Notes to Consolidated Financial Statements

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared from accounts and records maintained by Toyoda Automatic Loom Works, Ltd. (the "Company"), and its domestic and overseas consolidated subsidiaries (together, hereinafter referred to as the "Companies") in accordance with generally accepted accounting principles in Japan. Furthermore, these consolidated financial statements have been prepared based on the consolidated financial statements prepared in accordance with the Japanese Regulations Concerning the Terminology, Forms and Preparation Methods of the Consolidated Financial Statements (the "Regulations"). Relevant notes have been added and certain reclassifications of the accounts in the basic financial statements disclosed in Japan have been made for presentation in a form which is more familiar to readers outside Japan. These reclassifications do not affect the values of total assets, shareholders' equity, net sales or net income.

The accompanying financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates, and solely for the convenience of readers outside Japan, yen amounts as of and for the year ended March 31, 2000, have been translated into U.S. dollars at the rate of ¥106.15 to U.S.$1, the exchange rate prevailing in Tokyo on March 31, 2000. These translations should not be construed as representations that yen amounts have been, could have been or could be converted into U.S. dollars.

2. Summary of Significant Accounting Policies

(a) Consolidation

The Company had 31, 30 and 26 subsidiaries as of March 31, 2000, 1999 and 1998, respectively. The accompanying consolidated financial statements include the accounts of the Company and 27, 27 and 10 of them as of March 31, 2000, 1999 and 1998, respectively. In addition, for fiscal 2000, due to the amendment of the Regulations, two other companies which had been classified as affiliates (meaning 20 percent to 50 percent ownership of company's equity) until fiscal 1999 were included as consolidated subsidiaries, because the Company had substantial control over them. The 29 consolidated subsidiaries including the above-mentioned two companies are listed on page 39.

For fiscal 2000, two (three for fiscal 1999 and 16 for fiscal 1998) subsidiaries, were not consolidated with the Company because their combined assets, net sales, net income and retained earnings in the aggregate are not significant in relation to those set forth in the consolidated financial statements of the Companies.

The fiscal years of the subsidiaries are not necessarily the same as the Company's. Accounts of those subsidiaries, which have different fiscal periods, have been adjusted for significant transactions to properly reflect their financial positions as of March 31, 2000, 1999 and 1998, respectively.

For the purpose of preparing the consolidated financial statements, all significant inter-company transactions, account balances and unrealized profits among the Companies have been eliminated, and the portion attributable to minority interest has been credited/charged against it.

The differences between the cost and underlying net equity of investments in consolidated subsidiaries at the time of acquisition are presented as consolidation difference. Such differences are amortized on a straight-line basis over a period generally not exceeding 20 years, except for insignificant amounts, which is charged to income as incurred. The differences incurred before fiscal 1999 are amortized on a straight-line basis over five years.

(b) Investments in unconsolidated subsidiaries and affiliates

For fiscal 2000, the Company had two (three for fiscal 1999 and 16 for fiscal 1998) unconsolidated subsidiaries and nine (11 for fiscal 1999 and 13 for fiscal 1998) affiliates. The equity method is applied to the investments in two major affiliates since investments in the remaining unconsolidated subsidiaries and affiliates are not material for the consolidated financial statements.

The major affiliates accounted for under the equity method are listed on page 39.

(c) Cash and cash equivalents

Cash and cash equivalents include all highly liquid investments, generally with original maturities of three months or less, that are readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in value because of changes in interest rates, in accordance with the Regulations.

(d) Securities

Securities that are quoted on stock exchanges are stated mainly at the lower of cost, as determined by the moving average method, or market value. Other securities are stated at cost, as determined by the moving average method.

Notes to Consolidated Financial Statements

(e) Inventories

Inventories are stated mainly at cost determined by the moving average method.

(f) Property, plant and equipment, and depreciation

Property, plant and equipment are stated at cost.

Depreciation of property, plant and equipment, for the Company and its domestic subsidiaries and affiliates, is computed mainly by the declining-balance method and, for its overseas subsidiaries and affiliates, is computed mainly by the straight-line method based on the estimated useful lives of the assets.

(g) Bond issue expenses

Bond issue expenses are charged to income as incurred.

(h) Allowances for doubtful accounts

Allowances for doubtful accounts are provided mainly at the maximum amount deductible under the tax laws of Japan.

