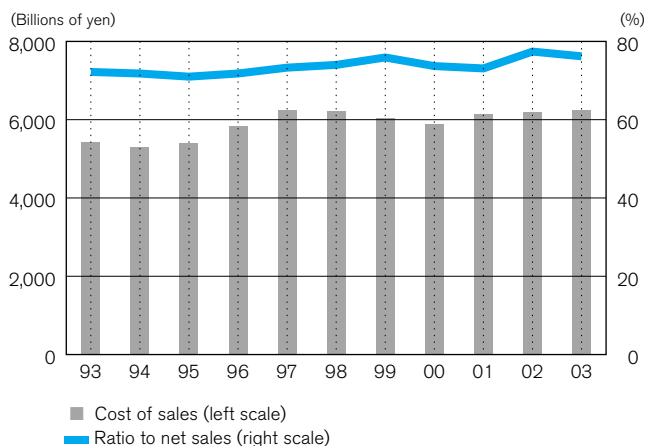


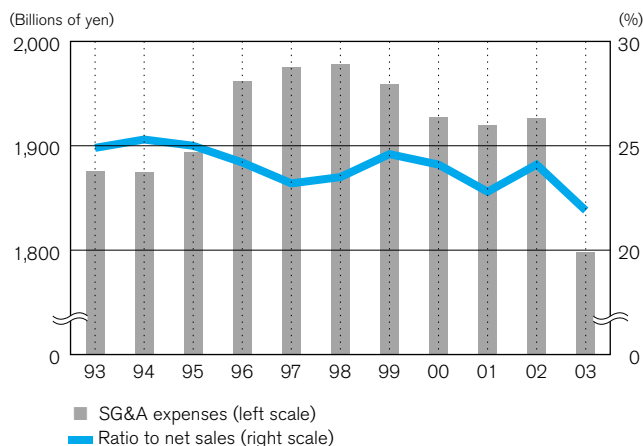
# Analysis of Operating Results

Years ended March 31

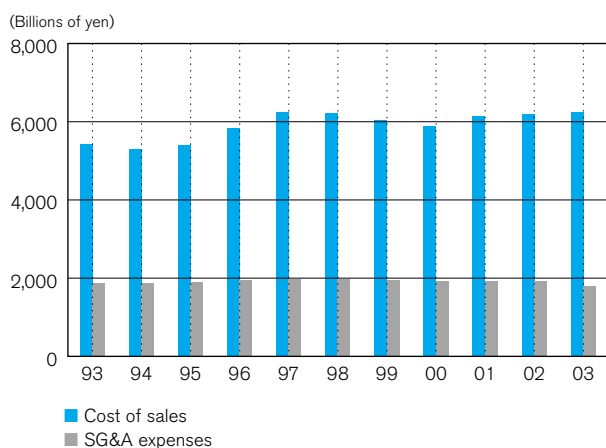
### Cost of sales and ratio to net sales (note 2)



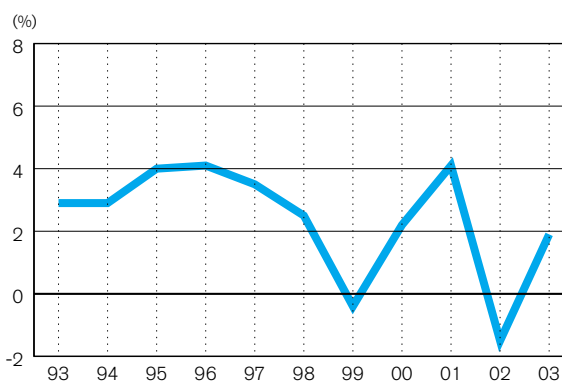
### SG&A expenses and ratio to net sales (note 2)



