NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Nikon Corporation and Consolidated Subsidiaries
Years ended March 31, 2000 and 1999

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

Nikon Corporation (the "Company"), its domestic subsidiaries and affiliates maintain their records and prepare their financial statements in accordance with the provisions set forth in the Japanese Commercial Code (the "Code"), the related accounting regulations, and in conformity with accounting principles and practices generally accepted in Japan. The foreign consolidated subsidiaries maintain and prepare their financial statements in accordance with accounting principles generally accepted in the countries where such subsidiaries are established.

The consolidated financial statements have been prepared in accordance with the provisions set forth in the Securities and Exchange Law of Japan (the "Securities Law") and its related accounting regulations, 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. The consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

Effective April 1, 1999, consolidated statements of cash flows are required to be prepared under Japanese accounting standards, and those for the years, ended March 31, 2000 and 1999 are presented herein.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥106.15 to U.S.$1, the rate of exchange at March 31, 2000. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Certain reclassifications have been made in 1999 financial statements to conform to classification used in 2000.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidation

The consolidated financial statements as of March 31, 2000, include the accounts of the Company and its 33 (33 in 1999) significant subsidiaries (collectively the "companies"). Investments in 3 (3 in 1999) unconsolidated subsidiaries and 1 associated company are accounted for by the equity method.

The differences between the cost and the underlying net equity of investments in consolidated subsidiaries, unconsolidated subsidiaries and an associated company accounted for by the equity method at acquisition ("Goodwill") are insignificant and are charged to income when incurred.

Investments in the remaining unconsolidated subsidiaries and associated companies are stated at cost as they are immaterial to the consolidated financial statements.

In the ophthalmic lenses business, the Company entered into a joint venture agreement with Essilor International S.A. on October 29, 1999, and started a joint venture company named "Nikon-Essilor Co., Ltd." in January, 2000.

All significant intercompany balances and transactions have been eliminated in consolidations. All material unrealized profit included in assets resulting from transactions within the companies is eliminated.

(b) Cash and Cash Equivalents

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits, certificate of deposits, commercial paper and mutual funds investing in bonds that represent short-term investments, all of the date of acquisition.

The scope of cash and cash equivalents at beginning and end of year 1999 were changed from ¥40,142 million and ¥42,596 million to ¥19,460 million and ¥23,419 million, respectively, to conform with the presentation in 2000.

(c) Marketable Securities and Investments in Securities

Marketable securities and investments in securities are stated principally at cost as determined using the moving-average method.
See Note 3 for reclassification in 2000.

(d) Inventories

Inventories of the Company and its domestic subsidiaries are stated at cost as determined principally using the average method, except for work in process which is determined by the specific identification method. Inventories of foreign subsidiaries are stated at the lower of cost or market as determined principally using the first-in, first-out method.

(e) Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation of the Company and domestic subsidiaries is computed using the declining-balance method, while the straight-line method is applied to buildings (excluding facilities incidental to buildings) of the Company and domestic subsidiaries and the property, plant and equipment of foreign subsidiaries at rates based on the estimated useful lives of the assets.

Accounting Change - Effective April 1, 1999, the Company and domestic subsidiaries adopted the straight-line method of depreciation for the buildings (excluding facilities incidental to buildings), which, previously, had been depreciated by the declining-balance method. This change was made to more accurately allocate the cost of the buildings in light of the operations of the Companies.

The effect of this change was to decrease depreciation expenses by ¥520 million ($4,907 thousand) and to increase income before income taxes by ¥388 million ($3,659 thousand) for the year ended March 31, 2000.

(f) Retirement Benefits

The Company and major domestic subsidiaries have non-contributory funded pension plans covering substantially all of their employees of the Company and such subsidiaries. Foreign subsidiaries have principally contributory pension plans.

Other domestic subsidiaries have unfunded severance payment plans and have established a liability for severance indemnities at 40% of the amount which would be required if all employees voluntarily terminated their employment at each balance sheet date.

(g) Leases

All leases are accounted for as operating leases by the Company and its domestic subsidiaries. Under Japanese accounting standards for leases, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain “as if capitalized” information is disclosed in the notes to the lessee’s financial statements.

(h) Income Taxes

Effective April 1, 1998, the Comapany and consolidated subsidiaries adopted accounting for allocation of income taxes based on the asset and liability method. The cumulative effect of the application of interperiod tax allocation in prior years in the amount of ¥8,725 million was included as an adjustment to retained earnings as of April 1, 1998.

