

## 8. Pledged Assets

The following assets were pledged as collateral at March 31, 2003 and 2002:

	Millions of Yen		Thousands of U.S. dollars
	2003	2002	2003
Cash and cash equivalents and time deposits .....	¥ 40	2,269	\$ 333
Marketable securities .....	66	60	549
Trade receivables .....	60,845	111,959	506,198
Inventories .....	1,470	7,374	12,229
Investments and non-current receivables .....	140,531	283,944	1,169,143
Property and equipment, at cost .....	112,593	133,783	936,714
	¥315,545	539,389	\$2,625,166

Collateral was pledged to secure the following obligations at March 31, 2003 and 2002:

	Millions of Yen		Thousands of U.S. dollars
	2003	2002	2003
Short-term debt .....	¥ 20,420	18,581	\$ 169,884
Long-term debt .....	222,906	421,005	1,854,459
Guarantees of contracts, etc. ....	60,439	84,249	502,820
	¥303,765	523,835	\$2,527,163

In addition, acceptances payable were secured by trust receipts on merchandise and the proceeds from the sale thereof. The amount of such assets pledged was not calculable.

Both short-term and long-term loans are generally made pursuant to agreements which customarily provide that, upon the request of the lender, collateral or guarantors (or additional collateral or guarantors) will be furnished with respect to the loans under certain circumstances, and that the lender may treat any

collateral, whether furnished for specific loans or otherwise, as collateral for present and future indebtedness to such lender. A substantial portion of the companies' bank loan agreements also provide that the lending bank has the right to offset cash of the companies deposited with it against any debt (including debt arising out of contingent obligations) of the companies to the bank that has become due at stated maturity or earlier.

## 9. Impairment of Long-lived Assets

The Company and its subsidiaries recognized impairment losses of ¥2,150 million (\$17,887 thousand), ¥6,992 million and ¥5,679 million for the years ended March 31, 2003, 2002 and 2001, respectively, which were included in the profit (loss) on property and equipment-net account. The impaired assets included domestic commercial buildings for rent and domestic buildings for self-use.

The Company also recognized impairment losses of ¥583

million (\$4,850 thousand) and ¥11,888 million for the years ended March 31, 2003 and 2001, respectively, which were included in the profit (loss) on disposal of investments and marketable securities, net of write-downs account. The impaired assets included certain domestic land for development purpose.

Fair value was based on appraisals or estimates of valuation based on mainly road rating price for land and replacement cost for buildings and structures.

## 10. Short-term and Long-term Debt

Short-term debt at March 31, 2003 and 2002 consisted of the following:

	Millions of Yen		Thousands of U.S. dollars
	2003	2002	2003
Short-term loans, mainly from banks .....	¥465,108	494,616	\$3,869,451
Commercial paper .....	—	10,000	—
	¥465,108	504,616	\$3,869,451