

(Excerpt translation)



Consolidated Financial Statement for Fiscal 2001

May 20, 2002

Company name : **THK CO., LTD. (Listed on TSE)**

Code number : 6481

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Date of board meeting for consolidated financial settlement : May 20, 2002

Adoption of USGAAP : Not applicable

I. Financial performance in the year ended March 31, 2002

(1) Operation results

Note: Any fractional sum less than a million yen are discarded.

(Unit : Millions of yen, yen, %)

	March 31,2002	March 31, 2001
Net sales	89,340 (-36.3)	140,287
Operating income	2,176 (-91.5)	25,694
Ordinary income	2,557 (-90.5)	26,813
Net Income	820 (-94.3)	14,316
Net Income per share	6.88	120.20
Diluted net income per share	-	115.44
Return on equity	0.8	15.0
Ordinary income to total assets	1.4	13.6
Ordinary income to net sales	2.9	19.1

Note:

1. Equity earnings of unconsolidated subsidiaries and affiliates

March 31, 2002 : 8 million yen March 31, 2001 : 329 million yen

2. Average number of shares during the period ended (consolidated):

March 31, 2002 : 119,355,598 shares March 31, 2001 : 119,104,263 shares

3. Change in accounting policy : Not applicable

4. Figures in parentheses (net sales, operating income, ordinary income and net income) are the percentage changes from the previous interim period.

(2) Consolidated Financial Position

(Unit : Millions of yen,%, Yen)

	March 31,2002	March 31,2001
Total assets	179,705	198,129
Total shareholders' equity	103,748	102,611
Equity ratio	57.7	51.8
Total shareholders' equity per share	869.20	859.82

Note: Number of shares of common stock at the period ended (consolidated):

March 31, 2002 : 119,361,210 shares March 31, 2001 : 119,340,496 shares

(3) Consolidated Statements of Cash Flows

(Unit : Millions of yen)

	March 31,2002	March 31, 2001
Cash flows from operating activities	3,272	23,003
Cash flows from investing activities	(7,907)	(7,321)
Cash flows from financing activities	6,930	(23,384)
Cash and cash equivalents	55,007	52,047

(4) Scope of consolidation and application of equity method

The number of consolidated subsidiaries : 13

The number of unconsolidated companies to which the equity method is applied : 0

The number of affiliates to which the equity method is applied : 1

(5) Change in scope of consolidation and application of equity method

Consolidation : New 1, Exclusion 1

Application of equity method : 0

II. Forecast of financial performance for the six months to September 30, 2002 and the year ending March 31, 2003

(Unit : Millions of yen)

	For the six months to September 30, 2002	For the year ended March 31, 2003
Net sales	45,500	98,000
Operating income	2,200	6,000
Ordinary Income	1,800	5,300
Net Income	800	2,700

Reference: Forecast net income per share (for the year) : ¥ 22.62

Caution : Forecast Statements

This document contains forecast statements based on the assumptions and beliefs of the Company's management in light of information currently available.

Such statements involve uncertainties and have risks of volatility that would result from the Company's operations in the future, as well as from changes in the domestic and international environments. Therefore, the Company cannot guarantee the accuracy of such statements and wishes to caution readers that actual operational and financial results may differ from such statements.

Consolidated Balance Sheets

As of March 31, 2001 and 2002

(Unit / Millions of yen, %)

	March 31, 2002		March 31, 2001		Comparison of increase and decrease	
Assets						
Current assets:						
Cash on hand and in banks	43,368		40,760		2,607	
Notes receivable and accounts receivable-trade	24,834		46,505		-21,671	
Short-term investments in securities	9,137		8,287		849	
Inventories	26,431		29,958		-3,526	
Short-term loans	4,214		4,679		-465	
Deferred tax assets	2,521		3,007		-485	
Other current assets	6,575		1,337		5,238	
Less: Allowance for bad debts	-470		-387		-83	
Total current assets	116,612	64.9	134,148	67.7	-17,536	-13.1
Fixed assets:						
Tangible fixed assets:	44,050	24.5	43,662	22.0	388	0.9
Buildings and structures	15,223		12,154		3,068	
Machinery, equipment and vehicles	16,495		14,820		1,674	
Land	10,253		10,090		162	
Construction in progress	587		5,328		-4,741	
Other	1,491		1,267		224	
Intangible fixed assets:	2,518	1.4	3,159	1.6	-640	-20.3
Investments and others:	16,505	9.2	17,119	8.7	-614	-3.6
Long-term investment in securities	10,518		10,938		-419	
Deferred tax assets	2,446		1,481		965	
Other investments	4,227		5,472		-1,245	
Less: Allowance for bad debts	-687		-773		86	
Total fixed assets	63,074	35.1	63,941	32.3	-867	-1.4
Deferred charge						
Bond discount	19		39		-20	
Total deferred assets	19	0.0	39	0.0	-20	-52.3
Total assets	179,705	100.0	198,129	100.0	-18,424	-9.3

Consolidated Balance Sheets

As of March 31, 2001 and 2002

(Unit / Millions of yen, %)

	March 31, 2002		March 31, 2001		Comparison of increase and decrease	
Liabilities						
Current liabilities:						
Notes payable and accounts payable-trade	11,754		27,060		-15,305	
Short-term bank loans	6,551		7,615		-1,064	
Current portion of long-term debt	4,168		5,913		-1,745	
Current portion of bond	8,000		-		8,000	
Corporate income taxes payable and others	108		8,834		-8,725	
Accrued bonus	1,149		1,341		-192	
Other current liabilities	4,247		8,554		-4,307	
Total current liabilities	35,980	20.0	59,321	29.9	-23,340	-39.3
Fix liabilities:						
Bonds	18,488		11,424		7,063	
Convertible bonds	13,905		13,966		-61	
Long-term debt	4,216		7,314		-3,097	
Allowance for retirement and severance benefits	1,345		1,333		12	
Reserve for directors' and auditor's retirement benefits	1,512		1,424		88	
Other	141		429		-288	
Total Fix liabilities	39,609	22.1	35,893	18.1	3,716	10.4
Total liabilities	75,590	42.1	95,214	48.0	-19,624	-20.6
Minority interest						
Minority interest	366	0.2	303	0.2	62	20.7
Shareholders' equity:						
Common stock	23,106	12.9	23,075	11.6	30	0.1
Additional paid-in capital	30,962	17.2	30,931	15.6	30	0.1
Consolidated surplus	48,585	27.0	49,615	25.0	-1,029	-2.1
Valuation adjustment for marketable securities	45	0.0	267	0.2	-222	-83.2
Foreign-currency translation adjustments	1,053	0.6	-1,278	-0.6	2,332	182.4
Treasury stock	-3	-0.0	-0	-0.0	-3	-2,013.6
Total shareholders' equity	103,748	57.7	102,611	51.8	1,137	1.1
Total liabilities, minority interests and shareholders' equity	179,705	100.0	198,129	100.0	-18,424	-9.3

