

CONSOLIDATED BALANCE SHEETS

As of March 31, 2003 and 2002	Millions of Yen		Thousands of U.S.Dollars
	2003	2002	2003
Assets			
Current assets:			
Cash and time deposits	¥47,095	¥46,663	\$391,811
Notes and accounts receivable	34,643	36,713	288,217
Marketable securities, at cost	9,672	8,632	80,467
Inventories	8,868	9,992	73,777
Deferred tax assets	815	1,488	6,788
Other current assets	1,470	2,029	12,232
Allowance for doubtful accounts	(119)	(3)	(991)
Total current assets	102,446	105,516	852,304
Property, plant and equipment:			
Buildings and structures	22,518	23,275	187,339
Machinery, equipment and vehicles	11,948	12,006	99,408
Land	17,340	17,394	144,263
Construction in progress	220	1,278	1,834
Other tangible fixed assets	1,137	1,319	9,466
Total property, plant and equipment	53,165	55,274	442,312
Intangible assets:			
Softwares	272	345	2,265
Other intangible assets	247	266	2,057
Total intangible assets	519	612	4,322
Investments and other assets:			
Investment securities	53,881	70,428	448,263
Long-term receivables	23	24	196
Deferred tax assets	4,120	2,757	34,278
Other investments	2,878	3,160	23,945
Allowance for doubtful accounts	(346)	(297)	(2,883)
Total investments and other assets	60,556	76,073	503,800
Total	¥216,689	¥237,477	\$1,802,739

	Millions of Yen		Thousands of U.S.Dollars
	2003	2002	2003
Liabilities and Shareholders' equity			
Current liabilities:			
Notes and accounts payable	¥16,419	¥20,830	\$136,599
Accrued expenses	12,302	12,271	102,347
Accrued income taxes	2,875	911	23,922
Convertible bonds redeemable within a year	–	14,894	–
Other current liabilities	2,111	3,272	17,569
Total current liabilities	33,708	52,180	280,439
Long-term liabilities:			
Deferred tax liabilities	–	2	–
Allowance for directors' retirement benefits	822	1,066	6,841
Termination and retirement benefits	8,591	10,678	71,476
Negative goodwill	263	505	2,191
Other long-term liabilities	664	370	5,532
Total long-term liabilities	10,342	12,623	86,042
Total liabilities	44,051	64,803	366,481
Minority interests	394	363	3,281
Shareholders' equity			
Common stock, authorized ; 2003 – 391,500,000 shares 2002 – 393,000,000 shares issued ; 2003 – 110,878,734 shares 2002 – 112,378,734 shares	9,948	9,948	82,764
Capital surplus	23,868	23,868	198,571
Retained earnings	135,962	134,470	1,131,133
Net unrealized holding gains on securities	3,050	4,177	25,381
Foreign currency translation adjustments	(513)	(135)	(4,269)
Treasury stock	(72)	(19)	(605)
Total shareholders' equity	172,243	172,309	1,432,976
Total	¥216,689	¥237,477	\$1,802,739

CONSOLIDATED STATEMENTS OF INCOME

For the years ended March 31, 2003 and 2002	Millions of Yen		Thousands of U.S.Dollars
	2003	2002	2003
Net sales	¥191,413	¥189,184	\$1,592,459
Costs and expenses:			
Cost and sales	102,411	101,595	852,006
Selling, general and administrative expenses	81,191	80,825	675,472
Operating income	7,810	6,763	64,980
Non-operating income:			
Interest and dividends received	1,203	1,325	10,008
Amortization of negative goodwill	242	242	2,018
Others	318	389	2,647
Non-operating expenses:			
Interest paid	191	278	1,597
Others	544	252	4,530
Ordinary income	8,837	8,190	73,526
Extraordinary income:			
Gain on sales of fixed assets	10	82	86
Gain on sales of investment securities	431	1	3,586
Gain on return of substitutional portion of national government welfare pension program funds	2,567	–	21,359
Others	165	8	1,373
Extraordinary losses:			
Loss on disposals of fixed assets	654	254	5,447
Loss on devaluation of investment securities	888	584	7,392
Loss on devaluation of golf club memberships	134	171	1,114
Expenses related to a voluntary recall of the products	–	863	–
Others	218	182	1,814
Net income before income taxes and minority interests	10,116	6,229	84,163
Income taxes:			
Current	4,479	3,038	37,264
Deferred	247	(340)	2,062
Total income taxes	4,727	2,697	39,326
Minority interests	35	32	295
Net income	¥5,353	¥3,498	\$44,541

CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended March 31, 2003	Millions of Yen 2003	Thousands of U.S.Dollars 2003
Cash flows from operating activities:		
Net income before income taxes and minority interests	¥10,116	\$84,163
Adjustments for:		
Depreciation and amortization	4,626	38,490
Amortization of negative goodwill	(242)	(2,018)
Return on invested capital by equity method	21	176
Loss on devaluation of investment securities & golf club memberships	935	7,778
Increase in allowance for doubtful accounts	165	1,374
Decrease in allowance for directors' retirement benefits	(243)	(2,029)
Decrease in provision for retirement benefits	(2,086)	(17,360)
Interest and dividends receivable	(1,203)	(10,008)
Interest payable	191	1,597
Gain from changes in exchange rates	85	708
Gain on sales of marketable securities	(432)	(3,595)
Gain on sales of fixed assets	(10)	(86)
Loss on disposals of fixed assets	654	5,447
Decrease in trade receivable	2,002	16,658
Decrease in inventories	1,100	9,154
Decrease in purchase payable	(4,293)	(35,715)
Decrease in accrued bonus	(147)	(1,225)
Decrease in other assets	425	3,536
Decrease in other liabilities	(769)	(6,400)
Amount of bonus paid to directors	(79)	(663)
Subtotal	10,815	89,982
Interest and dividends received	1,346	11,206
Interest paid	(274)	(2,285)
Income taxes paid	(2,514)	(20,917)
Cash flows from operating activities	9,373	77,986
Cash flows from investing activities:		
Acquisition of marketable securities	(4,015)	(33,404)
Income on sales of marketable securities	11,585	96,387
Acquisition of property, plant and equipment	(2,826)	(23,514)
Proceeds from sales of property, plant and equipment	14	117
Acquisition of intangible fixed assets	(105)	(880)
Acquisition of investment securities	(17,625)	(146,638)
Income on sales of investment securities	22,929	190,765
Cash flows from investing activities	9,956	82,831
Cash flows from financing activities:		
Repayment of convertible bonds	(14,894)	(123,910)
Acquisition of treasury stock	(1,702)	(14,160)
Dividends paid	(2,134)	(17,759)
Dividends paid to minority shareholders	(3)	(25)
Cash flows from financing activities	(18,733)	(155,854)
Effect of exchange rate changes	(163)	(1,363)
Increase in cash and cash equivalents	432	3,598
Beginning balace of cash and cah equivalents	46,663	388,213
Ending balance of cash and cash equivalents	47,095	391,811

NON-CONSOLIDATED BALANCE SHEETS

As of March 31, 2003 and 2002	Millions of Yen		Thousands of U.S.Dollars
	2003	2002	2003
Assets			
Current assets:			
Cash and time deposits	¥40,945	¥41,555	\$340,643
Notes receivable	721	850	6,002
Accounts receivable	31,228	33,182	259,808
Marketable securities at cost	9,657	8,497	80,343
Finished products and goods	5,527	6,451	45,985
Raw materials	1,688	1,923	14,043
Goods in progress	586	537	4,880
Supplies	579	436	4,823
Deferred tax assets	677	1,378	5,638
Other current assets	2,445	2,261	20,346
Allowance for doubtful accounts	(0)	(0)	(6)
Total current assets	94,057	97,074	782,508
Property, plant and equipment:			
Buildings	18,971	19,728	157,831
Structures	1,025	1,108	8,532
Machinery and equipment	9,990	9,745	83,118
Vehicles	145	198	1,206
Tools, furnitures, and fixtures	997	1,154	8,300
Land	16,435	16,435	136,734
Construction in progress	136	1,259	1,132
Total property, plant and equipment	47,702	49,631	396,856
Intangible assets:			
Telephone subscription right	45	45	379
Softwares	116	130	971
Other intangible assets	12	14	102
Total intangible assets	174	190	1,453
Investments and other assets:			
Investment securities	57,976	75,631	482,337
Investment in capitals	394	345	3,279
Long-term receivables	1,495	2,209	12,438
Guaranty money deposits	1,489	1,604	12,389
Prepaid expenses	26	25	217
Deferred tax assets	3,948	2,498	32,848
Other investments	70	96	590
Allowance for doubtful accounts	(343)	(897)	(2,859)
Total investments	65,057	81,513	541,242
Total	¥206,991	¥228,410	\$1,722,061

