

# 2001

# ANNUAL REPORT

For the year ended March 31, 2001



MEIDENSHA CORPORATION

# Profile

*As a heavy electric machinery manufacturer, Meidensha Corporation has steadily developed excellent engineering resources, advancing toward total system engineering in a variety of technical fields. The Company's noteworthy policy is to consistently focus on a key technical concept, to be referred to as POWERTRONICS, a fusion of heavy electric technology with electronics technology. This concept is further joined with MECHATRONICS and ELECTRONICS, thus creating the three essential pillars of its overall operations.*

*Supported by the Four Business Groups—Energy, Environment, Info and Communications, and Industrial Systems—the Company also strives for “speedy” decision-making and being “agile” in its organization by uniting sales, engineering, and manufacturing.*

*We constantly bear in mind that we must contribute to society as a reliable solution provider to ensure that our technologies and products will be useful and effective in the creation of a well-to-do society and a comfortable environment.*

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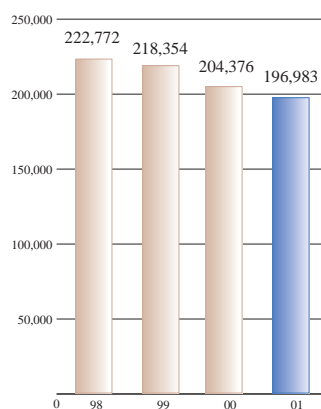
# Financial Highlights

Years ended March 31

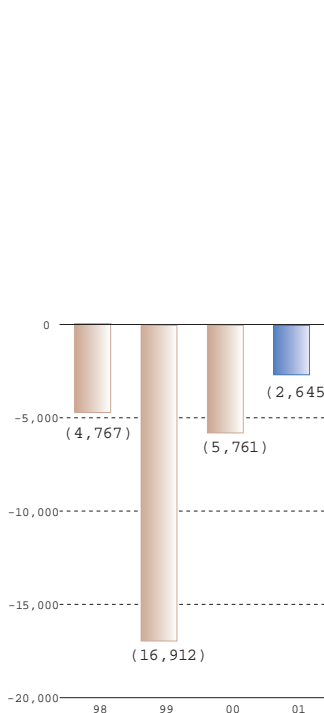
	Millions of yen			Thousands of U.S. dollars
	2001	2000	1999	2001
Net Sales .....	¥196,983	¥204,376	¥218,354	\$1,588,573
Net Loss .....	(2,645)	(5,761)	(16,912)	(21,331)
Net Loss Per Share (yen, U.S. dollars) .....	(13.09)	(28.52)	(83.71)	(0.11)
Cash Dividends Paid .....	—	—	—	—
Total Assets .....	212,105	221,388	235,911	1,710,524
Number of Employees .....	8,192	8,542	9,493	—

The consolidated figures in this Annual Report are expressed in yen and solely for the convenience of the reader, translated into United States dollars at the rate of ¥124= U.S.\$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market as of March 31, 2001. See No.1 of Notes to Consolidated Financial Statements.

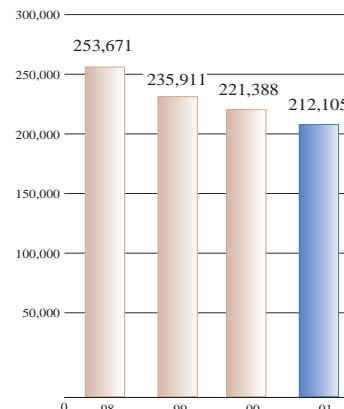
**Net Sales (¥ millions)**



**Net Loss (¥ millions)**



**Total Assets (¥ millions)**



# *Message from Management*

The Japanese economy during fiscal 2000 was driven by business fixed investment fueled by steady information technology (IT)-related investment. However, public investment and private consumption remained weak. In the second half of fiscal 2000, exports became sluggish reflecting a sharp slowdown in the U.S. economy. Overall, the economy remained continuously stagnant throughout the year. At the end of the fiscal year in March, the Japanese government announced that there was a risk that Japan would slip into a deflationary spiral. This caused concern about declining business fixed investment due to a fall in demand. The high future uncertainties and downward risks still surround the corporate sector.

Under these economic conditions, Meidensha Corporation conducted vigorous marketing efforts to boost sales across the Company. In spite of these efforts, however, sales for fiscal 2000 were 196,983 million yen (consolidated basis), or 3.6% lower than the previous fiscal year.

As a result of the corporation-wide efforts in cutting expenses, reducing costs, and raising productivity, ordinary profits were 2,942 million yen (consolidated basis), which is up 313.8% from the previous fiscal year. However, as a result of such losses as the torrential downpour damage that hit the Tokai Region in September last year, we regret to report our losses for the period amounted to 2,645 million yen (consolidated basis).

With regard to dividends for shareholders, the management regrets that the Company was unable to post a dividend.

Meidensha Corporation is now implementing the New Construction 21 (NC21) medium-term management plan that commenced in April last year. The NC21 plan aims to realize “Renovation of the Company” by company-wide efforts. We are committed to working harder to achieve better management and relentless improvement so that we can make a return to profitability and dividend payment.

As part of this commitment, we have actively promoted strategic alliances with other corporations to meet the changing competitive environment in the industry in order to survive in the global mega-competition. In July of last year, Meidensha jointly formed “Japan Motor & Generator Co. Ltd.” as a joint venture in the fields of high-voltage motors and small to medium-capacity generators with Hitachi Ltd. (NYSE: HIT) and Fuji Electric Co. Ltd. (TSE: 6504). This is intended to accelerate development and increase price competitiveness, as well as to build excellent presence in overseas markets. We have also formed a strategic alliance in the transmission and distribution fields with these same two companies in order to strengthen product competitiveness and speed up the development of new products by combining mutual competitive technologies. In this way, we are determined to keep a leading position in the heavy electric industry.

Apart from forming these alliances, Meidensha Corporation is also taking a variety of measures to increase its profit-earning capacity by consolidating and eliminating factories and product lines, and by restructuring production for greater efficiency. We are also moving into new areas of business to improve profitability by expanding our information and telecommunications operations, developing medical and social service businesses, and developing various other businesses that utilize IT. On the financial management front, we will reduce the size of interest-bearing liabilities and implement other reforms to improve the financial condition.

By strengthening group strategy, raising management efficiency, and expanding the range of our business activities, we will work toward growth for the MEIDEN Group as a whole.

We ask every shareholder as well as our customers and business partners to continue to share your guidance and advice.



*Keiji Kojima*

Keiji Kojima, Chairman

*Shigeo Seko*

Shigeo Seko, President

# *Review of Operations*

## *Energy Sector*

Energy Sector is our core market segment and the source of major profitability. In this sector, we are promoting enhancement of the digital control and networking features of power generation equipment. We are also developing the business of distributed generation and new energy sources. We also promote solutions for power supply in various facilities.

The demand for high-quality power supply with high reliability is growing more and more with the progress of information technology (IT). Meidensha Corporation is making use of its accumulated knowledge and expertise to provide the optimum power supply equipment to meet the needs of customers who have particular requirements for energy saving, reliability, quality, and maintainability.

One such customer, for example, is the Earth Simulator Facility of the Japan Marine Science and Technology Center. We have delivered an extra-high-voltage power substation to this facility to provide a highly reliable power supply incorporating redundancy and noise control measures and constructed to be suitable for outdoor application.

As an example of the application of digital control and networking in power plants and substations, we delivered in 2000 a system with fully integrated control and protection devices and digital control of all substations for a hydro-power plant.

Also in this field, we have record growth in the delivery of distributed generation equipment such as generators for gas-turbine cogeneration systems as well as the delivery of traction substations for railways in Japan and the Southeast Asia.

Last year, we established a Micro Gas Turbine Business Development Office. We are actively marketing in Japan and the sales of micro turbine systems are showing good results. Fuels for micro turbines include kerosene and natural gas. Further, we have proved by field testing that it is also possible to use methane gas obtained from fermented sewerage sludge as fuel. This resource-recovery application will contribute in the future to global environmental protection.

We have also developed a new type of high-voltage metal-clad switchgear incorporating vacuum circuit-breakers to enable energy saving and space saving. Sales of this equipment have begun, and it is expected that it will become a principal product in the future. We intend to develop the energy sector business with the introduction of new energy-compliant products such as wind power, photovoltaic power, biomass power, and other products that promote energy saving.



*Micro turbine system*



*Cogeneration system*



*Emergency power generating facility*



*Extra-high voltage power substation facility*



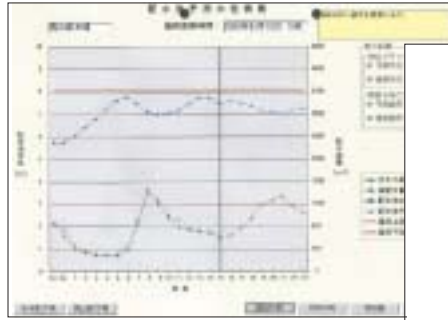
*Hydraulic power synthetic digital control system*

# *Review of Operations*

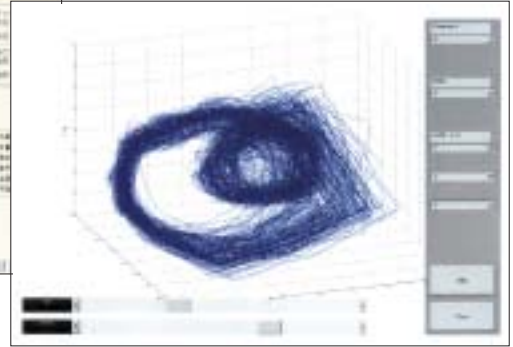
# *Environment Sector*



*Ozone generating Unit for deodorization*



*Screen of chaos technology-based demand prediction system*



Meidensha Corporation is devoting R&D resources for the development of water-quality control technology to realize a better water environment. Last year, we delivered products that use applied chaos technology-based demand prediction for the operation of distribution reservoirs and that incorporate pipe network analysis to monitor and control water-distribution facilities, while applying fuzzy logic for the control of rainwater pumps. As our new offerings, we have also begun deliveries of the microwave turbidimeter and total nitrogen/total phosphorus analyzer.



*Microwave turbidimeter*

The Company's efforts are being directed toward eco-solutions to build a sustainable society, as can be seen from our work in sophisticated processing at sewage and water-treatment plant, and our systematization of dry distillation-type thermal-decomposition treatment systems that comply with restrictions on the release of dioxins, etc. We are working to establish methods for analyzing endocrine disruptors (also known as "environmental hormones"), which have a bad effect on the human body, and we are conducting research into the applications of photocatalysis. As such, we are meeting the demands of

the times for environmental issues.

Meidensha Corporation has further established Solutions Provider Business Development Office to address the trend of privatization in the field of maintenance management and the operation of sewage and water supply facilities.