Consolidated Statements of Income

For the year ended March 31, 2001 (FY2000) and 2002 (FY2001)

(Unit / Millions of yen, %)

	FY2001		FY 2000		Comparison of increase and decrease	
Net sales	89,340	100.0	140,287	100.0	-50,947	-36.3
Cost of sales	63,293	70.8	91,447	65.2	-28,153	-30.8
Gross profit	26,046	29.2	48,839	34.8	-22,793	-46.7
Sales, general and administrative expenses	23,870	26.8	23,144	16.5	725	3.1
Operating income	2,176	2.4	25,694	18.3	-23,518	-91.5
Non-operating income:	1,869	2.1	3,175	2.3	-1,305	-41.1
Interest income and dividend income	355		550		-194	
Foreign-exchange gain	801		1,740		-939	
Equity earnings of unconsolidated subsidiaries and affiliates	8		329		-321	
Other	703		554		149	
Non-operating expenses:	1,487	1.6	2,056	1.5	-568	-27.6
Interest expenses	1,041		1,253		-211	
Other	446		803		-356	
Ordinary income	2,557	2.9	26,813	19.1	-24,256	-90.5
Extraordinary income	45	0.0	159	0.1	-114	-71.5
Gain on sales of property and equipment	45		144		-98	
Other	-		15		-15	
Extraordinary loss	1,769	2.0	2,643	1.9	-873	-33.1
Loss on sales/disposal of property and equipment	198		615		-416	
Write-down of long-term investment in securities	875		5		869	
Loss on liquidation of non-consolidated subsidiaries	466		-		466	
One-time provision for allowance for directors' and auditors' retirement benefits in prior years	-		1,308		-1,308	
Other	229		714		-484	
Income before income taxes and other	833	0.9	24,330	17.3	-23,496	-96.6
Corporate income taxes, residence taxes and business taxes	268	0.3	11,750	8.3	-11,482	-97.7
Adjustment of corporate income taxes and other	-253	-0.3	-1,861	-1.3	1,607	86.4
Minority interest in income of consolidated subsidiaries	-2	-0.0	124	0.1	-127	-102.0
Net income	820	0.9	14,316	10.2	-13,495	-94.3

Consolidated Statements of Retained Earnings

For the year ended March 31, 2001(FY2000) and 2002(FY2001)

(Unit / Millions of yen)

	FY2001	FY2000	Comparison of increase and decrease
Consolidated retained earnings at beginning of period	49,615	37,109	12,505
Decrease in consolidated retained earnings:	1,850	1,810	40
Cash dividends	1,790	1,780	9
Bonuses to directors	60	30	30
Net income	820	14,316	-13,495
Balance of consolidated retained earnings at end of period	48,585	49,615	-1,029

Consolidated Statements of Cash Flows

For the year ended March 31, 2001(FY2000) and 2002(FY2001)

(Unit / Millions of yen)

	FY2001	FY2000
I . Cash Flows from operating activities		
Income before income tax and minority interests	833	24,330
Depreciation and amortization	6,164	5,812
Loss on sales or disposal of property and equipment	152	471
(Increase) / Decrease in allowance for bad debts	(128)	2,352
Interest and dividend income	(355)	(550)
Interest expenses	1,041	1,139
Foreign exchange gain (loss)	(135)	(379)
Equity earnings of unconsolidated subsidiaries and affiliates	(8)	(329)
Write-down of Long-term investment in securities	875	-
Loss on liquidation of non-consolidated subsidiaries	466	-
(Increase) / Decrease in accounts and trade receivables	22,138	(9,831)
(Increase) / Decrease in inventories	4,697	5,556
Increase / (Decrease) in accounts and notes payable	(15,976)	1,649
Other	(1,150)	397
Subtotal	18,615	30,618
Interest income and dividend income received	374	586
Interest expenses paid	(1,003)	(1,260)
Income taxes paid	(14,714)	(6,940)
Net cash provided by operating activities	3,272	23,003
II . Cash Flows from investing activities		
Payments for deposit of time deposit	(498)	-
Payments for purchases of short-term investments in securities	(1,999)	(1,548)
Proceeds from sales of short-term investments in securities	2,063	4,286
Payments for purchases of property, plants and equipment	(9,225)	(11,076)
Proceeds from sales of property, plants and equipment	194	1,286
Payments for purchases of long-term investments in securities	(486)	(249)
Proceeds from sales of long-term investments in securities	888	131
Increase in short-term loans	(663)	(688)
Collection of short-term loans receivable	1,818	536
Net cash provided by investing activities	(7,907)	(7,321)
III . Cash Flows from financing activities		
Increase / (Decrease) in short-term bank loans	(1,511)	(5,178)
Borrowings of long-term debt	1,210	900
Repayments of long-term debt	(6,037)	(5,172)
Payments for issuances of bonds	15,000	-
Redemption of bonds	-	(14,855)
Proceeds from issuance of Equities	-	2,704
Cash dividends	(1,790)	(1,783)
Other	60	1
Net cash provided by (used for) financing activities	6,930	(23,384)
IV . Effect of exchange-rate change on cash and cash equivalents	664	884
V . Net increase in cash and cash equivalents	2,959	(6,818)
VI . Cash and cash equivalents at the beginning of the period	52,047	58,866
VII . Cash and cash equivalents at the end of the period	55,007	52,047

Basis for Presenting Consolidated Financial Statements

1. *Scope of Consolidation*

(1) The consolidated subsidiaries: 13

THK (the “Company”) had 22 subsidiaries as of March 31, 2002. The consolidated financial statements include the accounts of the Company and its 13 subsidiaries.

The 13 major subsidiaries, which have been consolidated with the Company, are as follows:

Talk System Co., Ltd., Beldex Corporation, THK Yasuda Co., Ltd., THK Holdings of America, L.L.C., THK America, Inc., THK Manufacturing of America, Inc., THK neturen America, L.L.C., THK Europe B.V., THK G.m.b.H., THK Manufacturing of Europe S.A.S., PGM Ballscrews Ltd., PGM Ballscrews Ireland Ltd., and THK TAIWAN CO., LTD. (THK and these consolidated subsidiaries as the “Companies”)

Note: THK neturen America, L.L.C. has been consolidated with the Companies since this fiscal year.

(2) The unconsolidated subsidiaries: 9

The accounts of the remaining nine unconsolidated subsidiaries, including Nihon Slide Kogyo Co., Ltd., are insignificant, meaning that these accounts have not been consolidated with the Company since the consolidated assets, net sales, net income and retained earnings of these companies, in the aggregate, are not significant in relation to those of the Companies.

2. *Accounting for Investments in Unconsolidated Subsidiaries and Affiliates*

(1) The equity method is applied only to the investments in Daito Seiki Co., Ltd.

