

The following is a summary of the transferred assets and liabilities, the relevant selling prices and the net cash inflows from sales of stock of Rhythm Corporation and two other companies in the year ended March 31, 2003.

	<i>Millions of yen</i>
	<i>2002</i>
<i>For the year ended</i>	<i>Mar. 31, 2003</i>
Current assets.....	¥22,561
Fixed assets.....	7,493
Loss on sales of investment securities .....	(1,765)
Current liabilities .....	(11,991)
Long-term liabilities .....	(5,366)
Minority interests in consolidated subsidiaries .....	(1,962)
Proceeds from sales of stock .....	8,970
Cash and cash equivalents held by subsidiaries .....	(575)
Net proceeds .....	¥ 8,395

## 16. LEASE TRANSACTIONS

### a) Lessees' accounting

Future minimum lease payments subsequent to March 31, 2005 on noncancelable operating leases are summarized as follows:

<i>Year ending Mar. 31,</i>	<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
2006.....	¥ 5,729	\$ 53,542
2007 and thereafter .....	24,004	224,336
Total.....	¥29,733	\$277,878

### b) Lessors' accounting

Future minimum lease income subsequent to March 31, 2005 for noncancelable operating leases is summarized as follows:

<i>Year ending Mar. 31,</i>	<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
2006.....	¥228,770	\$2,138,037
2007 and thereafter .....	311,015	2,906,682
Total.....	¥539,785	\$5,044,719

See Note 2(c) for the change in the method of accounting for noncancelable lease transactions which transfer substantially all risks and rewards associated with the ownership of assets.

## 17. COMMITMENTS AND CONTINGENCIES

At March 31, 2005, the Company and its consolidated subsidiaries had the following contingent liabilities:

	<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
As endorser of notes receivable discounted with banks.....	¥ 5,301	\$ 49,542
As guarantor of employees' housing loans from banks and others.....	243,384	2,274,617
	¥248,685	\$2,324,159

In addition to the above, at March 31, 2005, the Company was committed to provide guarantees of indebtedness of unconsolidated subsidiaries and affiliates in the aggregate amount of ¥2,712 million (\$25,346 thousand) at the request of the lending banks. The outstanding balance of installment receivables sold with recourse amounted to ¥20,687 million (\$193,336 thousand) at March 31, 2005.

Certain consolidated subsidiaries have entered into overdraft and loan commitment agreements amounting to ¥107,247 million (\$1,002,308 thousand) with their customers and others. The loans receivable outstanding and the unused balances under these credit facilities as of March 31, 2005 amounted to ¥12,094 million (\$113,028 thousand) and ¥95,153 million (\$889,280 thousand), respectively. Since many of these facilities expire without being utilized and the related borrowings are sometimes subject to a review of the borrowers' credibility, any unused amount will not necessarily be utilized at the full amount.