(i) Provision for retirement and severance benefits

The annual provision for retirement and severance benefits is calculated to state liability at the present value, based on the amount which would be required if all employees voluntarily terminated their employment at each balance sheet date, less amounts compensated by the qualified retirement pension plan which cover 50 percent of the amount of the benefits of the retired employees after 20 years of employment.

(j) Lease transaction

Finance leases other than those that are deemed to transfer the ownership of the leased assets to lessees are mainly accounted for by the method similar to that applicable to ordinary operating leases.

(k) Translation adjustment

Accounts of overseas consolidated subsidiaries and affiliates accounted for under the equity method have been translated into Japanese yen as follows:

1. Assets and liabilities have been translated at the prevailing fiscal year-end rate.
2. Shareholders' equity has been translated at the rate prevailing when equity was acquired or when a change in equity occurred.
3. Revenue and expenses have been translated at the prevailing fiscal average rate, although the prevailing fiscal year-end rate had been used until fiscal 1999. See Note 3.

(l) Consumption tax

Principally, the consumption tax under the Japanese Consumption Tax Law withheld by the Companies on sales of goods is not included in the amount of net sales in the accompanying consolidated statements of income, and the consumption tax borne by the Companies under the law on purchases of goods and services, and expenses is not included in the related amount.

(m) Appropriation of retained earnings

In the accompanying consolidated statements of shareholders' equity, the approved amount during the relevant fiscal year is reflected for the appropriation of retained earnings of consolidated subsidiaries.

(n) Income taxes

Income taxes are principally provided in amounts currently payable for each year. Until fiscal 1999, deferred income taxes arising from timing differences between reporting for accounting purposes and that for tax purposes had not been required to be accounted for under Japanese accounting principles and therefore had not been recorded in the financial statements by the Company and its domestic subsidiaries and affiliates. (For overseas subsidiaries and affiliates, deferred income taxes have been recorded and reflected in their respective financial statements.)

However, from fiscal 2000, tax effect accounting has been adopted in Japan. See Note 4(b).

See also Note 4(a) for the presentation of enterprise taxes in the accompanying consolidated statements of income.

(o) Amounts per share

Net income per share is computed based on the average number of outstanding shares of common stock during the fiscal year.

(p) Assets and liabilities of consolidated subsidiaries

Assets and liabilities of consolidated subsidiaries are evaluated by using the market price method.

3. Change in Accounting

Until fiscal 1999, revenue and expenses accounts of overseas consolidated subsidiaries had been translated into Japanese yen with fiscal year-end rates. From fiscal 2000, the Company uses fiscal average rates. This change was made to present the operating results more precisely as the significance of the overseas consolidated subsidiaries had been increasing and their revenue and expenses were incurred throughout the fiscal years.

If the figures of fiscal 2000 had been presented based on the method used until fiscal 1999, net sales for fiscal 2000 would be ¥615,341 million ($5,796,902 thousand), income before income taxes would be ¥26,611 million ($250,690 thousand) and net income would be ¥13,488 million ($127,069 thousand).

4. Additional Information

(a) From fiscal 1999, the Company has presented consolidated financial statements as follows.

In the consolidated balance sheets, legal reserve and retained earnings have been combined and shown as retained earnings. Consolidation difference, which had been placed between the liabilities section and the shareholders' equity section until fiscal 1998, has been included in long-term liabilities from fiscal 1999.

In the consolidated statements of income, enterprise taxes (¥2,088 million for fiscal 1999) had been included in selling, general and administrative expenses until fiscal 1998. For fiscal 1998, enterprise taxes were ¥3,343 million. However, they have been included in income taxes from fiscal 1999. Amortization of consolidation difference (¥120 million for fiscal 1999), which had been classified as a deductible item from income before income taxes until fiscal 1998, has been included in selling, general and administrative expenses. Equity in earnings of affiliates (loss of ¥3,763 million for fiscal 1999), which had been added to or deducted from income before income taxes until fiscal 1998, has been included in other, net of other income or expenses. These adjustments have not been applied to the financial statements presented prior to fiscal 1999 retroactively.

If the figures of fiscal 1999 had been presented based on the method used until fiscal 1998, operating income and income before income taxes for fiscal 1999 would have been ¥22,846 million and ¥24,968 million, respectively.

(b) Tax effect accounting has been adopted from fiscal 2000 due to the amendment of the Regulations. In conformity therewith, deferred tax assets are newly recognized in the amount of ¥9,867 million ($92,957 thousand) (¥4,556 million ($42,922 thousand) in current assets and ¥5,311 million ($50,035 thousand) in investments and other assets), and deferred tax liabilities are recognized in the amount of ¥2,041 million ($19,233 thousand) and included in long-term liabilities in the consolidated financial statements as of March 31, 2000.