The Company had four affiliates as of March 31, 2002. However, the equity method is applied only to the investments in Daito Seiki Co., Ltd., since the investments in the unconsolidated subsidiaries and the remaining affiliates would not have material effects on consolidated net income and retained earnings in the consolidated financial statements, had they been accounted for using the equity method. Thus the investments in the unconsolidated subsidiaries and affiliates are carried at cost or less.

(2) Nine unconsolidated subsidiaries and three affiliates are not accounted for by the equity method.

Nine unconsolidated subsidiaries, including Nihon Slide Kogyo Co., Ltd., and three affiliates, including Samick LMS Co., Ltd., are not accounted for by the equity method. These subsidiaries and affiliates are excluded from the equity method of accounting due to their immaterial effect on the consolidated results.

3. *Fiscal year of consolidated subsidiaries*

THK Holdings of America, L.L.C., THK America, Inc., THK Manufacturing of America, Inc., THK neturen America, L.L.C., THK Europe B.V., THK G.m.b.H., THK Manufacturing of Europe S.A.S., PGM Ballscrews Ltd., PGM Ballscrews Ireland Ltd. and THK TAIWAN CO., LTD. close their books of account for the interim period on December 31. Necessary adjustments are made in order to consolidate financial statements for relevant transactions conducted during the period.

4. *Summary of Significant Accounting Policies*

(1) **Evaluation of significant assets**

A) Investments in securities

Other investments listed on stock exchanges are stated at fair market value as of the year-end balance-sheet date, with the sale price computed via the moving-average method. Other investments unlisted are stated at cost via the moving-average method. Derivatives are stated at fair market value.

B) Inventories

Company Name	Asset Evaluation Method	Evaluation Standard
Parent company (THK)	Weighted average cost	Cost basis
Talk System Co., Ltd.	Weighted average cost	Cost basis
Beldex Corporation	Actual cost	Cost basis
THK Yasuda Co., Ltd.	Weighted average cost	Cost basis
THK America, Inc.	First-in first-out	Lower of cost or market
THK Manufacturing of America, Inc.	First-in first-out	Lower of cost or market
THK Europe B.V.	Moving average	Lower of cost or market
THK Manufacturing of Europe S.A.S.	Weighted average cost	Cost basis
THK G.m.b.H.	Moving average	Lower of cost or market
PGM Ballscrews Ltd.	First-in first-out	Lower of cost or market
PGM Ballscrews Ireland Ltd.	First-in first-out	Lower of cost or market
THK TAIWAN CO., LTD	Moving average	Lower of cost or market

(2) **Depreciation and amortization**

Depreciation of plants and equipment is computed in principal by using declining-balance method. However, depreciation of property and buildings (excluding building fixtures) acquired after April 1, 1998, is computed using the straight-line method.

The amortization of intangible assets is computed in principal via the straight-line method, in accordance with the Corporate Tax Law of Japan. However, software for internal use is amortized over its estimated useful life of five years on a straight-line basis.

(3) Deferred charges

Bond-issuance expenses are recognized in total when incurred.

Premiums to the book value of issued bonds are amortized via the straight-line method during the period until maturity.

(4) Leases

The operating-lease accounting method, except lease agreements that stipulate the transfer of ownership of leased property to the lessee, is accounted for financial leases.

(5) Basis for recording significant allowances

1. Allowance for bad debts:

To prepare against credit losses, the allowance for bad debts is recorded. For bad loans, the allowance for bad debts is recorded based on financial evaluations of individual borrowers. For other loans, the allowance is calculated based on historical loss ratios.

2. Accrued bonus:

To prepare for bonus payments to employees, an amount allocable to the fiscal year under review, based on the estimated amount of future payments is provided.

3. Allowance for retirement and severance benefits:

To prepare for retirement and severance benefits to employees, future benefit obligations less fair value of pension assets at the fiscal year end are recorded as reserves for retirement and severance benefits. The difference arising from the change in accounting standards in total is accounted for as expenses, and the actuarial differences are equally divided over a certain number of years (10 years) within the period of average remaining years of service of employees, and are accounted for as expenses.

4. Allowance for directors' and auditors' retirement benefits:

To prepare for retirement benefits to directors and auditors, an estimated amount of required payment at the interim fiscal year end, based on internal rules for directors and auditors, is provided.

(6) Hedge Accounting

1. Method of hedge accounting:

Of interest-swap transactions, those transactions that meet the conditions for exceptional treatment are treated accordingly.

Currency-swap transactions satisfied the requirements for hedge accounts, and those are treated as assignment treatment.

2. Means of hedging and hedged items

Interest swaps: Interest fluctuating on borrowing.

Currency swaps: Money claims denominated in foreign currency.

3. Policy for hedge transactions:

Hedges related to interest are entered basically for the purpose of avoiding risks of market fluctuations in interest. And hedges related to currency are entered basically for the purpose of avoiding risks of exchange fluctuations.

4. Method of evaluating hedge effectiveness:

The evaluation of hedge effectiveness is omitted, since hedge accounting applies only to those interest-swaps that meet the conditions for exceptional treatment.

Hedges related to currency are evaluated its effectiveness by comparing the total amount of market price change with the means for hedging or the total amount of cash-flow changes.

(7) Treatment of national and local consumption taxes

The tax-exclusion accounting method is applied.

5. Scope of Funds on Statements of Interim Consolidated Cash Flows

Cash and cash equivalents include deposits that easily withdrawn and converted to cash, along with short-term investments maturing within three months of their acquisition that are not subject to significant price risk.

Notes

[Consolidated Balance Sheets]

	FY 2001	FY2000
1. Shares of non-consolidated subsidiaries and affiliates	¥ 6,039 million	¥ 4,854 million
2. Accumulated depreciation of property, plants and equipment	¥ 61,369 million	¥ 57,512 million
3. Discounts on notes receivable	¥ 1,435 million	¥ 2,581 million
4. Liabilities for guarantee, etc.		
Liabilities for guarantee	¥ 401 million	¥ 410 million
Guarantee engagement, etc.	¥ - million	¥ 370 million
5. Contingent liabilities with respect to debt assumption contract of bonds	¥ - million	¥ 5,114 million

[Consolidated Statements of Cash Flows]

1. The connection between cash and cash equivalents at end of the period and accounts of consolidated balance sheets

	FY 2001	FY2000
Cash on hand and in banks	¥ 43,368 million	¥ 40,760 million
Short-term investments in securities	¥ 9,137 million	¥ 8,287 million
Short-term loans	¥ 4,214 million	¥ 4,679 million
Total	¥ 56,720 million	¥ 53,727 million
Time deposit (over three months)	-¥ 498 million	¥ - million
Short-term investments in securities, except MMF	-¥ 999 million	-¥ 999 million
Short-term loans, except repurchase agreement	-¥ 214 million	-¥ 680 million
Cash and cash equivalents	¥ 55,007 million	¥ 52,047 million

