

The schedule of future minimum lease payments for each of the five succeeding years and thereafter as of March 31, 2005 is as follows:

Years ending March 31	Millions of Yen	Millions of U.S. dollars
2006	¥ 8,600	\$ 80
2007	6,561	61
2008	6,677	62
2009	3,395	32
2010	2,217	21
2011 and thereafter	12,450	116
Total	¥ 39,900	\$ 372

The total of minimum sublease rentals to be received in the future under noncancelable subleases, which correspond to future minimum lease payments under capital leases is ¥9,158 million (\$85 million).

The Company and certain subsidiaries lease aircraft, real estate and certain other assets, under agreements which are classified as operating leases. The schedule of future minimum lease payments under noncancelable operating leases for each of the five succeeding years and thereafter as of March 31, 2005 is as follows:

Years ending March 31	Millions of Yen	Millions of U.S. dollars
2006	¥ 19,763	\$ 184
2007	15,487	144
2008	11,705	109
2009	9,160	85
2010	8,081	75
2011 and thereafter	34,622	323
Total	¥ 98,818	\$ 920

The total of minimum sublease rentals to be received in the future under noncancelable subleases, which correspond to future minimum lease payments under noncancelable operating leases is ¥14,441 million (\$134 million).

21. Variable Interest Entities

The Company and its subsidiaries have involvement in certain businesses such as ocean plying vessels, property development and providing loans to third parties, which are conducted through special purpose entities. The Company and its subsidiaries retain variable interests through loans, guarantees and equity investments in these special purpose entities which are classified as variable interest entities under FIN 46R.

There are no material matters to disclose about the entities where the Company and its subsidiaries are the primary beneficiary.

The total assets and maximum exposure to loss to the

Company as a result of its involvement in the variable interest entities where the Company and its subsidiaries are not the primary beneficiary, but have significant variable interests, were ¥153,403 million (\$1,428 million) and ¥27,253 million (\$254 million), respectively, as of March 31, 2005 and ¥56,966 million and ¥22,673 million, respectively, as of March 31, 2004. The maximum exposure to loss, which includes loans and guarantees, are partially covered by guarantees provided by third parties, and has no relation to the loss estimated to be incurred from involvement with the variable interest entities.

22. Commitments and Contingent Liabilities

The Company and certain subsidiaries enter into long-term purchase contracts for certain items either at fixed or at variable prices. In most cases, these contracts are matched with counterparty sales contracts.

The Company and its subsidiaries issue various guarantees for indebtedness of associated companies and customers. The guarantees are principally for monetary indebtedness by

third parties to enhance their credit standings. If a guaranteed party failed to fulfill its obligation, the Company and its subsidiaries would be required to execute payments. The maximum potential amount of future payments and the amount of substantial risk at March 31, 2005 and 2004 are summarized below:

	Millions of Yen		
	2005		
	Guarantees for Monetary indebtedness	Other Guarantees	Total
Guarantees for associated companies:			
Maximum potential amount of future payments	¥ 125,185	¥ 11,929	¥ 137,114
Amount of substantial risk	73,263	9,186	82,449
Guarantees for customers:			
Maximum potential amount of future payments	119,620	17,999	137,619
Amount of substantial risk	64,005	15,005	79,010
Total:			
Maximum potential amount of future payments	¥ 244,805	¥ 29,928	¥ 274,733
Amount of substantial risk	137,268	24,191	161,459