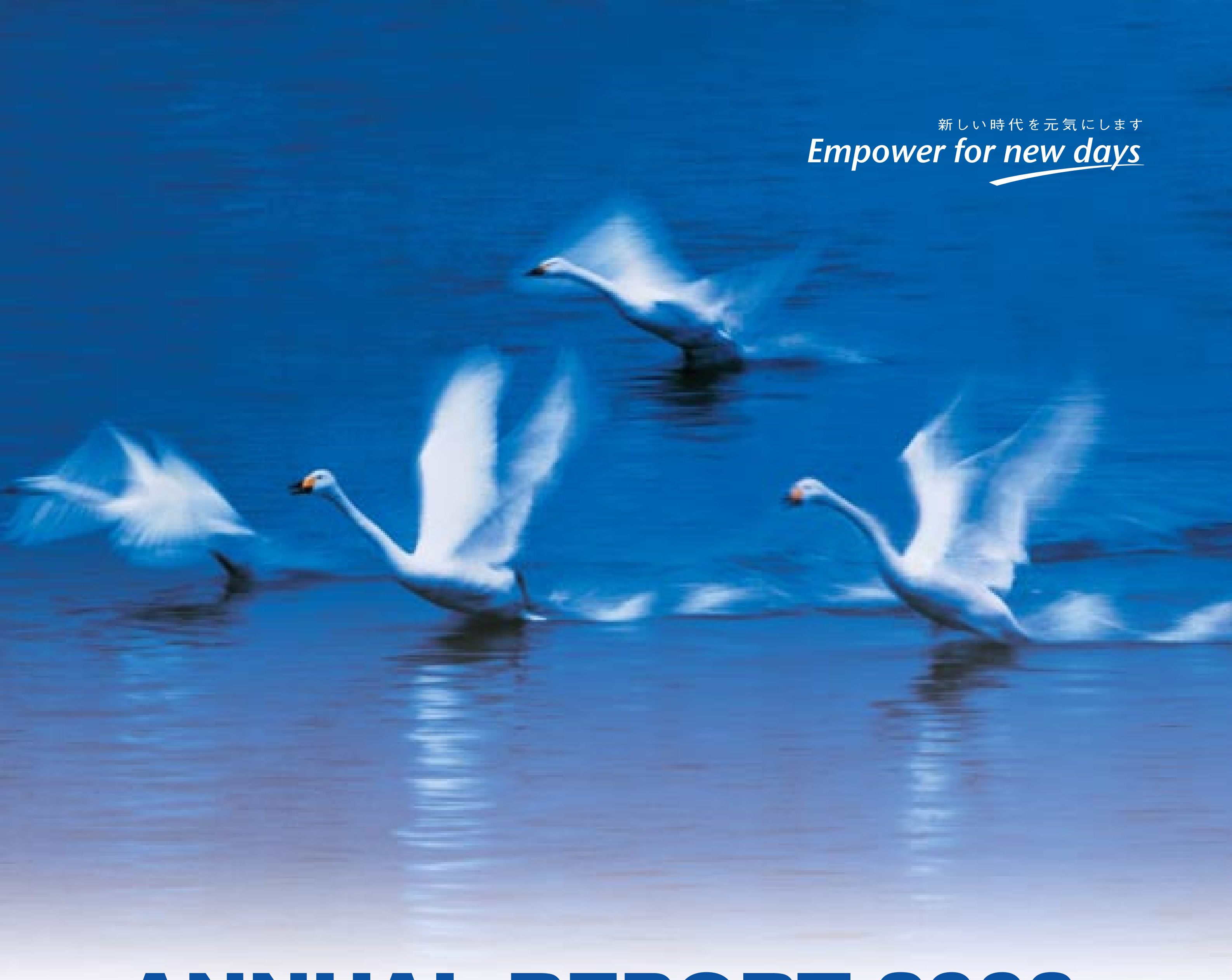


ANNUAL REPORT 2003

For the year ended March 31, 2003

MEIDENSHA CORPORATION

Profile

Ever since its founding in 1897, Meidensha Corporation has been working on the relentless pursuit of new technology and product developments and witnessed steady growth. Our product offerings cover a wide area, such as generators, substation equipment, electronic equipment and information equipment. Our mission is not only to provide these products but also to recommend the best solutions on the basis of what a customer values best. In order to realize these best solutions, we engage in the supply of various products and provide related services such as engineering, facility management (including operation and maintenance), repair and product-life support.

Contents

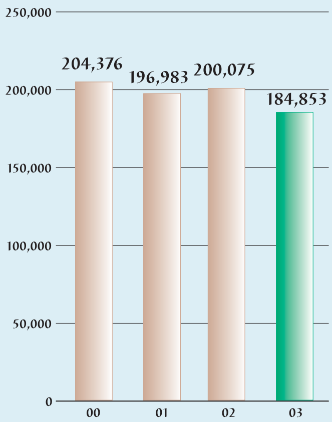
Financial Highlights

Years ended March 31

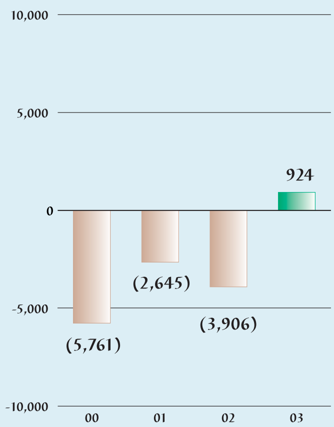
	Millions of yen			Thousands of U.S. dollars
	2003	2002	2001	2003
Net Sales	¥184,853	¥200,075	¥196,983	$1,540,441
Net Income (Loss)	924	(3,906)	(2,645)	7,700
Net Income (Loss) Per Share (yen, U.S. dollars)	4.58	(19.34)	(13.09)	0.04
Cash Dividends Paid	—	—	—	—
Total Assets	197,140	205,221	212,105	1,642,833
Number of Employees	7,465	7,622	8,192	—

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 ¥120 = U.S.$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market as of March 31, 2003. See No.1 of Notes to Consolidated Financial Statements.

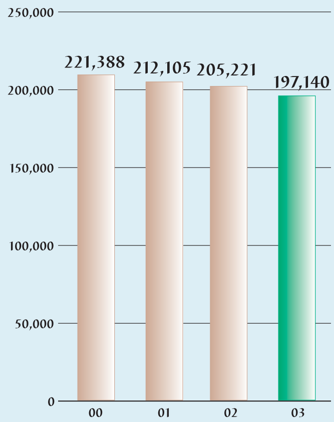
Net Sales (¥ millions)



Net Income (Loss) (¥ millions)



Total Assets (¥ millions)



Message from Management

The Japanese economy staged a modest export-driven recovery in fiscal 2002. Corporate earnings also recovered, because of efforts to cut fixed costs and aggressive corporate restructuring programs. However, domestic private consumption was still sluggish and the employment situation remained severe, while corporate capital investment slowed. At the same time, Iraq-related developments and the significant decline in share prices came amid growing concerns that Japan would continue to experience deflation even from the latter half of the fiscal year. As such, the business climate surrounding the corporate sector remained severe with uncertainty about the economic outlook.

Under these economic conditions, Meidensha Corporation made vigorous efforts to boost sales throughout the company. However, sales for fiscal 2002 were 184,853 million yen (consolidated basis), or 7.6 % lower than those of the previous fiscal year.

We made corporation-wide efforts to cut expenses, reduce costs and raise productivity. As a result of these efforts, we returned to profitability after six semiannual periods, with our income for the period before taxes and other adjustments amounting to 1,003 million yen (consolidated basis) and net income for the period amounting to 924 million yen (consolidated basis).

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

Under these circumstances, Meidensha Corporation merged with Meiden Engineering Co., Ltd. on April 1, 2003. Demand in recent years has remained sluggish owing to such factors as the reduction in capital investment by electric power companies, the decline trend of public investment and the prolonged recession. Meanwhile, our customers have been accelerating their concentration of corporate resources in core business sectors as part of their efforts to improve their management efficiency. In addition, they are making progress in reducing the life cycle costs of their facilities to improve their asset efficiency and are inclined to outsource their facility management which includes operation, administration, maintenance and other operations.

The aim of this merger is to allow us to respond to the change of market landscape to take advantage of the mutual engineering resources comprehensively and efficiently, such as system and plant control technologies, and service technologies, including those of maintenance, all within the MEIDEN Group. This merger will enable us to provide high-quality, highly reliable solutions and services to address all stages of life cycle of the facilities of our customers so that we could raise the added value of our businesses and strengthen our profitability.