2. Significant non-capital transactions

	FY 2001	FY2000
Conversion of convertible bonds		
Increase in common stock by conversion	¥ 30 million	¥ 33 million
Increase in additional paid-in capital by conversion	¥ 30 million	¥ 33 million
Decrease in convertible bonds by conversion	¥ 61 million	¥ 67 million

[Lease Transactions]

1. Financial leases, except for lease agreements that stipulate the transfer of ownership of leased property to the lessee

- (1) Acquisition costs, accumulated depreciation and net leased property at end of period

	FY 2001	FY2000
	Machinery and equipment	Machinery and equipment
Acquisition costs	¥ 68 million	¥ 68 million
Accumulated depreciation	¥ 46 million	¥ 36 million
Net leased property	¥ 21 million	¥ 32 million
	Other	Other
Acquisition costs	¥ 3,141 million	¥ 3,024 million
Accumulated depreciation	¥ 1,410 million	¥ 1,005 million
Net leased property	¥ 1,731 million	¥ 2,018 million
	Intangible fix assets	Intangible fix assets
Acquisition costs	¥ 71 million	¥ 40 million
Accumulated amortization	¥ 19 million	¥ 4 million
Net leased property	¥ 52 million	¥ 35 million
	Total	Total
Acquisition costs	¥ 3,281 million	¥ 3,132 million
Accumulated depreciation	¥ 1,476 million	¥ 1,046 million
Net leased property	¥ 1,805 million	¥ 2,086 million

Note: The amounts of acquisition costs and future minimum lease payments under finance leases include the portion of imputed interest expense.

- (2) Future minimum lease payments under finance leases

	FY 2001	FY2000
Due within one year	¥ 645 million	¥ 653 million
Due after one year	¥ 1,160 million	¥ 1,433 million
Total	¥ 1,805 million	¥ 2,086 million

Note: The amounts of acquisition costs and future minimum lease payments under finance leases include the portion of imputed interest expense.

- (3) Lease payments and implied depreciation

	FY 2001	FY2000
Lease payments	¥ 697 million	¥ 637 million
Depreciation	¥ 697 million	¥ 637 million

- (4) Depreciation

Depreciation is computed via the straight-line method.

2. Transactions of operating leases

Future minimum lease payments under operating leases

	FY 2001	FY2000
Due within one year	¥ 652 million	¥ 416 million
Due after one year	¥ 2,343 million	¥ 1,777 million
Total	¥ 2,996 million	¥ 2,193 million

[Segment Information]

(1) Industry Segment Information

Given the fact that the sales, operating income and assets of the machinery parts segment amounted to more than 90 percent of total sales, total operating income and total assets of the Company and consolidated subsidiaries, it is not required that industry segment information be disclosed. The Company and consolidated subsidiaries are operating in one industry segment that being the production and sales of linear motion systems.

(2) Geographical Segment Information

The net sales of the Companies for the year ended March 31,2001 and 2002 classified by geographic segments are summarized as follows:

[The year ended March 31,2002]

(Millions of yen)

	Japan	America	Europe	Asia and other	Total	Elimination or corporate assets	Consolidated
Net sales:							
Customers	63,315	11,632	12,726	1,665	89,340	-	89,340
Inter-segment	11,396	190	129	-	11,716	(11,716)	-
Total	74,711	11,822	12,856	1,665	101,056	(11,716)	89,340
Operating expenses	72,058	11,876	13,641	1,672	99,248	(12,084)	87,163
Operating income	2,653	-54	-785	-6	1,807	368	2,176
Total asset	154,624	16,218	13,530	1,241	185,616	(5,910)	179,705

[The year ended March 31, 2001]

(Millions of yen)

	Japan	America	Europe	Asia and other	Total	Elimination or corporate assets	Consolidated
Net sales :							
Customers	111,640	15,610	10,994	2,041	140,287	-	140,287
Inter-segment	18,985	403	128	-	19,517	(19,517)	-
Total	130,626	16,014	11,122	2,041	159,804	(19,517)	140,287
Operating expenses	107,771	14,144	10,458	2,038	134,413	(19,820)	114,592
Operating income	22,855	1,869	664	2	25,391	303	25,694
Total asset	167,858	19,574	12,156	1,867	201,458	(3,328)	198,129

Note:

1. Classification of countries and regions is based on level of geographical proximity.
2. The main countries and regions belonging to each classification are as follows:
 - A) America: United States, etc.
 - B) Europe: Germany, United Kingdom, the Netherlands, etc.
3. Asia and other: South Korea, Taiwan, etc.

(3) Export Sales and Sales by Overseas Subsidiaries

The overseas sales of the Companies (referring to the amounts of exports made by Company plus sales by overseas consolidated subsidiaries) for the year ended March 31, 2001 and 2002 are summarized as follows:

	Millions of yen			
	The year ended March 31, 2002 (FY2001)			
	America	Europe	Asia and Other	Total
Overseas sales	11,629	12,863	5,203	29,695
Consolidated net sales				89,340
Overseas sales as a percentage of consolidated net sales	13.0 %	14.4 %	5.8 %	33.2 %

	The year ended March 31, 2001 (FY2000)			
	America	Europe	Asia and Other	Total
Overseas sales	15,724	11,353	9,205	36,283
Consolidated net sales				140,287
Overseas sales as a percentage of consolidated net sales	11.2 %	8.0 %	6.5 %	25.8 %

Note:

1. Classification of countries and regions is based on level of geographical proximity.
2. The main countries and regions belonging to each classification are as follows:
 - A) America: United States, etc.
 - B) Europe: Germany, United Kingdom, the Netherlands, etc.
 - C) Asia and other: South Korea, Taiwan, etc.
3. Overseas sales are the sales in the countries or areas other than this country of the Company and the consolidated subsidiaries.

[Tax-effect accounting]

1. Reasons for the occurrence of deferred tax assets and deferred tax liabilities

<Deferred tax assets>	FY 2001	FY2000
Amount of loss carried forward	¥ 1,222 million	¥ 223 million
Software	¥ 796 million	¥ 284 million
Allowance for directors' and auditor's retirement benefits	¥ 635 million	¥ 598 million
Write-down of long-term investment in securities	¥ 365 million	¥ 23 million
Allowance for retirement and severance benefits	¥ 365 million	¥ 208 million
Allowance for bad debt	¥ 581 million	¥ 436 million
Accrued bonus	¥ 271 million	¥ 234 million
Write-down of inventories	¥ 745 million	¥ 844 million
Inventories (Unrealized Profit)	¥ 842 million	¥ 1,132 million
Other	¥ 960 million	¥ 1,618 million
Subtotal	¥ 6,786 million	¥ 5,604 million
Evaluation allowance	-¥ 837 million	-¥ 549 million
Total deferred tax assets	¥ 5,949 million	¥ 5,054 million
<Deferred tax liabilities>	FY 2001	FY2000
Accrued enterprise tax	-¥ 459 million	¥ - million
Allowance for special depreciation	-¥ 327 million	-¥ 379 million
Other	-¥ 221 million	-¥ 187 million
Total deferred tax liabilities	-¥ 1,007 million	-¥ 566 million
Net deferred tax assets	¥ 4,941 million	¥ 4,488 million

