



H.I.S. Co., Ltd.

Non-Consolidated Interim Results

First half of fiscal year ending October 31, 2005

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product launches, and pricing and product initiatives of competitors.



SUMMARY OF FINANCIAL STATEMENTS (Non-consolidated)

Interim Results for the Fiscal Year Ending October 31, 2005

June 17, 2005

H.I.S. Co., Ltd.

Stock Code: 9603

www.his-j.com

President: Yoshio Suzuki

Date of board meeting: June 17, 2005

Listed exchanges: Tokyo Stock Exchange 1st section

Inquiries: Kazumasa Namekata

Representative Director and Managing Director

Telephone: +81-3-5908-2070

Interim dividend: To be paid

Stock trading unit: 1 unit: 100 shares

1) Non-consolidated Results

	Six months ended April 30, 2005		Six months ended April 30, 2004		FY ended October 31, 2004
		Change %		Change %	
Net sales	110,543	15.1	96,052	10.6	224,032
Operating income	1,412	1.7	1,388	115.3	4,438
Ordinary income	1,639	7.2	1,529	93.3	4,769
Net income	(1,585)	-	846	-	2,845
Net income per share (¥)	(¥47.46)		¥37.85		¥126.42

Notes: (1) Average number of shares outstanding during the period:

Interim period ended April 30, 2005: 33,396,884 shares
Interim period ended April 30, 2004: 22,350,642 shares
FY ended October 31, 2004: 22,312,089 shares

(2) Changes to accounting methods: None

(3) On December 20, 2004 a 1:1.5 share split was undertaken. Net income per share for this interim report has been calculated as if the share split had occurred at the beginning of the period.

(4) If restated based on the revised number of shares outstanding following the share split, net income per share for the interim period ended April 30, 2004 and the full year ended October 31, 2004 would be ¥25.24 and ¥84.28 respectively.

2) Dividend distribution

	Six months ended April 30, 2005	Six months ended April 30, 2004	FY ended October 31, 2004
Interim dividend per share (¥)	00.00	00.00	--
Annual dividend per share (¥)	--	--	22.50

Notes: (1) Dividend for the full year ended October 31, 2004 comprised ¥15.00 (ordinary dividend) and ¥7.50 (extraordinary dividend).

(2) If the share split had been undertaken in the previous fiscal year the dividend for the full year ended October 31, 2004 would have been ¥15.00 per share.

3) Financial Position

	Millions of yen, rounded down		
	As of April 30, 2005	As of April 30, 2004	As of October 31, 2004
Total assets	72,324	63,097	73,465
Shareholders' equity	36,062	35,960	37,932
Equity ratio (%)	49.9%	57.0%	51.6%
Shareholders' equity per share (¥)	¥1,080.00	¥1,614.93	¥1,702.40

Notes: (1) Outstanding shares at:

April 30, 2005: 33,391,614 shares April 30, 2004: 22,267,382 shares October 31, 2004: 22,266,902 shares

(2) Period-end number of treasury stock:

April 30, 2005: 869,854 shares April 30, 2004: 1,073,597 shares October 31, 2004: 574,077 shares

(3) If restated based on the revised number of shares outstanding following the share split, shareholders' equity per share as of April 30, 2004 and October 31, 2004 would be ¥1,076.62 and ¥1,134.93 respectively.

Forecast for the fiscal year ending October 31, 2005

	Millions of yen
	FY ending October 31, 2005
Net Sales	257,000
Ordinary Income	5,800
Net Income	250
Annual dividend per share (¥, period-end)	¥15.00
Annual dividend per share (¥)	¥15.00

Note: Non-consolidated net income per share forecast for the fiscal year ending October 31, 2005: ¥7.49

Note: This forecast contains forward-looking statements that are based on management's estimates, assumptions and projections at the time of publication. A number of factors could cause results to differ materially from expectations.

