

Summary of Consolidated Financial Results for the Year ended March 31, 2004

April 26, 2004

Hitachi Maxell, Ltd.

Code No: 6810

(URL <http://www.maxell.com/>)

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1. Business Results and Financial Position for the period ended March 31, 2004 (April 1, 2003 through March 31, 2004)

(1) Operating Results (Amounts less than ¥1million, except per share amounts, have been omitted)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2004	212,698	(3.2)	11,134	(33.1)	12,810	(23.6)	7,106	25.0
March 31, 2003	219,780	(0.1)	16,655	14.4	16,771	28.1	5,683	275.6

	Net income per share	Net income per share (Diluted)	ROE	Ordinary income to total assets	Ordinary income to net sales
	Yen	Yen	%	%	%
March 31, 2004	71.52	-	3.7	4.3	6.0
March 31, 2003	56.18	55.12	3.0	5.7	7.6

Note: ①Equity in earnings of affiliates: March 31, 2004 ¥257 million; March 31, 2003 ¥311 million

②Average number of shares outstanding during the period (Consolidated): March 31, 2004 98,889,196 shares; March 31, 2003 99,386,092 shares

③Change in accounting policies: No

④Percentage change is the ratio of increase or decrease in each item of business results for the period ended March 31, 2003 .

(2) Financial Position

	Total assets	Stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2004	300,054	195,438	65.1	1,975.94
March 31, 2003	289,034	192,461	66.6	1,945.38

Note: Number of shares issued and outstanding: March 31, 2004 98,891,767 shares; March 31, 2003 98,881,309 shares

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2004	24,255	(21,984)	(2,696)	25,713
March 31, 2003	27,633	(22,987)	(10,357)	26,151

(4) Scope of Consolidation and Application of Equity Method:

Consolidated subsidiaries:21; Subsidiaries under equity method:12; Affiliates under equity method: 2

(5) Changes in Scope of Consolidation and Application of Equity Method:

Consolidation: Increase 2 company; Decrease - company Equity method: Increase - company; Decrease 3 company

2. Forecast for business results for the fiscal ending March 31, 2005 (April 1, 2004 through March 31, 2005)

	Net sales	Operating income	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Interim	104,000	57,00	6,300	3,500
Full year	217,000	12,000	13,000	7,800

Note: Projected net income per share(consolidated)¥78.87

*With regard to projections set forth above, please refer to the attached materials on page 6.

1.Management Policies

(1) Basic Management Policy

The Hitachi Maxell Group is committed to its formative philosophy advocating harmony and concord and calling on employees to work with heart and soul, and to be of service to society. We encourage our employees to be proud members of the Hitachi Maxell Group and to contribute to society through the development of outstanding and unique technology and products. At the same time, the Group is aware that a corporation is itself a member of society and, besides ensuring that its conduct is fair and transparent, seeks, as a good corporate citizen, to contribute to the creation of a truly rich society by working in harmony with the environment and by engaging in corporate citizenship activities. In addition, the Group strives to increase corporate value by implementing management strategies from the standpoint of the stockholders, investors, customers, employees and all the other stakeholders in the Hitachi Maxell Group.

(2) Basic Profit Distribution Policy

The Group regards the return of profits to shareholders as one of the most important tasks of corporate management, and our policy to make stable, appropriate distributions after comprehensive consideration of such factors of financial status, profit level and dividend payout ratio. Internal reserves will be appropriated for research and development, investment in new business areas, facilities and equipment to increase production and improve operational efficiency, and information technology. In addition, the use of internal reserves is linked to achieving most advantageous cash flow and to improving corporate value overall.

(3) Basic Approach and Policy on the Minimum Investment Unit

In order to increase share liquidity and increase the number of potential investors, the Group lowered the minimum investment unit from 1,000 shares to 100 shares on August 1 2002. Currently, we have achieved satisfactory share liquidity. Future measures in this regard will be taken in full consideration of changes in share prices and the state of the stock market, as well as the cost involved.

