

Included above under current assets, current liabilities, and other liabilities are amounts due to and from the Company and its subsidiaries as shown in the accompanying consolidated balance sheets.

Trading transactions of the Company and its subsidiaries with associated companies for the years ended March 31, 2003, 2002 and 2001 were summarized as follows:

	Millions of Yen			Thousands of U.S. dollars
	2003	2002	2001	2003
Sales .....	¥562,810	454,618	379,972	\$4,682,280
Purchases .....	176,187	265,005	241,425	1,465,782

The balances of the excess of the cost of the companies' investments in associated companies over the companies' equity in their net assets at the dates of acquisition amounted to ¥119,836 million (\$996,972 thousand) and ¥110,811 million at March 31, 2003 and 2002, respectively.

Investments in associated companies included securities which had quoted market values that were lower than the related carrying values totaling ¥108,101 million (\$899,343 thousand) and ¥67,868 million at March 31, 2003 and 2002, respectively.

There are no significant transactions with related parties.

## 6. Impaired Loans and Allowance for Doubtful Items

The movement in the allowance for doubtful items for the years ended March 31, 2003, 2002 and 2001 was as follows:

	Millions of Yen			Thousands of U.S. dollars
	2003	2002	2001	2003
Balance at beginning of year .....	¥240,724	311,183	333,665	\$2,002,695
Increased in the allowance .....	59,724	59,457	76,034	496,872
Decreased in the allowance .....	(94,398)	(129,916)	(98,516)	(785,341)
Balance at end of year .....	¥206,050	240,724	311,183	\$1,714,226

The carrying amounts of the impaired loans within the scope of SFAS 114 as of March 31, 2003 and 2002 were ¥264,843 million (\$2,203,353 thousand) and ¥319,196 million, respectively, and the allowance for doubtful items related to those impaired loans were ¥190,883 (\$1,588,045 thousand) and ¥228,828 million, respectively. The recorded investment in the impaired loans, net of the allowance for doubtful items, is either secured by collateral

or believed to be collectible.

The average amounts of the impaired loans during the years ended March 31, 2003 and 2002 were ¥292,959 million (\$2,437,263 thousand) and ¥339,099 million, respectively. The amounts of interest income recognized on the impaired loans for the years ended March 31, 2003, 2002 and 2001 were not significant.

## 7. Goodwill and Other Intangible Assets

As addressed in Note 2 "Summary of Significant Accounting Policies", the Company and its subsidiaries adopted the provisions of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" (SFAS 142) on April 1, 2002. SFAS 142 requires that goodwill no longer be amortized, but instead tested for impairment at least annually. SFAS 142 also requires recognized intangible assets be amortized over their respective estimated useful lives and reviewed for impairment in accordance with Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" (SFAS 144). Any recognized intangible asset determined to have an indefinite useful life is not to be amortized, but instead tested for impairment in the same manner as

goodwill.

Upon the adoption of SFAS 142, the Company and its subsidiaries reviewed the respective estimated useful lives of other intangible assets, classified them into amortizable intangible assets with definite useful life and non-amortizable intangible assets with indefinite useful life, and also tested for impairment during the year ended March 31, 2003. As a result of the test, no impairment losses were recognized.

Intangible assets acquired during the year ended March 31, 2003 totaled ¥13,442 million (\$111,830 thousand), which primarily consisted of software of ¥8,013 million (\$66,664 thousand) and trademarks of ¥3,436 million (\$28,586 thousand).

Intangible assets subject to amortization at March 31, 2003 and 2002 comprised the following:

	Millions of Yen				Thousands of U.S. dollars	
	2003		2002		2003	
	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization
Trademarks .....	¥20,240	(6,946)	17,343	(5,118)	\$168,386	(57,787)
Software .....	35,356	(17,100)	31,825	(14,024)	294,143	(142,263)
Mining rights .....	11,872	(1,436)	12,940	(1,918)	98,769	(11,947)
Others .....	13,567	(4,731)	11,329	(3,082)	112,870	(39,359)
Total .....	¥81,035	(30,213)	73,437	(24,142)	\$674,168	(251,356)