

**BRIEF REPORT OF NON-CONSOLIDATED FINANCIAL RESULTS**  
(Year ended March 31, 2003)

May 15, 2003

Registered  
Company Name: **MINEBEA CO., LTD.** Common Stock Listings: Tokyo, Osaka, and Nagoya  
Code No: 6479 Headquarters: Nagano-ken  
(URL <http://www.minebea.co.jp>)  
Representative : Tsugio Yamamoto President and Representative Director  
Contact: Sadahiko Oki Director-Accounting  
Board of Directors' Meeting for Tel. (03)5434-8611  
Non-consolidated Financial Interim Dividend Plan: None  
Results held on : May 15, 2003 Unit Share Method: Yes (1 unit = 1,000 shares)  
Annual Shareholders' Meeting to be held on: June 27, 2003

1. Business performance (April 1, 2002 through March 31, 2003)

(1) Results of Operations (Amounts less than one million yen have been omitted.)

	Net sales		Operating income		Ordinary income	
	(millions of yen)	% Change	(millions of yen)	% Change	(millions of yen)	% Change
FY2003	162,952	(7.0)	5,018	171.5	11,062	10.3
FY2002	175,218	(11.4)	1,848	(84.9)	10,033	(17.3)

  

	Net income		Net income Per share(yen)	Fully diluted net income per share(yen)	Return (Net income) on equity (%)	Return (Ordinary income) on assets (%)	Return (Ordinary income) on sales (%)
	(millions of yen)	% Change					
FY2003	1,227	(71.8)	3.08	—	0.7	3.0	6.8
FY2002	4,351	10.2	10.90	10.46	2.4	2.6	5.7

(Notes) 1. Weighted average number of shares outstanding during the respective years: 399,131,972 shares at March 31, 2003  
399,165,043 shares at March 31, 2002

2. Changes in accounting method: None

3. The percentages of net sales, operating income, ordinary income and net income show year-on-year changes.

(2) Dividends

	Dividends per share			Total annual dividends (millions of yen)	Dividends payout ratio (%)	Dividends on shareholders' equity (%)
	Annual (yen)	Interim (yen)	Year-end (yen)			
FY2003	7.00	—	7.00	2,793	227.6	1.5
FY2002	7.00	—	7.00	2,794	64.2	1.5

(Notes) Details of dividends Not applicable.

(3) Financial Position

	Total assets (millions of yen)	Shareholders' equity (millions of yen)	Shareholders' equity ratio (%)	Shareholder's equity per share (yen)
FY2003	362,682	181,240	50.0	454.12
FY2002	376,880	181,222	48.1	454.01

(Notes) 1. Number of shares outstanding at end of year: 399,100,842 shares at March 31, 2003  
399,159,121 shares at March 31, 2002

2. Number of treasury stock at end of year: 66,853 shares at March 31, 2003  
8,574 shares at March 31, 2002

2. Prospect for the next fiscal year (April 1, 2003 through March 31, 2004)

	Net sales (millions of yen)	Ordinary income (millions of yen)	Net income (millions of yen)	Dividends per share		
				Interim(yen)	Year-end(yen)	Annual(yen)
Interim	87,000	4,100	1,750			
Annual	179,500	10,100	4,800		7.00	7.00

(Reference) Projected annual net income per share: 12.03yen

(Notes) The above-mentioned forecasts are based on the information available as of the date when this information is disclosed, as well as on the assumptions as of the disclosing date of this information related with unpredictable parameters that are probable to affect our future business performances in the end. In other words, our actual performances are likely to differ greatly from these estimates depending on various factors that will take shape from now on. As for the assumptions used for these forecasts and other related items, please refer to page eight and nine of the documents attached hereunder.

