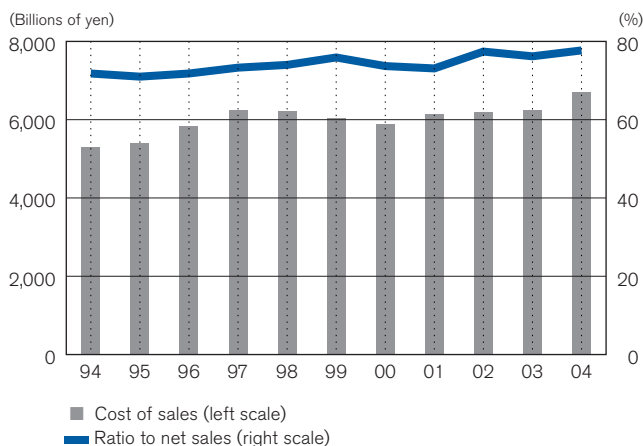


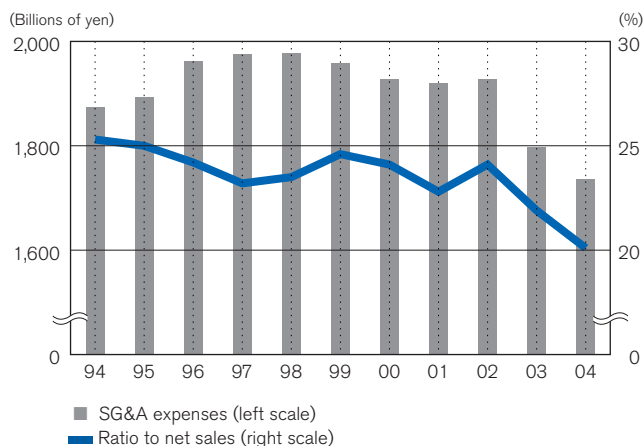
# Analysis of Operating Results

Years ended March 31

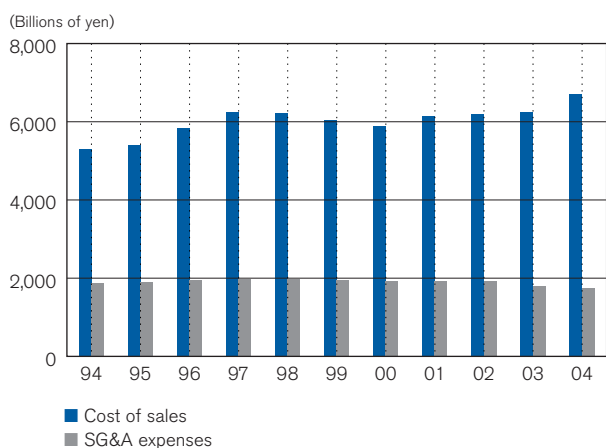
### Cost of sales and ratio to net sales (note 2)



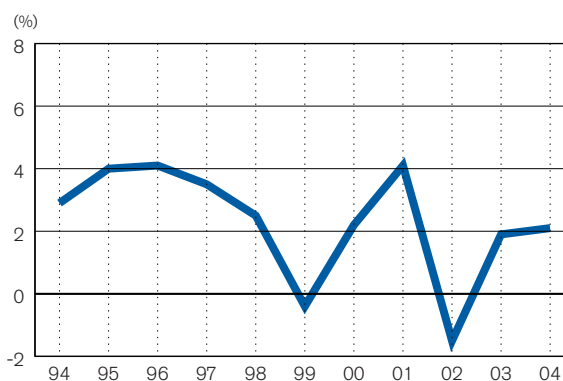
### SG&A expenses and ratio to net sales (note 2)



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



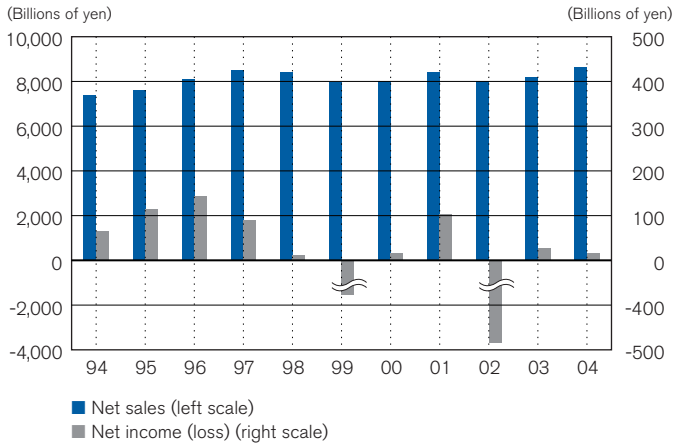
### Operating income (loss) to net sales (note 2)