*Dry-distillation type thermal decomposition disposal system*



*Review of Operations*

# *Info and Communications Sector*

Meidensha Corporation has rich experiences in the fields of energy and the environment. We are promoting the effective use of IT for facility management and maintenance in the energy and environment fields. We are, therefore, constructing the necessary IT platforms and developing new fields of IT-related business.

We have, for example, developed an intranet Web-SCADA system for use in electric power applications.

Our new IT-related business developments include the MAIDO-Web Machine Auction System, a comprehensive information system for wholesale markets that has the potential for electronic commerce (EC) application. We have already made these communications and networking products and started shipment. Another example is the image streaming system that we have developed for live streaming of sound and images from portable video dispatch system (PVDS) mobile terminals to clients.

We have upgraded the popular  $\mu$ PORT series of industrial computers and the  $\mu$ PIBOC series of industrial controllers, and expanded the product line-up. We have also developed new switching hubs that are built into industrial devices.

We have expanded the line-up of stabilized power supply units for excimer lasers that are used as exposure tools in semiconductor production equipment, and of vacuum capacitor products for use with high-frequency RF matchers. These products have achieved good sales records.



*Industrial computer,  $\mu$ PORT-M2*



*PC/AT compatible controller,  $\mu$ PIBOC-III*



*Embedded controller,  $\mu$ PIBOC-C1*



*Image distribution system, REALFIELD*



*MEIDO-Web machine auction system*



*Switching hub, MEISWAY SW1000*



# *Industrial Systems Sector*

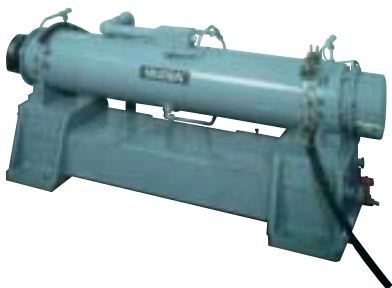


*PMD400 Series*

*PM servo drive, GORIKI Series*



*Ultra-high-speed FREC  
dynamometer*



*Ultra-small-diameter dynamometer for  
transaxle test*

This year has marked the outstanding results in the industrial systems sector, especially for motor power applications, logistics, and dynamometers.

In the field of motor power applications, we are seeking expanded uses for permanent magnet exciter-type synchronous motors (PM motors) in all types of applications, and have expanded related work into a series of servo drives. The GORIKI Series of Meiden PM servo drives features high torque, high response, and large capacity comparable to that of hydraulic drive units. Last year, we developed a 189kW PM motor which ranks among the largest such motors in the world.

In the field of logistics systems, we provide AGVs (Automated Guided Vehicles), palletizers, and other such distribution systems that offer highly space-efficient vertical stacking as well as ease and flexibility of layout design.

In the area of electric-powered vehicles, a change to AC power is underway in the drive system for forklifts. Meidensha Corporation is developing AC motors and controllers for use in such systems, and we have already begun deliveries of these products.

Our work in dynamometers has produced the world's ultra-small-diameter dynamometer (220 kW, 240 mm diameter) for transaxle test, and the world's fastest high-speed dynamometer (150 kW, 20,000 min<sup>-1</sup>) for use in electric vehicles. We have developed and already delivered these products.

Another product in this area is the dynamic load simulator which we developed through work on virtual test systems. We are currently carrying out the development of engine and transmission simulators as well. Our development of ultra-low-inertia dynamometers has provided a key to the creation of these simulators.



*Automatic material handling system*



*Bottle case palletizer*

## Review of Operations

# Healthcare and Welfare Sector



*Motor-powered scooter,  
Travel Partner*

With the introduction of “Long-term Care Insurance” in 2000 and the aging society in Japan, Meidensha Corporation has entered a new business in the health care and welfare sector which is expected to become a strategic business in the future.

We are expanding this business with:

- The Home Nursing Management System (software packages for home helper services, short-stay service, care management, etc.)
- Assistive Equipment for the Aged (transfer aid, training aid, rehabilitation aid, etc.)
- Medical Information Management System (management system for graphic data, medical claims, etc.)
- Assistive Equipment for Medical Service (aid for medical services)
- Information Service for Health Care and Welfare (Web-based researches and publications)
- Business Consulting for Care Houses

We intend to promote the expansion of our health care and welfare business.



*Aid information control system, Herusukekun Series*



*Rehabilitation game, Miniyard*

# Overseas Operations



*KL Monorail*

Fiscal 2000 saw a sharper slowdown the U.S. and E.U. economies. This significantly reduced export growth to the Southeast Asian countries, which are Meidensha Corporation's major markets. Amid concerns over the future outlook, delays in business recovery, and sluggish stock prices, a deceleration of business fixed investment in Southeast Asia became evident. Despite these circumstances, we increased our exports, with orders totaling 12,443 million yen, a change of 46.4% up from the previous year, and sales reaching 9,118 million yen (unconsolidated basis), down 32.3% from the previous year.

The major products ordered in fiscal 2000 were as follows:

In the power distribution field, CLP Power Hong Kong Ltd. in Hong Kong placed orders for 680 units 1500 kVA transformers.

In the field of electric railroad substations, we received orders for traction substations from the Light Rail Transit Authority in the Philippines for Metro Manila Line 2, and for a traction substation for KL Monorail in Malaysia. We also received an order for reinforcement of traction substations from the Ministry of Communications in Indonesia for the JABOTABEK Railway Project.

In the power generation field, we received orders for three 48 MVA gas turbine generators from the Department of Electrical Services, Ministry of Development, in Brunei.

Also in the power generation field, we received orders from GE Aero Energy Products for 10 units 56 MVA generators to be used with the GE LM6000PC gas turbine.

The major products manufactured and shipped during fiscal 2000 were as follows:

In the field of dynamometers for automobiles, we delivered three new-generation auto-transmission (A/T) line testers to Kia Motors Corporation in South Korea.

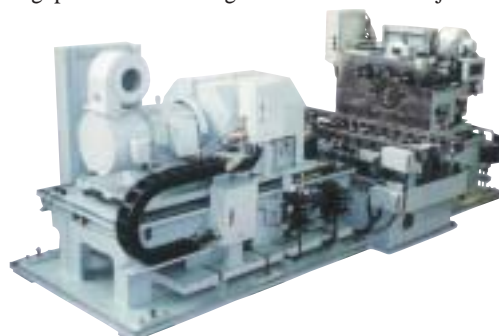
In the field of electric railroad substations, we delivered a traction substation to the Land Transport Authority of Singapore for the Changi Extension Line Project.



*Gas turbine generator for GE LM6000PC*



*22kV gas-insulated switchgear for traction substation*



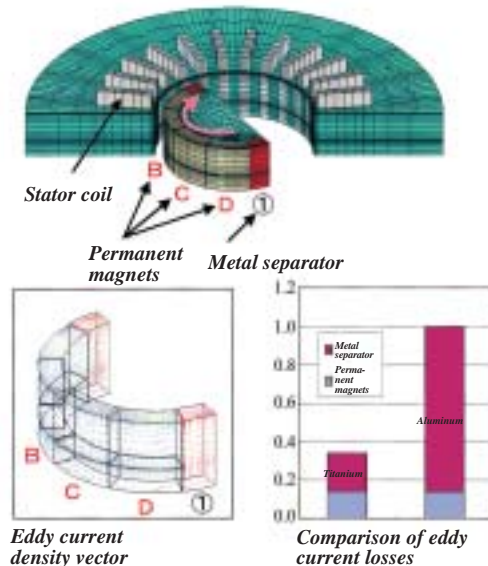
*Automatic transmission tester for end of production line*

## Eddy Current Loss Reduction Technology for Permanent Magnet Dynamometers

The use of ultra-low inertia dynamometers, which are used to test automobile drive train components, allows simulation of engine torque fluctuation. This is accomplished by superposing high frequencies on the current through the stator coil of the motor. The resulting changes in the magnetic field, however, cause eddy current losses in the rotor that determine the performance limits of the simulation.

This problem was approached by three-dimensional eddy current analysis using the finite element method. The results showed that eddy current losses could be reduced by changing the composition of the metal separators inserted between the rare-earth permanent magnets that make up the rotor. The figure on the right shows one example of the distribution of the eddy current density vector together with average eddy current losses for different separator materials.

Working from these results, it was possible to reduce losses to approximately one-quarter their former level by changing the separator material from aluminum to titanium.



Example of rotor eddy current loss analysis

## High-purity Liquid Ozone Oxidation Treatment Technology

The micro-miniaturization and high-order integration of LSI chips requires the use of thinner gate oxidation films. Conventional thermal oxidation films contain structural transition layers (asymmetrical layers) and regions of oxides (compositional transition layers) which are thought to limit the film thinness.

It has been confirmed that layers containing defects of this kind are far thinner in oxidized films using ozone. As this will also allow lower-temperature processes, it is anticipated to become a major breakthrough.

Meidensha Corporation has developed high-purity liquid ozone generating apparatus with semiconductor applications in mind. This apparatus is capable of generating high-purity ozone with no metallic impurities at a concentration of about 100% in a vacuum.

At present, we are evaluating silicon oxide film formation and the electrical characteristics of the oxide film. We plan to actively promote the application of this technology to semiconductor fabrication processing.



High-purity liquid ozone generating apparatus

# *Financial Section*

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# Consolidated Financial Review

## Outline of Profits and Losses

The Japanese economy in fiscal 2000 showed that the business fixed investment played a locomotive role in the economy spurred by the information technology (IT)-related investment. On the other hand, the public investment and private consumption showed a declining trend. In the second half of fiscal 2000, the exports fell rapidly reflecting a sharp economic slowdown in the United States. On the whole, the economy of fiscal 2000 continued to be sluggish.

Net sales totalled 196,983 million yen, a 3.6% decrease over the previous term. Business sector-based net sales stood at 35.8% for the Energy Sector, 26.3% for the Environment Sector, 7.4% for the Info and Communications Sector, 12.8% for the Industrial Systems Sector, and 17.7% for Others.

The cost of sales was 157,366 million yen, a 4.2% decrease. Sales, general and administrative expenses totalled 35,708 million yen, a 7.0% decrease. Operating income, therefore, stood at 3,909 million yen.

The final result was a net loss of 2,645 million yen for this term.

## Financial Conditions

Total assets at the end of March 2001 were 212,105 million yen, a decrease of 9,283 million yen. As a result of decreased cash and time deposits and marketable securities, of this figure current assets stood at 142,248 million yen, a decrease of 19,776 million yen. Property, plant and equipment was 39,496 million yen, a decrease of 120 million yen. Total current liabilities totalled 136,192 million yen, a decrease of 10,305 million yen, and shareholders' equity stood at 38,889 million yen, a decrease of 2,728 million yen. As a result, shareholder capital ratio decrease 0.5 points from 18.8% to 18.3%.

