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DENSO CORPORATION

Corporate Planning Dept.  Financial Planning
1-1 Showa-cho, Kariya, Aichi 448-8661, Japan
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Internet home page:  http://www.denso.co.jp

Published at May 16, 2000
OPERATING RESULTS

(1) Net Sales (billion) (%)

<table>
<thead>
<tr>
<th></th>
<th>96/3</th>
<th>97/3</th>
<th>98/3</th>
<th>99/3</th>
<th>00/3</th>
<th>01/3</th>
<th>Est.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,230,422</td>
<td>1,383,115</td>
<td>1,375,133</td>
<td>1,329,003</td>
<td>1,386,913</td>
<td>1,397,000</td>
<td></td>
</tr>
<tr>
<td>Change from previous year</td>
<td>(1.1%)</td>
<td>12.4%</td>
<td>(0.6%)</td>
<td>(3.4%)</td>
<td>4.4%</td>
<td>0.7%</td>
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</tr>
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</table>

Domestic sales

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<tr>
<th></th>
<th>1,000,498</th>
<th>1,117,334</th>
<th>1,089,077</th>
<th>1,046,524</th>
<th>1,093,462</th>
<th>1,120,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change from previous year</td>
<td>(2.7%)</td>
<td>11.7%</td>
<td>(2.5%)</td>
<td>(3.9%)</td>
<td>4.5%</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

Export

<table>
<thead>
<tr>
<th></th>
<th>229,924</th>
<th>265,781</th>
<th>286,056</th>
<th>282,479</th>
<th>293,451</th>
<th>277,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change from previous year</td>
<td>6.5%</td>
<td>15.6%</td>
<td>7.6%</td>
<td>(1.3%)</td>
<td>3.9%</td>
<td>(5.6%)</td>
</tr>
</tbody>
</table>

Operating income/Net Sales

|       | 5.5% | 7.3% | 5.9% | 4.8% | 4.9% | 4.6% |

Ordinary income/Net Sales

|       | 6.5% | 8.3% | 6.9% | 5.2% | 5.5% | 5.6% |

Net income/Net Sales

|       | 2.8% | 3.7% | 3.6% | 3.0% | 3.2% | 2.6% |

(2) Profits

<table>
<thead>
<tr>
<th></th>
<th>67,228</th>
<th>101,608</th>
<th>80,944</th>
<th>63,266</th>
<th>68,049</th>
<th>64,200</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change from previous year</td>
<td>13.2%</td>
<td>51.1%</td>
<td>(20.3%)</td>
<td>(21.8%)</td>
<td>7.6%</td>
<td>(5.7%)</td>
</tr>
</tbody>
</table>

Ordinary income

<table>
<thead>
<tr>
<th></th>
<th>79,987</th>
<th>115,072</th>
<th>95,058</th>
<th>69,434</th>
<th>76,915</th>
<th>78,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change from previous year</td>
<td>15.5%</td>
<td>43.9%</td>
<td>(17.4%)</td>
<td>(27.0%)</td>
<td>10.8%</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

Net income

<table>
<thead>
<tr>
<th></th>
<th>33,976</th>
<th>51,146</th>
<th>49,766</th>
<th>39,637</th>
<th>43,801</th>
<th>36,800</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change from previous year</td>
<td>29.7%</td>
<td>50.5%</td>
<td>(2.7%)</td>
<td>(20.4%)</td>
<td>10.5%</td>
<td>(16.0%)</td>
</tr>
<tr>
<td>Product Line</td>
<td>Millions of yen</td>
<td>Percentage of net sales</td>
<td>Change from previous year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-----------------</td>
<td>-------------------------</td>
<td>---------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Electrical automotive and electric control products</strong></td>
<td>99/3 00/3 01/3 Est.</td>
<td>28.8% 29.4% 30.6%</td>
<td>(3.4%) 7.2% 4.8%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Car air conditioners and heaters</td>
<td>388,282 393,431 382,500</td>
<td>29.2% 28.4% 27.4%</td>
<td>(8.1%) 1.3% (2.8%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel management systems</td>
<td>233,837 246,399 262,000</td>
<td>17.6% 17.8% 18.8%</td>
<td>1.6% 5.4% 6.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Radiators</td>
<td>72,054 72,505 71,500</td>
<td>5.4% 5.2% 5.1%</td>
<td>(5.2%) 0.6% (1.4%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meters</td>
<td>62,708 66,632 68,000</td>
<td>4.7% 4.8% 4.9%</td>
<td>(5.0%) 6.3% 2.1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Filters</td>
<td>38,260 39,706 41,000</td>
<td>2.9% 2.9% 2.9%</td>
<td>(5.3%) 3.8% 3.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other automotive</td>
<td>33,626 44,444 51,500</td>
<td>2.5% 3.2% 3.7%</td>
<td>4.1% 32.2% 15.9%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Telecommunications</strong></td>
<td>70,746 72,813 44,500</td>
<td>5.3% 5.3% 3.2%</td>
<td>9.4% 2.9% (38.9%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Factory automation products</strong></td>
<td>13,531 14,350 20,600</td>
<td>1.0% 1.0% 1.5%</td>
<td>3.0% 6.1% 43.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Applied Electronics products</strong></td>
<td>10,806 10,567 11,500</td>
<td>0.8% 0.8% 0.8%</td>
<td>1.2% (2.2%) 8.8%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Systems etc.</td>
<td>6,154 5,748 5,900</td>
<td>0.5% 0.4% 0.4%</td>
<td>(5.7%) (6.6%) 2.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>New businesses sub-total</strong></td>
<td>101,237 103,478 82,500</td>
<td>7.6% 7.5% 5.9%</td>
<td>6.6% 2.2% (20.3%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td>17,993 11,961 10,000</td>
<td>1.3% 0.8% 0.7%</td>
<td>(1.4%) (33.5%) (16.4%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,329,003 1,386,913 1,397,000</td>
<td>17.8% 29.4% 3.2%</td>
<td>5.3% 2.9% (38.9%)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Change from previous year:
- Electrical automotive and electric control products: (3.4%) 7.2% 4.8%
- Car air conditioners and heaters: (8.1%) 1.3% (2.8%)
- Fuel management systems: 1.6% 5.4% 6.3%
- Radiators: (5.2%) 0.6% (1.4%)
- Meters: (5.0%) 6.3% 2.1%
- Filters: (5.3%) 3.8% 3.3%
- Other automotive: 4.1% 32.2% 15.9%
- Telecommunications: 9.4% 2.9% (38.9%)
- Factory automation products: 3.0% 6.1% 43.6%
- Applied Electronics products: 1.2% (2.2%) 8.8%
- Environmental Systems etc.: (5.7%) (6.6%) 2.6%
- New businesses sub-total: 6.6% 2.2% (20.3%)
- Others: (1.4%) (33.5%) (16.4%)

