

## **Presentation of Business Results for the Fiscal Year ended March 31, 2003 Supplementary Explanation on BS, PL & Cash Flow**

### **1. Balance Sheet (Assets)**

**Total assets** decreased 29,900 million yen to 320,069 million yen.

**Current assets** declined by 4,100 million yen.

**Notes and accounts receivable** increased 2,800 million yen, which includes a decrease of 1,267 million yen owing to appreciation of the yen. Net increase, therefore, amounted to about 4,000 million yen. This is attributable to our suspending securitization of accounts receivable in the U.S.

**Inventories** declined by 6,600 million yen, which includes a decrease of 2,309 million yen owing to exchange rate fluctuations. Net decrease stood at about 4,300 million yen. In the 58th term, we plan to reduce inventories by 3,000 million yen.

**Fixed assets** decreased 25,800 million yen, out of which 20,400 million yen was a decrease in tangible fixed assets. At the end of the current term, the yen appreciated about 10% against the U.S. dollar, the Thai baht, and the yuan, compared with the end of the previous term. The exchange rate fluctuation caused a decrease of 12,700 million yen in **tangible fixed assets**. With capital expenditure amounting to 16,300 million yen and depreciation cost posted at 22,700 million yen, tangible fixed assets showed a decrease of 20,400 million yen.

**Intangible fixed assets** decreased, which represents a decrease in amortization.

**Investment and other assets:** Investments in securities decreased 1,700 million yen as a result of declines in financial sector stock prices. Deferred tax assets decreased 1,600 million yen.

### **2. Balance Sheet (Liabilities)**

Reduction in interest-bearing debt accounted for a greater part of a decrease in liabilities. Interest-bearing debt was reduced by 15,500 million yen, out of which 2,000 million yen was attributable to an effect of yen appreciation. The actual repayment was 13,500 million yen.

**Total shareholders' equity:** Foreign currency translation adjustments increased 10,900 million yen owing to an effect of stronger yen. Net loss amounted to 2,400 million yen and dividend payment totaled 2,700 million yen. Total shareholders' equity decreased 14,500 million yen.

### **3. Consolidated Statement of Income**

On April 10, 2003, we announced revised forecasts for net sales at 272,000 million yen, operating income at 18,600 million yen, ordinary income at 13,600 million yen, and net loss at 3,200 million yen. Operating income has since then improved 752 million yen to 19,352 million yen. With regard to rent and lease between affiliated companies, a lessor company recorded lease income as other non-operating

income, while a lessee company posted rent as manufacturing cost or S.G. & A. expenses. Offsetting lease income and rent on a consolidated basis has brought about the increase in operating income. There is no significant difference in ordinary income. The primary reason why net loss has improved 766 million yen to 2,434 million yen from 3,200 million yen as estimated on April 10, 2003 is that provision (credit) has been made for deferred (prepaid) income taxes in China, the U.S. and Singapore owing to the adoption of tax effect accounting.

#### **4. Itemized Extraordinary Losses**

**Losses on disposal of fixed assets** amounted to 602 million yen, which represents losses on disposal of machinery and others in Thailand and Singapore.

**Losses on revaluation of investments securities** totaled 4,945 million yen, owing to declines in financial sector stock prices.

**Losses on liquidation of subsidiaries** totaled 1,843 million yen, which is broken down into losses on planned sale or liquidation of IMC MAGNETICS CORP. in Arizona posted in the amount of 721 million yen, losses on liquidation of a Malaysian speaker box manufacturing subsidiary posted in the amount of 553 million yen, and losses on liquidation/consolidation of European subsidiaries, particularly in the U.K., posted in the amount of 569 million yen.

**Losses for withdrawal from the switching power supply business and related businesses** were posted at 3,144 million yen.

**Losses for after-care of products** were posted at 482 million yen.

**Environmental preservation expenses:** We posted extraordinary losses in the amount of 1,206 million yen in connection with reserve for cleanup expenses for soil contamination at a U.S. subsidiary.

**Provisions for retirement benefits** are posted as extraordinary losses, over three years, in the amount of 626 million yen per year.

As a result, extraordinary losses totaled 12,924 million yen.

For more details, please refer to the supplementary financial data.

(Note: In the explanation, some numbers are rounded to the nearest 100 million yen.)