If the figures of fiscal 2000 had been presented based on the method used until fiscal 1999, net income for fiscal 2000 and retained earnings as of March 31,2000 would be ¥10,716 million ($100,952 thousand) and ¥207,006 million ($1,950,124 thousand), respectively.

In addition to the above, deferred tax assets relating to prior periods are recognized as prior years deferred tax adjustments of ¥5,487 million ($51,693 thousand) in retained earnings as of March 31, 2000.

(c) Until fiscal 1999, consolidated statements of cash flows had been prepared in conformity with the accounting principles prescribed by the Company and accepted by the independent public accountants. However, from fiscal 2000, they have to be prepared in accordance with newly prescribed rules in the amended Regulations. Pursuant to the amendment, the consolidated statements of cash flows for fiscal 1999 and 1998 were restated to make the figures comparable with those of fiscal 2000.

According to this change, deposits and securities (for stocks, they had been stated as marketable securities separately) with original maturities of over three months have been classified as short-term investments from fiscal 2000.

Notes to Consolidated Financial Statements

5. Marketable Securities

Current and non-current marketable securities included in current assets and in investments and other assets as of March 31, 2000 were as follows:

	Millions of yen			Thousands of U.S. dollars		
	Book value	Market value	Valuation profit	Book value	Market value	Valuation profit
Current:						
Stock	¥ 393	¥ 1,256	¥ 863	$ 3,694	$ 11,826	$ 8,132
Bonds	2	3	1	23	28	5
Other	–	–	–	–	–	–
Sub-total	¥ 395	¥ 1,259	¥ 864	$ 3,717	$ 11,854	$ 8,137
Non-Current:						
Stock	¥162,983	¥1,323,286	¥1,160,303	$1,535,403	$12,466,190	$10,930,787
Bonds	2,000	1,997	(3)	18,841	18,812	(29)
Other	50	50	–	471	475	4
Sub-total	¥165,033	¥1,325,333	¥1,160,300	$1,554,715	$12,485,477	$10,930,762
Total	¥165,428	¥1,326,592	¥1,161,164	$1,558,432	$12,497,331	$10,938,899

Notes: 1. Market value is calculated mainly based on the closing price of the Tokyo Stock Exchange.
2. Book value of the securities which are excluded from disclosure above is as follows:

	Millions of yen	Thousands of U.S. dollars
Current:		
Bonds used in repurchase agreements	¥ 3,994	$ 37,623
Commercial paper used in repurchase agreements	3,993	37,620
Discount bank debenture	3,491	32,889
Foreign unlisted bond	810	7,628
Money management fund	632	5,958
Non-current:		
Domestic private stock	¥22,856	$215,322
Foreign private stock	3,310	31,183

6. Inventories

Inventories as of March 31, 2000 and 1999 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Finished goods	¥ 3,342	¥ 2,223	$ 31,485
Raw materials	4,615	3,421	43,476
Work in process	18,104	18,062	170,548
Supplies	4,154	3,554	39,135
Total	¥30,215	¥27,260	$284,644

7. Long-term Debt

(a) Long-term debt as of March 31, 2000 and 1999 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	**2000**
Parent company:			
0.35% convertible bonds due 2003 without collateral	**¥ 75,748**	¥ 75,748	**$ 713,594**
2.70% bonds due 2008 without collateral	**30,000**	30,000	**282,619**
1.50% bonds due 2003 without collateral	**20,000**	20,000	**188,413**
2.15% bonds due 2008 without collateral	**20,000**	20,000	**188,413**
1.50% bonds due 2006 without collateral	**15,000**	–	**141,309**
1.94% bonds due 2009 without collateral	**15,000**	–	**141,309**
Consolidated subsidiaries:			
1.80% bonds due 2005	**300**	300	**2,826**
Long-term bank loans	**6,011**	3,444	**56,628**
Less: current portion of long-term debt	**(987)**	(874)	**(9,300)**
Total	**¥181,072**	¥148,618	**$1,705,811**

Note: The conversion period of the 0.35 percent convertible bonds due 2003 is from May 1, 1996 to September 29, 2003 and the conversion price was ¥2,020 per share as of March 31,2000. The aggregate number of shares issuable upon conversion thereof at such conversion price was 37,499 thousand shares.

