

# FINANCIAL STATEMENTS

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# CONSOLIDATED STATEMENTS OF INCOME (YEARS ENDED MARCH 31)

(Million ¥)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Net sales	6,401,417	7,077,855	7,736,961	7,765,545	7,536,166	7,400,205	7,592,266	8,123,810	8,523,100	8,416,834
Cost of sales	4,552,089	5,023,533	5,417,159	5,488,738	5,438,158	5,311,992	5,393,757	5,828,887	6,250,895	6,230,044
Gross profit	1,849,328	2,054,322	2,319,802	2,276,807	2,098,008	2,088,213	2,198,509	2,294,923	2,272,205	2,186,790
Selling, general and administrative expenses	1,416,142	1,553,218	1,813,383	1,924,780	1,875,847	1,874,824	1,893,919	1,962,341	1,975,039	1,977,783
Operating income	433,186	501,104	506,419	352,027	222,161	213,389	304,590	332,582	297,166	209,007
Other income:										
Interest	118,597	151,488	173,692	168,991	126,176	94,434	74,550	51,126	37,632	41,084
Dividends	8,878	10,829	9,072	8,351	9,167	6,863	8,003	8,010	8,638	9,469
Other	15,751	14,760	22,153	10,456	3,563	3,675	13,319	51,827	41,561	111,176
	143,226	177,077	204,917	187,798	138,906	104,972	95,872	110,963	87,831	161,729
Other deductions:										
Interest and discount charges	71,438	97,047	129,886	140,282	113,839	78,113	74,998	63,375	60,669	59,635
Other	13,869	51,144	19,377	24,661	12,484	11,885	41,821	31,543	61,004	139,375
	85,307	148,191	149,263	164,943	126,323	89,998	116,819	94,918	121,673	199,010
Income before income taxes, minority interests and cumulative effect of accounting change	491,105	529,990	562,073	374,882	234,744	228,363	283,643	348,627	263,324	171,726
Income taxes	272,776	281,309	290,450	219,336	138,916	146,953	153,443	165,764	138,495	142,693
Income before minority interests and cumulative effect of accounting change	218,329	248,681	271,623	155,546	95,828	81,410	130,200	182,863	124,829	29,033
Minority interests	32,742	37,718	41,438	27,935	18,539	13,161	16,288	41,093	36,498	25,556
Income before cumulative effect of accounting change	185,587	210,963	230,185	127,611	77,289	68,249	113,912	141,770	88,331	3,477
Cumulative effect of accounting change (Note 3)	—	—	—	—	—	2,970	—	—	—	—
Net income	185,587	210,963	230,185	127,611	77,289	65,279	113,912	141,770	88,331	3,477
Net income per share (Yen)	56.14	61.71	65.96	36.91	22.68	19.27	33.02	40.09	25.55	1.00

R&D expenditure	373,511	429,470	490,708	519,525	501,191	484,237	491,481	493,788	503,508	510,878
Capital investment (Property, plant and equipment)	532,392	658,153	781,488	757,389	615,345	662,248	655,410	723,477	740,135	712,672

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

2. 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.

3. Net deferred tax assets of domestic consolidated companies as of the end of fiscal 1997 (year ended March 31, 1998) have been measured by the normal tax rate of several corporate income taxes, which have been diminished in context of an enacted revision of Japanese tax accounting for fiscal 1998 and are to be applied for the tax filings for fiscal 1998, as required by a tax effect accounting of United States generally accepted accounting principles.

This accounting treatment has given a negative effect of ¥27,053 million (\$205 million) to consolidated Net income as for fiscal 1997.

