

---

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**


---

**1. Basis of Presenting the Financial Statements**

The accompanying consolidated financial statements of Isuzu Motors Limited ("the Company") and its consolidated subsidiaries have been prepared from the consolidated financial statements filed with the Minister of Finance as required by the Securities and Exchange Law of Japan, in accordance with accounting principles and practices generally accepted in Japan, which may differ in some material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

In order to facilitate the understanding of readers outside Japan, certain reclassifications have been made to the consolidated financial statements prepared for domestic purposes and relevant notes and statements of stockholders' equity and statements of cash flows have been added.

The yen amounts are rounded down in millions. Therefore, total or subtotal amounts do not correspond with the aggregation of such account balances.

U.S. dollar amounts have been translated from Japanese yen for convenience only at the rate of ¥106.15=US\$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market on March 31, 2000. The translations should not be construed as a representation that Japanese yen have been or could be converted into U.S. dollars at that rate. The U.S. dollar amounts are then rounded down in thousands.

Certain reclassifications have been made in the 1999 and 1998 financial statements to conform to the presentation for 2000.

**2. Summary of Significant Accounting Policies****a) Consolidation**

The consolidated financial statements include the accounts of the Company and significant subsidiaries. All significant inter-company balances and transactions have been eliminated in consolidation.

Investments in main unconsolidated subsidiary and significant affiliated companies (20% to 50% owned) are accounted for by the equity method.

The differences at the time of acquisition between the cost and underlying net equity of investments in consolidated subsidiaries and in unconsolidated subsidiaries and affiliated companies accounted for under the equity method are, as a rule, amortized over periods of five years after appropriate adjustments.

**b) Foreign Currency Translation**

The financial statements of consolidated foreign subsidiaries are translated into yen in accordance with the Financial Accounting Standard on Foreign Currency Transaction in Japan.

**c) Securities**

Marketable securities, investments in securities and investments in unconsolidated subsidiaries and affiliates are principally valued at cost using the moving average method.

**d) Inventories**

Inventories of the Company are valued at cost using the periodic average method. Inventories of consolidated subsidiaries are principally valued at cost using the specific identification method.

**e) Property, Plant and Equipment**

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment is principally computed by the straight-line method over the applicable useful lives.

The Company and some of its consolidated subsidiaries have changed and shortened the estimated useful lives of all the buildings due to the revision of the Tax regulation in Japan since the fiscal year 1999.

The effect of this change for the fiscal year 1999 increased the depreciation by ¥389 million and then decreased operating income and net income for the fiscal year 1999 by ¥389 million.

**f) Software Costs**

Software used by the Company and its consolidated subsidiaries is depreciated using the straight-line method, based on the useful life as determined by the Company and its consolidated subsidiaries (generally 5 years). With respect to software used by the Company and its consolidated subsidiaries which has been booked as "Other Assets", the accounting treatment remains unchanged; "Practical guidance for Accounting for Research and Development Costs, etc". (The Accounting committee Report No12 of the Japanese Institute of Certified Public Accountants, March 31, 1999).

**g) Leases**

Finance lease transactions, except for those which meet the conditions that the ownership of the lease assets is substantially transferred to the lessee, are accounted for on a basis similar to ordinary rental transactions.

**h) Employees' Retirement Benefits**

Employees' retirement benefits covering all employees are provided through an unfunded lump-sum benefit plan and a funded pension plan. Under the plans, eligible employees are entitled, under most circumstances, to severance payments based on compensation at the time of severance and years of service.

Liabilities for employees' retirement benefits under the lump-sum benefit plan are provided to 40% of the liabilities periodically accrued on a voluntary retirement basis at the balance sheet date until the year ended March 31, 1999.

From the fiscal year 2000, the Company and its consolidated subsidiaries have changed its accounting method and liabilities for employees' retirement benefits are provided to the discounted present value of the benefit obligations, less the fair value of the plan assets, calculated by the projected benefit cost method.

The effect of this change was to increase loss before income taxes by ¥93,526 million for the fiscal year 2000.

#### i) Income Taxes

Income taxes are accounted for on an accrual basis. Deferred income taxes are recognized only for timing differences resulting from the elimination of unrealized inter-company profits and adjustments of allowance for doubtful receivables until the fiscal year 1999.