Total: 17.8% 29.4% 3.2%
## (2) Sales of ABS, Air bag, Navi and ITS

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Antilock braking system</td>
<td>29,599</td>
<td>31,265</td>
<td>29,772</td>
<td>30,664</td>
<td>34,700</td>
</tr>
<tr>
<td>Change from previous year</td>
<td>45.2%</td>
<td>5.6%</td>
<td>(4.8%)</td>
<td>3.0%</td>
<td>13.2%</td>
</tr>
<tr>
<td>Air bag</td>
<td>18,739</td>
<td>21,503</td>
<td>24,909</td>
<td>28,353</td>
<td>25,200</td>
</tr>
<tr>
<td>Change from previous year</td>
<td>13.4%</td>
<td>14.7%</td>
<td>15.8%</td>
<td>13.8%</td>
<td>(11.1%)</td>
</tr>
<tr>
<td>Car navigation system</td>
<td>9,758</td>
<td>12,812</td>
<td>10,644</td>
<td>22,991</td>
<td>27,000</td>
</tr>
<tr>
<td>Change from previous year</td>
<td>(11.9%)</td>
<td>31.3%</td>
<td>(16.9%)</td>
<td>116.0%</td>
<td>17.4%</td>
</tr>
<tr>
<td>Other ITS products</td>
<td>1,012</td>
<td></td>
<td></td>
<td></td>
<td>5,000</td>
</tr>
<tr>
<td>Change from previous year</td>
<td>-</td>
<td>304.4%</td>
<td>(15.9%)</td>
<td>(40.0%)</td>
<td>142.2%</td>
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</table>

## (3) Breakdown of Export by Product Line

<table>
<thead>
<tr>
<th>Product</th>
<th>1999/3</th>
<th>2000/3</th>
<th>Change from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrical automotive and electric control products</td>
<td>70,442</td>
<td>78,081</td>
<td>(5.6%)</td>
</tr>
<tr>
<td>Car air conditioners and heaters</td>
<td>107,052</td>
<td>110,383</td>
<td>(2.4%)</td>
</tr>
<tr>
<td>Fuel management systems</td>
<td>50,261</td>
<td>49,987</td>
<td>4.6%</td>
</tr>
<tr>
<td>Radiators</td>
<td>5,798</td>
<td>5,539</td>
<td>(22.4%)</td>
</tr>
<tr>
<td>Meters</td>
<td>9,353</td>
<td>10,387</td>
<td>(7.4%)</td>
</tr>
<tr>
<td>Filters</td>
<td>2,339</td>
<td>2,396</td>
<td>7.1%</td>
</tr>
<tr>
<td>Other automotive</td>
<td>8,910</td>
<td>12,507</td>
<td>18.7%</td>
</tr>
<tr>
<td>Automotive sub-total</td>
<td>254,155</td>
<td>269,280</td>
<td>(2.1%)</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>559</td>
<td>744</td>
<td>88.2%</td>
</tr>
<tr>
<td>Other new businesses</td>
<td>10,041</td>
<td>11,586</td>
<td>25.2%</td>
</tr>
<tr>
<td>New businesses sub-total</td>
<td>10,600</td>
<td>12,330</td>
<td>27.4%</td>
</tr>
<tr>
<td>Others</td>
<td>17,724</td>
<td>11,841</td>
<td>(2.2%)</td>
</tr>
<tr>
<td>Total</td>
<td>282,479</td>
<td>293,451</td>
<td>6.0%</td>
</tr>
</tbody>
</table>
(4) Exports by Region and Export Ratio

<table>
<thead>
<tr>
<th>Region</th>
<th>96/3</th>
<th>97/3</th>
<th>98/3</th>
<th>99/3</th>
<th>00/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Americas</td>
<td>96,108</td>
<td>113,489</td>
<td>125,293</td>
<td>135,025</td>
<td>129,022</td>
</tr>
<tr>
<td>Percentage of export</td>
<td>41.8%</td>
<td>42.7%</td>
<td>43.8%</td>
<td>47.8%</td>
<td>44.0%</td>
</tr>
<tr>
<td>Change from previous year</td>
<td>11.8%</td>
<td>18.1%</td>
<td>10.4%</td>
<td>7.8%</td>
<td>(4.4%)</td>
</tr>
<tr>
<td>Europe</td>
<td>52,883</td>
<td>73,090</td>
<td>88,677</td>
<td>102,540</td>
<td>100,178</td>
</tr>
<tr>
<td>Percentage of export</td>
<td>23.0%</td>
<td>27.5%</td>
<td>31.0%</td>
<td>36.3%</td>
<td>34.1%</td>
</tr>
<tr>
<td>Change from previous year</td>
<td>26.3%</td>
<td>38.2%</td>
<td>21.3%</td>
<td>15.6%</td>
<td>(2.3%)</td>
</tr>
<tr>
<td>Asia &amp; Oceania</td>
<td>80,243</td>
<td>78,405</td>
<td>71,228</td>
<td>44,349</td>
<td>63,596</td>
</tr>
<tr>
<td>Percentage of export</td>
<td>34.9%</td>
<td>29.5%</td>
<td>24.9%</td>
<td>15.7%</td>
<td>21.7%</td>
</tr>
<tr>
<td>Change from previous year</td>
<td>27.3%</td>
<td>(2.3%)</td>
<td>(9.2%)</td>
<td>(37.7%)</td>
<td>43.4%</td>
</tr>
<tr>
<td>Other Areas</td>
<td>690</td>
<td>797</td>
<td>858</td>
<td>565</td>
<td>655</td>
</tr>
<tr>
<td>Percentage of export</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.2%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Change from previous year</td>
<td>(64.5%)</td>
<td>15.5%</td>
<td>7.7%</td>
<td>(34.1%)</td>
<td>15.9%</td>
</tr>
</tbody>
</table>

Export Total 229,924 265,781 286,056 282,479 293,451
Export/Net Sales 18.7% 19.2% 20.8% 21.3% 21.2%