Deferred income taxes are recorded to reflect the impact of temporary differences between assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes together with the tax effect of loss carryforwards. These deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

(i) Research and Development Costs

The companies are active in research and development and such costs are charged to income as incurred.

(j) Appropriations of Retained Earnings

Appropriations of retained earnings at each year end are reflected in the consolidated financial statements in the following year upon shareholders’ approval.

(k) Foreign Currency Transactions

Balances denominated in foreign currencies, except for those hedged by forward exchange contracts, are translated into Japanese yen at the current exchange rates in effect at each balance sheet date for monetary current assets and liabilities, and at historical rates for non-current assets and liabilities. Foreign currency balances hedged by forward exchange contracts are translated into Japanese yen at the contracted rates. Exchange and translation gains or losses are credited or charged to income as incurred.

(l) Foreign Currency Financial Statements

The balance sheet accounts and revenue and expense accounts of the foreign subsidiaries are translated into Japanese yen at the current exchange rates except for shareholders’ equity, which is translated at the historical exchange rates. The differences resulting from such translations are reflected in the consolidated balance sheets as investments and other assets.

(m) Per Share Information

Net income per share is computed based on the weighted average number of shares of common stock outstanding during each year. The average number of common shares used in the computation was 369,918,890 shares for 2000 and 369,925,009 shares for 1999.

Cash dividends per share shown in the consolidated statements of operations are presented on an accrual basis and include interim dividends paid and year ended dividends to be approved after the balance sheet date.

3. MARKETABLE SECURITIES AND INVESTMENTS IN SECURITIES

Marketable securities at March 31, 2000 and 1999 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2000	1999	**2000**
Marketable equity securities	**¥ 2**	¥13,663	**$ 16**
Bank debentures and other	**10**	717	**94**
	¥ 12	¥14,380	**$ 110**

Investments in securities at March 31, 2000 and 1999 were principally equity securities with market quotations as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2000	1999	**2000**
Equity securities	**¥49,266**	¥36,522	**$464,121**
Trust bonds, debentures and other	**102**	57	**961**
	¥49,368	¥36,579	**$465,082**

The carrying amounts and market values of marketable securities (current) and investments in securities (non-current) at March 31, 2000 and 1999 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2000	1999	**2000**
Current (market value available):			
Carrying amount	**¥ 2**	¥14,243	**$ 16**
Aggregate market value	**3**	21,839	**31**
Net unrealized gains	**¥ 1**	¥ 7,596	**$ 15**
Non-current (market value available):			
Carrying amount	**¥44,856**	¥32,230	**$422,568**
Aggregate market value	**58,975**	43,435	**555,581**
Net unrealized gains	**¥14,119**	¥11,205	**$133,013**

The difference between the above carrying amounts and the amounts shown in the accompanying balance sheets principally consists of non-marketable securities for which there is no readily-available market from which to obtain or calculate the market value thereof.

Due to the change in the Companies' investment policy during the year ended March 31, 2000, the Company reclassified corporate shares in the aggregate amount of ¥12,636 million ($119,048 thousand) from "Marketable securities" to "Investments in securities".

4. INVENTORIES

Inventories at March 31, 2000 and 1999 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2000	1999	**2000**
Finished and semi–finished products	**¥ 55,072**	¥ 62,401	**$ 518,817**
Work in process	**85,213**	72,354	**802,760**
Raw materials and supplies	**13,562**	15,822	**127,763**
	¥153,847	¥150,577	**$1,449,340**

5. SHORT-TERM BORROWINGS AND LONG-TERM DEBT

Short-term borrowings at March 31, 2000 and 1999 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2000	1999	**2000**
Short-term loans, principally from banks:			
2000: 0.4402%-7.3840%			
1999: 0.4937%-8.0000%	**¥ 71,558**	¥ 74,666	**$ 674,118**
Commercial paper:			
2000: 0.0709%- 0.1235%			
1999: 0.4500%-0.9050%	**14,000**	32,000	**131,889**
	¥ 85,558	¥106,666	**$ 806,007**

Long-term debt at March 31, 2000 and 1999 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2000	1999	**2000**
Loans, principally from banks and insurance companies:			
2000: 1.18%-9.185% due 2000-2006			
1999: 1.13%-9.185% due 2000-2006	**¥ 21,167**	¥ 25,601	**$ 199,405**
Bonds	**90,000**	90,000	**847,854**
	111,167	115,601	**1,047,259**
Less: Current portion	**(15,439)**	(12,510)	**(145,442)**
Long-term debt, less current portion	**¥ 95,728**	¥103,091	**$ 901,817**

The following is a summary of the terms of bonds which the Company may at any time purchase at any price in the open market or otherwise.