### Cost of sales and SG&A expenses (note 2)



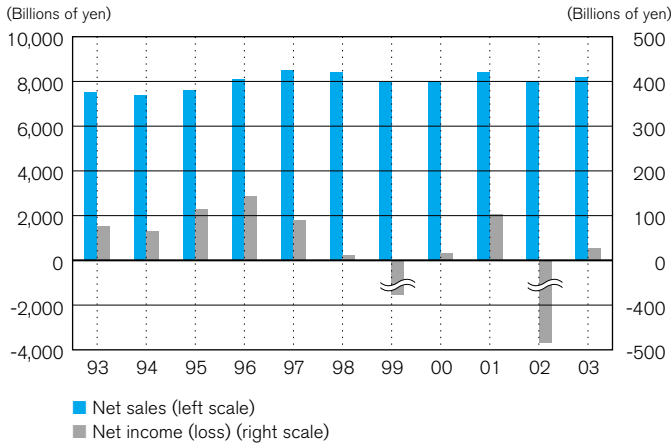
### Operating income (loss) to net sales (note 2)



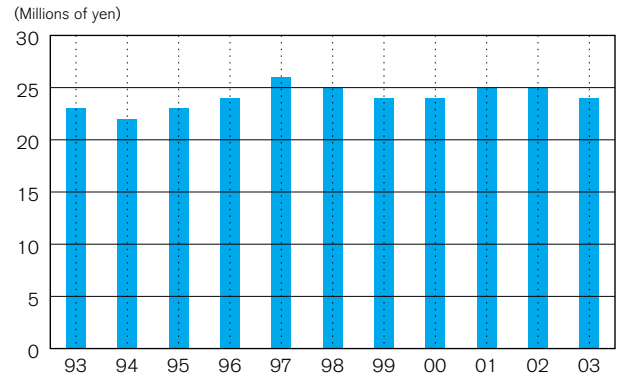
Net sales	¥7,536	¥7,400	¥7,592
Cost of sales	5,438	5,312	5,394
Ratio to net sales (%)	72.2%	71.8%	71.0%
Selling, general and administrative expenses (note 2)	1,876	1,875	1,894
Ratio to net sales (%)	24.9%	25.3%	24.9%
Operating income (loss) (note 2)	222	213	305
Ratio to net sales (%)	2.9%	2.9%	4.0%
Net income (loss)	77	65	114
R&D expenditure	501	484	491
Ratio to net sales (%)	6.7%	6.5%	6.5%
Net sales per employee (Millions of yen)	23	22	23

Notes: 1. Figures are rounded.  
2. See note 2 on page 2.

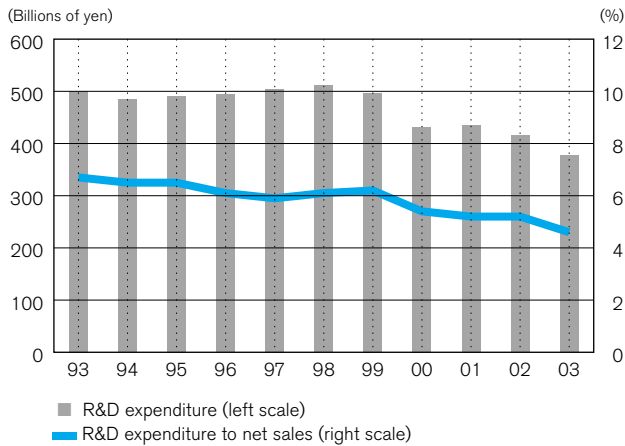
### Net sales and net income (loss)



### Net sales per employee



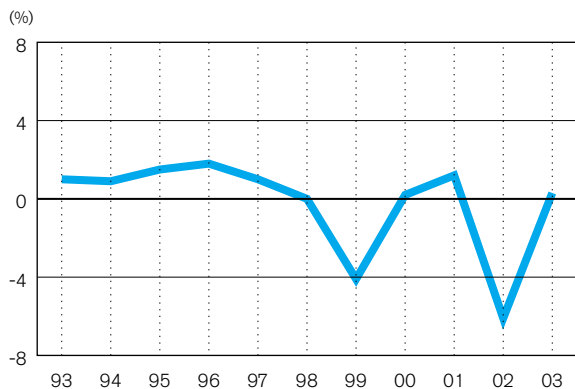
### R&D expenditure and R&D expenditure to net sales