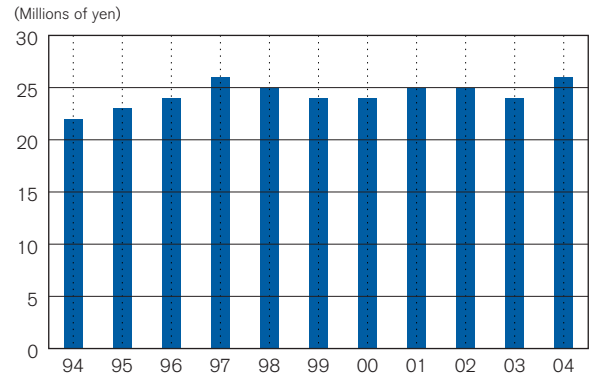
Net sales	¥7,400	¥7,592	¥8,124
Cost of sales	5,312	5,394	5,829
Ratio to net sales (%)	71.8%	71.0%	71.8%
Selling, general and administrative expenses (note 2)	1,875	1,894	1,962
Ratio to net sales (%)	25.3%	24.9%	24.2%
Operating income (loss) (note 2)	213	305	333
Ratio to net sales (%)	2.9%	4.0%	4.1%
Net income (loss)	65	114	143
R&D expenditure	484	491	494
Ratio to net sales (%)	6.5%	6.5%	6.1%
Net sales per employee (Millions of yen)	22	23	24

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

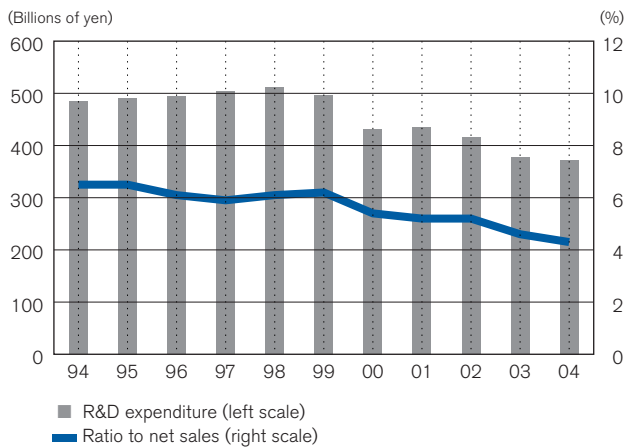
### Net sales and net income (loss)



### Net sales per employee



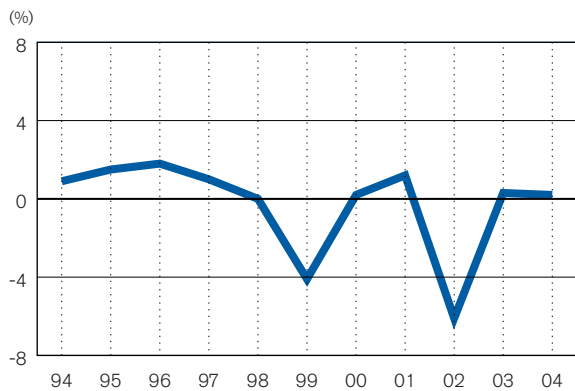
### R&D expenditure and ratio to net sales



