ending March 2006 Outline of Non-Consolidated Interim Financial Statements (News Flash)

Name of Company Listed: **Nippon Paper Group, Inc.**

Stock Exchange Listings: Tokyo, Osaka and Nagoya

Code Number: 3893

Location of Corporate Headquarters: Tokyo

URL: <http://www.np-g.com>

Representative:

Title of Representative Person: President

Name of Representative Person: Masatomo Nakamura

Person in Charge of Contact:

Title of Contact Person: Director, Member of the Board

Name of Contact Person: Keisuke Ito

Telephone: +81-(0)3-3218-9300

Date on Which the Board of Directors' Meeting Was Held to Approve the Interim Settlement of Accounts: October 31, 2005

Interim Dividend Payment Start Date: December 1, 2005

Whether the Interim Dividend System Is Adopted: Yes

Whether the Unit Share System Is Adopted: No

1. Non-Consolidated Results of Operations for the Interim Accounting Period of Fiscal Year Ending March 2006 (April 1, 2005 to September 30, 2005)

(Amounts indicated are displayed with amounts of less than one million yen rounded off.)

(1) Non-Consolidated Business Results

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim accounting period of fiscal year ending March, 2006	5,540	(6.1)	5,062	(10.2)	5,032	(11.6)
Interim accounting period of fiscal year ended March, 2005	5,220	(2.7)	4,594	(3.2)	4,511	(3.4)
(Reference) Fiscal year ended March 31, 2005	11,362		10,125		9,945	

	Net income		Net income per share
	Millions of yen	%	Yen
Interim accounting period of fiscal year ending March, 2006	4,751	(14.3)	4,359.68
Interim accounting period of fiscal year ended March, 2005	4,155	(-3.7)	3,794.00
(Reference) Fiscal year ended March 31, 2005	8,861		8,046.48

Notes: 1. Average number of shares:

Interim accounting period of fiscal year ending March, 2006 1,089,964.06 shares

Interim accounting period of fiscal year ended March, 2005 1,095,320.10 shares

Accounting period of fiscal year ended March, 2005 1,095,202.80 shares

2. Changes in accounting method: No

3. Percentages for net sales, operating income, ordinary income and net income indicate the percentage increase/decrease compared with the interim accounting period of the previous fiscal year.

(2) Non-Consolidated Dividend Status

	Interim dividends per share	Annual dividends per share
	yen	yen
Interim accounting period of fiscal year ending March, 2006	4,000.00	-
Interim accounting period of fiscal year ended March, 2005	4,000.00	-
(Reference) Fiscal year ended March 31, 2005	-	8,000.00

(3) Non-Consolidated Dividend Status

	Total assets	Total shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Interim accounting period of fiscal year ending March, 2006	659,654	404,321	61.3	378,816.88
Interim accounting period of fiscal year ended March, 2005	981,202	415,152	42.3	379,053.69
(Reference) Fiscal year ended March 31, 2005	972,689	415,344	42.7	379,283.35

Notes: 1. Number of issued and outstanding shares at the end of the accounting periods:

Interim accounting period of fiscal year ending March, 2006	1,067,326.74 shares
Interim accounting period of fiscal year ended March, 2005	1,095,234.53 shares
Accounting period of fiscal year ended March, 2005	1,094,948.92 shares

2. Number of treasury stock at the end of the accounting period:

Interim accounting period of fiscal year ending March, 2006	37,908.89 shares
Interim accounting period of fiscal year ended March, 2005	10,001.10 shares
Accounting period of fiscal year ended March, 2005	10,286.71 shares

2. Projection of Consolidated Results of Operations for the Fiscal Year Ending March 2006 (April 1, 2005–March 31, 2006)

	Net sales	Ordinary income	Net income	Annual dividends per share	
				End of the year	
	Millions of yen	Millions of yen	Millions of yen	yen	yen
Accounting period of fiscal year	10,600	9,400	8,900	4,000.00	8,000.00

(Reference) Projected net income per share (full fiscal year) 8,338.59 yen

Forecast performance is predicted based on the information available at the time of the announcement. Actual performance may differ from forecasts due to a variety of factors.