## Non-Consolidated Financial Statements and Notes

### 1. Non-Consolidated Balance Sheets

	As of March 31,2003		As of March 31,2002		Increase or (decrease) 2003-2002	
		%		%		
	<u>Millions of yen</u>	<u>Comp.</u>	<u>Millions of yen</u>	<u>Comp.</u>	<u>Millions of yen</u>	<u>%</u>
<b>ASSETS</b>						
Current assets.....	128,363	35.4	136,349	36.2	(7,985)	(5.9)
Cash and cash equivalents.....	7,487		4,421		3,066	
Notes receivable.....	2,249		1,952		297	
Accounts receivable-trade.....	36,680		41,533		(4,853)	
Purchased goods.....	3,442		3,170		271	
Goods in transit.....	1,068		1,530		(462)	
Finished goods.....	1,278		1,687		(409)	
Raw materials.....	2,122		2,020		101	
Work in process.....	2,410		2,814		(404)	
Supplies.....	170		152		17	
Advances to vendor.....	131		430		(299)	
Prepaid expenses.....	380		407		(26)	
Short-term loans receivable from affiliates.....	60,202		64,632		(4,430)	
Accounts receivable-other.....	5,568		6,982		(1,414)	
Temporary advance.....	22		16		6	
Deferred tax assets.....	4,231		3,641		590	
Others.....	1,018		1,187		(169)	
Allowance for doubtful receivables....	(100)		(233)		133	
Fixed assets.....	234,305	64.6	240,513	63.8	(6,207)	(2.6)
Tangible fixed assets.....	32,073		33,435		(1,362)	
Buildings.....	11,607		12,062		(454)	
Structures.....	661		597		63	
Machinery and equipment.....	6,314		6,680		(366)	
Vehicles.....	15		7		8	
Tools, furniture and fixtures.....	2,255		2,329		(73)	
Land.....	11,067		11,067		-	
Construction in progress.....	150		689		(539)	
Intangible fixed assets.....	841		844		(3)	
Patents.....	466		554		(88)	
Leasehold rights.....	49		49		-	
Software.....	275		188		87	
Others.....	50		52		(2)	
Investments and other assets.....	201,391		206,233		(4,841)	
Investments in securities.....	3,720		5,488		(1,767)	
Investments securities in affiliates.....	155,366		156,813		(1,446)	
Investments in partnerships.....	0		0		-	
Investments in partnerships with affiliates.....	27,733		27,608		124	
Long-term loans receivable.....	-		5		(5)	
Long-term loans receivable from employees.....	11		13		(1)	
Long-term loans receivable from affiliates.....	8,567		7,425		1,141	
Reorganization claim in bankruptcy , and others.....	53		37		16	
Long-term prepaid expenses.....	804		400		404	
Deferred tax assets.....	7,983		10,862		(2,879)	
Others.....	1,124		1,281		(157)	
Allowance for doubtful receivable.....	(3,975)		(3,705)		(270)	
Deferred assets.....	13	0.0	17	0.0	(4)	(24.1)
Bond issuance expenses.....	13		17		(4)	
Total Assets.....	362,682	100.0	376,880	100.0	(14,197)	(3.8)

	As of March 31,2003		As of March 31,2002		Increase or (decrease) 2003-2002	
	<u>Millions of yen</u>	<u>%</u> <u>Comp.</u>	<u>Millions of yen</u>	<u>%</u> <u>Comp.</u>	<u>Millions of yen</u>	<u>%</u>
<b>LIABILITIES</b>						
Current liabilities.....	100,327	27.6	124,025	32.9	(23,697)	(19.1)
Notes payable.....	2,998		3,986		(988)	
Accounts payable-trade.....	23,817		28,820		(5,002)	
Short-term loans payable.....	52,033		39,875		12,157	
Commercial paper.....	3,000		-		3,000	
Current portion of long-term loans payable.	500		27,700		(27,200)	
Current portion of bonds.....	10,000		-		10,000	
Current portion of convertible bonds...	-		13,823		(13,823)	
Accounts payable-other.....	4,193		5,290		(1,097)	
Accrued income taxes.....	71		65		5	
Accrued expenses.....	816		866		(50)	
Advances from customer.....	4		11		(6)	
Deposits received.....	245		416		(170)	
Deferred income.....	86		115		(29)	
Accrued bonuses.....	1,943		2,090		(146)	
Notes payable for equipment.....	100		470		(369)	
Others.....	515		493		22	
Long-term liabilities.....	81,114	22.4	71,632	19.0	9,482	13.2
Bonds.....	28,000		35,000		(7,000)	
Convertible bonds.....	27,080		27,080		-	
Bond with warrants.....	4,000		4,000		-	
Long-term loans payable.....	22,000		5,500		16,500	
Allowance for retirement benefits.....	34		52		(17)	
Total Liabilities.....	181,442	50.0	195,657	51.9	(14,215)	(7.3)
<b>SHAREHOLDERS' EQUITY</b>						
Common stock.....	68,258	18.8	68,258	18.1	-	-
Additional paid-in capital.....	94,756	26.1	94,756	25.1	-	-
Capital reserve.....	94,756		94,756		-	
Retained Earnings.....	18,299	5.1	19,932	5.3	(1,633)	(8.2)
Earned surplus.....	2,085		2,085		-	
Voluntary reserve.....	11,500		10,000		1,500	
General reserve.....	11,500		10,000		1,500	
Unappropriated retained earnings..	4,714		7,847		(3,133)	
[Current net income].....	[1,227]		[4,351]		[(3,124)]	
Difference on revaluation of other marketable securities .....	(36)	(0.0)	(1,718)	(0.4)	1,682	97.9
Treasury stock.....	(37)	(0.0)	(6)	(0.0)	(31)	(506.9)
Total Shareholders' Equity.....	181,240	50.0	181,222	48.1	17	0.0
Total Liabilities and Shareholders' Equity..	362,682	100.0	376,880	100.0	(14,197)	(3.8)