2. Reason for the difference between legal effective tax rate and corporate income tax rate after adoption of tax-effect accounting

	FY 2001	FY2000
Legal effective tax rate	42.1 %	-%
(Adjustment)		
Accounts not permanently counted in to loss-Entertainment expenses,etc	5.6 %	-%
Accounts not permanently counted in to gain-dividend income,etc	-2.5 %	-%
Net loss of consolidated subsidiaries	50.2 %	-%
Investments between consolidated subsidiaries and unconsolidated companies to which the equity method is applied	-110.6 %	-%
Even-crack of inhabitant tax	7.0 %	-%
The difference of legal effective tax rate between Japan and overseas	9.3 %	-%
Other	1.7 %	-%
Corporate income tax rate after adoption of tax-effect accounting	2.8 %	-%

[Investments in securities]

1. As of March 31, 2001 and 2002, market value available in other investment securities is as follows:

	Millions of yen		
	As of March 31, 2002		
	Acquisition cost	Carried amount	gain (loss)
Carrying amount summing up to exceed acquisition cost:			
Equities	366	542	176
Bonds	-	-	-
Other	19	28	8
Subtotal	386	570	184
Carrying amount summing up does not exceed acquisition cost:			
Equities	2,333	1,826	-506
Bonds	-	-	-
Other	-	-	-
Subtotal	2,333	1,826	-506
Total	2,719	2,397	-321

	Millions of yen		
	As of March 31, 2001		
	Acquisition cost	Carried amount	gain (loss)
Carrying amount summing up to exceed acquisition cost:			
Equities	343	760	416
Bonds	-	-	-
Other	636	674	38
Subtotal	980	1,435	455
Carrying amount summing up does not exceed acquisition cost:			
Equities	3,564	3,012	-551
Bonds	-	-	-
Other	-	-	-
Subtotal	3,564	3,012	-551
Total	4,544	4,448	-96

Note:

For the year ended March 31, 2002, the company is treated as decrease treatment of 813 million yen about market value available in other investment securities.

When the current price of investment securities falls 50% or more to the acquisition cost, decrease treatment are carried out. If the decrease rate of an investment securities are less than 50% and 30% or more, it has judged synthetically whether the decrease treatment is carried or not, by comparing the average price, financial conditions in the latest term-end and past 2 periods, and monthly closing price for the past 24 months with the acquisition cost.

2. Other investment securities sold off in the market are as follows:

➤ The year ended March 31, 2002

Since the importance of the amount of total sales amount is scarce, a publication is omitted.

➤ The year ended March 31, 2001

Since the importance of the amount of total sales amount is scarce, a publication is omitted.

3. Market value not available in investment securities is as follows:

(Millions of yen)

	As of March 31, 2002	As of March 31, 2001
	Carried amount	Carried amount
Other investment in securities		
Money management funds	2,506	4,666
Free financial funds	3,811	1,507
Mid term national bond funds	-	1,113
Discount financial bonds	999	999
Commercial papers	999	-
Unlisted equities (excluding OTC equities)	175	108
Unlisted foreign bonds	1,500	1,500
Unlisted foreign equities	819	-

4. Of other investment securities with a due date, the amount of a redemption scheduled after the settling day are as follows:

(Unit/Millions of yen)

➤ FY 2001

	Due within one year	within five years after one year	within ten years after five years	Due after more than ten years
Bond				
Public bonds	-	-	-	-
Corporate bonds	-	-	-	-
Other	2,000	-	-	-
Other	-	-	-	-
Total	2,000	-	-	-

➤ FY 2000

	Due within one year	within five years after one year	within ten years after five years	Due after more than ten years
Bond				
Public bonds	-	-	-	-
Corporate bonds	-	-	-	-
Other	1,000	-	-	-
Other	-	-	-	-
Total	1,000	-	-	-

[Retirement benefit]

1. Outline of the retirement benefit system the company employs

Our company and the consolidated subsidiaries use the retirement lump sum system and retirement annuity system as vested benefit-type systems. Moreover, when the employee retires, our company occasionally pays surcharge retirement money.

2. Retirement-benefit debt

	FY2001	FY2000
a. Retirement-benefit debt	-¥ 3,802 million	-¥ 3,262 million
b. Plan assets	¥ 1,801 million	¥ 1,676 million
c. Unreserved retirement-benefit debt	-¥ 2,000 million	-¥ 1,585 million
d. Difference in unrecognized mathematical principle calculation	¥ 654 million	¥ 251 million
e. Unrecognized prior service cost	¥ - million	¥ - million
f. Allowance for retirement and severance benefits	-¥ 1,345 million	-¥ 1,333 million

Note: In calculation of retirement-benefit debt, domestic consolidated subsidiaries have adopted the simple method, and some abroad consolidated subsidiaries have adopted the regulation of the accounting standards of the country concerned.

3. Retirement-benefit expenses

	FY2001	FY2000
a. Service cost	¥ 302 million	¥ 261 million
b. Interest cost	¥ 91 million	¥ 81 million
c. Investment return assumption	-¥ 49 million	-¥ 47 million
d. Amortization of difference in change of accounting standard	¥ 25 million	¥ - million
e. Amortization of difference in mathematical principle calculation	¥ - million	¥ - million
f. Amortization of prior service cost	¥ - million	¥ 81 million
g. Retirement and severance benefit expenses	¥ 370 million	¥ 376 million

Note: Retirement and severance benefit expenses of domestic consolidated subsidiaries and some abroad consolidated subsidiaries is appropriated for service cost.

4. Basis of calculation Retirement benefit debt

	FY2001	FY2000
a. Distribution method of expected retirement and severance benefit	Straight-line amortization standard for service period	Straight-line amortization standard for service period
b. Discount rate for obligations	2.5%	3.0%
c. Rate of investment-return assumption	3.0%	3.0%
d. Amortization period of the prior service cost	- years	- years
e. Period of amortization of difference in mathematical principle calculation	10 years	10 years
f. Period of amortization of difference in the change of accounting standard	-years	1 years

Note: It is supposed that it charges off, since following consolidated fiscal year, by the straight-line method within the fixed years which the employees' average residual service period at the generating time.

(Excerpt translation)



Non-Consolidated Financial Statement for Fiscal 2001

May 20, 2002

Company name : **THK CO., LTD. (Listed on TSE)**

Code number : 6481

Head Office : 3-11-6 Nishi-Gotanda, Shinagawa-ku, Tokyo

Contact : Shigeru Wako, Director General Manager, Corporate Strategy Department

Tel : 81-3-5434-0300

Date of board meeting for consolidated financial settlement : May 20, 2002

Interim cash dividends : applicable

Date of ordinary general meeting of shareholders : June 22, 2002

Adoption of Unit stock system : applicable (1unit 100 shares)

I. Financial performance for the year ended March 31, 2002

(1) Operation results

Note: Any fractional sum less than a million yen is discarded.