(5) Breakdown of Sales by Customer

<table>
<thead>
<tr>
<th>Customer</th>
<th>96/3</th>
<th>97/3</th>
<th>98/3</th>
<th>99/3</th>
<th>00/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOYOTA MOTOR</td>
<td>47.8%</td>
<td>46.2%</td>
<td>44.8%</td>
<td>45.0%</td>
<td>44.1%</td>
</tr>
<tr>
<td>DAIHATSU MOTOR</td>
<td>3.4%</td>
<td>3.6%</td>
<td>3.5%</td>
<td>3.8%</td>
<td>3.8%</td>
</tr>
<tr>
<td>HINO MOTORS</td>
<td>1.4%</td>
<td>1.3%</td>
<td>1.3%</td>
<td>1.0%</td>
<td>1.3%</td>
</tr>
<tr>
<td>TOYOTA Group sub-total</td>
<td>52.6%</td>
<td>51.1%</td>
<td>49.6%</td>
<td>49.8%</td>
<td>49.2%</td>
</tr>
<tr>
<td>HONDA MOTOR</td>
<td>6.0%</td>
<td>6.3%</td>
<td>6.0%</td>
<td>5.2%</td>
<td>5.2%</td>
</tr>
<tr>
<td>SUZUKI MOTOR</td>
<td>4.7%</td>
<td>4.0%</td>
<td>4.0%</td>
<td>3.9%</td>
<td>4.3%</td>
</tr>
<tr>
<td>MITSUBISHI MOTORS</td>
<td>5.4%</td>
<td>4.9%</td>
<td>5.0%</td>
<td>4.5%</td>
<td>4.0%</td>
</tr>
<tr>
<td>MAZDA MOTOR</td>
<td>2.4%</td>
<td>2.2%</td>
<td>2.2%</td>
<td>2.2%</td>
<td>2.5%</td>
</tr>
<tr>
<td>FUJI HEAVY INDUSTRIES</td>
<td>1.7%</td>
<td>1.5%</td>
<td>1.1%</td>
<td>1.2%</td>
<td>1.2%</td>
</tr>
<tr>
<td>ISUZU MOTORS</td>
<td>0.6%</td>
<td>0.6%</td>
<td>0.6%</td>
<td>0.6%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Overseas subsidiaries and affiliates</td>
<td>17.1%</td>
<td>18.0%</td>
<td>19.7%</td>
<td>20.2%</td>
<td>20.1%</td>
</tr>
<tr>
<td>Others</td>
<td>9.5%</td>
<td>11.4%</td>
<td>11.8%</td>
<td>12.4%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
COST OF SALES

(1) Cost of Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost of Sales</th>
<th>Change from previous year</th>
<th>Cost of Sales/Net Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>96/3</td>
<td>1,058,464</td>
<td>(2.8%)</td>
<td>86.0%</td>
</tr>
<tr>
<td>97/3</td>
<td>1,171,728</td>
<td>10.7%</td>
<td>84.7%</td>
</tr>
<tr>
<td>98/3</td>
<td>1,189,697</td>
<td>1.5%</td>
<td>86.5%</td>
</tr>
<tr>
<td>99/3</td>
<td>1,166,949</td>
<td>(1.9%)</td>
<td>87.8%</td>
</tr>
<tr>
<td>00/3</td>
<td>1,212,315</td>
<td>3.9%</td>
<td>87.4%</td>
</tr>
</tbody>
</table>

(2) Manufacturing Statements

| Year | Material cost | Labor cost | Factory expenses | Depreciation expenses | Gross manufacturing cost for the period | Work in process at the beginning of the period | (Work in process at the end of the period) | (Transfer to fixed assets) | Cost of products manufactured for the period | Products at the beginning of the period | (Products at the end of the period) | Loss on lower of cost or market of raw materials | Cost of sales for the period |
|------|---------------|------------|------------------|-----------------------|----------------------------------------|-----------------------------------------------|-----------------------------|---------------------------------------------|-------------------------------------|---------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|----------------------------------------|
| 96/3 | 670,777       | 243,767    | 94,020           | 64,555                | 1,073,119                             | 19,348                                        | (25,651)                    | (9,026)                                    | 1,057,789                           | 20,483                                      | 25,651                                        | 1,058,464                               |
| 97/3 | 735,181       | 271,554    | 110,782          | 67,497                | 1,185,015                             | 25,651                                        | (28,639)                    | (7,062)                                    | 1,174,966                           | 19,817                                      | (28,639)                                      | 1,171,728                               |
| 98/3 | 742,239       | 280,770    | 110,415          | 71,485                | 1,204,910                             | 28,639                                        | (32,916)                    | (10,030)                                   | 1,190,602                           | 23,057                                      | (32,916)                                     | 1,189,697                               |
| 99/3 | 716,184       | 268,557    | 108,371          | 82,077                | 1,175,191                             | 32,916                                        | (31,290)                    | (9,370)                                    | 1,167,446                           | 23,973                                      | (31,290)                                    | 1,166,949                               |
| 00/3 | 759,051       | 271,912    | 109,765          | 83,582                | 1,224,311                             | 32,916                                        | (30,629)                    | (10,339)                                   |                                    |                                            |                                            |                                    | 1,212,315                               |
S.G. & A. EXPENSES

(1) S.G. & A. Expenses

<table>
<thead>
<tr>
<th></th>
<th>Millions of yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>96/3</td>
<td>104,730</td>
</tr>
<tr>
<td>97/3</td>
<td>109,777</td>
</tr>
<tr>
<td>98/3</td>
<td>104,491</td>
</tr>
<tr>
<td>99/3</td>
<td>98,786</td>
</tr>
<tr>
<td>00/3</td>
<td>106,548</td>
</tr>
</tbody>
</table>

Change from previous year:
- 9.5% for 97/3
- 4.8% for 98/3
- (4.8%) for 99/3
- (5.5%) for 00/3
- 7.9% for 00/3

S.G. & A. Expenses/Net Sales:
- 8.5% for 96/3
- 7.9% for 97/3
- 7.6% for 98/3
- 7.4% for 99/3
- 7.7% for 00/3

