

# Consolidated Balance Sheets

As of March 31, 2001, 2000 and 1999

ASSETS	Millions of Yen			Thousands of U.S. Dollars
	2001	2000	1999	2001
<b>Current Assets:</b>				
Cash and cash equivalents (Note 3) . . . . .	¥ 109,760	¥ 99,876	¥ 89,096	\$ 885,875
Short-term investments (Note 3) . . . . .	—	121,458	103,996	—
Receivables:				
Notes and accounts (Note 3) . . . . .	352,459	347,156	402,177	2,844,710
Less: allowance for doubtful receivables . . . . .	(7,696)	(8,098)	(12,111)	(62,121)
Inventories (Note 3) . . . . .	202,038	206,818	225,754	1,630,657
Deferred taxes (Note 5) . . . . .	16,159	14,916	—	130,421
Other current assets . . . . .	138,978	92,419	84,456	1,121,695
Total Current Assets . . . . .	811,698	874,548	893,370	6,551,239
<b>Investments and Advances:</b>				
Investments (Note 3):				
Unconsolidated subsidiaries and affiliated companies . . . . .	22,892	36,685	49,726	184,768
Others . . . . .	63,362	7,533	11,843	511,400
Long-term loans . . . . .	20,469	21,566	23,219	165,212
Deferred taxes (Note 5) . . . . .	68,944	58,813	—	556,451
Other investments and advances . . . . .	134,372	54,053	54,366	1,084,521
Less: allowance for doubtful accounts . . . . .	(10,626)	(11,303)	(6,019)	(85,763)
Total Investments and Advances . . . . .	299,415	167,348	133,136	2,416,590
<b>Property, Plant and Equipment (Note 3):</b>				
Land . . . . .	322,290	316,400	147,756	2,601,211
Buildings and structures . . . . .	265,951	267,312	257,659	2,146,502
Machinery and equipment . . . . .	913,966	876,125	872,683	7,376,644
Construction in progress . . . . .	14,304	28,278	12,642	115,449
Less: accumulated depreciation . . . . .	(745,369)	(715,276)	(705,394)	(6,015,895)
Net Property, Plant and Equipment . . . . .	771,142	772,841	585,347	6,223,913
<b>Other Assets</b> . . . . .	9,235	9,172	1,808	74,539
<b>Translation Adjustments</b> . . . . .	—	19,142	13,638	—
<b>Total Assets</b> . . . . .	¥1,891,492	¥1,843,053	¥1,627,302	\$15,266,282

See accompanying notes to consolidated financial statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of Yen			Thousands of U.S. Dollars
	2001	2000	1999	2001
<b>Current Liabilities:</b>				
Bank loans . . . . .	¥ 572,085	¥ 493,745	¥ 501,147	\$ 4,617,318
Current portion of bonds . . . . .	31,739	30,000	—	256,166
Commercial paper . . . . .	50,000	15,000	5,600	403,551
Notes and accounts payable . . . . .	302,544	320,515	269,827	2,441,840
Accrued expenses . . . . .	86,697	77,493	76,190	699,735
Accrued income taxes (Note 5) . . . . .	3,694	1,292	1,166	29,817
Deposits received . . . . .	37,718	28,905	29,051	304,430
Deferred tax liabilities-current portion (Note 5) . . . . .	44	69	—	355
Other current liabilities . . . . .	93,356	45,844	59,785	753,482
Total Current Liabilities . . . . .	1,177,880	1,012,867	942,768	9,506,698
<b>Long-Term Debt</b> (Note 3) . . . . .	414,384	444,543	458,958	3,344,505
<b>Accrued Retirement and Severance Benefits</b> (Note 4) . . . . .	105,385	115,547	22,296	850,569
<b>Deferred Tax Liabilities</b> (Note 5) . . . . .	13,889	6,592	—	112,106
<b>Deferred Tax Liabilities Related to Land Revaluation</b> (Note 7) . . . . .	68,116	68,024	—	549,772
<b>Other Long-Term Liabilities</b> . . . . .	13,171	17,534	18,927	106,304
<b>Minority Interest</b> . . . . .	4,555	8,605	6,579	36,769
<b>Contingent Liabilities</b> (Note 9)				
<b>Shareholders' Equity:</b>				
Common stock, par value ¥50 (Note 6)				
Authorized: 3,000,000,000 shares				
Issued 2001: 1,277,453,911 shares				
2000 and 1999: 1,263,246,218 shares . . . . .	90,329	89,619	89,619	729,054
Capital surplus (Note 6) . . . . .	101,741	99,212	99,212	821,157
Variance of land revaluation (Note 7) . . . . .	104,932	102,292	—	846,912
Accumulated deficit . . . . .	(188,891)	(121,785)	(11,058)	(1,524,547)
Foreign currency translation adjustments . . . . .	(13,239)	—	—	(106,854)
Less: treasury stock, at cost . . . . .	(764)	(0)	(2)	(6,167)
Total Shareholders' Equity . . . . .	94,108	169,338	177,771	759,555
<b>Total Liabilities and Shareholders' Equity</b> . . . . .	¥1,891,492	¥1,843,053	¥1,627,302	\$15,266,282

