

Consolidated Balance Sheets

As of March 31, 2001, 2000 and 1999

ASSETS	Millions of Yen			Thousands of U.S. Dollars
	2001	2000	1999	2001
Current Assets:				
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
Investments and Advances:				
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
Property, Plant and Equipment (Note 3):				
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
Other Assets	9,235	9,172	1,808	74,539
Translation Adjustments	—	19,142	13,638	—
Total Assets	¥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
Current Liabilities:				
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
Long-Term Debt (Note 3)	414,384	444,543	458,958	3,344,505
Accrued Retirement and Severance Benefits (Note 4)	105,385	115,547	22,296	850,569
Deferred Tax Liabilities (Note 5)	13,889	6,592	—	112,106
Deferred Tax Liabilities Related to Land Revaluation				
(Note 7)	68,116	68,024	—	549,772
Other Long-Term Liabilities	13,171	17,534	18,927	106,304
Minority Interest	4,555	8,605	6,579	36,769
Contingent Liabilities (Note 9)				
Shareholders' Equity:				
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
Total Liabilities and Shareholders' Equity	¥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
Net Sales	¥1,569,199	¥1,506,642	¥1,619,101	\$12,665,050
Cost of Sales	1,343,166	1,297,291	1,321,173	10,840,733
Gross Profit	226,032	209,350	297,928	1,824,317
Selling, General and Administrative Expenses (Notes 5,10)	253,349	260,147	288,747	2,044,787
Operating Income (Loss)	(27,316)	(50,797)	9,180	(220,470)
Other Income (Expenses):				
Interest and dividend income	5,318	4,902	4,934	42,928
Gain on sales of marketable securities	—	4,371	5,325	—
Interest expense	(23,522)	(21,924)	(21,075)	(189,849)
Amortization of consolidation difference	—	—	49	—
Equity in earnings of unconsolidated subsidiaries and affiliates	(1,149)	(900)	(608)	(9,275)
Others, net	(766)	(3,699)	(3,591)	(6,189)
Income (Loss) before special items	(47,435)	(68,047)	(5,784)	(382,855)
Special Items:				
Gain on sales or disposal of property, plant and equipment, net	5,306	27,097	38,651	42,826
Gain on sales of investments	1,017	1,192	8,343	8,211
Loss on revaluation of investments	(17,006)	(7,333)	(6,559)	(137,263)
Retirement reserve provision of past years	—	(93,526)	—	—
Others, net	(15,181)	(10,320)	(18,538)	(122,531)
Income (Loss) before income taxes	(73,300)	(150,937)	16,111	(591,612)
Income Taxes (Note 5):				
Current	4,149	1,876	3,393	33,494
Deferred	(5,197)	(47,640)	6,485	(41,947)
Minority Interests in Income of Consolidated Subsidiaries	5,466	987	3	44,117
Net Income (Loss)	¥ (66,787)	¥ (104,186)	¥ 6,235	\$ (539,041)
		Yen		U.S. Dollars
Net Income (Loss) per Share	¥(52.76)	¥(82.48)	¥5.94	\$ (0.43)

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
Common Stock:					
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
Capital Surplus:					
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
Legal Reserve:					
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	\$ —
Variance of Land Revaluation:					
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
Accumulated Deficit:					
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
Cash Flows from Operating Activities				
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
Cash Flows from Investing Activities				
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)
Cash Flows from Financing Activities				
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
Supplemental Cash Flow Information				
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.