In addition, Meidensha Corporation commenced its new medium-term management plan, the “Challenge and Create Plan” in July 2003. The basic policy of the medium-term management plan is to secure steady profits through new business model and increase our corporate value. To this end, we will aim first to eliminate our losses carried forward and to realize the dividend payments at the earliest possible time, these being the company’s major challenges. Furthermore, we will strive to improve our capital efficiency by reducing liabilities to strengthen our financial position. We will also create new businesses, streamline and reorganize our existing businesses and allocate our corporate resources by focusing on strategically important core business to increase corporate profitability.

While the efforts are being made at Meidensha Corporation, we will also have our group companies review their businesses to strengthen the group strategy. We will put in place a system that will produce all our group synergy with our each business in order to enhance the overall corporate value of the MEIDEN Group.

We ask every shareholder as well as our customers and business partners to continue to give us your guidance and support.

Shigeo Seko, Chairman

Keiji Kataoka, President

Energy Sector

The Energy Sector is the core market segment of the Company with a major impact on its profitability. Meidensha Corporation is continuously aiming to expand the conventional substation and power generation equipment business as well as new business sectors. In particular, we are aiming to be a total energy solutions provider to address all customers' energy-related issues.

In the energy sector, there are growing sales in traction substations for railways for the Japanese market, emergency generators, and AC/DC converters for sodium-sulfur batteries in the power-solutions field.

In the renewable energy field, we have supplied a 1,500kW wind power system in Akita Prefecture. The plant is popular with a nickname of "Tenpu Maru." We have entered the wind farm business and started the construction of a 3,000kW wind power station. We received several orders for wind energy converter made by REpower Systems AG in Germany.

196kV Polymer Housed SORESTER

In the power generation field, we have developed and initiated sales of a new type of high-efficiency all-in-one package generating system, in which an engine, generator, and control panel are integrated for use as an on-site continuous operation generation. In addition, in the U.S. market for gas turbine generators, we have received orders for newly developed 2-pole turbine generators.

In the transformer field, Meidensha Corporation has supplied a newly developed polymer housed surge arrester first unit for 154kV system. This marks a first such commercialized product for 154kV system in Japan.

500kW Diesel Engine High-Voltage Generating System

UPS for NAS Batteries

Akita Civic Wind Turbine Generator System, Tenpu Maru

Supervisory Control System

Environment Sector

Meidensha Corporation is enhancing its engineering capabilities to realize a better water resource environment. In particular, we have focused on upgrading the needs of water treatment plants and on expanding the solutions business.

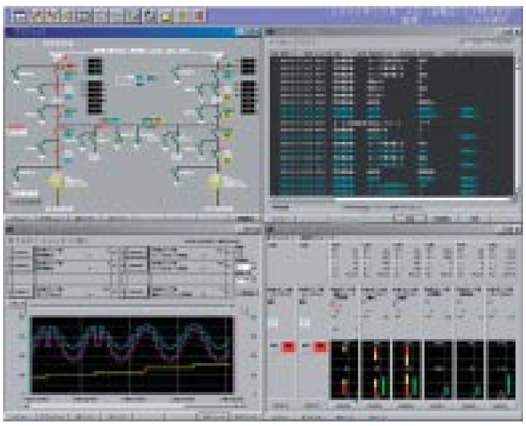
Important issues in this sector include the wide-area integration of waterway facilities, more efficient use of energy, and outsourcing of water treatment plant facility management. We have been very active in promoting solutions for this market.

In the wide-area integration field, we have started selling a newly developed Web monitoring system which has seen increasing orders. We have also developed the OPS9000, a monitoring and control system for our large-scale facilities in water treatment and industrial processes.

In order to effectively use the power energy in this sector, we received orders for a digestion gas power generating system utilizing 30kW micro gas turbines by Capstone Turbine Corporation in California, and for a 1500kW wind power generation system for a wastewater treatment plant.

In the field of outsourcing of water treatment plant facility management, Meidensha Corporation is increasing its efforts to win orders for such outsourcing services.

Micro Turbine System



OPS9000 Multi-Windows

Info and Communications Sector

Wholesale-Fresh Produce Market Information System

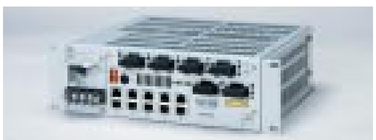
Meidensha Corporation is in strong support of "open system architecture" concept. Following its entry into wholesale-flowermarket information system, sales of the wholesale-fresh produce market information system commenced.

In addition, we have started building a next-generation spatio-temporal information management system called J-STIMS which enables flexible application of geographic data changes in time-series. In addition, a mobile CRM ASP service has been introduced, which is aimed at customer management and sales promotion for retail stores, etc. by utilizing cellular phones.

We have also added three new models to MEISWAY SW series of industrial switching hubs, and started deliveries of these products.

The semiconductor manufacturing equipment market has seen wide adoption of its products, which are based on high-perform-ance embedded computers for control applications in various processes.

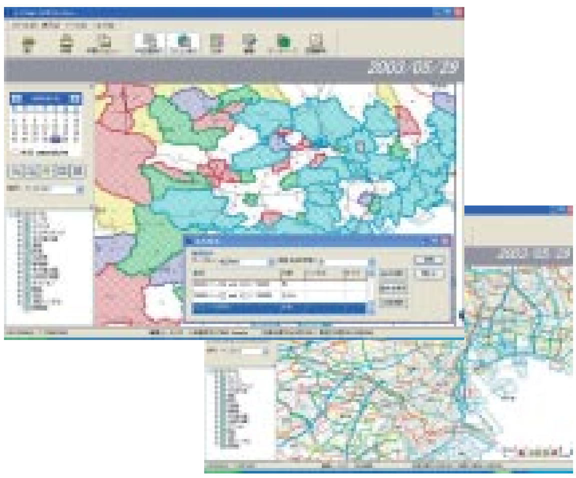
In addition, Meidensha Corporation has developed and commenced the sale of a pure ozone generator for semiconductor manufacturing.



Switching Hub, MEISWAY SW500

Switching Hub, MEISWAY SW700

Switching Hub, MEISWAY SW4000



Spatio-Temporal Information Management System, J-STIMS

Industrial Systems Sector

Low-Speed PM Dynamometer (PMDY-LV220)

In the Industrial Systems Sector, in the electric motor application field we have begun deliveries of flat motors and inverters for HEV automobiles, and have developed the THYFREC–VT800 Series of flat winders using PM motors and thin inverters for driving them, for use in machine-room-less elevators.

250kW PM servo motors and inverters, our record product, have also been supplied for kneaders (a type of machine which kneads and mixes together raw materials such as those for resin molding) as well as 3,700kW motors and high-voltage inverters for blowers.

In the logistics system field, we have developed and delivered such products as AGV kits for turning the carriers used by customers into automated guided vehicles.

In the dynamometer field, we have developed and delivered large-sized engine benches and chassis dynamometers complying with exhaust gas regulations for large diesel engines. We have also developed dynamometers for building superior transient response performance systems, providing low inertia on par with tires.

Flat Gearless Machine (for the machine-room-less elevator)

THYFREC–VT800

AGV Kits

Medical and Welfare Sector

medias Model

slim Model

Intra-Oral Camera, DentaShot

System Overview Including Options

The Medical and Welfare Sector is a new emerging market to Meidensha Corporation, and we are aiming at expanding our business there. The following new products are major product offerings in order to ensure our growth. "Informed consent" is an important key word in the medical field today and we have timely developed and released "DentaShot," an intra-oral camera as an "informed consent tool" between dentist and patient. We have also developed the system to support medical clinics realizing computerization and centralization of medical and clinical information. This system provides solutions to integrate various systems such as EPR, medical accounting, treatment assistance and medical image data files. Products on sale such as "Herusukekun," an information aid system for healthcare service provider and planner, and "Travel Partner," lightweight fold-away motor-driven scooter for the elderly, have been popular among various customers.

Main Menu of "Herusukekun"

Dual Monitor Clinical Station

Thai Rice Hull Power Plant

Overseas Operations

In fiscal 2002, the Asian market, which is Meidensha Corporation's major market, showed the steady economic recovery for the first half of fiscal 2002 spurred by the increase of export and private consumption, but during the second half of fiscal 2002, the expansion momentum of export and private consumption subsided and the economy experienced the gradual slowdown.

In the US power market sector, the industry is still struggling the oversupply of generation that has depressed wholesale power prices and further weakened the demand of generators.

In the automotive market in the US, which has a big impact on our dynamometer systems sales, the first half of fiscal 2002 saw the steady growth of car sales mostly due to the zero-percent financing and hefty rebates by major auto manufacturers but the sales showed the gradual downward trend for the second half of fiscal 2002 due to the economic uncertainty.

