

■ SEGMENT INFORMATION

The following segment information for the years ended March 31, 2007 and 2006, which is required under the regulations of the Securities and

Exchange Law of Japan, is not consistent with accounting principles generally accepted in the United States of America.

Industry Segments

Year Ended March 31, 2007	Millions of Yen						Consolidated
	Internal Combustion Engine & Machinery	Pipes, Valves, & Industrial Castings	Environmental Engineering	Other	Total	Corporate & Eliminations	
Revenues:							
Unaffiliated customers	¥746,808	¥194,224	¥90,613	¥ 95,811	¥1,127,456	¥ —	¥1,127,456
Intersegment	22	768	340	16,893	18,023	(18,023)	—
Total	746,830	194,992	90,953	112,704	1,145,479	(18,023)	1,127,456
Cost of revenues and operating expenses	621,926	172,985	96,568	105,577	997,056	53	997,109
Operating income (loss)	¥124,904	¥ 22,007	¥ (5,615)	¥ 7,127	¥ 148,423	¥ (18,076)	¥ 130,347
Identifiable assets at March 31, 2007	¥862,298	¥197,555	¥68,742	¥ 97,192	¥1,225,787	¥276,745	¥1,502,532
Depreciation	16,241	4,776	590	1,305	22,912	2,182	25,094
Loss from impairment	12	—	138	—	150	298	448
Capital expenditures	30,308	4,549	647	1,830	37,334	7,381	44,715

Year Ended March 31, 2006	Millions of Yen						Consolidated
	Internal Combustion Engine & Machinery	Pipes, Valves, & Industrial Castings	Environmental Engineering	Other	Total	Corporate & Eliminations	
Revenues:							
Unaffiliated customers	¥674,087	¥189,708	¥109,864	¥ 92,077	¥1,065,736	¥ —	¥1,065,736
Intersegment	40	2,184	209	15,176	17,609	(17,609)	—
Total	674,127	191,892	110,073	107,253	1,083,345	(17,609)	1,065,736
Cost of revenues and operating expenses	563,517	172,637	105,783	105,073	947,010	(2,332)	944,678
Operating income	¥110,610	¥ 19,255	¥ 4,290	¥ 2,180	¥ 136,335	¥ (15,277)	¥ 121,058
Identifiable assets at March 31, 2006	¥760,001	¥181,740	¥ 92,996	¥ 81,461	¥1,116,198	¥289,204	¥1,405,402
Depreciation	15,284	5,308	575	1,492	22,659	2,508	25,167
Loss from impairment	61	82	59	836	1,038	—	1,038
Capital expenditures	25,482	3,585	389	1,479	30,935	2,870	33,805

Year Ended March 31, 2007	Thousands of U.S. Dollars						Consolidated
	Internal Combustion Engine & Machinery	Pipes, Valves, & Industrial Castings	Environmental Engineering	Other	Total	Corporate & Eliminations	
Revenues:							
Unaffiliated customers	\$6,328,881	\$1,645,966	\$767,907	\$811,958	\$ 9,554,712	\$ —	\$ 9,554,712
Intersegment	187	6,508	2,881	143,161	152,737	(152,737)	—
Total	6,329,068	1,652,474	770,788	955,119	9,707,449	(152,737)	9,554,712
Cost of revenues and operating expenses	5,270,560	1,465,974	818,373	894,720	8,449,627	449	8,450,076
Operating income (loss)	\$1,058,508	\$ 186,500	\$ (47,585)	\$ 60,399	\$ 1,257,822	\$ (153,186)	\$ 1,104,636
Identifiable assets at March 31, 2007	\$7,307,610	\$1,674,195	\$582,559	\$823,661	\$10,388,025	\$2,345,297	\$12,733,322
Depreciation	137,636	40,474	5,000	11,059	194,169	18,492	212,661
Loss from impairment	102	—	1,169	—	1,271	2,526	3,797
Capital expenditures	256,847	38,551	5,483	15,509	316,390	62,551	378,941

Notes: 1. The Company changed the presentation of finance income and expenses from retail finance business, which are classified into "Revenues" and "Cost of revenues and operating expenses".
2. In accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", the results of operations related to discontinued operations are eliminated from "Environmental Engineering", "Total", and "Consolidated".