(b) Annual maturities of long-term debt as of March 31, 2000 are as follows:

	Millions of yen	Thousands of U.S. dollars
2001	¥ 987	$ 9,300
2002	1,053	9,917
2003	857	8,071
2004	97,129	915,020
2005	418	3,942
2006 and thereafter	81,615	768,861
Total	¥182,059	$1,715,111

8. Assets Pledged as Collateral

Investment securities, land, buildings and structures at the book value of ¥13,297 million ($125,265 thousand) were pledged as collateral for bank loans or employees' savings deposits or other liabilities as of March 31, 2000.

9. Contingent Liabilities

Contingent liabilities for guarantees of loans of two companies and industrial revenue bond issues of one village in Michigan, U.S.A. amounted to ¥3,306 million ($31,144 thousand) as of March 31, 2000.

10. Shareholders' Equity

Under the Japanese Commercial Code, amounts equal to at least 10 percent of the sum of the cash dividends and other external appropriations paid by the Company and its domestic subsidiaries must be set aside as a legal reserve until it equals 25 percent of common stock. The legal reserve may be used to reduce a deficit or may be transferred to common stock by taking appropriate corporate action. In consolidation, the legal reserves of the Company and its domestic subsidiaries are accounted for as retained earnings.

Year-end dividends are approved by the shareholders at a meeting held after the close of the fiscal year to which the dividends are applicable. In addition, semi-annual dividends may be paid upon resolution of the Board of Directors, subject to limitations imposed by the Japanese Commercial Code.

Proceeds from the conversions of convertible bonds have been accounted for in approximately equal amounts as common stock and capital surplus. At least 50 percent of the proceeds have been accounted for as common stock, in accordance with the provisions of the Japanese Commercial Code.

11. Research and Development Expenses

Research and development expenses, which were included in selling, general and administrative expenses and manufacturing costs, amounted to ¥24,062 million ($226,676 thousand), ¥23,231 million and ¥23,112 million for fiscal 2000, 1999 and 1998, respectively.

12. Income Taxes

(a) The significant components of deferred tax assets and liabilities as of March 31, 2000 were as follows:

	Millions of yen	Thousands of U.S. dollars
Deferred tax assets:		
Net operating loss carry-forwards for tax purposes	**¥ 2,368**	**$ 22,305**
Receivables – Trade	**1,708**	**16,092**
Accrued expenses	**1,452**	**13,678**
Depreciation	**1,338**	**12,609**
Provision for retirement and severance benefits	**993**	**9,353**
Enterprise tax payable	**776**	**7,308**
Securities	**507**	**4,780**
Other	**4,034**	**38,000**
Sub-total	**13,176**	**124,125**
Less: valuation allowance	**(2,394)**	**(22,553)**
Total deferred tax assets	**10,782**	**101,572**
Deferred tax liabilities:		
Depreciation	**1,304**	**12,281**
Land	**1,112**	**10,475**
Reserve for advanced depreciation	**409**	**3,852**
Reserve for special depreciation	**59**	**555**
Other	**72**	**686**
Total deferred tax liabilities	**2,956**	**27,849**
Net deferred tax assets	**¥ 7,826**	**$ 73,723**

(b) Reconciliations of differences between the statutory rate of income taxes and the effective rate of income taxes for the year ended March 31, 2000 were as follows:

	Rate
Statutory rate of income taxes	**41.2%**
Addition (reduction) in taxes resulting from:	
Equity in loss of affiliates	**7.6**
Net loss before income taxes of consolidated subsidiaries	**3.5**
Elimination of dividend income	**1.3**
Dividend income and others not recognized as taxable income	**(8.6)**
Other	**1.3**
Effective rate of income taxes	**46.3%**

13. Lease Transaction

(a) Finance leases which do not transfer ownership of leased assets to lessees

1. Pro forma information of acquisition cost and accumulated depreciation of leased assets as of March 31, 2000 and 1999 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	**2000**
Machinery and equipment:			
Acquisition cost	**¥7,720**	¥8,075	**$72,730**
Less: accumulated depreciation	**3,585**	3,603	**33,778**
Net leased assets	**¥4,135**	¥4,472	**$38,952**

2. Pro forma obligations under finance leases as of March 31, 2000 and 1999 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	**2000**
Obligations under finance leases:			
Due within one year	**¥1,501**	¥1,421	**$14,136**
Due after one year	**2,634**	2,929	**24,816**
Total	**¥4,135**	¥4,350	**$38,952**

Note: Obligations under finance leases include the imputed interest expense portion.

