

CONSOLIDATED FINANCIAL STATEMENTS
TAMURA CORPORATION
MARCH 31 , 2000 AND 1999

TAMURA CORPORATION AND ITS CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31,		March 31,
	2000	1999	2000
ASSETS			
Current Assets:			
Cash and time deposits	¥ 14,471	¥ 15,469	\$ 136,519
Marketable securities (Note 2)	7,183	7,929	67,764
Notes and accounts receivable-trade:			
Non-consolidated subsidiaries and an affiliate	1,885	1,476	17,783
Other	23,525	20,132	221,934
Allowance for doubtful accounts	(132)	(159)	(1,245)
	<u>25,278</u>	<u>21,449</u>	<u>238,472</u>
Inventories (Note 3)	9,330	9,472	88,019
Deferred tax assets (Note 6)	561	-	5,292
Other current assets	1,204	1,267	11,359
Total current assets	<u>58,027</u>	<u>55,586</u>	<u>547,425</u>
Investments and Other Assets:			
Investments in securities (Note 2)	9,688	8,632	91,396
Investments in non-consolidated subsidiaries and an affiliate	576	847	5,434
Deferred tax assets (Note 6)	554	-	5,226
Other assets	2,243	3,340	21,161
Total investments and other assets	<u>13,061</u>	<u>12,819</u>	<u>123,217</u>
Property, Plant and Equipment (Note 4):			
Land	6,432	6,382	60,679
Buildings and structures	13,052	12,713	123,132
Machinery and equipment	24,366	24,223	229,868
Construction in progress	144	284	1,359
	<u>43,994</u>	<u>43,602</u>	<u>415,038</u>
Accumulated depreciation	(26,165)	(25,397)	(246,840)
Net property, plant and equipment	<u>17,829</u>	<u>18,205</u>	<u>168,198</u>
Translation adjustments	<u>2,469</u>	<u>1,496</u>	<u>23,292</u>
Total assets	<u>¥ 91,386</u>	<u>¥ 88,106</u>	<u>\$ 862,132</u>

The accompanying Notes are an integral part of these statements.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31,		March 31,
	2000	1999	2000
LIABILITIES AND SHAREHOLDERS'			
EQUITY			
Current Liabilities:			
Short-term loans (Note 4)	¥ 5,548	¥ 6,399	\$ 52,340
Current portion of long-term debt (Note 4)	5,485	676	51,745
Notes and accounts payable-trade:			
Non-consolidated subsidiaries and an affiliate	480	235	4,528
Other	12,302	10,665	116,057
	<u>23,815</u>	<u>10,900</u>	<u>224,670</u>
Accrued income taxes	1,321	-	12,462
Other current liabilities	4,746	3,699	44,774
Total current liabilities	<u>29,882</u>	<u>21,674</u>	<u>281,906</u>
Long-term Debt (Note 4)	14,825	20,238	139,858
Accrued Severance Indemnities	1,460	1,354	13,774
Deferred tax liabilities(Note 6)	78	-	736
Other Long-term Liabilities	492	850	4,641
Contingent Liabilities (Note 5)			
Minority interest in consolidated subsidiary	115	-	1,085
Shareholders' Equity:			
Common stock, ¥50 par value per share:	11,829	11,829	111,594
Authorized - 252,859,000 shares (in 2000)			
- 255,000,000 shares (in 1999)			
Issued and outstanding			
- 75,926,736 shares (in 2000)			
- 78,067,736 shares (in 1999)			
Additional paid-in capital	15,344	15,344	144,755
Retained earnings (Note 7)	17,361	16,817	163,783
Total shareholders' equity	<u>44,534</u>	<u>43,990</u>	<u>420,132</u>
Total liabilities, minority interest in consolidated subsidiaries and shareholders' equity	<u>¥ 91,386</u>	<u>¥ 88,106</u>	<u>\$ 862,132</u>

