

Fiscal 2001 Interim Flash Report (consolidated)

Nov/21/2001

Listed Company Name Nihon Inter Electronics Corp.
TSE Code No: 6974

Listed exchange: Tokyo
Head Office location
Kanagawa Prefecture

Officer in charge of enquiries: General Manager of Accounting

Name: Yoichiro Sugita

Phone: (0463) 84 - 8015

Interim Accounts Settlement Board of Directors Meeting: Nov. 21, 2001

Parent Company Name - (TSE Code No.: -) Ratio of stock held by parent company: - %

United States accounting standards: Not applied

1. Consolidated results for the six months ended Sep. 30, 2001

(1) Consolidated business results

Note: Stated figures are rounded down to the nearest million

	Net sales		Operating income (loss)		Recurring profit (loss)	
	¥ million	%increase (decrease)	¥ million	%increase (decrease)	¥ million	%increase (decrease)
Six months ended Sep. 30, 2001	11,687	-29.9	-52		-387	-
Six months ended Sep. 30, 2000	16,668	-	978		721	-
Year ended March 31, 2001	32,469		1,807		1,591	

	Net income (loss)		Net income per share	Net income per share after adjustment for shares, undiluted
	¥ million	%increase (decrease)	¥	¥
Six months ended Sep. 30, 2001	-1391	-	-46	-
Six months ended Sep. 30, 2000	-556	-	-20	-
Year ended March 31, 2001	-43		-2	-

Note:

* Equity method investment gain (loss) Six months ended Sep. 30, 2001: - ; Six months ended Sep. 30, 2000: - ; Year ended March 31, 2001 -

** Average number of shares (consolidated) Six months ended Sep. 30, 2001: 30,128,656

Six months ended Sep. 30, 2000: 28,128,460

Year ended March 31, 2001: 28,795,142

*** Changes to accounting methods: none

**** Percentages appended to net sales, operating income, recurring profit, and net income are the rate of increase (decline) compared with the same period of the previous year.

(2) Consolidation financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	¥ million	¥ million	%	¥
Six months ended Sep. 30, 2001	28,338	8,116	28.6	269.39
Six months ended Sep. 30, 2000	29,885	8,513	28.5	302.67
Year ended March 31, 2001	31,589	9,610	30.4	318.99

Note:

* No. of issued shares at period-end (consolidated) Six months ended Sep. 30, 2001: 30,127,989

Six months ended Sep. 30, 2000: 28,127,568

Year ended March 31, 2001: 30,128,189

(3) Consolidated cash flows

	Cash generated by (used in) operating activities	Cash generated by (used in) investment activities	Cash generated by (used in) financing activities	Cash and cash equivalents balance at period-end
	¥ million	¥ million	¥ million	¥ million
Six months ended Sep. 30, 2001	-31	-1139	378	994
Six months ended Sep. 30, 2000	115	-35	-2,724	823
Year ended March 31, 2001	1,411	-780	-2,297	1,827

(4) Items pertaining to scope of consolidation and equity method application

No. of consolidated subsidiaries: 4 No. of non-consolidated equity method subsidiaries: - No. of equity method affiliates: -

(5) Changes to scope of consolidation and equity method application

No. of newly consolidated subsidiaries: 1; No. of deconsolidated subsidiaries: - No. of newly added equity method subsidiaries: - ; No. of subsidiaries removed from equity method application: -

2. Projected consolidated results for fiscal 2002 (ending March 31, 2002)

	Net sales	Operating income (loss)	Recurring profit (loss)
Fiscal year ending March 31, 2002	¥ million 24,800	¥ million -350	¥ million -1,400

Remarks: Projected net income (loss) per share (for the fiscal year): (¥ 46.47)

Group Overview

The Nihon Inter Electronics Corp. Group(NIEC Group) consists of the parent company, one domestic subsidiary, three overseas subsidiaries, and one affiliate.

Operational content and products and merchandise handled by these companies are as follows:

① A range of semiconductor element products, consisting primarily of rectification elements for low-volume electric power, Schottky barrier diodes (SBD), and fast recovery diodes (FRD), which are manufactured by International Electronics Corp., Ltd. (IEC) and Philippine Inter Electronics Corporation (PIEC). and brokered by the parent company, as well as similar goods manufactured and sold by the parent company.