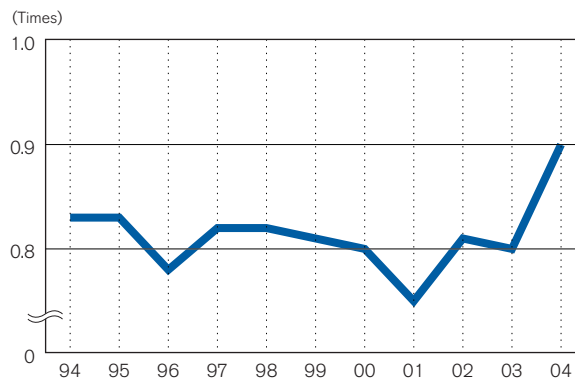
Billions of yen

1997	1998	1999	2000	2001	2002	2003	2004
¥8,523	¥8,417	¥7,977	¥8,001	¥8,417	¥7,994	¥8,192	¥8,632
6,251	6,230	6,052	5,899	6,155	6,184	6,240	6,710
73.3%	74.0%	75.9%	73.7%	73.1%	77.4%	76.2%	77.7%
1,975	1,978	1,959	1,928	1,920	1,927	1,798	1,737
23.2%	23.5%	24.6%	24.1%	22.8%	24.1%	22.0%	20.1%
297	209	(34)	174	342	(117)	153	185
3.5%	2.5%	(0.4)%	2.2%	4.1%	(1.5)%	1.9%	2.1%
90	12	(328)	17	104	(484)	28	16
504	511	497	432	436	415	377	372
5.9%	6.1%	6.2%	5.4%	5.2%	5.2%	4.6%	4.3%
26	25	24	24	25	25	24	26

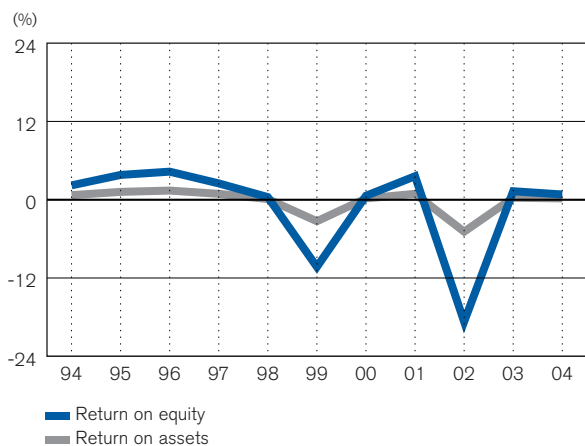
### Return on sales



### Asset turnover



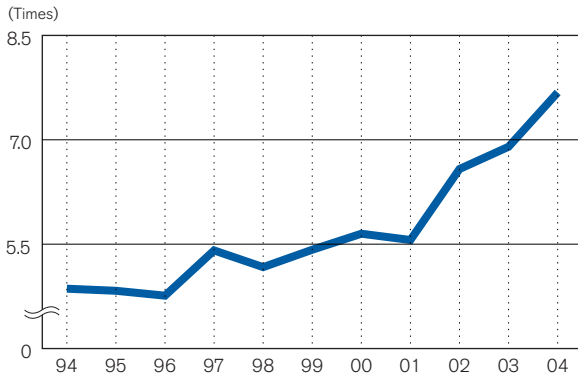
### Return on equity and return on assets



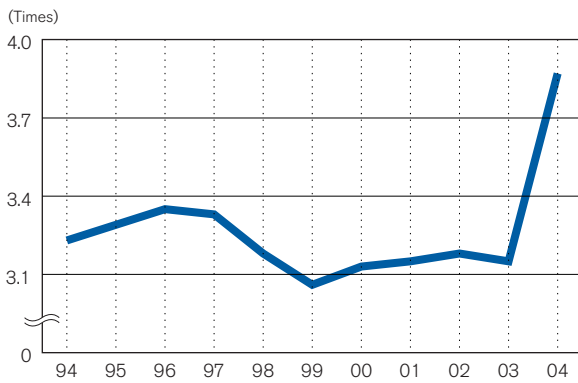
	1994	1995	1996
Return on sales (%)	0.9%	1.5%	1.8%
Return on equity (%)	2.2%	3.8%	4.3%
Return on assets (%)	0.7%	1.2%	1.4%
Asset turnover (Times)	0.83	0.83	0.78
Inventory turnover (Times)	4.86	4.83	4.76
Fixed assets	2,293	2,311	2,422
Fixed assets turnover (Times)	3.23	3.29	3.35

