

FINANCIAL STATEMENTS  
1999 FISCAL YEAR

**NHK SPRING CO., LTD.**

## Consolidated Balance Sheets

NHK SPRING CO.,LTD. and Consolidated Subsidiaries (As of March 31,1999 and 1998)

ASSETS	Millions of yen		Thousands of US dollars	
	1999	1998	1999	1998
<b>Current Assets:</b>				
Cash and time deposits	¥ 15,863	¥ 14,813	\$ 131,589	\$ 122,878
Marketable securities	7,924	16,221	65,732	134,558
Notes and accounts receivable	60,470	58,680	501,618	486,769
Less:allowance for doubtful accounts	(408)	(584)	(3,384)	(4,844)
Inventories	16,993	16,778	140,962	139,179
Other current assets	10,234	9,747	84,894	80,854
Total current assets	111,076	115,655	921,411	959,394
<b>Investments and Advances:</b>				
Investments in and advances to unconsolidated subsidiaries and affiliates	24,408	23,686	202,472	196,483
Investments in other securities,at cost	11,874	1,958	98,499	16,242
Advances to other	402	430	3,335	3,567
Other investments,at cost	4,378	4,896	36,317	40,614
Less:allowance for doubtful accounts	(96)	(31)	(796)	(257)
Total investments and advances	40,966	30,939	339,827	256,649
<b>Property,Plant and Equipment:</b>				
Property,plant and equipment	214,104	199,770	1,776,060	1,657,155
Less:accumulated depreciation	(113,143)	(105,962)	(938,557)	(878,988)
Total property,plant and equipment	100,961	93,808	837,503	778,167
<b>Other Assets</b>	268	285	2,220	2,364
<b>Foreign statements translation adjustments</b>	2,186	1,517	18,134	12,584
	¥ 255,457	¥ 242,204	\$ 2,119,095	\$ 2,009,158

## Nonconsolidated Balance Sheets

NHK SPRING CO.,LTD (As of March 31,1999 and 1998 )

ASSETS	Millions of yen		Thousands of US dollars	
	1999	1998	1999	1998
<b>Current Assets:</b>				
Cash and time deposits	¥ 10,587	¥ 8,832	\$ 87,822	\$ 73,264
Marketable securities	5,429	13,483	45,035	111,846
Notes and accounts receivable	42,285	41,236	350,767	342,066
Less:allowance for doubtful accounts	(275)	(365)	(2,281)	(3,028)
Inventories	8,143	7,876	67,549	65,334
Other current assets	7,464	8,748	61,916	72,567
Total current assets	73,633	79,810	610,808	662,049
<b>Investments and Advances:</b>				
Investments in and advances to subsidiaries and affiliates	22,134	21,176	183,608	175,662
Investments in other securities,at cost	11,646	1,323	96,607	10,975
Advances to other	367	397	3,044	3,293
Other investments,at cost	2,909	2,801	24,131	23,235
Less:allowance for doubtful accounts	(38)	(51)	(315)	(423)
Total investments and advances	37,018	25,646	307,075	212,742
<b>Property,Plant and Equipment:</b>				
Property,plant and equipment	150,800	137,186	1,250,933	1,138,001
Less:accumulated depreciation	(83,153)	(78,239)	(689,780)	(649,017)
Total property,plant and equipment	67,647	58,947	561,153	488,984
<b>Other Assets</b>	152	171	1,263	1,419
	¥ 178,450	¥ 164,574	\$ 1,480,299	\$ 1,365,194

LABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen		Thousands of US dollars	
	1999	1998	1999	1998
<b>Current Liabilities</b>				
Short-term bank loans	¥ 39,252	¥ 40,117	\$ 325,608	\$ 332,783
Notes and accounts payable	46,716	47,132	387,524	390,975
Accrued income taxes	1,428	1,973	11,846	16,367
Other current liabilities	19,491	25,189	161,684	208,951
Total current liabilities	106,887	114,411	886,662	949,076
<b>Long-Term Liabilities and Reserves:</b>				
Long-term debt	48,120	26,493	399,170	219,768
Employees' severance benefits	12,314	12,288	102,148	101,933
Directors' severance benefits	1,070	1,122	8,876	9,307
Other long-term liabilities	424	395	3,517	3,277
Equity in Net Assets over Investment Cost	24	59	199	489
Total long-term liabilities and reserves	61,952	40,357	513,910	334,774
<b>Minority Interest</b>	8,346	8,446	69,233	70,062
<b>Shareholders' Equity:</b>				
Common stock ¥ 50 par value				
Authorized-600,000,000 shares				
Issued 244,066,144 shares in 1998				
244,066,144 shares in 1999	17,010	17,010	141,103	141,103
Additional paid-in capital	16,943	16,943	140,547	140,547
Retained earnings	44,320	45,038	367,648	373,604
Cost of treasury stock	(1)	(1)	(8)	(8)
Total shareholders' equity	78,272	78,990	649,290	655,246
	¥ 255,457	¥ 242,204	\$ 2,119,095	\$ 2,009,158

LABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen		Thousands of US dollars	
	1999	1998	1999	1998
<b>Current Liabilities</b>				
Short-term bank loans	¥ 18,448	¥ 18,527	\$ 153,032	\$ 153,687
Notes and accounts payable	30,920	29,913	256,491	248,138
Accrued income taxes	937	1,214	7,773	10,071
Other current liabilities	14,746	21,356	122,323	177,155
Total current liabilities	65,051	71,010	539,619	589,051
<b>Long-Term Liabilities and Reserves:</b>				
Long-term debt	42,131	22,505	349,490	186,686
Employees' severance benefits	10,266	10,110	85,160	83,866
Directors' severance benefits	475	713	3,940	5,915
Other long-term liabilities	0	0	0	0
Total long-term liabilities and reserves	52,872	33,328	438,590	276,467
<b>Shareholders' Equity:</b>				
Common stock ¥ 50 par value				
Authorized-600,000,000 shares				
Issued 244,066,144 shares in 1998				
244,066,144 shares in 1999	17,010	17,010	141,103	141,103
Additional paid-in capital	16,943	16,943	140,547	140,547
Legal reserve	3,247	3,094	26,935	25,666
Retained earnings	23,328	23,190	193,513	192,368
Cost of treasury stock	(1)	(1)	(8)	(8)
Total shareholders' equity	60,527	60,236	502,090	499,676
	¥ 178,450	¥ 164,574	\$ 1,480,299	\$ 1,365,194

## Consolidated Statements of Income

NHK SPRING CO.,LTD. and Consolidated Subsidiaries (For the years ended March 31,1999 and 1998)

	Millions of yen		Thousands of US dollars	
	1999	1998	1999	1998
Net sales	¥ 234,109	¥ 244,675	\$ 1,942,007	\$ 2,029,656
Cost of sales	199,400	206,817	1,654,085	1,715,612
Gross profit	34,709	37,858	287,922	314,044
Selling,general and administrative expenses	27,745	28,380	230,153	235,421
Operating income	6,964	9,478	57,769	78,623
Other income				
Interest and dividend income	857	698	7,109	5,790
Equity in earnings of unconsolidated subsidiaries and affiliates	0	574	0	4,762
Other	1,784	1,692	14,799	14,036
Other expenses				
Interest expenses	2,394	2,366	19,859	19,627
Equity in losses of unconsolidated subsidiaries and affiliates	248	0	2,057	0
Other	2,056	2,433	17,055	20,182
Income before special items and income taxes	4,907	7,643	40,706	63,402
Special items				
Gains from sale of fixed assets	27	(195)	224	(1,618)
Other	(821)	(3,041)	(6,810)	(25,226)
Income before income taxes	4,113	4,408	34,120	36,558
Income taxes	3,181	4,012	26,387	33,281
Minority interest	138	(374)	1,145	(3,102)
Net income	794	770	6,588	6,379
Per share				
Net income	¥ 3.25	¥ 3.15	US \$ 0.03	US \$ 0.03
Shareholders' equity	320.71	323.64	2.66	2.68
Cash dividends per share	6.00	6.00	0.05	0.05