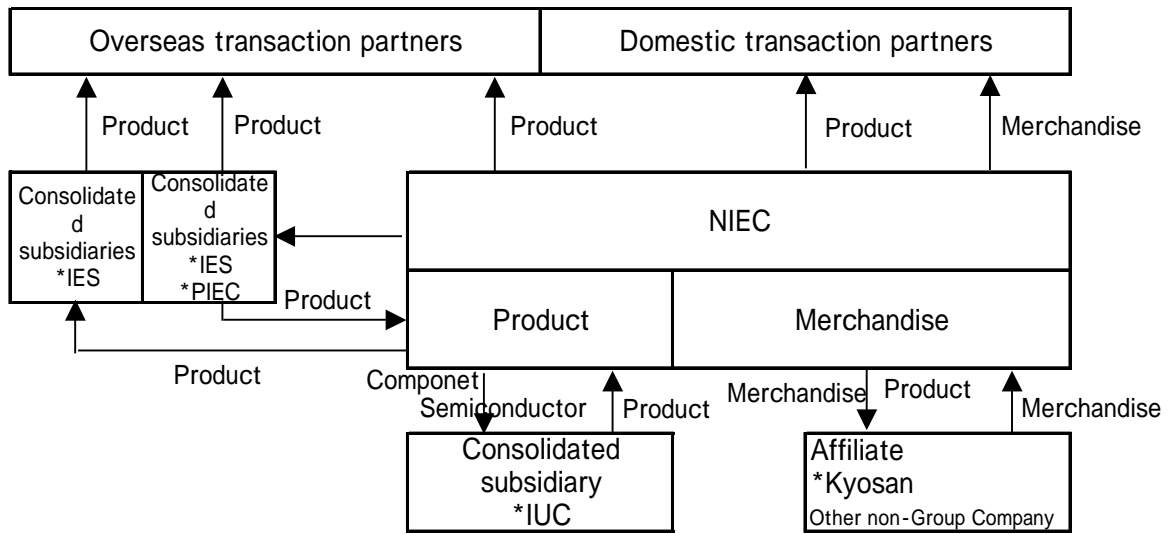
② A range of applied semiconductor products consisting primarily of power modules manufactured and sold by the parent company and stacks that are manufactured by Interunits Corporation(IUC), a domestic subsidiary, and brokered by the parent company.

③ Products manufactured by Group affiliate Kyosan Electric Mfg. Co., Ltd., and other non-Group companies and brokered by the parent company.

Because the markets for these products are similar to each other and overlap in several areas, NIEC does not manage its businesses as separate independent units. Therefore, business segment information is treated as a single unit.

Furthermore, on June 9, 2001, NIEC established Inter Electronics Singapore Pte. Ltd. (IES), to serve as a sales unit for the Southeast Asian region.

The following is a flow chart of NIEC's operations.



*IEC: International Electronics Corp., Ltd.

*PIEC: Philippine Inter Electronics Corporation.

*IES: Inter Electronics Singapore Pte. Ltd.

*IUC: Interunits Corporation

Management Policies

(1) Basic Management Policy

As management policy, NIEC conducts its business operations emphasizing the following:

- We will ascertain market and customer information swiftly and accurately and strive to develop new markets and increase market share through dynamic business strategies based on such information.
- We will establish the fundamental technologies necessary to the development of new products, which we will manufacture under the highest standards of quality, at minimal cost, and in the most expeditious time frame.
- We will pursue thorough efficiency in sales, production, research, and overall operations and secure appropriate profit levels.

Looking forward, with this basic policy as its foundation, the NIEC's Group will strive to maintain and enhance customer satisfaction and contribute to the betterment of society by strengthening operations in each Group company's field of specialization and provide mutual support for each other's respective businesses, while taking full advantage of the combined power of the entire Group.

(2) Basic Policy Regarding Profit Sharing

While maintaining its primary policy of providing stable returns to its shareholders, NIEC determines profit sharing after giving due consideration to the augmentation of internal reserves in preparation for future business growth, which entails structural reforms aimed at achieving a corporate structure capable of withstanding future competition and equipment outlays in response to the rapid advance of technology. As indicated in the statements herein, for the interim term under review, net sales declined, and NIEC was unable to avoid the recording of a net loss for the interim term. Hence, with regret, we have elected to forgo the payment of an interim dividend.