Non-consolidated Balance Sheets						
<i>Millions of yen</i>						
	As of April 30, 2005		As of October 31, 2004		As of April 30, 2004	
ASSETS						
Current assets						
Cash and deposits.....	27,526		29,496		18,576	
Notes & accounts receivable	2,770		2,191		1,316	
Accrued sales receivable.....	5,352		5,016		4,118	
Marketable securities.....	2,847		2,879		3,156	
Travel deposits	5,557		3,808		4,457	
Pre-paid expenses.....	582		555		532	
Deferred tax assets	1,053		1,232		786	
Short-term loans receivable of affiliates	1,544		1,146		3,123	
Accrued revenue	922		816		584	
Other current assets	995		1,090		967	
Total current assets	49,154	68.0	48,233	65.7	37,620	59.6
Fixed assets						
Tangible fixed assets						
Buildings and structures.....	699		862		803	
Vehicles.....	4		5		6	
Equipment and fittings.....	584		595		589	
Land	254		2,436		2,436	
Total tangible fixed assets	1,543	2.1	3,900	5.3	3,836	6.1
Intangible fixed assets.....	1,504	2.1	1,537	2.1	1,599	2.5
Investments and other assets						
Investments in securities.....	4,441		1,702		1,377	
Shares of affiliates	10,614		13,334		13,289	
Investments in affiliates.....	294		294		290	
Long-term loans receivable.....	400		--		2	
Long-term loans to affiliates.....	503		738		1,316	
Deferred tax assets.....	502		502		563	
Guarantee deposits.....	3,327		3,194		3,180	
Other investments and other assets	37		26		22	
Allowance for doubtful accounts	--		--		(2)	
Total investments and other assets	20,122	27.8	19,794	26.9	20,039	31.8
Total fixed assets	23,170	32.0	25,232	34.3	25,476	40.4
Total Assets.....	72,324	100.0	73,465	100.0	63,097	100.0

Non-consolidated Balance Sheets						
<i>Millions of yen</i>						
	As of April 30, 2005		As of October 31, 2004		As of April 30, 2004	
LIABILITIES						
Current liabilities						
Notes & accounts payable.....	16,087		14,403		9,227	
Accrued payable.....	732		510		655	
Accrued expenses.....	1,123		1,146		978	
Accrued income taxes.....	1,263		1,896		625	
Accrued consumption taxes.....	126		412		174	
Pre-trip deposits.....	13,218		13,415		12,099	
Insurance deposits.....	390		393		412	
Accrued bonuses.....	1,424		1,400		1,062	
Other current liabilities.....	727		713		790	
Total current liabilities.....	35,094	48.5	34,292	46.7	26,024	41.3
Long-term liabilities						
Accrued employees' retirement benefits....	758		717		642	
Accrued directors' and statutory auditors' retirement benefits.....	368		347		292	
Guarantee deposits.....	40		175		176	
Total long-term liabilities.....	1,167	1.6	1,240	1.7	1,112	1.7
Total liabilities.....	36,262	50.1	35,533	48.4	27,136	43.0
SHAREHOLDERS' EQUITY						
Common stock.....	6,882	9.5	6,882	9.3	6,882	10.9
Capital surplus						
1. Capital reserve.....	7,778		7,778		7,778	
2. Other capital surplus.....	3		0		0	
Total capital surplus.....	7,781	10.8	7,778	10.6	7,778	12.3
Retained earnings						
1. Profit reserve.....	246		246		246	
2. Voluntary earned reserve						
a. Other reserve.....	21,565		19,565		19,565	
b. Reserve for special depreciation.....	4		5		5	
3. Unappropriated retained earnings for the period.....	397		4,506		3,215	
Total retained earnings.....	22,212	30.7	24,323	33.1	23,032	36.5
Unrealized holding gains (losses) on securities.....	22	0.0	(238)	(0.3)	(212)	(0.3)
Treasury stock.....	(836)	(1.1)	(814)	(1.1)	(1,521)	(2.4)
Total shareholders' equity.....	36,062	49.9	37,932	51.6	35,960	57.0
Total Liabilities and Shareholders' Equity.....	72,324	100.0	73,465	100.0	63,097	100.0

Non-consolidated Statements of Income						
<i>Millions of yen</i>						
	Interim period ended April 30, 2005		Interim period ended April 30, 2004		FY ended October 31, 2004	
Net sales.....	110,543	100.0	96,052	100.0	224,032	100.0
Cost of sales	94,544	85.5	81,606	85.0	191,940	85.7
Gross profit	15,999	14.5	14,445	15.0	32,092	14.3
Selling, general and administrative expenses.....	14,586	13.2	13,057	13.6	27,653	12.3
Operating income	1,412	1.3	1,388	1.4	4,438	2.0
Non-operating income	249	0.2	141	0.1	338	0.1
Non-operating expenses	21	0.0	0	0.0	7	0.0
Ordinary income	1,639	1.5	1,529	1.5	4,769	2.1
Extraordinary income	1,474	1.3	47	0.1	347	0.2
Extraordinary losses.....	3,480	3.1	13	0.0	21	0.0
Net income (loss) before income taxes.....	(366)	(0.3)	1,563	1.6	5,095	2.3
Income taxes—current.....	1,218	1.1	717	0.7	2,616	1.2
Income taxes—deferred	-	-	-	-	(366)	(0.2)
Net income (loss).....	(1,585)	(1.4)	846	0.9	2,845	1.3
Balance brought forward	1,982		2,369		2,369	
Treasury stock retired	-		-		708	
Unappropriated profits.....	397		3,215		4,506	