## Five-Year Summary

### MEIDENSHA CORPORATION AND CONSOLIDATED SUBSIDIARIES

Years ended March 31

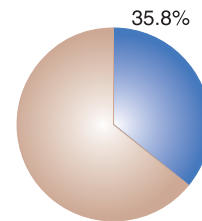
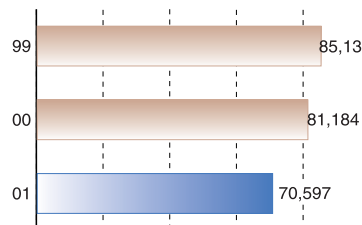
	Millions of yen				
	2001	2000	1999	1998	1997
Net sales	¥196,983	¥204,376	¥218,354	¥222,772	¥235,104
Net income (loss)	(2,645)	(5,761)	(16,912)	(4,767)	1,348
Net income (loss) per share (Yen)	(13.09)	(28.52)	(83.71)	(23.60)	6.68
Cash dividends paid	—	—	—	1,818	1,616
Depreciation and amortization	5,102	6,285	6,588	6,666	6,538
Total assets	212,105	221,388	235,911	253,671	245,003
Net property, plant and equipment	39,496	39,616	47,057	47,391	47,932
Shareholders' equity per share (Yen)	192.50	206.00	182.21	266.30	300.11

# Operational Review

## Energy Sector

Net sales ¥70,597 million (\$569,331 thousand)

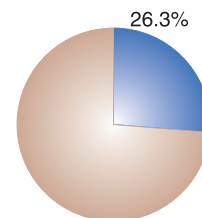
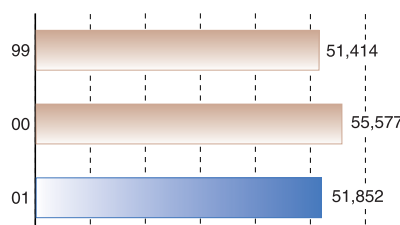
The Company manufactures and markets generators, transformers, switching devices, lightning arresters, power conversion equipment, and products to control these devices, for use in electric power facilities ranging from power company generating stations to transmission, transforming, and distribution facilities, in establishments ranging from national and local government facilities to railroads, highways, buildings, construction sites, and so on.



## Environment Sector

Net sales ¥51,852 million (\$418,161 thousand)

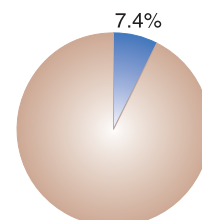
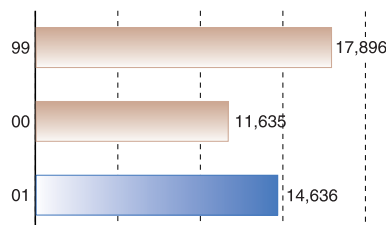
The Company provides “environment-friendly products and technologies” for the development of IT networks involved in the control of treatment equipment and processes for city water and sewage water systems operated by local governments, as well as for energy conservation, recycling, waste treatment, and so on.



## Info and Communications Sector

Net sales ¥14,636 million (\$118,032 thousand)

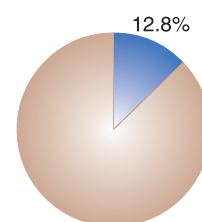
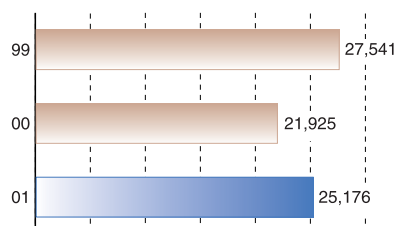
The Company manufactures and markets computer systems and all types of electronic equipment and crystal-related products primarily for the information and telecommunications market.



## Industrial Systems Sector

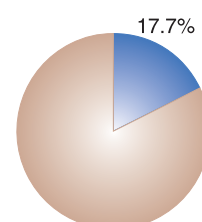
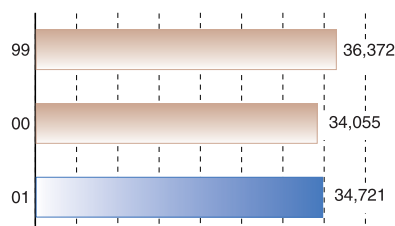
Net sales ¥25,176 million (\$203,032 thousand)

The Company manufactures and markets products related to manufacturing processes in every type of manufacturing industry, and, with a focus on electric motor power application products, extends to dynamometer instrumentation, industrial robots, automated guided vehicles, and other such areas.



## Others

Net sales ¥34,721 million (\$280,008 thousand)



# Consolidated Balance Sheets

MEIDENSHA CORPORATION AND CONSOLIDATED SUBSIDIARIES  
March 31, 2001 and 2000

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2001	2000	2001
<b>Assets</b>			
<b>Current assets:</b>			
Cash and time deposits .....	¥16,174	¥25,666	\$130,435
Marketable securities (Note 3) .....	3,668	21,807	29,581
Receivables:			
Trade notes .....	14,272	10,587	115,097
Trade accounts .....	68,393	69,670	551,556
Loans and advances .....	542	205	4,371
Due from unconsolidated subsidiaries and affiliates .....	1,123	1,634	9,056
Allowance for doubtful accounts .....	(244)	(499)	(1,968)
Inventories (Note 4) .....	31,466	28,511	253,758
Deferred income taxes (Note 14) .....	4,570	1,723	36,855
Other current assets .....	2,284	2,720	18,420
Total current assets .....	142,248	162,024	1,147,161
<b>Property, plant and equipment (Note 7):</b>			
Land .....	7,897	6,440	63,686
Buildings and structures .....	42,104	41,512	339,548
Machinery and equipment .....	73,361	75,427	591,621
Construction in progress .....	1,085	713	8,750
Less: Accumulated depreciation .....	(84,951)	(84,476)	(685,089)
	39,496	39,616	318,516
<b>Investment and other assets:</b>			
Investment securities (Note 3) .....	18,069	773	145,718
Investments in unconsolidated subsidiaries and affiliates .....	977	972	7,879
Long-term loans .....	157	223	1,266
Deferred income taxes (Note 14) .....	5,158	9,792	41,597
Other assets (Note 7) .....	6,009	7,453	48,460
Allowance for doubtful accounts .....	(9)	(17)	(73)
	30,361	19,196	244,847
<b>Foreign currency translation adjustment</b> .....	—	552	—
<b>Total assets</b> .....	<b>¥212,105</b>	<b>¥221,388</b>	<b>\$1,710,524</b>

See accompanying notes.



	Millions of yen		Thousands of U.S. dollars (Note 1)
	2001	2000	2001
<b>Liabilities and Shareholders' Equity</b>			
<b>Current liabilities:</b>			
Short-term borrowings (Note 5) .....	¥44,878	¥42,993	\$361,919
Commercial paper .....	—	17,000	—
Current portion of long-term debt (Note 6) .....	4,761	8,078	38,395
Payables:			
Trade notes .....	17,425	14,369	140,524
Trade accounts .....	35,419	32,166	285,637
Due from unconsolidated subsidiaries and affiliates .....	546	638	4,403
Advances received from customers .....	13,944	10,828	112,452
Accrued income taxes .....	837	700	6,750
Accrued bonuses .....	5,508	5,920	44,419
Other current liabilities .....	12,874	13,805	103,823
Total current liabilities .....	136,192	146,497	1,098,322
Long-term debt (Note 6) .....	19,247	18,052	155,218
Employees' severance and retirement benefits (Note 8) .....	7,903	894	63,734
Reserve for retirement allowance for directors and auditors .....	811	788	6,540
Deferred income tax liabilities on revaluation reserve for land (Note 17) .....	484	—	3,903
Other long-term debt (Note 6) .....	86	5,114	694
<b>Minority interests .....</b>	<b>8,493</b>	<b>8,426</b>	<b>68,492</b>
<b>Contingent liabilities (Note 10)</b>			
<b>Shareholders' equity (Note 9):</b>			
Common stock, par value ¥50 per share:			
Authorized — 576,000,000 shares			
Issued and outstanding — 202,025,158 shares .....	17,070	17,070	137,661
Additional paid-in capital .....	12,751	12,751	102,831
Retained earnings .....	8,968	11,796	72,323
Revaluation reserve for land, net of tax (Note 17) .....	423	—	3,411
Foreign currency translation adjustment .....	(323)	—	(2,605)
Less: Treasury stock .....	(0)	(0)	(0)
Total shareholders' equity .....	38,889	41,617	313,621
<b>Total liabilities and shareholders' equity .....</b>	<b>¥212,105</b>	<b>¥221,388</b>	<b>\$1,710,524</b>

# Consolidated Statements of Operations

MEIDENSHA CORPORATION AND CONSOLIDATED SUBSIDIARIES  
Years ended March 31, 2001, 2000 and 1999

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2001	2000	1999	2001
<b>Net Sales</b> .....	<b>¥196,983</b>	<b>¥204,376</b>	<b>¥218,354</b>	<b>\$1,588,573</b>
<b>Cost of sales (Note 12)</b> .....	157,366	164,221	175,308	1,269,081
<b>Selling, general and administrative expenses (Note 12)</b> .....	35,708	38,394	44,979	287,968
<b>Operating income (loss)</b> .....	<b>3,909</b>	<b>1,761</b>	<b>(1,933)</b>	<b>31,524</b>
<b>Other income (expenses):</b>				
Interest and dividends income .....	588	669	786	4,742
Interest expense .....	(1,159)	(1,183)	(1,623)	(9,347)
Gains on securities sold .....	1,207	966	91	9,734
Write-down of securities .....	(55)	(618)	(1,520)	(444)
Special retirement benefits to employees .....	—	(1,650)	(2,118)	—
Provision for employees' pension liability .....	—	(8)	(5,661)	—
Loss on disposal of fixed assets .....	(399)	(684)	(1,107)	(3,217)
Gain on sales of property, fixed assets .....	1	1,185	24	8
Loss arising from liquidation of subsidiaries and affiliates .....	—	(4,457)	—	—
Accident insurance income .....	325	—	—	2,621
Casualty loss (Note 18) .....	(3,112)	—	—	(25,097)
Miscellaneous, net .....	(723)	(666)	(1,488)	(5,830)
<b>Income (loss) before income taxes</b> .....	<b>582</b>	<b>(4,685)</b>	<b>(14,549)</b>	<b>4,694</b>
<b>Income taxes (Note 2):</b>				
Current .....	1,310	1,438	1,629	10,565
Deffered .....	1,793	(314)	—	14,460
	3,103	1,124	1,629	25,025
Minority interests .....	124	(48)	734	1,000
<b>Net loss</b> .....	<b>(¥2,645)</b>	<b>(¥5,761)</b>	<b>(¥16,912)</b>	<b>(\$21,331)</b>

	Yen			U.S. dollars (Note 1)
	2001	2000	1999	2001
<b>Amounts per share of common stock:</b>				
Net loss .....	(¥13.09)	(¥28.52)	(¥83.71)	(\$0.11)
Diluted net income .....	—	—	—	—
Cash dividends applicable to the year .....	—	—	—	—

See accompanying notes.

