



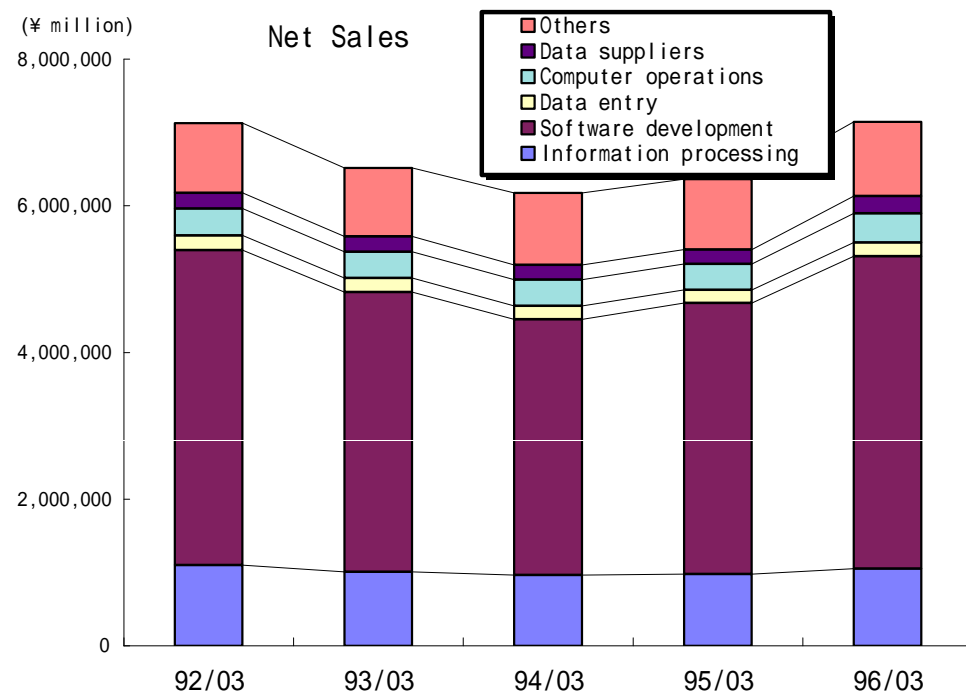
Japan Information Processing Service Co., Ltd.

Fact Book (Year Ended March 31, 1998)

1 . The Information Processing Services Industry	1
2 . Peer Group Comparisons	3
3 . Sales by Business Sector	5
4 . Sales by Type of Customer	6
5 . Balance Sheets	7
6 . Statements of Income	11
7 . Statements of Retained Earnings	13
8 . Significant Accounting Policies	14
9 . Notes to Financial Statements	17
10 . Five-Year Summary	22

1. The Information Processing Services Industry

1.1 Scale



Net Sales

[¥ million]

Calendar year	92/03	93/03	94/03	95/03	96/03
Total net sales	7,127,618	6,514,358	6,177,007	6,362,183	7,143,543
Information processing	1,100,128	1,008,248	965,992	976,424	1,052,009
Software development	4,295,891	3,813,287	3,485,844	3,697,132	4,259,115
Data entry	201,178	191,396	184,276	177,529	188,739
Computer operations	363,394	359,084	358,524	356,335	395,967
Data suppliers	214,064	211,508	198,839	197,291	235,439
Others	952,963	930,835	983,532	957,472	1,012,274

Annual Growth Rate

[%]

Calendar year	92/03	93/03	94/03	95/03	96/03
Total net sales	-	-8.6%	-5.2%	3.0%	12.3%
Information processing	-	-8.4%	-4.2%	1.1%	7.7%
Software development	-	-11.2%	-8.6%	6.1%	15.2%
Data entry	-	-4.9%	-3.7%	-3.7%	6.3%
Computer operations	-	-1.2%	-0.2%	-0.6%	11.1%
Data suppliers	-	-1.2%	-6.0%	-0.8%	19.3%
Others	-	-2.3%	5.7%	-2.6%	5.7%

Sales Composition

[%]

Calendar year	92/03	93/03	94/03	95/03	96/03
Total net sales	100.0%	100.0%	100.0%	100.0%	100.0%
Information processing	15.4%	15.5%	15.6%	15.3%	14.7%
Software development	60.3%	58.5%	56.4%	58.1%	59.6%
Data entry	2.8%	2.9%	3.0%	2.8%	2.6%
Computer operations	5.1%	5.5%	5.8%	5.6%	5.5%
Data suppliers	3.0%	3.2%	3.2%	3.1%	3.3%
Others	13.4%	14.3%	15.9%	15.0%	14.2%

Source: Compiled by JIP based on data in "Report on Surveys of Results in Selected Service Industries" published by MITI.

1.2 Growth Rate

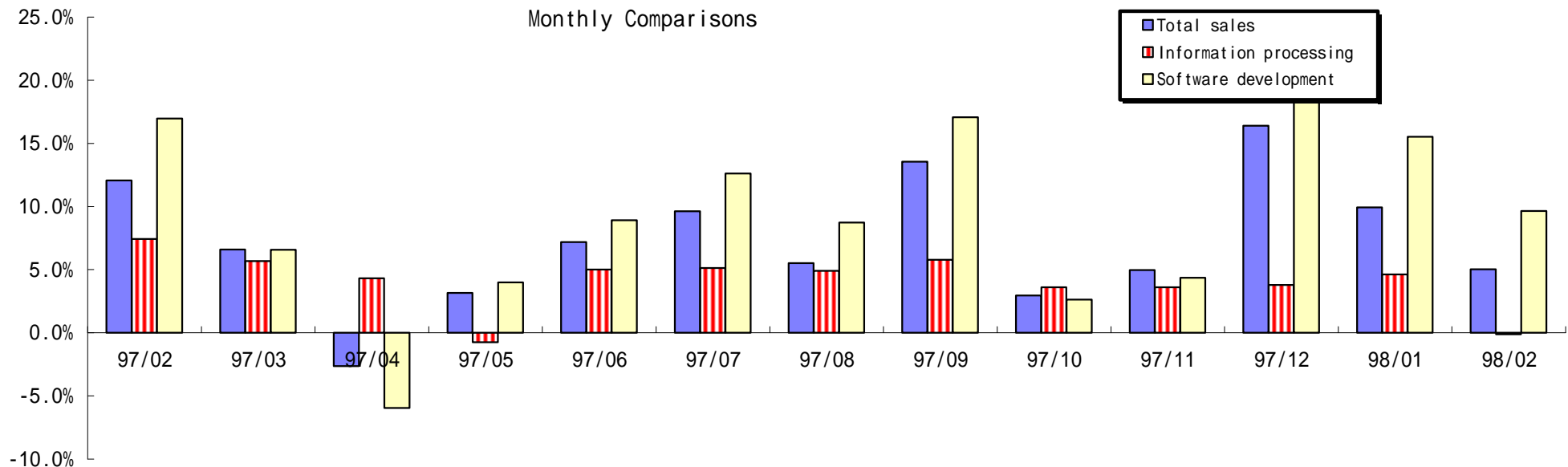
Net Sales

	[¥ million]													
End of month	97/02	97/03	97/04	97/05	97/06	97/07	97/08	97/09	97/10	97/11	97/12	98/01	98/02	
Total sales	318,908	795,762	244,724	272,628	342,130	312,872	296,750	590,197	286,172	296,999	420,723	314,854	334,939	
Information processing	52,568	76,868	49,891	52,197	55,723	55,157	52,789	62,630	51,012	52,046	57,398	52,110	52,504	
Software development	204,192	602,036	134,190	158,357	221,186	194,309	180,379	446,585	169,619	177,851	291,494	203,882	223,871	
Computer operations	15,661	22,129	15,960	16,230	18,177	17,388	19,363	20,861	17,483	18,316	21,581	18,157	18,167	
Data suppliers	11,186	13,557	12,221	11,474	11,781	11,420	10,600	12,481	11,551	11,440	11,656	10,785	11,168	