(4) Medium and Long-term Management Strategies and Benchmarks

Hitachi Maxell's management strategies are based on the Group vision of maximizing return to stakeholders by increasing corporate value. The Group's existence is founded on good relations with all of our stakeholders, and return to those stakeholders means providing high performance and high quality goods and services to customers, distributing dividends and increasing stock prices for shareholders and investors, creating a fair compensations system and comfortable working environment for employees, as well as fulfilling our corporate responsibility to society. The Hitachi Maxell vision goes beyond this, as we carry out management practices in the realization that increasing corporate value is created in the synergistic interrelationship of these returns, rather than in isolation.


Our mid-term mission is to get back on line to growth, with minimum management targets of net sales of 250 billion yen, operating profit margin of 7% and ROA of 7%. These targets will be achieved by implementing the three fundamental strategies described below: actively developing the Next Keystone business, strengthening the core business areas, and building global operations.

Actively developing the Next Keystone business

The Group is based on “Memory and Mobility”, the two foundational business areas of recording media and batteries, and we are now actively pursuing continuing growth through a paradigm shift to a new business domain. Until now we have developed new business by using Maxell Group core technologies expanding out toward the periphery of our existing markets. The Next Keystone business domain is in addition to our existing core areas, and is cultivated as a new revenue source, providing positive cash flows. Next keystone business creates value through innovative and advanced new products, in three categories that put our core technologies to new use: optical components, network devices and functional materials.

In the future we will be actively investing resources into these three categories, expanding the business into fields including mobile IT equipment, bringing the ubiquitous computing society one step closer, automobiles, health care, securing, and public services and education.

Strengthening the core business areas

Even as we pursue continuing growth through a paradigm shift to a new domain, strengthening our established core business areas is an important factor in supporting that growth. Our core business areas are netic tape, optical media and batteries and electric appliances, and we will continue to invest management resources even more efficiently than in the past to maintain these areas as stable, continuing sources of revenue while our business undergoes major changes.

Building global operations

Market globalization is advancing rapidly in consumer markets, particularly in the recently rapidly expanding Asian market, including China, and in Central and Eastern Europe. The Hitachi Maxell Group is proud that 60% of total sales volume is generated in the world market outside of Japan, fruit of our efforts to build a global Maxell. We will continue to enhance and build sales outlets in the Central and Eastern Europe, and the China and Asia regions where market growth can be anticipated, as well as strengthening advertising and promotion and increasing operational efficiency worldwide, including Japan, Europe, and the US.

In addition to these three fundamental medium-term management strategies, engaging in corporate social responsibility, operations considering the protection of the environment and activities contributing to society, is one of the Group’s most important management concerns. For the protection of the environment, we established the Hitachi Maxell FY 2003 environmental action plan, implemented environmental protection measures centering on consideration for environmental issues in products and in production, with the objective of building a sustainable recycling society. Also, under the theme of corporate social responsibility, we are strengthening corporate governance as a means to fulfilling compliance, and working toward harmonious coexistence with the local community.