## Nonconsolidated Statements of Income

NHK SPRING CO.,LTD.(For the years ended March 31,1999 and 1998)

	Millions of yen		Thousands of US dollars	
	1999	1998	1999	1998
Net sales	¥ 152,282	¥ 153,500	\$ 1,263,227	\$ 1,273,331
Cost of sales	131,529	132,056	1,091,074	1,095,446
Gross profit	20,753	21,444	172,153	177,885
Selling,general and administrative expenses	16,225	16,024	134,591	132,924
Operating income	4,528	5,420	37,562	44,961
Other income				
Interest and dividend income	1,373	1,337	11,389	11,091
Other	919	721	7,623	5,981
Other expenses				
Interest expenses	1,204	1,102	9,988	9,141
Other	1,751	1,573	14,525	13,049
Income before special items and income taxes	3,865	4,803	32,061	39,843
Special items				
Gains from sale of fixed assets	(17)	42	(141)	348
Other	(292)	(957)	(2,422)	(7,939)
Income before income taxes	3,556	3,888	29,498	32,252
Income taxes	1,730	2,100	14,351	17,420
Net income	1,826	1,788	15,147	14,832
Per share				
Net income	¥ 7.48	¥ 7.33	US \$ 0.06	US \$ 0.06
Shareholders' equity	248.00	246.80	2.06	2.05
Cash dividends per share	6.00	6.00	0.05	0.05

## Consolidated Financial Highlights

NHK SPRING CO.,LTD. and Consolidated Subsidiaries (For the years ended March 31)

	(Millions of yen)				
	1999	1998	1997	1996	1995
Net sales	¥ 234,109	¥ 244,675	¥ 237,028	¥ 223,822	¥ 220,058
Cost of sales	199,400	206,817	201,187	190,136	185,336
Gross profit	34,709	37,858	35,841	33,686	34,722
Selling, general and administrative expenses	27,745	28,380	27,974	27,355	26,925
Operating income	6,964	9,478	7,867	6,331	7,797
Other income(expenses)	(2,057)	(1,835)	(1,396)	(99)	(708)
Income before special items and income taxes	4,907	7,643	6,471	6,232	7,089
Special items	(794)	(3,235)	217	(1,049)	(318)
Income before income taxes	4,113	4,408	6,688	5,183	6,771
Net income	794	770	3,206	1,934	3,254
Shareholders' equity	78,272	78,990	79,896	78,434	77,496
Total assets	255,457	242,204	237,626	227,116	223,814
	(yen)				
Per share					
Net income	¥ 3.25	¥ 3.15	¥ 13.14	¥ 7.92	¥ 13.34
Shareholders' equity	320.71	323.64	327.35	321.37	317.52
Cash dividends	6.00	6.00	6.00	6.00	6.00

## Nonconsolidated Financial Highlights

NHK SPRING CO.,LTD. (For the years ended March 31)

	(Millions of yen)				
	1999	1998	1997	1996	1995
Net sales	¥ 152,282	¥ 153,500	¥ 140,642	¥ 140,717	¥ 137,101
Cost of sales	131,529	132,056	122,166	122,248	117,113
Gross profit	20,753	21,444	18,476	18,469	19,988
Selling, general and administrative expenses	16,225	16,024	16,026	16,024	15,797
Operating income	4,528	5,420	2,450	2,445	4,191
Other income(expenses)	(663)	(617)	247	164	(870)
Income before special items and income taxes	3,865	4,803	2,697	2,609	3,321
Special items	(309)	(915)	576	(435)	(24)
Income before income taxes	3,556	3,888	3,273	2,174	3,297
Net income	1,826	1,788	2,037	1,249	1,351
Shareholders' equity	60,527	60,236	59,982	59,479	59,767
Total assets	178,450	164,574	158,118	152,392	152,545
	(yen)				
Per share					
Net income	¥ 7.48	¥ 7.33	¥ 8.35	¥ 5.12	¥ 5.54
Shareholders' equity	248.00	246.80	245.76	243.70	244.88
Cash dividends	6.00	6.00	6.00	6.00	6.00

**NHK SPRING CO., LTD.**

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