

FINANCIAL STATEMENTS

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CONSOLIDATED STATEMENTS OF INCOME (YEARS ENDED MARCH 31)

(Million ¥)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Net sales	5,543,247	5,716,962	6,401,417	7,077,855	7,736,961	7,765,545	7,536,166	7,400,205	7,592,266	8,123,810
Cost of sales	4,088,523	4,122,534	4,552,089	5,023,533	5,417,159	5,488,738	5,438,158	5,311,992	5,393,757	5,828,887
Gross profit	1,454,724	1,594,428	1,849,328	2,054,322	2,319,802	2,276,807	2,098,008	2,088,213	2,198,509	2,294,923
Selling, general and administrative expenses	1,183,906	1,275,307	1,416,142	1,553,218	1,813,383	1,924,780	1,875,847	1,874,824	1,893,919	1,962,341
Operating income	270,818	319,121	433,186	501,104	506,419	352,027	222,161	213,389	304,590	332,582
Other income:										
Interest	118,932	114,831	118,597	151,488	173,692	168,991	126,176	94,434	74,550	51,126
Dividends	7,525	8,254	8,878	10,829	9,072	8,351	9,167	6,863	8,003	8,010
Other	27,081	18,615	15,751	14,760	22,153	10,456	3,563	3,675	13,319	51,827
	153,538	141,700	143,226	177,077	204,917	187,798	138,906	104,972	95,872	110,963
Other deductions:										
Interest and discount charges	81,228	72,527	71,438	97,047	129,886	140,282	113,839	78,113	74,998	63,375
Other	48,328	8,439	13,869	51,144	19,377	24,661	12,484	11,885	41,821	31,543
	129,556	80,966	85,307	148,191	149,263	164,943	126,323	89,998	116,819	94,918
Income before income taxes, minority interests and cumulative effect of accounting change	294,800	379,855	491,105	529,990	562,073	374,882	234,744	228,363	283,643	348,627
Income taxes	174,991	218,387	272,776	281,309	290,450	219,336	138,916	146,953	153,443	165,764
Income before minority interests and cumulative effect of accounting change	119,809	161,468	218,329	248,681	271,623	155,546	95,828	81,410	130,200	182,863
Minority interests	21,133	24,662	32,742	37,718	41,438	27,935	18,539	13,161	16,288	41,093
Income before cumulative effect of accounting change	98,676	136,806	185,587	210,963	230,185	127,611	77,289	68,249	113,912	141,770
Cumulative effect of accounting change (Note 4)	—	—	—	—	—	—	—	2,970	—	—
Net income	98,676	136,806	185,587	210,963	230,185	127,611	77,289	65,279	113,912	141,770
Net income per share (Yen)	31.86	42.03	56.14	61.71	65.96	36.91	22.68	19.27	33.02	40.09

R&D expenditure	314,345	331,623	373,511	429,470	490,708	519,525	501,191	484,237	491,481	493,788
Capital investment (Property, plant and equipment)	423,566	370,748	532,392	658,153	781,488	757,389	615,345	662,248	655,410	723,477

Notes: 1. Figures for 1988 and 1987 have been restated to conform with new standards employed for 1989. See note 3 on page 1.

2. Figures for net income per share are after retroactive adjustment for the free distribution. See note 4 on page 1.

3. Cumulative effect to April 1, 1993 of the application of Statement of Financial Accounting Standards (SFAS) No.109, "Accounting for Income Taxes." See note 5 on page 1.

CONSOLIDATED BALANCE SHEETS (AS OF MARCH 31)

Assets	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Current assets:										
Cash and cash equivalents	1,194,195	1,404,640	1,638,328	1,853,734	1,648,460	1,495,794	1,368,270	1,331,605	1,620,936	1,627,716
Short-term investments	374,353	350,933	385,085	324,784	384,909	487,303	639,108	806,699	582,785	592,977
Total	1,568,548	1,755,573	2,023,413	2,178,518	2,033,369	1,983,097	2,007,378	2,138,304	2,203,721	2,220,693
Trade receivables:										
Notes	337,061	348,523	395,852	433,037	481,258	493,303	418,489	403,311	402,024	462,685
Accounts	786,785	870,629	976,254	1,161,228	1,352,641	1,327,165	1,347,967	1,396,149	1,440,006	1,662,631
Inventories	1,057,881	1,135,198	1,249,806	1,355,007	1,597,129	1,750,263	1,605,178	1,523,593	1,572,259	1,707,159
Prepaid expenses and other current assets	175,323	193,193	224,419	263,112	286,559	295,727	295,658	335,093	357,922	389,214
Total current assets	3,925,598	4,303,116	4,869,744	5,390,902	5,750,956	5,849,555	5,674,670	5,796,450	5,975,932	6,442,382
Noncurrent receivables and restricted funds	131,354	119,157	121,766	134,868	155,680	172,427	185,130	169,170	180,464	161,795
Investments and advances, including affiliated companies	263,525	277,103	324,012	358,736	420,178	436,498	436,614	438,488	436,603	507,437
Property, plant and equipment:										
Land	151,924	162,641	185,184	225,918	251,755	280,241	297,504	297,889	317,604	334,488
Buildings	618,388	681,780	742,070	872,128	1,017,059	1,149,894	1,237,429	1,392,564	1,434,417	1,514,113
Machinery and equipment	2,489,041	2,556,831	2,748,970	3,042,851	3,356,157	3,650,784	3,844,842	4,064,912	4,246,645	4,538,128
Construction in progress	24,098	23,163	47,796	64,942	89,474	106,136	78,733	42,575	51,599	90,481
Less accumulated depreciation	3,283,451	3,424,415	3,724,020	4,205,839	4,714,445	5,187,055	5,458,508	5,797,940	6,050,265	6,477,210
Net property, plant and equipment	1,384,886	1,353,607	1,473,549	1,708,891	1,985,726	2,169,107	2,203,834	2,292,869	2,310,981	2,421,785
Other assets	136,758	134,938	148,580	211,689	213,581	230,323	247,523	234,114	237,638	270,039
	5,842,121	6,187,921	6,937,651	7,805,086	8,526,121	8,857,910	8,747,771	8,931,091	9,141,618	9,803,438