# CONSOLIDATED BALANCE SHEETS (AS OF MARCH 31)

## Assets

(Million ¥)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Current assets:										
Cash and cash equivalents	1,638,328	1,853,734	1,648,460	1,495,794	1,368,270	1,331,605	1,620,936	1,627,716	1,309,949	<b>1,199,540</b>
Short-term investments	385,085	324,784	384,909	487,303	639,108	806,699	582,785	592,977	763,320	<b>713,672</b>
Total	2,023,413	2,178,518	2,033,369	1,983,097	2,007,378	2,138,304	2,203,721	2,220,693	2,073,269	<b>1,913,212</b>
Trade receivables:										
Notes	395,852	433,037	481,258	493,303	418,489	403,311	402,024	462,685	411,459	<b>369,838</b>
Accounts	976,254	1,161,228	1,352,641	1,327,165	1,347,967	1,396,149	1,440,006	1,662,631	1,876,678	<b>1,897,410</b>
Inventories	1,249,806	1,355,007	1,597,129	1,750,263	1,605,178	1,523,593	1,572,259	1,707,159	1,576,751	<b>1,626,684</b>
Prepaid expenses and other current assets	224,419	263,112	286,559	295,727	295,658	335,093	357,922	389,214	409,750	<b>428,912</b>
Total current assets	4,869,744	5,390,902	5,750,956	5,849,555	5,674,670	5,796,450	5,975,932	6,442,382	6,347,907	<b>6,236,056</b>
Noncurrent receivables and restricted funds	121,766	134,868	155,680	172,427	185,130	169,170	180,464	161,795	188,473	<b>195,546</b>
Investments and advances, including affiliated companies	324,012	358,736	420,178	436,498	436,614	438,488	436,603	507,437	529,369	<b>653,786</b>
Property, plant and equipment:										
Land	185,184	225,918	251,755	280,241	297,504	297,889	317,604	334,488	345,322	<b>363,771</b>
Buildings	742,070	872,128	1,017,059	1,149,894	1,237,429	1,392,564	1,434,417	1,514,113	1,635,937	<b>1,703,708</b>
Machinery and equipment	2,748,970	3,042,851	3,356,157	3,650,784	3,844,842	4,064,912	4,246,645	4,538,128	4,817,314	<b>5,074,698</b>
Construction in progress	47,796	64,942	89,474	106,136	78,733	42,575	51,599	90,481	117,290	<b>99,755</b>
Less accumulated depreciation	3,724,020	4,205,839	4,714,445	5,187,055	5,458,508	5,797,940	6,050,265	6,477,210	6,915,863	<b>7,241,932</b>
Net property, plant and equipment	2,250,471	2,496,948	2,728,719	3,017,948	3,254,674	3,505,071	3,739,284	4,055,425	4,356,366	<b>4,595,800</b>
Other assets	148,580	211,689	213,581	230,323	247,523	234,114	237,638	270,039	339,463	<b>381,492</b>
	6,937,651	7,805,086	8,526,121	8,857,910	8,747,771	8,931,091	9,141,618	9,803,438	9,964,709	<b>10,113,012</b>

## Liabilities and Stockholders' Equity

(Million ¥)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Current liabilities:										
Short-term debt	819,542	781,590	861,859	906,002	825,060	794,250	823,402	882,605	994,469	1,103,217
Current installments of long-term debt	44,726	46,790	53,056	113,990	103,103	107,316	83,848	150,746	187,022	214,064
Trade payables:										
Notes	280,165	317,389	335,938	318,625	273,520	245,175	212,007	212,789	140,067	132,159
Accounts	535,227	611,276	723,182	636,634	614,237	640,963	710,397	823,280	945,450	944,112
Accrued expenses	446,038	553,679	587,664	627,604	628,361	664,065	674,653	734,036	732,070	728,741
Income taxes	186,125	157,179	155,717	96,214	70,567	84,671	106,793	130,974	118,685	89,715
Advances received	510,342	434,234	495,183	572,081	573,583	544,449	578,137	500,889	411,752	395,674
Employees' deposits	123,716	127,864	125,310	128,874	134,163	132,454	138,972	131,088	41,297	20,750
Other current liabilities	237,619	284,906	356,423	341,619	332,221	362,471	361,665	398,680	365,164	411,745
Total current liabilities	3,183,500	3,314,907	3,694,332	3,741,643	3,554,815	3,575,814	3,689,874	3,965,087	3,935,976	4,040,177
Long-term debt	520,885	886,798	891,022	975,605	990,113	1,025,305	1,011,996	1,203,353	1,244,612	1,287,532
Retirement and severance benefits	481,335	493,955	520,108	564,932	601,243	629,242	648,493	659,510	671,794	682,871
Other liabilities (Note 1)	—	—	—	—	—	81,625	82,651	79,315	84,699	92,494
Total liabilities	4,185,720	4,695,660	5,105,462	5,282,180	5,146,171	5,311,986	5,433,014	5,907,265	5,937,081	6,103,074
Minority interests (Note 2)	470,375	548,591	609,518	657,779	661,442	659,940	675,227	696,101	743,738	769,168
Stockholders' equity (Note 2):										
Common stock of ¥50 par value	219,350	246,913	269,747	270,917	270,918	273,266	276,041	278,178	281,684	281,735
Capital surplus	302,651	357,775	410,381	436,753	436,819	440,517	445,260	480,718	486,695	492,272
Legal reserve	56,190	60,021	66,519	72,163	78,161	84,147	89,955	95,377	101,146	104,370
Retained earnings	1,740,285	1,911,144	2,093,902	2,173,995	2,209,261	2,231,914	2,303,612	2,404,388	2,447,391	2,406,253
Foreign currency translation adjustments	(36,920)	(15,018)	(29,408)	(35,877)	(55,001)	(70,679)	(81,491)	(58,589)	(33,026)	(43,860)
Total stockholders' equity	2,281,556	2,560,835	2,811,141	2,917,951	2,940,158	2,959,165	3,033,377	3,200,072	3,283,890	3,240,770
	6,937,651	7,805,086	8,526,121	8,857,910	8,747,771	8,931,091	9,141,618	9,803,438	9,964,709	10,113,012

Notes: 1. Other liabilities at March 31, 1994 to 1998 consist of long-term payables for property, deferred tax liabilities under SFAS No. 109 and other. See note 5 on Page 1.

2. SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," effective for the fiscal year ended March 31, 1995, 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 ¥306,497 million as of March 31, 1998, were included in measurement of these investments, and the balances of "Minority interests" and "Stockholders' equity" were increased by ¥19,071 million and ¥143,611 million, respectively.