The bonds purchased or otherwise acquired by the Company may be held or resold or, at the discretion of the Company, may be canceled (together with any unmatured coupons attached thereto or purchased therewith).

	Issued in	To be redeemed in	Millions of Yen		Thousands of U.S. Dollars
			2000	1999	**2000**
6.2% Euro-Yen Unsecured Bonds	July 1992	October 1999		10,000	
4.85% Euro-Yen Unsecured Bonds	September 1994	December 2001	**10,000**	10,000	**94,206**
4.4% Yen Unsecured Bonds	January 1995	January 2001	**10,000**	10,000	**94,206**
2.95% Yen Unsecured Bonds	February 1996	February 2003	**10,000**	10,000	**94,206**
2.7% Yen Unsecured Bonds	February 1996	February 2002	**10,000**	10,000	**94,206**
2.45% Yen Unsecured Bonds	March 1997	March 2004	**10,000**	10,000	**94,206**
2.7% Yen Unsecured Bonds	June 1997	June 2003	**10,000**	10,000	**94,206**
2.5% Yen Unsecured Bonds	November 1997	November 2007	**10,000**	10,000	**94,206**
2.575% Yen Unsecured Bonds	April 1998	April 2005	**10,000**	10,000	**94,206**
1.76% Yen Unsecured Bonds	August 1999	August 2004	**10,000**		**94,206**
Long-term debt, less current portion			**¥ 90,000**	¥ 90,000	**$ 847,854**

The aggregate annual maturities of long-term debt for the years following March 31, 2000 are as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2001	¥ 15,439	$ 145,442
2002	24,154	227,546
2003	15,752	148,393
2004	21,836	205,709
2005	11,843	111,567
Thereafter	22,143	208,602
	¥111,167	$1,047,259

At March 31, 2000, the following assets were pledged as collateral for the short-term borrowings, long-term debt and other liabilities.

	Millions of Yen	Thousands of U.S. Dollars
Notes and accounts receivable–trade	¥ 11,213	$ 105,632
Marketable securities and investments in securities	10,594	99,807
	¥ 21,807	$ 205,439

Liabilities secured by the above assets were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Short-term borrowings	¥ 2,266	$ 21,348
Other current liabilities	188	1,771
Long-term debt, including current portion	3,880	36,554
	¥ 6,334	$ 59,673

As is customary in Japan, the Company maintains substantial deposit balances with banks with which it has borrowings. Such deposit balances are not legally or contractually restricted as to withdrawal.

General agreements with respective banks provide, as is customary in Japan, that additional collateral must be provided under certain circumstances if requested by such banks and that certain banks have the right to offset cash deposited with them against any long-term or short-term debt or obligation that becomes due and, in case of default and certain other specified events, against all other debts payable to the banks. The Company has never been requested to provide any additional collateral.

6. SHAREHOLDERS' EQUITY

The Code requires at least 50% of the issue price of new shares, with a minimum of the par value thereof, to be designated as stated capital as determined by resolution of the Board of Directors. Proceeds in excess of amounts designated as stated capital are credited to additional paid-in capital.

The Code also requires companies to appropriate from retained earnings to legal reserve an amount equal to at least 10% of all cash payments which are made as an appropriation of retained earnings until such reserve equals 25% of stated capital.

The Company may transfer portions of additional paid-in capital and legal reserve to stated capital by resolution of the Board of Directors. The Company may also transfer portions of unappropriated retained earnings, available for dividends, to stated capital by resolution of the shareholders.

Under the Code, the Company may issue new shares of common stock to existing shareholders without consideration as a stock split pursuant to resolution of the Board of Directors. The Company may make such a stock split to the extent that the aggregate par value of the shares outstanding after the stock split does not exceed the stated capital. However, the amount calculated by dividing the total amount of shareholders' equity by the number of outstanding shares after the stock split shall not be less than ¥ 50.

Dividends are approved by the shareholders at a meeting held subsequent to the fiscal year to which the dividends are applicable. Interim dividends may also be paid upon resolution of the Board of Directors, subject to certain limitations imposed by the Code.

Under the Code, the Company may resolve to repurchase its treasury stock for retirement and related reduction of retained earnings pursuant to resolution of the Board of Directors, subject to approval by the shareholders.