# Consolidated Statements of Shareholders' Equity

MEIDENSHA CORPORATION AND CONSOLIDATED SUBSIDIARIES  
Years ended March 31, 2001, 2000 and 1999

	Millions of yen						
	Number of shares issued	Common stock	Additional paid-in capital	Retained earnings	Revaluation reserve for land, net of tax	Foreign currency translation adjustment	Treasury stock
Balance at March 31, 1998 .....	202,025,158	¥17,070	¥12,751	¥23,980	¥—	¥—	(¥1)
Net loss .....	—	—	—	(16,912)	—	—	—
Bonuses to directors and statutory auditors .....	—	—	—	(92)	—	—	—
Increase in retained earnings due to addition of consolidated subsidiaries .....	—	—	—	14	—	—	—
Decrease (increase) treasury stock .....	—	—	—	—	—	—	0
Balance at March 31, 1999 .....	202,025,158	17,070	12,751	6,990	—	—	(1)
Net loss .....	—	—	—	(5,761)	—	—	—
Bonuses to directors and statutory auditors .....	—	—	—	(69)	—	—	—
Cumulative effect of adopting deferred income tax accounting (Note 2) .....	—	—	—	10,631	—	—	—
Increase in retained earnings due to addition of consolidated subsidiaries .....	—	—	—	238	—	—	—
Decrease in retained earnings due to reduction of consolidated subsidiaries .....	—	—	—	(29)	—	—	—
Decrease in retained earnings due to ownership change of affiliates .....	—	—	—	(204)	—	—	—
Decrease (increase) treasury stock .....	—	—	—	—	—	—	0
Balance at March 31, 2000 .....	202,025,158	17,070	12,751	11,796	—	—	(0)
Net loss .....	—	—	—	(2,645)	—	—	—
Bonuses to directors and statutory auditors .....	—	—	—	(55)	—	—	—
Increase in retained earnings due to merger of consolidated subsidiaries .....	—	—	—	13	—	—	—
Decrease in retained earnings due to addition of consolidated subsidiaries .....	—	—	—	(141)	—	—	—
Adjustments from translation of foreign currency financial statements (Note 2) .....	—	—	—	—	—	(323)	—
Revaluation reserve for land (Note 17) .....	—	—	—	—	423	—	—
Decrease (increase) treasury stock .....	—	—	—	—	—	—	0
<b>Balance at March 31, 2001 .....</b>	<b>202,025,158</b>	<b>¥17,070</b>	<b>¥12,751</b>	<b>¥8,968</b>	<b>¥423</b>	<b>(¥323)</b>	<b>(¥0)</b>

	Thousands of U.S. dollars (Note 1)						
	Number of shares issued	Common stock	Additional paid-in capital	Retained earnings	Revaluation reserve for land, net of tax	Foreign currency translation adjustment	Treasury stock
Balance at March 31, 2000 .....	202,025,158	\$137,661	\$102,831	\$95,129	—	—	(\$0)
Net loss .....	—	—	—	(21,331)	—	—	—
Bonuses to directors and statutory auditors .....	—	—	—	(443)	—	—	—
Increase in retained earnings due to merger of consolidated subsidiaries .....	—	—	—	105	—	—	—
Decrease in retained earnings due to addition of consolidated subsidiaries .....	—	—	—	(1,137)	—	—	—
Adjustments from translation of foreign currency financial statements (Note 2) .....	—	—	—	—	—	(\$2,605)	—
Revaluation reserve for land (Note 17) .....	—	—	—	—	\$3,411	—	—
Decrease (increase) treasury stock .....	—	—	—	—	—	—	0
<b>Balance at March 31, 2001 .....</b>	<b>202,025,158</b>	<b>\$137,661</b>	<b>\$102,831</b>	<b>\$72,323</b>	<b>\$3,411</b>	<b>(\$2,605)</b>	<b>(\$0)</b>

See accompanying notes.

# Consolidated Statements of Cash Flows

MEIDENSHA CORPORATION AND CONSOLIDATED SUBSIDIARIES  
Years ended March 31, 2001 and 2000

	Millions of yen		Thousands of
	2001	2000	U.S. dollars (Note 1)
			2001
<b>Operating activities:</b>			
Income (loss) before income taxes .....	¥582	(¥4,685)	\$4,694
Adjustments to reconcile income (loss) before income taxes to net cash provided by operating activities:			
Depreciation and amortization .....	5,102	6,285	41,145
Increase (Decrease) in allowances .....	1,205	(1,386)	9,718
Interest and dividends income .....	(588)	(669)	(4,742)
Interest expense .....	1,159	1,183	9,347
Loss arising from casualty .....	3,312	—	26,710
Accident insurance income .....	(325)	—	(2,621)
Decrease in receivables .....	476	12,542	3,839
Decrease (Increase) in inventories .....	(3,763)	3,957	(30,347)
Increase (Decrease) in payables .....	5,119	(4,545)	41,282
Other-net .....	(1,014)	6,058	(8,178)
Sub total .....	11,265	18,740	90,847
Interest income and dividends received .....	594	675	4,790
Interest expense paid .....	(1,138)	(1,231)	(9,177)
Special retirement benefits to employees paid .....	—	(4,053)	—
Income taxes paid .....	(1,152)	(1,628)	(9,290)
Accident insurance income .....	325	—	2,621
Expenditures from casualty .....	(721)	—	(5,815)
Net cash provided by operating activities .....	9,173	12,503	73,976
<b>Investing activities:</b>			
Acquisition of marketable securities and investment securities .....	(4,562)	(5,301)	(36,790)
Proceeds from sales of marketable securities and investment securities .....	5,780	10,697	46,613
Additions to property, plant and equipment .....	(4,521)	(4,799)	(36,460)
Proceeds from sales of property, plant and equipment .....	402	1,817	3,242
Decrease in investments in and advances to unconsolidated subsidiaries and affiliates .....	—	1,561	—
Other-net .....	336	(438)	2,710
Net cash provided by (used in) investing activities .....	(2,565)	3,537	(20,685)
<b>Financing activities:</b>			
Decrease in short-term bank loans .....	1,885	(3,556)	15,202
Decrease in commercial paper .....	(17,000)	(6,000)	(137,097)
Proceeds from long-term debt .....	6,583	7,405	53,089
Repayment of long-term debt .....	(8,710)	(3,203)	(70,242)
Repayment of bonds .....	—	(4,000)	—
Other-net .....	33	(1,337)	266
Net cash used in financing activities .....	(17,209)	(10,691)	(138,782)
Effects of exchange rate changes on cash .....	19	(82)	153
Increase (Decrease) in cash and cash equivalents .....	(10,582)	5,267	(85,338)
Cash and cash equivalents at beginning of year .....	27,273	21,549	219,943
Increase due to change in consolidated subsidiaries .....	459	457	3,701
Cash and cash equivalents at end of year .....	¥17,150	¥27,273	\$138,306

See accompanying notes.

# Notes to Consolidated Financial Statements

MEIDENSHA CORPORATION AND CONSOLIDATED SUBSIDIARIES

March 31, 2001 and 2000

## 1. Basis of Consolidated Financial Statements

MEIDENSHA CORPORATION (“the Company”) and its consolidated domestic subsidiaries maintain their accounts and records in accordance with the provisions set forth in the Japanese Commercial Code and the Securities and Exchange Law and in conformity with accounting principles and practices generally accepted in Japan, which are different from the accounting and disclosure requirements of International Accounting Standards. The accounts of overseas consolidated subsidiaries are based on the accounting records of these entities, in conformity with generally accepted accounting principles and practices prevailing in the respective countries of domicile.

The accompanying consolidated financial statements are a translation of the audited consolidated financial statements of the Company which were prepared in accordance with accounting principles and practices generally accepted in Japan from the accounts and records maintained by the Company and its consolidated subsidiaries and were filed with the Minister of Finance (“MOF”) as required by the Securities and Exchange Law.

In preparing the accompanying consolidated financial statements, certain reclassifications have been made in the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The consolidated statements of shareholders’ equity for 2001, 2000 and 1999 have been prepared for the purpose of inclusion in the accompanying consolidated financial statements, although such statements were not required for domestic purposes and were not filed with the regulatory authorities.

The translation of the Japanese yen amounts into U.S. dollars are included solely for the convenience of the reader, using the prevailing exchange rate at March 31, 2001, which was ¥124 to U.S. \$1. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, con-

verted into U.S. dollars at this or any other rate of exchange.

Certain prior years’ amounts have been reclassified to conform to 2001 presentation. These changes had no impact on previously reported results of operations or shareholders’ equity.

## 2. Summary of Significant Accounting Policies

### a) Principles of Consolidation

Effective for the year ended March 31, 2001, all companies are required to consolidate all significant investees which are controlled through substantial ownership of majority voting rights or existence of certain conditions. Previously only majority-owned companies were consolidated. The prior years’ consolidated financial statements have not been restated.

The accompanying consolidated financial statements include the accounts of the Company and its 22 (2001 and 2000, 21 for 1999) consolidated subsidiaries. All significant inter-company accounts and transactions have been eliminated on consolidation. The Company’s remaining subsidiaries, whose net and gross assets and net sales are not significant in the aggregate in relation to the comparable figures in the consolidated financial statements, have not been consolidated.

In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are evaluated using the fair value at the Company acquired control of the respective subsidiaries.

### b) Equity Method

Investments in unconsolidated subsidiaries and affiliated companies (all 20% to 50% owned and certain others 15% to 20% owned) are accounted for by the equity method in the year ended March 31, 2001 and 2000. Prior to April 1, 1999, only investments in companies of which the Company owns 20% to 50% of the voting rights and has the ability to significantly influence financial, operational or business policies were

accounted for using the equity method. Effective April 1, 1999, in accordance with the revised Accounting Principles for Consolidated Financial Statements, investments in companies of which the Company has at least 15% and less than 20% of the voting rights are also accounted for using the equity method in the cases where the Company has the ability to exercise significant influence over operating and financial policies of the investees. The effect of the adoption of this new accounting is immaterial. In the case of the Company, investments in an unconsolidated subsidiary and an affiliated company are accounted for by the equity method in 2001 and 2000. Investments in all other unconsolidated subsidiaries and affiliated companies, that would not have material effect on the consolidated financial statements, are stated at cost.

### c) Securities

Prior to April 1, 2000, securities listed in Japanese stock markets are mainly stated at the lower of cost or market. Securities unlisted in stock markets are stated at cost. The cost is determined by the moving-average method.

Effective April 1, 2000, the Company and its consolidated subsidiaries adopted the new Japanese accounting standard for financial instruments (“Opinion Concerning Establishment of Accounting Standard for Financial Instruments” issued by the Business Accounting Deliberation Council on January 22, 1999).