TAMURA CORPORATION AND ITS CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31,		March 31,
	2000	1999	2000
Net sales(Note 10)	¥ 76,859	¥ 78,184	\$ 725,085
Operating cost and expenses:			
Cost of sales	62,130	63,884	586,132
Selling, general and administrative expenses			
(Note 11)	10,753	10,524	101,443
	72,883	74,408	687,575
Operating income	3,976	3,776	37,510
Other income (expenses):			
Interest and dividend income	427	524	4,028
Interest expenses	(776)	(919)	(7,321)
Gain on sale of securities	1,337	-	12,613
Exchange loss	(1,164)	(757)	(10,981)
Write-down of marketable securities	(33)	(3)	(311)
Write-off of research and development expenses	(848)	-	(8,000)
Investment profit due to equity method	206	-	1,943
Other, net	(385)	(315)	(3,632)
	(1,236)	(1,470)	(11,661)
Income before income taxes	2,740	2,306	25,849
Income taxes			
Current	1,689	788	15,934
Deferred	(398)	-	(3,755)
Minority interest in income of consolidated subsidiary	42	-	396
Net income	1,407	1,518	13,274
Retained earnings:			
At beginning of year	16,817	15,893	158,651
Deferred taxes adjustment amount in past years	639	-	6,028
Increase arising from the increase of consolidated subsidiaries	50	-	472
Disposal of treasury stock due to profit	(949)	-	(8,953)
Cash dividends paid	(468)	(468)	(4,415)
Bonuses to directors and statutory auditors	(135)	(126)	(1,274)
At end of year	¥ 17,361	¥ 16,817	\$ 163,783
	yen		U.S. dollars
Per share:			
Primary net income	¥18.07	¥19.46	\$0.17
Fully diluted net income	16.78	17.73	0.16
Cash dividends per share	6.00	6.00	0.06

The accompanying Notes are an integral part of these statements.

TAMURA CORPORATION AND ITS CONSOLIDATED SUBSIDIARIE
CONSOLIDATED STATEMENT OF CASH FLOWS

	Millions of yen	Thousands of U.S. dollars (Note 1)
	March 31, 2000	March 31, 2000
Cash flows from operating activities:		
Income before income taxes	¥ 2,742	\$ 25,868
Depreciation	2,454	23,151
Write-off of research and development expenses	848	8,000
Increase in accrued severance indemnities	108	1,019
Decrease in allowance for doubtful accounts	(30)	(283)
Write-down of investments in securities	33	311
Interest and dividend income	(427)	(4,028)
Interest expenses	776	7,321
Exchange loss	829	7,821
Gain on sale of marketable securities and investments in securities	(1,337)	(12,613)
Bonuses to directors and statutory auditors	(135)	(1,274)
Investment profit due to equity method	(206)	(1,943)
Increase in trade receivable	(4,799)	(45,274)
Increase in inventories	(61)	(575)
Increase in trade payable	2,092	19,736
Other, net	949	8,953
	<u>3,836</u>	<u>36,190</u>
Interest and dividend received	434	4,094
Interest paid	(710)	(6,698)
Income taxes paid	(681)	(6,425)
Net cash provided by operating activities	<u>2,879</u>	<u>27,161</u>
Cash flows from investing activities:		
Acquisition of tangible fixed assets	(2,130)	(20,094)
Proceeds from sale of tangible fixed assets	229	2,160
Increase in investments in securities	(2,606)	(24,585)
Proceeds from sale of investments in securities	2,102	19,830
Other, net	669	6,311
Net cash used in investing activities	<u>(1,736)</u>	<u>(16,378)</u>
Cash flows from financing activities:		
Decrease in short-term loans	(410)	(3,868)
Proceeds from long-term debt	145	1,368
Repayment of long-term debt	(946)	(8,925)
Acquisition of treasury stock	(948)	(8,943)
Cash dividends paid	(468)	(4,415)
Other, net	(20)	(189)
Net cash used in financing activities	<u>(2,647)</u>	<u>(24,972)</u>
Effect of exchange rate changes on cash and cash equivalents	(126)	(1,189)
Net decrease in cash and cash equivalents	(1,630)	(15,378)
Cash and cash equivalents at beginning of year	15,218	143,567
Increase in cash and cash equivalents of newly consolidated subsidiaries	<u>374</u>	<u>3,528</u>
Cash and cash equivalents at end of year(Note12)	<u>¥ 13,962</u>	<u>\$ 131,717</u>

The accompanying Notes are an integral part of these statements.