3. Total lease payments for the years ended March 31, 2000, 1999 and 1998 were as follows:

	Millions of yen	Thousands of U.S. dollars
2000	**¥1,749**	**$16,479**
1999	1,679	–
1998	1,591	–

Note: Pro forma depreciation expenses, which are not reflected in the accompanying consolidated statements of income, were computed by the straight-line method for fiscal 2000, 1999 and 1998 and were equivalent to the amount of total lease payments of the above.

(b) Operating leases

Pro forma obligations under operating leases as of March 31, 2000 and 1999 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	**2000**
Obligations under operating leases:			
Due within one year	**¥203**	¥174	**$1,917**
Due after one year	**165**	156	**1,552**
Total	**¥368**	¥330	**$3,469**

14. Subsequent Events

(a) The Board of Directors, by its resolution adopted on April 4, 2000, approved that the Company would purchase 25.1 percent of the outstanding common stock of BT Industries AB in Sweden from its major shareholders and would make a tender offer for the remaining 74.9 percent. The Company concluded an agreement with the then major shareholders of BT Industries AB on April 4, 2000.

On May 31, 2000, the Company purchased the 25.1 percent or 7,021 thousand shares from such major shareholders for approximately ¥23,000 million ($216,675 thousand), and on June 22, 2000 obtained 72.0 percent or 20,156 thousand shares by tender offer for approximately ¥66,100 million ($622,704 thousand).

To partially finance the purchase and tender offer of the shares in BT Industries AB, the Company on July 19, 2000, issued domestic bonds without collateral in the aggregate amount of ¥40,000 million ($376,825 thousand), being 1.25 percent ¥20,000 million bonds due 2005 and 1.91 percent ¥20,000 million bonds due 2010.

(b) On June 29, 2000, the shareholders of the Company authorized the payment of a year-end cash dividend to shareholders of record as of March 31, 2000, of ¥8 ($0.075) per share, or a total of ¥2,266 million ($21,350 thousand), and bonuses to directors and corporate auditors of ¥184 million ($1,733 thousand). Cash dividends for the year thus totaled ¥16 ($0.151) per share, including a semi-annual dividend of ¥8 ($0.075).

15. Segment Information

(a) Business segments

	Millions of yen			Thousands of U.S. dollars
	2000	1999	1998	**2000**
Sales:				
Automobile				
Outside customer sales	**¥423,413**	¥364,269	¥366,387	**$3,988,818**
Inter-segment transactions	**3,335**	2,431	4,021	**31,421**
	426,748	366,700	370,408	**4,020,239**
Materials Handling Equipment				
Outside customer sales	**149,085**	151,370	160,117	**1,404,470**
Inter-segment transactions	**–**	–	–	**–**
	149,085	151,370	160,117	**1,404,470**
Textile Machinery				
Outside customer sales	**23,135**	18,947	–	**217,946**
Inter-segment transactions	**–**	–	–	**–**
	23,135	18,947	–	**217,946**
Others				
Outside customer sales	**30,140**	24,290	46,194	**283,939**
Inter-segment transactions	**2,613**	2,974	1,060	**24,620**
	32,753	27,264	47,254	**308,559**
Sub-total	**631,721**	564,281	577,779	**5,951,214**
Elimination of inter-segment transactions	**(5,948)**	(5,405)	(5,081)	**(56,041)**
Total	**¥625,773**	¥558,876	¥572,698	**$5,895,173**
Operating Costs and Expenses:				
Automobile	**¥402,320**	¥349,302	¥351,635	**$3,790,106**
Materials Handling Equipment	**143,335**	142,918	147,386	**1,350,307**
Textile Machinery	**26,107**	22,402	–	**245,940**
Others	**32,001**	25,064	45,895	**301,471**
Elimination of inter-segment transactions	**(6,857)**	(5,624)	(4,947)	**(64,597)**
Total	**¥596,906**	¥534,062	¥539,969	**$5,623,227**
Operating Income (Loss):				
Automobile	**¥ 24,429**	¥ 17,397	¥ 18,773	**$ 230,133**
Materials Handling Equipment	**5,749**	8,452	12,731	**54,163**
Textile Machinery	**(2,971)**	(3,455)	–	**(27,994)**
Others	**752**	2,200	1,359	**7,089**
Elimination of inter-segment transactions	**908**	220	(134)	**8,556**
Total	**¥ 28,867**	¥ 24,814	¥ 32,729	**$ 271,947**
Assets:				
Automobile	**¥266,839**	¥254,087	¥204,216	**$2,513,787**
Materials Handling Equipment	**81,343**	78,518	69,730	**766,302**
Textile Machinery	**23,427**	22,224	–	**220,702**
Others	**18,012**	20,729	43,877	**169,684**
Corporate	**296,293**	241,513	275,181	**2,791,271**
Total	**¥685,914**	¥617,071	¥593,004	**$6,461,746**
Depreciation and Amortization of Intangibles:				
Automobile	**¥ 31,707**	¥ 26,518	¥ 21,473	**$ 298,701**
Materials Handling Equipment	**7,751**	5,548	4,549	**73,013**
Textile Machinery	**978**	1,024	–	**9,217**
Others	**2,398**	1,404	1,959	**22,588**
Corporate or elimination of inter-segment transactions	**(82)**	(114)	(23)	**(773)**
Total	**¥ 42,752**	¥ 34,380	¥ 27,958	**$ 402,746**
Capital Expenditures:				
Automobile	**¥ 33,058**	¥ 47,635	¥ 50,918	**$ 311,423**
Materials Handling Equipment	**5,426**	11,691	7,660	**51,122**
Textile Machinery	**1,042**	663	–	**9,815**
Others	**5,794**	875	3,586	**54,586**
Corporate or elimination of inter-segment transactions	**(574)**	(396)	(157)	**(5,409)**
Total	**¥ 44,746**	¥ 60,468	¥ 62,007	**$ 421,537**