(3) Medium-Term Management Strategy

NIEC is currently implementing structural reforms based on a medium-term management strategy aimed at the conversion to a high-profitability structure, a focus on market-capturing products, and the achievement of a robust financial standing. Specifically, we will thoroughly utilize selectivity and concentration in our business. With emphasis on the growth potential and profitability of our existing product lineup, we will concentrate our operational resources on areas that hold the greatest promise for future growth, while reviewing loss-making operations and low-profit products.

- Products: We will further strengthen our flagship high-frequency rectification elements—in which we command top market share—, reduce costs, and enhance gross profit. We will also create new technologies to enable the development of next next-generation devices.
- Merchandise: We will strive to promptly supply a product mix that meets market needs as well as develop highly versatile and sophisticated merchandise.

Furthermore, in the interest of enhancing capital efficiency in the running of its businesses, NIEC will position cash flow and ROA as crucial operational indicators so to elevate its corporate value. We will also work to improve our balance sheet through the reduction of nonperforming assets and other measures as well as better our asset efficiency.

Operational Results

(1) Overview

During the interim term under review, no indication of recovery was witnessed in the Japanese economy. Further downward pressure resulted from sudden deceleration in the U.S. economy—which had hitherto remained consistently healthy—dwindling private-sector investment, and a sharp decline in consumer spending.

In the electrical machinery and electronics industry in which NIEC Group operates, the market was generally sluggish throughout the interim term. Information technology and communications devices declined across the board compared with the previous fiscal year, and capital investment was suppressed in machine tools and other industrial machinery sectors. Consequently, consolidated net sales declined 30% compared with the same term of the previous fiscal year, to ¥11,687 million.

On the profit side, despite a range of efforts, including the reduction of production costs and the curtailment of expenses, owing to the substantial decline in net sales, NIEC recorded a recurring loss of ¥387 million.

To achieve the earliest possible improvement in earnings amid the current severe operating environment, NIEC implemented such structural reform measures as personnel and asset reductions, which resulted in the recording of an extraordinary loss of ¥1,809 million. Consequently, NIEC recorded a net loss for the interim term of ¥1,391 million.

NIEC's cash flow situation is as follows.

Cash used in operating activities worked out to ¥31 million (compared to cash provided by operating activities of ¥115 million in the same half of the previous year). This was the result of the recording of a loss before income taxes for the interim term of ¥2,196 million and other negative factors, including a decline in accounts payable and the payment of income taxes.

Cash used in investing activities for the interim term amounted to ¥1,139 million (compared to ¥2,724 million in cash used for the same half of the previous year), due primarily to an investment of ¥1,112 million for the acquisition of tangible fixed assets.

Cash provided by financing activities totaled ¥378 million (compared to cash used in financing activities of ¥2,724 million in the same half of the previous year), due to the procurement of ¥3,750 million in long-term borrowings, which offset the repayment of ¥3,430 million in short-term borrowings.

As a result of these factors, cash and cash equivalents at interim term-end declined ¥832 million compared with the previous fiscal year-end, to ¥994 million.

(2) Outlook for the Entire Fiscal Year

The future state of the operating environment surrounding NIEC is expected to become increasingly unpredictable. In the Japanese economy, concerns remain over the possibility of a protracted deflationary trend. The U.S. economy remains stagnant, and these factors are further resulting in weakness in stock markets.

NIEC Group has commenced a new three-year medium-term management plan, beginning with the structural reform initiatives implemented during the first half of the current fiscal year, and, through a policy of selectivity and concentration, it will expand its market share and develop new products, capture new markets, and execute its strategies with a focus on IT and personal electronic devices, automotive devices, and industrial devices. We will also strive to lower costs, reduce nonperforming assets, and convert to a high-profitability structure. In consideration of the current business environment, at this time NIEC predicts the following consolidated results for the full fiscal year.

Net sales are expected to decline ¥23.6% year on year, to ¥24.8 billion. On the profit side, we will exert the utmost effort to minimize the effects of the losses incurred during the first half and raise our profitability. However, we predict a recurring loss for the year of ¥0.35 billion and a net loss of ¥1.4 billion.

