Item 11. Quantitative and Qualitative Disclosures about Market Risk.

A.Quantitative Information about Market Risk

All the currency swap agreements that remained in the previous fiscal year turned mature in fiscal 2001.

In the information stated below, there are no material changes between fiscal 2001 and 2000.

Foreign Currency Exchange Risks

The following tables provide information regarding the Company's derivative financial instruments related to foreign currency exchange transactions as of March 31, 2001 and March 31, 2000, which were translated into Japanese yen at the year-end spot rate.

Foreign Exchange Forward Contracts (as of March 31, 2001)

	Millions of Yen		Thousands of Dollars	
	receive	pay	receive	pay
Buy Yen, Sell U.S. Dollar	¥28,339	¥31,665	$228,540	$255,363
Buy Yen, Sell Euro	5,249	5,341	42,331	43,073
Buy Deutsche Mark, Sell Pound Sterling	990	958	7,984	7,726

Foreign Exchange Forward Contracts (as of March 31, 2000)

	Millions of Yen		Thousands of Dollars	
	receive	pay	receive	pay
Buy Yen, Sell U.S. Dollar	¥33,960	¥34,566	$320,377	$326,094
Buy Yen, Sell Euro	1,975	1,836	18,632	17,321
Buy Deutsche Mark, Sell Pound Sterling	838	896	7,906	8,453

Buy Yen, Sell U.S. Dollar (as of March 31, 2001)

	Millions of Yen		Thousands of Dollars	
Life Period	Receive	pay	receive	pay
1-3 months	¥16,041	¥18,025	$129,363	$145,363
4-6 months	12,298	13,640	99,177	110,000
Total	¥28,339	¥31,665	$228,540	$255,363

Buy Yen, Sell Euro (as of March 31, 2001)

	Millions of Yen		Thousands of Dollars	
Life Period	receive	pay	receive	pay
1-3 months	¥3,625	¥3,706	$29,234	$29,888
4-6 months	1,624	1,635	13,097	13,185
Total	¥5,249	¥5,341	$42,331	$43,073

Buy Deutsche Mark, Sell Pound Sterling, Years ended March 31, 2001

	Millions of Yen		Thousand of Dollars	
Life Period	receive	pay	receive	pay
1-3 months	¥562	¥550	$4,531	$4,414
4-6 months	215	204	1,728	1,656
7-9 months	213	204	1,725	1,656
Total	¥990	¥958	$7,984	$7,726

At March 31, 2000, the Company's foreign exchange forward contracts and currency swap agreements, in the aggregate, were to pay ¥50,814 million and receive ¥46,894 million in Japanese yen and foreign currencies through fiscal 2001. as translated into Japanese yen at the year end-rate spot rate.

Interest Rate Risks

The following table provides information, by maturity date, about the Company's interest rate swap contracts. Financial instruments that are sensitive to interest rate changes were disclosed in Note 5 "Short-Term Borrowings and Long-Term Debt".

The table represents notional principal amounts and weighted average interest rate by expected maturity dates. Notional principal amounts are used to calculate the contractual payments to be exchanged to under the contracts as of March 31, 2001, which are translated into yen at the year-end spot rate.

Interest Rate Swap Contracts

Maturities, years ending March 31. (As of March 31, 2001)	Weighted average rate		Notional amount	
	receive	pay	Millions of Yen	Thousands of U.S. Dollars
2002	0.38%	1.62%	¥4,800	$38,710
2003	0.38	1.43	4,300	34,677
2004	0.38	1.43	4,300	34,677
2005	0.28	1.30	3,000	24,194
2006	0.28	1.30	3,000	24,194

Maturities, years ending March 31. (As of March 31, 2000)	Weighted average rate		Notional amount
	receive	pay	Millions of Yen
2001	4.06%	5.37%	¥11,980
2002	0.62	2.15	1,800
2003	0.69	1.74	1,300
2004	0.69	1.74	1,300

At March 31, 2000, the Company's interest rate swap contracts, in the aggregate, were to pay 4.4% and receive 3.2% of weighted average rate of interest through fiscal 2004 on the basis of notional principal amount of ¥16,380 million.