(b) Geographical segments

	Millions of yen			Thousands of U.S. dollars
	2000	1999	1998	**2000**
Sales:				
Japan				
Outside customer sales	**¥531,274**	¥465,444	–	**$5,004,933**
Inter-segment transactions	**25,309**	18,860	–	**238,432**
	556,583	484,304	–	**5,243,365**
North America				
Outside customer sales	**79,232**	78,264	–	**746,409**
Inter-segment transactions	**–**	–	–	**–**
	79,232	78,264	–	**746,409**
Others				
Outside customer sales	**15,268**	15,168	–	**143,832**
Inter-segment transactions	**589**	551	–	**5,552**
	15,857	15,719	–	**149,384**
Sub-total	**651,672**	578,287	–	**6,139,158**
Elimination of inter-segment transactions	**(25,899)**	(19,411)	–	**(243,985)**
Total	**¥625,773**	¥558,876	¥572,698	**$5,895,173**
Operating Costs and Expenses:				
Japan	**¥533,987**	¥465,139	–	**$5,030,498**
North America	**74,547**	73,342	–	**702,276**
Others	**15,358**	15,100	–	**144,683**
Elimination of inter-segment transactions	**(26,986)**	(19,519)	–	**(254,230)**
Total	**¥596,906**	¥534,062	¥539,969	**$5,623,227**
Operating Income:				
Japan	**¥ 22,596**	¥ 19,166	–	**$ 212,867**
North America	**4,685**	4,922	–	**44,133**
Others	**499**	619	–	**4,701**
Elimination of inter-segment transactions	**1,087**	107	–	**10,246**
Total	**¥ 28,867**	¥ 24,814	¥ 32,729	**$ 271,947**
Assets:				
Japan	**¥361,459**	¥349,787	–	**$3,405,174**
North America	**44,035**	39,113	–	**414,833**
Others	**17,322**	15,846	–	**163,186**
Corporate	**263,098**	212,325	–	**2,478,553**
Total	**¥685,914**	¥617,071	¥593,004	**$6,461,746**

Notes:

(a) Business segments

1. Amounts of the textile machinery business had been included in the "Others" Segment until fiscal 1998.
   However, from fiscal 1999, these amounts have been separated from the "Others" Segment and are presented as the Textile Machinery Segment because these have become more material than until fiscal 1998.
2. Main products of each segment:
   Automobile .... passenger vehicles, diesel and gasoline engines, car air-conditioning compressors
   Materials Handling Equipment .... counterbalanced forklifts, skid steer loaders, automated storage and retrieval systems
   Textile Machinery .... ring spinning frames, air jet looms, water jet looms
   Others .... ball grid array-type plastic package substrates for IC chipsets

(b) Geographical segments

Until fiscal 1998, both the amounts of the transactions in Japan and the assets belonging to the Company and its domestic subsidiaries had been more than 90 percent of the total amounts of all segments. Therefore, geographical segments information had been omitted for periods prior to fiscal 1999.