Amid these circumstances, our export decreased, with order totaling 6,874 million yen, a change of 28.9% down from the previous year and sales reaching 7,728million yen, down 36.9% from the previous year.

Manila Line No. 2

The major products ordered in the fiscal 2002 were as follows:

In the power distribution field, we received orders for 72 units of HICLAD–30GA switchgear for Tenaga National Berhad (TNB) in Malaysia.

In the power generation field, P.T. Bridgestone Tire Indonesia in Indonesia placed an order for 2 units of 2 MW diesel generating sets and GE Aero Energy Products in Texas placed orders for 23MVA generators to be used with the GE LM2000PC gas turbine. We received an order from Hitachi, Ltd. for 1 unit of 35MVA generator to be used with the Hitachi H25 gas turbine for Myanmar.

In the field of dynamometer for automobiles in the Korean markets, Hyundai Motor Company in Korea placed orders for automotive testing dynamometer for R & D. We received orders for torque converter end of line tester for Korea Powertrain Co., Ltd. and orders for rear axle tester from Kia Steel Co. Ltd. In the North American market, we received orders for FR automatic transmission dynamic tester from AW North Carolina, Inc. in North Carolina and FR engine dynamometor from AW Technical Center USA Inc. in Michigan.

PCDY2
(permanent magnet type dynamometer)
for automatic transmission tester

The major products manufactured and supplied during fiscal 2002 were as follows:

In the field of electric railroad substations, we supplied and installed traction substations for Metro Manila Project, Philippines.

In the power generation field, we manufactured and installed a 10MW biomass power generation plant (using rice husk as resource) for Roi-et Green Company Ltd., Thailand.

In the power distribution field, we manufactured and supplied 16 units of 75MVA transformer for PowerGrid Limited in Singapore.

In the dynamometer field, we supplied and installed and a HEV transmission tester for Hyundai Motor Company and #4 end of the line automatic-transmission (A/T) tester for Hyundai Power Tech Co., Ltd. in Korea. We also delivered a four-wheel-drive chassis dynamometer system in an anechoic room for TRI Technical Center USA, Inc. in Michigan.

R&D Review

Development Status of Electric Double Layer Capacitors

In an effort to improve the power supply system, Meidensha Corporation is developing a high-volt age, large-capacity capacitor, to be used as an electric power storage medium, that uses electric double layer capacitors (EDLC). Table 1 shows the specifications and Fig.1 shows the exterior of the newly developed EDLC. The internal resistance of the unit is half that of conventional EDLC, owing to the use of newly developed microporous separators, and a system that makes the pressure inside the unit negative through the use of aluminum laminated film. As a result, we can cut system costs for high power applications that reduces the necessary number of EDLC's capacitors by 30%. We will further improve the reliability of these EDLC and develop them for such applications as an energy storage medium for DC electric railway system or an anti-instantaneous-voltage-dip equipment.

Table 1 Specifications of the Capacitor (Type 600)

Rated voltage	100VDC
Capacitance	7F
Internal resistance	0.3Ω
Mass	4.6kg
Dimensions	245W × 45H × 350D mm

Fig. 1 EDLC (Type 600)

Laboratory-use Pure Ozone Generators

Fig. 2
Laboratory-use Pure Ozone Generator

The pure ozone generator with an ozone accumulation of 5cc was developed under the guidance of National Industrial Institute of Advanced Science and Technology and generates pure ozone gas with a purity of more than 99.9%. The pure ozone's unprecedentedly superior oxidizing ability has been proven when used in the treatment process for oxide film formation on a silicon semiconductor that made it possible to perform the required task at a temperature 500°C below that used by conventional methods. The newly developed and commercialized equipment is assembled into a compact package of 600W × 1300H × 700D mm, and intended primarily for use in a laboratory, having an ozone accumulation volume of 5cc, the same as that of conventional generators. This volume provides high-purity ozone of 3.7kL at 100Pa. In addition, the equipment uses an automatic operation scheme, is provided with fail-safe features and has an optimized experimental schedule made possible by the use of a timing function.

Financial Section

Consolidated Financial Review

Outline of Profits and Losses

The Japanese economy staged a modest export-driven recovery in fiscal 2002. Corporate earnings also recovered, thanks to efforts to cut fixed costs and the impact of restructuring measures centered on aggressive corporate restructuring programs. However, domestic private consumption was still sluggish and the employment environment remained severe, while corporate capital investment slowed. To make things worse, the emergence of the problem in Iraq and the significant decline in share prices came amid growing concerns over a continuation of deflation from the latter half of the fiscal year. As such, we were unable to actually feel that the economy had recovered.

Net sales totalled 184,853 million yen, a 7.6% decrease over the previous term. Business sector-based net sales stood at 30.7% for the Energy Sector, 25.9% for the Environment Sector, 7.9% for the Info and Communications Sector, 17.6% for the Industrial Systems Sector, and 17.9% for Others.

The cost of sales was 145,113 million yen, a 9.3% decrease. Selling, general and administrative expenses totalled 36,322 million yen, a 0.6% decrease. Operating income, therefore, stood at 3,418 million yen.

The final result was a net income of 924 million yen for this term.

Financial Conditions

Total assets at the end of March 2003 were 197,140 million yen, a decrease of 8,081 million yen. As a result of decreased cash and time deposits and marketable securities, of this figure current assets stood at 122,161 million yen, a decrease of 12,093 million yen. Property, plant and equipment was 40,406 million yen, a decrease of 493 million yen. Total current liabilities totalled 128,560 million yen, a decrease of 8,206 million yen, and shareholders' equity stood at 36,827 million yen, an increase of 1,124 million yen. As a result, shareholder capital ratio increased 1.3 points from 17.4% to 18.7%.

Five-Year Summary

MEIDENSHA CORPORATION AND CONSOLIDATED SUBSIDIARIES
Years ended March 31

	Millions of yen				
	2003	2002	2001	2000	1999
Net sales	¥184,853	¥200,075	¥196,983	¥204,376	¥218,354
Net income (loss)	924	(3,906)	(2,645)	(5,761)	(16,912)
Net income (loss) per share (Yen)	4.58	(19.34)	(13.09)	(28.52)	(83.71)
Cash dividends paid	—	—	—	—	—
Depreciation and amortization	4,921	4,861	5,102	6,285	6,588
Total assets	197,140	205,221	212,105	221,388	235,911
Net property, plant and equipment	40,406	40,899	39,496	39,616	47,057
Shareholders' equity per share (Yen)	182.36	176.74	192.50	206.00	182.21

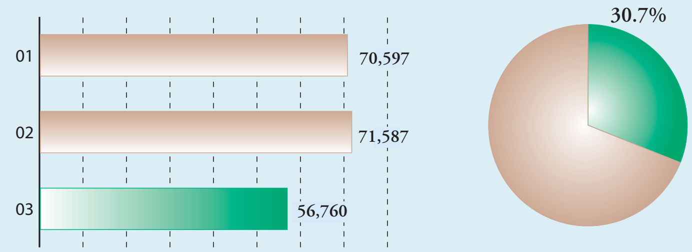
Operational Review

Energy Sector

Net sales ¥56,670 million ($473,000 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.

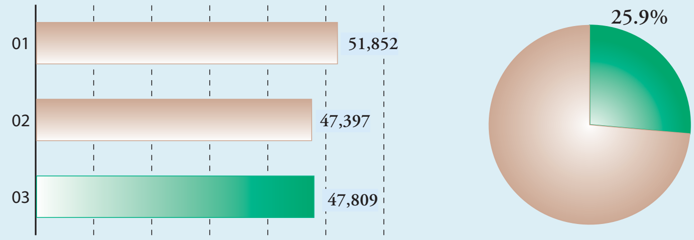
(Millions of yen)



Environment Sector

Net sales ¥47,809 million ($398,408 thousand)

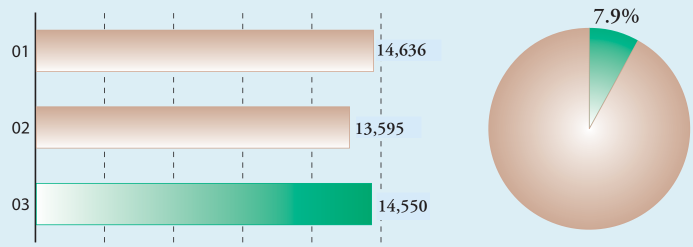
The Company provides “environment-friendly products and technologies” for the development of IT networks involved in the control of treatment equipment and processes for city water and sewage water systems operated by local governments, as well as for energy conservation, recycling, waste treatment,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



Info and Communications Sector

Net sales ¥14,550 million ($121,250 thousand)

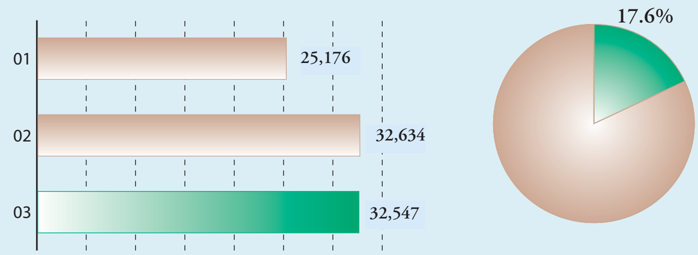
The Company manufactures and markets computer systems and all types of electronic equipment and crystal-related products primarily for the information and telecommunications market.