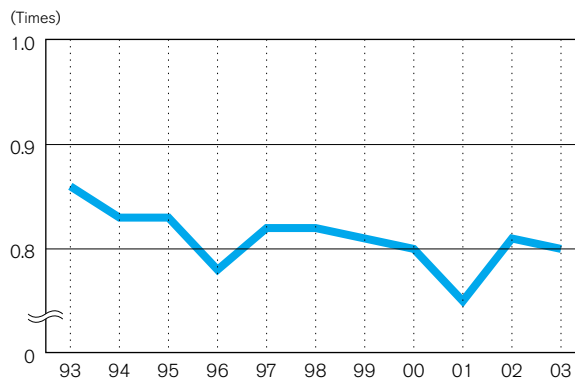
Billions of yen

	1996	1997	1998	1999	2000	2001	2002	2003
	¥8,124	¥8,523	¥8,417	¥7,977	¥8,001	¥8,417	¥7,994	¥8,192
	5,829	6,251	6,230	6,052	5,899	6,155	6,184	6,240
	71.8%	73.3%	74.0%	75.9%	73.7%	73.1%	77.4%	76.2%
	1,962	1,975	1,978	1,959	1,928	1,920	1,927	1,798
	24.2%	23.2%	23.5%	24.6%	24.1%	22.8%	24.1%	22.0%
	333	297	209	(34)	174	342	(117)	153
	4.1%	3.5%	2.5%	(0.4)%	2.2%	4.1%	(1.5)%	1.9%
	143	90	12	(328)	17	104	(484)	28
	494	504	511	497	432	436	415	377
	6.1%	5.9%	6.1%	6.2%	5.4%	5.2%	5.2%	4.6%
	24	26	25	24	24	25	25	24

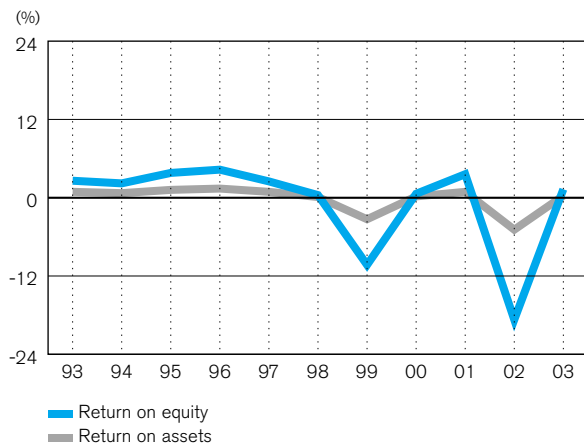
### Return on sales



### Asset turnover



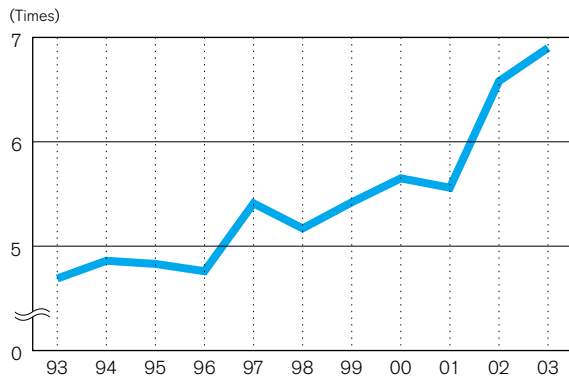
### Return on equity and return on assets