(Note) 1. In accordance with the revised rules concerning financial statements, financial items under Assets in Condensed Balance Sheet at the end of the previous term is reclassified for easy comparison with fiscal years before the previous year.

	Millions of yen	
	<u>2003</u>	<u>2002</u>
2. Accumulated depreciation of tangible fixed assets.....	48,849	47,175
3. Guranteed liabilities.....	37,369	47,076
4. Issuance of common stock upon conversion of convertible bonds.....	-	-
Increase of shares on conversion of convertible bonds.....	-	-
Transferred to common stock.....	-	-
5. Issuance of common stock upon conversion of bond with warrants..	-	-
Increase of shares on conversion of bond with warrants .....	-	-
Transferred to common stock.....	-	-

## 2. Non-Consolidated Statements of Income

	Year ended March 31,2003		Year ended March 31,2002		Increase or (decrease) 2003 - 2002	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Net Sales.....	162,952	100.0	175,218	100.0	(12,266)	(7.0)
Cost of sales.....	136,897	84.0	150,915	86.1	(14,018)	(9.3)
Gross profit.....	26,054	16.0	24,302	13.9	1,751	7.2
Selling, general and administrative expenses.....	21,036	12.9	22,454	12.8	(1,417)	(6.3)
Operating income.....	5,018	3.1	1,848	1.1	3,169	171.5
Other income.....	9,420	5.8	11,530	6.5	(2,110)	(18.3)
Interest income.....	969		942		27	
Dividends received.....	7,786		9,828		(2,041)	
Rent income of fixed assets.....	504		487		16	
Others.....	159		271		(111)	
Other expenses.....	3,375	2.1	3,345	1.9	30	0.9
Interest and discount charge.....	1,392		1,455		(62)	
Interest on bonds.....	1,252		1,270		(18)	
Amortization on bond issue costs.....	24		17		6	
Foreign currency exchange loss....	294		187		106	
Others.....	412		413		(1)	
Ordinary income.....	11,062	6.8	10,033	5.7	1,029	10.3
Extraordinary income.....	450	0.3	2,192	1.3	(1,742)	(79.5)
Gain from discharge of debts.....	-		682		(682)	
Gain on sales of fixed assets.....	123		365		(241)	
Gain on sales of investments in securities.....	3		-		3	
Gain on sales of investments securities in affiliates .....	-		250		(250)	
Liquidation dividend from affiliated company.....	205		-		205	
Reversal of allowance for doubtful receivables.....	118		398		(279)	
Reversal of allowance for loss on the liquidation of the automotive wheel business ..	-		496		(496)	
Extraordinary loss.....	8,117	5.0	3,969	2.3	4,148	104.5
Loss on disposal of inventories.....	-		965		(965)	
Loss on sales of fixed assets.....	117		209		(91)	
Loss on sales of investments in securities .....	-		6		(6)	
Loss on revaluation of investments in securities.....	4,945		1,466		3,479	
Allowance for doubtful receivables.....	-		292		(292)	
Loss on revaluation of investments securities in affiliates.....	2,280		527		1,752	
Loss on liquidation of affiliated companies.....	256		7		248	
Loss for after-care of products.....	23		-		23	
Retirement benefit expense.....	494		494		-	
Income before income taxes.....	3,395	2.1	8,257	4.7	(4,861)	(58.9)
Income taxes (including enterprise tax)	999	0.6	801	0.4	198	24.8
Adjustment of income taxes.....	1,168	0.7	3,104	1.8	(1,936)	(62.4)
Total income taxes.....	2,167	1.3	3,905	2.2	(1,737)	(44.5)
Net income.....	1,227	0.8	4,351	2.5	(3,124)	(71.8)
Retained earnings brought forward from the previous year.....	3,486		3,495		(8)	
Unappropriated retained earnings at end of year.....	4,714		7,847		(3,133)	