	Millions of Yen		Thousands of U.S.Dollars
	2003	2002	2003
Liabilities and Shareholders' equity			
Current liabilities:			
Notes payable	¥2,599	¥2,971	\$21,625
Accounts payable	11,879	16,941	98,833
Other accounts payable	11,867	12,058	98,734
Convertible bonds redeemable within a year	–	14,894	–
Accrued income taxes	2,617	646	21,772
Accrued expenses	761	1,886	6,337
Deposits received	191	91	1,589
Other current liabilities	508	322	4,230
Total current liabilities	30,425	49,812	253,122
Long-term liabilities:			
Termination and retirement benefits	8,157	10,246	67,863
Guarantee deposits received from customers	645	345	5,371
Allowance for directors' retirement benefits	822	1,066	6,841
Total long-term liabilities	9,625	11,658	80,077
Total liabilities	40,050	61,471	333,199
Shareholders' equity			
Common stock, authorized ; 2003 – 391,500,000 shares 2002 – 393,000,000 shares issued ; 2003 – 110,878,734 shares 2002 – 112,378,734 shares	9,948	9,948	82,764
Capital surplus	23,815	23,815	198,132
Retained earnings:			
Legal reserve	2,487	2,487	20,691
Other retained earnings	127,709	126,538	1,062,478
Net unrealized holding gains on securities	3,053	4,169	25,400
Treasury stock	(72)	(19)	(605)
Total shareholders' equity	166,941	166,939	1,388,861
Total	¥206,991	¥228,410	\$1,722,061

NON-CONSOLIDATED STATEMENTS OF INCOME

For the years ended March 31, 2003 and 2002	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	2003
Net sales	¥163,123	¥164,384	\$1,357,097
Costs and expenses:			
Cost of sales	78,763	80,625	655,270
Selling, general and administrative expenses	77,353	77,658	643,543
Operating income	7,005	6,101	58,283
Non-operating income:			
Interest and dividends received	1,352	1,410	11,250
Others	748	728	6,227
Non-operating expenses:			
Interest paid	194	278	1,620
Lease	312	374	2,600
Others	420	199	3,501
Ordinary income	8,178	7,387	68,038
Extraordinary income:			
Gain on sales of fixed assets	–	82	–
Reversal of allowance for doubtful accounts	601	–	5,004
Gain on sales of investment securities	431	1	3,586
Gain on return of substitutional portion of national government welfare pension program funds	2,567	–	21,359
Others	155	–	1,295
Extraordinary losses:			
Loss on disposals of fixed assets	550	236	4,583
Loss on devaluation of investment securities	886	575	7,371
Loss on devaluation of affiliated company securities	1,107	–	9,217
Loss on devaluation golf club memberships	131	171	1,094
Expenses related to a voluntary recall of the products	–	863	–
Others	–	167	–
Net income before income taxes	9,257	5,457	77,016
Income taxes:			
Current	4,056	2,677	33,751
Deferred	179	(306)	1,493
Total income taxes	4,236	2,371	35,244
Net income	5,020	3,086	41,772
Unappropriated retained earnings at beginning of year	937	1,051	7,801
Retirement of treasury stock	1,648	–	13,717
Unappropriated retained earnings at end of year	¥4,309	¥4,138	\$35,856