(2) Details of S.G. & A. Expenses

<table>
<thead>
<tr>
<th></th>
<th>Millions of yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>96/3</td>
<td>37,121</td>
</tr>
<tr>
<td>97/3</td>
<td>45,601</td>
</tr>
<tr>
<td>98/3</td>
<td>41,124</td>
</tr>
<tr>
<td>99/3</td>
<td>37,492</td>
</tr>
<tr>
<td>00/3</td>
<td>38,696</td>
</tr>
</tbody>
</table>

Labor cost:
- 37,121
- 45,601
- 41,124
- 37,492
- 38,696

Factory expenses:
- 62,864
- 58,883
- 58,201
- 56,907
- 63,244

Depreciation expenses:
- 4,745
- 5,293
- 5,166
- 4,387
- 4,608

Total:
- 104,730
- 109,777
- 104,491
- 98,786
- 106,548
### Non-Consolidated

#### Non-Operating Income and Expenses

**1. Net Financial Revenue**

<table>
<thead>
<tr>
<th>Year/Quarter</th>
<th>Interest and dividends income</th>
<th>Interest expense</th>
<th>Net financial revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>96/3</td>
<td>14,644</td>
<td>3,240</td>
<td>11,404</td>
</tr>
<tr>
<td>97/3</td>
<td>12,487</td>
<td>2,720</td>
<td>9,767</td>
</tr>
<tr>
<td>98/3</td>
<td>14,986</td>
<td>2,090</td>
<td>12,896</td>
</tr>
<tr>
<td>99/3</td>
<td>12,095</td>
<td>2,326</td>
<td>9,769</td>
</tr>
<tr>
<td>00/3</td>
<td>12,385</td>
<td>2,287</td>
<td>10,098</td>
</tr>
<tr>
<td>01/3 Est.</td>
<td>17,239</td>
<td>2,230</td>
<td>15,009</td>
</tr>
</tbody>
</table>

**Interest coverage (times):**

<table>
<thead>
<tr>
<th>Year/Quarter</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>96/3</td>
<td>25.3</td>
</tr>
<tr>
<td>97/3</td>
<td>41.9</td>
</tr>
<tr>
<td>98/3</td>
<td>45.9</td>
</tr>
<tr>
<td>99/3</td>
<td>32.4</td>
</tr>
<tr>
<td>00/3</td>
<td>35.2</td>
</tr>
<tr>
<td>01/3 Est.</td>
<td>36.5</td>
</tr>
</tbody>
</table>

**2. Other Non-operating Income and Expenses**

**‡@ Other Non-operating income**

<table>
<thead>
<tr>
<th>Year/Quarter</th>
<th>Profit on securities sold</th>
<th>Rents of fixed assets</th>
<th>Foreign exchange gain</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>96/3</td>
<td>264</td>
<td>2,296</td>
<td>2,895</td>
<td>1,840</td>
<td>7,295</td>
</tr>
<tr>
<td>97/3</td>
<td>190</td>
<td>2,245</td>
<td>3,309</td>
<td>1,789</td>
<td>7,533</td>
</tr>
<tr>
<td>98/3</td>
<td>382</td>
<td>2,381</td>
<td>1,715</td>
<td>1,412</td>
<td>5,890</td>
</tr>
<tr>
<td>99/3</td>
<td>173</td>
<td>2,547</td>
<td>-</td>
<td>2,307</td>
<td>5,027</td>
</tr>
<tr>
<td>00/3</td>
<td>1,831</td>
<td>2,965</td>
<td>-</td>
<td>4,586</td>
<td>9,382</td>
</tr>
</tbody>
</table>

**‡@ Other Non-operating expenses**

<table>
<thead>
<tr>
<th>Year/Quarter</th>
<th>Loss on evaluation of securities</th>
<th>Loss on evaluation of assets</th>
<th>Premium of pension fund</th>
<th>Foreign exchange loss</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>96/3</td>
<td>1,551</td>
<td>3,108</td>
<td>306</td>
<td>-</td>
<td>976</td>
<td>5,941</td>
</tr>
<tr>
<td>97/3</td>
<td>115</td>
<td>2,554</td>
<td>322</td>
<td>-</td>
<td>846</td>
<td>3,837</td>
</tr>
<tr>
<td>98/3</td>
<td>195</td>
<td>2,227</td>
<td>1,355</td>
<td>-</td>
<td>895</td>
<td>4,672</td>
</tr>
<tr>
<td>99/3</td>
<td>294</td>
<td>3,346</td>
<td>1,411</td>
<td>2,236</td>
<td>1,341</td>
<td>8,628</td>
</tr>
<tr>
<td>00/3</td>
<td>271</td>
<td>4,546</td>
<td>1,469</td>
<td>2,986</td>
<td>1,341</td>
<td>10,613</td>
</tr>
</tbody>
</table>

**Chart:**

[Graph showing financial data over different years]
CAPITAL EXPENDITURES, DEPRECIATION AND CASH FLOW

(1) Capital Expenditures, Depreciation and Cash Flow

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Expenditures</th>
<th>Change from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>96/3</td>
<td>74,251</td>
<td>49.0%</td>
</tr>
<tr>
<td>97/3</td>
<td>92,123</td>
<td>24.1%</td>
</tr>
<tr>
<td>98/3</td>
<td>129,612</td>
<td>40.7%</td>
</tr>
<tr>
<td>99/3</td>
<td>144,579</td>
<td>11.5%</td>
</tr>
<tr>
<td>00/3</td>
<td>105,505</td>
<td>(27.0%)</td>
</tr>
<tr>
<td>01/3</td>
<td>107,000</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Depreciation</th>
<th>Change from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>96/3</td>
<td>69,301</td>
<td>(18.0%)</td>
</tr>
<tr>
<td>97/3</td>
<td>72,790</td>
<td>5.0%</td>
</tr>
<tr>
<td>98/3</td>
<td>76,652</td>
<td>5.3%</td>
</tr>
<tr>
<td>99/3</td>
<td>86,465</td>
<td>12.8%</td>
</tr>
<tr>
<td>00/3</td>
<td>88,190</td>
<td>2.0%</td>
</tr>
<tr>
<td>01/3</td>
<td>94,000</td>
<td>6.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>96/3</td>
<td>33,976</td>
</tr>
<tr>
<td>97/3</td>
<td>51,146</td>
</tr>
<tr>
<td>98/3</td>
<td>49,766</td>
</tr>
<tr>
<td>99/3</td>
<td>39,637</td>
</tr>
<tr>
<td>00/3</td>
<td>43,801</td>
</tr>
<tr>
<td>01/3</td>
<td>36,800</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash Flow</th>
<th>Change from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>96/3</td>
<td>103,277</td>
<td>(6.8%)</td>
</tr>
<tr>
<td>97/3</td>
<td>123,936</td>
<td>20.0%</td>
</tr>
<tr>
<td>98/3</td>
<td>126,418</td>
<td>2.0%</td>
</tr>
<tr>
<td>99/3</td>
<td>126,102</td>
<td>(0.2%)</td>
</tr>
<tr>
<td>00/3</td>
<td>131,991</td>
<td>4.7%</td>
</tr>
<tr>
<td>01/3</td>
<td>130,800</td>
<td>(0.9%)</td>
</tr>
</tbody>
</table>