TAMURA CORPORATION AND ITS CONSOLIDATED SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

(a) Basis of Presentation of Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared from the accounts maintained by Tamura Corporation and its consolidated subsidiaries (the "Companies") in accordance with the provisions set forth in the Japanese Commercial Code and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Accounting Standards.

Certain items presented in the consolidated financial statements submitted to the Director of Kanto Finance Bureau in Japan have been reclassified for the convenience of readers outside Japan. Consolidated statement of cash flows has been required to be prepared with effect for the year ended March 31, 2000, in accordance with a new accounting standard.

The consolidated financial statements are not intended to present the consolidated financial position and results of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

Amounts in U.S. dollars are included solely for the conveniences of readers outside Japan. The rate of ¥106= U.S.\$1, the rate of exchange on March 31, 2000 has been used in translation. The inclusion of such amounts is not intended to imply that Japanese yen have been or could be readily converted, realized or settled in U.S. dollars at the rate or any other rate.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of Tamura Corporation (the "Company") and, with exceptions which are not material, those of its 25 majority owned subsidiaries. All significant inter-company accounts and transactions have been eliminated on consolidation.

Investment in significant non-consolidated subsidiary has been accounted for by the equity method. The other investments in non-consolidated subsidiaries and an affiliate have been carried at cost.

Foreign currency financial statements have been translated into yen at the appropriate year-end current rate except for common stock, capital surplus and certain other inter-company accounts. Translation difference resulting therefrom have been deferred and are reflected in the accompanying consolidated balance sheets as "Translation adjustments".

(c) Marketable securities and investments in securities

Securities are stated at the moving average cost, save where write-downs have been made to reflect permanent declines in values.

(d) Allowance for doubtful accounts

Allowance for doubtful accounts is provided principally at an estimated amount of uncollectible receivable at the balance sheet date plus the maximum amount which can be charged to income under Japanese income tax laws.

(e) Inventories

Inventories are stated at cost, the cost of finished goods and work-in process being principally determined by the retail method and the cost of other inventories being determined by the latest purchase cost.

(f) Property, plant and equipment, and depreciation

Property, plant and equipment, including significant renewals and additions, are stated at cost and have been principally depreciated by the declining-balance method at rates based on the estimated lives of the assets. Repairs and maintenance expenses are charged to income as incurred.

(g) Research and development costs

During the year ended March 31, 2000, research and development costs were entirely charged to expenses in accordance with the new accounting standards which became effective on and after April 1, 1999.

Software development costs for those that are purposed for the Companies' own use are capitalized and amortized. Amortization of such software is made by a straight-line method over a five-year period.

(h) Accrued severance indemnities and pension plan

Employees who terminate their service with the Company and its domestic consolidated subsidiaries are entitled to lump-sum severance indemnities, determined by reference to current basic rates of pay, length of service and the conditions under which the termination occurs. Such severance indemnities are not funded. The Company and its domestic consolidated subsidiaries have provided for such liability to the extent of 40 per cent. of the amount which would be required if all employees terminated voluntarily their service at the financial year-end date.

The Company and certain domestic subsidiaries have an adjusted pension plan, which is a funded plan to supplement the government welfare pension fund. As at March 31, 2000, its past service cost amounted to ¥188 million (\$1,774 thousand) and is being funded over 20 years.

Effective April 1, 1997, the Company changed its method of accounting for severance indemnities for directors and statutory auditors from a cash basis to an accrual basis to reflect periodic income and expenses more appropriately.