Monthly Comparisons (relative to the same month in the previous year)

	[%]													
End of month	97/02	97/03	97/04	97/05	97/06	97/07	97/08	97/09	97/10	97/11	97/12	98/01	98/02	
Total sales	12.1%	6.6%	-2.6%	3.2%	7.2%	9.6%	5.5%	13.5%	3.0%	5.0%	16.4%	9.9%	5.0%	
Information processing	7.4%	5.7%	4.3%	-0.7%	5.0%	5.1%	4.9%	5.8%	3.6%	3.6%	3.8%	4.6%	-0.1%	
Software development	17.0%	6.6%	-6.0%	4.0%	8.9%	12.6%	8.7%	17.1%	2.6%	4.4%	21.0%	15.5%	9.6%	
Computer operations	2.8%	13.5%	8.1%	6.7%	8.1%	9.0%	7.7%	13.3%	11.7%	16.1%	26.4%	15.2%	16.0%	
Data suppliers	-0.2%	-1.3%	0.7%	5.5%	4.7%	2.9%	-2.6%	3.8%	3.4%	0.5%	5.4%	-4.1%	-0.2%	

Source: Compiled by JIP based on data in "Monthly Statistical Report on Trends in Selected Service Industries" published by MITI.



2 . Peer Group Comparisons

2.1 Industry Ranking

Net Sales (year ended March 31, 1997)

[¥ million]

Ranking	Company	Net Sales	Notes
1	NTT Data Communications Systems	602,836	Listed
2	Fujitsu Business System	190,936	Listed
3	Nomura Research Institute	134,256	
4	Toshiba Engineering	126,388	
5	Hitachi Software Engineering	103,767	Listed
6	CSK	96,105	Listed
7	Hitachi Information Systems	92,919	Listed
8	Catena	85,699	Listed
9	Nippon Steel Information & Communication System	78,325	
10	NEC Information Service	66,664	
11	INTEC	66,614	Listed
12	The Japan Research Institute	65,354	
13	Toyo Information Systems	63,598	Listed
14	Fujitsu Facom Information Processing	62,788	
15	JT Soft Service	62,159	
16	Toshiba Information Systems	58,496	
17	Nippon Information and Communication	51,031	
18	JR East Japan Information Systems	47,677	
19	Daiwa Institute Research of Research Ltd.	45,066	July year end
20	QUICK Corporation	44,211	Dec.year end
21	Japan Information Processing Service	40,369	Listed
22	NK-EXA	39,048	
23	TKC	38,959	Sept.year end, listed
24	Sumisei Computer Service	37,313	
25	CRC Research Institute	36,891	

This listing was compiled by JIP based on data in the September 1997 issue of Computopia, which is published by Computer Age. All data are for fiscal years ended March 31, 1997 unless otherwise noted.

2.2 Sales Composition

Net Sales (year ended March 31, 1997)

[¥ million]

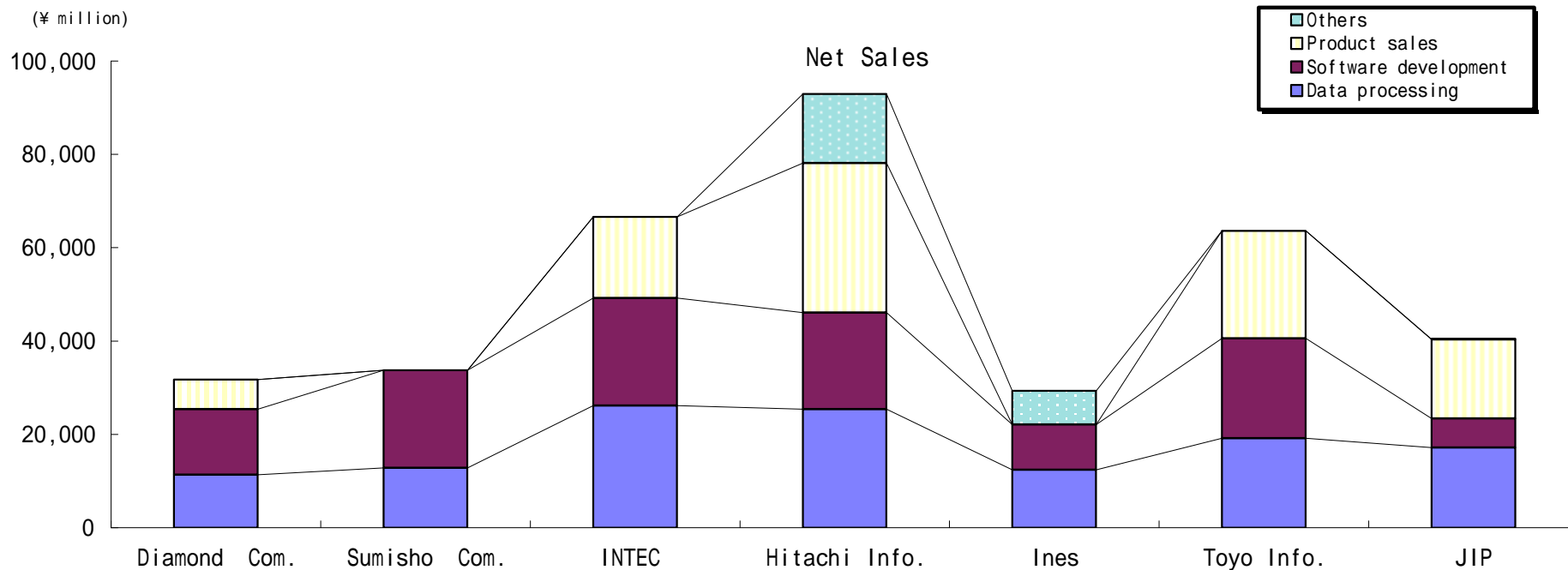
	Diamond Com.	Sumisho Com.	INTEC	Hitachi Info.	Ines	Toyo Info.	JIP
Net Sales	31,744	33,742	66,614	92,919	29,355	63,598	40,369
Data processing	11,323	12,821	26,139	25,368	12,396	19,159	17,152
Software development	14,051	20,920	23,072	20,742	9,715	21,400	6,228
Product sales	6,369	0	17,401	32,033	0	23,038	16,967
Others	0	0	0	14,774	7,242	0	20