# Consolidated Statements of Operations

For the years ended March 31, 2001, 2000 and 1999

	Millions of Yen			Thousands of U.S. Dollars
	2001	2000	1999	2001
<b>Net Sales</b> . . . . .	<b>¥1,569,199</b>	¥1,506,642	¥1,619,101	<b>\$12,665,050</b>
<b>Cost of Sales</b> . . . . .	<b>1,343,166</b>	1,297,291	1,321,173	<b>10,840,733</b>
Gross Profit . . . . .	<b>226,032</b>	209,350	297,928	<b>1,824,317</b>
<b>Selling, General and Administrative Expenses</b> (Notes 5,10) . . . . .	<b>253,349</b>	260,147	288,747	<b>2,044,787</b>
Operating Income (Loss) . . . . .	<b>(27,316)</b>	(50,797)	9,180	<b>(220,470)</b>
<b>Other Income (Expenses):</b>				
Interest and dividend income . . . . .	<b>5,318</b>	4,902	4,934	<b>42,928</b>
Gain on sales of marketable securities . . . . .	—	4,371	5,325	—
Interest expense . . . . .	<b>(23,522)</b>	(21,924)	(21,075)	<b>(189,849)</b>
Amortization of consolidation difference . . . . .	—	—	49	—
Equity in earnings of unconsolidated subsidiaries and affiliates . . . . .	<b>(1,149)</b>	(900)	(608)	<b>(9,275)</b>
Others, net . . . . .	<b>(766)</b>	(3,699)	(3,591)	<b>(6,189)</b>
Income (Loss) before special items . . . . .	<b>(47,435)</b>	(68,047)	(5,784)	<b>(382,855)</b>
<b>Special Items:</b>				
Gain on sales or disposal of property, plant and equipment, net . . . . .	<b>5,306</b>	27,097	38,651	<b>42,826</b>
Gain on sales of investments . . . . .	<b>1,017</b>	1,192	8,343	<b>8,211</b>
Loss on revaluation of investments . . . . .	<b>(17,006)</b>	(7,333)	(6,559)	<b>(137,263)</b>
Retirement reserve provision of past years . . . . .	—	(93,526)	—	—
Others, net . . . . .	<b>(15,181)</b>	(10,320)	(18,538)	<b>(122,531)</b>
Income (Loss) before income taxes . . . . .	<b>(73,300)</b>	(150,937)	16,111	<b>(591,612)</b>
<b>Income Taxes (Note 5):</b>				
Current . . . . .	<b>4,149</b>	1,876	3,393	<b>33,494</b>
Deferred . . . . .	<b>(5,197)</b>	(47,640)	6,485	<b>(41,947)</b>
<b>Minority Interests in Income of Consolidated Subsidiaries</b> . . . . .	<b>5,466</b>	987	3	<b>44,117</b>
<b>Net Income (Loss)</b> . . . . .	<b>¥ (66,787)</b>	¥ (104,186)	¥ 6,235	<b>\$ (539,041)</b>
		Yen		U.S. Dollars
<b>Net Income (Loss) per Share</b> . . . . .	<b>¥(52.76)</b>	¥(82.48)	¥5.94	<b>\$ (0.43)</b>

See accompanying notes to consolidated financial statements.

# Consolidated Statements of Shareholders' Equity

For the years ended March 31, 2001, 2000, 1999 and 1998

	Millions of Yen				Thousands of U.S. Dollars
	2001	2000	1999	1998	2001
<b>Common Stock:</b>					
Balance at beginning of the year . . . . .	¥ 89,619	¥ 89,619	¥ 63,346	¥ 63,346	\$ 729,054
Add:					
Capital increase . . . . .	710	—	26,272	—	—
Balance at end of the year . . . . .	¥ 90,329	¥ 89,619	¥ 89,619	¥ 63,346	\$ 729,054
<b>Capital Surplus:</b>					
Balance at beginning of the year . . . . .	¥ 99,212	¥ 99,212	¥ 72,939	¥ 72,939	\$ 800,745
Add:					
Capital increase . . . . .	2,528	—	26,272	—	20,411
Balance at end of the year . . . . .	¥ 101,741	¥ 99,212	¥ 99,212	¥ 72,939	\$ 821,157
<b>Legal Reserve:</b>					
Balance at beginning of the year . . . . .	¥ —	¥ —	¥ 9,207	¥ 8,680	\$ —
Add:					
Transfer from retained earnings . . . . .	—	—	—	526	—
Deduct:					
Transfer to retained earnings . . . . .	—	—	(9,207)	—	—
Balance at end of the year . . . . .	¥ —	¥ —	¥ —	¥ 9,207	\$ —
<b>Variance of Land Revaluation:</b>					
Balance at beginning of the year . . . . .	¥ 102,292	¥ —	¥ —	¥ —	\$ 825,608
Add:					
Land revaluation . . . . .	2,501	102,292	—	—	20,189
Reversal of land revaluation . . . . .	138	—	—	—	1,114
Balance at end of the year . . . . .	¥ 104,932	¥ 102,292	¥ —	¥ —	\$ 846,912
<b>Accumulated Deficit:</b>					
Balance at beginning of the year . . . . .	¥(121,785)	¥ (11,058)	¥(23,277)	¥(28,498)	\$ (982,935)
Add:					
Net income . . . . .	—	—	6,235	6,039	—
Transfer from legal reserve . . . . .	—	—	9,207	—	—
Other . . . . .	577	2,555	1,304	5,460	4,667
Deduct:					
Net loss . . . . .	(66,787)	(104,186)	—	—	(539,041)
Cash dividends paid . . . . .	—	—	(2,576)	(5,153)	—
Transfer to legal reserve . . . . .	—	—	—	(526)	—
Other . . . . .	(896)	(9,096)	(1,951)	(600)	(7,237)
Balance at end of the year . . . . .	¥(188,891)	¥(121,785)	¥(11,058)	¥(23,277)	\$ (1,524,547)