At the general shareholders' meeting held on June 29, 1999, the Company's shareholders approved that the Company is authorized to repurchase, at management's discretion, up to 35 million shares of Company's stock for the purpose of canceling the shares by charging repurchased amounts to retained earnings.

Under the Code, the amount available for dividends is based on retained earnings as recorded on the Company's books. At March 31, 2000, retained earnings as recorded on the Company's books were ¥55,850 million ($526,142 thousand), which is available for future dividends subject to the approval of the shareholders and legal reserve requirements.

7. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rates of approximately 42% and 48% for the years ended March 31, 2000, and 1999, respectively.

The tax effects of significant temporary differences and loss carryforwards which result in deferred tax assets and liabilities at March 31, 2000 and 1999 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2000	1999	**2000**
Deferred tax assets:			
Devaluation of inventories	**¥ 4,649**	¥ 5,082	**$ 43,800**
Allowance for doubtful receivables	**3,256**	515	**30,669**
Depreciation and amortization	**6,118**	5,117	**57,637**
Tax loss carryforwards	**249**	5,759	**2,346**
Other	**4,882**	2,346	**45,996**
	¥19,154	¥18,819	**$180,448**

Valuation allowance of ¥3,451 million ($32,518 thousand) in 2000 and ¥4,000 million in 1999 were deducted from the amounts calculated above.

	Millions of Yen		Thousands of U.S. Dollars
	2000	1999	**2000**
Deferred tax liabilities :			
Deferred profits on sales of property to be replaced	**2,141**	2,073	**20,167**
Other	**494**	952	**4,660**
	¥ 2,635	3,025	**$ 24,827**
Net deferred tax assets	**¥16,519**	15,794	**$155,621**

A reconciliation between the normal effective statutory tax rate for the year ended March 31, 2000 and 1999, and the actual effective tax rates reflected in the consolidated statements of operation were as follows:

	Year ended March 31, 2000	1999
Normal statutory tax rate	**42%**	48%
Nontaxable consolidated adjustment	**13.9**	(25)
Valuation allowance change	**(26.1)**	(9.1)
Effect of tax rate reduction		(5.0)
Other-net	**2.5**	(4.4)
Actual effective tax rate	**32.3%**	4.5%

8. RESEARCH AND DEVELOPMENT COSTS

Research and development costs incurred were ¥ 17,798 million ($ 167,667 thousand) and ¥ 18,729 million for the years ended March 31, 2000 and 1999, respectively.

9. LEASE PAYMENTS

Total lease payments under financing lease arrangements that do not transfer ownership of the leased property to the Company and its domestic subsidiaries were ¥ 3,479 million ($ 32,773 thousand) and ¥4,735 million for the years ended March 31, 2000 and 1999, respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, obligation under finance lease, and depreciation expense of finance leases that do not transfer ownership of the leased property to the leasee on an “as if capitalized” basis for the years ended March 31, 2000 and 1999 were as follows:

	Millions of Yen			Thousands of U.S. Dollars		
	2000			2000		
	Machinery and Equipment	Furniture and Fixtures	Total	Machinery and Equipment	Furniture and Fixtures	Total
Acquisition cost	**¥ 6,002**	**¥ 9,036**	**¥15,038**	**$56,544**	**$85,122**	**$141,666**
Accumulated depreciation	**2,815**	**4,974**	**7,789**	**26,524**	**46,852**	**73,376**
Net leases property	**¥ 3,187**	**¥ 4,062**	**¥ 7,249**	**$30,020**	**$38,270**	**$ 68,290**

	Millions of Yen		
	1999		
	Machinery and Equipment	Furniture and Fixtures	Total
Acquisition cost	¥10,854	¥10,916	¥21,770
Accumulated depreciation	5,375	5,240	10,615
Net leases property	¥ 5,479	¥ 5,676	¥11,155

Obligations under finance leases at March 31, 2000 and 1999 were as follows:

	Millions of Yen 2000	Millions of Yen 1999	Thousands of U.S. Dollars 2000
Due within one year	**¥ 2,811**	¥ 3,863	**$26,478**
Due after one year	**4,438**	7,292	**41,812**
	¥ 7,249	¥11,155	**$68,290**

The amount of obligations under finance leases includes the imputed interest expense portion.

Depreciation expense, which is not reflected in the accompanying consolidated statement of operations, computed by the straight-line method, was ¥3,479 million ($32,773 thousand) and ¥4,735 million for the year ended March 31, 2000 and 1999, respectively.