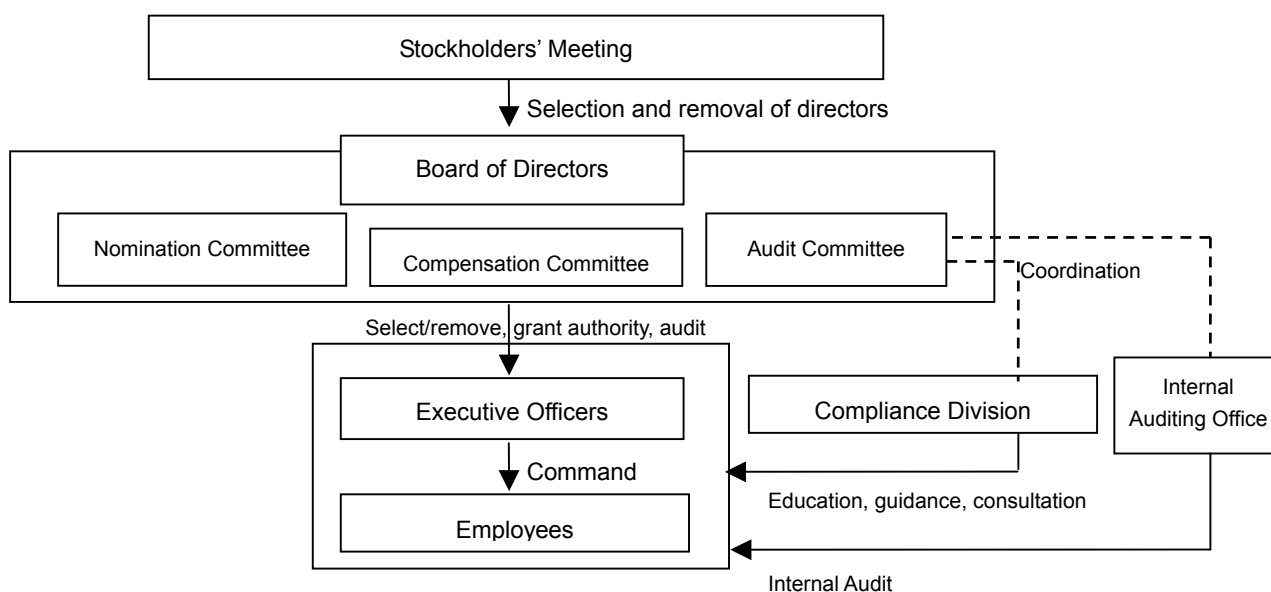
(5) Basic Approach and Implementation of Corporate Governance

The Hitachi Maxell Group management vision of maximizing return to our stakeholders by increasing corporate value forms the context in which one of our most important management policies is fulfilling compliance by speeding management decision-making, enhancing management oversight, and strengthening corporate governance.

To speed decision-making and enhance oversight, the Group adopted the committee system in June 2003. This system clarifies the division between operational and oversight functions, makes faster decision-making possible by granting significantly broader authority to executive officers, and will ensure highly transparent management with oversight of executive actions through an enhanced audit function for outside directors on the Board of Directors. Of the eight members of the Board of Directors on March 31 2004, three are outside directors. Also, there are 14 executive directors responsible for business operations.

In the fulfillment of compliance, we are also conducting internal audits and educating and guiding employees company-wide on the topic of compliance management. Specifically, we have an established Hitachi Maxell Group Code of Conduct and Hitachi Maxell Group Code of Ethics for everyone the group, top management and employee alike, to heighten awareness of compliance issues, and have also introduced the Maxell Compliance Help Line for timely opinions on and prevention of compliance problems.

Overview of Compliance System



(6) Basic Policy Relating to Parent Company and Other Affiliated Parties

The parent company Hitachi Ltd. owned, including indirect holdings, 52.1% of Hitachi Maxell voting rights as of the end of March 2004. Each of the Hitachi Maxell Group companies has a close cooperative relationship with Hitachi Ltd., and the Group's management strategy is strengthened, leading to increased corporate value, by utilizing Hitachi Group management resources to the utmost.

2. Business Performance and Financial Status

(1) Business Performance

1.) Overview

There were trends to recovery in growth in the world economy, as in increasing capital investment in the United States as a result of a low interest rate policy, while in Europe recovery was not so marked due to the strong Euro. In Asia, SARs was a negative impact at the beginning of the period, but overall the economy expanded, supported by the US economy and domestic demand in China. The Japanese economy also showed increased exports and capital investment, and a gradual move to growth with rising stock prices in the second half of the period, reflecting the world economic trend.

In this economic environment the Group led the industry in the introduction of advanced, high quality new products to the market, and made an all-out effort to launch new business. Consolidated net sales for the period under review were 212.7 billion yen, down 3.2% from the previous period. Increased productivity and cost reductions, as well as growth in sales for optical media made a significant contribution to profits, but was unable to compensate for lower revenues with a drop in unit prices for back-up computer tape, and decreased orders for lithium ion batteries, resulting in consolidated operating income down 33.1% from the previous period to 11.1 billion yen. Consolidated net income increased to 7.2 billion yen, up 25%, with a decrease in extraordinary loss in the current period, and consolidated net income per share was 71.52 yen. The average exchange rate for the period was 113 yen to USD1.00.

