

Consolidated Statements of Shareholders' Equity

Years ended March 31	1999	2000	Yen (millions) 2001	U.S. Dollars (thousands) (Note 3) 2001
Common stock:				
Balance at beginning of year	¥249,347	¥ 261,222	¥ 306,246	\$2,469,726
Exercise of warrants	11,635	34,649	7,007	56,508
Conversion of bonds	181	10,375	1,399	11,282
Increase as a result of merger	59	—	—	—
Balance at end of year	<u>¥261,222</u>	<u>¥ 306,246</u>	<u>¥ 314,652</u>	<u>\$2,537,516</u>
Capital surplus:				
Balance at beginning of year	¥436,023	¥ 447,948	¥ 495,073	\$3,992,525
Exercise of warrants	11,744	41,133	8,977	72,395
Conversion of bonds	180	10,375	1,399	11,282
Other, net	1	(4,383)	—	—
Balance at end of year	<u>¥447,948</u>	<u>¥ 495,073</u>	<u>¥ 505,449</u>	<u>\$4,076,202</u>
Retained earnings:				
Balance at beginning of year	¥499,883	¥ 456,240	¥ 490,409	\$3,954,911
Net income (loss)	(13,638)	42,734	8,521	68,718
Cash dividends paid	(18,686)	(19,112)	(19,642)	(158,403)
Bonuses to directors and statutory auditors	(925)	(739)	(728)	(5,871)
Decrease in foreign currency translation adjustments (Note 2)	(5,927)	—	—	—
Increase as a result of newly consolidated subsidiary	—	6,112	—	—
Other, net	(4,467)	5,174	5,149	41,524
Balance at end of year	<u>¥456,240</u>	<u>¥ 490,409</u>	<u>¥ 483,709</u>	<u>\$3,900,879</u>
Unrealized gains on securities, net of taxes:				
Balance at beginning of year	¥ —	¥ —	¥ —	\$ —
Increase	—	—	19,035	153,508
Balance at end of year	<u>¥ —</u>	<u>¥ —</u>	<u>¥ 19,035</u>	<u>\$ 153,508</u>
Foreign currency translation adjustments:				
Balance at beginning of year	¥ (66,780)	¥ (86,660)	¥ (114,904)	\$ (926,645)
Change during the period	(19,880)	(28,244)	6,453	52,040
Balance at end of year	<u>¥ (86,660)</u>	<u>¥ (114,904)</u>	<u>¥ (108,451)</u>	<u>\$ (874,605)</u>
Treasury stock:				
Balance at beginning of year	¥ (24)	¥ (98)	¥ (296)	\$ (2,387)
(Increase) decrease	(74)	(198)	285	2,298
Balance at end of year	<u>¥ (98)</u>	<u>¥ (296)</u>	<u>¥ (11)</u>	<u>\$ (89)</u>

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