(Unit : Millions of yen, yen, %)

	FY 2001	FY2000
Net sales	67,344(-43.9)	119,981
Operating income	2,584(-88.2)	21,951
Ordinary income	2,940(-87.2)	22,910
Net income	387(-96.8)	12,030
Net income per share	3.25	101.01
Diluted net income per share	-	97.04
Return on equity	0.4	13.2
Ordinary income to total assets	1.7	12.6
Ordinary income to net sales	4.4	19.1

Note:

1. Average number of shares during the period ended:
March 31, 2002 : 119,355,598 shares March 31, 2001 : 119,104,483 shares
2. Change in accounting policy: Not applicable
3. Figures in parentheses (net sales, operating income, ordinary income and net income) represent changes in percentages from the previous period.
4. Diluted net income per share is not indicated in order that net income per share may not decrease by calculation which adjusted the potential stocks of convertible bonds.

(2) Cash dividends

(Unit : yen, millions of yen, %)

		FY 2001	FY2000
Cash dividends per share	Annual	15.00	15.00
	Interim	7.50	7.50
	Year-end	7.50	7.50
Total amount of cash dividends (annual)		1,790	1,790
Payout ratio		461.6	14.9
Payout on equity		1.9	1.8

(3) Finance position

(Unit : Millions of yen, yen)

	FY 2001	FY2000
Total assets	165,865	184,239
Total shareholders' equity	96,476	97,997
Equity ratio	58.2	53.2
Total shareholders' equity per share	808.27	821.16

Note: Number of shares of common stock at the period ended :

March 31, 2002 : 119,361,210 shares March 31, 2001 : 119,340,568 shares

Number of shares of treasury stock at the period ended :

March 31, 2002 : 1,808 shares

II. Forecast of financial performance for the year ending March 31, 2003

(Unit : Millions of yen, yen)

	For the six month to September 30, 2002	For the year ending March 31, 2003
Net sales	34,000	72,000
Operating income	2,200	6,000
Ordinary income	2,000	5,500
Net income	1,100	3,200
Cash dividends per share for the half-year	Interim 7.50	Year end 7.50
Cash dividends per share for the full year		15.00

Reference: Forecast net income per share (for the full year) : ¥ 26.81

Caution : Forecast Statements

This document contains forecast statements based on the assumptions and beliefs of the Company's management in light of information currently available.

Such statements involve uncertainties and have risks of volatility that would result from the Company's operations in the future, as well as from changes in the domestic and international environments. Therefore, the Company cannot guarantee the accuracy of such statements and wishes to caution readers that actual operational and financial results may differ from such statements.

Non-Consolidated Balance Sheets

As of March 31, 2001 and 2002

(Unit / Millions of yen, %)

	March 31, 2002		March 31, 2001		Comparison of increase and decrease	
Assets						
Current assets:						
Cash on hand and in banks	39,101		29,459		9,642	
Notes receivable	9,042		20,045		-11,003	
Accounts receivable-trade	13,569		27,566		-13,996	
Short-term investments in securities	8,317		7,957		360	
Inventories	15,970		20,311		-4,341	
Short-term loans	5,891		5,248		643	
Accrued corporate tax	5,023		-		5,023	
Deferred tax assets	957		1,399		-442	
Other	538		3,433		-2,895	
Less: Allowance for bad debts	-205		-218		12	
Total current assets	98,207	59.2	115,204	62.5	-16,996	-14.8
Fixed assets:						
Tangible fixed assets:						
Buildings and structures	33,245	20.0	34,588	18.8	-1,343	-3.9
Machinery, equipment, and other	9,716		10,149		-433	
Land	12,766		13,655		-889	
Other	9,222		9,171		51	
Intangible fixed assets:	1,540		1,611		-71	
Patent	2,416	1.5	3,060	1.7	-643	-21.0
Software	2,329		2,886		-557	
Other	32		122		-90	
Investments and other:	54		51		3	
Long-term investments in securities	31,976	19.3	31,346	17.0	630	2.0
Investment in share of subsidiaries	4,426		5,623		-1,197	
Investment in subsidiaries	11,580		11,135		445	
Long-term loans	5,506		6,346		-840	
Deferred tax assets	5,665		4,608		1,057	
Other	2,365		1,395		970	
Less: Allowance for bad debts	3,033		2,921		111	
Less: Allowance for bad debts	-601		-684		83	
Total fixed assets	67,638	40.8	68,995	37.5	-1,356	-2.0
Deferred assets:						
Bond discount	19		39		-20	
Total deferred assets	19	0.0	39	0.0	-20	-52.3
Total assets	165,865	100.0	184,239	100.0	-18,374	-10.0

Non-Consolidated Balance Sheets

As of March 31, 2001 and 2002

(Unit / Millions of yen, %)

	March 31, 2002		March 31, 2001		Comparison of increase and decrease	
Liabilities						
Current liabilities:						
Notes payable	7,015		18,036		-11,020	
Accounts payable-trade	3,532		6,565		-3,032	
Short-term debt	3,990		3,990		-	
Current portion of long-term debt	4,103		5,863		-1,760	
Current portion of bonds	8,000		-		8,000	
Accounts payable-other	372		1,308		-936	
Corporate income taxes payable and other	25		8,480		-8,454	
Consumption taxes payable and other	-		70		-70	
Accrued expenses	1,707		2,116		-409	
Accrued bonus	1,028		1,240		-212	
Accounts payable-equipment and other	815		2,548		-1,733	
Other	265		1,344		-1,078	
Total current liabilities	30,856	18.6	51,564	28.0	-20,708	-40.2
Non-current liabilities:						
Bonds	18,000		11,000		7,000	
Convertible bonds	13,905		13,966		-61	
Long-term debt	3,951		7,104		-3,153	
Allowance for retirement and severance benefits	1,147		1,157		-9	
Allowance for directors' and auditors' retirement benefits	1,512		1,424		88	
Other	16		25		-8	
Total non-current liabilities	38,532	23.2	34,677	18.8	3,855	11.1
Total liabilities	69,389	41.8	86,242	46.8	-16,853	-19.5
Shareholders' equity:						
Common stock	23,106	13.9	23,075	12.5	30	0.1
Additional paid-in capital	30,962	18.7	30,931	16.8	30	0.1
Earned reserve	1,958	1.2	1,863	1.0	95	5.1
Surplus	40,640	24.5	42,198	22.9	-1,558	-3.7
Voluntary reserve	39,298		28,921		10,376	
Unappropriate retained earnings	1,342		13,277		-11,935	
[Of which net income for the year]	[387]		[12,030]		[-11,642]	
Valuation adjustment for marketable securities	-187	-0.1	-72	-0.0	-115	160.6
Treasury stocks	-3	-0.0	-	-	-3	-
Total shareholders' equity	96,476	58.2	97,997	53.2	-1,520	-1.6
Total liabilities and shareholders' Equity	165,865	100.0	184,239	100.0	-18,374	-10.0