- 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



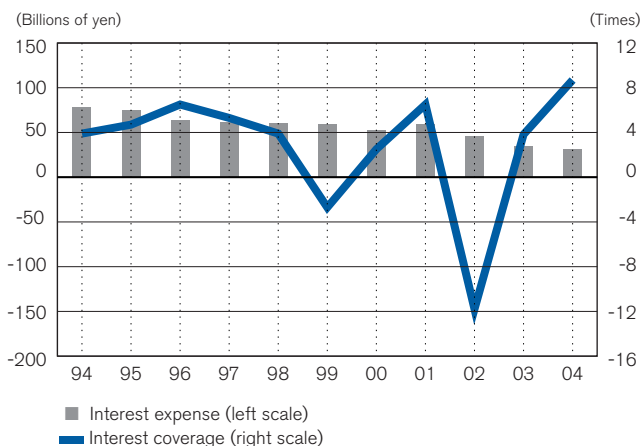
### Fixed assets turnover



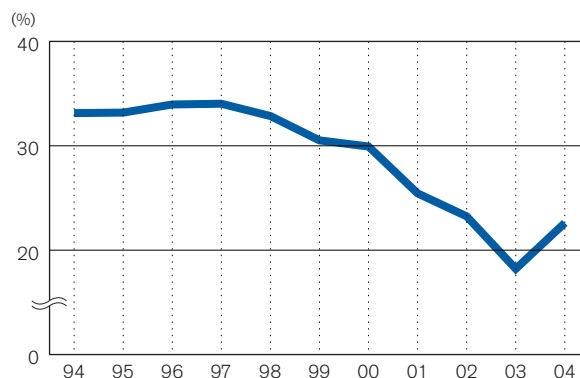
Billions of yen

1997	1998	1999	2000	2001	2002	2003	<b>2004</b>
1.1%	0.1%	(4.1)%	0.2%	1.2%	(6.1)%	0.3%	<b>0.2%</b>
2.5%	0.4%	(10.3)%	0.6%	3.6%	(18.7)%	1.3%	<b>0.8%</b>
0.9%	0.1%	(3.3)%	0.2%	0.9%	(4.9)%	0.3%	<b>0.2%</b>
0.82	0.82	0.81	0.80	0.75	0.81	0.80	<b>0.90</b>
5.41	5.17	5.42	5.65	5.56	6.58	6.90	<b>7.68</b>
2,559	2,646	2,608	2,555	2,675	2,514	2,601	<b>2,233</b>
3.33	3.18	3.06	3.13	3.15	3.18	3.15	<b>3.87</b>

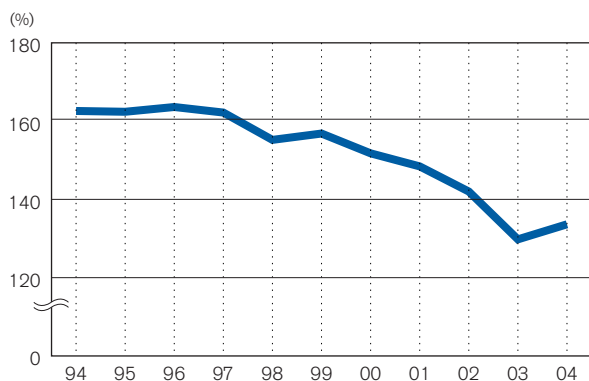
### Interest expense and interest coverage



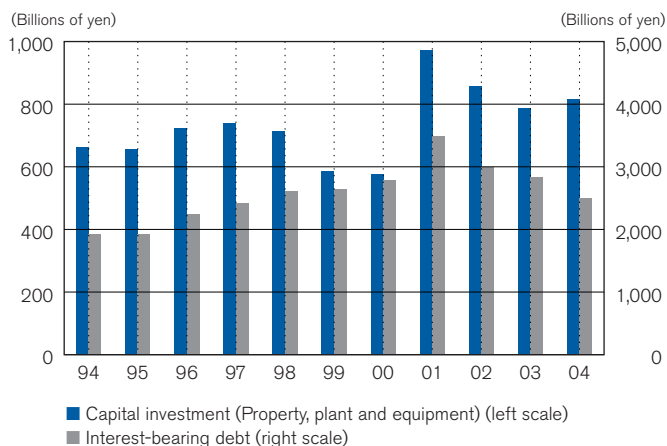
### Stockholders' equity ratio



### Current ratio



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



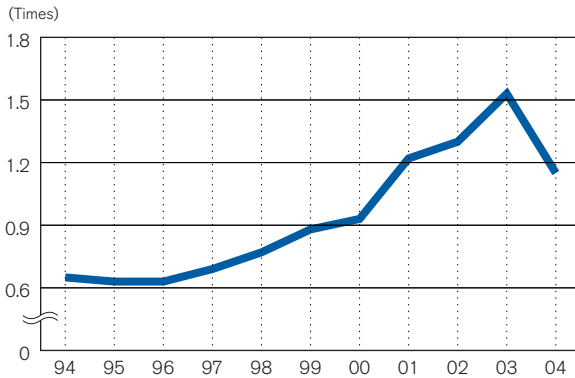
Interest expense	.....
Interest coverage (Times)	.....
Current assets	.....
Current liabilities	.....
Current ratio (%)	.....
Short-term debt	.....
Long-term debt	.....
Interest-bearing debt	.....
Stockholders' equity	.....
Total assets	.....
Debt / Equity ratio (Times)	.....
Stockholders' equity ratio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