From the fiscal year ended 2000, according to the amendment of regulations relating to the presentation of financial statements, tax effect accounting is adopted to prepare financial statements from the term under review. With this change, the additional deferred tax assets of ¥59,370 million (current assets ¥14,882 million, investments and other assets ¥44,487 million) and the additional deferred tax liabilities of ¥6,661 million (current liabilities ¥69 million yen, long-term liabilities ¥6,592 million) are reported, with the net loss ¥52,781 million smaller and accumulated deficit ¥49,507 million smaller, compared with the amount calculated without accounting the tax effect.

#### j) Net Income per Share

Net income per share is based on the weighted average number of shares outstanding during each year.

#### k) Appropriation of Retained Earnings

Appropriations of retained earnings are recorded in the financial year in which the appropriation is approved by the Board of Directors or shareholders.

#### l) Cash and Cash Equivalents

The Company considers any highly liquid debt instruments to be cash equivalents.

Cash deposits in banks and other short-term securities with original maturities of three month or less at the time of purchase are included in cash and cash equivalents described in the cash flows statements since the fiscal year 1999 due to the revision of the Securities and Exchange Law of Japan as required by the Minister of Finance.

The Company and its consolidated subsidiaries have adopted the new Financial Accounting Standards for cash flows in Japan effective from April 1, 1999.

Reconciliations of cash and time deposits and marketable securities between the consolidated balance sheet and the statement of cash flows as of March 31, 2000 were as follows:

	Millions of yen	Thousands of U.S. dollars
Cash and time deposits on the consolidated balance sheet . . . . .	¥ 99,876	\$ 940,899
Marketable securities on the consolidated balance sheet . . . . .	121,458	1,144,220
Cash deposits in banks and other short-term securities with original maturities over three month at the time of purchase . . . . .	(63,750)	(600,572)
Cash and cash equivalents on the statement of cash flows . . . . .	¥157,584	\$1,484,546

#### m) Changes in Accounting Standards

1) The Company sold its certain raw materials to the outside processors (vendors) for the purpose of repurchasing the processed materials and the relative sales are recorded as "Net sales" until the fiscal year 1999. However, The Company changed its accounting method of raw material sales to the outside processors (vendors) and the relative amount resulting from such transactions are recognized as "Other current assets" since the fiscal year 2000.

The effect of this change was to decrease net sales by ¥31,703 million and to decrease cost of sales approximately by the same amount for the fiscal year 2000. Accordingly, the effect of this change for operating loss, loss before income taxes is immaterial.

2) The Company changed its accounting method of calculated reserve for product warranty. The calculated reserve for product warranty was provided to 0.5% of Net sales of the related products, the maximum amount permitted by Japanese income tax law, until the fiscal year 1999. From the fiscal year 2000, the calculated reserve for product warranty is provided based on the product-by-product warranty costs incurred for the prior years in consideration of the general warranty clause as the Company can calculate the actual product-by-product warranty costs during this period.

The effect of this change was to increase operating loss, loss before special items, loss before income taxes by ¥3,378 million for the fiscal year 2000.

#### n) Additional Information

In accordance with the provisional rule of the Accounting Committee Report No.12, "Practical Guidance for Research and Development Costs, etc.", the Company's classification of Some Research and Development Costs, amount of ¥6,520 million, for the account has been changed "Cost of Sales" to "Selling, General and Administrative Expenses" in the fiscal year 2000.

The effect of this change was to increase operating loss, loss before special items, loss before income taxes by ¥438 million for the fiscal year 2000.

**3. Marketable Securities and Investments in Securities**

The cost and market value of marketable securities, including investments in securities, at March 31, 2000 was summarized as follows:

	Millions of yen	Thousands of U.S. dollars
Short-term investments		
Cost	¥58,638	\$552,415
Market value	53,545	504,432
Investments		
Cost	14,258	134,326
Market value	12,002	113,069

**4. Long-Term Debt**

Long-term debt at March 31, 2000 was as follows:

	Millions of yen	Thousands of U.S. dollars
1.90% convertible bonds due 2001	¥ 21,739	\$ 204,795
2.85% mortgage bonds due 2004	2,000	18,841
2.35% mortgage bonds due 2002	2,000	18,841
2.50% mortgage bonds due 2003	500	4,710
2.50% mortgage bonds due 2003	500	4,710
2.50% mortgage bonds due 2003	500	4,710
3.00% mortgage bonds due 2003	500	4,710
2.20% straight bonds due 2000	10,000	94,206
2.50% straight bonds due 2001	10,000	94,206
2.75% straight bonds due 2002	10,000	94,206
2.375% straight bonds due 2003	10,000	94,206
2.65% straight bonds due 2004	10,000	94,206
2.10% straight bonds due 2001	10,000	94,206
3.00% straight bonds due 2003	10,000	94,206
3.45% straight bonds due 2005	10,000	94,206
2.70% straight bonds due 2001	10,000	94,206
2.30% straight bonds due 2002	5,000	47,103
2.43% straight bonds due 2002	10,000	94,206
2.10% straight bonds due 2002	5,000	47,103
2.50% straight bonds due 2003	5,000	47,103
3.00% straight bonds due 2004	5,000	47,103
Loans	442,874	4,172,154
Less: current portion	146,070	1,376,073
	<u>¥444,543</u>	<u>\$4,187,875</u>

The annual maturities of long-term debt at March 31, 2000 were as follows:

	Millions of yen	Thousands of U.S. dollars
2001	¥140,564	\$1,324,205
2002	151,339	1,425,712
2003	66,691	628,271
Thereafter	85,948	809,686

The assets pledged as collateral for certain loans and other liabilities at March 31, 2000 were as follows:

	Millions of yen	Thousands of U.S. dollars
Cash and time deposits	¥ 2,773	\$ 26,123
Notes and accounts receivable	99,522	937,560
Inventories	7,196	67,795
Building and structures	95,254	897,352
Machinery and equipment	77,403	729,185
Land	282,860	2,664,719
Securities	22,937	216,081

**5. Income Taxes**

Accrued income taxes in the balance sheets include corporation taxes, inhabitant taxes and enterprise taxes.

Income taxes in the statements of income include corporation taxes and inhabitant taxes and enterprise taxes.

The significant components of the Company's deferred tax assets and liabilities as of March 31, 2000 were as follows:

	Millions of yen	Thousands of U.S. dollars
Deferred tax assets:		
Retirement benefits	¥30,974	\$291,798
Loss from revaluation of securities and Allowance for doubtful accounts	3,282	30,919
Accrued expenses	4,393	41,389
Bonus payment reserve	1,562	14,721
Inventory write down	2,253	21,231
Loss carried forward	46,773	440,639
Unrealized gain	20,420	192,373
Other	7,001	65,962
Valuation allowance	(27,941)	(263,228)
Deferred tax liabilities		
Reserve for deferred income tax of fixed assets	(14,912)	(140,481)
Other	(79)	(749)
Total deferred tax assets	<u>¥73,729</u>	<u>\$694,576</u>

## Deferred tax liabilities:

Reserve for deferred income tax of fixed assets	304	2,868
Depreciation adjustment of foreign subsidiaries	6,179	58,212
Other	178	1,676
Total deferred tax liabilities	<u>¥ 6,661</u>	<u>\$ 62,757</u>

## 6. Common Stock and Capital Surplus

During the fiscal year ended March 31, 2000, the Company issued no share of common stock in connection with conversion of convertible bonds.

## 7. Land Revaluation

In accordance with the Law concerning Revaluation of Land enacted on 31 March, 1999, the land used for business owned by the Company was revalued, and the unrealized gain on the revaluation of land, net of deferred tax, was reported as "Variance of Land Revaluation" within Stockholders' Equity, and the relevant deferred tax was included in Liabilities as "Deferred Tax Liabilities related to Land Revaluation" for the fiscal year ended 31 March, 2000.

	Millions of yen	Thousands of U.S. dollars
Book value of land before revaluation . . . . .	¥ 75,389	\$ 710,219
Book value of land after revaluation . . . . .	245,451	2,312,309
Date of revaluation 31 March 2000		

In accordance with the Law concerning Revaluation of Land enacted on March 31, 1998, the land used for business owned by some of the Company's non-consolidated subsidiaries and affiliates which were accounted for by the equity method were revalued, and unrealized gain was reported ¥255 million for the fiscal year ended March 31, 2000.

## 10. Lease Transactions

(1) Finance lease transactions, except for those which meet the conditions that the ownership of the leased assets is substantially transferred to the lessee, were as follows.