Geographic Segments

Year Ended March 31, 2007	Millions of Yen					Corporate & Eliminations	Consolidated
	Japan	North America	Other Areas	Total			
Revenues:							
Unaffiliated customers	¥637,881	¥325,188	¥164,387	¥1,127,456	¥ —		¥1,127,456
Intersegment	270,392	7,392	5,843	283,627	(283,627)		—
Total	908,273	332,580	170,230	1,411,083	(283,627)		1,127,456
Cost of revenues and operating expenses	810,520	297,951	152,193	1,260,664	(263,555)		997,109
Operating income	¥ 97,753	¥ 34,629	¥ 18,037	¥ 150,419	¥ (20,072)		¥ 130,347
Identifiable assets at March 31, 2007	¥745,943	¥452,994	¥131,412	¥1,330,349	¥172,183		¥1,502,532

Year Ended March 31, 2006	Millions of Yen					Corporate & Eliminations	Consolidated
	Japan	North America	Other Areas	Total			
Revenues:							
Unaffiliated customers	¥660,379	¥286,335	¥119,022	¥1,065,736	¥ —		¥1,065,736
Intersegment	250,976	4,934	4,070	259,980	(259,980)		—
Total	911,355	291,269	123,092	1,325,716	(259,980)		1,065,736
Cost of revenues and operating expenses	807,439	264,498	111,616	1,183,553	(238,875)		944,678
Operating income	¥103,916	¥ 26,771	¥ 11,476	¥ 142,163	¥ (21,105)		¥ 121,058
Identifiable assets at March 31, 2006	¥730,366	¥390,122	¥ 80,353	¥1,200,841	¥204,561		¥1,405,402

Year Ended March 31, 2007	Thousands of U.S. Dollars					Corporate & Eliminations	Consolidated
	Japan	North America	Other Areas	Total			
Revenues:							
Unaffiliated customers	\$5,405,771	\$2,755,831	\$1,393,110	\$ 9,554,712	\$ —		\$ 9,554,712
Intersegment	2,291,457	62,644	49,517	2,403,618	(2,403,618)		—
Total	7,697,228	2,818,475	1,442,627	11,958,330	(2,403,618)		9,554,712
Cost of revenues and operating expenses	6,868,813	2,525,009	1,289,771	10,683,593	(2,233,517)		8,450,076
Operating income	\$ 828,415	\$ 293,466	\$ 152,856	\$ 1,274,737	\$ (170,101)		\$ 1,104,636
Identifiable assets at March 31, 2007	\$6,321,551	\$3,838,932	\$1,113,661	\$11,274,144	\$1,459,178		\$12,733,322

Notes: 1. The Company changed the presentation of finance income and expenses from retail finance business, which are classified into "Revenues" and "Cost of revenues and operating expenses".
2. In accordance with SFAS No. 144, the results of operations related to discontinued operations are eliminated from "Japan", "Total", and "Consolidated".

Revenues by Region

Years Ended March 31, 2007 and 2006	Millions of Yen				Thousands of U.S. Dollars
	2007		2006		
Japan	¥ 603,502	53.5%	¥ 632,128	59.3%	\$5,114,424
Overseas:					
North America	323,092	28.7	284,586	26.7	2,738,068
Other Areas	200,862	17.8	149,022	14.0	1,702,220
Subtotal	523,954	46.5	433,608	40.7	4,440,288
Total	¥1,127,456	100.0%	¥1,065,736	100.0%	\$9,554,712

Notes: 1. Revenues by region represent revenues to unaffiliated customers based on the customers' locations.
2. The Company changed the presentation of finance income from retail finance business, which is classified into "Revenues".
3. In accordance with SFAS No. 144, revenues from discontinued operations are eliminated from "Japan" and "Total".