

Financial Summary

Results by business segments

The consolidated net sales for fiscal 2002 ended March 31, 2003 rose by 11.0% to ¥54,865 million. Demands for our mainstay semiconductor products recovered rapidly from the beginning of the term due to completion of inventory adjustment by consumer-products makers. Sales of the semiconductor products did well, in particular among the products for digital home appliances and mobile communications equipment, though we were compelled to face severe depression in the field of microwave application products due to prolonged sluggishness in the US and Europe market.

Sales in the Semiconductor Devices were ¥49,097 million; bipolar products increased favorably due to the success of expanded sales of the new products, such as power supply ICs and audio ICs. In MOS products, sales of LCD drivers and surround ICs increased favorably. In the microwave & optoelectronic devices, while the sales of our mainstay GaAs MMICs did well due to a launch of new products and our expanded sales for new customers, sales of the optoelectronic devices remained unchanged from the previous year due to slowdown in the demand.

Sales in the Microwave Application Products were ¥1,225 million. Due to prolonged market sluggishness, sales of components for satellite broadcasting, satellite communications, and terrestrial communications declined.

Sales in the Microwave Tubes and Radar Components were ¥4,543 million. Although sales in governmental-use microwave tubes and radar components increased favorably, consumer-use microwave tubes were below the previous year due to stagnation in the marine radar market.

Operating income by product is as described below. Consolidated operating income, subtracting eliminations of ¥5,329 million, was ¥3,774million.

	Unit: Millions of Yen			
	Semiconductor Devices	Microwave Application Products	Microwave Tubes and Radar Components	Total
Net Sales	49,097	1,225	4,543	54,865
Operating expenses	40,235	1,609	3,918	45,762
Segment operating income	8,862	△384	625	9,103
Eliminations	-	-	-	5,329
Operating income	-	-	-	3,774

Net sales to customers by geographic segment

	Unit: Millions of Yen			
	2003		2002	
Japan	29,677	(54.1%)	¥24,099	(48.7%)
Asia	19,788	(36.1%)	17,598	(35.6%)
North America	2,682	(4.9%)	3,214	(6.5%)
Europe	1,489	(2.7%)	1,345	(2.7%)
Others	1,229	(2.2%)	3,181	(6.5%)
Total	54,865	(100.0%)	¥49,437	(100.0%)

Capital expenditures

Capital expenditures for this consolidated fiscal year amounted to ¥4,680 million on an acquisition basis; consisted mainly of investments to update and streamline semiconductors production facilities, save labor, and fund research and development (R&D).

Financial position

Total assets at the end of this consolidated fiscal year, amounted to ¥59,044 million, rose by ¥2,170 million. Current assets increased by ¥2,237 million. Cash and cash equivalents decreased by ¥707 million to ¥3,411 million, due to increased expenditure for repayment of long-term debt, though fund from operation increased due to favorable sales of our mainstay semiconductor products. The amount of inventory assets increased by ¥1,113 million to ¥15,975 million, mainly for semiconductor products.

Total liabilities mounted to ¥40,135 million, rose by 949 million, due to increased amount of corporate tax, etc., regardless of significant decrease in liabilities caused by repayment of long-term debt.