Interim Consolidated Financial Statements

Interim consolidated balance sheet

(Assets)

Millions of yen

Item	Sep/30, 2001	Sep/30/2000	Mar/31/2001
Current assets	18,626	19,853	21,188
Cash and deposits in banks	1,230	936	2,040
Notes and accounts receivable	8,375	12,076	11,097
Marketable securities	51	62	52
Inventory assets	7,778	6,398	7,489
Deferred tax assets	1,091	206	289
Other	169	177	250
Allowances for doubtful accounts	-70	-3	-32
Fixed assets	9,568	9,777	10,204
Tangible fixed assets	7,247	7,365	7,869
Buildings and structures	2,820	2,860	2,924
Machinery and vehicles	2,867	3,020	3,068
Land	658	658	658
Construction in process	608	540	883
Other	291	285	334
Intangible fixed assets	62	66	69
Land lease rights	7	7	7
Software	32	33	37
Other	22	24	24
Investments and other assets	2,258	2,345	2,265
Investment securities	642	590	593
Long-term prepaid expenses	399	415	466
Deferred tax assets	902	911	883
Other	334	454	343
Allowances for doubtful accounts	-20	-25	-20
Deferred assets	143	253	196
Business commencement expenses	7	9	8
Experiment and research expenses	135	244	188
Total assets	28,338	29,885	31,589

(Liabilities, minority interest, and shareholders' equity)

Millions of yen

Item	Sep/30, 2001	Sep/30/2000	Mar/31/2001
Current liabilities	11,187	14,768	14,603
Trade notes and accounts payable	4,345	6,176	6,146
Short-term loans	4,695	6,628	5,851
Accrued liabilities	11	145	63
Accrued expenses	294	353	305
Income taxes payable	9	547	775
Allowances for employee bonuses	481	487	502
Facilities related bills payable	132	401	928
Allowances for structural reforms	1,182	-	-
Other	35	29	29
Fixed liabilities	9,034	6,602	7,375
Long-term loans	6,385	4,100	4,774
Allowances for retirement benefits	2,625	2,480	2,574
Other	24	22	26
Total liabilities	20,222	21,371	21,979
Minority interest	-	-	-
Shareholders' equity	3,904	3,604	3,904
Capital reserve	3,880	3,580	3,880
Consolidated surplus	665	1,690	2,133
Appraisal differences on marketable securities	24	-	-
Equity adjustment from foreign currency translation	-358	-361	-307
Treasury stock	0	0	0
Total shareholders' equity	8,116	8,513	9,610
Liabilities, minority interest, and shareholders' equity	28,338	29,885	31,589

Interim statement of consolidated income and retained earnings

Millions of yen

Item	Six-month period ended Sep/30, 2001		Six-month period ended Sep/30/2000		Year ended Mar/31/2001	
	Sum	Percentage	Sum	Percentage	Sum	Percentage
Net sales	11,687	100.0	16,668	100.0	32,469	100.0
Cost of sales	9,848	84.3	13,921	83.5	27,002	83.2
Gross profit	1,838	15.7	2,747	16.5	5,467	16.8
Selling, general and administrative expenses	1,891	16.2	1,769	10.6	3,659	11.2
Operating income (loss)	-52	-0.5	978	5.9	1,807	5.6
Non-operating income	46	0.4	78	0.5	393	1.2
Interest received	8		9		16	
Dividends received	4		4		7	
Gain on foreign currency exchange	-		-		260	
Other	34		64		108	
Non-operating expenses	381	3.2	334	2.1	609	1.9
Interest expense	78		78		152	
Write-off of fees for technologies acquisition	60		60		121	
Write off of deferred experiment and research expenses	52		60		116	
Foreign currency transition loss	170		48		-	
Other	19		86		219	
Recurring income (loss)	-387	-3.3	721	4.3	1,591	4.9
Extraordinary income	0	0.0	402	2.4	371	1.1
Gain on reserve for new stock subscription rights	-		352		352	
Other	0		49		18	
Extraordinary loss	1,809	15.5	1,931	11.5	1,965	6.0
Structural reform expenditures	1,182		-		-	
Loss on disposal of inventories	310		-		-	
Loss on retirement of fixed assets	240		17		25	
Differential due to change to retirement benefit accounting	-		1,863		1,886	
Other	75		51		53	
Net income (loss) before income taxes	-2,196	-18.8	-807	-4.8	-3	0.0
Corporate, residence, and business taxes	44	0.4	558	3.4	892	2.7
Income tax and other adjustments	-850	-7.3	-810	-4.9	-852	-2.6
Net income (loss)	-1,391	-11.9	-556	-3.3	-43	-0.1