Equity Price Risks

The Company's short-term and other investments are exposed to changes in equity price risks and consist entirely of available-for-sale securities. Fair value and other information for such equity securities is disclosed in Note 4 “Short-Term and Other Investments”.

Fair Value of Financial Instruments

	Millions of Yen			
	2001		2000	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets;				
Financial receivables	¥81,148	¥81,223	¥60,530	¥60,741
Other investments	196,997	196,977	280,014	280,014
Financial liabilities;				
Long-term debt	(246,121)	(251,668)	(277,344)	(276,179)
Derivatives financial instruments related principally to long-term debt;				
Foreign exchange instruments recorded as assets (liabilities)	(2,965)	(2,937)	(3)	315
Interest rate swap and other instruments	-	(114)	-	(128)

	Thousands of U.S. Dollars	
	2001	
	Carrying value	Fair value
Financial assets;		
Financial receivables	$654,419	$655,024
Other investments	1,588,685	1,588,685
Financial liabilities;		
Long-term debt	(1,984,847)	(2,029,581)
Derivative financial instruments related principally to long-term debt;		
Foreign exchange instruments recorded as assets (liabilities)	(23,911)	(23,685)
Interest rate swap and other instruments	-	(919)

	Millions of Yen		Thousands of U.S. Dollars
	2001	2000	2001
Foreign exchange instruments	¥37,964	¥46,983	$306,161
Interest rate swap and other instruments	4,800	11,980	38,710
Financial guarantees	13,014	14,687	104,952

B. Qualitative Information about Market Risks

The Company is subject to market rate risk due to fluctuation of foreign currency exchange rates, interest rates and equity prices. Among these risks, the Company manages foreign currency exchange and interest rate risks by using derivative financial instruments in accordance with established policies and procedures.

Foreign Currency Exchange Risks

The Company’s foreign currency exposure relates primarily to its foreign currency denominated assets in its international operations. The Company entered into foreign exchange forward contracts designated to mitigate its exposure to foreign currency exchange risks.

The Company manages foreign currency exchange risks of notes and accounts receivables in foreign currency mainly by use of foreign exchange forward contracts in order to fix cash flows arising from those assets. Parent company is primarily responsible for managing those risks. U.S. dollar and Euro are major currencies for receipts in foreign currency, for which the Company manages foreign currency exchange risks. The Company has established the minimum rates on hedging risks for the receipts in foreign currency in the next six months. Accordingly, risks of foreign currency exchange for the next six months are managed well.

Interest Risks

The Company is exposed to interest rate risks mainly inherent in its obligations with both fixed and variable rates. In order to hedge these risks, the Company uses interest rate swap contracts to change the characteristics of its fixed and variable rate exposures.

Interest rate risks arise mainly from borrowings. The Company' policies in contracting borrowings are as follows:

1) to secure diversified financing resources.
2) to procure long-term borrowings in fixed rates for long-term funds, and short-term borrowings for short-term funds
3) to maintain a balance between bonds and bank loans
4) to reduce financing costs

Under these policies, the Company uses interest rate swap contracts appropriately.

Fair value of Financial Instruments

The fair value of finance receivables, other investments, and long-term debts based on quoted market prices when available or discounted cash flows using the current interest rate on similar financing investments are not necessarily indicative of the amounts the Company might pay or receive from actual market transactions.

Additionally, the contract or notional amounts for off-balance-sheet financial instruments are used to measure the volume of these agreements and do not necessarily represent exposure to credit loss, and their fair value is the estimated amount that the Company would receive or pay to terminate the agreements, taking into account current foreign exchange and/or interest rate, where applicable.

The carrying amounts of cash equivalents, short-term investments, note and accounts receivable and payable, and short-term borrowings approximately the fair value because of short maturity of those instruments.

The Company is contingently liable as guarantor of indebtedness of distributors and customers for their borrowings from financial institutions.