Upon applying the new accounting standard, all companies are required to examine the intent of holding each security and classify those securities as (a) securities held for trading purposes (hereafter, “trading securities”), (b) debt securities intended to be held to maturity (hereafter, “held-to-maturity debt securities”), (c) equity securities issued by subsidiaries and affiliated companies, and (d) for all other securities that are not classified in any of the above categories (hereafter, “available-for-sale securities”).

The Company and its subsidiaries do not have trading securities. Held-to-maturity debt securities are stated at amortized cost. Equity securities issued by subsidiaries and af-

filiated companies which are not consolidated or accounted for using the equity method are stated at moving-average cost. Available-for-sale securities are stated at moving-average cost.

See Note 3 as to detail information on securities.

If the market value of held-to-maturity debt securities, equity securities issued by unconsolidated subsidiary and affiliated company, and available-for-sale securities, declines significantly, such securities are stated at fair market value and the difference between fair market value and the carrying amount is recognized as loss in the period of the decline. If the fair market value of equity securities issued by unconsolidated subsidiary and affiliated company not on the equity method is not readily available, such securities should be written down to net asset value with a corresponding charge in the income statement in the event net asset value declines significantly. In these cases, such fair market value or the net asset value will be the carrying amount of the securities at the beginning of the next year.

As a result of adopting the new accounting standard for financial instruments, income before income taxes increased by ¥2,208 million (\$17,806 thousand). Also, based on the examination of the intent of holding each security upon application of the new accounting standard on April 1, 2000, trading securities as well as held-to-maturity debt securities and available-for-sale securities maturing within one year from the balance sheet date are included in current assets, and other securities are included in investments and other assets. As a result, at March 31, 2001, securities in current assets decreased by ¥19,056 million (\$153,677 thousand) and investment securities increased by the same amount compared with what would have been reported under the previous accounting policy.

### d) Derivatives and Hedge Accounting

The new accounting standard for financial instruments, effective from the year ended March 31, 2001, requires companies to state derivative financial instruments at fair value and to recognize changes in the fair value as gains or losses unless derivative financial instruments are used for hedging purposes.

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Company and its consolidated subsidiaries (the “Companies”) defer recognition of gains or losses resulting from changes in fair value of derivative financial instruments until the related losses or gains on the hedged items are recognized.

However, in cases where forward foreign exchange contracts are used as hedges and meet certain hedging criteria, forward foreign exchange contracts and hedged items are accounted for in the following manner:

1. If a forward foreign exchange contract is executed to hedge an existing foreign currency receivable or payable,
  - (a) the difference, if any, between the Japanese yen amount of the hedged foreign currency receivable or payable translated using the spot rate at the inception date of the contract and the book value of the receivable or payable is recognized in the income statement in the period which includes the inception date, and
  - (b) the discount or premium on the contract (that is, the difference between the Japanese yen amount of the contract translated using the contracted forward rate and that translated using the spot rate at the inception date of the contract) is recognized over the term of the contract
2. If a forward foreign exchange contract is executed to hedge a future transaction denominated in a foreign currency, the future transaction will be recorded using the contracted forward rate, and no gains or losses on the forward foreign exchange contract are recognized.

Also, if interest rate swap contracts are used as hedge and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract is executed.

#### **e) Inventories**

Inventories are stated at cost, which is mainly determined

by the average method as to raw materials and plant supplies and the specific identification method as to finished products, semi-finished products and work in process.

#### **f) Property Plant, Equipment and Depreciation**

Depreciation is computed using the declining-balance method over estimated useful lives except for buildings acquired after March 31, 1998, which are depreciated based on the straight-line method.

#### **g) Allowance for Doubtful Accounts**

Effective from the year ended March 31, 2001, the Company and its consolidated subsidiaries provide the allowance for doubtful accounts in an amount sufficient to cover possible losses on collection by estimating individually uncollectible amounts and applying a percentage based on collection experience to the remaining accounts. Previously, the Company and its consolidated subsidiaries provided the allowance for doubtful accounts as to the individual uncollectible amounts and as to the general allowance using the formula provided by the Corporate Tax Law.

#### **h) Employees’ Severance and Retirement Benefits**

The Company and its consolidated subsidiaries provide two types of post-employment benefit plans, unfunded lump-sum payment plans and funded contributory pension plans, under which all eligible employees are entitled to benefits based on the level of wages and salaries at the time of retirement or termination, length of service and certain other factors.

At March 31, 2000, the Company and its consolidated subsidiaries accrued liabilities for lump-sum severance and retirement payments equal to 40% of the amount required had all eligible employees voluntarily terminated their employment at the balance sheet date. The Companies recognized pension expense when, and to the extent, payments were made to the

pension plans.

Effective April 1, 2000, the Company and its consolidated subsidiaries adopted the new accounting standard, “Opinion on Setting Accounting Standard for Employees’ Severance and Pension Benefits”, issued by the Business Accounting Deliberation Council on June 16, 1998 (the “New Accounting Standard”).

Under the New Accounting Standard, the liabilities and expenses for severance and retirement benefits are determined based on the amounts actuarially calculated using certain assumptions.

The Company and its consolidated subsidiaries provided allowance for employees’ severance and retirement benefits at March 31, 2001 based on the estimated amounts of projected benefit obligation and the fair value of the plan assets at that date.

The excess of the projected benefit obligation over the total of the fair value of pension assets as of April 1, 2000 and the liabilities for severance and retirement benefits recorded as of April 1, 2000 (the “net transition obligation”) amounted to ¥38,330 million (\$309,113 thousand). The amount will be recognized in expenses in equal amounts over 15 years commencing with the year ended March 31, 2001. Prior service costs are recognized in expenses in equal amounts over the average of the estimated remaining service lives of the employees, and actuarial gains and losses are recognized in income or expenses using the straight-line method over the average of the estimated remaining service lives commencing with the following period.

As a result of the adoption of the New Accounting Standard, in the year ended March 31, 2001, severance and retirement benefit expenses increased by ¥1,729 million (\$13,944 thousand), operating income decreased by ¥1,399 million (\$11,282 thousand) and income before income taxes decreased by ¥1,594 million (\$12,855 thousand) compared with what would have been recorded under the previous accounting standard.

## **i) Income Taxes**

The Company provided income taxes at the amounts currently payable for the year ended March 31, 1999. Effective April 1, 1999, the Company and its consolidated subsidiaries adopted the New Accounting Standard, which recognizes tax effects of temporary differences between the carrying amounts of assets and liabilities for tax and financial reporting. Under the new accounting standard, the provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

The cumulative effect of adopting the new accounting standard at April 1, 1999 is ¥10,631 million, which is directly added to the retained earnings brought forward from March 31, 1999. The effect for the year ended March 31, 2000 was a decrease in net income of ¥2,606 million. Prior years’ financial statements have not been restated.

## **j) Foreign Currency Translation**

Short-term receivables and payables denominated in foreign currencies are translated into Japanese yen at the year-end rates. Prior to April 1, 2000, long-term receivables and payable denominated in foreign currencies were translated at historical rates.

Effective April 1, 2000, the Company and its consolidated subsidiaries adopted the revised accounting standard for foreign currency translation, “Opinion Concerning Revision of Accounting Standard for Foreign Currency Translation”, issued by the Business Accounting Deliberation Council on October 22, 1999 (the “Revised Accounting Standard”). Under the Revised Accounting Standard, long-term receivables and payables denominated in foreign currencies are also translated into Japanese yen at the year-end rate.

There was no effect on the consolidated income statement of adopting the Revised Accounting Standard.



Financial statements of consolidated overseas subsidiaries are translated into Japanese yen at the year-end rate, except that shareholders' equity accounts are translated at historical rates and income statement items resulting from transactions with the Company at the rates used by the Company.

Due to the adoption of the Revised Accounting Standard, the Company and its domestic subsidiaries report foreign currency translation adjustments in the shareholders' equity and minority interests. The prior year's amount, which was included in assets has not been reclassified.

#### **k) Amounts Per Share of Common Stock**

The computation of net income (loss) per share is based on the weighted average number of shares of common stock outstanding during the year.

For the years ended March 31, 2001, 2000 and 1999, diluted net income per share were not shown since operation resulted in net loss.

#### **l) Statement of Cash Flows**

The Company prepared the 2001 and 2000 consolidated statement of cash flow as required by and in accordance with the "Standards for Preparation of Consolidated Cash Flow Statements, etc.", effective from the year ended March 31, 2000. In preparing the consolidated statements of cash flow, cash on hand, readily-available deposits and short-term highly liquid investments with maturities that do not exceed three months at the time of purchase, are considered to be cash and cash equivalents.

See Note 15 as to reconciliation for cash and time deposits.

### 3. Securities

A. The Company and its consolidated subsidiaries do not reflect fair value etc. on the financial statements as to available-for-sale securities allowed by the new accounting standard. The following tables summarize book value, fair value, etc. of available-for-sale securities with available fair values as of March 31, 2001:

	Millions of yen	Thousands of U.S. dollars
Book value .....	¥20,161	\$162,589
Fair value .....	22,925	184,879
Net unrealized holding gains on securities .....	1,590	12,822
Deferred tax liabilities .....	1,130	9,113
Minority interests .....	44	355

B. The following tables summarize book values of securities without fair values as of March 31, 2001:

(a) Equity securities issued by subsidiaries and affiliated companies:

Type	Millions of yen	Thousands of U.S. dollars
Non-listed equity securities .....	¥977	\$7,879

(b) Available-for-sale securities:

Type	Millions of yen	Thousands of U.S. dollars
Money management fund .....	¥406	\$3,274
Beneficiary certificates .....	50	403
Non-listed foreign securities .....	401	3,234
Non-listed equity securities .....	720	5,807
<b>Total .....</b>	<b>¥1,577</b>	<b>\$12,718</b>

C. Available-for-sale securities with maturities are as follows:

Type	Millions of yen			
	Within one year	Over one year but within five years	Over five years but within ten years	Over ten years
Corporate bonds	¥2,121	¥1,149	¥100	¥20

Type	Thousands of U.S. dollars (Note 1)			
	Within one year	Over one year but within five years	Over five years but within ten years	Over ten years
Corporate bonds	\$17,105	\$9,266	\$806	\$161

D. Total sales of available-for-sale securities sold in the year ended March 31, 2001 amounted to ¥5,780 million (\$46,613 thousand) and the related gains amounted to ¥1,207 million (\$9,734 thousand).

#### 4. Inventories

Inventories as of March 31, 2001 and 2000 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Finished products .....	¥2,622	¥1,902	\$21,415
Semi-finished products .....	3,013	2,868	24,298
Work-in-process .....	23,834	22,248	192,210
Materials and supplies .....	1,997	1,493	16,105
<b>Total .....</b>	<b>¥31,466</b>	<b>¥28,511</b>	<b>\$253,758</b>

#### 5. Short-Term Borrowings

Short-term borrowings are bank loans and represented by notes. The weighted average interest rate was 1.2% as of March 31, 2001 and 2000.