Industrial Systems Sector

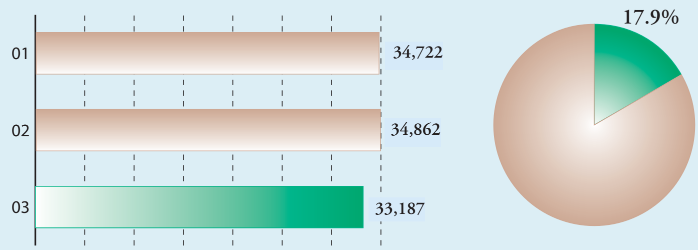
Net sales ¥32,547 million ($271,225 thousand)

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 ¥33,187 million ($276,558 thousand)



Consolidated Balance Sheets

MEIDENSHA CORPORATION AND CONSOLIDATED SUBSIDIARIES
March 31, 2003 and 2002

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2003	2002	2003
Assets			
Current assets:			
Cash and time deposits (Note 15)	¥10,427	¥15,033	$86,892
Marketable securities (Note 3)	1,011	1,086	8,425
Receivables:			
Trade notes (Note 16)	5,758	12,886	47,983
Trade accounts	63,109	68,204	525,908
Loans and advances	671	476	5,592
Due from unconsolidated subsidiaries and affiliates	1,046	802	8,717
Allowance for doubtful accounts	(229)	(544)	(1,908)
Inventories (Note 4)	27,257	28,009	227,142
Deferred income taxes (Note 14)	6,590	3,700	54,917
Other current assets	6,521	4,602	54,340
Total current assets	122,161	134,254	1,018,008
Property, plant and equipment (Note 7):			
Land	8,390	8,278	69,917
Buildings and structures	42,938	42,636	357,817
Machinery and equipment	65,648	74,204	547,067
Construction in progress	1,720	3,369	14,333
Less: Accumulated depreciation	(78,290)	(87,588)	(652,417)
	40,406	40,899	336,717
Investment and other assets:			
Investment securities (Notes 3 and 7)	12,852	16,213	107,100
Investments in unconsolidated subsidiaries and affiliates (Note 3)	10,867	2,355	90,558
Long-term loans	164	123	1,367
Deferred income taxes (Note 14)	6,256	6,254	52,133
Other assets (Note 7)	4,850	5,173	40,417
Allowance for doubtful accounts	(416)	(50)	(3,467)
	34,573	30,068	288,108
	¥197,140	**¥205,221**	**$1,642,833**

See accompanying notes.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2003	2002	2003
Liabilities and shareholders' equity			
Current liabilities:			
Short-term borrowings (Notes 5 and 7)	¥45,494	¥47,901	$379,117
Current portion of long-term debt (Notes 6 and 7)	5,566	7,552	46,383
Payables:			
Trade notes (Note 16)	13,879	16,921	115,658
Trade accounts	29,459	30,365	245,492
Due from unconsolidated subsidiaries and affiliates	7,244	1,811	60,367
Advances received from customers	11,553	13,398	96,275
Accrued income taxes	356	504	2,967
Accrued bonuses	4,251	4,676	35,425
Other current liabilities (Note 16)	10,758	13,638	89,649
Total current liabilities	128,560	136,766	1,071,333
Long-term debt (Notes 6 and 7)	10,387	12,617	86,558
Employees' severance and retirement benefits (Note 8)	10,931	9,992	91,092
Reserve for retirement allowance for directors and auditors	641	897	5,342
Deferred income tax liabilities on revaluation reserve for land	469	484	3,908
Other long-term debt	240	322	2,000
Minority interests	9,085	8,440	75,708
Contingent liabilities (Note 10)			
Shareholders' equity (Note 9):			
Common stock			
Authorized — 576,000,000 shares			
Issued and outstanding — 202,025,158 shares	17,070	17,070	142,250
Capital surplus	12,751	12,751	106,258
Retained earnings	5,756	4,665	47,967
Revaluation reserve for land, net of tax	433	423	3,608
Net unrealized holding gains on securities	1,145	1,159	9,542
Foreign currency translation adjustment	(316)	(362)	(2,633)
Less: Treasury stock	(12)	(3)	(100)
Total shareholders' equity	36,827	35,703	306,892
	¥197,140	**¥205,221**	**$1,642,833**

Consolidated Statements of Operations

MEIDENSHA CORPORATION AND CONSOLIDATED SUBSIDIARIES
Years ended March 31, 2003, 2002 and 2001

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2003	2002	2001	2003
Net sales (Note 13)	**¥184,853**	**¥200,075**	**¥196,983**	**$1,540,441**
Cost of sales (Notes 12 and 13)	145,113	160,016	157,366	1,209,275
Selling, general and administrative expenses (Notes 12 and 13)	36,322	36,525	35,708	302,683
Operating income	**3,418**	**3,534**	**3,909**	**28,483**
Other income (expenses):				
Interest and dividend income	420	588	588	3,500
Interest expense	(1,020)	(1,106)	(1,159)	(8,500)
Gains on marketable securities sold	4	39	1,207	33
Write-down of securities	(2,633)	(5,243)	(55)	(21,942)
Loss on disposal of fixed assets	(134)	(40)	(399)	(1,117)
Gain on sales of property, fixed assets	8	3	1	67
Accident insurance income	—	7	325	—
Casualty loss (Note 17)	—	60	(3,112)	—
Gain from division of corporation (Note 18)	7,263	—	—	60,525
Loss from division of corporation (Note 19)	(3,197)	—	—	(26,641)
Other	(3,126)	(1,390)	(723)	(26,050)
Income (loss) before income taxes	**1,003**	**(3,548)**	**582**	**8,358**
Income taxes (Note 14):				
Current	858	1,101	1,310	7,150
Deferred	(901)	(932)	1,793	(7,508)
	(43)	169	3,103	(358)
Minority interests	122	189	124	1,016
Net income (loss)	**¥924**	**¥(3,906)**	**¥(2,645)**	**$7,700**

	Yen			U.S. dollars (Note 1)
	2003	2002	2001	2003
Amounts per share of common stock:				
Net income (loss)	¥4.58	¥(19.34)	¥(13.09)	$0.04

See accompanying notes.

Consolidated Statements of Shareholders' Equity

MEIDENSHA CORPORATION AND CONSOLIDATED SUBSIDIARIES
Years ended March 31, 2003, 2002 and 2001

	Millions of yen							
	Number of shares issued	Common stock	Capital surplus	Retained earnings	Revaluation reserve for land, net of tax	Net unrealized holding gains on securities	Foreign currency translation adjustment	Treasury stock
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	—	—	—	—	—	—	(323)	—
Revaluation reserve for land	—	—	—	—	423	—	—	—
Decrease (increase) in treasury stock	—	—	—	—	—	—	—	0
Balance at March 31, 2001	202,025,158	17,070	12,751	8,968	423	—	(323)	(0)
Net loss	—	—	—	(3,906)	—	—	—	—
Bonuses to directors and statutory auditors	—	—	—	(75)	—	—	—	—
Increase in retained eanings due to reduction of affiliated company	—	—	—	61	—	—	—	—
Decrease in retained earnings due to addition of consolidated subsidiaries	—	—	—	(376)	—	—	—	—
Adjustments from translation of foreign currency financial statements	—	—	—	—	—	—	(39)	—
Adoption of new accounting standard for financial instruments	—	—	—	—	—	1,159	—	—
Decrease (increase) in treasury stock	—	—	—	—	—	—	—	(3)
Decrease in retained earnings due to reduction of consolidated subsidiaries	—	—	—	(7)	—	—	—	—
Balance at March 31, 2002	202,025,158	17,070	12,751	4,665	423	1,159	(362)	(3)
Net income	—	—	—	924	—	—	—	—
Bonuses to directors and statutory auditors	—	—	—	(46)	—	—	—	—
Increase in retained earnings due to addition of affiliated companies	—	—	—	16	—	—	—	—
Increase in retained earnings due to addition of consolidated subsidiaries	—	—	—	197	—	—	—	—
Adjustments from translation of foreign currency financial statements	—	—	—	—	—	—	46	—
Decrease (increase) in treasury stock	—	—	—	—	—	—	—	(9)
Increase in revaluation reserve for land, net of tax	—	—	—	—	10	—	—	—
Increase (decrease) in net unrealized holding gains on securities	—	—	—	—	—	(14)	—	—
Balance at March 31, 2003	202,025,158	¥17,070	¥12,751	¥5,756	¥433	¥1,145	¥(316)	¥(12)