Composition

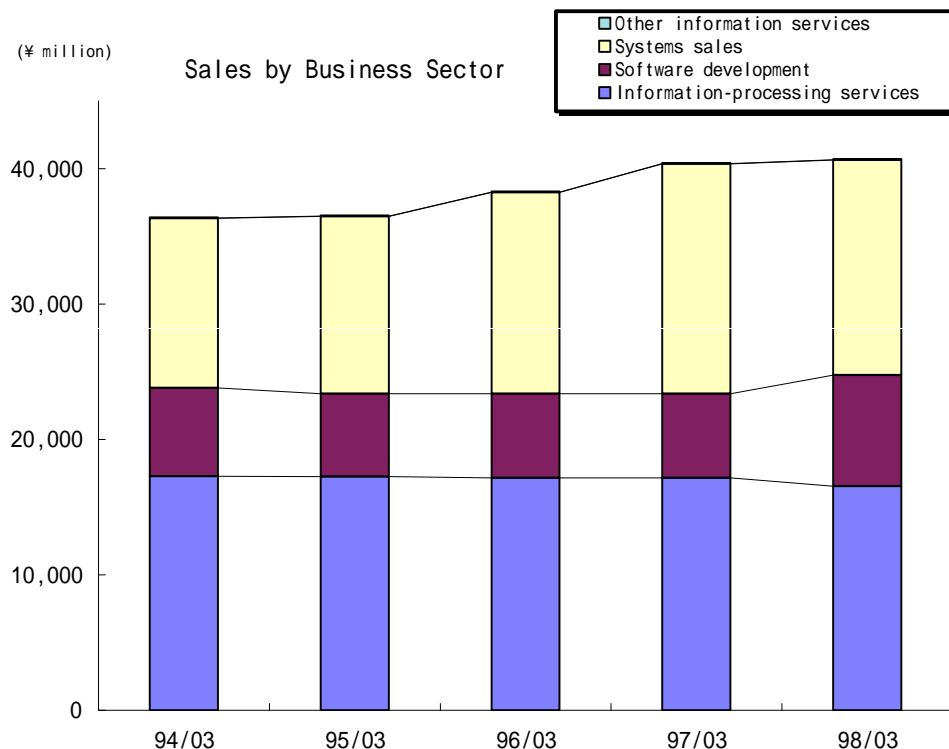
[%]

	Diamond Com.	Sumisho Com.	INTEC	Hitachi Info.	Ines	Toyo Info.	JIP
Net Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Data processing	35.7%	38.0%	39.3%	27.3%	42.2%	30.1%	42.5%
Software development	44.2%	62.0%	34.6%	22.3%	33.1%	33.7%	15.4%
Product sales	20.1%	0.0%	26.1%	34.5%	0.0%	36.2%	42.0%
Others	0.0%	0.0%	0.0%	15.9%	24.7%	0.0%	0.1%

Data represent JIP estimates based on financial materials from each company.



3 . Sales by Business Sector



Sales by Business Sector

[¥ million]

Year ended March 31	94/03	95/03	96/03	97/03	98/03	(99/03)
Net sales	36,353	36,489	38,268	40,369	40,653	43,500
Information-processing services	17,288	17,245	17,169	17,152	16,540	18,000
Outsourcing	16,194	16,045	16,033	15,937	15,221	16,530
Information services	737	820	793	849	847	1,000
Others	356	379	341	365	470	470
Software development	6,504	6,122	6,194	6,228	8,205	9,500
Consignment development	4,550	3,943	4,060	3,881	5,428	6,200
Package software sales	1,908	2,156	2,097	2,249	2,734	3,300
Others	45	22	36	98	42	0
Systems sales	12,535	13,112	14,876	16,967	15,894	16,000
Hardware and other equipment	9,611	9,953	11,342	12,879	11,636	11,500
Sales of purchased software	1,160	1,331	1,600	2,112	1,953	2,000
Hardware maintenance services	1,273	1,364	1,489	1,567	1,905	2,100
Others	489	461	443	407	398	400
Other information services	25	9	27	20	12	-

Change

[%]

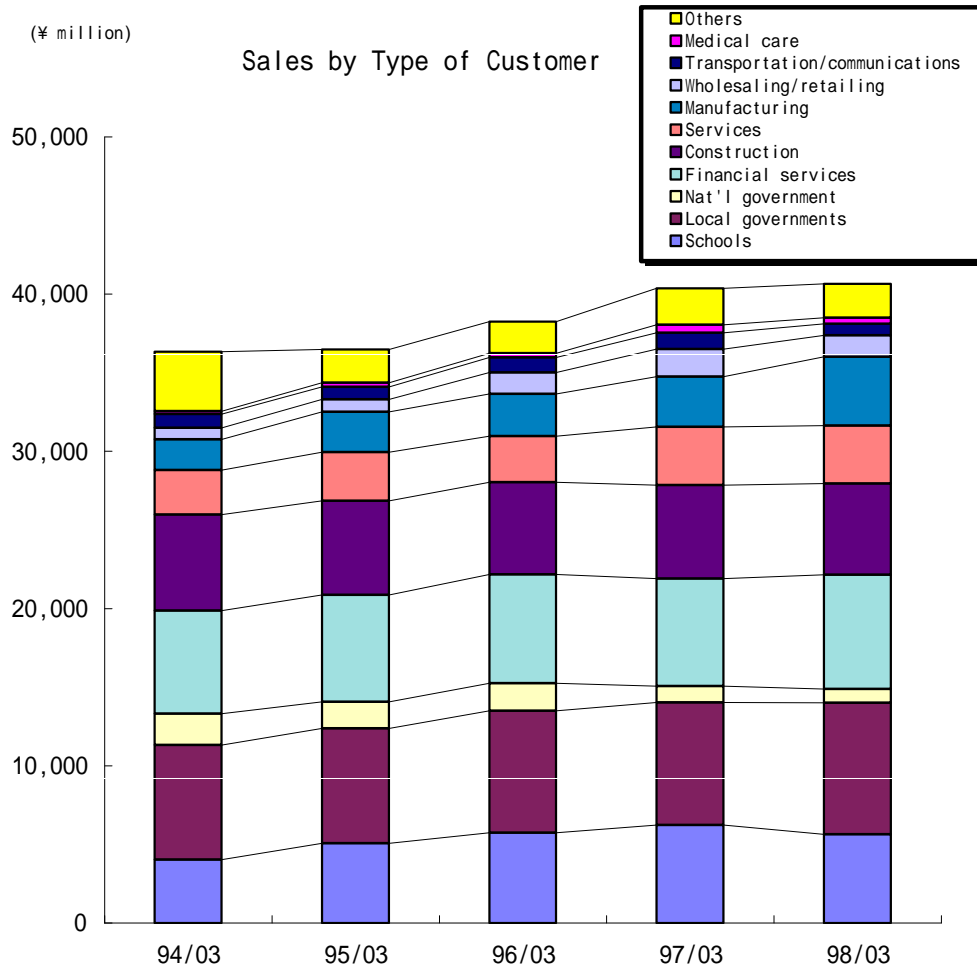
Year ended March 31	94/03	95/03	96/03	97/03	98/03	(99/03)
Net sales	-	0.4%	4.9%	5.5%	0.7%	7.0%
Information-processing services	-	-0.2%	-0.4%	-0.1%	-3.6%	8.8%
Outsourcing	-	-0.9%	-0.1%	-0.6%	-4.5%	8.6%
Information services	-	11.3%	-3.3%	7.1%	-0.2%	18.1%
Others	-	6.5%	-10.0%	7.0%	28.8%	0.0%
Software development	-	-5.9%	1.2%	0.5%	31.7%	15.8%
Consignment development	-	-13.3%	3.0%	-4.4%	39.9%	14.2%
Package software sales	-	13.0%	-2.7%	7.2%	21.6%	20.7%
Others	-	-51.1%	63.6%	172.2%	-57.1%	-100.0%
Systems sales	-	4.6%	13.5%	14.1%	-6.3%	0.7%
Hardware and other equipment	-	3.6%	14.0%	13.6%	-9.7%	-1.2%
Sales of purchased software	-	14.7%	20.2%	32.0%	-7.5%	2.4%
Hardware maintenance services	-	7.1%	9.2%	5.2%	21.6%	10.2%
Others	-	-5.7%	-3.9%	-8.1%	-2.2%	0.5%
Other information services	-	-64.0%	200.0%	-25.9%	-40.0%	-

Sales Composition

[%]