#### 6. Long-Term Debt

Long-term debt as of March 31, 2001 and 2000 consisted of the following.

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
1.48% to 4.45% loans from banks and insurance companies .....	¥22,944	¥24,290	\$185,032
2.2% to 2.7% loans from agricultural cooperative organizations ....	1,064	1,840	8,581
Less: Current portion .....	(4,761)	(8,078)	(38,395)
<b>Total .....</b>	<b>¥19,247</b>	<b>¥18,052</b>	<b>\$155,218</b>

The annual maturities of long-term debts as of March 31, 2001 were as follows.

	Millions of yen	Thousands of U.S. dollars
Year ended March 31		
2002 .....	¥4,761	\$38,395
2003 .....	7,542	60,823
2004 .....	8,609	69,427
2005 .....	1,190	9,597
2006 .....	1,906	15,371
2007 and thereafter .....	—	—

## 7. Pledged Assets

The following assets were pledged as collateral at March 31, 2001.

	Millions of yen	Thousands of U.S. dollars
Buildings and structures less related accumulated depreciation .....	¥928	\$7,484
Machinery and equipment less related accumulated depreciation .....	103	831
Land .....	2,837	22,879
Investment securities .....	3,013	24,298
Others .....	49	395
<b>Total .....</b>	<b>¥6,930</b>	<b>\$55,887</b>

Obligations with collateral pledged at March 31, 2001 were as follows.

	Millions of yen	Thousands of U.S. dollars
Short-term borrowings .....	¥2,650	\$21,371
Long-term debt .....	3,966	31,984
Repurchase of note discounted .....	250	2,016
<b>Total .....</b>	<b>¥6,866</b>	<b>\$55,371</b>

## 8. Employees' Severance and Pension Benefits

As explained in Note 2., Effective April 1, 2000, the Company and its consolidated subsidiaries adopted the new accounting standard for employees' severance and retirement benefits, under which the liabilities and expenses for severance and retirement benefits are determined based on the amounts obtained by actuarial calculations.

The liabilities for severance and retirement benefits included in the liability section of the consolidated balance sheet as of March 31, 2001 consists of the following:

	Millions of yen	Thousands of U.S. dollars
Projected benefit obligation .....	¥83,072	\$669,935
Unrecognized prior service costs .....	62	500
Unrecognized actuarial differences .....	(6,488)	(52,323)
Less fair value of pension assets .....	(33,068)	(266,677)
Less unrecognized net transition obligation .....	(35,675)	(287,701)
Liability for severance and retirement benefits .....	¥7,903	\$63,734

Included in the consolidated statement of income for the year ended March 31, 2001 are severance and retirement benefit expenses comprised of the following:

	Millions of yen	Thousands of U.S. dollars
Service costs – benefits earned during the year .....	¥3,752	\$30,258
Interest cost on projected benefit obligation .....	2,658	21,435
Expected return on plan assets .....	(1,487)	(11,992)
Amortization of prior service costs .....	(4)	(32)
Amortization of net transition obligation .....	2,655	21,411
Employee's contribution .....	(598)	(4,822)
Severance and retirement benefit expenses .....	¥6,976	\$56,258

The discount rate and the rate of expected return on plan assets used by the Company and its consolidated subsidiaries are 3.5% and 3.5% to 5.0%, respectively. The estimated amount of all retirement benefits to be paid at the future retirement date is allocated equally to each service year using the estimated number of total service years. Past service costs are recognized as an expense in equal amounts over 14 years, and actuarial gains/losses are recognized in income statement using the straight-line method over 10 to 15 years.

## 9. Shareholder's Equity

Under the Commercial Code of Japan (the "Code"), at least 50% of the issue price of new shares, with a minimum of the par value thereof, is required to be designated as stated capital. The portion which is to be designated as stated capital is determined by resolution of the Board of Directors. Proceeds in excess of the amounts designated as stated capital are to be credited to additional paid-in capital.

Under the Code, amounts equal to at least 10% of cash dividends and other cash appropriations of retained earnings must be set aside as a legal reserve until such reserve equals 25% of stated capital. The legal reserve may be used to reduce deficits by resolution of the shareholders or may be transferred to stated capital by resolution of the Board of Directors.

## 10. Contingent Liabilities

Contingent liabilities at March 31, 2001, were as follows.

	Millions of yen	Thousands of U.S. dollars
<b>Repurchase of note discounted and endorsed .....</b>	<b>¥2,338</b>	<b>\$18,855</b>
Guarantees of loans from banks to unconsolidated subsidiaries and affiliates .....	550	4,436
Employees .....	1,540	12,419
<b>Total .....</b>	<b>¥4,428</b>	<b>\$35,710</b>

## 11. Non-Capitalized Finance Leases:

(1) Financial leases, which do not transfer ownership of properties to lessees, are not capitalized and are accounted for in the same manner as operating leases. The relevant calculations follow:

- (i) Assumed amounts (inclusive of interest) of acquisition cost, accumulated depreciation and net book value as of March 31, 2001 and 2000, are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Assumed acquisition cost:			
Machinery and equipment .....	¥252	¥207	\$2,032
Other .....	1,824	2,034	14,710
Accumulated depreciation .....	(1,287)	(1,181)	(10,379)
	<b>¥789</b>	<b>¥1,060</b>	<b>\$6,363</b>

- (ii) Future minimum lease payments, inclusive of interest, at March 31, 2001 totalled ¥789 million (\$6,363 thousand), including ¥359 million (\$2,895 thousand) due within one year.
- (iii) Lease payments, which are equal to assumed depreciation charges for the years ended March 31, 2001 and 2000, were ¥431 million (\$3,776 thousand) and ¥608 million (\$4,903 thousand), respectively.
- (iv) Assumed depreciation charges are computed using the straight-line method over lease terms assuming no residual value.

(2) Future operating lease payments under non-cancelable operating leases as of March 31, 2001 totalled ¥1,729 million (\$13,944 thousand), including ¥268 million (\$2,161 thousand) due within one year.

## 12. Research and Development Expenses

Research and development expenses are charged to income as incurred. The amount charged to income for the year ended March 31, 2001 and 2000 stood at ¥8,372 million (\$78,981 thousand) and ¥8,372 million (\$67,516 thousand), respectively.

## 13. Segment Information

### Industry segments:

The Company and its consolidated subsidiaries operate principally in five industrial sectors: Energy, Environment, Info and Communications, Industrial Systems, and Others Sectors. In the year ended March 31, 2000, the Company and its consolidated subsidiaries modified its classification of products (rotary machine, transmission and distribution equipment, control equipment, construction and wiring and others) among the sectors. The change was brought about by the Company's restructuring.

Information by industry segments for the years ended March 31, 2001, 2000 and 1999 were as follows:

Year ended March 31, 2001	Millions of yen						Eliminations or Corporate	Consolidated
	Energy	Environment	Info and Communications	Industrial Systems	Other	Total		
Net sales:								
Outside customers	¥70,597	¥51,852	¥14,636	¥25,176	¥34,722	¥196,983	¥—	¥196,983
Inter-segment	5,380	1,549	2,843	2,502	36,345	48,619	(48,619)	—
Total	75,977	53,401	17,479	27,678	71,067	245,602	(48,619)	196,983
Operating expenses	76,043	44,161	19,875	29,261	69,969	239,309	(46,235)	193,074
Operating income (loss)	(¥66)	¥9,240	(¥2,396)	(¥1,583)	¥1,098	¥6,293	(¥2,384)	¥3,909
Identifiable assets	¥54,207	¥23,070	¥21,335	¥22,222	¥43,189	¥164,023	¥48,082	¥212,105
Depreciation and amortization	1,376	190	839	743	645	3,793	1,309	5,102
Capital expenditures	1,248	144	624	766	980	3,762	1,219	4,981

Year ended March 31, 2000	Millions of yen						Eliminations or Corporate	Consolidated
	Energy	Environment	Info and Communications	Industrial Systems	Other	Total		
Net sales:								
Outside customers	¥81,184	¥55,577	¥11,635	¥21,925	¥34,055	¥204,376	¥—	¥204,376
Inter-segment	5,322	2,178	2,538	2,481	36,957	49,476	(49,476)	—
Total	86,506	57,755	14,173	24,406	71,012	253,852	(49,476)	204,376
Operating expenses	85,996	47,336	18,200	28,094	68,718	248,344	(45,729)	202,615
Operating income (loss)	¥510	¥10,419	(¥4,027)	(¥3,688)	¥2,294	¥5,508	(¥3,747)	¥1,761
Identifiable assets	¥57,625	¥22,305	¥18,103	¥18,152	¥44,396	¥160,581	¥60,807	¥221,388
Depreciation and amortization	1,466	179	1,372	801	605	4,423	1,862	6,285
Capital expenditures	381	392	987	309	1,328	3,397	695	4,092

Year ended March 31, 1999	Millions of Yen							Eliminations or Corporate	Consolidated
	Energy	Environment	Info and Communications	Industrial Systems	Other	Total			
Net sales:									
Outside customers	¥85,131	¥51,414	¥17,896	¥27,541	¥36,372	¥218,354	¥—	¥218,354	
Inter-segment	5,400	1,423	1,161	3,699	36,067	47,750	(47,750)	—	
<b>Total</b>	<b>90,531</b>	<b>52,837</b>	<b>19,057</b>	<b>31,240</b>	<b>72,439</b>	<b>266,104</b>	<b>(47,750)</b>	<b>218,354</b>	
Operating expenses	91,917	45,976	21,456	34,242	70,074	263,665	(43,379)	220,286	
Operating income (loss)	(¥1,386)	¥6,861	(¥2,400)	(¥3,001)	¥2,365	¥2,439	(¥4,372)	(¥1,933)	
Identifiable assets	¥66,718	¥24,049	¥26,130	¥25,534	¥39,767	¥182,198	¥53,714	¥235,912	
Depreciation and amortization	1,628	199	1,524	890	531	4,772	1,817	6,589	
Capital expenditures	1,223	257	1,505	699	1,065	4,749	1,164	5,913	

Year ended March 31, 2001	Thousands of U.S. dollars (Note 1)							Eliminations or Corporate	Consolidated
	Energy	Environment	Info and Communications	Industrial Systems	Other	Total			
Net sales:									
Outside customers	\$569,331	\$418,161	\$118,032	\$203,032	\$280,017	\$1,588,573	\$—	\$1,588,573	
Inter-segment	43,387	12,492	22,927	20,177	293,105	392,088	(392,088)	—	
<b>Total</b>	<b>612,718</b>	<b>430,653</b>	<b>140,959</b>	<b>223,209</b>	<b>573,122</b>	<b>1,980,661</b>	<b>(392,088)</b>	<b>1,588,573</b>	
Operating expenses	613,250	356,137	160,282	235,975	564,267	1,929,911	(372,862)	1,557,049	
Operating income (loss)	(\$532)	\$74,516	(\$19,323)	(\$12,766)	\$8,855	\$50,750	(\$19,226)	\$31,524	
Identifiable assets	\$437,153	\$186,048	\$172,056	\$179,210	\$348,299	\$1,322,766	\$387,758	\$1,710,524	
Depreciation and amortization	11,097	1,532	6,766	5,992	5,202	30,589	10,556	41,145	
Capital expenditures	10,065	1,161	5,032	6,177	7,904	30,339	9,830	40,169	

Geographic information is not disclosed due to its insignificance.