Performance for each segment is described below.

Information Storage Media

In optical media, rapid growth in the use of recordable DVD drives for PCs and video recorders generated a major increase in sales of recordable DVD discs, in particular demand grew for the high quality, high speed discs into which Hitachi Maxell Group puts maximum effort. This growth in sales contributed greatly to operating income. In broadcasting tape, growth was strong for high-definition and digital format tape. In new business areas, sales of optical devices grew with higher percentages of built-in cameras in mobile phones and increasing demand for DVD drives, and of RFID systems featuring rewritability as use in the amusement industry broadened. In computer tapes, demand grew steadily with the increasing volume of data, and sales volumes grew in particular for 100 GB and over high-capacity products. However, trends in the market environment resulted in unexpectedly lower product prices, and net sales volumes and operating income were less than last fiscal year.

Consolidated net sales in the Information Storage Media segment was down 0.1% year-on-year to 111.6 billion yen, and consolidated operating income was down 45.6%, reflecting costs in starting new business, to 7.7 billion yen.

Audio-Video Tape

The move to recordable DVD discs accelerated, and reduced demand for audio tapes and MiniDiscs. On the other hand, with a shift to higher value-added products such as video camera tape, new product development to meet consumer demand, and expanding global marketing using our brand power, we were able to minimize the decrease in sales volumes and maintain revenues.

Consolidated net sales in the Audio-Video Tape segment were 39.1 billion yen, down 7.9% year-on-year, and consolidated operating income was 1.4 billion yen, an increase of 28.8%.

Battery and Electric Appliance

In rechargeable batteries, market demand overall for flat lithium ion batteries grew with increasing shipments of mobile telephones, but in Asia, the core market for Hitachi Maxell Group sales, sales were flat due to the impact of SARs early in the period, and while shipments recovered from the new year, sales volumes were down from the previous period. In primary batteries, overseas sales of alkaline dry batteries were strong, but growth was soft in the domestic market. Sales of micro-batteries rose with increasing demand for back-up for IT equipment, and while we made progress on moving to higher value-added products with the development of a heat-resistant coin battery, sales were down due to the impact of inventory adjustments in the high-volume zone. Sales of small electric appliances were strong for the period.

In the Battery and Electric Appliance segment, consolidated net sales were 61.9 billion yen, down 5.5% from the previous period, and operating income increased 43.8%, reflecting lower expenses for the development of new business than last fiscal year, to 2.1 billion yen.

2.) Outlook

In light of the current economic trends, we may anticipate that the US economy will recover strongly, and while the strong Euro may have an impact in Europe, in Asia domestic demand and exports will continue to be healthy. In Japan, in addition to increasing exports, consumer spending will brighten and the economy continue to recover well. We can expect recovery globally in the next fiscal period overall, although some uncertain factors remain such as the situation in the Middle East.

The Group will be pursuing high profitability to meet every change in the economic environment. In the next year, the first in the new medium-term strategy, we will be seeking to increase growth and profitability with the addition of the Next Keystone business area, actively moving into the next generation.

Projected performance for the next fiscal year is consolidated net sales of 217.0 billion yen, consolidated operating income of 12.0 billion yen, and recurring profit of 13.0 billion yen. In addition, extraordinary gain is anticipated with the return of the substitutional portion of the welfare pension fund, but this will be put to maximum use in fundamental reform and innovating business structure for the sake of the future, and so consolidated net income is projected at 7.8 billion yen for the fiscal period. The exchange rate is posited as 105 yen per USD 1.00 for the next year (113 yen for the fiscal year under review).

(2) Financial Status

Overview

Cash and cash equivalents (“cash”) at the end of the fiscal year under review totaled 25.7 billion yen, a decrease of 0.4 billion yen from the previous year.