Year ended March 31	94/03	95/03	96/03	97/03	98/03	(99/03)
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Information-processing services	47.6%	47.3%	44.9%	42.5%	40.7%	41.4%
Outsourcing	44.5%	44.0%	41.9%	39.5%	37.4%	38.0%
Information services	2.0%	2.2%	2.1%	2.1%	2.1%	2.3%
Others	1.0%	1.0%	0.9%	0.9%	1.2%	1.1%
Software development	17.9%	16.8%	16.2%	15.4%	20.2%	21.8%
Consignment development	12.5%	10.8%	10.6%	9.6%	13.4%	14.3%
Package software sales	5.2%	5.9%	5.5%	5.6%	6.7%	7.6%
Others	0.1%	0.1%	0.1%	0.2%	0.1%	0.0%
Systems sales	34.5%	35.9%	38.9%	42.0%	39.1%	36.8%
Hardware and other equipment	26.4%	27.3%	29.6%	31.9%	28.6%	26.4%
Sales of purchased software	3.2%	3.6%	4.2%	5.2%	4.8%	4.6%
Hardware maintenance services	3.5%	3.7%	3.9%	3.9%	4.7%	4.8%
Others	1.3%	1.3%	1.2%	1.0%	1.0%	0.9%
Other information services	0.1%	0.0%	0.1%	0.0%	0.0%	-

4 . Sales by Type of Customer



Sales by Type of Customer

[¥ million]

Year ended March 31	94/03	95/03	96/03	97/03	98/03	(99/03)
Net sales	36,353	36,489	38,268	40,369	40,653	43,500
Schools	4,040	5,069	5,750	6,239	5,641	5,700
Local governments	7,279	7,306	7,755	7,779	8,371	8,500
Nat'l government	1,996	1,691	1,741	1,040	878	900
Financial services	6,564	6,798	6,933	6,852	7,254	9,000
Construction	6,098	5,993	5,849	5,940	5,800	5,900
Services	2,837	3,100	2,933	3,699	3,688	3,700
Manufacturing	1,945	2,547	2,696	3,196	4,386	5,000
Wholesaling/retailing	734	798	1,352	1,763	1,369	1,400
Transportation/communications	878	795	962	1,036	726	800
Medical care	184	270	269	501	383	600
Others	3,793	2,117	2,023	2,317	2,153	2,000

Change

[%]

Year ended March 31	94/03	95/03	96/03	97/03	98/03	(99/03)
Net sales	-	0.4%	4.9%	5.5%	0.7%	7.0%
Schools	-	25.5%	13.4%	8.5%	-9.6%	1.0%
Local governments	-	0.4%	6.1%	0.3%	7.6%	1.5%
Nat'l government	-	-15.3%	3.0%	-40.3%	-15.6%	2.5%
Financial services	-	3.6%	2.0%	-1.2%	5.9%	24.1%
Construction	-	-1.7%	-2.4%	1.6%	-2.4%	1.7%
Services	-	9.3%	-5.4%	26.1%	-0.3%	0.3%
Manufacturing	-	31.0%	5.9%	18.5%	37.2%	14.0%
Wholesaling/retailing	-	8.7%	69.4%	30.4%	-22.3%	2.3%
Transportation/communications	-	-9.5%	21.0%	7.7%	-29.9%	10.2%
Medical care	-	46.7%	-0.4%	86.2%	-23.6%	56.7%
Others	-	-44.2%	-4.4%	14.5%	-7.1%	-7.1%

Sales Composition

[%]

Year ended March 31	93/03	94/03	95/03	96/03	97/03	(98/03)
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Schools	11.1%	13.9%	15.0%	15.5%	13.9%	13.1%
Local governments	20.0%	20.0%	20.3%	19.3%	20.6%	19.5%
Nat'l government	5.5%	4.6%	4.5%	2.6%	2.2%	2.1%
Financial services	18.1%	18.6%	18.1%	17.0%	17.8%	20.7%
Construction	16.8%	16.4%	15.3%	14.7%	14.3%	13.6%
Services	7.8%	8.5%	7.7%	9.2%	9.1%	8.5%
Manufacturing	5.4%	7.0%	7.0%	7.9%	10.8%	11.5%
Wholesaling/retailing	2.0%	2.2%	3.5%	4.4%	3.4%	3.2%
Transportation/communications	2.4%	2.2%	2.5%	2.6%	1.8%	1.8%
Medical care	0.5%	0.7%	0.7%	1.2%	0.9%	1.4%
Others	10.4%	5.8%	5.3%	5.7%	5.3%	4.6%

5 . Balance Sheets

[¥ thousand]

As of March 31	94/03		95/03		96/03		97/03		98/03	
	Amounts	Share	Amounts	Share	Amounts	Share	Amounts	Share	Amounts	Share
Assets										
Current assets										
1.Cash and deposits	2,935,485		2,410,794		3,371,731		2,084,449		533,420	
2.Trade notes receivable *4	328,375		419,012		326,434		440,435		417,001	
3.Accounts receivable	8,856,247		8,950,206		10,485,367		12,566,916		11,871,072	
4.Marketable securities *5	11,990		22,127		695,458		1,343,420		1,371,386	
5.Treasury stock	-		-		1,447		185		13	
6.Products	649,707		515,066		613,865		568,812		564,948	
7.Manufactured goods	41,454		18,133		7,103		40,049		25,733	
8.Raw materials	150,039		131,874		116,062		118,713		148,298	
9.Goods in process	752,365		865,047		891,343		1,486,874		1,788,722	
10.Inventories	13,487		18,250		20,244		21,436		21,871	
11.Advances paid	8,770		3,315		3,000		-		50,450	
12.Prepaid expenses	262,737		276,337		302,426		358,593		419,264	
13.Short-term loans	-		-		1,345,022		261,500		280,000	
14.Other advances	140,209		222,353		239,051		447,470		985,500	
15.Others	56,675		62,611		54,581		16,851		13,872	
16.Allowance for doubtful accounts	-54,223		-55,325		-63,992		-77,602		-76,559	
Total current assets	14,153,321	70.4%	13,859,805	69.6%	18,409,145	73.8%	19,678,106	74.4%	18,414,998	72.0%
Fixed assets										
(1)Tangible fixed assets										
1.Buildings *1	2,966,294		2,940,248		2,958,893		2,707,844		2,710,740	
Accumulated depreciation	1,715,523	1,250,770	1,809,113	1,131,135	1,919,342	1,039,551	1,588,932	1,118,911	1,698,638	1,012,102
2.Structures	23,768		23,768		23,768		23,768		23,768	
Accumulated depreciation	16,044	7,723	17,144	6,624	18,072	5,696	18,857	4,911	19,466	4,302
3.Machinery and equipment	57,623		57,623		57,623		57,623		57,623	
Accumulated depreciation	41,805	15,817	43,682	13,940	45,320	12,302	46,749	10,873	47,998	9,624
4.Vehicles and other equipment	496		496		496		496		496	
Accumulated depreciation	471	24	471	24	471	24	471	24	471	24
5.Tools and related equipment	1,349,196		1,693,863		1,530,096		1,484,346		1,284,441	
Accumulated depreciation	1,049,282	299,913	1,055,296	638,567	1,071,856	458,240	1,091,018	393,327	1,021,908	262,532
6.Land *1	261,935		261,935		261,935		261,935		261,935	
7.Construction in progress	-		5,955		104,350		880		-	
Total tangible fixed assets	1,836,185	9.1%	2,058,183	10.3%	1,882,102	7.6%	1,790,864	6.7%	1,550,522	6.1%

Note : Figures for March 31,1998 are being audited. Divisions among individual items, names of items and other elements may be revised.