Notes: 1. Figures for 1988 and 1987 have been restated to conform with new standards employed for 1989. See note 3 on page 1.

2. In accordance with the requirements of Statement of Financial Accounting Standards (SFAS) No. 95, "Cash and cash equivalents" and "Short-term investments" are indicated separately from 1987.

Liabilities and Stockholders' Equity

(Million ¥)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Current liabilities:										
Short-term debt	812,427	807,136	819,542	781,590	861,859	906,002	825,060	794,250	823,402	882,605
Current installments of long-term debt	41,274	40,469	44,726	46,790	53,056	113,990	103,103	107,316	83,848	150,746
Trade payables:										
Notes	239,494	265,938	280,165	317,389	335,938	318,625	273,520	245,175	212,007	212,789
Accounts	370,559	448,274	535,227	611,276	723,182	636,634	614,237	640,963	710,397	823,280
Accrued expenses	339,131	375,154	446,038	553,679	587,664	627,604	628,361	664,065	674,653	734,036
Income taxes	103,262	142,888	186,125	157,179	155,717	96,214	70,567	84,671	106,793	130,974
Advances received	476,678	458,449	510,342	434,234	495,183	572,081	573,583	544,449	578,137	500,889
Employees' deposits	115,648	116,350	123,716	127,864	125,310	128,874	134,163	132,454	138,972	131,088
Other current liabilities	194,504	196,334	237,619	284,906	356,423	341,619	332,221	362,471	361,665	398,680
Total current liabilities	2,692,977	2,850,992	3,183,500	3,314,907	3,694,332	3,741,643	3,554,815	3,575,814	3,689,874	3,965,087
Long-term debt	528,237	468,410	520,885	886,798	891,022	975,605	990,113	1,025,305	1,011,996	1,203,353
Retirement and severance benefits	401,300	439,486	481,335	493,955	520,108	564,932	601,243	629,242	648,493	659,510
Other liabilities (Note 2)	—	—	—	—	—	—	—	81,625	82,651	79,315
Total liabilities	3,622,514	3,758,888	4,185,720	4,695,660	5,105,462	5,282,180	5,146,171	5,311,986	5,433,014	5,907,265
Minority interests (Note 3)	393,639	410,486	470,375	548,591	609,518	657,779	661,442	659,940	675,227	696,101
Stockholders' equity (Note 3):										
Common stock of ¥50 par value	141,228	180,304	219,350	246,913	269,747	270,917	270,918	273,266	276,041	278,178
Capital surplus	181,629	232,865	302,651	357,775	410,381	436,753	436,819	440,517	445,260	480,718
Legal reserve	51,163	52,705	56,190	60,021	66,519	72,163	78,161	84,147	89,955	95,377
Retained earnings	1,482,469	1,590,976	1,740,285	1,911,144	2,093,902	2,173,995	2,209,261	2,231,914	2,303,612	2,404,388
Foreign currency translation adjustments	(30,521)	(38,303)	(36,920)	(15,018)	(29,408)	(35,877)	(55,001)	(70,679)	(81,491)	(58,589)
Total stockholders' equity	1,825,968	2,018,547	2,281,556	2,560,835	2,811,141	2,917,951	2,940,158	2,959,165	3,033,377	3,200,072
	5,842,121	6,187,921	6,937,651	7,805,086	8,526,121	8,857,910	8,747,771	8,931,091	9,141,618	9,803,438

Notes: 1. Figures for 1988 and 1987 have been restated to conform with new standards employed for 1989. See note 3 on page 1.

2. Other liabilities at March 31, 1994 to 1996 consist of long-term payables for property, deferred tax liabilities under SFAS No. 109 and other. See note 5 on Page 1.

3. SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," effective for the previous fiscal year, has not been implemented in the consolidated balance sheets as allowed by the U.S. Securities and Exchange Commission. If implemented, unrealized holding gains (net) of the securities in the scope of SFAS No. 115 amounting to ¥785,038 million as of March 31, 1996, were included in measurement of these investments, and the balances of "Minority interests" and "Stockholders' equity" were increased by ¥37,562 million, ¥349,874 million respectively.