

**Marketable Securities and Other Investments:**

The fair values of marketable investment securities included in "Marketable Securities" and "Other Investments" are based on quoted market prices. The carrying amounts of non-marketable investment securities and others are believed to approximate fair values. The fair values for each category of securities is set forth in note 3 "Marketable Securities and Investments."

**Other Non-current Receivables and Advances to Associated Companies:**

The fair values of other non-current receivables and advances to associated companies are estimated based on the present value of future cash flows discounted by using the current rates of loans or receivables with similar terms, conditions and maturities being offered to borrowers or customers with similar credit ratings.

**Long-term Debt:**

The fair values of long-term debt are based on the present value of future cash flows discounted using the current borrowing rates of similar debt instruments having comparable maturities.

**Foreign Exchange Contracts:**

The fair values of foreign exchange contracts are estimated based on the quoted market prices of comparable contracts.

**Currency and Interest Rate Swap Agreements:**

The fair values of currency and interest rate swap agreements are estimated using discounted cash flow technique, based on the current swap rates with similar terms and remaining periods.

**Interest Rate Option Agreements:**

The fair values of interest rate option agreements are estimated using option pricing model.

**21. Issuance of Stock by Subsidiaries or Associated Companies**

NANO Media Inc., a consolidated subsidiary, issued to third parties 155 shares at ¥200,000 per share, or ¥31 million in total, in April 2005, 1,270 shares at 370,000 per share, or ¥470 million in total, in August 2005 and 100 shares at 370,000 per share, or ¥37 million in total, in September 2005.

The subsidiary also issued 3,100 shares of common stock in a public offering to third parties on November 29, 2005, the date of its listing on the Mothers market of the Tokyo Stock Exchange. The offering price per share was ¥771,900 and the total amount of the issuance was ¥2,393 million (\$20 million). This issuance decreased the Company and its subsidiary's ownership of the subsidiary from 67.8% to 56.9%.

Furthermore, in December 2005, the subsidiary issued 600 shares at ¥771,900 per share, or ¥463 million (\$4 million) in total, in order to facilitate the settlement of shares offered through over-allotment. This issuance decreased the Company and its subsidiary's ownership of the subsidiary to 51.9%.

The offering price per share of each issuance was in excess of the Company's carrying value per share of the subsidiary stock. The issuance of these shares was regarded as a sale of a part of the Company's interest in the subsidiary and the Company recognized a gain of ¥1,708 million (\$15 million) for the year ended March 31, 2006, which is included in "Gain (loss) on disposal of investments and marketable securities, net of write-down." The Company recognized ¥700 million (\$6 million) of deferred tax liability on the recognized gain which is included in "Income taxes - Deferred."

ITC NETWORKS CORPORATION, a consolidated subsidiary, issued 12,000 shares of common stock in a public offering to third parties on March 10, 2006, the date of its listing on the second section of the Tokyo Stock Exchange. The offering price per share was ¥347,800 and the total amount of the issuance was ¥4,174 million (\$36 million). This issuance decreased the Company's ownership of the subsidiary from 97.4% to 84.3%.

In March 2006, the subsidiary also issued 2,926 shares

at ¥347,800 per share, or ¥1,018 million (\$9 million) in total, in order to facilitate the settlement of shares offered through over-allotment. This issuance decreased the Company's ownership of the subsidiary to 70.8%.

The offering price per share of each issuance was in excess of the Company's carrying value per share of the subsidiary stock. The issuance of these shares was regarded as a sale of a part of the Company's interest in the subsidiary and the Company recognized a gain of ¥3,595 million (\$31 million) for the year ended March 31, 2006, which is included in "Gain (loss) on disposal of investments and marketable securities, net of write-down." The Company recognized ¥1,474 million (\$13 million) of deferred tax liability on the recognized gain which is included in "Income taxes - Deferred."

Excite Japan Co., Ltd., a consolidated subsidiary, issued 3,500 shares of common stock in a public offering to third parties on November 2, 2004, the date of its listing on the JASDAQ market. The offering price per share was ¥1,222,000, which was in excess of the Company's carrying value per share of the subsidiary stock.

This issuance decreased the Company and its subsidiaries' ownership of the subsidiary from 87.3% to 76.0%. The issuance of these shares for ¥4,277 million was regarded as a sale of part of the Company's interest in the subsidiary and the Company recognized a gain of ¥3,043 million for the year ended March 31, 2005, which is included in "Gain (loss) on disposal of investments and marketable securities, net of write-down." The Company recognized ¥1,248 million of deferred tax liability on the recognized gain which is included in "Income Taxes - Deferred."

kabu.com Securities Co., Ltd., an associated company, issued 36,000 shares of common stock in a public offering to third parties on March 17, 2005, the date of its listing on the first section of the Tokyo Stock Exchange. The offering price per share was ¥338,400, which was in excess of the Company's carrying value per share of the associated company's stock.