### a) As a lessee

i) Amounts equivalent to acquisition costs, accumulated depreciation and net balance as of March 31, 2000 and 1999 concerning the finance lease assets:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Acquisition Costs . . . . .	¥59,514	¥41,527	\$560,664
Accumulated Depreciation . . . . .	26,082	14,636	245,715
Net Balance . . . . .	33,431	26,891	314,919

ii) Future payment obligations of finance lease expenses as of March 31, 2000 and 1999 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Portion due within one year . . . . .	¥ 9,682	¥ 6,036	\$ 91,215
Thereafter . . . . .	25,056	22,006	236,049
Lease expense paid . . . . .	11,046	6,565	104,066

The method of revaluation is as follows:

Under article 3-3 of the enforcement ordinance for the law, the land price for the revaluation is determined based on the official notice prices assessed and published by the National Land Agency of Japan, after appropriate adjustments for the shape of land and the timing of the assessment on 31 March, 1999, the Law concerning Revaluation of Land was amended.

## 8. Legal Reserve

Under the Commercial Code of Japan, the Company is required to appropriate to legal reserve an amount equals to at least 10% of all appropriation of retained earnings that are paid in cash, until the reserve equals 25% of common stock.

This reserve is not available for dividends but may be used to reduce a deficit by resolution of the shareholders or may be transferred to capital stock by a resolution of the Board of Directors.

## 9. Contingent Liabilities

Contingent liabilities at March 31, 2000 were as follows:

	Millions of yen	Thousands of U.S. dollars
Guarantees of bank loans . . . . .	¥68,010	\$640,697
Export bills discounted . . . . .	13,296	125,256
Notes discounted . . . . .	3,673	34,601
Notes endorsed . . . . .	57	536

Amounts equivalent to interest expenses are calculated by the interest method based on an excess of the aggregate sum of lease payments over amounts equivalent to acquisition costs.

**b) As a lessor**

i) Amounts equivalent to acquisition costs, accumulated depreciation and net balance as of March 31, 2000 concerning the finance lease assets:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Acquisition Costs . . . . .	¥240,735	¥225,125	\$2,264,493
Accumulated Depreciation . . . . .	108,373	100,289	1,020,942
Net Balance . . . . .	132,002	124,836	1,243,550

ii) Future receivable income of finance lease commitment as of March 31, 2000 and 1999 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Portion due within one year . . . . .	¥45,328	¥45,155	\$427,023
Thereafter . . . . .	89,742	84,764	845,434
Lease income received . . . . .	53,766	51,417	506,513

Amounts equivalent to interest income are calculated by the interest method based on an excess of the aggregate sum of lease income and estimated residual value over amounts acquisition costs.

(2) Operating leases were as follows.

**a) As a lessee**

Future payment obligations of operating lease expenses as of March 31, 2000 and 1999 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Portion due within one year . . . . .	¥613	¥526	\$5,445
Thereafter . . . . .	983	377	9,268

**b) As a lessor**

Future receivable income of operating lease commitment as of March 31, 2000 and 1999 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Portion due within one year . . . . .	¥2,187	¥2,607	\$20,603
Thereafter . . . . .	1,313	1,325	12,379

### 11. Segment Information

(1) The business segment information and its consolidated subsidiaries for the years ended March 31, 2000 and 1999 was as follows:

#### Business Segment Information

	Automotive	Finance	Miscellaneous	Total	Eliminations	Consolidated
Year ended March 31, 2000	(Millions of yen)					
Sales to third parties . . . . .	¥1,404,993	¥ 90,687	¥10,961	¥1,506,642	¥ –	¥1,506,642
Intrearea sales and transfers . . . . .	35,167	4,699	9,729	49,596	(49,596)	–
Total sales . . . . .	1,440,161	95,386	20,690	1,556,238	(49,596)	1,506,642
Operating expenses . . . . .	1,492,808	93,839	20,221	1,606,869	(49,430)	1,557,439
Operating income . . . . .	(52,646)	1,546	469	(50,630)	(166)	(50,797)
Total assets . . . . .	1,509,504	361,563	24,635	1,895,703	(52,649)	1,843,053
Depreciation expenses . . . . .	39,253	54,075	114	93,444	–	93,444
Capital expenditure . . . . .	45,338	68,269	286	113,894	(79)	113,814

