March 4, 2004

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Revisions to retirement pension system and extraordinary income arising from such revisions

After consulting with its labor unions for some time with regard to revisions to its pension system for retired employees based on adoption of a cash balance plan, the Company reached an agreement with the unions on a shift to the new pension system to take place March 21, 2004. This document serves as notice of this agreement and of the extraordinary gains arising from such revisions.

1. Factors underlying pension system revisions:

Various factors such as long-term low interest rates and a sluggish stock market have made pension asset management much more difficult and eroded the operating conditions for the Company's pension asset system, resulting in inadequate reserves for retirement benefits and significantly impairing the Company's performance.

To eliminate to the extent possible the risks of such inadequacies in reserves, to maintain a stable pension system even under such harsh asset management conditions, and to ensure the system's viability, the Company has decided to shift from its current plan, a tax-qualified pension plan based on the Corporation Tax Law, to a revised pension system based on a cash balance plan under the Law Concerning Defined-Benefit Corporate Pension Plans.

* Summary of the cash balance plan:

(1) This system has the characteristics of both a defined-benefits plan and a defined-contribution plan. Under this system, adjustments such as fluctuations in pension amounts are made automatically in line with movements in interest rates. The system provides increased flexibility to respond to changes in the asset management environment and to economic fluctuations and stabilizes pension system operations.

(2) This system eases the effects on pension benefit accounting of fluctuations in interest rates and stock market prices, stabilizing corporate income.

2. Summary of the new revisions to the pension plan (See "New System Overview" on page 3.)

Until now, the Company's retirement benefit and pension plan has been comprised of Pension No. 1 (lifetime benefits, guaranteed for fifteen years) and Pension No. 2 (ten-year defined pension) as tax-qualified pension plans, in addition to one-time payments made upon retirement. Following the revisions, Pension No. 1 will shift to a cash balance plan. Pension No. 2 will be abolished and incorporated into the one-time payments made on retirement.

(1) Indexed interest rates:

The indexed interest rate used to calculate reserves and pension amounts will be the past one year average yield to subscribers on ten-year national government bonds. Upper and lower limits on this indexed interest rate shall be as shown in the table below. The interest rates applied shall be reviewed annually during the period reserves are collected, during the deferment period, and during the period pensions are received.

	Period for which reserves are collected, deferment period	Period pensions are received
Upper limit	4.5%	5.0%
Lower limit	1.5% or the legal minimum planned interest rate, whichever is higher	

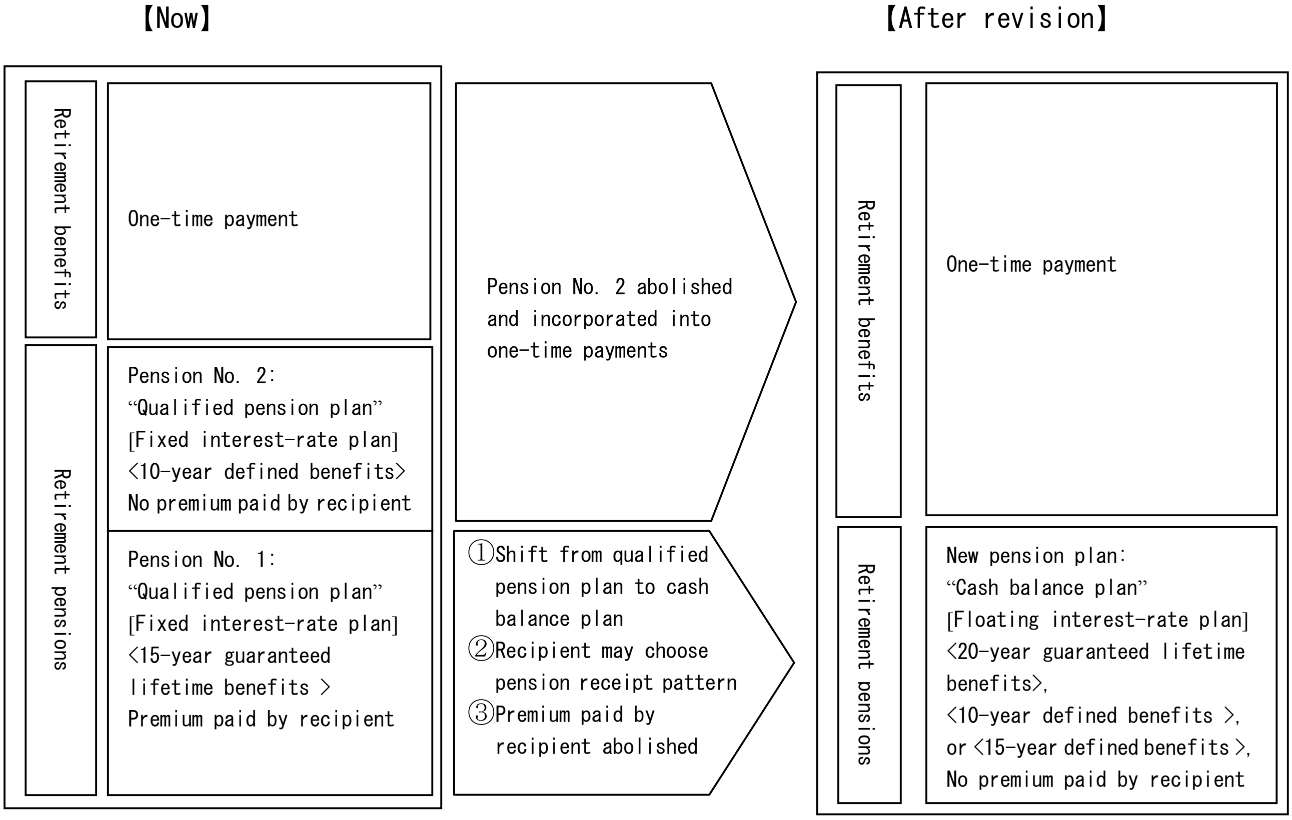
(2) Expanding the range of choices for receipt of lifetime pension benefits and extending the guarantee period:

In response to the lengthening lifespans and increasing diversity of senior lifestyles, the Company will establish a choice of methods for receiving pension benefits under the cash balance plan, enabling recipients to choose from three types in accordance with their own needs: a lifetime plan, a fifteen-year defined-benefits plan, and a ten-year defined-benefits plan. In addition, the total amount received during the guaranteed period under the lifetime plan shall remain unchanged, while the guaranteed period is extended from fifteen to twenty years.

(3) Date of shift to new system:

March 21, 2004

<New System Overview>



3. Extraordinary income arising from these revisions:

Following this series of revisions to its pension plan, the Company in Fiscal 2004 (Apr.1, 2003-Mar.31, 2004) will book extraordinary income of 2.7 billion yen for reversal of employees' severance obligation for prior service.

Furthermore, the effects of these revisions on consolidated and non-consolidated business performance for Fiscal 2004 were incorporated into projections announced in the Consolidated Business Results for the Third Quarter (Nine-Month Cumulative Total) of Fiscal 2004 Ending March 31, 2004, announced on February 3, 2004. For this reason, these projections are not revised here.