Cash Flows from Operating Activities

Pre-tax income was 11.6 billion yen, increases in funds with increases in depreciation and amortization of 10.9 billion yen and notes and accounts payable, and decreases in funds with an increase in inventory contributed to cash flows from operating activities of 24.3 billion yen.

Cash Flows from Investing Activities

With the acquisition of property and equipment of 11.9 billion yen, net expenditures of 9.8 billion yen from purchases and sales of marketable securities and investment securities, cash flows used in investing activities were 22.0 billion yen.

Cash Flows from Financing Activities

Dividend payment was 1.9 billion yen and repayment of long-term debt 1.3 billion yen, so that cash used in financing activities amounted to 2.7 billion yen over the fiscal year.

Trends in the Group’s cash flow indices are as follows:

	FY 3/2001	FY 3/2002	FY 3/2003	FY 3/2004
Shareholders' equity rate (%)	63.3	64.7	66.6	65.1
Shareholders' equity rate at market value (%)	52.9	57.1	61.0	53.3
Years to debt redemption (year)	2.9	1.4	1.2	1.3
Interest coverage ratio	9.2	19.4	25.3	22.1

Shareholders' equity rate: shareholders' equity/total assets

Shareholders' equity rate at market value: market capitalization/total assets

Years to debt redemption: interest-bearing debt/operating cash flow

Interest coverage ratio: operating cash flow/interest payments

Note: * all indices are calculated on a consolidated basis.

* market capitalization is final share price times number of shares outstanding as of the end of the period

* cash flows from operating activities uses data from the Consolidated Statements of Cash Flows cash flows from operating activities section. Interest-bearing debt is all debt on the Consolidated Balance Sheet that is interest bearing. Interest payments are the payments of interest on the Consolidated Statement of Cash Flows.

Note: This document contains forward-looking statements which reflect management's current views and judgments with respect to certain future plans, events and strategies based on currently available information and do not constitute promises, commitments or guarantees. The forward-looking statements involve known and unknown risks and uncertainties that can cause actual results to differ materially from those projected or implied therein. Factor that can cause actual results to differ materially from those projected or implied in the forward looking statements and from historical events include, but are not limited to, future economic trends, competition in the industrial sector, market demand, rates of exchange, and sociopolitical conditions and circumstances.

Consolidated Results and Forecast

Millions of yen

	FY 3/ 2005 Forecast	Change (%)	FY 3/ 2004	Change (%)	FY 3/ 2003
Net Sales	217,000	2.0	212,698	(3.2)	219,780
Operating income	12,000	7.8	11,134	(33.1)	16,655
Ordinary income	13,000	1.5	12,810	(23.6)	16,771
Net income	7,800	9.8	7,106	(25.0)	5,683
Exchange rate(\$1=)	¥105	-	¥113	-	¥121

Sales and Operating Income by Segment

	FY 3/ 2005 Forecast		Change (%)	FY 3/ 2004		Change (%)	FY 3/ 2003	
	Millions of yen	Composition (%)		Millions of yen	Composition (%)		Millions of yen	Composition (%)
Net Sales	217,000	100	2.0	212,698	100	(3.2)	219,780	100
Information Storage Media	119,000	55	6.6	111,612	53	(0.1)	111,729	51
Audio-Video Tape	31,000	14	(20.8)	39,147	18	(7.9)	42,519	19
Battery and Electric Appliance	67,000	31	8.2	61,939	29	(5.5)	65,532	30
Operating income	12,000	100	7.8	11,134	100	(33.1)	16,655	100
Information Storage Media	8,800	73	14.3	7,696	69	(45.6)	14,152	85
Audio-Video Tape	600	5	(56.5)	1,379	12	28.8	1,071	6
Battery and Electric Appliance	2,600	22	26.3	2,059	19	43.8	1,432	9

