

Consolidated Financial Statements

Consolidated Balance Sheets

	As of March 31		
	2000	2001	2001
	Yen (Millions)		U.S. Dollars (Thousands)
Assets			
Current assets:			
Cash and cash equivalents	¥ 118,453	¥ 123,542	\$ 997,111
Trade accounts receivable, less allowance for doubtful accounts of ¥159 million in 2000 and ¥261 million (\$2,107 thousand) in 2001	59,959	105,167	848,805
Inventories	56,507	82,219	663,592
Deferred tax assets.....	10,765	12,662	102,195
Other current assets.....	4,575	5,304	42,809
Total current assets	250,259	328,894	2,654,512
Investment securities.....	7,226	6,448	52,042
Property, plant and equipment, net	51,000	55,334	446,602
Deferred tax assets.....	5,208	7,059	56,973
Intangible assets, at cost, less accumulated amortization.....	4,624	6,903	55,714
Other assets.....	2,575	2,793	22,543
Total assets	¥ 320,892	¥ 407,431	\$ 3,288,386

See accompanying notes to consolidated financial statements.

	As of March 31		
	2000	2001	2001
	Yen (Millions)		U.S. Dollars (Thousands)
Liabilities and Stockholders' Equity			
Current liabilities:			
Current installments of long-term debt	¥ 10,000	¥ 4,343	\$ 35,052
Current installments of obligations under capital leases	547	439	3,543
Trade accounts payable	27,656	38,716	312,478
Income taxes payable	10,745	26,361	212,760
Deferred tax liabilities.....	—	47	379
Accrued expenses.....	12,778	20,568	166,005
Accrued warranty expenses.....	3,286	5,964	48,136
Total current liabilities	65,012	96,438	778,353
Long-term debt, excluding current installments	26,822	26,911	217,199
Obligations under capital leases, excluding current installments	736	404	3,261
Deferred tax liabilities.....	—	312	2,518
Accrued pension and severance costs	11,779	13,307	107,401
Other liabilities	1,856	2,036	16,433
Total liabilities	106,205	139,408	1,125,165
Minority interests.....	93	94	759
Stockholders' equity:			
Common stock, ¥50 (\$0.40) par value. Authorized 220,000,000 shares; issued and outstanding 99,716,966 shares in 2000 and 99,735,569 shares in 2001.....	32,146	32,207	259,944
Additional paid-in capital	32,735	32,802	264,746
Retained earnings.....	159,228	207,876	1,677,772
Accumulated other comprehensive income (loss)	(6,934)	(2,534)	(20,452)
Treasury stock, 345,185 and 324,095 shares in 2000 and 2001, respectively, at cost.....	(2,581)	(2,422)	(19,548)
Total stockholders' equity	214,594	267,929	2,162,462
Commitments and contingencies			
Total liabilities and stockholders' equity	¥ 320,892	¥ 407,431	\$ 3,288,386

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income

	Year ended March 31		
	2000	2001	2001
	Yen (Millions)		U.S. Dollars (Thousands)
Net sales	¥ 158,578	¥ 276,512	\$ 2,231,735
Cost of sales	73,647	125,028	1,009,104
Gross profit	84,931	151,484	1,222,631
Research and development expenses.....	23,481	28,541	230,355
Selling, general and administrative expenses	26,648	38,038	307,006
Operating income	34,802	84,905	685,270
Other income (expense):			
Interest income	564	858	6,925
Interest expense	(764)	(635)	(5,125)
Minority interests.....	(29)	(12)	(97)
Other.....	(1,079)	1,217	9,823
	(1,308)	1,428	11,526
Income before income taxes	33,494	86,333	696,796
Income taxes.....	12,589	33,212	268,055
Net income	¥ 20,905	¥ 53,121	\$ 428,741

	March 31, 2000 and 2001		
	2000	2001	2001
	Yen		U.S. Dollars
Net income per share:			
Basic	¥ 210.63	¥ 534.44	\$ 4.31
Diluted	209.99	533.24	4.30

See accompanying notes to consolidated financial statements.