	1994	1995	1996
	¥ 78	¥ 75	¥ 63
	3.92	4.78	6.52
	5,796	5,976	6,550
	3,576	3,690	4,017
	162.10%	161.95%	163.05%
	902	907	1,033
	1,025	1,012	1,203
	1,927	1,919	2,237
	2,959	3,033	3,556
	8,931	9,142	10,471
	0.65	0.63	0.63
	33.13%	33.18%	33.96%
	662	655	723
	496	521	557
	(44)	285	(199)

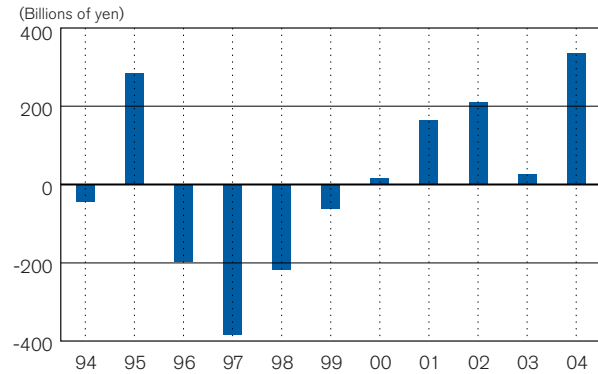
Notes: 1. Interest coverage =  $\frac{\text{Income (loss) before income taxes and minority interests} + \text{Interest expense}}{\text{Interest expense}}$

- "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.

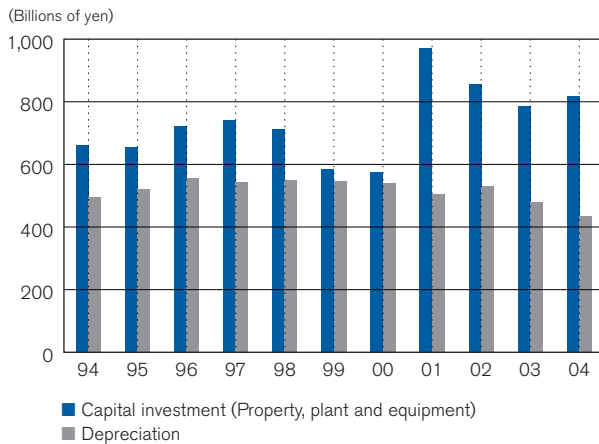
### Debt / Equity ratio



### Free cash flows



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



Billions of yen

	1997	1998	1999	2000	2001	2002	2003	2004
¥	61	¥ 60	¥ 59	¥ 52	¥ 59	¥ 46	¥ 34	¥ 31
	5.36	3.91	(2.75)	2.52	6.51	(11.79)	3.82	8.69
	6,420	6,283	5,908	5,966	6,845	5,508	5,193	5,220
	3,969	4,060	3,778	3,940	4,623	3,885	4,005	3,911
	161.74%	154.77%	156.39%	151.42%	148.06%	141.75%	129.67%	133.47%
	1,181	1,317	1,160	1,306	1,612	1,200	1,328	1,183
	1,245	1,288	1,478	1,483	1,881	1,798	1,512	1,314
	2,426	2,605	2,638	2,788	3,493	2,998	2,841	2,498
	3,519	3,381	3,006	2,988	2,862	2,304	1,853	2,168
	10,341	10,292	9,848	9,983	11,247	9,916	10,179	9,590
	0.69	0.77	0.88	0.93	1.22	1.30	1.53	1.15
	34.03%	32.85%	30.52%	29.93%	25.44%	23.24%	18.21%	22.61%
	740	713	586	575	971	856	787	817
	544	550	547	541	506	529	480	436
	(384)	(218)	(62)	16	165	210	27	336

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.