[¥ thousand]

As of March 31	94/03		95/03		96/03		97/03		98/03	
	Amounts	Share	Amounts	Share	Amounts	Share	Amounts	Share	Amounts	Share
(2)Intangible fixed assets										
1.Telephone deposits	49,352		64,763		65,167		65,607		65,253	
2.Communication rights	64,870		45,045		42,068		38,698		35,328	
3.Others	2,964		1,627		1,064		500		-	
Total intangible fixed assets	117,187	0.6%	111,437	0.6%	108,299	0.4%	104,806	0.4%	100,581	0.4%
(3)Investments and other assets										
1.Investment securities *5	781,404		695,067		933,618		1,084,145		1,051,693	
2.Stock in affiliated companies	266,827		297,827		269,736		447,692		560,792	
3.Investments in subsidiaries and affiliates	50,000		50,000		50,000		50,000		50,000	
4.Long-term loans to employees	57,000		45,249		37,407		36,544		33,309	
5.Long-term receivables past due	8,457		14,925		6,740		5,254		-	
6.Software	686,812		685,574		1,028,044		1,193,874		1,645,329	
7.Long-term prepaid expenses	236,803		224,493		208,877		232,379		255,865	
8.Security deposits	1,833,423		1,795,631		1,938,002		1,684,121		1,711,344	
9.Others	73,786		79,107		76,666		159,691		203,627	
10.Allowance for doubtful accounts	-6,079		-14,686		-6,960		-5,469		-195	
Total investments and other assets	3,988,436	19.9%	3,873,189	19.5%	4,542,133	18.2%	4,888,235	18.5%	5,511,765	21.5%
Total fixed assets	5,941,809	29.6%	6,042,810	30.4%	6,532,535	26.2%	6,783,905	25.6%	7,162,869	28.0%
Total assets	20,095,130	100.0%	19,902,615	100.0%	24,941,680	100.0%	26,462,011	100.0%	25,577,868	100.0%

Note : Figures for March 31,1998 are being audited. Divisions among individual items, names of items and other elements may be revised.

[¥ thousand]

As of March 31	94/03		95/03		96/03		97/03		98/03	
	Amounts	Share	Amounts	Share	Amounts	Share	Amounts	Share	Amounts	Share
Liabilities										
Current Liabilities										
1. Notes payable	15,262		10,017		11,916		10,224		-	
2. Accounts payable *3	5,440,268		5,286,241		6,459,305		8,451,028		6,943,655	
3. Short-term borrowings *1	2,989,000		3,047,000		2,425,000		1,929,000		1,431,000	
4. Current portion of long-term debt *1	348,000		211,000		24,000		24,000		-	
5. Other accounts payable	393,221		398,654		676,250		630,591		753,446	
6. Accrued income taxes	526,494		354,011		521,462		309,576		455,208	
7. Accrued enterprise tax	172,009		126,785		172,619		118,224		158,483	
8. Accrued consumption tax	160,299		160,101		179,701		177,173		330,583	
9. Advances received	619,370		594,119		310,514		312,782		525,997	
10. Deposits received	65,659		81,238		137,628		75,286		77,714	
11. Allowance for bonuses	690,194		760,239		767,324		742,490		791,806	
12. Others	1,560		-		-		-		-	
Total current liabilities	11,421,341	56.8%	11,029,409	55.4%	11,685,723	46.9%	12,780,379	48.3%	11,467,896	44.8%
Long-Term Liabilities										
1. Long-term debt *1	211,000		-		28,000		4,000		-	
2. Allowance for retirement benefits	1,445,375		1,475,518		1,526,150		1,564,089		1,604,351	
3. Others	13,135		-		-		58,803		58,803	
Total fixed liabilities	1,669,511	8.3%	1,475,518	7.4%	1,554,150	6.2%	1,626,893	6.1%	1,663,155	6.5%
Total liabilities	13,090,852	65.1%	12,504,928	62.8%	13,239,873	53.1%	14,407,273	54.4%	13,131,051	51.3%

Note : Figures for March 31,1998 are being audited. Divisions among individual items, names of items and other elements may be revised.

[¥ thousand]

As of March 31	94/03		95/03		96/03		97/03		98/03	
	Amounts	Share	Amounts	Share	Amounts	Share	Amounts	Share	Amounts	Share
Shareholders' Equity										
Common stock *2	1,200,000	6.0%	1,200,000	6.0%	2,460,000	9.9%	2,460,000	9.3%	2,460,000	9.7%
Additional paid-in capital	400,000	2.0%	400,000	2.0%	2,997,910	12.0%	2,997,910	11.4%	2,997,910	11.7%
Legal reserve	58,600	0.3%	71,900	0.4%	85,700	0.3%	110,099	0.4%	130,896	0.5%
Retained earnings										
(1) Voluntary reserves										
1.Reserve for retirement benefits	240,000		260,000		280,000		300,000		320,000	
2.Reserve for dividends	300,000		330,000		360,000		390,000		420,000	
3.Reserve for computer programs	343,386		377,701		545,137		782,810		1,109,910	
4.Other reserves	3,680,000	4,563,386	3,880,000	4,847,701	4,000,000	5,185,137	4,120,000	5,592,810	4,200,000	6,049,910
(2)Unappropriated earnings at end of period	782,291		878,085		973,059		893,918		808,099	
Total retained earnings	5,345,677	26.6%	5,725,787	28.8%	6,158,196	24.7%	6,486,729	24.5%	6,858,009	26.8%
Total shareholders' equity	7,004,277	34.9%	7,397,687	37.2%	11,701,806	46.9%	12,054,738	45.6%	12,446,816	48.7%
Liabilities and shareholders' equity	20,095,130	100.0%	19,902,615	100.0%	24,941,680	100.0%	26,462,011	100.0%	25,577,868	100.0%

Note : Figures for March 31,1998 are being audited. Divisions among individual items, names of items and other elements may be revised.

6. Statements of Income

[¥ thousand]

For the years ended March 31	94/03			95/03			96/03			97/03			98/03		
	Amounts		Share	Amounts		Share	Amounts		Share	Amounts		Share	Amounts		Share
Total sales															
1.Information services	23,817,989			23,376,988			23,391,946			23,402,121			24,758,787		
2.Products	12,535,699	36,353,688	100.0%	13,112,176	36,489,165	100.0%	14,876,921	38,268,868	100.0%	16,967,147	40,369,268	100.0%	15,894,513	40,653,300	100.0%
Cost of sales															
1.Information services	17,751,007			17,032,462			16,676,510			16,494,454			17,850,286		
2.Products	9,910,666	27,661,673	76.1%	10,510,355	27,542,818	75.5%	12,132,344	28,808,855	75.3%	14,148,323	30,642,778	75.9%	13,152,388	31,002,674	76.3%
Gross profit		8,692,014	23.9%		8,946,346	24.5%		9,460,013	24.7%		9,726,489	24.1%		9,650,625	23.7%
SGA expenses															
1.Shipping expenses	311,516			296,080			278,558			308,139			287,928		
2.Advertising expenses	146,550			156,752			128,238			141,371			147,132		
3.Addition to reserve for doubtful accounts	-			10,675			9,630			15,725			1,444		
4.Bonuses for directors	175,155			198,930			193,110			193,860			234,000		
5.Salaries and benefits	3,328,489			3,595,170			3,985,830			4,044,537			4,071,135		
6.Addition to reserve for bonuses	306,354			328,690			335,608			334,496			346,376		
7.Addition to reserve for retirement benefits	70,439			84,808			76,396			98,247			81,499		
8.Health insurance and other benefits	547,126			565,467			592,540			607,595			636,809		
9.Travel,transportation and communications expenses	257,175			268,216			331,149			334,229			342,183		
10.Enterprise tax	172,730			174,663			169,246			116,478			157,195		
11.Rental expenses	727,746			725,408			714,319			685,899			674,785		
12.Depreciation	91,437			80,415			60,071			71,781			52,353		
13.Training expenses	92,317			92,872			84,880			100,600			102,455		
14.Office computer expenses	360,619			287,489			392,917			441,111			398,190		
15.Others	888,897	7,476,555	20.6%	931,707	7,797,347	21.4%	765,964	8,118,463	21.2%	791,587	8,285,662	20.5%	862,896	8,396,385	20.6%
Operating income		1,215,458	3.3%		1,148,999	3.1%		1,341,550	3.5%		1,440,826	3.6%		1,254,239	3.1%

Note: Figures for March 31, 1998 are being audited. Divisions among individual items, names of items and other elements may be revised.