## 14. Income Taxes

Japanese income taxes, which consist of corporate, enterprise and inhabitants taxes, would normally result in an aggregate statutory tax rate of approximately 41%, 42% and 48% for the years ended March 31, 2001, 2000 and 1999, respectively. Significant components of deferred tax assets and liabilities of the Company and its consolidated subsidiaries as of March 31, 2001 are as follows.

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
<b>Deferred tax assets:</b>			
Net operating loss carry forwards .....	¥6,522	\$5,858	\$52,597
Allowance for retirement benefits .....	3,020	2,375	24,355
Unrecognized intercompany profit .....	3,334	3,450	26,887
Bonuses .....	1,174	689	9,468
Other .....	1,306	700	10,532
Gross deferred tax assets .....	15,356	13,072	123,839
Less: Valuation allowance .....	(4,149)	—	(33,460)
	11,207	13,072	90,379
<b>Deferred tax liabilities:</b>			
Deferred gain on sales of property for tax purpose .....	1,425	1,492	11,492
Other .....	54	65	435
Gross deferred tax liabilities .....	1,479	1,557	11,927
Net deferred tax assets .....	9,728	11,515	78,452

The following table summarizes the significant differences between the statutory tax rate and the Company's effective tax rate for financial statement purposes for the year ended March 31, 2001:

	2001
Statutory tax rate	40.87%
Permanent difference (Social expenses, etc.)	34.62
Per capita inhabitant tax	23.97
Net increase in valuation allowance	433.80
Other - net	(0.17)
Effective tax rate	533.09%

Difference between the statutory tax rate and the Company's effective tax rate for the year ended March 31, 2000 is not shown due to loss before income taxes.

## 15. Cash and Cash Equivalents

Reconciliations of cash and time deposits shown in the consolidated balance sheets and cash and cash equivalents shown in the consolidated statements of cash flows as of March 31, 2001 and 2000 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Cash and time deposits .....	¥16,174	¥25,666	\$130,435
Short-term securities .....	3,668	21,807	29,581
Bonds with maturities of exceeding three months .....	(2,692)	(20,200)	(21,710)
Cash and cash equivalents .....	¥17,150	¥27,273	\$138,306

## 16. Effect of Bank Holiday on March 31, 2001

As financial institutions in Japan were closed on March 31, 2001, amounts that would normally be settled on March 31, 2001 were collected or paid on the following business day, April 2, 2001.

The effects of the settlements on April 2 instead of March 31 included the following:

Notes receivable, trade	Increased by approximately	¥1,435 million	(\$11,573 thousand)
Notes payable, trade	Increased by approximately	¥558 million	(\$4,500 thousand)

## 17. Land Revaluation

A consolidated subsidiary revalued the land used for its business operations on March 31, 2001, under the Law Concerning Revaluation for Land. As a result of the revaluation, certain land (which book value was ¥1,046 million (\$8,435 thousand) was valued at the amount of ¥2,207 million (\$17,798 thousand) primarily based on the official notice prices as provided for in the Law Concerning Public Notification of Land Prices. The consolidated subsidiary reported unrealized gains, net of income taxes and minority interest, in the amount of ¥423 million (\$3,411 thousand) in a separate component of shareholders' equity, which were excluded from earnings, and the tax effect for the unrealized gains in the amount of ¥484 million (\$3,903 thousand) as deferred tax liability on revaluation reserve for land in the accompanying consolidated balance sheet as of March 31, 2001.

## 18. Casualty Loss

The Company and 4 domestic consolidated subsidiaries were damaged by a flood in Nagoya area in September 2000.

## 19. Subsequent Event

On May 7, 2001, the Board of Directors of the Company resolved that the Company would establish a joint venture company with Hitachi, Ltd and Fuji Electric Co., Ltd. and signed on a joint venture agreement on the same day. The Joint venture will manufacture products for transmission and distribution of electric power.

# *Report of Independent Public Accountants*

To the Shareholders and the Board of Director of Meidensha Corporation:

We have audited the accompanying consolidated balance sheets of MEIDENSHA CORPORATION (a Japanese corporation) and subsidiaries as of March 31, 2001 and 2000, and the related consolidated statements of operations, and shareholders' equity for each of the three years in the period ended March 31, 2001, and the related consolidated statement of cash flows for each of the two years ended March 31, 2001, expressed in Japanese yen. Our audits were made in accordance with generally accepted auditing standards in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the consolidated financial position of MEIDENSHA CORPORATION and subsidiaries as of March 31, 2001 and 2000, and the consolidated results of their operations for each of the three years in the period ended March 31, 2001, and the consolidated results of their cash flows for each of the two years ended March 31, 2001 in conformity with accounting principles generally accepted in Japan applied on consistent basis, except for the change, with which we concur, in the method of segmentation by industry segment, made in the year ended March 31, 2000, as described in Note 14.

As explained in Note 2, the Company and its consolidated subsidiaries prospectively adopted new Japanese accounting standards for consolidation and equity method accounting and income taxes in the year ended March 31, 2000, and new Japanese accounting standards for employees' severance and pension benefits, financial instruments, and the revised accounting standards for foreign currency translation in the year ended March 31, 2001.

Also, in our opinion, the U.S. dollar amounts in the accompanying consolidated financial statements have been translated from Japanese yen on the basis set forth in Note 1.

Tokyo, Japan  
June 28, 2001

*Asahi & Co.*

## Statement on Accounting Principles and Auditing Standards:

This statement is to remind users that accounting principles and auditing standards and their application in practice may vary among nations and therefore could affect, possibly materially, the reported financial position and results of operations. The accompanying financial statements are prepared based on accounting principles generally accepted in Japan, and the auditing standards and their application in practice are those generally accepted in Japan. Accordingly, the accompanying financial statements and the auditors' report presented above are for users familiar with Japanese accounting principles, auditing standards and their application in practice.

# Overseas Offices and Affiliates

(As of July, 2001)



## Hong Kong

※ ● **MEIDENSHA CORPORATION**  
6/F Kerry Godown,  
4-6 Kwai Tai Road,  
Kwai Chung, N.T., Hong Kong  
Phone: 2503-2468  
Facsimile: 2887-8046

● **MEIDEN PACIFIC (CHINA) LTD.**  
6/F Kerry Godown,  
4-6 Kwai Tai Road,  
Kwai Chung, N.T., Hong Kong  
Phone: 2503-2468  
Facsimile: 2887-8046

## Indonesia

※ ● **P.T. MEIDEN ENGINEERING INDONESIA**  
19th Floor, Summitmas I,  
Jl. Jenderal Sudirman Kaveling 61-62  
P.O.BOX 6920/KBY/Summitmas I  
Jakarta Selatan 12069, Indonesia  
Phone: 21-520-0612/1584  
Facsimile: 21-520-0240

## Korea

※ ● **MEIDENSHA CORPORATION**  
Royal Building. No.410,  
5 Dangju-Dong,  
Chongro-ku, Seoul, Korea  
Phone: 2-736-0232~3  
Facsimile: 2-736-0234

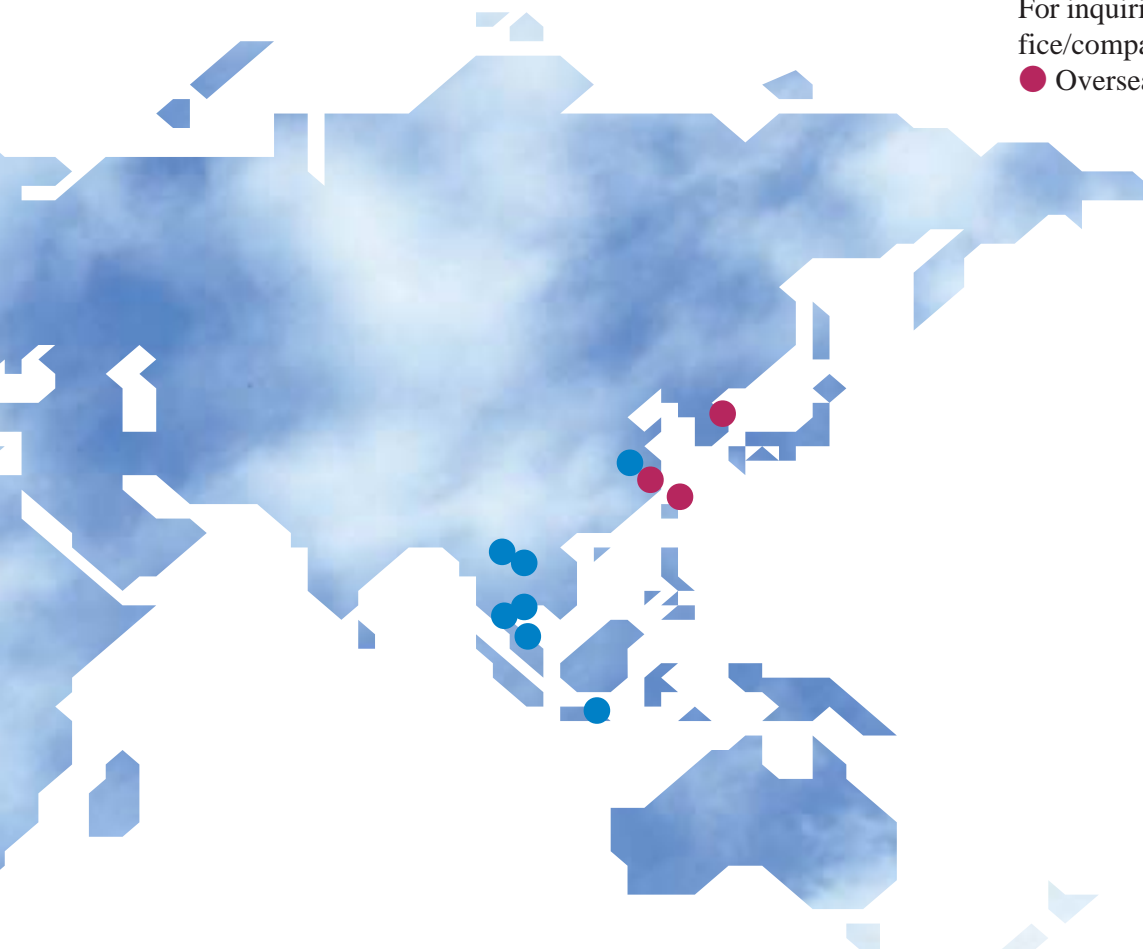
## Malaysia

※ ● **MEIDEN ELECTRIC ENGINEERING SDN. BHD.**  
G. 03, Ground Floor, Wisma Academy,  
4A, Japan 19/1  
46300 Petaling Jaya,  
Selangor Darul Ehsan, Malaysia  
Phone: 3-79554646  
Facsimile: 3-79546466

● **MEIDEN METAL ENGINEERING SDN. BHD.**  
Lot 6, Peringkat 3,  
Kawasan Perindustrian Alor Gajah,  
78000 Melaka, Malaysia  
Phone: 6-5568790~2  
Facsimile: 6-5568795

For inquiries, please contact the office/company marked ※.