### 3. (a) Proposed Appropriation of Unappropriated Retained Earnings

	Year ended March 31,2003		Year ended March 31,2002
	Millions of yen		Millions of yen
Unappropriated retained earnings at end of year.....	4,714	Unappropriated retained earnings at end of year.....	7,847
The above amount is to be appropriated as follows:-		The above amount is to be appropriated as follows:-	
Dividends [ 7 yen per share].....	2,793	Dividends [ 7 yen per share].....	2,794
Bonuses to directors & corporate auditors.....	-	Bonuses to directors & corporate auditors.....	66
[Corporate auditors' bonuses]	[ - ]	[Corporate auditors' bonuses]	[ 3 ]
Voluntary reserve	-	Voluntary reserve	1,500
General reserve.....	-	General reserve.....	1,500
Total	<u>2,793</u>	Total	<u>4,360</u>
Retained earnings carried forward to the next year.....	1,920	Retained earnings carried forward to the next year.....	3,486

#### (Notes) Revision of directors' remuneration

In accordance with the planned introduction of Executive Officer System, we will reduce the number of directors. Along with this, we intend to revise directors' remuneration, currently 41 million yen or less per month, to be 25 million yen or less per month and will submit this, in accordance with Article 269 of the Commercial Law, as one of the items of agenda for approval at the 57th Annual Shareholders' Meeting, provided that the amendment of the Articles of Incorporation to reduce the number of directors is approved.

#### (b) Dividends per share

	FY2003			FY2002		
	Annual (yen)	Interim (yen)	Year-end (yen)	Annual (yen)	Interim (yen)	Year-end (yen)
Common stock (Breakdown)	7.00	—	7.00	7.00	—	7.00
Memorial dividends	—	—	—	—	—	—
Special dividends	—	—	—	—	—	—
New stocks	—	—	—	—	—	—
Preferred stocks	—	—	—	—	—	—
Subsidiaries-linked dividend stocks	—	—	—	—	—	—

## 4. Significant Accounting Policies

### (a) Marketable securities

Investments securities in

subsidiaries and affiliates: Stated at cost determined by the moving average method.

Other marketable securities: Securities with Market Value

Market value method based on market prices and other conditions at the end of the term. (The revaluation differences are accounted for based on the direct capitalization method and the sales costs are calculated by the moving average method.)

Securities without Market Value

Non listed marketable securities are stated at cost determined by the moving average method.

### (b) Inventories

Purchased goods: Stated at cost determined by the moving average method.

Finished goods: Stated at cost determined by the moving average method.

Raw materials: Stated at cost determined by the moving average method for bearings, fasteners, measuring equipment, motors and special machinery components.

Work in process: Stated at cost determined by the moving average method for bearings, fasteners, and motors.

Stated at cost determined respectively for measuring equipment, special motors and special machinery components.

Supplies: Stated at cost determined by the moving average method for manufacturing bearings, fasteners, measuring equipment, motors and special machinery components.

### (c) Depreciation

Tangible fixed assets:

Depreciation of tangible fixed assets is made on the declining balance method based on estimated useful lives of the assets.

Useful lives and residual values are computed on the basis of the same method that is stipulated in the Corporation tax law.

The depreciation method of depreciation assets whose acquisition values are not less than 100,000 yen and less than 200,000 yen has been changed to a method by which those assets are equally depreciated in lump sum for three years.

Intangible fixed assets:

Depreciation of intangible fixed assets is made on the straight-line method.

Useful lives are computed on the basis of the same method that is stipulated in the Corporation tax law.