(2) Details of Capital expenditures ordered

<table>
<thead>
<tr>
<th>Year</th>
<th>For production</th>
<th>Buildings and structures</th>
<th>Machinery, dies and others</th>
<th>R &amp; D expenditures</th>
<th>For non-production</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>96/3</td>
<td>64.5</td>
<td>-4.5</td>
<td>-50.0</td>
<td>-11.0</td>
<td>15.5</td>
<td>80.0</td>
</tr>
<tr>
<td>97/3</td>
<td>108.0</td>
<td>-33.5</td>
<td>-63.0</td>
<td>-11.5</td>
<td>18.0</td>
<td>126.0</td>
</tr>
<tr>
<td>98/3</td>
<td>113.4</td>
<td>-22.3</td>
<td>-78.5</td>
<td>-12.6</td>
<td>20.6</td>
<td>134.0</td>
</tr>
<tr>
<td>99/3</td>
<td>96.9</td>
<td>-12.7</td>
<td>-74.0</td>
<td>-10.2</td>
<td>16.1</td>
<td>113.0</td>
</tr>
<tr>
<td>00/3</td>
<td>67.3</td>
<td>-4.4</td>
<td>-51.0</td>
<td>-11.9</td>
<td>13.7</td>
<td>81.0</td>
</tr>
<tr>
<td>01/3</td>
<td>74.5</td>
<td>-5.5</td>
<td>-56.7</td>
<td>-12.3</td>
<td>14.5</td>
<td>89.0</td>
</tr>
</tbody>
</table>

Graph showing Capital Expenditures, Depreciation, and Net Income from 1996 to 2001 with estimated values for 2001.
RESEARCH AND DEVELOPMENT EXPENDITURES

<table>
<thead>
<tr>
<th></th>
<th>96/3</th>
<th>97/3</th>
<th>98/3</th>
<th>99/3</th>
<th>00/3</th>
<th>01/3 Est.</th>
</tr>
</thead>
<tbody>
<tr>
<td>R &amp; D Expenditures</td>
<td>116,540</td>
<td>135,470</td>
<td>142,190</td>
<td>138,202</td>
<td>139,861</td>
<td>140,000</td>
</tr>
<tr>
<td>Change from previous year</td>
<td>10.4%</td>
<td>16.2%</td>
<td>5.0%</td>
<td>(2.8%)</td>
<td>1.2%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Percentage of Net sales</td>
<td>9.5%</td>
<td>9.8%</td>
<td>10.3%</td>
<td>10.4%</td>
<td>10.1%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

Unrealized Gains on Marketable Securities

<table>
<thead>
<tr>
<th></th>
<th>96/3</th>
<th>97/3</th>
<th>98/3</th>
<th>99/3</th>
<th>00/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market value</td>
<td>136,974</td>
<td>153,008</td>
<td>114,024</td>
<td>122,364</td>
<td>127,781</td>
</tr>
<tr>
<td>Book value</td>
<td>131,571</td>
<td>149,354</td>
<td>110,195</td>
<td>114,743</td>
<td>116,615</td>
</tr>
<tr>
<td>Unrealized gains</td>
<td>5,403</td>
<td>3,654</td>
<td>3,828</td>
<td>7,620</td>
<td>11,165</td>
</tr>
<tr>
<td>Fixed assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market value</td>
<td>311,838</td>
<td>357,575</td>
<td>376,065</td>
<td>371,409</td>
<td>542,281</td>
</tr>
<tr>
<td>Book value</td>
<td>127,107</td>
<td>128,905</td>
<td>120,154</td>
<td>127,532</td>
<td>142,025</td>
</tr>
<tr>
<td>Unrealized gains</td>
<td>184,730</td>
<td>228,670</td>
<td>255,910</td>
<td>243,876</td>
<td>400,256</td>
</tr>
</tbody>
</table>
IMPACT OF FOREIGN EXCHANGE TRENDS

<table>
<thead>
<tr>
<th></th>
<th>96/3</th>
<th>97/3</th>
<th>98/3</th>
<th>99/3</th>
<th>00/3</th>
<th>01/3 Est.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average exchange rate (¥/US$)</td>
<td>95</td>
<td>112</td>
<td>122</td>
<td>127</td>
<td>110</td>
<td>105</td>
</tr>
<tr>
<td>Foreign exchange gain(loss) (¥ billion)</td>
<td>(5.7)</td>
<td>22.4</td>
<td>6.3</td>
<td>4.0</td>
<td>(23.7)</td>
<td>(7.0)</td>
</tr>
<tr>
<td>Impact of ¥1/US$ change (¥ billion)</td>
<td>0.95</td>
<td>1.32</td>
<td>0.63</td>
<td>0.80</td>
<td>1.39</td>
<td>1.40</td>
</tr>
</tbody>
</table>
### OTHER FINANCIAL INDICES

#### (1) Operational Efficiency

<table>
<thead>
<tr>
<th></th>
<th>96/3</th>
<th>97/3</th>
<th>98/3</th>
<th>99/3</th>
<th>00/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes and accounts receivable</td>
<td>270,344</td>
<td>296,946</td>
<td>300,691</td>
<td>290,461</td>
<td>324,992</td>
</tr>
<tr>
<td>Average collection period (months)</td>
<td>2.6</td>
<td>2.5</td>
<td>2.6</td>
<td>2.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Inventories</td>
<td>46,020</td>
<td>52,305</td>
<td>57,792</td>
<td>56,665</td>
<td>58,167</td>
</tr>
<tr>
<td>Average age of inventory (months)</td>
<td>0.5</td>
<td>0.5</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Total assets</td>
<td>1,377,530</td>
<td>1,453,790</td>
<td>1,472,037</td>
<td>1,556,363</td>
<td>1,730,045</td>
</tr>
<tr>
<td>Total assets turnover (times)</td>
<td>0.9</td>
<td>1.0</td>
<td>0.9</td>
<td>0.9</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Notes: The figures for average collection period, average age of inventory and total assets turnover are calculated based on average trade receivable, inventories and total assets at the beginning and the end of each fiscal year.