The provisions for the year ended March 31, 2000 and 1999 are charged to selling, general and administrative expenses in the amount of ¥53 million (\$500 thousand) and ¥45 million, respectively. The cumulative effect on years prior to the change amounting to ¥425 million (\$4,009 thousand) is being charged to income over the three years and ¥141 million (\$1,330 thousand) is charged to other expenses in the year ended March 31, 2000 and 1999, respectively.

Effective April 1, 1999, the consolidated subsidiary changed its method of accounting for severance indemnities for directors and statutory auditors from a cash basis to an accrued basis for the purpose of unifying its accounting policy.

The provisions for the year ended March 31, 2000 are charged to selling, general and administrative expenses in the amount of ¥6 million (\$57 thousand). The cumulative effect is charged to other expenses in the amount of ¥54 million (\$509 thousand).

As a result, operating income and income before income taxes in comparison with the former accounting decreased by ¥6 million (\$57 thousand) and ¥61 million (\$575 thousand), respectively.

The Companies provide for severance indemnities for directors and statutory auditors at the amount which would be required in accordance with their rules for directors' and statutory auditors' severance indemnities, if they retired at the balance sheet date. Accrued severance indemnities as at March 31, 2000 and 1999 include severance indemnities for directors and statutory auditors of ¥433 million (\$4,085 thousand) and ¥324 million, respectively.

(i)Lease

Finance leases other than those which are deemed to transfer the ownership of the leased assets to lessees are accounted for by the method similar to that applicable to ordinary operating leases.

(j)Income taxes

Income taxes of the Company and its domestic subsidiaries consist of corporate income taxes, local inhabitants taxes and enterprise taxes.

In the year ended March 31, 2000, the Company and its subsidiaries adopted the deferred tax accounting method in accordance with the amended regulations for preparation of consolidated financial statements. Income taxes were determined using the asset and liability approach, whereby deferred tax assets and liabilities were recognized in respect of temporary differences between the tax basis of assets and liabilities and those as reported in the financial statements. The cumulative effect of adopting deferred tax accounting at April 1, 1999 was charged to retained earnings.

In the year ended March 31, 1999, income taxes of the Company and its domestic subsidiaries were provided for at an amount currently payable based on the tax returns filed with tax authorities.

(k) Translation of assets and liabilities denominated in foreign currency

Current assets and liabilities and non-current assets and liabilities denominated in foreign currencies are translated into Japanese yen at current exchange rates and at historical exchange rates, respectively.

(l) Appropriation of retained earnings

Cash dividends and bonuses to directors and statutory auditors are recorded in the financial year in which the proposed appropriation of retained earnings are approved by the Board of Directors and/or the shareholders' meeting.

(m) Amounts per share

Primary net income per share of common stock is computed on the basis of the weighted average number of shares of common stock outstanding during the respective years. The fully diluted net income per share calculation assumes conversion of all convertible bonds outstanding with related reduction in interest expenses. Cash dividends per share represent the dividends declared as applicable to the respective period.

(n) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of cash flows are composed of cash on hand, bank deposits able to be withdrawn on demand and short-term investments with an original maturity of three months or less and which represent a minor risk of fluctuations in value.

2. Marketable Securities and Investments in Securities

Information regarding marketable securities and investment securities is as follows:-

	Millions of yen		
	March 31, 2000		
	Carrying value	Aggregate market value	Net unrealized gains(losses)
Marketable securities:			
Marketable equity securities	¥ 1,079	¥ 1,304	¥ 225
Bonds	1,748	1,722	(26)
Other	597	555	(42)
	<u>¥ 3,424</u>	<u>¥ 3,581</u>	<u>¥ 157</u>
Investment securities:			
Marketable equity securities	¥ 8,532	¥ 13,303	¥ 4,771
	<u>¥ 11,956</u>	<u>¥ 16,884</u>	<u>¥ 4,928</u>

	Millions of yen		
	March 31, 1999		
	Carrying value	Aggregate market value	Net unrealized gains(losses)
Marketable securities:			
Marketable equity securities	¥ 843	¥ 864	¥ 21
Bonds and other	7,086	-	-
	<u>¥ 7,929</u>	<u>¥ -</u>	<u>¥ -</u>
Investment securities:			
Marketable equity securities	¥ 7,445	¥ 9,015	¥ 1,570
	<u>¥ 15,374</u>	<u>¥ -</u>	<u>¥ -</u>

Aggregate market value of "Bonds and other" was not procured in 1999.