1. Interim Non-Consolidated Balance Sheets

(Millions of yen)

	Interim accounting period of fiscal year ending March, 2006 (as of September 30, 2005)		Interim accounting period of fiscal year ended March, 2005 (as of September 30, 2004)		Accounting period of fiscal year ended March, 2005 (as of March 31, 2005)		Change
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount
		%		%		%	
(Assets)							
I Current assets	118,776	18.0	345,194	35.2	346,715	35.6	-227,939
Cash and time deposits	1,714		11		11		1,702
Short-term loans receivable from affiliated company	115,500		343,435		343,900		-228,400
Deferred tax assets	20		28		61		-41
Others	1,541		1,720		2,742		-1,201
II Fixed assets	540,878	82.0	635,940	64.8	625,973	64.4	-85,095
Investments and other assets	540,878	82.0	635,940	64.8	625,973	64.4	-85,095
Stock held in affiliated companies	420,861		420,861		420,861		-
Long-term loans to affiliated company	120,000		215,000		205,000		-85,000
Deferred tax assets	17		79		112		-95
III Deferred assets	-	-	67	0.0	-	-	-
Incorporation costs	-		67		-		-
Total assets	659,654	100.0	981,202	100.0	972,689	100.0	-313,034
(Liabilities)							
I Current liabilities	135,292	20.5	349,856	35.7	352,068	36.2	-216,775
Short-term borrowings	18,009		264,742		253,472		-235,462
Convertible bonds to be redeemed in one year or less	31,000		-		31,000		-
Commercial paper	85,500		84,000		66,000		19,500
Other current liabilities	782		1,114		1,596		-813
II Long-term liabilities	120,040	18.2	216,193	22.0	205,276	21.1	-85,235
Corporate bonds	120,000		100,000		100,000		20,000
Convertible bonds	-		31,000		-		-
Long-term debt	-		85,000		105,000		-105,000
Allowance for directors' retirement bonuses	40		193		276		-235
Total liabilities	255,333	38.7	566,050	57.7	557,344	57.3	-302,010
(Shareholders' equity)							
I Common stock	55,730	8.5	55,730	5.7	55,730	5.7	-
II Capital surplus	355,960	54.0	355,967	36.3	355,964	36.6	-3
Capital reserve	312,968		312,968		312,968		-
Other capital surplus	42,991		42,999		42,995		-3
III Retained earnings	9,486	1.4	8,838	0.9	9,163	0.9	323
Retained earnings	432		432		432		-
Unappropriated retained earnings	9,054		8,406		8,731		323
VI Treasury stock	-16,856	-2.6	-5,384	-0.6	-5,512	-0.5	-11,343
Total shareholders' equity	404,321	61.3	415,152	42.3	415,344	42.7	-11,023
Total liabilities, minority interests and shareholders' equity	659,654	100.0	981,202	100.0	972,689	100.0	-313,034

2. Interim Non-Consolidated Statements of Income

(Millions of yen)

	Interim accounting period of fiscal year ending March, 2006 (April 1, 2005 to September 30, 2005)		Interim accounting period of fiscal year ended March, 2005 (April 1, 2004 to September 30, 2004)		Change	Accounting period of fiscal year ended March 2005 (April 1, 2004 to March 31, 2005)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Amount	Composition ratio
		%		%			%
I Net sales	5,540	100.0	5,220	100.0	319	11,362	100.0
Dividends income	4,861		4,322		538	9,185	
Management guidance fee	678		898		-219	2,176	
II Operating expenses	477	8.6	626	12.0	-148	1,236	10.9
Selling, general and administrative expenses	477		626		-148	1,236	
Operating income	5,062	91.4	4,594	88.0	467	10,125	89.1
III Non-operating income	1,127	20.3	1,532	29.3	-405	3,074	27.1
Interest income	954		1,305		-351	2,794	
Others	173		227		-54	280	
IV Non-operating expenses	1,156	20.9	1,615	30.9	-458	3,254	28.7
Interest expense	461		936		-474	2,018	
Interest payable on corporate bonds	505		377		127	791	
Corporate bond issuance expense	115		163		-47	163	
Depreciation of incorporation costs	-		67		-67	135	
Others	75		71		3	145	
Ordinary income	5,032	90.8	4,511	86.4	521	9,945	87.5
V Extraordinary losses	-	-	-	-	-	371	3.2
Costs for change in trade name	-		-		-	371	
Income before income taxes and minority interests	5,032	90.8	4,511	86.4	521	9,573	84.3
Corporate tax and others	145	2.6	301	5.8	-156	723	6.4
Income tax adjustment	136	2.4	55	1.0	81	-11	-0.1
Net income	4,751	85.8	4,155	79.6	596	8,861	78.0
Income carried forward from previous period	4,302		4,250		51	4,250	
Interim dividends	-		-		-	4,380	
Unappropriated income for current period	9,054		8,406		648	8,731	