

20. Leases

Lessor

The Company and certain subsidiaries lease automobiles, furniture and equipment for medical institutions and certain other assets, which are classified as direct financing leases under

SFAS 13, "Accounting for Leases."

The components of the net investment in direct financing leases as of March 31, 2005 and 2004 were as follows:

	Millions of Yen		Millions of U.S. dollars
	2005	2004	2005
Total minimum lease payments to be received	¥ 16,678	¥ 22,321	\$ 155
Less unearned income	(2,306)	(3,946)	(21)
Estimated unguaranteed residual value	4,680	12,547	43
Less allowance for doubtful receivables	(2,612)	(1,938)	(24)
Net investment in direct financing leases	¥ 16,440	¥ 28,984	\$ 153

The schedule of future minimum lease payments to be received from direct financing 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	¥ 5,841	\$ 54
2007	5,000	47
2008	4,028	37
2009	1,279	12
2010	518	5
2011 and thereafter	12	0
Total	¥ 16,678	\$ 155

The Company and certain subsidiaries lease aircraft, real estate, industrial machinery and certain other assets under operating leases. The cost and accumulated depreciation of

the property held for lease as of March 31, 2005 were ¥178,771 million (\$1,665 million) and ¥41,708 million (\$388 million), respectively. The schedule of minimum future rentals on 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	¥ 15,201	\$ 142
2007	8,487	79
2008	6,447	60
2009	4,711	44
2010	3,445	32
2011 and thereafter	12,184	113
Total	¥ 50,475	\$ 470

Lessee

The Company and certain subsidiaries lease buildings, industrial machinery and other machinery and equipment, under agreements which are classified as capital leases. The cost and accumulated depreciation of such leased assets were ¥43,078 million (\$401 million) and ¥17,313 million (\$161 mil-

lion), respectively, as of March 31, 2005 and ¥43,666 million and ¥16,365 million, respectively, as of March 31, 2004. The components of the capital lease obligations as of March 31, 2005 and 2004 were as follows:

	Millions of Yen		Millions of U.S. dollars
	2005	2004	2005
Total minimum lease payments	¥ 39,900	¥ 42,196	\$ 372
Less amount representing interest	(5,643)	(6,203)	(53)
Capital lease obligations	¥ 34,257	¥ 35,993	\$ 319