[¥ thousand]

For the years ended March 31	94/03			95/03			96/03			97/03			98/03		
	Amounts		Share	Amounts		Share	Amounts		Share	Amounts		Share	Amounts		Share
Other income															
1.Interest received *1	37,082			52,616			27,764			24,205			13,370		
2.Interest received on securities	4,649			4,197			3,624			20,685			36,484		
3.Dividends received	9,920			11,909			17,984			20,281			25,256		
4.Gains on sales of securities	-			-			39			1,430			-		
5.Rental income from employee housing and others	71,931			62,349			43,547			-			-		
6.Insurance payments received	2,971			34,639			-			28,515			32,790		
7.Sales promotion fees received	-			-			19,562			-			-		
8.Refund of overseas technical delegation expenses	-			-			-			13,850			13,701		
9.Other income	37,110	16,366	0.5%	44,672	210,385	0.6%	35,386	147,909	0.4%	25,113	134,081	0.3%	30,603	152,207	0.4%
Other expenses															
1.Interest expenses	153,678			117,852			69,443			43,078			37,015		
2.Losses on sales of securities	-			-			151			-			1,716		
3.Losses on revaluation of securities	-			-			-			4,461			13,584		
4.Cost of issuing stock	-			-			176,316			-			-		
5.Cost of listing shares	-			-			51,945			-			-		
6.Other expenses	365	154,044	0.4%	11	117,863	0.3%	2,857	300,715	0.8%	2,680	50,220	0.1%	6,155	58,472	0.2%
Current income		1,225,079	3.4%		1,241,520	3.4%		1,188,744	3.1%		1,524,688	3.8%		1,347,974	3.3%
Extraordinary income															
1.Reversal of allowance for doubtful accounts	515			-			-			-			-		
2.Gains on sales of investment securities	-	515	0.0%	-	-		49,944	49,944	0.1%	18,420	18,420	0.0%	-	-	0.0%
Extraordinary losses															
1.Loss on sale and disposal of fixed assets *2	21,723			31,316			-			-			-		
2.Loss on disposal of fixed assets*3	-			-			15,499			151,526			17,598		
3.Loss on sale of fixed assets *4	-			-			619			-			19,478		
4.Obligations for past service cost	99,911			96,831			103,682			107,141			103,139		
5.Losses on devaluation of investment securities	103,159			51,131			154			72,789			134,120		
6.Losses on redemption of investment securities	8,556			550			-			-			-		
7.Losses on termination of office leases and others	-			-			-			287,678			-		
8.Others	-	233,350	0.6%	-	179,830	0.5%	13,042	132,997	0.3%	-	619,136	1.5%	120	274,456	0.7%
Income before taxes		992,245	2.7%		1,061,689	2.9%		1,105,692	2.9%		923,972	2.3%		1,073,518	2.6%
Income taxes		541,119	1.5%		535,280	1.5%		521,483	1.4%		327,051	0.8%		473,470	1.1%
Net income		451,125	1.2%		526,409	1.4%		584,209	1.5%		596,921	1.5%		600,048	1.5%
Unappropriated earnings brought forward		331,165			351,676			388,850			371,792			318,018	
Interim dividends		-			-			-			67,996			99,970	
Addition to legal reserve at end of period		-			-			-			6,799			9,997	
Unappropriated earnings		782,291			878,085			973,059			893,918			808,099	

Note: Figures for March 31, 1998 are being audited. Divisions among individual items, names of items and other elements may be revised.

7 . Statements of Retained Earnings

[¥ thousand]

	June 29,1994		June 28,1995		June 27,1996		June 27,1997		June 26,1998	
	Amounts		Amounts		Amounts		Amounts		Amounts	
Unappropriated earnings brought forward		782,291		878,085		973,059		893,918		808,099
Reversal of voluntary reserve										
1.Reversal of reserve for computer programs	46,228	46,228	62,438	62,438	71,264	71,264	64,525	64,525	45,508	45,508
Total		828,520		940,524		1,044,323		958,443		853,607
Appropriations										
1.Legal reserve	13,300		13,800		17,600		10,800		13,600	
2.Reserve for dividends	98,000		98,000		135,993		67,999		99,999	
3.Bonuses for directors (for corporate auditors)	35,000 (1,700)		40,000 (3,300)		40,000 (3,700)		40,000 (4,000)		36,000 (4,000)	
4.Voluntary reserves										
(1)Reserve for retirement benefits	20,000		20,000		20,000		20,000		30,000	
(2)Reserve for dividends	30,000		30,000		30,000		30,000		30,000	
(3)Reserve for computer programs	80,543		229,874		308,937		391,625		362,275	
(4)Other reserves	200,000	476,843	120,000	551,674	120,000	672,531	80,000	640,425	30,000	601,875
Unappropriated earnings at end of period		351,676		388,850		371,792		318,018		251,732

Note: Figures for March 31, 1998 are being audited. Divisions among individual items, names of items and other elements may be revised.

8 . Significant Accounting Policies

Years ended March 31	94/03	95/03	96/03	97/03	98/03
1.Evaluation of Securities	The value of listed securities is determined using the lower of cost or market based on the moving-average method. The value of unlisted securities is determined using the cost method based on the moving-average method. The company had used the cost method based on the moving average of cost for all securities. However, due to the long-term decline in the value of securities, the company began valuing securities this year based on the lower of cost or market in the interest of maintaining a sound financial position. This change resulted in a decrease of ¥103,159 thousand in income before taxes.	The value of listed securities is determined using the lower of cost of market based on the moving-average method. The value of unlisted securities is determined using the cost method based on the moving-average method.	Same as 95/03	Same as 95/03	Same as 95/03
2.Evaluation of Inventories	(1) Products and raw materials: cost method based on the moving-average method (2) Products in process: cost method based on individual items (3) Other goods: last-in cost method	(1)Same as 94/03 (2)Same as 94/03 (3)Same as 94/03	(1)Same as 94/03 (2)Same as 94/03 (3)Same as 94/03	(1)Same as 94/03 (2)Same as 94/03 (3)Same as 94/03	(1)Same as 94/03 (2)Same as 94/03 (3)Same as 94/03
3.Depreciation	(1) Tangible fixed assets are depreciated using the straight-line method over the useful lives prescribed in the Tax Code.	(1)Same as 94/03	(1)Same as 94/03	(1)Same as 94/03	(1)Same as 94/03

Note: Figures for March 31, 1998 are being audited. Divisions among individual items, names of items and other elements may be revised.