	Thousands of U.S. dollars (Note 1)							
	Number of shares issued	Common stock	Capital surplus	Retained earnings	Revaluation reserve for land, net of tax	Net unrealized holding gains on securities	Foreign currency translation adjustment	Treasury stock
Balance at March 31, 2002	202,025,158	$142,250	$106,258	$38,875	$3,525	$9,658	$(3,016)	$(25)
Net income	—	—	—	7,700	—	—	—	—
Bonuses to directors and statutory auditors	—	—	—	(383)	—	—	—	—
Increase in retained earnings due to addition of affiliated companies	—	—	—	133	—	—	—	—
Increase in retained earnings due to addition of consolidated subsidiaries	—	—	—	1,642	—	—	—	—
Adjustments from translation of foreign currency financial statements	—	—	—	—	—	—	383	—
Decrease (increase) in treasury stock	—	—	—	—	—	—	—	(75)
Increase in revaluation reserve for land, net of tax	—	—	—	—	83	—	—	—
Increase (decrease) in net unrealized holding gains on securities	—	—	—	—	—	(116)	—	—
Balance at March 31, 2003	202,025,158	$142,250	$106,258	$47,967	$3,608	$9,542	$(2,633)	$(100)

Consolidated Statements of Cash Flows

MEIDENSHA CORPORATION AND CONSOLIDATED SUBSIDIARIES
Years ended March 31, 2003, 2002 and 2001

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2003	2002	2001	2003
Operating activities:				
Income (loss) before income taxes				
Adjustments to reconcile income (loss) before income	¥1,003	¥(3,548)	¥582	$8,358
taxes to net cash provided by operating activities:				
Depreciation and amortization	4,921	4,861	5,102	41,008
Increase in allowances	894	1,665	1,205	7,450
Interest and dividends income	(420)	(588)	(588)	(3,500)
Interest expense	1,020	1,106	1,159	8,500
Loss arising from casualty	–	(60)	3,312	–
Accident insurance income	–	(7)	(325)	–
Gain from division of corporation	(7,263)	–	–	(60,525)
Loss from division of corporation	3,197	–	–	26,641
Write-down of securities	2,633	5,243	55	21,942
Merger expense	118	–	–	983
Decrease in receivables	10,474	1,548	476	87,283
Decrease (increase) in inventories	(1,744)	4,132	(3,763)	(14,533)
Increase (decrease) in payables	2,494	(5,772)	5,119	20,784
Other-net	(2,593)	(2,129)	(1,069)	(21,608)
Sub total	14,734	6,451	11,265	122,783
Interest income and dividend received	422	559	594	3,517
Interest expense paid	(1,042)	(1,094)	(1,138)	(8,683)
Income taxes paid	(480)	(1,344)	(1,152)	(4,000)
Accident insurance income	–	7	325	–
Expenditures from casualty	–	(153)	(721)	–
Merger expense paid	(101)	–	–	(842)
Net cash provided by operating activities	13,533	4,426	9,173	112,775
Investing activities:				
Acquisition of marketable securities and investment securities	(779)	(6,881)	(4,562)	(6,492)
Proceeds from sales of marketable securities and investment securities	983	5,577	5,780	8,192
Additions to property, plant and equipment	(8,801)	(4,300)	(4,521)	(73,342)
Proceeds from sales of property, plant and equipment	34	421	402	283
Proceeds from sale of securities issued by subsidiaries which caused the change of consolidation scope	(306)	–	–	(2,550)
Other-net	10	141	336	84
Net cash used in investing activities	(8,859)	(5,042)	(2,565)	(73,825)
Financing activities:				
Increase (decrease) in short-term bank loans	(2,137)	2,439	1,885	(17,809)
Decrease in commercial paper	–	–	(17,000)	–
Proceeds from long-term debt	2,744	4,672	6,583	22,867
Repayment of long-term debt	(9,179)	(8,512)	(8,710)	(76,492)
Other-net	(1,273)	303	33	(10,608)
Net cash used in financing activities	(9,845)	(1,098)	(17,209)	(82,042)
Effects of exchange rate changes on cash	(22)	34	19	(183)
Net decrease in cash and cash equivalents	(5,193)	(1,680)	(10,582)	(43,275)
Cash and cash equivalents at beginning of year	15,581	17,150	27,273	129,842
Increase due to change in consolidated subsidiaries	531	111	459	4,425
Cash and cash equivalents at end of year (Note 15)	¥10,919	¥15,581	¥17,150	$90,992

See accompanying notes

Notes to Consolidated Financial Statements

MEIDENSHA CORPORATION AND CONSOLIDATED SUBSIDIARIES
March 31, 2003, 2002 and 2001

1. Basis of Consolidated Financial Statements

MEIDENSHA CORPORATION (the "Company") and its consolidated domestic subsidiaries maintain their official accounting records in Japanese yen and in accordance with the provisions set forth in the Japanese Commercial Code and accounting principles and practices generally accepted in Japan ("Japanese GAAP"). The accounts of overseas subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles and practices prevailing in the respective countries of domicile. Certain accounting principles and practices generally accepted in Japan are different from International Accounting Standards and standards in other countries in certain respects as to application and disclosure requirements. Accordingly, the accompanying consolidated financial statements are intended for use by those who are informed about Japanese accounting principles and practices.

The accompanying consolidated financial statements are a translation of the audited consolidated financial statements of the Company which were prepared in accordance with Japanese GAAP 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 2003, 2002 and 2001 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, 2003, which was ¥120 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, converted into U.S. dollars at this or any other rate of exchange.

Certain prior years' amounts have been reclassified to conform to 2003 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

The accompanying consolidated financial statements include the accounts of the Company and its 28 consolidated subsidiaries in 2003 (24 in 2002 and 22 in 2001). All significant intercompany 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 when 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, 2003, 2002 and 2001.

Investments in six affiliated companies are accounted for by the equity method in 2003, investments in an affiliated company are accounted for by the equity method in 2002, and investments in an unconsolidated subsidiary and an affiliated company are accounted for by the equity method in 2001. 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) 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 and held-to-maturity debt securities. Equity securities issued by subsidiaries and affiliated 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.

If the market value of held-to-maturity debt securities, equity securities issued by unconsolidated subsidiaries and affiliated companies, 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 subsidiaries and affiliated companies 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 in the year ended March 31, 2001.

Effective April 1, 2001, the Company and its consolidated subsidiaries applied a new accounting requirement for available-for-sale securities with available fair market values under the accounting standard for financial instruments which was adopted in the previous year.

Available-for-sale securities with available fair market values are stated at fair market value. Unrealized gains and unrealized losses on these securities are reported, net of applicable income taxes, as a separate component of shareholders' equity. Realized gains and losses on sale of such securities are computed using moving-average cost.

As a result of applying the new accounting requirement, as at March 31, 2002, net unrealized holding gains on securities increased by ¥1,159 million, deferred income taxes decreased by ¥708 million, and minority interests in the balance sheets decreased by ¥118 million.

See Note 3 as to detail information on securities.

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 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 supplies and the specific identification method as to finished products, semi-finished products and work in process.

f) Property, Plant and Equipment and Depreciation

Depreciation is mainly 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 over estimated useful lives.

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 in addition to the general allowance calculated 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.

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 ¥38,222 million. It has been 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, operating income decreased by ¥1,399 million and income before income taxes decreased by ¥1,594 million compared with what would have been recorded under the previous accounting standard.

i) Income Tax

The Company and its consolidated subsidiaries recognize tax effects of temporary differences between the carrying amounts of assets and liabilities for tax and financial reporting. The provision for income taxes is computed based on the pretax income included in the consolidated statement of operations. 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.