#### (2) Safety

<table>
<thead>
<tr>
<th></th>
<th>96/3</th>
<th>97/3</th>
<th>98/3</th>
<th>99/3</th>
<th>00/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>787,050</td>
<td>838,070</td>
<td>795,571</td>
<td>784,560</td>
<td>814,077</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>590,480</td>
<td>615,719</td>
<td>676,466</td>
<td>771,803</td>
<td>915,968</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>313,979</td>
<td>400,745</td>
<td>386,419</td>
<td>344,881</td>
<td>352,238</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>263,584</td>
<td>198,991</td>
<td>174,192</td>
<td>264,543</td>
<td>273,880</td>
</tr>
<tr>
<td>Shareholders' equity</td>
<td>799,966</td>
<td>854,052</td>
<td>911,426</td>
<td>946,938</td>
<td>1,103,926</td>
</tr>
<tr>
<td>Current ratio</td>
<td>250.7%</td>
<td>209.1%</td>
<td>205.9%</td>
<td>227.5%</td>
<td>231.1%</td>
</tr>
<tr>
<td>Fixed ratio</td>
<td>73.8%</td>
<td>72.1%</td>
<td>74.2%</td>
<td>81.5%</td>
<td>83.0%</td>
</tr>
<tr>
<td>Shareholders' equity ratio</td>
<td>58.1%</td>
<td>58.7%</td>
<td>61.9%</td>
<td>60.8%</td>
<td>63.8%</td>
</tr>
</tbody>
</table>

### Charts

- [Chart 1](#)
- [Chart 2](#)
- [Chart 3](#)
(3) Profitability and Investment Analysis Ratios

① Return on equity, Return on total assets and Return on sales

<table>
<thead>
<tr>
<th></th>
<th>96/3</th>
<th>97/3</th>
<th>98/3</th>
<th>99/3</th>
<th>00/3</th>
<th>01/3 Est.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on equity</td>
<td>4.3%</td>
<td>6.2%</td>
<td>5.6%</td>
<td>4.3%</td>
<td>4.0%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Return on total assets</td>
<td>2.5%</td>
<td>3.6%</td>
<td>3.4%</td>
<td>2.6%</td>
<td>2.7%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Return on sales</td>
<td>2.8%</td>
<td>3.7%</td>
<td>3.6%</td>
<td>3.0%</td>
<td>3.2%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>39.08</td>
<td>58.53</td>
<td>55.90</td>
<td>44.00</td>
<td>48.21</td>
<td>40.25</td>
</tr>
<tr>
<td>Cash dividends per share</td>
<td>14.00</td>
<td>16.00</td>
<td>15.00</td>
<td>15.00</td>
<td>17.00</td>
<td></td>
</tr>
<tr>
<td>Payment ratio</td>
<td>35.8%</td>
<td>27.4%</td>
<td>27.0%</td>
<td>34.0%</td>
<td>35.4%</td>
<td></td>
</tr>
<tr>
<td>Cash flow per share</td>
<td>118.77</td>
<td>141.55</td>
<td>142.18</td>
<td>139.98</td>
<td>145.28</td>
<td></td>
</tr>
<tr>
<td>Shareholders’ equity per share</td>
<td>919.66</td>
<td>969.17</td>
<td>1,016.05</td>
<td>1,045.89</td>
<td>1,207.43</td>
<td></td>
</tr>
</tbody>
</table>

② PER, PCFR and PBR

<table>
<thead>
<tr>
<th></th>
<th>96/3</th>
<th>97/3</th>
<th>98/3</th>
<th>99/3</th>
<th>00/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock price at the end of fiscal year (yen)</td>
<td>2,160</td>
<td>2,430</td>
<td>2,500</td>
<td>2,325</td>
<td>2,445</td>
</tr>
<tr>
<td>Price earning ratio (times)</td>
<td>55.3</td>
<td>41.5</td>
<td>44.7</td>
<td>52.8</td>
<td>50.7</td>
</tr>
<tr>
<td>Price cash flow ratio (times)</td>
<td>18.2</td>
<td>17.2</td>
<td>17.6</td>
<td>16.6</td>
<td>16.8</td>
</tr>
<tr>
<td>Price book value ratio (times)</td>
<td>2.3</td>
<td>2.5</td>
<td>2.5</td>
<td>2.2</td>
<td>2.0</td>
</tr>
</tbody>
</table>
### Stock Prices

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-Mar</th>
<th>Apr-Jun</th>
<th>Jul-Sep</th>
<th>Oct-Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>High 2,100</td>
<td>High 1,700</td>
<td>High 1,900</td>
<td>High 1,940</td>
</tr>
<tr>
<td></td>
<td>Low 1,670</td>
<td>Low 1,450</td>
<td>Low 1,530</td>
<td>Low 1,830</td>
</tr>
<tr>
<td>1996</td>
<td>High 2,180</td>
<td>High 2,440</td>
<td>High 2,510</td>
<td>High 2,800</td>
</tr>
<tr>
<td></td>
<td>Low 1,950</td>
<td>Low 2,140</td>
<td>Low 2,090</td>
<td>Low 2,310</td>
</tr>
<tr>
<td>1997</td>
<td>High 2,830</td>
<td>High 3,280</td>
<td>High 3,060</td>
<td>High 3,010</td>
</tr>
<tr>
<td></td>
<td>Low 2,120</td>
<td>Low 2,360</td>
<td>Low 2,560</td>
<td>Low 2,080</td>
</tr>
<tr>
<td>1998</td>
<td>High 2,800</td>
<td>High 2,500</td>
<td>High 2,490</td>
<td>High 2,405</td>
</tr>
<tr>
<td></td>
<td>Low 1,911</td>
<td>Low 2,150</td>
<td>Low 1,985</td>
<td>Low 1,820</td>
</tr>
<tr>
<td>1999</td>
<td>High 2,510</td>
<td>High 2,670</td>
<td>High 2,700</td>
<td>High 2,475</td>
</tr>
<tr>
<td></td>
<td>Low 1,991</td>
<td>Low 2,195</td>
<td>Low 2,150</td>
<td>Low 2,100</td>
</tr>
<tr>
<td>2000</td>
<td>High 2,465</td>
<td>High 2,670</td>
<td>High 2,700</td>
<td>High 2,475</td>
</tr>
<tr>
<td></td>
<td>Low 1,991</td>
<td>Low 2,195</td>
<td>Low 2,150</td>
<td>Low 2,100</td>
</tr>
</tbody>
</table>