Interim term consolidated surplus statement

Millions of yen

Item	Six-month period ended Sep/30, 2001	Six-month period ended Sep/30/2000	Year ended Mar/31/2001
Consolidated surplus balance at beginning of period	2,133	2,317	2,317
Consolidated surplus decrease			
Dividends	75	70	140
Employee bonuses	1	-	-
Deferred capital reserve	0	-	-
Total consolidated surplus decrease	76	70	140
Net income	-1,391	-556	-43
Consolidated surplus balance at end of period	665	1,690	2,133

Interim term statement of consolidated cash flows

Millions of yen

Item	Six-month period ended Sep/30, 2001	Six-month period ended Sep/30/2000	Year ended Mar/31/2001
I. Cash flows from operating activities			
Loss before provision for income taxes	-2,196	-807	-3
Depreciation and amortization	578	519	1,145
Deferred asset depreciation	120	170	290
Increase (decrease) in allowances for doubtful accounts	38	-25	4
Increase in reserve for retirement benefits	60	1,872	1,956
Interest and dividend loss	-12	-13	-24
Interest expense	78	78	152
Gain (loss) on foreign currency exchange	154	54	-95
Loss on retirement of fixed assets	240	17	25
Increase in allowances for structural	1,182	-	-
Increase (decrease) in notes and accounts receivable	2,693	-1,966	-957
Increase (decrease) in inventories	-359	388	-616
Increase (decrease) in notes and accounts payable	-1,776	352	277
Other	46	-256	-294
Subtotal	848	382	1,861
Receipt of interest and dividends	10	12	23
Payment of interest	-80	-88	-176
Payment of income taxes	-810	-191	-297
Net cash provide from (used in) operating activities	-31	115	1,411
II. Cash flows from investing activities			
Expenditures in term deposits	-128	-	-100
Proceeds from refunds on term deposits	103	800	800
Expenditures for the acquisition of tangible fixed assets	-1,112	-831	-1,466
Other	0	-4	-14
Net cash used in investing activities	-1,139	-35	-780
III. Cash flows from financing activities			
Proceeds from short-term borrowings	249	1,604	30
Payments on short-term borrowings	-3,430	-1,535	-1,689
Proceeds from long-term debt	3,750	700	2,500
Payments on long-term debt	-115	-66	-240
Expenditures for bond redemption	-	-3,356	-3,356
Proceeds from issue of new stock	-	-	600
Dividends paid to stockholders	-75	-70	-141
Net cash proved by (used in) financing activities	378	-2,724	-2,297
IV. Foreign exchange differential on cash and cash equivalents	-41	-5	22
V. Net decrease in cash and cash equivalents	-832	-2,649	-1,644
VI. Cash and cash equivalents at beginning of period	1,827	3,472	3,472
VII. Cash and cash equivalents at end of period	994	823	1,827

Basis for Presenting Consolidated Financial Statements

1. Scope of Consolidation

NIEC had four subsidiaries as of September 30, 2001, consisting of International Electronics Corp., Ltd., Interunits Corporation, Philippine Inter Electronics Corporation, Inter Electronics Singapore Pte. Ltd.

2. Equity Method Application

N/A

3. Accounts Settlement Dates

The interim term accounts settlement date for all consolidated subsidiaries is September 30, the same date as the settlement of the parent company's consolidated accounts.

4. Accounting Principles

(1) Standards and Methods for the Valuation of Principal Assets

Marketable securities

Items with cash value

Mark-to-market based on the market price at the end of the interim term (Net unrealized gains or losses are reported directly in shareholders' equity on a net-of-tax basis. Selling costs are calculated using the gross average method.)

Inventories

At cost, based on the moving average method

(2) Depreciation and Amortization Methods for Fixed Assets

Tangible fixed assets

The declining balance method is the principal method used for the parent company and its domestic and overseas subsidiaries. However, buildings (including fixtures) are accounted for using the straight-line method.

Intangible fixed assets

The straight-line method is used. However, software used internally by NIEC is amortized on a straight-line basis over a five-year period, the estimated useful life of the software.

(3) Recording Standards for Allowances

Allowance for doubtful accounts

The allowances for the avoidance of bad debt losses on receivables, loans and others is primarily recorded according to the rate of previous bad debt occurrence. In the case of particularly doubtful accounts and other specific claims, the projected nonrecoverable amounts, based on an individual calculation of recoverability, are budgeted.