The minimum rental commitments under noncancellable operating leases at March 31, 2000 and 1999 were as follows :

	Millions of Yen 2000	Millions of Yen 1999	Thousands of U.S. Dollars 2000
Due within one year	**¥ 732**	¥ 958	**$ 6,896**
Due after one year	**1,034**	1,368	**9,744**
	¥ 1,766	¥ 2,326	**$16,640**

10. DERIVATIVES

The Company and consolidated subsidiaries enter into derivative financial instruments ("derivatives"), including foreign exchange forward contracts, currency option contracts and interest rate swap contracts to hedge foreign exchange risk and interest rate exposures.

The Company and consolidated subsidiaries do not hold or issue derivatives for trading purposes.

Derivatives are subject to market risk and credit risk. Market risk is the exposure created by potential fluctuations in market conditions, including interest or foreign exchange rates. Credit risk is the possibility that a loss may result from a counterparty's failure to perform according to the terms and conditions of the contract.

Because the counterparties to those derivatives are limited to major international financial institutions, the Company and consolidated subsidiaries do not anticipate any losses arising from credit risk.

Derivative transactions entered into by the Company and consolidated subsidiaries have been made in accordance with internal policies which regulate the authorization and credit limit amount.

Derivatives contracts outstanding at March 31, 2000 were as follows:

	Millions of Yen		Thousands of U.S. Dollars	
	2000		2000	
	Contract or Notional Amount	Net Unrealized Gain (Loss)	Contract or Notional Amount	Net Unrealized Gain (Loss)
Forward Exchange Contracts:				
Selling U.S.$	¥ 5,252	¥ 70	$ 49,480	$ 662
Selling EUR	6,016	266	56,673	2,508
Buying YEN	¥15,733	¥ 682	$148,214	$ 6,429
Buying EUR	3,691	(165)	34,767	(1,558)
Currency Option Contracts:				
Selling Call U.S.$	¥ 1,073		$ 10,111	
Option premiums	24	¥ 9	222	$ 81
Buying Put U.S.$	1,035		9,750	
Option premiums	24	(4)	222	(41)
Interest Rate Swaps:				
(fixed rate receipt, floating rate payment)	¥40,000	¥ 1,490	$376,825	$ 14,034
(fixed rate payment, floating rate receipt)	20,000	(460)	188,413	(4,333)
	¥60,000	¥ 1,030	$565,238	$ 9,701

Forward exchange contracted amounts which are assigned to associated assets or liabilities and are reflected on the balance sheet at year end are not subject to the disclosure of market value information.

11. CONTINGENT LIABILITIES

Contingent liabilities at March 31, 2000 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
As the endorser of trade notes receivable discounted with banks	¥ 926	$ 8,725
As the guarantor of bank loans and indebtedness, principally of employees, unconsolidated subsidiaries and associated companies	13,315	125,438
	¥14,241	$134,163

12. SUBSEQUENT EVENT

On June 29, 2000, the Company's shareholders approved appropriations of retained earnings as follows:

	Millions of Yen	Thousands of U.S. Dollars
Cash dividends	¥ 925	$ 8,712
Bonuses to directors and corporate auditors	30	283
	¥ 955	$ 8,995

13. SEGMENT INFORMATION

(a) Industry Segments

	Millions of Yen				
	Consumer products	Industrial instruments	Total	(Eliminations) or corporate	Consolidated
For the year ended March 31, 2000					
Net sales	**¥ 150,288**	**¥ 221,513**	**¥ 371,801**		**¥ 371,801**
Operating expenses	**141,376**	**211,991**	**353,367**		**353,367**
Operating income	**¥ 8,912**	**¥ 9,522**	**¥ 18,434**		**¥ 18,434**
Assets	**¥ 103,695**	**¥ 314,356**	**¥ 418,051**	**¥ 84,124**	**¥ 502,175**
Depreciation and amortization	**4,703**	**12,548**	**17,251**		**17,251**
Capital expenditures	**3,519**	**10,362**	**13,881**		**13,881**
For the year ended March 31, 1999					
Net sales	¥ 139,204	¥ 166,561	¥ 305,765		¥ 305,765
Operating expenses	136,683	177,823	314,506		314,506
Operating income (loss)	¥ 2,521	¥ (11,262)	¥ (8,741)		¥ (8,741)
Assets	¥ 112,838	¥ 287,680	¥ 400,518	¥ 74,447	¥ 474,965
Depreciation and amortization	6,871	13,239	20,110		20,110
Capital expenditures	6,088	14,631	20,719		20,719