However, the depreciation method of software (for internal use) is computed on the straight-line method based on our expected useful period (5 years).

### (d) Amortization of deferred assets

Bond issuance expenses are amortized over three years by an averaged amount each year.

Other items are charged to income as incurred.

### (e) Allowances

Allowance for doubtful receivables:

In order to prepare against losses resulting from irrecoverable receivables, an allowance has been reserved in the amount required for estimated uncollectible receivables based on actual losses of trade receivables and on collectibility of specific receivables with loss possibilities.

Accrued bonuses:

To make preparations for the payment of bonuses to employees, accrued bonuses are shown based on the anticipated amounts of payment in the current term.

Allowance for retirement benefits:

Based on estimated retirement benefit debts and pension assets at the end of the current term, the Company reported an amount estimated to accrue at the end of the current term to provide for employee retirement benefits.

Regarding the difference of 2,474 million yen arising at the time of changing accounting standards, the Company charged prorated amounts to expenses over five years and stated this extraordinary loss as retirement benefit expense.

Over the five years from the following term after the difference accrue, the Company will charge differences in mathematical calculation to expenses in accordance with the straight-line method.

**(f) Translation of foreign currency assets and liabilities**

Translation of foreign currency assets and liabilities are into yen at the exchange rate on the balance sheets date.

**(g) Accounting method of significant lease transactions**

The accounting treatment for financial lease transactions other than those in which the ownership of leases is considered to be transferred to us, is in accordance with that for ordinary lease transactions.

**(h) Accounting method of significant hedge transactions**

The Company had no significant hedge operations to report during the term.

In concluding forward foreign exchange contracts, those contracts with the corresponding amounts and dates are respectively allocated (to the debts) in accordance with the risk management policy. Therefore the correlation between claims/debts and forward foreign exchange contracts arising from foreign exchange rate fluctuations is fully secured, and this judgment is substituted for the judgment of effective hedge.

**(i) Other Significant Accounting Policies**

**Consumption taxes**

Consumption tax and other related taxes are excluded from revenues and purchases of the Company.

## 7. Notes

### (a) Relating to lease transactions

Millions of yen

(1) Equivalent of acquisition value of leased items, equivalent of total amount of depreciation and equivalent of year-end closing balance	<u>Year ended March 31, 2003</u>			<u>Year ended March 31, 2002</u>		
	Equivalent of acquisition value	Equivalent of total amount of depreciation	Equivalent of year-end balance	Equivalent of acquisition value	Equivalent of total amount of depreciation	Equivalent of year-end balance
Vehicles	307	172	135	382	173	208
Tools, furniture and fixtures	2,528	1,302	1,226	2,623	1,281	1,341
Total	2,835	1,474	1,361	3,005	1,455	1,550

Because of a low ratio of the year-end closing balance of unexpired lease expenses to a total amount of the year-end closing balance of tangible fixed assets plus the year-end closing balance of unexpired lease expense, equivalent of acquisition value in the term period in the current fiscal year has been calculated based on "Interest payment inclusive method".

### (2) Equivalent of year-end closing balance of unexpired lease expenses:

within 1-year	595	641
over 1-year	765	908
Total	1,361	1,550

Because of a low ratio of the year-end closing balance of unexpired lease expenses to a total amount of the year-end closing balance of tangible fixed assets plus the year-end closing balance of unexpired lease expense, equivalent of year-end closing balance of unexpired lease expenses in the term period in the current fiscal year has been calculated based on "Interest payment inclusive method".

### (3) The amount of lease expenses and equivalent of depreciation expenses:

Amount of lease expenses	678	856
Equivalent of depreciation expenses	678	856

### (4) Method of computing equivalent of depreciation expenses:

Computation is based on straight line method with the lease term as a useful life and the residual value to be set at zero.

### (b) Securities with Market Value

There are no subsidiaries or affiliates whose stocks have their current market value.