Allowance for employee bonuses

To allocate funds to bonuses paid to employees, the estimated sum to be paid during the given period is recorded.

Allowance for structural reforms

NIEC records reasonably estimated extraordinary retirement benefits and other expenses that are anticipated to be incurred as a result of structural reforms implemented based on medium-term management plan.

Allowance for retirement benefits

To prepare employee retirement benefits, the liability was calculated as the difference between expected future retirement payments and the related assets retained to meet said payments.

Actuarial differences are treated as expenses for the consolidated fiscal year in which they occur and are amortized using the straight-line method over 10 years, within the average remaining consolidated term of employment, following the year in which they arise.

(4) Accounting Methods for Principal Lease Transactions

Finance leases (with the exception of those whose property ownership rights have been designated for transfer to the lessee) are accounted for in the same way as ordinary operating leases.

(5) Accounting Methods for Sales Taxes

Net-of-tax formulas are applied to sales taxes and local sales taxes.

5. Appropriation of Profit

Interim term consolidated surplus statements are compiled based on the appropriation of profit or loss established in the consolidated interim term.

6. Scope of Capital in Interim Term Statement of Consolidated Cash Flows

Capital (cash and cash equivalents) in interim term statements of consolidated cash flows is composed of cash on hand, payable on demand accounts and short-term investments with maturity dates within three months of acquisition date with high liquidity and that are easily converted to cash and carry only slight price fluctuation risks.

[Additional Information]

Accounting for Financial Instruments

From the consolidated period under review, NIEC has adopted a new Japanese accounting standard for financial instruments (see “Report on the Establishment of Accounting Standards for Financial Instruments,” issued by the Business Accounting Council on January 1, 1999) for application to other marketable securities with cash value and changed from the cost method using the gross average method to the mark-to-market method based on the current stock price on the final day of the accounting term (Net unrealized gains or losses are reported directly in shareholders’ equity on a net-of-tax basis. Selling costs are calculated using the gross average method.)

Due to this change, an unrealized gain on other marketable securities was recorded of ¥24 million.

[Notes]

Consolidated Balance Sheets

1. Depreciation of tangible fixed assets (consolidated)

September 30, 2001	September 30, 2000	March 31, 2001
¥14,011 million	¥14,761 million	¥15,418 million

2. Pledged assets and mortgages (consolidated)

	September 30, 2001	September 30, 2000	March 31, 2001
Assets pledged as collateral:			
Land	¥387 million	¥387 million	¥387 million
Buildings and structures	¥269 million	¥464 million	¥329 million
Machinery and vehicles	¥85 million	¥133 million	¥115 million
Other (tools, appliances and fixtures)	¥0 million	¥2 million	¥2 million
Total	¥743 million	¥987 million	¥835 million

Mortgages

	September 30, 2001
Long-term loans	¥2,249 million
Long-term loans repayable within one year	¥240 million
Total	¥2,490 million

3. Treasury stock

	September 30, 2001	September 30, 2000	March 31, 2001
	1,561 shares	1,982 shares	1,361 shares

4. Accounting for Bills Maturing on the Final Day of the Interim Term (Consolidated)

Bills maturing on the final day of the interim term are treated as items that are settled on their maturity dates. Moreover, because the final day of the interim term under review fell on a bank holiday, bills maturing on the final day of the next interim term have also been treated as items settled on their maturity date.

Bills discounted: ¥279 million

Bills payable: ¥571 million

Interim Statement of Consolidated Income and Retained Earnings

1. Principal selling, general and administrative expenses

	Six-month period ended September 30, 2001	Six-month period ended September 30, 2000	Year ended March 31, 2001
Salaries and bonuses	¥763 million	¥723 million	¥1,699 million
Freight costs	¥102 million	¥133 million	¥261 million
Travel and transportation expenses	¥63 million	¥67 million	¥135 million
Rental expenses	¥54 million	¥55 million	¥111 million
Land and house rental expenses	¥50 million	¥48 million	¥98 million
Depreciation and amortization	¥19 million	¥22 million	¥46 million
Deferred allowance for employee bonuses	¥228 million	¥212 million	¥225 million
Deferred allowance for retirement benefits	¥84 million	¥50 million	¥115 million

Interim Term Statement of Consolidated Cash Flows

1. Balance of cash and cash equivalents and interim term-end and interim consolidated balance sheet items

Cash and deposits:	¥1,230 million
Time deposits longer than three months	(¥235 million)
Cash and cash equivalents	¥994 million

Segment Information

1. Segment information per individual business category

The primary business of the Nihon Inter Group is the development, manufacture and sale of electronic components. These products are widely used in such applications as IT devices, automobile electronic components, office equipment and machinery.