	Thousands of U.S. Dollars				
For the year ended March 31, 2000					
Net sales	**$1,415,807**	**$2,086,792**	**$3,502,599**		**$3,502,599**
Operating expenses	**1,331,851**	**1,997,086**	**3,328,937**		**3,328,937**
Operating income	**$ 83,956**	**$ 89,706**	**$ 173,662**		**$ 173,662**
Assets	**$ 976,872**	**$2,961,430**	**$3,938,302**	**$792,499**	**$4,730,801**
Depreciation and amortization	**44,302**	**118,213**	**162,515**		**162,515**
Capital expenditures	**33,156**	**97,613**	**130,769**		**130,769**

(b) Geographic Segments

	Millions of Yen						
	Japan	North America	Europe	Asia	Total	(Eliminations) or corporate	Consolidated
For the year ended March 31, 2000							
Net sales							
Outside customers	**¥ 219,188**	**¥ 96,699**	**¥ 48,926**	**¥ 6,988**	**¥ 371,801**	**¥**	**¥ 371,801**
Intersegment sales	**114,093**	**322**	**104**	**3,879**	**118,398**	**(118,398)**	
Total	**333,281**	**97,021**	**49,030**	**10,867**	**490,199**	**(118,398)**	**371,801**
Operating expenses	**323,878**	**91,002**	**48,702**	**9,261**	**472,843**	**(119,476)**	**353,367**
Operating income	**¥ 9,403**	**¥ 6,019**	**¥ 328**	**¥ 1,606**	**¥ 17,356**	**¥ 1,078**	**¥ 18,434**
Assets	**¥ 357,750**	**¥ 58,158**	**¥ 29,249**	**¥ 8,848**	**¥ 454,005**	**¥ 48,170**	**¥ 502,175**
For the year ended March 31, 1999							
Net sales							
Outside customers	¥ 183,725	¥ 80,366	¥ 36,129	¥ 5,545	¥ 305,765	¥	¥ 305,765
Intersegment sales	90,731	281	172	5,801	96,985	(96,985)	
Total	274,456	80,647	36,301	11,346	402,750	(96,985)	305,765
Operating expenses	285,427	77,965	36,524	10,051	409,967	(95,461)	314,506
Operating income (loss)	¥ (10,971)	¥ 2,682	¥ (223)	¥ 1,295	¥ (7,217)	¥ (1,524)	¥ (8,741)
Assets	¥ 339,740	¥ 57,255	¥ 27,423	¥ 7,946	¥ 432,364	¥ 42,601	¥ 474,965

	Thousands of U.S. Dollars						
	Japan	North America	Europe	Asia	Total	(Eliminations) or corporate	Consolidated
For the year ended March 31, 2000							
Net sales							
Outside customers	**$ 2,064,891**	**$ 910,970**	**$ 460,909**	**$ 65,829**	**$ 3,502,599**	**$**	**$ 3,502,599**
Intersegment sales	**1,074,826**	**3,030**	**987**	**36,544**	**1,115,387**	**(1,115,387)**	
Total	**3,139,717**	**914,000**	**461,896**	**102,373**	**4,617,986**	**(1,115,387)**	**3,502,599**
Operating expenses	**3,051,131**	**857,298**	**458,808**	**87,245**	**4,454,482**	**(1,125,545)**	**3,328,937**
Operating income	**$ 88,586**	**$ 56,702**	**$ 3,088**	**$ 15,128**	**$ 163,504**	**$ 10,158**	**$ 173,662**
Assets	**$ 3,370,231**	**$ 547,882**	**$ 275,545**	**$ 83,358**	**$ 4,277,016**	**$ 453,785**	**$ 4,730,801**

(c) Export Sales

For the years ended March 31, 2000 and 1999

	Millions of Yen, %				Thousands of U.S. Dollars
	2000	**(A)/(B)**	1999	(A)/(B)	**2000**
Export sales (A)					
North America	**¥ 95,557**	**25.7 %**	¥ 78,869	25.8%	**$ 900,208**
Europe	**52,002**	**14.0**	46,714	15.3	**489,891**
Asia	**95,195**	**25.6**	53,754	17.6	**896,793**
Other Area	**4,436**	**1.2**	7,032	2.3	**41,794**
Total	**¥247,190**	**66.5 %**	¥186,369	61.0%	**$2,328,686**
Net sales (B)	**¥371,801**		¥305,765		**$3,502,599**