

1. Basis of preparing the financial report for the nine months ended December 31, 2003

- (1) No changes have been made in accounting policy.
- (2) No changes on consolidated subsidiaries and application of the equity method
- (3) No audit or review by certified public accountant or accounting firm

2. Performance for the nine months ended December 31, 2003

(Figures are rounded down to the nearest million yen)

(1) Operating results	Nine months ended December 31, 2003	Nine months ended December 31, 2002	Year ended March 31, 2003
Net sales (millions of yen)	69,987	—	90,252
Operating income (millions of yen)	12,610	—	12,697
Ordinary income (millions of yen)	14,110	—	12,899
Net income (millions of yen)	6,970	—	8,502
Net income per share (yen)	79.27	—	93.67
Diluted net income per share (yen)	79.27	—	85.97

Note: The figures for the nine months ended December 31, 2002 are not available.

(2) Financial condition	December 31, 2003	December 31, 2002	March 31, 2003
Total assets (millions of yen)	144,959	—	147,147
Shareholders' equity (millions of yen)	102,825	—	97,125
Shareholders' equity ratio	70.9%	—	66.0%
Shareholders' equity per share (yen)	1,169.40	—	1,104.21

Note: The figures for the nine months ended December 31, 2002 are not available.

(3) Cash flows	Nine months ended December 31, 2003	Nine months ended December 31, 2002	Year ended March 31, 2003
Cash flows from operating activities (millions of yen)	12,735	—	15,807
Cash flows from investing activities (millions of yen)	4,412	—	(9,951)
Cash flows from financing activities (millions of yen)	(11,935)	—	(6,507)
Cash and cash equivalents at end of year (millions of yen)	30,051	—	25,053

Note: The figures for the nine months ended December 31, 2002 are not available.

(Reference 1) Non-consolidated

Operating results	Nine months ended December 31, 2003
Net sales (millions of yen)	62,155
Operating income (millions of yen)	14,234
Ordinary income (millions of yen)	15,619
Net income (millions of yen)	9,391

Financial condition	December 31, 2003
Total assets (millions of yen)	148,083
Shareholders' equity (millions of yen)	108,508

3. Forecasts of results for the year ending March 31, 2004

	Full year
Net sales (millions of yen)	89,700
Ordinary income (millions of yen)	14,000
Net income (millions of yen)	6,100
Net income per share (yen)	69.37

(Reference 2) Non-consolidated

	Full year
Net sales (millions of yen)	79,800
Ordinary income (millions of yen)	17,400
Net income (millions of yen)	10,600
Dividends at end of period per share (yen)	10.00
Annual dividends per share (yen)	20.00

Caution)

The aforementioned forecast in this brief financial report reflects the Company's current analysis of data available. Certain risks and uncertainties could cause the Company's actual results to differ materially from any projections presented in this report.

Quarterly consolidated balance sheets

(Millions of yen)

	December 31,2003		March 31,2003	
	Yen	Composition	Yen	Composition
Assets				
I Current assets	85,476	59.0 %	83,431	56.7 %
Cash and deposits	29,298		23,136	
Notes receivable and accounts receivable	35,311		32,516	
Marketable securities	5,505		7,771	
Inventories	10,000		11,684	
Deferred tax assets	1,840		1,201	
Other current assets	3,825		7,262	
Allowance for doubtful receivables	△ 304		△ 141	
II Fixed assets	59,483	41.0	63,716	43.3
Tangible assets	(37,758)	(26.0)	(40,850)	(27.8)
Buildings and structures	21,059		20,351	
Machinery, equipment and vehicles	1,860		1,958	
Land	10,968		10,990	
Construction in progress	1,351		4,966	
Other tangible assets	2,517		2,582	
Intangible assets	(4,147)	(2.9)	(4,781)	(3.2)
Goodwill	1,284		1,598	
Other intangible assets	2,862		3,182	
Investments and other assets	(17,577)	(12.1)	(18,085)	(12.3)
Investment securities	10,689		9,945	
Long-term deferred tax assets	1,853		2,331	
Others	5,034		5,808	
Allowance for doubtful receivables	—		△ 0	
Total assets	144,959	100.0	147,147	100.0

(Millions of yen)

	December 31, 2003		March 31, 2003	
	Yen	Composition	Yen	Composition
Liabilities				
I Current liabilities	22,599	15.6 %	39,637	26.9 %
Notes payable and accounts payable	4,430		5,476	
Current portion of convertible bonds	—		19,945	
Current portion of long-term borrowings	416		416	
Other payables	8,122		9,117	
Income taxes payable	6,062		1	
Reserve for bonuses	1,282		2,432	
Other reserves	730		741	
Other current liabilities	1,554		1,506	
II Noncurrent liabilities	19,534	13.5	10,384	7.1
Long-term borrowings	12,387		2,686	
Deferred tax liabilities	30		32	
Reserve for retirement and severance benefits	5,159		5,288	
Reserve for retirement benefits for directors and	437		465	
Others	1,520		1,912	
Total liabilities	42,134	29.1	50,021	34.0
Shareholders' equity				
I Common stock	6,214	4.3	6,214	4.2
II Additional paid-in capital	6,908	4.8	6,908	4.7
III Retained earnings	95,733	66.0	90,551	61.5
IV Unrealized holding gains on securities	918	0.6	293	0.2
V Foreign currency translation adjustments	△ 3,670	△ 2.5	△ 3,566	△ 2.4
VI Treasury stock at cost	△ 3,278	△ 2.3	△ 3,276	△ 2.2
Total shareholders' equity	102,825	70.9	97,125	66.0
Total liabilities and shareholders' equity	144,959	100.0	147,147	100.0