Non-Consolidated Statements of Income

For the years ended March 31, 2001(FY2000) and 2002(FY2001)

(Unit / Millions of yen, %)

	FY 2001		FY2000		Comparison of increase and decrease	
Net sales	67,344	100.0	119,981	100.0	-52,636	-43.9
Cost of sales	49,981	74.2	82,622	68.9	-32,640	-39.5
Gross profit	17,363	25.8	37,359	31.1	-19,996	-53.5
Sales, general and administrative expenses	14,778	22.0	15,408	12.8	-629	-4.1
Operating income	2,584	3.8	21,951	18.3	-19,366	-88.2
Non-operating income:	1,499	2.3	2,608	2.2	-1,109	-42.5
Interest and dividend income	224		341		-116	
Foreign exchange gain	765		1,715		-950	
House rent income	200		193		7	
Other income	309		359		-49	
Non-operating expenses:	1,143	1.7	1,649	1.4	-506	-30.7
Interest expenses	383		613		-230	
Bond interest	333		455		-122	
Other expenses	426		580		-153	
Ordinary income	2,940	4.4	22,910	19.1	-19,969	-87.2
Extraordinary income	44	0.0	156	0.1	-111	-71.4
Gain on sales of property and equipment	37		140		-103	
Other	7		15		-8	
Extraordinary loss	2,962	4.4	2,598	2.2	363	14.0
Loss on sales and disposal of property and equipment	189		586		-396	
Loss on long-term investments in securities	813		3		810	
Loss on investment in share of subsidiaries	1,401		-		1,401	
Loss on liquidation of affiliates	466		-		466	
One-time provision for allowance for directors' and auditors' retirement benefits in prior years	-		1,308		-1,308	
Other	91		700		-609	
Income before income taxes and other	23	0.0	20,468	17.1	-20,444	-99.9
Corporate income taxes, Inhabitant taxes and business taxes	80	0.1	10,269	8.6	-10,189	-99.2
Adjustment of corporate income taxes and other	-444	-0.7	-1,832	-1.5	1,387	-75.7
Net income	387	0.6	12,030	10.0	-11,642	-96.8
Unappropriate retained earnings carried over from previous year	1,849		2,231		-381	
Interim cash dividend	895		895		0.0	
Transfer to earned reserve of interim cash dividend	-		89		-89	
Unappropriate retained earnings at the period	1,342		13,277		-11,935	

Proposed Appropriation of Retained Earnings

For the year ended March 31, 2002 and 2001

	FY 2001	FY2000
Unappropriated retained earnings for the year	1,342	13,277
Reversal of allowance for special depreciation	105	72
Reversal of allowance for redemption of treasury stock	5,000	-
Total	6,448	13,349
To be appropriated as follows:		
Earned reserve	-	95
Cash dividends	895	895
	(¥7.50 per share)	(¥7.50 per share)
Bonuses to officers	-	60
[Bonuses to Auditors]	[-]	[8]
Reserve for dividends	200	200
Allowance for special depreciation	34	235
Reserve for deferred taxes on lands	-	14
General reserve	3,000	10,000
Unappropriated retained earnings carried forward to the next year	2,318	1,849

Note:

1. Payment of interim cash dividend of 895 million yen(¥7.50 per share) is made on December 11, 2000.
2. Payment of interim cash dividend of 895 million yen (¥7.50 per share) is made on December 10, 2001.
3. Cash dividends shall not be paid on the share of the Company's treasury stock.

Basis for Presenting Non-Consolidated Financial Statements

1. Evaluation of significant assets

A) Investments in securities

Other investments listed on stock exchanges are stated at fair market value as of the year-end balance-sheet date, with the sale price computed via the moving-average method. Other investments unlisted are stated at cost via the moving-average method.

B) Inventories

Company Name	Asset Evaluation Method	Evaluation Standard
Finished goods	Weighted average	Cost basis
Purchase	First-in first-out	Cost basis
Raw material	Weighted average	Cost basis
Work in process	Weighted average	Cost basis
Supplies	Last purchase	Cost basis

2. Depreciation and amortization

Depreciation of plant and equipment is computed in principal by the declining-balance method. However, depreciation of and buildings (excluding building fixtures) acquired after April 1, 1998, is computed using the straight-line method.

The amortization of intangible assets is computed in principal via the straight-line method. However, software for internal use is amortized over its estimated useful life of five years on a straight-line basis.

3. Deferred charges

Bond-issuance expenses are recognized in total when incurred.

Premiums to the book value of issued bonds are amortized via the straight-line method during the period until maturity.

4. Basis for recording significant allowances

1. Allowance for bad debts:

To prepare against credit losses allowance for bad debts is recorded. For bad loans, allowance for bad debt is recorded based on financial evaluation of individual borrowers. For other loans, the allowance is calculated based on the historical loss ratios.

2. Accrued bonus:

To prepare for bonus payment to employees, amount allocable to the fiscal year under review of the estimated amount of future payments is provided.

3. Allowance for retirement and severance benefits:

To prepare for retirement and severance benefits to employees, future benefit obligations less fair value of pension assets at the fiscal year end are recorded as reserve for retirement and severance benefits. The difference arising from the change in accounting standards in total is accounted for as expenses and the actuarial differences are equally divided over a certain number of years (10 years) within the period of average remaining years of service of employees and accounted for as expenses.

4. Allowance for directors' and auditors' retirement benefits:

To prepare for retirement benefits to directors and auditors, an estimated amount of required payment at the interim fiscal year end based on internal rules for directors is provided.

5. Leases

The operating-lease accounting method, except lease agreements that stipulate the transfer of ownership of leased property to the lessee, is accounted for financial leases.

6. Hedge Accounting

A. Method of hedge accounting:

Of interest-swap transactions, those transactions that meet the conditions for exceptional treatment are treated accordingly.

Currency-swap transactions satisfied the requirements for hedge accounts, and those are treated as assignment treatment.

B. Means of hedging and hedged items

Interest swaps: Interest fluctuating on borrowing.

Currency swaps: Money claims denominated in foreign currency.

C. Policy for hedge transactions:

Hedges related to interest are entered basically for the purpose of avoiding risks of market fluctuations in interest. And hedges related to currency are entered basically for the purpose of avoiding risks of exchange fluctuations.

D. Method of evaluating hedge effectiveness:

The evaluation of hedge effectiveness is omitted, since hedge accounting applies only to those interest-swaps that meet the conditions for exceptional treatment.

7. Treatment of national and local consumption taxes

Tax-exclusion accounting method is applied.

Additional information

“Treasury stocks” which has been recorded as short-term investments in securities among current assets by last fiscal period, is recorded as deduction form at the bottom of shareholders’ equity fiscal year.

