

Significant components of deferred tax assets and liabilities at March 31, 2005 and 2004 were as follows:

	Millions of Yen		Millions of U.S. dollars
	2005	2004	2005
Deferred tax assets:			
Inventories, property and equipment	¥ 131,984	¥ 134,834	\$ 1,229
Allowance for doubtful receivables	41,455	52,689	386
Net operating loss carryforwards	17,057	11,915	159
Accrued retirement and severance benefits	2,532	5,472	24
Marketable securities and other investments	62,562	51,668	582
Other	31,388	40,179	292
Total deferred tax assets	286,978	296,757	2,672
Less valuation allowance	(54,839)	(46,725)	(510)
Deferred tax assets-net	232,139	250,032	2,162
Deferred tax liabilities:			
Installment sales	(483)	(549)	(4)
Accrued retirement and severance benefits	(45,043)	(45,127)	(419)
Marketable securities and other investments	(29,532)	(28,486)	(275)
Other	(20,355)	(23,959)	(190)
Total deferred tax liabilities	(95,413)	(98,121)	(888)
Net deferred tax assets	¥ 136,726	¥ 151,911	\$ 1,274

Net changes in the valuation allowance for the years ended March 31, 2005, 2004 and 2003 were an increase of ¥8,114 million (\$76 million), a decrease of ¥13,237 million and an increase of ¥8,043 million, respectively.

The amount of undistributed earnings of foreign subsidiaries for which no deferred tax liability has been provided aggregated ¥89,225 million (\$831million) and ¥66,366 million at March 31, 2005 and 2004, respectively. Most of the undistributed earnings of domestic subsidiaries are not considered to be a taxable temporary difference under present Japanese tax laws. It is not practicable to determine the deferred tax liability for undistributed earnings of foreign subsidiaries.

Net operating loss carryforwards are available to reduce future income taxes. If not utilized, such operating loss carryforwards expire as follows:

	Millions of Yen	Millions of U.S. dollars
within 1 year	¥ 3,452	\$ 32
within 2 years	176	2
within 3 years	41	0
within 4 years	5,596	52
within 5 years	3,015	28
After 5 to 10 years	7,909	73
After 10 to 15 years	1,898	18
After 15 years	28,100	262
Total	¥ 50,187	\$ 467

Income (loss) before income taxes, minority interests, equity in earnings of associated companies and extraordinary items for the years ended March 31, 2005, 2004 and 2003 comprised as follows:

	Millions of Yen			Millions of U.S. dollars
	2005	2004	2003	2005
The Company and its domestic subsidiaries	¥ 72,407	¥ (98,052)	¥ 45,258	\$ 674
Foreign subsidiaries	47,551	6,006	12,417	443
Total	¥ 119,958	¥ (92,046)	¥ 57,675	\$ 1,117

Income taxes for the years ended March 31, 2005, 2004 and 2003 comprised as follows:

	Millions of Yen									Millions of U.S. dollars		
	2005			2004			2003			2005		
	Current	Deferred	Total	Current	Deferred	Total	Current	Deferred	Total	Current	Deferred	Total
The Company and its domestic subsidiaries..	¥28,272	¥18,031	¥46,303	¥24,165	¥(72,462)	¥(48,297)	¥24,658	¥16,011	¥40,669	\$263	\$168	\$431
Foreign subsidiaries	18,715	(2,475)	16,240	6,957	(4,117)	2,840	6,629	(1,646)	4,983	174	(23)	151
Total	¥46,987	¥15,556	¥62,543	¥31,122	¥(76,579)	¥(45,457)	¥31,287	¥14,365	¥45,652	\$437	\$145	\$582