

“Long-term debt” at March 31, 2006 and 2005 is summarized below:

	Millions of Yen		Millions of U.S. dollars
	2006	2005	2006
Banks and financial institutions:			
Secured:			
Japan Bank for International Cooperation, due 2005-2013, interest mainly 1%-5%	¥ 54,805	¥ 48,393	\$ 467
Other, due 2005-2021, interest mainly 1%-8%	61,476	111,861	523
Unsecured:			
Due 2005-2020, interest mainly 0%-19%	1,536,590	1,473,023	13,081
Debentures:			
Unsecured bonds and notes:			
Issued in 1997, 2.45% Yen Bonds due 2009	10,000	10,000	85
Issued in 1998, 3.10% Yen Bonds due 2008	30,000	30,000	255
Issued in 1998, 3.00% Yen Bonds due 2008	10,000	10,000	85
Issued in 1999, 3.19% Yen Bonds due 2009	10,000	10,000	85
Issued in 2001, 1.00% Yen Bonds due 2005	—	20,000	—
Issued in 2001, 1.00% Yen Bonds due 2005	—	30,000	—
Issued in 2001, 0.84% Yen Bonds due 2005	—	10,000	—
Issued in 2001, 1.02% Yen Bonds due 2006	10,000	10,000	85
Issued in 2002, 0.84% Yen Bonds due 2005	—	10,000	—
Issued in 2003, 0.84% Yen Bonds due 2006	—	10,000	—
Issued in 2003, 0.79% Yen Bonds due 2008	15,000	15,000	128
Issued in 2003, 0.41% Yen Bonds due 2006	10,000	10,000	85
Issued in 2003, 0.87% Yen Bonds due 2010	10,000	10,000	85
Issued in 2003, 0.47% Yen Bonds due 2007	10,000	10,000	85
Issued in 2003, 0.64% Yen Bonds due 2006	15,000	15,000	128
Issued in 2003, 1.14% Yen Bonds due 2008	10,000	10,000	85
Issued in 2004, 1.04% Yen Bonds due 2009	10,000	10,000	85
Issued in 2004, 0.54% Yen Bonds due 2007	10,000	10,000	85
Issued in 2004, 1.30%/2.55% Yen Bonds due 2014 (note 1)	10,000	10,000	85
Issued in 2005, 1.46% Yen Bonds due 2012	10,000	—	85
Issued in and after 1999, Medium-Term Notes etc., maturing through 2015	20,678	30,635	176
Others	91,166	80,981	777
Total	1,944,715	1,994,893	16,555
SFAS 133 fair value adjustment (note2)	(9,515)	11,095	(81)
Total	1,935,200	2,005,988	16,474
Less current maturities	(173,097)	(255,173)	(1,473)
Long-term debt, less current maturities	¥ 1,762,103	¥ 1,750,815	\$ 15,001

Note: 1. The bond, one-time callable, bears interest at the rate of 1.30% until November 25, 2009 then 2.55% from November 25, 2009 until the maturity date. The Company has a right to redeem the full amount of outstanding balance on November 25, 2009.

2. SFAS 133 fair value adjustment: The amount of adjustment to record the fair value as of the balance sheet date for long-term debt which is hedged with derivatives, in accordance with SFAS 133.

Certain agreements with the Japan Bank for International Cooperation (“JBIC”) require the followings;

- 1) The Company applies all or a portion of its operating income or the proceeds from the sale of any debentures or common stock to the reduction of outstanding loans when JBIC believes that the Company is able to reduce such loans through increased earnings
- 2) JBIC may request that any proposed distribution of earnings be submitted to the JBIC for review before presentation to the stockholders.

The Company has never received such a request and does

not expect that any such request will be made.

The Company and certain subsidiaries have entered into interest rate swap agreements for certain long-term debt as a means of managing their interest rate exposure.

Reference is made to note 7 for a description of collateral and certain customary provisions of long-term and short-term bank loan agreements relating to collateral and other rights of such lenders.