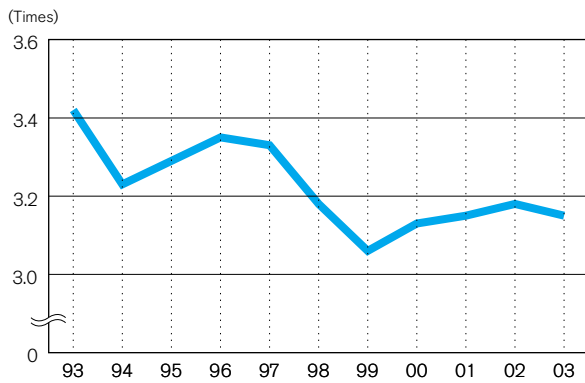
	1993	1994	1995
Return on sales (%)	1.0%	0.9%	1.5%
Return on equity (%)	2.6%	2.2%	3.8%
Return on assets (%)	0.9%	0.7%	1.2%
Asset turnover (Times)	0.86	0.83	0.83
Inventory turnover (Times)	4.69	4.86	4.83
Fixed assets	2,204	2,293	2,311
Fixed assets turnover (Times)	3.42	3.23	3.29

- Notes:
1. Return on sales = Net income (loss) / Net sales
  2. Return on equity = Net income (loss) / Average stockholders' equity
  3. Return on assets = Net income (loss) / Total assets as of March 31
  4. Asset turnover = Net sales / Total assets as of March 31
  5. Inventory turnover = Net sales / Inventory as of March 31
  6. "Fixed assets" represents net property, plant and equipment.
  7. Fixed assets turnover = Net sales / Fixed assets as of March 31
  8. See notes on inside cover.

### Inventory turnover



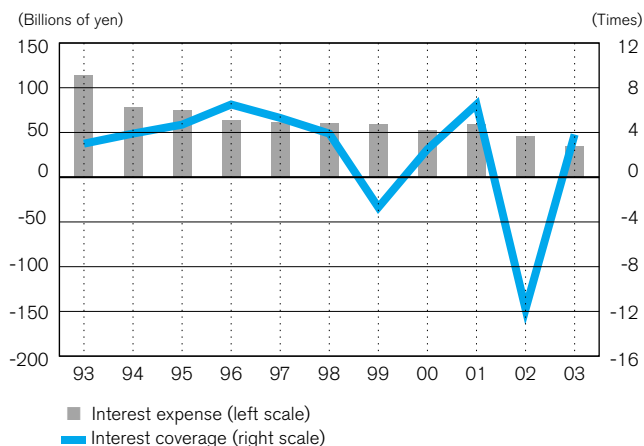
### Fixed assets turnover



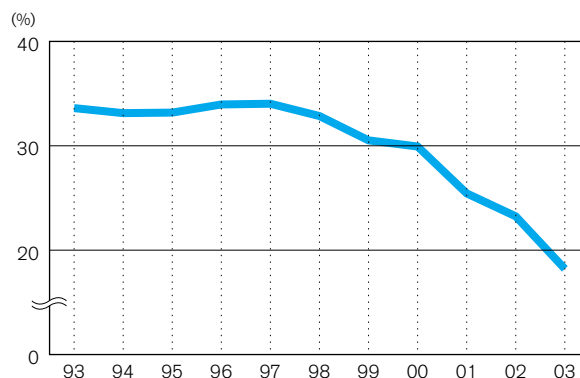
Billions of yen

1996	1997	1998	1999	2000	2001	2002	2003
1.8%	1.1%	0.1%	(4.1)%	0.2%	1.2%	(6.1)%	<b>0.3%</b>
4.3%	2.5%	0.4%	(10.3)%	0.6%	3.6%	(18.7)%	<b>1.3%</b>
1.4%	0.9%	0.1%	(3.3)%	0.2%	0.9%	(4.9)%	<b>0.3%</b>
0.78	0.82	0.82	0.81	0.80	0.75	0.81	<b>0.80</b>
4.76	5.41	5.17	5.42	5.65	5.56	6.58	<b>6.90</b>
2,422	2,559	2,646	2,608	2,555	2,675	2,514	<b>2,601</b>
3.35	3.33	3.18	3.06	3.13	3.15	3.18	<b>3.15</b>

