Certain agreements with the Japan Bank for International Cooperation ("JBIC") require as follows;

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 debts 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.

The aggregate annual maturities of long-term debt after March 31, 2005 are as follows:

Years ending March 31	Millions of Yen	Millions of U.S. dollars
2006	¥ 255,173	$ 2,376
2007	511,633	4,764
2008	271,196	2,525
2009	341,194	3,177
2010	165,698	1,543
2011 and thereafter	449,999	4,191
Total	¥ 1,994,893	$ 18,576

The Company has borrowing arrangements with many financial institutions and has entered into commitment line agreements with certain banks for working capital needs and stable funding. The amounts available under such agreements were ¥510,000 million ($4,749 million) consisting of ¥300,000 million ($2,794 million) for short-term debt and ¥210,000 million ($1,955 million) for long-term debt at March 31, 2005. The Company intends that the long-term commitment line agreements be used solely in support of refinancing the current maturities of long-term debt. Because the agreements demonstrate the Company's ability to refinance and the Company has expressed an intention to do so, the Company has classified ¥210,000 million ($1,955 million) of the outstanding balance of ¥465,173 million ($4,331 million) of current maturities of long-term debt as non-current at March 31, 2005. ¥300,000 million ($2,794 million) of short-term commitment agreements were unused at March 31, 2005. The Company also has a loan agreement with a commitment line of ¥17,000 million ($158 million) which was unused at March 31, 2005.

10. Retirement and Severance Benefits

The Company and certain subsidiaries have defined benefit pension plans (e.g. the Corporate Pension Fund ("CPF") and the Tax-Qualified Pension Plan) covering substantially all of their employees. Benefits under these pension plans are based on years of service and certain other factors, and plan assets are comprised primarily of marketable securities, debt securities and other interest-bearing securities. In addition, the Company and certain subsidiaries have both unfunded retirement and severance plans, which provide lump-sum payment benefits to their employees and defined contribution plans.

The Company and certain subsidiaries follow EITF 03-2, "Accounting for the Transfer to the Japanese Government of the Substitutional Portion of Employee Pension Fund Liabilities." During the year ended March 31, 2004, the Company and certain subsidiaries transferred the substitutional portion of the Employees' Pension Fund ("EPF") to the government. The difference between the fair value of the obligation and the related assets of the substitutional portion was ¥19,606 million.

During the year ended March 31, 2004, the Company withdrew a portion of the plan assets in excess of the projected benefit obligation since the plan assets exceeded the projected benefit obligation, due to the return of the substitutional portion of EPF, a revision of the pension plans, and an increase in the fair value of the plan assets attributable to a rise in stock. During the year ended March 31, 2005, the company again withdrew a portion of the excess plan assets because the fair value of the plan assets constantly exceeded the projected benefit obligation. The fair value of the marketable securities and cash that the Company withdrew was ¥10,484 million ($98 million) and ¥3,600 million ($34 million), respectively, for the year ended March 31, 2005, and ¥25,618 million and ¥5,080 million, respectively, for the year ended March 31, 2004.

The Company follows SFAS 132 (revised 2003), "Employers Disclosures about Pensions and Other Postretirement Benefits," which issued by the FASB, in December 2003, that revises and prescribes employers disclosures about pension plans and other postretirement benefit plans, while it does not change the measurement or recognition provisions for those plans from SFAS 87, "Employers' Accounting for Pensions."

The Company and certain subsidiaries use a measurement date of March 31 for the majority of their plans.