	(Thousands of U.S. dollars)					
Sales to third parties . . . . .	\$13,235,922	\$ 854,335	\$103,261	\$14,193,519	\$ –	\$14,193,519
Intrearea sales and transfers . . . . .	331,304	44,269	91,659	467,232	(467,232)	–
Total sales . . . . .	13,567,227	898,604	194,920	14,660,752	(467,232)	14,193,519
Operating expenses . . . . .	14,063,193	884,031	190,499	15,137,725	(465,663)	14,672,062
Operating income . . . . .	(495,966)	14,572	4,421	(476,973)	(1,569)	(478,542)
Total assets . . . . .	14,220,487	3,406,153	232,082	17,858,722	(495,990)	17,362,731
Depreciation expenses . . . . .	369,797	509,426	1,078	880,302	–	880,302
Capital expenditure . . . . .	427,112	643,145	2,703	1,072,962	(752)	1,072,209

	Automotive	Finance	Miscellaneous	Total	Eliminations	Consolidated
Year ended March 31, 1999	(Millions of yen)					
Sales to third parties . . . . .	¥1,518,978	¥ 85,844	¥14,278	¥1,619,101	¥ –	¥1,619,101
Intrearea sales and transfers . . . . .	34,205	6,786	8,216	49,208	(49,208)	–
Total sales . . . . .	1,553,184	92,630	22,494	1,668,309	(49,208)	1,619,101
Operating expenses . . . . .	1,547,805	91,469	20,896	1,660,170	(50,249)	1,609,920
Operating income . . . . .	5,379	1,161	1,598	8,139	1,041	9,180
Total assets . . . . .	1,270,606	352,675	63,815	1,687,096	(59,794)	1,627,302
Depreciation expenses . . . . .	42,912	52,348	580	95,841	–	95,841
Capital expenditure . . . . .	47,737	61,128	786	109,652	–	109,652

(2) The geographical segment information and its consolidated subsidiaries for the years ended March 31, 2000 and 1999 was as follows:

## Geographical Segment Information

	Japan	North American	Other	Total	Eliminations	Consolidated
Year ended March 31, 2000	(Millions of yen)					
Sales to third parties . . . . .	¥ 904,007	¥523,269	¥79,364	¥1,506,642	¥ –	¥1,506,642
Intraarea sales and transfers . . . . .	235,752	15,342	7,133	258,229	(258,229)	–
Total sales . . . . .	1,139,760	538,611	86,498	1,764,871	(258,229)	1,506,642
Operating expenses . . . . .	1,186,037	537,934	90,289	1,814,261	(256,822)	1,557,439
Operating income . . . . .	(46,277)	677	(3,790)	(49,390)	(1,406)	(50,797)
Total assets . . . . .	1,608,703	214,223	76,467	1,899,394	(56,341)	1,843,053

	(Thousands of U.S. dollars)					
Sales to third parties . . . . .	\$ 8,516,325	\$4,929,526	\$747,667	\$14,193,519	\$ –	\$14,193,519
Intraarea sales and transfers . . . . .	2,220,937	144,538	67,205	2,432,682	(2,432,682)	–
Total sales . . . . .	10,737,263	5,074,064	814,873	16,626,201	(2,432,682)	14,193,519
Operating expenses . . . . .	11,173,226	5,067,681	850,584	17,091,492	(2,419,430)	14,672,062
Operating income . . . . .	(435,962)	6,382	(35,711)	(465,291)	(13,251)	(478,542)
Total assets . . . . .	15,155,003	2,018,121	720,373	17,893,499	(530,767)	17,362,731

	Japan	North American	Other	Total	Eliminations	Consolidated
Year ended March 31, 1999	(Millions of yen)					
Sales to third parties . . . . .	¥ 922,359	¥642,942	¥53,798	¥1,619,101	¥ –	¥1,619,101
Intraarea sales and transfers . . . . .	253,284	–	–	253,284	(253,284)	–
Total sales . . . . .	1,175,644	642,942	53,798	1,872,386	(253,284)	1,619,101
Operating expenses . . . . .	1,173,732	635,236	52,640	1,861,609	(251,688)	1,609,920
Operating income . . . . .	1,912	7,706	1,158	10,776	(1,596)	9,180
Total assets . . . . .	1,482,048	170,629	36,012	1,688,691	(61,388)	1,627,302