Years ended March 31	94/03	95/03	96/03	97/03	98/03
	(2) Intangible fixed assets are amortized using the straight-line method over the useful lives prescribed in the Tax Code. (3) Software is depreciated using the straight-line method over the period as prescribed by the company's regulations. (4) Long-term pre-paid expenses are amortized using the straight-line method over the period prescribed in the Tax Code.	(2) Same as 94/03 (3) Same as 94/03 (4) Same as 94/03	(2) Same as 94/03 (3) Same as 94/03 (4) Same as 94/03	(2) Same as 94/03 (3) Same as 94/03 (4) Same as 94/03	(2) Same as 94/03 (3) Same as 94/03 (4) Same as 94/03
4. Deferred Assets			The entire cost of issuing new shares of stock is treated as an expense in the applicable fiscal year.		
5. Standards for Reserves	(1) The company provides the full amount of the allowance for doubtful accounts as prescribed in the Tax Code and also sets aside reserves for individual receivables that the company regards as doubtful.	(1) Same as 94/03	(1) Same as 94/03	(1) Same as 94/03	(1) Same as 94/03

Note: Figures for March 31, 1998 are being audited. Divisions among individual items, names of items and other elements may be revised.

Years ended March 31	94/03	95/03	96/03	97/03	98/03
	<p>(2) Reserve for Bonuses The company provides the full amount of the reserve for bonuses as prescribed in the Tax Code for the applicable period to prepare for the future payment of bonuses to employees.</p> <p>(3) Reserve for Retirement Allowances The company provides a reserve representing 50 percent of all retirement allowances (excluding the portion of such payments shifted to an approved annuity system) if all employees voluntarily terminated their employment at the end of the fiscal year.</p>	<p>(2)Same as 94/03 (3)Same as 94/03</p>	<p>(2)Same as 94/03 (3)Same as 94/03</p>	<p>(2)Same as 94/03 (3)Same as 94/03</p>	<p>(2)Same as 94/03 (3)Same as 94/03</p>
6.Treatment of Leases	-	Finance lease transactions, except those where ownership of the leased assets is to be transferred to the lessee, are accounted for on a basis similar to rental transactions.	Same as 95/03	Same as 95/03	Same as 95/03
7.Other Important Accounting Standards	<p>(1) Corporate Pension Plan a. A corporate pension plan was adopted to cover 50 percent of the basic retirement payment. b. The applicable period for past service cost is 14 years and four months. c. Assets in the corporate pension plan amounted to ¥1,653,338 thousand as of March 31, 94/03. d. Due to the adoption of the corporate pension plan, the difference between past service cost and the reversal of the resulting excess in the reserve for retirement benefits was accounted for as an extraordinary loss.</p> <p>(2) Accounting for Consumption Tax Consumption tax is not included in net sales and other figures.</p>	<p>(1) Corporate Pension Plan a. Same as 94/03 b. Same as 94/03 c. Assets in the corporate pension plan amounted to ¥1,734,629 thousand as of March 31, 1995. d. Same as 94/03</p> <p>(2)Same as 94/03</p>	<p>(1) Corporate Pension Plan a. Same as 94/03 b. Same as 94/03 c. Assets in the corporate pension plan amounted to ¥551,293 thousand as of March 31, 1996. d. Same as 94/03</p> <p>(2)Same as 94/03</p>	<p>(1) Corporate Pension Plan a. Same as 94/03 b. Same as 94/03 c. Assets in the corporate pension plan amounted to ¥695,780thousand as of March 31, 1997. d. Same as 94/03</p> <p>(2)Same as 94/03</p>	<p>(1) Corporate Pension Plan a. Same as 94/03 b. Same as 94/03 c. Assets in the corporate pension plan amounted to ¥867,481thousand as of March 31, 1998. d. Same as 94/03</p> <p>(2)Same as 94/03</p>

Note: Figures for March 31, 1998 are being audited. Divisions among individual items, names of items and other elements may be revised.

9. Notes to Financial Statements

9.1. Balance Sheets

94/03	95/03	96/03	97/03	98/03
<p>1. Assets pledged as collateral are as follows: Buildings ¥861,326 thousand Land ¥239,685 thousand Total ¥1,101,012 thousand</p> <p>The corresponding liabilities are as follows: Short-term borrowings ¥63,000 thousand Current portion of long-term loans ¥12,000 thousand Long-term loans ¥5,000 thousand Total ¥80,000 thousand</p>	<p>1. Assets pledged as collateral are as follows: Buildings ¥798,960 thousand Land ¥239,685 thousand Total ¥1,038,645 thousand</p> <p>The corresponding liabilities are as follows: Short-term borrowings ¥63,000 thousand Current portion of long-term loans ¥5,000 thousand Total ¥68,000 thousand</p>	<p>1. Assets pledged as collateral are as follows: Buildings ¥739,123 thousand Land ¥239,685 thousand Total ¥978,808 thousand</p> <p>The corresponding liabilities are as follows: Short-term borrowings ¥63,000 thousand Total ¥63,000 thousand</p>	<p>1. Assets pledged as collateral are as follows: -</p>	<p>1. Assets pledged as collateral are as follows: -</p>
<p>2. Authorized number of shares: 4,000 thousand Number of shares outstanding: 1,400 thousand</p>	<p>2. Authorized number of shares: 4,000 thousand Number of shares outstanding: 1,400 thousand</p>	<p>2. Authorized number of shares: 56,000 thousand Number of shares outstanding: 16,000 thousand</p>	<p>2. Authorized number of shares: 56,000 thousand Number of shares outstanding: 16,000 thousand</p>	<p>2. Authorized number of shares: 56,000 thousand Number of shares outstanding: 20,000 thousand</p>
<p>3. Accounts payable include ¥334,985 thousand of transactions with affiliated companies.</p>	<p>3. Accounts payable include ¥320,825 thousand of transactions with affiliated companies.</p>	<p>3. Accounts payable include ¥444,415 thousand of transactions with affiliated companies.</p>	<p>3. Accounts payable include ¥434,422 thousand of transactions with affiliated companies.</p>	<p>3. Accounts payable include ¥ thousand of transactions with affiliated companies.</p>
<p>* 4 -</p>	<p>* 4 -</p>	<p>4. Promissory notes coming due on the last day of the fiscal year, a banking holiday, remain on the balance sheet and were treated as having matured on the next business day. Such notes in the amount of ¥17,924 thousand are included in trade notes receivable as of March 31, 1996.</p>	<p>* 4 -</p>	<p>* 4 -</p>
<p>* 5 -</p>	<p>* 5 -</p>	<p>* 5 -</p>	<p>* 5 -</p>	<p>* 5 -</p>

Notes: Figures for March 31, 1998 are being audited. Divisions among individual items, names of items and other elements may be revised.

Figures for the year ended March 1998 are being audited and are not included.

9.2 Statements of Income

94/03	95/03	96/03	97/03	98/03
1. Interest received includes ¥28,411 thousand from transactions with affiliated companies.	1. Interest received includes ¥45,148 thousand from transactions with affiliated companies.	1. Interest received includes ¥21,569 thousand from transactions with affiliated companies.		
2. Details of losses on the disposal and sale of fixed assets are as follows: Buildings ¥2,145 thousand Tools and related equipment ¥16,340 thousand Software ¥3,237 thousand Total ¥21,723 thousand	2. Details of losses on the disposal and sale of fixed assets are as follows: Buildings ¥10,079 thousand Tools and related equipment ¥14,296 thousand Communications rights ¥1,780 thousand Software ¥5,159 thousand Total ¥31,316 thousand	3. Details of losses on the disposal of fixed assets are as follows: Buildings ¥2,723 thousand Tools and related equipment ¥12,775 thousand Total ¥15,499 thousand 4. Details of losses on the sale of fixed assets are as follows: Tools and related equipment ¥619 thousand	3. Details of losses on the disposal of fixed assets are as follows: Buildings ¥138,064 thousand Tools and related equipment ¥13,462 thousand Total ¥151,526 thousand	3. Details of losses on the disposal of fixed assets are as follows: Buildings ¥1,175 thousand Tools and related equipment ¥16,344 thousand Others ¥78 thousand Total ¥17,598 thousand

Note: Figures for March 31, 1998 are being audited. Divisions among individual items, names of items and other elements may be revised.