Notes

[Non-Consolidated Balance Sheets]

	FY 2001	FY2000
1. Discounts on notes receivable	¥ 1,435 million	¥ 2,581 million
2. Accumulated depreciation of property, plants and equipment	¥ 57,142 million	¥ 54,479 million
3. Advanced depreciation by national subsidy	¥ 150 million	¥ 150 million
4. Security-presented assets		
Short-term investments in securities	¥ 999 million	¥ 999 million
Property, plants and equipment	¥ 16,003 million	¥ 16,429 million
Long-term investments in securities	¥ 798 million	¥ 1,386 million
Stock of subsidiaries	¥ - million	¥ 180 million
5. Liabilities for guarantee, etc.		
Liabilities for guarantee	¥ 2,693 million	¥ 4,263 million
Guarantee engagement, etc.	¥ 610 million	¥ 1,200 million
6. Contingent liabilities with respect to debt assumption contract of bonds	¥ - million	¥ 5,114 million
7. Increase in shares of common stock (Conversion of convertible bonds)	22 thousand shares	1,401 thousand shares
Issued shares	22 thousand shares	24 thousand shares
Issue price	¥ 2,717	¥ 2,717
Amount of recapitalization	¥ 1,359	¥ 1,359
(Exercise of stock warrants)		
Issued shares	- thousand shares	1,376 thousand shares
Issue price	-	¥ 1,902
Recapitalization price	-	¥ 951
8. Amount of treasury stocks	¥ - million	¥ 0 million (72 Shares)

[Lease Transactions]

1. Financial leases, except lease agreements that stipulate the transfer of ownership of leased property to the lessee

(1) Acquisition costs, accumulated depreciation and net leased property at end of period

	FY 2001	FY2000
	Machinery and equipment	Machinery and equipment
Acquisition costs	¥ 54 million	¥ 54 million
Accumulated depreciation	¥ 35 million	¥ 27 million
Net leased property	¥ 19 million	¥ 27 million
	Other	Other
Acquisition costs	¥ 2,979 million	¥ 2,831 million
Accumulated depreciation	¥ 1,321 million	¥ 924 million
Net leased property	¥ 1,657 million	¥ 1,907 million
	Software	Software
Acquisition costs	¥ 37 million	¥ 6 million
Accumulated depreciation	¥ 8 million	¥ 1 million
Net leased property	¥ 29 million	¥ 5 million
	Total	Total
Acquisition costs	¥ 3,071 million	¥ 2,892 million
Accumulated depreciation	¥ 1,365 million	¥ 952 million
Net leased property	¥ 1,706 million	¥ 1,939 million

Note: The amounts of acquisition costs and future minimum lease payments under finance leases include the portion of imputed interest expense.

(2) Future minimum lease payments under finance leases

	FY 2001	FY2000
Due within one year	¥ 607 million	¥ 605 million
Due after one year	¥ 1,098 million	¥ 1,333 million
Total	¥ 1,706 million	¥ 1,939 million

Note: The amounts of acquisition costs and future minimum lease payments under finance leases include the portion of imputed interest expense.

(3) Lease payments and implied depreciation

	FY 2001	FY2000
Lease payments	¥ 649 million	¥ 596 million
Depreciation	¥ 649 million	¥ 596 million

(4) Depreciation

Depreciation is computed using the straight-line method.

2. Operating lease transactions

Future minimum lease payments under operating lease

	FY 2001	FY2000
Due within one year	¥ 2 million	¥ - million
Due after one year	¥ 6 million	¥ - million
Total	¥ 9 million	¥ - million

[Investments in securities]

1. At March 31, 2002, market value available in stocks subsidiaries and affiliates are as follows:

Classification	Millions of yen		
	As of March 31,2002		
	Carried amount	Market value	Net unrealized gain (loss)
Stocks of subsidiaries	-	-	-
Stocks of affiliates	1,229	1,255	25
Total	1,229	1,255	25

2. At March 31,2001,market value available in stocks subsidiaries and affiliates are as follows:

Classification	Millions of yen		
	As of March 31,2001		
	Carried amount	Market value	Net unrealized gain (loss)
Stocks of subsidiaries	-	-	-
Stocks of affiliates	1,362	2,187	825
Total	1,362	2,187	825

[Tax-effect accounting]

1. Reason for the occurrence of deferred tax assets and deferred tax liabilities

<Deferred tax assets>	FY 2001	FY2000
Amount of loss carried forward	¥ 914 million	¥ - million
Software	¥ 795 million	¥ 283 million
Allowance for directors' and auditor's retirement benefits	¥ 635 million	¥ 598 million
Write-down of long-term investment in securities	¥ 365 million	¥ 23 million
Allowance for retirement and severance benefits	¥ 331 million	¥ 333 million
Allowance for bad debt	¥ 310 million	¥ 252 million
Accrued bonus	¥ 264 million	¥ 221 million
Other	¥ 668 million	¥ 1,608 million
Total deferred tax assets Subtotal	¥ 4,286 million	¥ 3,322 million
<Deferred tax liabilities>	FY 2001	FY2000
Accrued enterprise tax	-¥ 454 million	-¥ - million
Allowance for special depreciation	-¥ 299 million	-¥ 351 million
Other	-¥ 208 million	-¥ 175 million
Total deferred tax liabilities	-¥ 962 million	-¥ 527 million
Net deferred tax assets	¥ 3,323 million	¥ 2,795 million

1. Reason for the difference between legal effective tax rate and corporate income tax rate after adoption of tax-effect accounting

	FY 2001	FY2000
Legal effective tax rate	42.1 %	-%
(Adjustment)		
Accounts not permanently counted in to loss-Entertainment expenses,etc	192.0 %	-%
Accounts not permanently counted in to gain-dividend income,etc	- 89.8 %	-%
Investments between consolidated subsidiaries unconsolidated companies to which the equity method is applied	-2,028.1 %	-%
Even-crack of inhabitant tax	232.8 %	-%
Other	95.8 %	-%
Corporate income tax rate after adoption of tax-effect accounting	-1,555.2 %	-%

[Changes in Director's and Auditors']

1. Changes in Representatives

Not applicable

2. Change in other directors and auditors

A) The candidate for director

Director : Hiroshi Hyodo

(Present post – Regional Managing of the second west-Japan sales division)

Director : Kohtaro Yoshihara

(Present post – Assistant general manager of Corporate Strategy Department)

Director : Junichi Kuwabara

(Present post – General Manager of FAI Division)

B) Retirement of Directors

Senior managing director : Mikio Hayashi (becoming “Corporate advisor”)

Director : Shigeharu Mabuchi (becoming “Statutory Auditor”)

Director : Toshio Tonegawa (becoming “Advisor”)

C) Promotion of Managing director

Senior managing director : Katsuhito Imai (Present post - Managing Director)

D) The candidate for Statutory Auditors

Statutory Auditor : Shigeharu Mabuchi

E) Retirement of Auditor

Statutory Auditor : Kihachiro Yucho