## (c) The tax effect accounting

Year ended March 31,2003	Year ended March 31,2002																																								
<p>1. Major reasons for the accrual of deferred tax assets (total current and fixed assets)</p> <p style="text-align: right;"><u>Millions of yen</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Excess of allowed limit chargeable to the accrued bonuses</td> <td style="text-align: right;">631</td> </tr> <tr> <td>Excess of allowed limit chargeable to the retirement benefits</td> <td style="text-align: right;">18</td> </tr> <tr> <td>Loss on the liquidation of investments in securities</td> <td style="text-align: right;">2,210</td> </tr> <tr> <td>Loss on the liquidation of investments securities in affiliates</td> <td style="text-align: right;">1,096</td> </tr> <tr> <td>Loss on liquidation of affiliated companies</td> <td style="text-align: right;">239</td> </tr> <tr> <td>Excess of allowed limit chargeable to the allowance for doubtful receivable</td> <td style="text-align: right;">1,539</td> </tr> <tr> <td>Deficit brought forward</td> <td style="text-align: right;">6,291</td> </tr> <tr> <td>Difference on revaluation of other marketable securities</td> <td style="text-align: right;">24</td> </tr> <tr> <td>Others</td> <td style="text-align: right;">166</td> </tr> <tr> <td style="text-align: right;"><b>Total</b></td> <td style="text-align: right;"><u><u>12,214</u></u></td> </tr> </table>	Excess of allowed limit chargeable to the accrued bonuses	631	Excess of allowed limit chargeable to the retirement benefits	18	Loss on the liquidation of investments in securities	2,210	Loss on the liquidation of investments securities in affiliates	1,096	Loss on liquidation of affiliated companies	239	Excess of allowed limit chargeable to the allowance for doubtful receivable	1,539	Deficit brought forward	6,291	Difference on revaluation of other marketable securities	24	Others	166	<b>Total</b>	<u><u>12,214</u></u>	<p>1. Major reasons for the accrual of deferred tax assets (total current and fixed assets)</p> <p style="text-align: right;"><u>Millions of yen</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Excess of allowed limit chargeable to the accrued bonuses</td> <td style="text-align: right;">558</td> </tr> <tr> <td>Excess of allowed limit chargeable to the retirement benefits</td> <td style="text-align: right;">28</td> </tr> <tr> <td>Loss on the liquidation of investments in securities</td> <td style="text-align: right;">301</td> </tr> <tr> <td>Loss on the liquidation of investments securities in affiliates</td> <td style="text-align: right;">211</td> </tr> <tr> <td>Loss on liquidation of affiliated companies</td> <td style="text-align: right;">3,646</td> </tr> <tr> <td>Excess of allowed limit chargeable to the allowance for doubtful receivable</td> <td style="text-align: right;">1,473</td> </tr> <tr> <td>Deficit brought forward</td> <td style="text-align: right;">7,097</td> </tr> <tr> <td>Difference on revaluation of other marketable securities</td> <td style="text-align: right;">1,145</td> </tr> <tr> <td>Others</td> <td style="text-align: right;">44</td> </tr> <tr> <td style="text-align: right;"><b>Total</b></td> <td style="text-align: right;"><u><u>14,503</u></u></td> </tr> </table>	Excess of allowed limit chargeable to the accrued bonuses	558	Excess of allowed limit chargeable to the retirement benefits	28	Loss on the liquidation of investments in securities	301	Loss on the liquidation of investments securities in affiliates	211	Loss on liquidation of affiliated companies	3,646	Excess of allowed limit chargeable to the allowance for doubtful receivable	1,473	Deficit brought forward	7,097	Difference on revaluation of other marketable securities	1,145	Others	44	<b>Total</b>	<u><u>14,503</u></u>
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Excess of allowed limit chargeable to the retirement benefits	28																																								
Loss on the liquidation of investments in securities	301																																								
Loss on the liquidation of investments securities in affiliates	211																																								
Loss on liquidation of affiliated companies	3,646																																								
Excess of allowed limit chargeable to the allowance for doubtful receivable	1,473																																								
Deficit brought forward	7,097																																								
Difference on revaluation of other marketable securities	1,145																																								
Others	44																																								
<b>Total</b>	<u><u>14,503</u></u>																																								
<p>2. Major reasons for significant differences between the legal effective tax rate and the ratio of income tax burden after the application of tax effect accounting.</p> <p style="text-align: right;">%</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Domestic legal effective tax rate (Adjustments)</td> <td style="text-align: right;">40.0</td> </tr> <tr> <td>Items to be regarded as taxable expenses, Such as entertainment expenses</td> <td style="text-align: right;">2.1</td> </tr> <tr> <td>Inhabitant tax levied per capita etc.</td> <td style="text-align: right;">1.4</td> </tr> <tr> <td>Income tax collected at the source</td> <td style="text-align: right;">18.8</td> </tr> <tr> <td>Adjustment of the difference in amount on the income tax return</td> <td style="text-align: right;">(5.0)</td> </tr> <tr> <td>Difference arising from a change in legally effective tax rate</td> <td style="text-align: right;">6.0</td> </tr> <tr> <td>Others</td> <td style="text-align: right;">0.6</td> </tr> <tr> <td style="text-align: right;">Ratio of income tax burden after the application of tax effect accounting</td> <td style="text-align: right;"><u><u>63.9</u></u></td> </tr> </table>	Domestic legal effective tax rate (Adjustments)	40.0	Items to be regarded as taxable expenses, Such as entertainment expenses	2.1	Inhabitant tax levied per capita etc.	1.4	Income tax collected at the source	18.8	Adjustment of the difference in amount on the income tax return	(5.0)	Difference arising from a change in legally effective tax rate	6.0	Others	0.6	Ratio of income tax burden after the application of tax effect accounting	<u><u>63.9</u></u>	<p>2. Major reasons for significant differences between the legal effective tax rate and the ratio of income tax burden after the application of tax effect accounting.</p> <p style="text-align: right;">%</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Domestic legal effective tax rate (Adjustments)</td> <td style="text-align: right;">40.0</td> </tr> <tr> <td>Items to be regarded as taxable expenses, Such as entertainment expenses</td> <td style="text-align: right;">0.7</td> </tr> <tr> <td>Inhabitant tax levied per capita etc.</td> <td style="text-align: right;">0.4</td> </tr> <tr> <td>Income tax collected at the source</td> <td style="text-align: right;">5.9</td> </tr> <tr> <td>Others</td> <td style="text-align: right;">0.3</td> </tr> <tr> <td style="text-align: right;">Ratio of income tax burden after the application of tax effect accounting</td> <td style="text-align: right;"><u><u>47.3</u></u></td> </tr> </table>	Domestic legal effective tax rate (Adjustments)	40.0	Items to be regarded as taxable expenses, Such as entertainment expenses	0.7	Inhabitant tax levied per capita etc.	0.4	Income tax collected at the source	5.9	Others	0.3	Ratio of income tax burden after the application of tax effect accounting	<u><u>47.3</u></u>												
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<p>3. Revision in the amount of deferred tax assets owing to changes in the rate of income tax and others.</p> <p>The legally effective tax rate used in calculating deferred tax assets is 40.0% in the previous term, and 40.0% in the current term for those under current assets and 39.0% for those under fixed assets in the current term. As a result, deferred tax assets decreased 204 million yen, and income tax adjustment increased by the same amount.</p>	<p>_____</p>																																								