However, because of the similarity and overlap among products used in each market that result from the wide-ranging nature of the markets in which Nihon Inter operates, it does not manage its businesses as separate independent segments. In terms of products categories, properties, and manufacturing methods as well, it is the opinion of Nihon Inter that the state of its operations is most appropriately represented by consideration as a single business segment. Hence, segment information according to individual business category has been omitted.

2. Geographical segment data

Six-month period ended September 30, 2001 (consolidated)

Millions of yen

	Japan	Southeast Asia	Subtotal	Elimination & corporate assets	Total
• Net sales and operating income (loss)					
(1) Customer sales	11,141	546	11,687	-	11,687
(2) Intersegment sales	822	1,551	2,373	-2,373	-
Total sales	11,963	2,097	14,060	-2,373	11,687
Operating costs and expenses	11,678	2,140	13,819	-2,078	11,740
Operating income (loss)	285	-43	241	-294	-52

Note: 1. Country and regional segments are determined according to geographic proximity.

2. Primary country and region segments outside of Japan:

Southeast Asia: Taiwan, the Philippines, Singapore

3. Nonabsorbable operating costs and expenses included in elimination & corporate assets consist primarily of ¥484 million in parent company head office expenses.

Six-month period ended September 30, 2000 (consolidated)

Millions of yen

	Japan	Southeast Asia	Subtotal	Elimination & corporate assets	Total
• Net sales and operating income					
(1) Customer sales	16,055	613	16,668	-	16,668
(2) Intersegment sales	619	2,371	2,990	-2,990	-
Total sales	16,674	2,984	19,659	-2,990	16,668
Operating costs and expenses	15,426	2,856	18,283	-2,592	15,690
Operating income	1,247	128	1,375	-397	978

Note: 1. Country and regional segments are determined according to geographic proximity.

2. Primary country and region segments outside of Japan:

Southeast Asia: Taiwan, the Philippines

3. Nonabsorbable operating costs and expenses included in elimination & corporate assets consist primarily of ¥440 million parent company head office expenses.

Year ended March 31, 2001

Millions of yen

	Japan	Southeast. Asia	Subtotal	Elimination & corporate assets	Elimination & corporate assets
• Net sales and operating income					
(1) Customer sales	31,479	989	32,469	-	32,469
(2) Intersegment sales	1,358	4,450	5,809	-5,809	-
Total sales	32,838	5,440	38,278	-5,809	32,469
Operating costs and expenses	30,359	5,258	35,618	-4,956	30,662
Operating income	2,478	181	2,660	-852	1,807

Note: 1. Country and regional segments are determined according to geographic proximity.

2. Primary country and region segments outside of Japan:

Southeast Asia: Taiwan, the Philippines

3. Nonabsorbable operating costs and expenses included in elimination & corporate assets consist primarily of ¥897 million parent company head office expenses.

3. Overseas net sales

Six-month period ended September 30, 2001 (consolidated)

Millions of yen

	Southeast Asia	North America	Europe	Total
Overseas net sales	1,841	58	108	2,006
Consolidated net sales				11,687
Percentage of consolidated net sales accounted for by overse	15.8%	0.5%	0.9%	17.2%

Notes 1. Country and regional segments are determined according to geographic proximity.

2. Primary country and region segments outside of Japan:

Southeast Asia: Taiwan, South Korea, Singapore

North America: United States, Canada

Europe: Sweden, United Kingdom, France

3. Overseas net sales consist of net sales of NIEC and its consolidated subsidiaries generated in countries or regions other than Japan.

Six-month period ended September 30, 2000 (consolidated)

Millions of yen

	S.E. Asia	North America	Europe	Total
Overseas net sales	2,788	145	191	3,124
Consolidated net sales				16,668
Percentage of consolidated net sales accounted for by overse	16.7%	0.9%	1.1%	18.7%

Notes 1. Country and regional segments are determined according to geographic proximity.

