

**FINANCIAL SECTION** Consolidated Statements of Shareholders' Equity

| Years ended March 31                                                | 2002       | 2003       | Yen<br>(millions)<br>2004 | U.S. Dollars<br>(thousands)<br>(Note 3)<br>2004 |
|---------------------------------------------------------------------|------------|------------|---------------------------|-------------------------------------------------|
| <b>Common stock:</b>                                                |            |            |                           |                                                 |
| Balance at beginning of year                                        | ¥ 314,652  | ¥ 324,624  | ¥ 324,624                 | \$3,062,491                                     |
| Conversion of bonds                                                 | 9,707      | —          | —                         | —                                               |
| Increase as a result of stock exchange                              | 265        | —          | —                         | —                                               |
| Balance at end of year                                              | ¥ 324,624  | ¥ 324,624  | ¥ 324,624                 | \$3,062,491                                     |
| <b>Capital surplus:</b>                                             |            |            |                           |                                                 |
| Balance at beginning of year                                        | ¥ 505,449  | ¥ 519,720  | ¥ 519,720                 | \$4,903,019                                     |
| Conversion of bonds                                                 | 9,707      | —          | —                         | —                                               |
| Increase as a result of stock exchange                              | 4,564      | —          | —                         | —                                               |
| Gain on sales of treasury stocks                                    | —          | —          | 16                        | 151                                             |
| Decrease as a result of deconsolidation of equity method affiliates | —          | —          | (63,773)                  | (601,632)                                       |
| Balance at end of year                                              | ¥ 519,720  | ¥ 519,720  | ¥ 455,963                 | \$4,301,538                                     |
| <b>Retained earnings (Deficit):</b>                                 |            |            |                           |                                                 |
| Balance at beginning of year                                        | ¥ 483,709  | ¥ 76,176   | ¥ (60,718)                | \$ (572,811)                                    |
| Net income (loss)                                                   | (382,542)  | (122,066)  | 49,704                    | 468,906                                         |
| Cash dividends paid                                                 | (14,842)   | (5,005)    | —                         | —                                               |
| Bonuses to directors and statutory auditors                         | (998)      | (598)      | (620)                     | (5,849)                                         |
| Decrease as a result of deconsolidation of equity method affiliates | —          | —          | (27,706)                  | (261,378)                                       |
| Other, net                                                          | (9,151)    | (9,225)    | 3,606                     | 34,019                                          |
| Balance at end of year                                              | ¥ 76,176   | ¥ (60,718) | ¥ (35,734)                | \$ (337,113)                                    |
| <b>Unrealized gains on securities, net of taxes:</b>                |            |            |                           |                                                 |
| Balance at beginning of year                                        | ¥ 19,035   | ¥ 10,417   | ¥ 2,152                   | \$ 20,302                                       |
| Increase (decrease)                                                 | (8,618)    | (8,265)    | 147,477                   | 1,391,292                                       |
| Balance at end of year                                              | ¥ 10,417   | ¥ 2,152    | ¥ 149,629                 | \$1,411,594                                     |
| <b>Revaluation surplus on land, net of taxes:</b>                   |            |            |                           |                                                 |
| Balance at beginning of year                                        | ¥ —        | ¥ 4,311    | ¥ 3,938                   | \$ 37,151                                       |
| Increase (decrease)                                                 | 4,311      | (373)      | (485)                     | (4,576)                                         |
| Balance at end of year                                              | ¥ 4,311    | ¥ 3,938    | ¥ 3,453                   | \$ 32,575                                       |
| <b>Foreign currency translation adjustments:</b>                    |            |            |                           |                                                 |
| Balance at beginning of year                                        | ¥(108,451) | ¥ (81,323) | ¥ (86,517)                | \$ (816,198)                                    |
| Change during the period                                            | 27,128     | (5,194)    | 16,616                    | 156,755                                         |
| Balance at end of year                                              | ¥ (81,323) | ¥ (86,517) | ¥ (69,901)                | \$ (659,443)                                    |
| <b>Treasury stock:</b>                                              |            |            |                           |                                                 |
| Balance at beginning of year                                        | ¥ (11)     | ¥ (169)    | ¥ (809)                   | \$ (7,632)                                      |
| (Increase) decrease                                                 | (158)      | (640)      | (48)                      | (453)                                           |
| Balance at end of year                                              | ¥ (169)    | ¥ (809)    | ¥ (857)                   | \$ (8,085)                                      |

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