	Thousands of U.S. dollars		
	March 31, 2000		
	Carrying value	Aggregate market value	Net unrealized gains(losses)
Marketable securities:			
Marketable equity securities	\$ 10,179	\$ 12,302	\$ 2,123
Bonds	16,491	16,245	(246)
Other	5,632	5,236	(396)
	<u>\$ 32,302</u>	<u>\$ 33,783</u>	<u>\$ 1,481</u>
Investment securities:			
Marketable equity securities	\$ 80,491	\$ 125,500	\$ 45,009
	<u>\$ 112,793</u>	<u>\$ 159,283</u>	<u>\$ 46,490</u>

The differences between the above carrying values and the amounts shown in the consolidated balance sheets consist principally of non-listed securities.

3. Inventories

At March 31, inventories consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Merchandise	¥ 969	¥ 1,168	\$ 9,142
Finished goods	1,624	2,019	15,321
Work in process	2,810	2,366	26,509
Raw materials and supplies	3,927	3,919	37,047
Total	<u>¥ 9,330</u>	<u>¥ 9,472</u>	<u>\$ 88,019</u>

4.Short-term Loans and Long-term Debt

Short-term loans at March 31, 2000 and 1999 were principally bank overdrafts and short-term notes bearing interest at annual rates ranging from 0.68 per cent. to 8.30 per cent.

At March 31, long-term debt consisted of the following:

	Millions of yen		Thousands of
	2000	1999	U.S. dollars
2.1 per cent. convertible bonds due 2002 convertible currently at ¥720 per share	¥ 9,342	¥ 9,342	\$ 88,132
1.7 per cent. mortgage bonds due 2003	500	500	4,717
1.2 per cent. mortgage bonds due 2003	500	500	4,717
Loans, principally from banks, bearing interest at annual rates ranging from 0.99 per cent to 7.675 per cent.	9,968	10,572	94,038
	20,310	20,914	191,604
Less: current portion	(5,485)	(676)	(51,745)
Total	¥ 14,825	¥ 20,238	\$ 139,859

At March 31, 2000, the number of shares of common stock which would have been issuable upon conversion of all outstanding convertible bonds was approximately 13.0 million.

The aggregate annual maturities of long-term debt at March 31, 2000 were as follows:

Year ending March 31,	Millions of yen	Thousands of
		U.S. dollars
2002	¥ 10,509	\$ 99,142
2003	2,937	27,708
2004	1,231	11,613
After 2005	148	1,396

At March 31, 2000, the following assets were pledged as collateral for long-term debt:

	Millions of yen	Thousands of
		U.S. dollars
Buildings and structures	¥ 700	\$ 6,604
Land	478	4,509

5. Contingent Liabilities

The Company and its consolidated subsidiaries were contingently liable for notes endorsed to others or discounted with banks in the ordinary course of business in the amount of 2,126 million (\$20,057 thousand) at March 31, 2000. In addition, the Company and its consolidated subsidiaries were contingently liable as guarantor of borrowings, principally by non-consolidated subsidiaries, in the amount of 700 million (\$6,604 thousand) at March 31, 2000.

6. Income taxes

The statutory tax rate used for calculating deferred tax assets and deferred tax liabilities as of March 31, 2000 was 42.0%.