Capital Expenditure , Depreciation, R&D Cost

	FY 3/ 2005 Forecast	Change (%)	FY 3/ 2004		Change (%)	FY 3/ 2003	
	Millions of yen		Millions of yen	Composition (%)		Millions of yen	Composition (%)
Capital Expenditure	15,000	31.6	11,395	100	(34.2)	17,313	100
Information Storage Media	-	-	7,263	64	(21.5)	9,249	54
Audio-Video Tape	-	-	599	5	(72.0)	2,138	12
Battery and Electric Appliance	-	-	3,533	31	(40.4)	5,926	34
Operating income	13,000	19.3	10,901	100	(1.2)	11,037	100
Information Storage Media	-	-	5,588	51	11.4	5,015	45
Audio-Video Tape	-	-	1,505	14	(21.9)	1,928	18
Battery and Electric Appliance	-	-	3,808	35	(7.0)	4,094	37
R&D Cost	11,000	5.9	10,383		3.3	10,055	

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Description	Fiscal 2002 (As of March 31, 2003)		Fiscal 2003 (As of March 31, 2004)		Increase/decrease Millions of yen
	Amount Millions of yen	Composition %	Amount Millions of yen	Composition %	
Current assets	117,090	40.5	119,474	39.8	2,384
Cash and time deposits	16,193		13,641		(2,552)
Trade notes and Accounts receivables	41,112		37,845		(3,267)
Marketable securities	20,961		25,588		4,627
Inventories	27,287		29,761		2,474
Deferred tax assets	7,056		8,144		1,088
Other current assets	5,733		5,644		(89)
Allowance for doubtful Accounts	(1,252)		(1,149)		103
Fixed assets	171,944	59.5	180,580	60.2	8,636
Tangible fixed assets	84,490	29.2	84,385	28.1	(105)
Buildings and structures	26,728		26,023		(705)
Machinery and equipment	18,689		18,251		(438)
Land	33,870		33,569		(301)
Construction in progress	1,314		2,633		1,319
Other fixed assets	3,889		3,909		20
Intangible fixed assets	2,049	0.7	2,182	0.7	133
Investments and other assets	85,405	29.6	94,013	31.4	8,608
Investment securities	72,738		80,430		7,692
Deferred tax assets	9,315		9,643		328
Deterred hedge losses	-		3,023		3,023
Other investments	3,361		2,590		(771)
Allowance for doubtful accounts	(9)		(1,673)		(1,664)
Total assets	289,034	100.0	300,054	100.0	11,020

Description	Fiscal 2002 (As of March 31, 2003)		Fiscal 2003 (As of March 31, 2004)		Increase/decrease
	Amount	Composition	Amount	Composition	
	Millions of yen	%	Millions of yen	%	Millions of yen
Current liabilities	47,475	16.4	52,917	17.7	5,442
Trade notes and accounts payables	15,724		19,225		3,501
Short-term bank loans	2,229		1,486		(743)
Accounts payable	5,959		5,982		23
Accrued expenses	19,482		18,887		(595)
Accrued income taxes	1,520		5,008		3,488
Other current liabilities	2,561		2,329		(232)
Long-term liabilities	49,008	17.0	51,612	17.2	2,604
Bonds	30,000		30,000		-
Long-term debt	328		-		(328)
Allowance for retirement benefit	15,760		16,735		975
Allowance for directors' retirement bonuses	478		488		10
Other fixed liabilities	2,442		4,389		1,947
(Total liabilities)	96,483	33.4	104,529	34.9	8,046
Minority interests	90	0.0	87	0.0	(3)
Common stock	12,203	4.2	12,203	4.1	-
Capital surplus	22,325	7.7	22,325	7.4	0
Retained earnings	163,254	56.6	168,383	56.1	5,129
Net unrealized holding gain on securities	(568)	(0.2)	(880)	(0.3)	(312)
Foreign currency translation adjustments	(3,672)	(1.3)	(5,529)	(1.8)	(1,857)
Cost of treasury stock	(1,081)	(0.4)	(1,064)	(0.4)	17
(Total stockholders' equity)	192,461	66.6	195,438	65.1	2,977
Total liabilities, minority interests and stockholders' equity	289,034	100.0	300,054	100.0	11,020