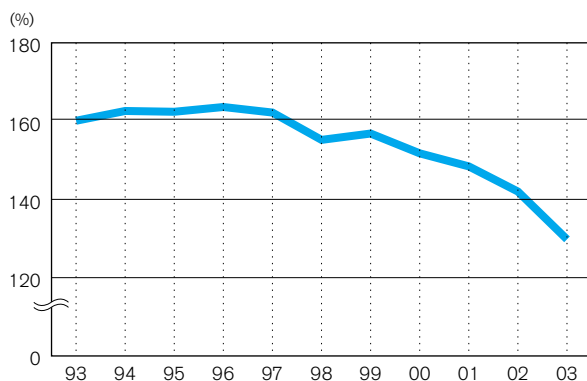
### Interest expense and interest coverage



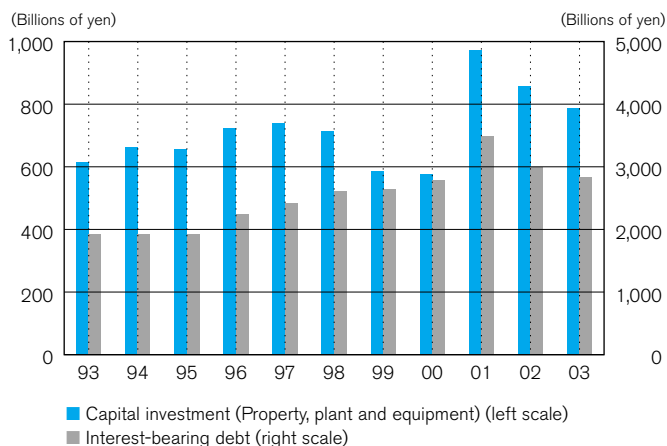
### Stockholders' equity ratio



### Current ratio



### Capital investment (Property, plant and equipment) and interest-bearing debt



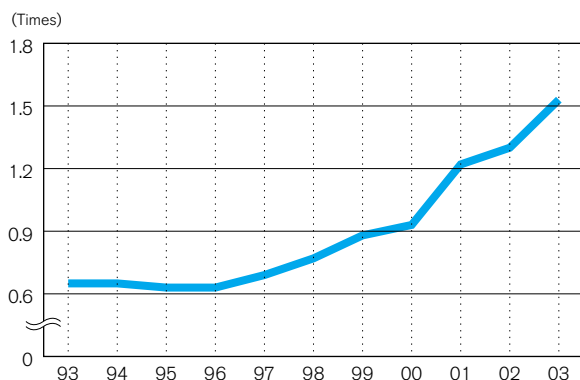
Interest expense	.....
Interest coverage (Times)	.....
Current assets	.....
Current liabilities	.....
Current ratio (%)	.....
Short-term debt	.....
Long-term debt	.....
Interest-bearing debt	.....
Stockholders' equity	.....
Total assets	.....
Debt / Equity ratio (Times)	.....
Stockholders' equity ratio (%)	.....
Capital investment (Property, plant and equipment)	.....
Depreciation (Property, plant and equipment)	.....
Free cash flows	.....