● Overseas office / ● Affiliate



### Singapore

※ ● **MEIDEN SINGAPORE PTE. LTD.**

5, Jalan Pesawat,  
Jurong Industrial Estate,  
Singapore 619363  
Phone: 268-8222  
Facsimile: 264-4292

### Thailand

※ ● **THAI MEIDENSHA CO., LTD.**

11th Floor, TST Tower Building,  
21 Viphavadi-Rangsit Road,  
Soi Chuei Phung, Jatujak,  
Bangkok 10900, Thailand  
Phone: 2-273-8954~61  
Facsimile: 2-273-8966  
Cable Address: THAI MEIDEN  
BANGKOK

### The United Kingdom

※ ● **MEIDEN EUROPE LTD.**

New Wave Complex,  
Bradbourne Drive, Tilbrook,  
Milton Keynes MK7 8BN,  
England, U.K.  
Phone: 1908-276000  
Facsimile: 1908-276010

### Taiwan

※ ● **MEIDENSHA CORPORATION**

Room 1103, 11th Floor,  
No.142 Chung Hsiao East Road,  
Sec.4, Taipei, Taiwan, R.O.C.  
Phone: 2-2775-3337~8  
Facsimile: 2-2775-3339

● **MEIDEN ELECTRIC (THAILAND) LTD.**

896 Moo 2,  
Bangpa-in Industrial Estate,  
Udomsoraryuth Rd., Klongjig,  
Bangpa-in, Ayudhaya 13160,  
Thailand  
Phone: 35-258258~262  
Facsimile: 35-221388

### The United States

※ ● **MEIDENSHA CORPORATION**

The American Center Building,  
Suite 1110  
27777 Franklin Road,  
Southfield Michigan 48034, U.S.A.  
Phone: 248-353-2540  
Facsimile: 248-353-3150

# Consolidated Subsidiary Companies

## MEIDEN ENGINEERING CO., LTD.

Capital ¥2,360 million

Engineering service and other service affairs

7-9, Osaki 3-chome, Shinagawa-ku,  
Tokyo 141-8607 Japan  
Phone: 3-3490-7201 Fax: 3-3490-5550

## SHINKO SEISAKUSHO CO., LTD.

Capital ¥800 million

Manufacture, sales, and maintenance  
servicing of communication equipment,  
peripherals and terminals

Kokuryu Shibakoen Building,  
6-15, Shibakoen 2-chome,  
Minato-ku, Tokyo 105-0011 Japan  
Phone: 3-3436-1211 Fax: 3-3436-1881

## MEIDEN SHOJI Co., Ltd.

Capital ¥300 million

Sales of electric products and components

Mitomi New Building, 20-18,  
Ebisu 1-chome, Shibuya-ku,  
Tokyo 150-0013 Japan  
Phone: 3-5449-3700 Fax: 3-5449-3701

## KOFU MEIDENSHA CORPORATION

Capital ¥200 million

Manufacture and sales of electric motors, mainly

15-11 Joto 3-chome, Kofu-shi,  
Yamanashi 400-0861 Japan  
Phone: 55-233-5161 Fax: 55-233-5171

## Meiden Plant Engineering & Construction Co., Ltd.

Capital ¥150 million

Constructing service

Meiko Building, 5-5, Osaki 5-chome,  
Shinagawa-ku, Tokyo 141-8616 Japan  
Phone: 3-5487-6426 Fax: 3-5487-6487

## MEIDEN CHEMICAL CO., LTD.

Capital ¥95 million

Insulating varnish and molded instrument  
transformer

1-17, Osaki 2-chome, Shinagawa-ku,  
Tokyo 141-0032 Japan  
Phone: 3-3492-5251 Fax: 3-3492-5280

## Meiden Kohsan Co., Ltd.

Capital ¥130 million

Sales of products and materials and agent  
service of insurance

Meiko Building, 5-5, Osaki 5-chome,  
Shingawa-ku, Tokyo 141-8616 Japan  
Phone: 3-3490-3737 Fax: 3-3490-3906

## MEIDEN SOFTWARE CORPORATION

Capital ¥70 million

Engineering and programming of software

809, Oka-Isshikitorimachi, Numazu-shi, Shizuoka  
410-0012 Japan  
Phone: 559-23-4966 Fax: 559-23-1191

## MEIDEN FOUNDRY INDUSTRIAL Co., Ltd.

Capital ¥50 million

Casting

4, Nyogetsu, Heisaka-cho, Nishio-shi,  
Aichi 444-0305 Japan  
Phone: 563-59-6181 Fax: 563-59-4132

## MEIDEN SYSTEM ENGINEERING Co., Ltd.

Capital ¥50 million

System engineering of plant

Meiko Building, 5-5, Osaki 5-chome,  
Shingawa-ku, Tokyo 141-8616 Japan  
Phone: 3-5487-6500 Fax: 3-5487-6516

## Meiden Kankyo Service Co., Ltd.

Capital ¥30 million

Maintenance and control service of water  
treatment equipment

Meiko Building, 5-5, Osaki 5-chome,  
Shinagawa-ku, Tokyo 141-8616 Japan  
Phone: 3-3490-0630 Fax: 3-3490-0623

## HOKUTO DENKO CORPORATION

Capital ¥25 million

Manufacture and sales of electric sensors

22-13, Himonya 4-chome, Meguro-ku,  
Tokyo 152-0003 Japan  
Phone: 3-3716-3235 Fax: 3-3793-8787

## MEIDEN SYSCON Co., Ltd.

Capital ¥20 million

Manufacture and sales of switchgear and relays

726-1, Osuwa, Numazu-shi,  
Shizuoka 410-0873 Japan  
Phone: 559-24-4630 Fax: 559-22-4013

## Meiden Kiden Kogyo Co., Ltd.

Capital ¥20 million

Machining and repairing service

127, Nishishinmachi,  
Oota-shi, Gunma 373-0847 Japan  
Phone: 276-20-6371 Fax: 276-32-7999

## MEIDEN MEDIAFRONT CORPORATION

Capital ¥40 million

Printing and copy service

Maruki Building, 13-7, Nishigotanda 1-chome,  
Shinagawa-ku, Tokyo 141-0031 Japan  
Phone: 3-3490-4767 Fax: 3-3779-3083

## Nagoya Meiden Kohsan Co., Ltd.

Capital ¥10 million

Sales of products and materials and buildings  
maintenance service

496-1, Ittan-gosewari, Nishi-biwajima-cho,  
Nishikasugai-gun, Aichi 452-0007 Japan  
Phone: 52-503-7016 Fax: 52-504-2785

## Meiden Information Systems, Ltd.

Capital ¥50 million

Engineering and programming of software

1-17, Osaki 2-chome, Shinagawa-ku,  
Tokyo 141-8565 Japan  
Phone: 3-5487-2331 Fax: 3-5487-2104

## Meiden Sheet Metal Products Corporation

Capital ¥90 million

Manufacture and sales of sheet metal

515, Kaminakamizo, Higashimakado-aza,  
Numazu-shi, Shizuoka 410-0865 Japan  
Phone: 559-29-5555 Fax: 559-29-5566

## MEIDEN HOIST SYSTEM COMPANY, LTD.

Capital ¥90 million

Manufacture and sales of hoist

1-17, Osaki 2-chome, Shinagawa-ku, Tokyo  
141-0032 Japan  
Phone: 3-3492-1201 Fax: 3-3492-1943

## MEIDEN SINGAPORE PTE. LTD.

Capital S\$10 million

Manufacture of transformer and constructing  
service

5, Jalan Pesawat Jurong Industrial Estate,  
Singapore 619363  
Phone: 268-8222 Fax: 264-4292

## THAI MEIDENSHA CO., LTD.

Capital TB10 million

Constructing service

11th floor, TST Tower Building,  
21 Viphavadi-Rangsit Road, Soi Cuei Phung  
Jatujak, Bangkok 10900, Thailand  
Phone: 2-273-8954 Fax: 2-273-8966

## MEIDEN ELECTRIC (THAILAND) LTD.

Capital TB70 million

Constructing service

896 Moo 2, Bangpa-in Industrial Estate,  
Udomsoraryuth Rd., Klongjig, Bangpa-in,  
Ayudhaya 13160, Thailand  
Phone: 35-258258 Fax: 35-221388

# Corporate Data

## Corporate Name

MEIDENSHA  
CORPORATION  
(Kabushiki Kaisha Meidensha)

## Head Office

Riverside Building, 36-2,  
Nihonbashi Hakozakicho, Chuo-  
ku,  
Tokyo 103-8515 Japan

## Founded

1897

## Common Stock

Par Value ¥50 (\$0.40)  
Authorized 576,000,000 shares  
Issued 202,025,158 shares  
¥17,070 million  
(\$137,661 thou-  
sand)

## Shareholders

19,049

## Transfer Agent

The Chuo Mitsui Trust and  
Banking Co., Ltd.



# Board of Directors

(As of June 28, 2001)

## Chairman

*Keiji Kojima*



## President

*Shigeo Seko*



## Executive Vice President

*Keiji Kataoka*



## Executive Vice President

*Mineo Itakura*



## Senior Managing Director

*Koji Yano*



## Senior Managing Director

*Toru Nakamura*



## Senior Managing Director

*Toyoaki Ishii*



## Managing Directors

*Kensuke Ikuji  
Masaaki Oisbi  
Jiro Iwashita*

*Hiroyasu Yagi  
Masaoki Hino  
Toru Niwa*

## Directors

*Masao Kamei  
Kennosuke Goto  
Kosuke Sato  
Kenji Sasaki*

*Kenzo Nakamura  
Tatsujiro Matsumoto  
Tadasbi Sanada*

## Senior Corporate Auditors

*Masaaki Obana  
Masabiro Fuke*

*Takabaru Tokunishi*

## Corporate Auditors

*Harubisa Kawabe*

*Yojiro Yamashita*

