

Years ended March 31	Yen (millions)		U.S. dollars (thousands) (Note 2)	
	1996	1997	1998	1998
Common stock:				
Balance at beginning of year	¥223,650	¥237,626	¥237,674	\$1,800,561
Exercise of warrants	—	—	9,547	72,325
Conversion of bonds	13,976	48	2,126	16,106
Balance at end of year	<u>¥237,626</u>	<u>¥237,674</u>	<u>¥249,347</u>	<u>\$1,888,992</u>
Capital surplus:				
Balance at beginning of year	¥398,801	¥419,780	¥424,578	\$3,216,500
Exercise of warrants	—	—	9,576	72,546
Conversion of bonds	13,951	79	2,126	16,106
Other, net.	7,028	4,719	(257)	(1,947)
Balance at end of year	<u>¥419,780</u>	<u>¥424,578</u>	<u>¥436,023</u>	<u>\$3,303,205</u>
Legal reserve:				
Balance at beginning of year	¥24,056	¥ 25,907	¥ 27,767	\$210,356
Transfer from retained earnings	1,851	1,860	1,880	14,242
Balance at end of year	<u>¥25,907</u>	<u>¥ 27,767</u>	<u>¥ 29,647</u>	<u>\$224,598</u>
Retained earnings:				
Balance at beginning of year	¥453,808	¥466,086	¥491,471	\$3,723,265
Net income	63,113	46,147	5,587	42,326
Cash dividends paid	(18,289)	(18,413)	(18,508)	(140,212)
Transfer to legal reserve.	(1,851)	(1,860)	(1,880)	(14,243)
Bonuses to directors and statutory auditors	(726)	(869)	(940)	(7,121)
Translation adjustments	(23,438)	—	—	—
Other, net.	(6,531)	380	(5,494)	(41,621)
Balance at end of year	<u>¥466,086</u>	<u>¥491,471</u>	<u>¥470,236</u>	<u>\$3,562,394</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.