	1993	1994	1995
	¥ 114	¥ 78	¥ 75
	3.06	3.92	4.78
	5,675	5,796	5,976
	3,555	3,576	3,690
	159.63%	162.10%	161.95%
	928	902	907
	990	1,025	1,012
	1,918	1,927	1,919
	2,940	2,959	3,033
	8,748	8,931	9,142
	0.65	0.65	0.63
	33.61%	33.13%	33.18%
	615	662	655
	480	496	521
	(60)	(44)	285

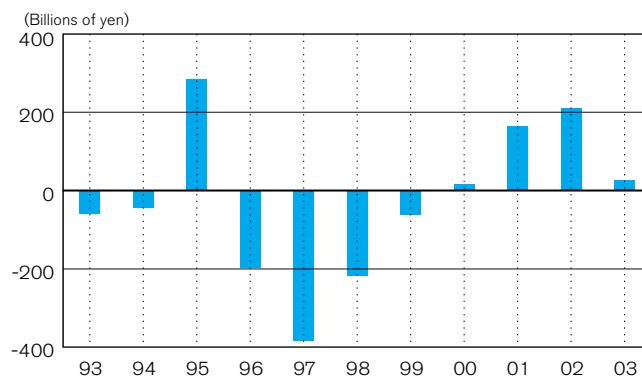
Notes: 1. Interest coverage =  $\frac{\text{Income (loss) before income taxes and minority interests} + \text{Interest expense}}{\text{Interest expense}}$

- "Current assets" represents the sum of cash and cash equivalents, short-term investments, trade receivables (notes and accounts), investment in leases, inventories and prepaid expenses and other current assets.
- "Current liabilities" represents the sum of short-term debt, current installments of long-term debt, trade payables (notes and accounts), accrued expenses, income taxes, advances received and other current liabilities.

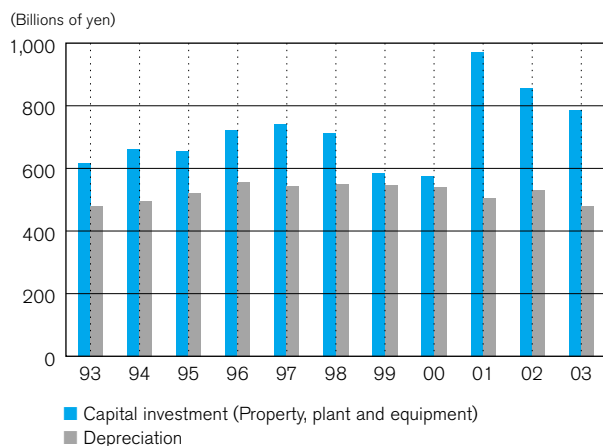
### Debt / Equity ratio



### Free cash flows



### Capital investment and depreciation (Property, plant and equipment)



Billions of yen

	1996	1997	1998	1999	2000	2001	2002	2003
¥	63	61	60	59	52	59	46	34
	6.52	5.36	3.91	(2.75)	2.52	6.51	(11.79)	3.82
	6,550	6,420	6,283	5,908	5,966	6,845	5,508	5,193
	4,017	3,969	4,060	3,778	3,940	4,623	3,885	4,005
	163.05%	161.74%	154.77%	156.39%	151.42%	148.06%	141.75%	129.67%
	1,033	1,181	1,317	1,160	1,306	1,612	1,200	1,328
	1,203	1,245	1,288	1,478	1,483	1,881	1,798	1,512
	2,237	2,426	2,605	2,638	2,788	3,493	2,998	2,841
	3,556	3,519	3,381	3,006	2,988	2,862	2,304	1,853
	10,471	10,341	10,292	9,848	9,983	11,247	9,916	10,179
	0.63	0.69	0.77	0.88	0.93	1.22	1.30	1.53
	33.96%	34.03%	32.85%	30.52%	29.93%	25.44%	23.24%	18.21%
	723	740	713	586	575	971	856	787
	557	544	550	547	541	506	529	480
	(199)	(384)	(218)	(62)	16	165	210	27

4. "Interest-bearing debt" represents the sum of short-term debt, current installments of long-term debt and long-term debt.

5. Current ratio = Current assets / Current liabilities as of March 31

6. Stockholders' equity ratio = Stockholders' equity / Total assets as of March 31

7. Free cash flows = Cash flows from operating activities + Cash flows from investing activities

8. See notes on inside cover.