Quarterly consolidated income statements

(Millions of yen)

	Nine months ended December 31,2003		Year ended March 31,2003	
	Yen	Composition	Yen	Composition
I Net sales	69,987	100.0 %	90,252	100.0 %
II Cost of sales	23,329	34.8	32,271	35.7
Gross profit	45,658	65.2	57,981	64.3
III Selling, general and administrative expenses	33,048	47.2	45,284	50.2
Operating income	12,610	18.0	12,697	14.1
IV Non operating income	(2,427)	(3.4)	(1,269)	(1.4)
Interest income	76		158	
Devidend income	108		109	
Insurance due date amount receivables	1,712		—	
Others	530		1,001	
V Non operating expenses	(927)	(1.3)	(1,066)	(1.2)
Interest expense	279		480	
Amortization expenses of goodwill	237		287	
Others	410		299	
Ordinary income	14,110	20.1	12,899	14.3
VI Extraordinary gain	(490)	(0.7)	(17)	(0.0)
Gain on sale of investment securities	487		15	
Others	3		1	
VII Extraordinary loss	(1,558)	(2.2)	(2,969)	(3.3)
Loss on valuation of investment securities	—		601	
Special premium payment on the separation from the composite pension fund	—		2,202	
Retirement benefit for carrier development support	705		—	
Loss on discontinued operation of affiliates	730		—	
Others	123		165	
Income before income taxes	13,042	18.6	9,947	11.0
Income taxes - current	6,645	9.5	463	0.5
Income taxes - deferred	Δ 573	Δ 0.8	981	1.1
Net income	6,970	9.9	8,502	9.4

Quarterly consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2003	Year ended March 31, 2003
I Cash flows from operating activities:		
Income before income taxes	13,042	9,947
Depreciation and amortization	3,388	4,311
Increase in retirement and severance benefits	△127	132
Interest and dividend income	△184	△268
Interest expense	279	480
(Increase) decrease in trade receivables	△3,153	6,965
Increase (decrease) in inventories	1,697	647
(Decrease) increase in trade accounts payable	△1,042	660
Other, net	△2,418	△753
Subtotal	11,480	22,122
Interest and dividend income received	152	140
Interest expense paid	△266	△458
Income taxes paid	△593	△5,996
Income taxes returned	1,962	—
Net cash provided by operating activities	12,735	15,807
II Cash flows from investing activities:		
Deposit of time deposit	△402	△1,251
Withdrawal of time deposit	607	1,810
Purchase of marketable securities	△6,399	△4,000
Proceeds from sale of marketable securities	7,199	3,043
Capital expenditures	△1,850	△7,045
Sale of fixed assets	3,145	—
Purchase of investment securities	△8	△3,703
Increase in investment securities	787	472
Other, net	1,333	723
Net cash used in investing activities	4,412	△9,951
III Cash flows from financing activities:		
Income of long-term borrowings	10,000	—
Repayment of long-term borrowings	△299	△1,420
Decrease in convertible bond	△19,945	—
Repurchase of treasury stock, net	△3	△3,273
Dividends paid	△1,689	△1,812
Other, net	0	—
Cash flows used in financing activities	△11,935	△6,507
IV Effect of exchange rate changes on cash and cash equivalents	△213	84
V Net (increase) decrease in cash and cash equivalents	4,998	△566
VI Cash and cash equivalents at beginning of year	25,053	25,619
VII Cash and cash equivalents at end of year	30,051	25,053

Segment information

■ Geographic segments

Nine months ended December 31,2003

(Millions of yen)

	Japan	Europe	Other	Total	Corporate and eliminations	Consolidated total
Net sales:						
External costumers	61,416	7,218	1,352	69,987	—	69,987
Intersegment	834	819	4,932	6,586	(6,586)	—
Total	62,250	8,038	6,285	76,574	(6,586)	69,987
Operating expenses	45,737	9,711	6,449	61,898	(4,521)	57,377
Operating income (loss)	16,513	△1,673	△163	14,675	(2,065)	12,610

Year ended March 31,2003

(Millions of yen)

	Japan	Europe	Other	Total	Corporate and eliminations	Consolidated total
Net sales:						
External costumers	81,857	6,642	1,752	90,252	—	90,252
Intersegment	659	983	7,647	9,290	(9,290)	—
Total	82,517	7,626	9,400	99,543	(9,290)	90,252
Operating expenses	61,865	11,442	10,482	83,790	(6,234)	77,555
Operating income (loss)	20,652	△3,816	△1,082	15,753	(3,056)	12,697

Europe...Finland, Sweden and Germany

Other...U.S.A.,Taiwan and Korea

■ Overseas sales

Nine months ended December 31, 2003

	Europe	North America	Others	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
I Overseas sales (A)	3,277	5,042	1,942	10,262
II Consolidated sales (B)				Millions of yen 69,987
III Overseas sales ratio (A/B)	4.7 %	7.2 %	2.8 %	14.7 %

Year ended March 31, 2003

	Europe	North America	Others	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
I Overseas sales (A)	3,505	4,649	2,364	10,519
II Consolidated sales (B)				Millions of yen 90,252
III Overseas sales ratio (A/B)	3.9 %	5.2 %	2.6 %	11.7 %

Europe...Finland, Sweden, Denmark, Russia and Germany

North America...U.S.A.and Canada

Others...Asian nations