(2) Consolidated Statements of Income

Description	Fiscal 2002 (April 1, 2002 through March 31, 2003)		Fiscal 2003 (April 1, 2003 through March 31, 2004)		Increase/ decrease	Change
	Amount	Composition	Amount	Composition		
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Net sales	219,780	100.0	212,698	100.0	(7,082)	96.8
Cost of sales	135,065	61.4	138,151	65.0	3,086	102.3
Gross profit	84,715	38.6	74,547	35.0	(10,168)	88.0
Selling, general and administrative expenses	68,060	31.0	63,413	29.8	(4,647)	93.2
Operating income	16,655	7.6	11,134	5.2	(5,521)	66.9
Non-operating income	3,827	1.7	4,707	2.2	880	123.0
Interest and dividend income	2,311		2,614		303	
Equity in earnings of non-consolidated subsidiaries and affiliates	311		257		(54)	
Miscellaneous income	1,205		1,836		631	
Non-operating expenses	3,711	1.7	3,031	1.4	(680)	81.7
Interest expenses	1,485		1,094		(391)	
Miscellaneous expenses	2,226		1,937		(289)	
Ordinary income	16,771	7.6	12,810	6.0	(3,961)	76.4
Extraordinary gains	807	0.4	1,705	0.8	898	211.3
Gain from reversal of accrued expenses	-		406		406	
Gain on sales of fixed assets	807		166		(641)	
Gain on sales of investments securities	-		1,131		1,131	
Gain on liquidation of investments in subsidiaries	-		2		2	
Extraordinary losses	7,522	3.4	2,891	1.3	(4,631)	38.4
Loss on disposal of fixed assets	1,333		1,216		(117)	
Loss on sales of investment securities	-		2		2	
Loss on revaluation of investment securities	1,244		8		(1,236)	
Loss on devaluation of investments in affiliates	4,258		-		(4,258)	
Provision for allowance for Doubtful accounts	-		1,661		1,661	
Write-down of golf club membership	14		4		(10)	
Allowance for special retirement	673		-		(673)	
Income before income taxes and minority interest	10,056	4.6	11,624	5.5	1,568	115.6
Income taxes - current	4,064	1.8	5,850	2.8	1,786	143.9
Income taxes - deferred	355	0.2	(1,331)	(0.6)	(1,686)	-
Minority interests	(46)	(0.0)	(1)	(0.0)	45	-
Net income	5,683	2.6	7,106	3.3	1,423	125.0

(3) Consolidated Statements of Shareholders' Equity

Description	Fiscal 2002 (April 1, 2002 through March 31, 2003)	Fiscal 2003 (April 1, 2003 through March 31, 2004)	Increase/decrease
	Millions of yen	Millions of yen	Millions of yen
(Capital surplus)			
Capital surplus at beginning of period	22,325	22,325	-
Capital reserve at beginning of period	22,325	22,325	-
Increase in capital surplus	-	0	0
Gains on sales of treasury stock	-	0	0
Capital surplus at end of period	22,325	22,325	0
(Retained earnings)			
Retained earnings at beginning of period	159,569	163,254	3,685
Consolidated surplus at beginning of period	159,569	163,254	3,685
Increase in retained earnings	5,683	7,106	1,423
Net income	5,683	7,106	1,423
Decrease in retained earnings	1,998	1,977	(21)
Cash dividend	1,890	1,878	(12)
Directors' bonuses	108	99	(9)
Retained earnings at end of period	163,254	168,383	5,129