9.3 Lease Transactions

Years ended March 31	94/03	95/03	96/03	97/03	98/03																																																																																				
Finance leases, except in instances where ownership of the leased assets are to be transferred to the lessee.																																																																																									
			<p>1. Lessee Transactions</p> <p>(1)</p> <p style="text-align: center;">are as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Acquisition cost thousands</th> <th>Cumulative depreciation thousands</th> <th>Balance thousands</th> </tr> </thead> <tbody> <tr> <td>Tools, fixtures and other equipment</td> <td>7592811</td> <td>3025902</td> <td>4566909</td> </tr> <tr> <td>Software</td> <td>453798</td> <td>140861</td> <td>312936</td> </tr> <tr> <td>Total</td> <td>8046610</td> <td>3166764</td> <td>4879845</td> </tr> </tbody> </table> <p>(2) Future payments required under finance leases as of March 31, 1996 were as follows:</p> <table> <tr> <td>One year or less</td> <td>¥1,388,159 thousand</td> </tr> <tr> <td>After one year</td> <td>¥2,663,080 thousand</td> </tr> <tr> <td>Total</td> <td>¥4,051,239 thousand</td> </tr> </table> <p>Note: Based on an applicable regulation governing financial statements and dated March 1, 1994, an amount representing future lease payments is calculated using the interest-payable-included method.</p> <p>(3) Lease transactions payable amounted to ¥1,581,784 thousand.</p> <p>(4)</p> <p>(5)</p>		Acquisition cost thousands	Cumulative depreciation thousands	Balance thousands	Tools, fixtures and other equipment	7592811	3025902	4566909	Software	453798	140861	312936	Total	8046610	3166764	4879845	One year or less	¥1,388,159 thousand	After one year	¥2,663,080 thousand	Total	¥4,051,239 thousand	<p>1. Lessee Transactions</p> <p>(1) Figures representing equivalent acquisition costs, cumulative depreciation and balances are as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Acquisition cost thousands</th> <th>Cumulative depreciation thousands</th> <th>Balance thousands</th> </tr> </thead> <tbody> <tr> <td>Tools, fixtures and other equipment</td> <td>8261487</td> <td>3507944</td> <td>4753543</td> </tr> <tr> <td>Software</td> <td>704067</td> <td>198486</td> <td>505580</td> </tr> <tr> <td>Total</td> <td>8965555</td> <td>3706431</td> <td>5259124</td> </tr> </tbody> </table> <p>(2) Future payments required under finance leases as of the end of the period were as follows:</p> <table> <tr> <td>One year or less</td> <td>¥2032833 thousand</td> </tr> <tr> <td>After one year</td> <td>¥3396015 thousand</td> </tr> <tr> <td>Total</td> <td>¥5428848 thousand</td> </tr> </table> <p>Note: 1. Lease commitments at the end of the period include the balance of future</p> <p>2. The above amounts do not include figures corresponding to interest payments. 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Software	453798	140861	312936																																																																																						
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Note: Figures for March 31, 1998 are being audited. Divisions among individual items, names of items and other elements may be revised.

9.4 Per Share Data

Years ended March 31	94/03	95/03	96/03	97/03	98/03
Equity per share	¥5,003.05	¥5,284.06	¥731.36	¥753.42	¥622.34
Net income per share	¥322.23	¥376.00	¥40.75	¥37.30	¥30.00

Notes: (1) On August 1, 1995, the par value of the company's common stock was reduced from ¥500 per share to ¥50 as the company conducted a 10:1 stock split

Net income per share is based on the adjusted number of shares as a result of the stock split at the beginning of the period.

(2) On February 2, 1996, paid-in capital was increased by 2,000,000 shares.

(3) On May 20, 1997, the company conducted a 1.25:1 stock split.

9.5 Subsequent Events

Years ended March 31	93/03	94/03	95/03	96/03	98/03
	None	None	None	None	None

9.6 Opinion of Auditors

The company entered into an contract with Toyo Certified Public Accountants in July 1984 and, as prescribed by the regulations of the Tokyo Stock Exchange on listed stocks (Article 3, Paragraph 5), and in accordance with the provisions of the Stock Exchange Law (Article 193/2), the company's results have been audited by this firm each year beginning with the fiscal year ended March 31, 1993

Years ended March 31	94/03	95/03	96/03	97/03	98/03
Opinion based on TSE regulations	Conditional approval due to justifiable revision in standards and method for valuing securities.	Unconditional approval	Unconditional approval	Unconditional approval	
Commercial Code Audit					
Opinion of certified public accountants	Full conformity	Full conformity	Full conformity	Full conformity	
Opinion of corporate auditors (Board of Corporate Auditors)	Full conformity	Full conformity	Full conformity	Full conformity	

Note: Opinions for the year ended March 31, 1995 are from the Board of Corporate Auditors as prescribed in the Commercial Code (Article 14, Paragraph 2).

Figures for the year ended March 31, 1998 are now being audited.

10. Five-Year Summary

Years ended March 31	94/03	95/03	96/03	97/03	98/03
Net sales (thousands of yen)	36,353,688	36,489,165	38,268,868	40,369,268	40,653,300
Current income (thousands of yen)	1,225,079	1,241,520	1,188,744	1,524,688	1,347,974
Net income (thousands of yen)	451,125	526,409	584,209	596,921	600,048
Capital (thousands of yen)	1,200,000	1,200,000	2,460,000	2,460,000	2,460,000
Shares outstanding	1,400,000	1,400,000	16,000,000	16,000,000	20,000,000
Shareholders' equity (thousands of yen)	7,004,277	7,397,687	11,701,806	12,054,738	12,446,816
Total assets (thousands of yen)	20,095,130	19,902,615	24,941,680	26,462,011	25,577,868
Equity/Assets (%)	34.90	37.20	46.90	45.60	48.7
Equity per share (yen)	5,003.05	5,284.06	731.36	753.42	622.34
Dividends per share (yen)	70.00	70.00	8.50	8.50	10.00
(interim dividends) (yen)	-	-	-	4.25	5.00
Net income per share (yen)	322.23	376.00	40.75	37.30	30.00
Dividend payout ratio (%)	21.72	18.61	23.27	22.78	33.33
Orders (thousands of yen)	22,241,236	22,554,311	23,723,706	22,781,522	30,452,877
Capital expenditure (thousands of yen)	28,514	492,619	142,804	373,442	18,941
Depreciation (thousands of yen)	600,306	656,869	776,201	848,910	981,078
R&D expenses (thousands of yen)	96,000	124,000	125,000	117,000	99,000
Employees	1,458	1,423	1,429	1,401	1,416

Notes:

- Dividends per share applicable to the year ended March 31, 1993 include a commemorative dividend of ¥10.00 to mark the company's 30th anniversary.
- Net sales does not include consumption tax.
- Per share figures are calculated on the basis of a ¥500 par value per share for the four years ended March 31, 1995. Figures for the year ended reflect a change to a par value of ¥50 per share, and simultaneous 10-to-1 stock split. Additionally, the company sold 2,000,000 shares of common stock through a public offering on February 2, 1996.
- On May 20, 1997, the company conducted a 1.25:1 stock split.
- Orders represent future information services sales excluding merchandise sales.