Effective from the year ended March 31, 2003, the Company and some subsidiaries adopted consolidated tax return system. The Company and some subsidiaries account and represent in accordance with "Temporary Treatment of Accounting for Tax Effects to Be Applied Under Consolidated Tax Return System (No.1)," issued by the Accounting Standards Board of Japan on October 9, 2002, and "Temporary Treatments of Accounting for Tax Effects to Be Applied Under Consolidated tax Return System (No.2)," issued by the Accounting Standards Board of Japan on February 6, 2003.

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. 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 statements of operations 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.

k) Treasury Stock and Statutory Reserves

Effective April 1, 2002, the Company adopted the new accounting standard for treasury stock and reversal of statutory reserves (Accounting Standards Board Statement No. 1, "Accounting Standard for Treasury Stock and Reversal of Statutory Reserves," issued by the Accounting Standards Board of Japan on February 21, 2002).

The effect on net income of the adoption of the new accounting standard was not material.

l) 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, 2003, 2002 and 2001, diluted net income per share was not shown since the Company had no securities with dilutive effect.

Effective April 1, 2002, the Company and its consolidated subsidiaries adopted the new accounting standard for net income per share and related guidance (Accounting Standards Board Statement No. 2, "Accounting Standards for Earnings Per Share" and Financial Standards Implementation Guidance No. 4, "Implementation Guidance for Accounting Standard for Earnings Per Share," issued by the Accounting Standards Board of Japan on September 25, 2002).

The effect on net income per share of the adoption of the new accounting standard was immaterial.

m) Statements of Cash Flows

In preparing the consolidated statements of cash flows, 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 following table summarizes acquisition costs and book values of securities with fair value as of March 31, 2003 and 2002.

(a) Available-for-sale securities;

2003	Millions of yen			Thousands of U.S. dollars		
	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference
Securities with fair value exceeding book value:						
Equity securities	¥4,123	¥6,812	¥2,689	$34,358	$56,766	$22,408
Bonds	352	365	13	2,933	3,042	109
	¥4,475	¥7,177	¥2,702	$37,291	$59,808	$22,517
Other securities:						
Equity securities	¥4,500	¥3,617	¥(883)	$37,500	$30,142	$(7,358)
Bonds	2,229	2,065	(164)	18,575	17,208	(1,367)
Others	102	95	(7)	850	792	(58)
	¥6,831	¥5,777	¥(1,054)	$56,925	$48,142	$(8,783)

2002	Millions of yen		
	Acquisition cost	Book value	Difference
Securities with fair value exceeding book value:			
Equity securities	¥7,385	¥10,473	¥3,088
Bonds	136	139	3
	¥7,521	¥10,612	¥3,091
Other securities:			
Equity securities	¥3,761	¥2,792	¥(969)
Bonds	3,195	2,946	(249)
Others	159	154	(5)
	¥7,115	¥5,892	¥(1,223)

B. The following table summarizes book values of securities without fair value as of March 31, 2003 and 2002.

(a) Available-for-sale securities;

	Book value		
	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Money management fund	¥152	¥58	$1,267
Non-listed foreign securities	52	144	433
Non-listed equity securities	684	577	5,700
Others	21	16	175
Total	¥909	¥795	$7,575

(b) Equity securities issued by subsidiaries and affiliated companies

	Book value		
	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Non-listed subsidiary securities	¥81	¥275	$675
Non-listed affiliated securities	10,786	2,080	89,883
Total	¥10,867	¥2,355	$90,558

C. Maturities of available-for-sale securities with maturities as of March 31, 2003 and 2002.

Year ended March 31, 2003	Millions of yen			
	Within 1 year	Over 1 year but within 5 years	Over 5 years but within 10 years	Over 10 years
Bonds	¥744	¥1,093	¥20	¥573

Year ended March 31, 2002	Millions of yen			
	Within 1 year	Over 1 year but within 5 years	Over 5 years but within 10 years	Over 10 years
Bonds	¥434	¥1,478	¥120	¥562

Year ended March 31, 2003	Thousands of U.S. dollars			
	Within 1 year	Over 1 year but within 5 years	Over 5 years but within 10 years	Over 10 years
Bonds	$6,200	$9,108	$167	$4,775

D. Total sales amounts of available-for-sale securities sold, gains and losses, in the years ended March 31, 2003, 2002 and 2001 are follows:

	Millions of yen			Thousands of U.S. dollars
	2003	2002	2001	2003
Sales amount	¥362	¥2,882	¥5,780	$3,017
Gains	4	39	1,207	33
Losses	(63)	(68)	—	(525)

4. Inventories

Inventories as of March 31, 2003 and 2002 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Finished products	¥2,700	¥3,353	$22,500
Semi-finished products	4,087	3,378	34,058
Work-in-process	18,760	19,138	156,333
Materials and supplies	1,710	2,140	14,251
Total	**¥27,257**	**¥28,009**	**$227,142**

5. Short-Term Borrowings

Short-term borrowings are bank loans and represented by notes. The weighted average interest rate was 1.1% as of March 31, 2003 and 2002.

6. Long-Term Debt

Long-term debt as of March 31, 2003 and 2002 consisted of the following.

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
1.738% to 2.6% loans from banks and insurance companies	¥15,953	¥19,679	$132,941
Loans from agricultural cooperative organizations	—	490	—
Less: Current portion	(5,566)	(7,552)	(46,383)
Total	**¥10,387**	**¥12,617**	**$86,558**

The annual maturities of long-term debts as of March 31, 2003 were as follows.

	Millions of yen	Thousands of U.S. dollars
Year ended March 31		
2004	¥5,566	$46,383
2005	2,645	22,042
2006	5,327	44,391
2007	2,315	19,292
2008	100	833

7. Pledged Assets

The following assets were pledged as collateral at March 31, 2003.

	Millions of yen	Thousands of U.S. dollars
Buildings and structures less related accumulated depreciation	¥672	$5,600
Machinery and equipment less related accumulated depreciation	74	617
Land	3,021	25,175
Investment securities	3,010	25,083
Others	39	325
Total	**¥6,816**	**$56,800**

Obligations with collateral pledged at March 31, 2003 were as follows.

U.S. dollars		**Thousands of** Millions of yen
Short-term borrowings	¥2,737	$22,808
Long-term debt	3,700	30,834
Total	**¥6,437**	**$53,642**

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 sheets as of March 31, 2003 and 2002 consists of the following:

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Projected benefit obligation	¥82,835	¥83,813	$690,292
Unrecognized prior service costs	—	58	—
Unrecognized actuarial differences	(18,848)	(6,882)	(157,067)
Prepaid pension cost	64	—	533
Less fair value of pension assets	(25,921)	(33,869)	(216,008)
Less unrecognized net transition obligation	(27,199)	(33,128)	(226,658)
Liability for severance and retirement benefits	¥10,931	¥9,992	$91,092

Included in the consolidated statements of operations for the years ended March 31, 2003, 2002 and 2001 are severance and retirement benefit expenses comprised of the following.

	Millions of yen			Thousands of U.S. dollars
	2003	2002	2001	2003
Service costs – benefits earned during the year	¥3,645	¥3,606	¥3,752	$30,374
Interest cost on projected benefit obligation	2,528	2,652	2,658	21,067
Expected return on plan assets	(853)	(1,217)	(1,487)	(7,108)
Amortization of prior service costs	(4)	(5)	(4)	(33)
Amortization of net transition obligation	2,459	2,547	2,655	20,492
Amortization of actuarial differences	489	433	—	4,075
Employee's contribution	(564)	(583)	(598)	(4,700)
Severance and retirement benefit expenses	¥7,700	¥7,433	¥6,976	$64,167

Amortization of net transition obligation amounted to ¥496 million ($4,133 thousand) and amortization of actual differences amounted to ¥2,277 million ($18,975 thousand) due to division of corporation are not included the above table. These amount are included in loss from division of corporation.

The discount rate and the rate of expected return on plan assets used by the Company and its consolidated subsidiaries are 2.7% to 3.5% and 3.5% to 4.5% for 2003, and 3.5% and 3.5% to 4.5% for 2002, and 3.5% and 3.5% to 5.0% for 2001 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. Prior 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 entire amount of the issue price of shares is required to be accounted for as capital, although a company may, by resolution of its Board of Directors, account for an amount not exceeding one-half of the issue price of the new shares as additional paid-in capital, which is included in capital surplus.

Effective October 1, 2001, the Commercial Code provides that an amount equal to at least 10% of cash dividends and other cash appropriations shall be appropriated and set aside as a legal earnings reserve until the total amount of legal earnings reserve and additional paid-in capital equals 25% of common stock. The total amount of legal earnings reserve and additional paid-in capital of the Company has been reached to 25% of common stock, and therefore the Company is not required to provide legal earnings reserve any more. The legal earnings reserve and additional paid-in capital may be used to eliminate or reduce a deficit by resolution of the shareholders' meeting or may be capitalized by resolution of the Board of Directors. On condition that the total amount of legal earnings reserve and additional paid-in capital remains being equal to or exceeding 25% of common stock, they are available for distribution by the resolution of shareholders' meeting. Legal earnings reserve is included in retained earnings in the accompanying financial statements.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with the Commercial Code.

