

The aggregate annual maturities of long-term debt after March 31, 2006 are as follows:

Years ending March 31	Millions of Yen	Millions of U.S. dollars
2007	¥ 173,097	\$ 1,473
2008	333,833	2,842
2009	345,394	2,940
2010	257,668	2,194
2011	201,449	1,715
2012 and thereafter	633,274	5,391
Total	¥ 1,944,715	\$ 16,555

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 aggregated ¥510,000 million (\$4,342 million) consisting of ¥250,000 million (\$2,128 million) for short-term debt and ¥260,000 million (\$2,214 million) for long-

term debt at March 31, 2006. The Company intends that the long-term commitment line agreements be used solely in support of refinancing the current maturities of long-term debt. Since the agreements demonstrate the Company's ability to refinance and the Company has expressed an intention to do so, the Company has classified ¥260,000 million (\$2,214 million) of the current maturities of long-term debt from current liabilities into non-current liabilities at March 31, 2006. The classified ¥260,000 million (\$2,214 million) is included in '2012 and thereafter.' The Company has consistently refinanced the current maturities of long-term debt classified into non-current liabilities for more than five years. ¥250,000 million (\$2,128 million) of short-term commitment agreements were unused at March 31, 2006.

The Company also has a loan agreement with a commitment line of ¥12,000 million (\$102 million), ¥6,000 million (\$51 million) of the commitment line was used and ¥6,000 million (\$51 million) of the commitment line was unused at March 31, 2006.

10. Asset Retirement Obligations

The Company and its subsidiaries account for asset retirement obligations, consisting of the costs related to dismantlement of facilities and mine reclamation, based on SFAS 143, "Accounting for Asset Retirement Obligations" and FIN 47, "Accounting for Asset Retirement Obligations - an interpretation of FASB Statement No. 143" which was adopted at the end of the year ended March 31, 2006.

The asset retirement obligations are principally related to the costs of dismantlement of coal mining, iron-ore mining, and crude oil drilling facilities. These liabilities are included in "Long-term debt, excluding current maturities" on the consolidated balance sheets.

The changes in asset retirement obligations for the years ended March 31, 2006 and 2005 were as follows:

	Millions of Yen		Millions of U.S. dollars
	2006	2005	2006
Balance at beginning of year ...	¥ 8,227	¥ 2,965	\$ 70
Liabilities incurred	1,822	5,041	16
Liabilities settled	(291)	(58)	(2)
Accretion expense	635	179	5
Other	148	100	1
Balance at end of year	¥ 10,541	¥ 8,227	\$ 90

11. 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, 2006 and 2005 were as follows:

	Millions of Yen		Millions of U.S. dollars
	2006	2005	2006
Total minimum lease payments to be received	¥ 14,600	¥ 16,678	\$ 124
Less unearned income	(1,990)	(2,306)	(17)
Estimated unguaranteed residual value	1,760	4,680	15
Less allowance for doubtful receivables	(1,706)	(2,612)	(15)
Net investment in direct financing leases	¥ 12,664	¥ 16,440	\$ 107