### Trading Volume (thousands of shares)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-Mar</th>
<th>Apr-Jun</th>
<th>Jul-Sep</th>
<th>Oct-Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>34,366</td>
<td>35,832</td>
<td>35,570</td>
<td>29,872</td>
</tr>
<tr>
<td>1996</td>
<td>47,889</td>
<td>38,357</td>
<td>30,439</td>
<td>53,298</td>
</tr>
<tr>
<td>1997</td>
<td>69,535</td>
<td>72,925</td>
<td>60,103</td>
<td>69,810</td>
</tr>
<tr>
<td>1998</td>
<td>40,733</td>
<td>43,832</td>
<td>40,439</td>
<td>42,699</td>
</tr>
<tr>
<td>1999</td>
<td>42,436</td>
<td>52,642</td>
<td>51,152</td>
<td>64,903</td>
</tr>
</tbody>
</table>

### Number of Employees

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Employees</th>
<th>Change from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996/3</td>
<td>40,278</td>
<td>(2.9%)</td>
</tr>
<tr>
<td>1997/3</td>
<td>39,618</td>
<td>(1.6%)</td>
</tr>
<tr>
<td>1998/3</td>
<td>39,390</td>
<td>(0.6%)</td>
</tr>
<tr>
<td>1999/3</td>
<td>39,549</td>
<td>0.4%</td>
</tr>
<tr>
<td>2000/3</td>
<td>39,200</td>
<td>(0.9%)</td>
</tr>
</tbody>
</table>

### Trading Volume (thousands of shares)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-Mar</th>
<th>Apr-Jun</th>
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</thead>
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</tr>
<tr>
<td>2000/3</td>
<td>39,200</td>
<td>(0.9%)</td>
</tr>
</tbody>
</table>

### Trading Volume (thousands of shares)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-Mar</th>
<th>Apr-Jun</th>
<th>Jul-Sep</th>
<th>Oct-Dec</th>
</tr>
</thead>
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<td>35,570</td>
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<td>60,103</td>
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<tr>
<td>1998</td>
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<td>40,439</td>
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<tr>
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<td>42,436</td>
<td>52,642</td>
<td>51,152</td>
<td>64,903</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
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<th>Change from previous year</th>
</tr>
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<tbody>
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<td>39,549</td>
<td>0.4%</td>
</tr>
<tr>
<td>2000/3</td>
<td>39,200</td>
<td>(0.9%)</td>
</tr>
</tbody>
</table>
### BALANCE SHEETS

**Millions of yen**

#### Assets

<table>
<thead>
<tr>
<th>Category</th>
<th>96/3</th>
<th>97/3</th>
<th>98/3</th>
<th>99/3</th>
<th>00/3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and time deposits</td>
<td>164,928</td>
<td>171,333</td>
<td>119,492</td>
<td>154,382</td>
<td>111,548</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>285,875</td>
<td>295,357</td>
<td>285,992</td>
<td>256,005</td>
<td>262,637</td>
</tr>
<tr>
<td>Notes and accounts receivable</td>
<td>270,344</td>
<td>296,946</td>
<td>300,691</td>
<td>290,461</td>
<td>324,992</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(2,424)</td>
<td>(2,642)</td>
<td>(2,724)</td>
<td>(1,977)</td>
<td>(1,722)</td>
</tr>
<tr>
<td>Inventories</td>
<td>46,020</td>
<td>52,305</td>
<td>57,792</td>
<td>56,665</td>
<td>58,167</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>17,827</td>
</tr>
<tr>
<td>Other current assets</td>
<td>22,302</td>
<td>24,768</td>
<td>34,324</td>
<td>29,019</td>
<td>40,622</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>787,050</td>
<td>838,070</td>
<td>795,571</td>
<td>784,560</td>
<td>814,077</td>
</tr>
<tr>
<td><strong>Investments and Advances</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment securities</td>
<td>154,232</td>
<td>158,906</td>
<td>152,826</td>
<td>156,220</td>
<td>171,078</td>
</tr>
<tr>
<td>Investments to subsidiaries</td>
<td>129,662</td>
<td>132,266</td>
<td>151,161</td>
<td>179,056</td>
<td>192,772</td>
</tr>
<tr>
<td>Long-term receivables</td>
<td>4,598</td>
<td>4,127</td>
<td>3,893</td>
<td>14,343</td>
<td>13,167</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>105,295</td>
</tr>
<tr>
<td>Others</td>
<td>6,910</td>
<td>8,980</td>
<td>9,118</td>
<td>9,085</td>
<td>9,224</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(34)</td>
<td>(31)</td>
<td>(29)</td>
<td>(87)</td>
<td>(62)</td>
</tr>
<tr>
<td><strong>Total Investments and Advances</strong></td>
<td>295,369</td>
<td>304,250</td>
<td>316,970</td>
<td>358,619</td>
<td>491,474</td>
</tr>
<tr>
<td><strong>Property, Plant and Equipment, at Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>72,825</td>
<td>73,913</td>
<td>75,919</td>
<td>77,251</td>
<td>79,994</td>
</tr>
<tr>
<td>Buildings and structures</td>
<td>250,899</td>
<td>265,954</td>
<td>293,530</td>
<td>320,297</td>
<td>325,499</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>877,656</td>
<td>907,125</td>
<td>966,592</td>
<td>1,017,752</td>
<td>1,052,041</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>20,648</td>
<td>29,725</td>
<td>32,153</td>
<td>45,558</td>
<td>53,121</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(926,919)</td>
<td>(965,251)</td>
<td>(1,008,701)</td>
<td>(1,047,677)</td>
<td>(1,086,164)</td>
</tr>
<tr>
<td><strong>Net Property, Plant and Equipment</strong></td>
<td>295,111</td>
<td>311,469</td>
<td>359,496</td>
<td>413,184</td>
<td>424,492</td>
</tr>
</tbody>
</table>