(3) Overseas sales, which include export sales of the Company and its domestic consolidated subsidiaries and sales (other than export to Japan) of the foreign consolidated subsidiaries, were as follows:

## Overseas Sales:

	North American	Asian	Other	Total
Year ended March 31, 2000	(Millions of yen)			
Overseas sales . . . . .	¥553,235	¥118,422	¥263,513	¥ 935,172
Consolidated net sales . . . . .	–	–	–	1,506,642
Overseas sales per				
Consolidated net sales . . . . .	36.7%	7.9%	17.5%	62.1%

	(Thousands of U.S. dollars)			
Overseas sales . . . . .	\$5,211,828	\$1,115,616	\$2,482,466	\$ 8,809,911
Consolidated net sales . . . . .	–	–	–	14,193,519
Overseas sales per				
Consolidated net sales . . . . .	36.7%	7.9%	17.5%	62.1%

	North American	Asian	Other	Total
Year ended March 31, 1999	(Millions of yen)			
Overseas sales . . . . .	¥631,295	¥80,297	¥309,781	¥1,021,374
Consolidated net sales . . . . .	–	–	–	1,619,101
Overseas sales per				
Consolidated net sales . . . . .	39.0%	5.0%	19.1%	63.1%

**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

Century Ota Showa & Co.

To the Board of Directors  
Isuzu Motors Limited

We have examined the consolidated balance sheets of Isuzu Motors Limited and its consolidated subsidiaries as of March 31, 2000 and 1999, and the related consolidated statements of income, shareholders' equity and cash flows for the years then ended. Our examinations were made in accordance with auditing standards, procedures and practices generally accepted in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the consolidated financial position of Isuzu Motors Limited and its consolidated subsidiaries as of March 31, 2000 and 1999, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan applied on a consistent basis, except for the change in 2000, with which we concur, in the method of accounting for raw material sales, reserve for product warranty and employees' retirement benefits as described in Note 2 to the consolidated financial statements.

As described in Note 2 to the consolidated financial statements, Isuzu Motors Limited and consolidated subsidiaries have adopted new accounting standards for consolidation, research and development costs and tax-effect accounting in the preparation of their consolidated financial statements for the year ended March 31, 2000.

The United States dollar amounts shown in the accompanying consolidated financial statements have been translated solely for convenience. We have reviewed this translation and, in our opinion, the consolidated financial statements expressed in yen have been translated into dollars on the basis described in Note 1.

*Century Ota Showa & Co*

Tokyo, Japan  
June 29, 2000

*See note 1 to the consolidated financial statements which explains the basis of preparing the consolidated financial statements of Isuzu Motors Limited, under Japanese accounting principles and practices.*

**NON-CONSOLIDATED FIVE-YEAR SUMMARY**

For the years ended March 31, 2000, 1999, 1998, 1997 and 1996

	Millions of Yen					Thousands of
	2000	1999	1998	1997	1996	U.S. Dollars
<b>For the Year:</b>						
Net Sales . . . . .	¥ 836,123	¥934,865	¥1,128,068	¥1,194,835	¥1,222,229	\$ 7,876,806
Cost of Sales . . . . .	764,570	820,108	973,527	1,038,288	1,085,745	7,202,731
Gross Profit . . . . .	71,553	114,756	154,540	156,546	136,484	674,074
Selling, General and						
Administrative Expenses . . . . .	118,139	109,680	134,657	123,413	95,711	1,112,943
Operating Income (Loss) . . . . .	(46,586)	5,076	19,883	33,132	40,773	(438,869)
Income (Loss) before Special Items . .	(55,412)	1,874	15,428	26,271	38,881	(522,016)
Income (Loss) before Income Taxes . .	(172,957)	(4,536)	20,692	23,588	59,756	(1,629,364)
Net Income (Loss) . . . . .	(103,861)	(4,566)	10,092	10,388	44,906	(978,436)
<b>At Year-End:</b>						
Total Assets . . . . .	¥1,117,373	¥907,474	¥ 964,655	¥ 912,258	¥ 930,659	\$10,526,359
Shareholders' Equity . . . . .	273,012	271,320	226,023	221,198	218,633	2,571,945

Note: U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥106.15=US\$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market on March 31, 2000.