## Change of Directors & Corporate Auditors

1. Representative Director: None

2. Other Directors & Corporate Auditors:

(a) Candidate for New Directors: None

(b) Candidate for New Corporate Auditors:

Isao Hiraide (Tax Advisor)

(c) Retiring Directors:

Senior Managing Director  
Director

Masahito Saigusa  
Tomeshiro Takeuchi

Managing Director

Takashi Yamaguchi (To be appointed as Managing Executive Officer)

Managing Director

Tomihiro Maruta (To be appointed as Managing Executive Officer)

Director

Sadao Sawamura (To be appointed as Executive Officer)

Director

Akihiro Hirao (To be appointed as Executive Officer)

Director

Sadahiko Oki (To be appointed as Executive Officer)

Director

Takuya Naka (To be appointed as Executive Officer)

Director

Yukio Shimizu (To be appointed as Executive Officer)

Director

Masayoshi Yamanaka (To be appointed as Executive Officer)

Director

Shunji Mase (To be appointed as Executive Officer)

Director

Hiroharu Katogi (To be appointed as Executive Officer)

Director

Susumu Fujisawa (To be appointed as Executive Officer)

Director

Masamitsu Osada (To be appointed as Executive Officer)

Director

Akio Okamiya (To be appointed as Executive Officer)

(d) Retiring Corporate Auditors:

Corporate Auditor

Toshiro Uchida