2. Primary country and region segments outside of Japan:

Southeast Asia: Taiwan, South Korea, Singapore

North America: United States, Canada

Europe: Sweden, United Kingdom, France

3. Overseas net sales consist of net sales of NIEC and its consolidated subsidiaries generated in countries or regions other than Japan.

Year ended March 31, 2001

Millions of yen

	S.E. Asia	North America	Europe	Total
I. Overseas net sales	5,066	220	402	5,689
II. Consolidated net sales				32,469
III. Percentage of consolidated net sales accounted for by overseas net sales	15.6%	0.7%	1.2%	17.5%

Note: 1. Country and regional segments are determined according to geographic proximity.

2. Primary country and region segments outside of Japan:

Southeast Asia Taiwan, South Korea, Singapore

North America United States, Canada

Europe Sweden, United Kingdom, France

3. Overseas net sales consist of net sales of NIEC and its consolidated subsidiaries generated in countries or regions other than Japan.

Lease Transactions

1. Value of leased property acquisition prices; depreciation, total, and interim term-end balance

Leased property acquisition prices:

Six-month period ended September 30, 2001: ¥3,284 million

Six-month period ended September 30, 2000: ¥3,216 million

Year ended March 31, 2001: ¥3,232 million

Depreciation, total:

Six-month period ended September 30, 2001: ¥2,939 million

Six-month period ended September 30, 2000: ¥2,547 million

Year ended March 31, 2001: ¥2,768 million

Interim term-end balance:

Six-month period ended September 30, 2001: ¥345 million

Six-month period ended September 30, 2000: ¥668 million

Year ended March 31, 2001: ¥463 million

2. Value of unearned lease fees balance at interim term-end

One year or less:

Six-month period ended September 30, 2001: ¥246 million

Six-month period ended September 30, 2000: ¥491 million

Year ended March 31, 2001: ¥438 million

More than one year:

Six-month period ended September 30, 2001: ¥141 million

Six-month period ended September 30, 2000: ¥296 million

Year ended March 31, 2001: ¥107 million

Total:

Six-month period ended September 30, 2001: ¥387 million

Six-month period ended September 30, 2000: ¥788 million

Year ended March 31, 2001: ¥545 million

3. Value of Payable Lease Fees; Depreciation, Total, and Interest Payment

Payable Lease Fees:

Six-month period ended September 30, 2001: ¥250 million

Six-month period ended September 30, 2000: ¥279 million

Year ended March 31, 2001: ¥559 million

Depreciation, Total:

Six-month period ended September 30, 2001: ¥198 million

Six-month period ended September 30, 2000: ¥220 million

Year ended March 31, 2001: ¥441 million

Interest Payment:

Six-month period ended September 30, 2001: ¥11 million

Six-month period ended September 30, 2000: ¥28 million

Year ended March 31, 2001: ¥47 million

Market Value of Securities

Six-month period ended September 30, 2000 (consolidated)

Other securities with market value			Millions of yen
Category	Acquisition cost	Interim balance sheet amount	Gain (loss)
Equity securities	598	642	43
Bonds and debentures			
National and local government bonds	-	-	-
Corporate bonds and debentures	-	-	-
Other bonds and debentures	52	51	-1
Other securities	-	-	-
Total	651	694	42

Six-month period ended September 30, 2001 (consolidated)

Other securities with market value			Millions of yen
Category	Acquisition cost	Interim balance sheet amount	Gain (loss)
Equity securities	590	590	0
Bonds and debentures			
National and local government bonds	-	-	-
Corporate bonds and debentures	-	-	-
Other bonds and debentures	-	-	-
Other securities	-	-	-
Total	590	590	0

Year ended March 31, 2001

Other securities with market value			Millions of yen
Category	Acquisition cost	Interim balance sheet amount	Gain (loss)
Equity securities	593	593	0
Bonds and debentures			
National and local government bonds	-	-	-
Corporate bonds and debentures	-	-	-
Other bonds and debentures	52	52	0
Other securities	-	-	-
Total	646	646	0

Derivative transactions, market value, and valuation gains (losses)

Six-month period ended September 30, 2000 (consolidated)

Six-month period ended September 30, 2001 (consolidated)

Year ended March 31, 2001

N/A Not Applicable