10. Contingent Liabilities

Contingent liabilities at March 31, 2003, were as follows.

	Millions of yen	Thousands of U.S. dollars
Repurchase of note discounted and endorsed	¥1,878	$15,650
Guarantees of loans from banks to employees	918	7,650
Repurchase of note transfered	2,613	21,775

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. Certain related information are summarized as follows:

(i) Assumed amounts (inclusive of interest) of acquisition cost, accumulated depreciation and net book value as of March 31, 2003 and 2002, are summarized as follows.

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Assumed acquisition cost			
Machinery and equipment	¥162	¥174	$1,350
Others	1,611	1,736	13,425
Accumulated depreciation	(897)	(913)	(7,475)
	¥876	¥997	$7,300

(ii) Future minimum lease payments, inclusive of interest, at March 31, 2003 totaled ¥876 million ($7,300 thousand), including ¥365 million ($2,792 thousand) due within one year.

(iii) Lease payments, which are equal to assumed depreciation charges for the years ended March 31, 2003, 2002 and 2001, were ¥335 million ($3,042 thousand), ¥438 million and ¥431 million, 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, 2003 totaled ¥1,192 million ($9,933 thousand), including ¥268 million ($2,233 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 years ended March 31, 2003, 2002 and 2001 stood at ¥7,012 million ($58,442 thousand), ¥8,765 million, and ¥8,810 million, 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 Other sectors.

In the year ended March 31, 2002, a part of businesses, which was included in Energy in the previous year is reclassified to Industrial Systems, due to the change of Company's organization.

As a result, net sales of Energy decreased by ¥7,997 million, net sales of Industrial Systems increased by same amount, and, operating income of Energy increased by ¥1,826 million, operating loss of Industrial Systems increased by same amount.

Information by industry segments for the years ended March 31, 2003, 2002 and 2001 are as follows:

	Millions of Yen							
Year ended March 31, 2003	Energy	Environment	Info and Communications	Industrial Systems	Others	Total	Eliminations or Corporate	Consolidated
Net sales:								
Outside customers	¥56,760	¥47,809	¥14,550	¥32,547	¥33,187	¥184,853	¥—	¥184,853
Inter-segment	3,948	2,477	3,284	4,115	30,014	43,838	(43,838)	—
Total	60,708	50,286	17,834	36,662	63,201	228,691	(43,838)	184,853
Operating expenses	60,983	42,654	20,203	37,850	61,436	223,126	(41,691)	181,435
Operating income (loss)	¥(275)	¥7,632	¥(2,369)	¥(1,188)	¥1,765	¥5,565	¥(2,147)	¥3,418
Identifiable assets	¥44,053	¥25,318	¥20,430	¥26,179	¥38,653	¥154,633	¥42,507	¥197,140
Depreciation and amortization	1,555	269	805	625	631	3,885	1,036	4,921
Capital expenditures	1,278	270	974	2,665	665	5,852	1,522	7,374

Year ended March 31, 2002	Millions of yen							
	Energy	Environment	Info and Communications	Industrial Systems	Others	Total	Eliminations or Corporate	Consolidated
Net sales:								
Outside customers	¥71,587	¥47,397	¥13,595	¥32,634	¥34,862	¥200,075	¥—	¥200,075
Inter-segment	4,712	2,320	2,908	3,976	35,474	49,390	(49,390)	—
Total	76,299	49,717	16,503	36,610	70,336	249,465	(49,390)	200,075
Operating expenses	74,899	41,613	19,776	38,687	68,433	243,408	(46,867)	196,541
Operating income (loss)	¥1,400	¥8,104	¥(3,273)	¥(2,077)	¥1,903	¥6,057	¥(2,523)	¥3,534
Identifiable assets	¥54,342	¥23,772	¥18,363	¥28,472	¥34,649	¥159,598	¥45,623	¥205,221
Depreciation and amortization	1,221	204	711	694	824	3,654	1,207	4,861
Capital expenditures	1,251	402	672	2,196	494	5,015	1,302	6,317

Year ended March 31, 2001	Millions of yen							
	Energy	Environment	Info and Communications	Industrial Systems	Others	Total	Eliminations or Corporate	Consolidated
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, 2003	Thousands of U.S. dollars							
	Energy	Environment	Info and Communications	Industrial Systems	Others	Total	Eliminations or Corporate	Consolidated
Net sales:								
Outside customers	$473,000	$398,408	$121,250	$271,225	$276,558	$1,540,441	$–	$1,540,441
Inter-segment	32,900	20,642	27,366	34,292	250,117	365,317	(365,317)	–
Total	505,900	419,050	148,616	305,517	526,675	1,905,758	(365,317)	1,540,441
Operating expenses	508,192	355,450	168,358	315,417	511,966	1,859,383	(347,425)	1,511,958
Operating income (loss)	$(2,292)	$63,600	$(19,742)	$(9,900)	$14,709	$46,375	$(17,892)	$28,483
Identifiable assets	$367,109	$210,983	$170,250	$218,158	$322,108	$1,288,608	$354,225	$1,642,833
Depreciation and amortization	12,959	2,242	6,708	5,208	5,258	32,375	8,633	41,008
Capital expenditures	10,650	2,250	8,117	22,208	5,542	48,767	12,683	61,450

Geographic information and **overseas sales** are 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 42.69%, 40.87% and 40.87% for the years ended March 31, 2003, 2002 and 2001, respectively. Significant components of deferred tax assets and liabilities of the Company and its consolidated subsidiaries as of March 31, 2003 and 2002 are as follows.

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Deferred tax assets:			
Net operating loss carry forwards	¥8,520	¥7,933	$71,000
Allowance for retirement benefits	3,569	3,581	29,742
Unrecognized intercompany profit	3,609	3,357	30,075
Bonuses	1,504	1,175	12,533
Other	1,819	1,551	15,158
Gross deferred tax assets	19,021	17,597	158,508
Less: Valuation allowance	(2,956)	(5,524)	(24,633)
	16,065	12,073	133,875
Deferred tax liabilities:			
Deferred gain on sales of property for tax purpose	1,322	1,363	11,017
Unrealized holding gains on securities	690	708	5,750
Deferred gain from division of corporation	1,127	–	9,392
Other	80	48	666
Gross deferred tax liabilities	3,219	2,119	26,825
Net deferred tax assets	¥12,846	¥9,954	$107,050

The following table summarizes the significant differences between the statutory tax rate and the Company's effective tax rate financial statement purposes for the years ended March 31, 2003, 2002 and 2001.

	2003	2002	2001
Statutory tax rate	42.69%	–%	40.87%
Permanent difference (Social expenses, etc.)	11.35	–	34.62
Per capita inhabitant tax	14.08	–	23.97
Net increase (decrease) in valuation allowance	(233.83)	–	433.80
Decrease in deferred tax assets due to the change of statutory tax rate	(8.83)	–	–
Increase in division of corporation	116.15	–	–
Decrease in net operating loss carry forwards of subsidiaries due to adoption of consolidated tax return system	56.90	–	–
Other-net	(2.79)	–	(0.17)
Effective tax rate	–4.28%	–%	533.09%

Difference between the statutory tax rate and the Company's effective tax rate for the year ended March 31, 2002 is not shown due to loss before income taxes.

Effective April 1, 2004, statutory tax rate in Japan will be changed to 39.54% because of the amendment of the Japanese local tax law. The effects on consolidated financial statements for 2003 resulted in a decrease of ¥150 million ($1,250 thousand) in long-term deferred tax assets (net of long-term deferred tax liabilities), a increase of ¥162 million ($1,350 thousand) in deferred income taxes, a increase of ¥11 million ($92 thousand) in net unrealized holding gains on securities, a decrease of ¥15 million ($125 thousand) in deferred income tax liabilities on revaluation reserve for land, a increase of ¥5 million ($42 thousand) in minority interests, and a increase of ¥9 million ($75 thousand) in revaluation reserve for land, respectively.

By adoption of consolidated tax return system, during the consolidated accounting fiscal years which start during the period from April 1, 2002 through March 31, 2004, it became necessary to add 2% of the surtax rate on the conventional the corporate tax. Reflecting this change, in calculating the deferred tax asset and deferred tax liability the addition of surtax rate 2% was taken into account.