Consolidated Financial Statements

Consolidated Statements of Stockholders' Equity

	Year ended March 31		
	2000	2001	2001
	Yen (Millions)		U.S. Dollars (Thousands)
Common stock:			
Balance at beginning of year	¥ 30,948	¥ 32,146	\$ 259,451
Warrants exercised.....	1,198	61	493
Balance at end of year	32,146	32,207	259,944
Additional paid-in capital:			
Balance at beginning of year	31,417	32,735	264,205
Warrants exercised.....	1,318	67	541
Balance at end of year	32,735	32,802	264,746
Retained earnings:			
Balance at beginning of year	141,693	159,228	1,285,133
Net income	20,905	53,121	428,741
Cash dividends, ¥37 and ¥50 (\$0.40) in 2000 and 2001, respectively, per share	(3,370)	(4,473)	(36,102)
Balance at end of year	159,228	207,876	1,677,772
Accumulated other comprehensive income (loss):			
Balance at beginning of year	(4,562)	(6,934)	(55,964)
Other comprehensive income (loss), net of tax.....	(2,372)	4,400	35,512
Balance at end of year	(6,934)	(2,534)	(20,452)
Treasury stock:			
Balance at beginning of year	(3,107)	(2,581)	(20,831)
Treasury stock purchased.....	(607)	(226)	(1,824)
Treasury stock sold	1,133	385	3,107
Balance at end of year	(2,581)	(2,422)	(19,548)
Total stockholders' equity	¥ 214,594	¥ 267,929	\$ 2,162,462
Disclosure of comprehensive income:			
Net income	¥ 20,905	¥ 53,121	\$ 428,741
Other comprehensive income (loss), net of tax.....	(2,372)	4,400	35,512
Total comprehensive income.....	¥ 18,533	¥ 57,521	\$ 464,253

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

	Year ended March 31		
	2000	2001	2001
	Yen (Millions)		U.S. Dollars (Thousands)
Cash flows from operating activities:			
Net income	¥ 20,905	¥ 53,121	\$ 428,741
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	8,905	10,214	82,437
Provision for doubtful accounts	—	243	1,961
Gain on sale of marketable securities, net	(74)	(102)	(823)
Gain on sale of non-marketable securities, net	(128)	8	65
Foreign exchange loss (gain), net	266	(706)	(5,698)
Loss on sale of property, plant and equipment	181	134	1,082
Deferred income taxes	(1,907)	(3,218)	(25,973)
Changes in assets and liabilities:			
Trade accounts receivable	(2,082)	(42,469)	(342,768)
Inventories	(19,458)	(24,103)	(194,536)
Trade accounts payable	16,155	8,877	71,646
Income taxes payable	4,781	15,616	126,037
Accrued expenses	(3,666)	7,833	63,220
Accrued warranty expenses	326	2,259	18,233
Other	(2,497)	1,890	15,254
Net cash provided by operating activities	21,707	29,597	238,878
Cash flows from investing activities:			
Proceeds from sale of marketable securities	222	—	—
Proceeds from sale of non-marketable securities	63	17	137
Acquisition	—	(1,465)	(11,824)
Purchases of marketable securities	(375)	—	—
Purchases of non-marketable securities	(404)	(426)	(3,438)
Proceeds from sale of property, plant and equipment	207	907	7,320
Purchases of software	(2,324)	(2,901)	(23,414)
Capital expenditures	(6,469)	(12,280)	(99,112)
Other	—	18	145
Net cash used in investing activities	(9,080)	(16,130)	(130,186)

See accompanying notes to consolidated financial statements.

Consolidated Financial Statements

	Year ended March 31		
	2000	2001	2001
	Yen (Millions)		U.S. Dollars (Thousands)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	¥ 2,200	¥ 4,500	\$ 36,320
Principal payments on long-term debt.....	(3,066)	(10,197)	(82,300)
Principal payments on obligations under capital leases	(618)	(591)	(4,770)
Proceeds from sale of treasury stock	1,133	377	3,043
Payments to acquire treasury stock	(607)	(226)	(1,824)
Proceeds from issuance of shares	2,556	346	2,793
Dividends paid	(3,373)	(4,471)	(36,086)
Other.....	—	(4)	(32)
Net cash used in financing activities	(1,775)	(10,266)	(82,856)
Net effect of exchange rate changes on cash and cash equivalents.....	(1,437)	1,888	15,238
Net change in cash and cash equivalents	9,415	5,089	41,074
Cash and cash equivalents at beginning of year	109,038	118,453	956,037
Cash and cash equivalents at end of year	¥ 118,453	¥123,542	\$ 997,111
Supplemental data:			
Cash paid during the year for:			
Income taxes	¥ 8,212	¥ 20,151	\$ 162,639
Interest	710	719	5,803

See accompanying notes to consolidated financial statements.