At March 31, 2000, significant components of deferred tax assets and liabilities were as follows:

	<u>Millions of yen</u>	<u>Thousands of U.S. dollars</u>
Deferred tax assets:		
Accrued bonuses	¥ 160	\$ 1,509
Accrued enterprise taxes	89	840
Accrued severance indemnities	384	3,623
Unrealized earnings	286	2,698
Other	390	3,679
Total	<u>1,309</u>	<u>12,349</u>
Valuation allowance	<u>(140)</u>	<u>(1,321)</u>
Deferred tax assets	<u>¥ 1,169</u>	<u>\$ 11,028</u>
Deferred tax liabilities:		
Investment profit due to equity method	¥ (49)	\$ (462)
Other	<u>(84)</u>	<u>(792)</u>
Total deferred tax liabilities	<u>(133)</u>	<u>(1,254)</u>
Net deferred tax assets	<u>¥ 1,036</u>	<u>\$ 9,774</u>

At March 31, 2000, the reconciliation of the statutory tax rate to the effective income tax rate is as follows:

Statutory tax rate	42.0 %
Increase (decrease) in taxes resulting from	
Permanent differences	(3.1)
Other	<u>8.2</u>
Effective income tax rate	<u>47.1 %</u>

7. Subsequent Event

The shareholders approved the following appropriations of retained earnings at the annual general meeting held on June 29, 2000:

	<u>Millions of yen</u>	<u>Thousands of U.S. dollars</u>
Cash dividends	¥ 227	\$ 2,142
Bonuses to directors and statutory auditors	40	377

8. Leases

The leased assets under the Company's and its consolidated subsidiaries' financing leases, where lessors retain ownership of the leased assets and being accounted for as an operating leases, if capitalized, at March 31 comprises the followings:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Structures and machinery and equipment			
Cost	¥ 2,039	¥ 2,064	\$ 19,236
Accumulated depreciation	851	675	8,028
Net amount	¥ 1,188	¥ 1,389	\$ 11,208

The following is a schedule of the future minimum lease payments under such lease contracts as of March 31:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Due within one year	¥ 399	¥ 377	\$ 3,764
Due over one year	814	1,030	7,679
	¥ 1,213	¥ 1,407	\$ 11,443

Total lease expenses under finance lease for the years ended March 31, 2000 and 1999 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Lease rental expenses	¥ 435	¥ 383	\$ 4,104
Depreciation cost	408	674	3,849
Interest expense	33	31	311

9. Derivative financial instruments

The Companies enters into derivative financial instruments ("derivatives") in 2000 and there are no contracts in 1999.

The Companies don't hold or issue derivatives for trading purposes and it is the Companies' policy to use derivatives only for the purpose of reducing market risks and financing costs in accordance with internal criteria.

The Companies don't anticipate any losses resulting from default of the counterparties as they are limited to major financial institutions with sound operational foundations.

The contract or notional amounts of derivatives which are shown in the following table do not measure the Company's exposure to credit or market risk.

	At March 31, 2000			
	Contracted / Notional Principal Amount		Market value	Unrealized gain(loss)
	Within one year	After one year		
	(Millions of yen)			
Interest swap contracts	¥ -	2,000	¥ (26)	¥ (26)

10. Segment Information

(a) Industry segments:

The operations of the Companies for the years ended March 31, 2000 and 1999 were summarized by product group as follows:

	Year ended March 31, 2000						Consoli - dated
	Millions of yen						
	Information/ Communi - cation equipment	Electronic components and Power supplies	Electro - chemical materials and Precision machines	Other	Corporate and Elimination		
Sales and operating revenue							
Sales- Customers	¥ 5,203	¥ 48,400	¥ 23,228	¥ 28	¥ -		¥ 76,859
Inter-segment	-	109	13	796	(918)		-
	5,203	48,509	23,241	824	(918)		76,859
Operating costs and expenses	5,141	46,313	19,201	800	1,428		72,883
Operating income	¥ 62	¥ 2,196	¥ 4,040	¥ 24	¥ (2,346)		¥ 3,976
Identifiable assets	¥ 3,504	¥ 34,625	¥ 23,782	¥ 365	(¥ 29,110		¥ 91,386
Depreciation and amortization	¥ 106	¥ 1,615	¥ 653	¥ 0	¥ 80		¥ 2,454
Capital expenditures	¥ 41	¥ 1,162	¥ 438	¥ 1	¥ 346		¥ 1,988