**Total Assets**

<table>
<thead>
<tr>
<th></th>
<th>1,377,530</th>
<th>1,453,790</th>
<th>1,472,037</th>
<th>1,556,363</th>
<th>1,730,045</th>
</tr>
</thead>
</table>

---

### Notes

- The above figures represent the company's financial statements for the years ending March 31, 2000.
- The company holds significant investments in subsidiaries, which are included in the total assets.
<table>
<thead>
<tr>
<th>Liabilities and Shareholders' Equity</th>
<th>96/3</th>
<th>97/3</th>
<th>98/3</th>
<th>99/3</th>
<th>00/3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convertible bonds due within one year</td>
<td>39,017</td>
<td>28,386</td>
<td>14,336</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Notes and accounts payable</td>
<td>180,737</td>
<td>204,067</td>
<td>203,193</td>
<td>200,997</td>
<td>222,151</td>
</tr>
<tr>
<td>Income tax payable</td>
<td>27,394</td>
<td>43,352</td>
<td>33,712</td>
<td>12,840</td>
<td>16,879</td>
</tr>
<tr>
<td>Accrued bonuses to employees</td>
<td>27,838</td>
<td>29,867</td>
<td>31,039</td>
<td>29,900</td>
<td>29,988</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>78,007</td>
<td>84,441</td>
<td>90,085</td>
<td>86,805</td>
<td>83,216</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>313,979</td>
<td>400,745</td>
<td>386,419</td>
<td>344,881</td>
<td>352,238</td>
</tr>
<tr>
<td><strong>Long-term Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Straight bonds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Convertible bonds</td>
<td>151,340</td>
<td>76,978</td>
<td>44,787</td>
<td>29,328</td>
<td>29,318</td>
</tr>
<tr>
<td>Accrued retirement benefits</td>
<td>112,244</td>
<td>122,013</td>
<td>129,405</td>
<td>135,215</td>
<td>144,562</td>
</tr>
<tr>
<td><strong>Total Long-term Liabilities</strong></td>
<td>263,584</td>
<td>198,991</td>
<td>174,192</td>
<td>264,543</td>
<td>273,880</td>
</tr>
<tr>
<td><strong>Shareholders' Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock, per value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 50 per share</td>
<td>112,211</td>
<td>129,896</td>
<td>151,166</td>
<td>165,925</td>
<td>173,097</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>190,857</td>
<td>208,516</td>
<td>229,752</td>
<td>244,480</td>
<td>251,643</td>
</tr>
<tr>
<td>Legal reserve</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>27,954</td>
<td>28,660</td>
<td>33,144</td>
<td>38,459</td>
<td>41,726</td>
</tr>
<tr>
<td>Retained earnings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>468,942</td>
<td>486,978</td>
<td>497,363</td>
<td>498,072</td>
<td>637,458</td>
</tr>
<tr>
<td><strong>Total Shareholders' Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>799,966</td>
<td>854,052</td>
<td>911,426</td>
<td>946,938</td>
<td>1,103,926</td>
</tr>
<tr>
<td><strong>Total Liabilities and Shareholders' Equity</strong></td>
<td>1,377,530</td>
<td>1,453,790</td>
<td>1,472,037</td>
<td>1,556,363</td>
<td>1,730,045</td>
</tr>
</tbody>
</table>
## STATEMENT OF INCOME

### Millions of yen

<table>
<thead>
<tr>
<th></th>
<th>96/3</th>
<th>97/3</th>
<th>98/3</th>
<th>99/3</th>
<th>00/3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>1,230,422</td>
<td>1,383,115</td>
<td>1,375,133</td>
<td>1,329,003</td>
<td>1,386,913</td>
</tr>
<tr>
<td><strong>Cost of Sales</strong></td>
<td>1,058,464</td>
<td>1,171,728</td>
<td>1,189,697</td>
<td>1,166,949</td>
<td>1,212,315</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>171,958</td>
<td>211,386</td>
<td>185,436</td>
<td>162,053</td>
<td>174,598</td>
</tr>
<tr>
<td><strong>Selling, General and Administrative Expenses</strong></td>
<td>104,730</td>
<td>109,777</td>
<td>104,491</td>
<td>98,786</td>
<td>106,548</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>67,228</td>
<td>101,608</td>
<td>80,944</td>
<td>63,266</td>
<td>68,049</td>
</tr>
<tr>
<td><strong>Non-operating Income:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Interest and dividend income</strong></td>
<td>14,644</td>
<td>12,487</td>
<td>14,986</td>
<td>12,095</td>
<td>12,384</td>
</tr>
<tr>
<td><strong>Other non-operating income</strong></td>
<td>7,295</td>
<td>7,533</td>
<td>5,890</td>
<td>5,027</td>
<td>9,381</td>
</tr>
<tr>
<td><strong>Non-operating Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Interest expenses</strong></td>
<td>3,240</td>
<td>2,720</td>
<td>2,090</td>
<td>2,326</td>
<td>2,287</td>
</tr>
<tr>
<td><strong>Other non-operating expenses</strong></td>
<td>5,940</td>
<td>3,837</td>
<td>4,672</td>
<td>8,628</td>
<td>10,612</td>
</tr>
<tr>
<td><strong>Ordinary income</strong></td>
<td>79,987</td>
<td>115,072</td>
<td>95,058</td>
<td>69,434</td>
<td>76,915</td>
</tr>
<tr>
<td><strong>Extraordinary Income:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reversal of allowance for doubtful accounts</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>490</td>
<td>280</td>
</tr>
<tr>
<td><strong>Extraordinary loss:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Loss on sales of investment securities</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>387</td>
<td>-</td>
</tr>
<tr>
<td><strong>Contributions to the funded pension plan to reduce unfunded obligation and to supplement actuarial loss</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,345</td>
</tr>
<tr>
<td><strong>Income before Income Taxes</strong></td>
<td>79,987</td>
<td>115,072</td>
<td>95,058</td>
<td>69,537</td>
<td>69,850</td>
</tr>
<tr>
<td><strong>Income Taxes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td>46,011</td>
<td>63,926</td>
<td>45,292</td>
<td>29,900</td>
<td>36,488</td>
</tr>
<tr>
<td><strong>Deferred</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(10,438)</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>33,976</td>
<td>51,146</td>
<td>49,766</td>
<td>39,637</td>
<td>43,801</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>01/1</th>
<th>02/2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Deferred</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>