Due to this change, effective tax rate for the corporate tax in the fiscal 2003 to be used in the calculation of the deferred tax asset and the deferred tax liability is mainly changed from 27.37% to 29.20%. The amount of deferred tax asset at the end of the fiscal 2002 (amount deducting the deferred tax liability) showed the increase of ¥232 million ($1,933 thousand) and the decrease of ¥232 million ($1,933 thousand) in the adjustment amount relating to corporate tax, etc. in the fiscal 2002.

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, 2003 and 2002 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Cash and time deposits	¥10,427	¥15,033	$86,892
Short-term securities	1,011	1,086	8,425
Other current assets (repurchase agreement)	320	–	2,667
Bonds with maturities of exceeding three months	(839)	(538)	(6,992)
Cash and cash equivalents	¥10,919	¥15,581	$90,992

16. Effect of Bank Holiday on March 31, 2002

As financial institutions in Japan were closed on March 31, 2002, amount that would normally be settled on March 31, 2002 were collected or paid on the following business day, April 1, 2002.

The effect of the settlements on April 1 instead of March 31 included the following:

Notes receivable, trade	930 million
Notes payable, trade	688 million
Notes payable, other	375 million

17. Casualty Loss

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

18. Gain from Division of Corporation

Gain from division of corporation is due to transfer substation business of the Company to Japan AE Power Systems Corporation.

19. Loss from Division of Corporation

Loss from division of corporation for the year ended March 31, 2003 of the following:

	Millions of yen	Thousands of U.S. dollars
Recognized actuarial differences	¥2,277	$18,975
Recognized net transition obligation	496	4,133
Loss on disposal of inventories	255	2,125
Other	169	1,408
	¥3,197	$26,641

20. Related Party Transactions

Significant transaction with related parties for the year ended March 31, 2003 are as follows:

	Millions of yen				
	Purchase of finished products	Accounts payable	Supply of Material	Accounts receivable	Division of corporation
Japan AE Power Systems Corporation	¥5,559	¥4,548	¥1,855	¥823	¥7,263
Japan Motor & Generator Co., Ltd.	4,662	2,313	4,585	1,702	—

	Thousands of U.S.dollars				
	Purchase of finished products	Accounts payable	Supply of Material	Accounts receivable	Division of corporation
Japan AE Power Systems Corporation	$46,325	$37,900	$15,458	$6,858	$60,525
Japan Motor & Generator Co., Ltd.	38,850	19,275	38,208	14,183	—

21. Subsequent Event

The Company and MEIDEN ENGINEERING CO., LTD. merged at April 1, 2003. The Company took over assets, liabilities, other rights and obligations and employee of MEIDEN ENGINEERING CO., LTD.

(1) The Company issued 44,227,546 shares.

(2) In connection with these mergers, common stock did not change and capital surplus increased to ¥13,933 million ($116,108 thousand).

(3) In connection with these mergers, assets acquired and liabilities assumed were as follows:

	Millions of yen	Thousands of U.S.dollars
Assets:		
Current assets	¥17,500	$145,833
Property, plant and equipment	6,846	57,050
Intangible assets	114	950
Other assets	4,532	37,767
Total assets	28,992	241,600
Liabilities:		
Current liabilities	(8,630)	(71,917)
Long-term liabilities	(4,802)	(40,017)
Total liabilities	(13,432)	(111,934)
Net assets	¥15,560	$129,666

Delivered money due to merger is included in current liabilities.

22. Other Matters

The Company is facing litigations relating to bid-rigging cases in the water treatment projects. The citizens in 13 local governments including Machida-city, Tokyo filed lawsuits against nine (9) companies including the Company for the indemnification for damage to each local government, total ¥2,062 million ($17,183 thousand) which includes the attorney’s fee and excludes the delay penalty of 5% per annum.

Out of these 13 cases of litigation, the Supreme Court referred the 11 cases back to the original courts under which 10 cases are still under dispute at the district courts and 1 case reached an out-of-court settlement with the representatives of the citizens on May 28, 2003 after the case was sent back to the Osaka High Court. The settlement reached between the group of manufacturers including the Company and the representative was to pay the total ¥54 million ($450 thousand) as the settlement money and the attorney’s fee and to terminate the litigation by this settlement. The charged amount against the Company for the settlement was ¥24 million ($200 thousand).

The balance 2 cases are still in dispute at the district courts after the cases were sent back from the high court.

Independent Auditors' Report

To the Shareholders and the Board of Directors of MEIDENSHA CORPORATION:

We have audited the accompanying consolidated balance sheets of MEIDENSHA CORPORATION and subsidiaries as of March 31, 2003 and 2002, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the three years in the period ended March 31, 2003, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of MEIDENSHA CORPORATION and subsidiaries as of March 31, 2003 and 2002, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2003, in conformity with accounting principles generally accepted in Japan as described in Note 1 to the consolidated financial statements.

Without qualifying our opinion, we draw attention to the following.

(1) As discussed in Notes 2(c), 2(d), 2(g), 2(h) and 2(j) to the consolidated financial statements, effective April 1, 2000, the MEIDENSHA CORPORATION and domestic subsidiaries prospectively adopted the new Japanese accounting standards for financial instruments, employees' severance and retirement benefits, and the revised Japanese accounting standard for foreign currency translation.

(2) As discussed in Note 2(c) to the consolidated financial statements, effective April 1, 2001, MEIDENSHA CORPORATION and domestic subsidiaries adopted the new Japanese accounting requirement for available-for-sale securities with available fair market values under the accounting standard for financial instruments, which was adopted in the previous year.

(3) As discussed in Note 21 to the consolidated financial statements, MEIDENSHA CORPORATION and MEIDEN ENGINEERING CO LTD. merged at April 1, 2003.

The consolidated financial statements as of and for the year ended March 31, 2003 have been translated into United States dollars solely for the convenience of the reader. We have recomputed the translation and, in our opinion, the consolidated financial statements expressed in Japanese yen have been translated into United States dollars on the basis set forth in Note 1 to the consolidated financial statements.

Tokyo, Japan
June 25, 2003

Asahi & Co.

Overseas Offices and Affiliates

(As of July, 2003)

Hong Kong

MEIDEN PACIFIC (CHINA) LTD.
Unit 01-02A, 16/F Tower 1,
Ever Gain Plaza,
88 Container Port 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 12190, Indonesia
Phone: 21-520-0612/1239
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, Jalan 19/1
46300 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Phone: 3-79554646
Facsimile: 3-79546466

Singapore

MEIDEN SINGAPORE PTE. LTD.
5, Jalan Pesawat,
Jurong Industrial Estate,
Singapore 619363
Phone: 6268-8222
Facsimile: 6264-4292

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

MEIDEN ELECTRIC (THAILAND) LTD.
898 Moo 2, Bangpa-in Industrial Estate, Udomsorayuth Rd.,
Klongjig,
Bangpa-in, Ayudhaya 13160, Thailand
Phone: 35-258258~262
Facsimile: 35-221388

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

The United States

MEIDEN AMERICA, INC.
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 ¥130 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 ¥100 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 ¥90 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

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 ¥60 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 and sales of transformers, switchgears and circuit-breakers and related engineering and constructing service

※ THAI MEIDENSHA CO., LTD.
Capital TB10 million
Engineering and constructing service

※ MEIDEN ELECTRIC (THAILAND) LTD.
Capital TB70 million
Manufacture and sales of switchgears

※ P.T.MEIDEN ENGINEERING INDONESIA
Capital US$ 320thousand
Engineering and constructing service

※ MEIDEN EUROPE LTD.
Capital £750 thousand
Sales of electric products and components

※ MEIDEN PACIFIC (CHINA) LTD.
Capital HK$10 million
Sales of electric products and components and constructing service

Plus five domestic subsidiaries.

※ : Please see page 37 to find contact information for overseas offices and affiliates.

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

Authorized	576,000,000 shares
Issued	202,025,158 shares
	¥17,070 million
	($142,250 thousand)

Shareholders
19,084

Transfer Agent
The Sumitomo Trust & Banking Co., Ltd.

Board of Directors
(As of June 25, 2003)

Chairman
Shigeo Seko

President
Keiji Kataoka

Executive Vice President
Koji Yano

Executive Vice President
Kensuke Ikuji

Executive Vice President
Masaaki Oishi

Executive Vice President
Masaoki Hino

Directors
Tetsuro Kawakami *Kenzo Nakamura*

Senior Corporate Auditors
Takaharu Tokunishi *Tadashi Sanada* *Masahiro Fuke*

Corporate Auditors
Haruhisa Kawabe *Yojiro Yamashita*

MEIDEN