Year ended March 31, 1999							
Millions of yen							
	Information/ Communi - cation equipment	Electronic components and Power supplies	Electro - chemical materials and Precision machines	Other	Corporate and Elimination	Consoli - dated	
Sales and operating revenue							
Sales- Customers	¥ 7,016	¥ 49,980	¥ 21,159	¥ 29	¥ -	¥ 78,184	
Inter-segment	-	205	16	787	(1,008)	-	
	7,016	50,185	21,175	816	(1,008)	78,184	
Operating costs and expenses	6,389	48,451	17,825	804	939	74,408	
Operating income	¥ 627	¥ 1,734	¥ 3,350	¥ 12	¥ (1,947)	¥ 3,776	
Identifiable assets	¥ 3,060	¥ 34,654	¥ 19,940	¥ 326	¥ 30,126	¥ 88,106	
Depreciation and amortization	¥ 123	¥ 2,163	¥ 664	¥ 0	¥ 113	¥ 3,063	
Capital expenditures	¥ 77	¥ 1,352	¥ 1,126	¥ -	¥ 177	¥ 2,732	
Year ended March 31, 2000							
Thousands of U.S. dollars							
	Information/ Communi - cation equipment	Electronic components and Power supplies	Electro - chemical materials and Precision machines	Other	Corporate and Elimination	Consoli - date d	
Sales and operating revenue							
Sales- Customers	\$ 49,085	\$ 456,604	\$ 219,132	\$ 264	\$ -	\$ 725,085	
Inter-segment	-	1,028	123	7,509	(8,660)	-	
	49,085	457,632	219,255	7,773	(8,660)	725,085	
Operating costs and expenses	48,500	436,915	181,142	7,547	13,472	687,576	
Operating income	\$ 585	\$ 20,717	\$ 38,113	\$ 226	\$ (22,132)	\$ 37,509	
Identifiable assets	\$ 33,057	\$ 326,651	\$ 224,358	\$ 3,443	\$ 274,623	\$ 862,132	
Depreciation and amortization	\$ 1,000	\$ 15,236	\$ 6,160	\$ 0	\$ 755	\$ 23,151	
Capital expenditures	\$ 387	\$ 10,962	\$ 4,132	\$ 9	\$ 3,264	\$ 18,755	

(b)Geographic areas:

The operations of the Companies for the years ended March 31, 2000 and 1999 were summarized by geographic areas as follows:

Year ended March 31, 2000						
Millions of yen						
	Japan	Asia	Europe	North and South America	Corporate and Elimination	Consolidated
Sales and operating revenue						
Sales- Customers	¥ 42,159	¥ 23,835	¥ 7,727	¥ 3,138	¥ -	¥ 76,859
Inter-segment	9,020	9,178	663	6	(18,867)	-
	<u>51,179</u>	<u>33,013</u>	<u>8,390</u>	<u>3,144</u>	<u>(18,867)</u>	<u>76,859</u>
Operating costs and expenses	<u>47,692</u>	<u>30,704</u>	<u>8,051</u>	<u>3,108</u>	<u>(16,672)</u>	<u>72,883</u>
Operating income	<u>¥ 3,487</u>	<u>¥ 2,309</u>	<u>¥ 339</u>	<u>¥ 36</u>	<u>¥ (2,195)</u>	<u>¥ 3,976</u>
Identifiable assets	¥ 49,160	¥ 20,639	¥ 5,186	¥ 929	¥ 15,472	¥ 91,386
Year ended March 31, 1999						
Millions of yen						
	Japan	Asia	Europe	North and South America	Corporate and Elimination	Consolidated
Sales and operating revenue						
Sales- Customers	¥ 43,294	¥ 20,811	¥ 11,085	¥ 2,994	¥ -	¥ 78,184
Inter-segment	8,952	8,967	325	1	(18,245)	-
	<u>52,246</u>	<u>29,778</u>	<u>11,410</u>	<u>2,995</u>	<u>(18,245)</u>	<u>78,184</u>
Operating costs and expenses	<u>49,396</u>	<u>27,548</u>	<u>10,915</u>	<u>3,022</u>	<u>(16,473)</u>	<u>74,408</u>
Operating income (loss)	<u>¥ 2,850</u>	<u>¥ 2,230</u>	<u>¥ 495</u>	<u>¥ (27)</u>	<u>¥ (1,772)</u>	<u>¥ 3,776</u>
Identifiable assets	¥ 46,163	¥ 16,085	¥ 6,160	¥ 1,123	¥ 18,575	¥ 88,106