(4) Consolidated Statements of Cash Flows

Description	Fiscal 2002 (April 1, 2002 through March 31, 2003)	Fiscal 2003 (April 1, 2003 through March 31, 2004)
	Amount	Amount
I Cash flows from operating activities	Millions of yen	Millions of yen
Net profit before income taxes and minority interests	10,056	11,624
Depreciation	11,037	10,901
Increase (decrease) in retirement and severance benefits	(219)	984
Interest and dividend income	(2,311)	(2,614)
Interest expenses	1,485	1,094
Gain on sales of investment securities	-	(1,131)
Loss on disposal of fixed assets	1,333	1,216
Write-down of investments in non-consolidated subsidiaries	4,258	-
Decrease (increase) in trade notes and accounts receivables	(1,419)	2,472
Decrease (increase) in inventories	4,305	(3,546)
Increase (decrease) in trade notes and accounts payables	1,449	4,045
Increase (decrease) in accrued expenses	1,712	(424)
Other	781	368
Subtotal	32,467	24,989
Proceeds from interest and dividend income	2,244	2,678
Payments of interest	(1,091)	(1,098)
Payments of income taxes	(5,987)	(2,314)
Net cash provided by operating activities	27,633	24,255
II Cash flows from investing activities		
Payments to time deposits	(1)	(2)
Proceeds from time deposits	2	2
Purchase of marketable securities	(10,995)	(24,496)
Proceeds from sales of marketable securities	14,599	23,800
Purchase of tangible fixed assets	(13,427)	(11,904)
Purchase of investment securities	(32,946)	(32,135)
Proceeds from sales of investment securities	19,456	23,051
Purchase of stock of affiliated companies	(523)	-
Payments of loan receivables	(27)	(16)
Other	875	(284)
Net cash used in investing activities	(22,987)	(21,984)
III Cash flows from financing activities		
Increase (decrease) in short-term debt	(1,640)	421
Payments on long-term debt	(1,313)	(1,256)
Redemption of debentures	(4,640)	-
Dividends paid to stockholders	(1,890)	(1,878)
Repurchase of treasury stock	(870)	(2)
Proceeds from sales of treasury stock	-	19
Other	(4)	-
Net cash used in financing activities	(10,357)	(2,696)
IV Effect of exchange rate changes on cash and cash equivalents	(348)	(621)
V Net increase (decrease) in cash and cash equivalents	(6,059)	(1,046)
VI Cash and cash equivalents at beginning of year	32,210	26,151
VII Cash and cash equivalents of initially consolidated subsidiaries at beginning of year	-	608
VIII Cash and cash equivalents at end of year	26,151	25,713

4. Geographic Segment Information

Fiscal 2002 (April 1, 2002 through March 31, 2003)

	Japan	America	Europe	Asia and other	Total	Corporate (Elimination)	Consolidated total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
1. Sales and operating expenses							
Sales							
(1) Sales to third parties	83,052	77,247	41,978	17,503	219,780	-	219,780
(2) Intersegment sales	70,849	147	317	5,181	76,494	(76,494)	-
Total sales	153,901	77,394	42,295	22,684	296,274	(76,494)	219,780
Operating expenses	140,543	76,330	41,254	21,747	279,874	(76,749)	203,125
Operating income	13,358	1,064	1,041	937	16,400	255	16,655
2. Total assets	134,381	23,803	19,610	9,939	187,733	101,301	289,034

Fiscal 2003 (April 1, 2003 through March 31, 2004)

	Japan	America	Europe	Asia and other	Total	Corporate (Elimination)	Consolidated total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
1. Sales and operating expenses							
Sales							
(1) Sales to third parties	83,072	66,682	43,835	19,109	212,698	-	212,698
(2) Intersegment sales	64,293	107	445	6,951	71,796	(71,796)	-
Total sales	147,365	66,789	44,280	26,060	284,494	(71,796)	212,698
Operating expenses	140,034	65,555	43,139	25,216	273,944	(72,380)	201,564
Operating income	7,331	1,234	1,141	844	10,550	584	11,134
2. Total assets	129,951	20,555	20,037	10,586	181,129	118,925	300,054

Overseas sales

	America		Europe		Asia and other		Total		Consolidated total
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen
Fiscal 2002 (April 1, 2002 through March 31, 2003)	77,335	35.2	43,086	19.6	26,292	12.0	146,713	66.8	219,780
Fiscal 2003 (April 1, 2003 through March 31, 2004)	66,747	31.4	44,697	21.0	25,845	12.1	137,289	64.5	212,698

Note: Overseas sales are the consolidated sales to other than Japan.