

4. Investments in Associated Companies

Summarized financial information in respect of associated companies as of March 31, 2005 and 2004, and for the years ended March 31, 2005, 2004 and 2003 is shown below:

	Millions of Yen		Millions of U.S. dollars
	2005	2004	2005
Current assets	¥ 2,190,830	¥ 2,085,865	\$ 20,401
Non-current assets, principally property and equipment	2,058,890	2,024,308	19,172
Total assets	4,249,720	4,110,173	39,573
Current liabilities	2,103,862	1,907,846	19,591
Long-term debt and others	1,168,026	1,285,738	10,877
Net assets	¥ 977,832	¥ 916,589	\$ 9,105

	Millions of Yen			Millions of U.S. dollars
	2005	2004	2003	2005
Total trading transactions	¥ 5,522,258	¥ 5,049,194	¥ 4,596,262	\$ 51,422
Net earnings	63,260	55,311	43,387	589

Included above in current assets, non-current assets, current liabilities and long-term debt and others are amounts due to and from the Company and its subsidiaries as shown in the accompanying consolidated balance sheets.

Total trading transactions and purchases of the Company and its subsidiaries with associated companies for the years ended March 31, 2005, 2004 and 2003 are summarized as follows:

	Millions of Yen			Millions of U.S. dollars
	2005	2004	2003	2005
Total trading transactions	¥ 697,563	¥ 642,112	¥ 562,810	\$ 6,496
Purchases	157,612	143,984	176,187	1,468

Dividends received from associated companies for the years ended March 31, 2005, 2004 and 2003 were ¥5,822 million (\$54 million), ¥5,549 million and ¥6,435 million, respectively.

The Company and its subsidiaries account for investments in associated companies (generally companies owned 20% to 50%) by the equity method. Significant equity method investees include CENTURY LEASING SYSTEM, INC. (20.1%), Marubeni-Itochu Steel Inc. (50.0%), FamilyMart Co., Ltd. (31.0%) and kabu.com Securities Co., Ltd. (25.7%). The percentages shown parenthetically in the above sentence are voting shares held by the Company and its subsidiaries at March 31, 2005.

Investments in the common stock of associated companies include marketable equity securities in the carrying amounts of ¥252,881 million (\$2,355 million) and ¥280,282 million at March 31, 2005 and 2004, respectively. Corresponding aggregate quoted market values were ¥300,215 million (\$2,796 million) and ¥231,624 million at March 31, 2005 and 2004, respectively.

The balances of equity method goodwill as of March 31, 2005 and 2004 were ¥106,372 million (\$991 million) and ¥136,342 million, respectively.

During the year ended March 31, 2005, the Company and its subsidiaries recorded a ¥45,121 million (\$420 million) impairment loss on the equity method goodwill of their investment in FamilyMart Co., Ltd ("FamilyMart"). The loss is included in "Loss on disposal of investments and marketable securities, including write-down" in the consolidated statements of operations and represents the difference between the carrying value of the investment in FamilyMart and estimated fair value. The fair value was determined by the Company and its subsidiaries using discounted cash flow analyses prepared by third-party appraisers which were prepared using the best-estimated future cash flows available and by reference to the quoted market price of FamilyMart's publicly traded common stock.