Year ended March 31, 2000						
Thousands of U.S. dollars						
	Japan	Asia	Europe	North and South America	Corporate and Elimination	Consolidated
Sales and operating revenue						
Sales- Customers	\$ 397,727	\$ 224,858	\$ 72,896	\$ 29,604	\$ -	\$ 725,085
Inter-segment	85,094	86,585	6,255	56	(177,990)	-
	<u>482,821</u>	<u>311,443</u>	<u>79,151</u>	<u>29,660</u>	<u>(177,990)</u>	<u>725,085</u>
Operating costs and expenses	<u>449,925</u>	<u>289,660</u>	<u>75,953</u>	<u>29,320</u>	<u>(157,283)</u>	<u>687,575</u>
Operating income (loss)	<u>\$ 32,896</u>	<u>\$ 21,783</u>	<u>\$ 3,198</u>	<u>\$ 340</u>	<u>\$ (20,707)</u>	<u>\$ 37,510</u>
Identifiable assets	\$ 463,774	\$ 194,707	\$ 48,925	\$ 8,764	\$ 145,962	\$ 862,132

Total amounts of export by domestic operations and sales by overseas branches and subsidiaries for the years ended March 31, 2000 and 1999, were as follows:

Year ended March 31, 2000					
Millions of yen					
	Asia	Europe	North and South America	Other	Total
Export sales	¥ 27,524	¥ 8,198	¥ 6,129	¥ 11	¥ 41,862
Consolidated sales					<u>76,859</u>
Percentage of export sales over consolidated sales	<u>35.8%</u>	<u>10.7%</u>	<u>8.0%</u>	<u>0.0%</u>	<u>54.5%</u>
Year ended March 31, 1999					
Millions of yen					
	Asia	Europe	North and South America	Other	Total
Export sales	¥ 25,245	¥ 11,011	¥ 6,704	¥ 46	¥ 43,006
Consolidated sales					<u>78,184</u>
Percentage of export sales over consolidated sales	<u>32.3%</u>	<u>14.1%</u>	<u>8.6%</u>	<u>0.0%</u>	<u>55.0%</u>

	Year ended March 31, 2000				
	Thousands of U.S. dollars				
	Asia	Europe	North and South America	Other	Total
Export sales	\$ 259,660	\$ 77,340	\$ 57,821	\$ 104	\$ 394,925
Consolidated sales					725,085
Percentage of export sales over consolidated sales	35.8%	10.7%	8.0%	0.0%	54.5%

11. Research and development costs

Total of research and development costs included in manufacturing costs and selling, general and administrative expenses amounted to ¥1,242 million (\$ 11,717 thousand) in fiscal 2000.

12. Cash and cash equivalents

At March 31, 2000, cash and cash equivalents consisted of:

	Millions of yen	Thousands of U.S. dollars
Cash and time deposits	¥ 14,471	\$ 136,519
Marketable securities	7,183	67,764
Total	21,654	204,283
Time deposits with deposit term of over 3 months	(4,267)	(40,255)
Stocks, convertible bonds and mutual fund	(3,425)	(32,311)
Cash and cash equivalents	¥ 13,962	\$ 131,717