See accompanying notes to consolidated financial statements.

# Consolidated Statements of Cash Flows

For the years ended March 31, 2001, 2000 and 1999

	Millions of Yen			Thousands of U.S. Dollars
	2001	2000	1999	2001
<b>Cash Flows from Operating Activities</b>				
Net income (loss) . . . . .	¥ (66,787)	¥(104,186)	¥ 6,235	\$ (539,041)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization . . . . .	104,748	93,444	95,841	845,428
Equity in earnings of affiliated companies, less dividends . . . . .	1,149	900	608	9,274
Gain on sales or disposal of property, plant and equipment, net . . . . .	(2,360)	(27,097)	(38,651)	(19,054)
Provision for doubtful accounts, net . . . . .	468	(2,754)	1,598	3,779
Loss (Gain) on revaluation of investments, net . . . . .	14,460	4,053	4,856	116,710
Gain on sales of investments . . . . .	(973)	(5,497)	(10,478)	(7,858)
Other . . . . .	(26,459)	39,142	(2,618)	(196,310)
Changes in operating assets and liabilities net of effects from the addition of consolidated companies:				
Decrease (Increase) in receivables . . . . .	(13,902)	28,429	36,656	(112,204)
Decrease (Increase) in inventories . . . . .	18,200	12,322	21,477	146,897
Decrease (Increase) in other current assets . . . . .	(12,102)	(8,739)	(10,627)	(97,678)
Increase (Decrease) in notes and accounts payable . . . . .	(34,823)	53,496	(87,734)	(281,063)
Increase (Decrease) in accrued expenses and taxes . . . . .	9,935	(2,299)	(6,287)	80,186
Increase (Decrease) in deposits received . . . . .	7,395	(1,419)	(6,351)	59,691
Increase (Decrease) in other liabilities . . . . .	32,048	(14,851)	(8,751)	241,412
Net Cash Provided by Operating Activities . . . . .	30,995	64,942	(4,227)	250,170
<b>Cash Flows from Investing Activities</b>				
Proceeds from sales of investments . . . . .	3,788	16,817	31,705	30,578
Payments for purchase of securities . . . . .	(1,955)	(21,656)	(33,083)	(15,780)
Payments for property, plant and equipment . . . . .	(99,286)	(110,610)	(109,282)	(801,344)
Proceeds from sales of property, plant and equipment . . . . .	17,831	58,810	65,500	143,915
Other . . . . .	(28,163)	7,867	(9,855)	(227,309)
Net Cash Used in Investing Activities . . . . .	(107,785)	(48,771)	(55,015)	(869,940)
<b>Cash Flows from Financing Activities</b>				
Proceeds from long-term debt . . . . .	121,110	226,352	151,439	977,482
Payments of long-term debt . . . . .	(149,157)	(229,058)	(110,906)	(1,203,853)
Proceeds from issuance of common stock . . . . .	—	—	52,545	—
Increase in short-term debt . . . . .	71,002	7,305	(84,498)	573,060
Dividends paid . . . . .	—	—	(2,585)	—
Others . . . . .	9,832	—	—	79,358
Net Cash Provided by Financing Activities . . . . .	52,788	4,600	5,994	426,047
Effect of Exchange Rate Changes on Cash and Cash Equivalents . . . . .	2,489	(3,948)	(2,327)	20,094
Increase in Cash and Cash Equivalent from the Addition of Consolidated Companies . . . . .	1,291	8,934	3,658	10,421
Net Increase (Decrease) in Cash and Cash Equivalents . . . . .	(20,221)	25,757	(51,918)	(163,206)
Cash and Cash Equivalents at Beginning of the Year . . . . .	157,584	131,827	183,745	1,271,869
Cash and Cash Equivalents at End of the Year . . . . .	¥ 137,363	¥ 157,584	¥ 131,827	\$ 1,108,662
<b>Supplemental Cash Flow Information</b>				
Cash payments during the year for:				
Interest . . . . .	¥ 23,555	¥ 22,414	¥ 19,411	\$ 190,115
Income taxes . . . . .	2,025	1,607	10,983	16,347

See accompanying notes to consolidated financial statements.