

2002
ANNUAL REPORT

YEAR ENDED MARCH 31, 2002

ICOM INCORPORATED

Financial Highlights

ICOM INCORPORATED AND SUBSIDIARIES

Years ended March 31

Thousands of
U.S. dollars

	Millions of yen			2002
	2002	2001	2000	
Net sales	¥ 26,010	¥ 25,567	¥ 27,392	\$ 195,285
Operating income	2,754	2,623	3,842	20,677
Income before income taxes and minority interests	3,585	3,080	3,105	26,916
Net income	2,069	1,820	1,759	15,534
Total assets	¥ 38,210	¥ 36,369	¥ 34,159	\$ 286,883
Per common share (in ¥ & \$):				
Net asset	¥ 2,280.23	¥ 2,141.19	¥ 1,997.57	\$ 17.12
Net income	139.34	122.58	118.46	1.05
Cash dividends	10.00	10.00	10.00	0.08

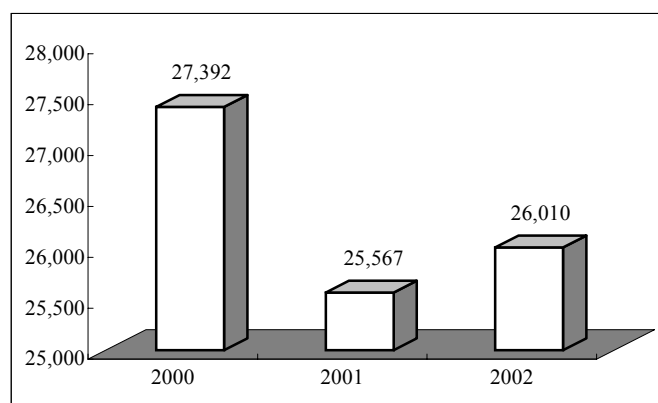
Notes:

1. All dollar amounts herein refer to U.S. dollars that have been translated from Japanese-yen at ¥133.19=U.S.\$1.00, the exchange rate prevailing on March 31, 2002.

2. Amounts shown in millions of yen and thousands of dollars are rounded off to the nearest million and thousand.

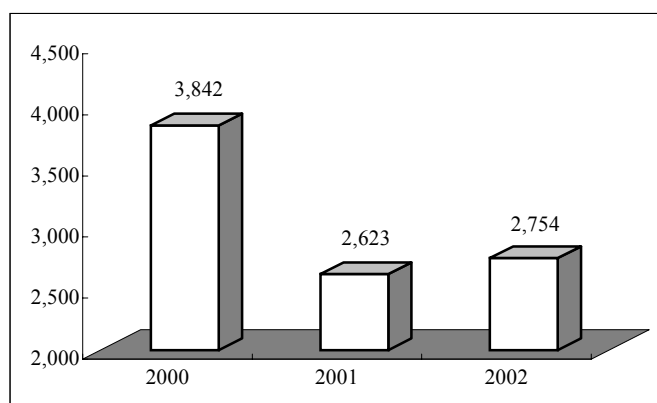
Net Sales

(Millions of yen)



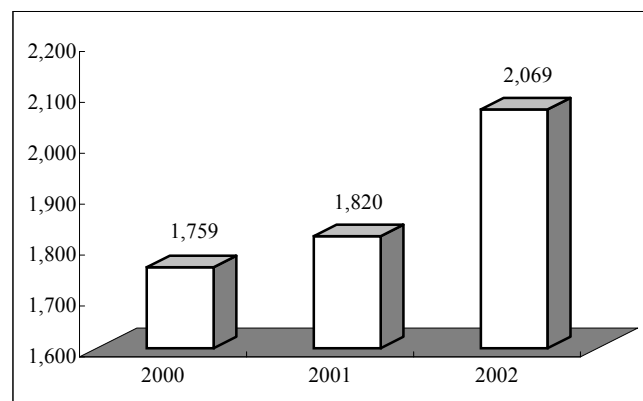
Operating Income

(Millions of yen)



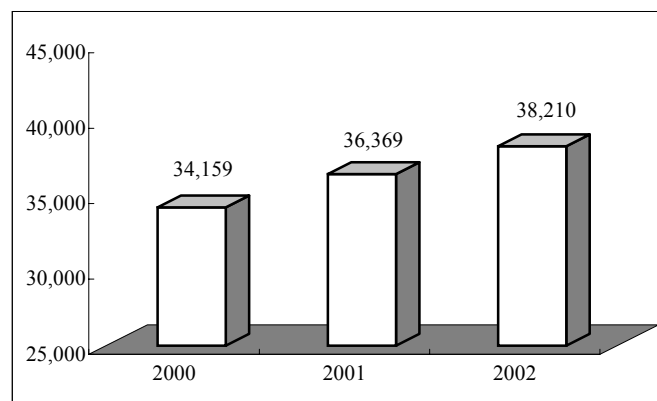
Net Income

(Millions of yen)



Total Assets

(Millions of yen)



Operating Highlights

BUSINESS SEGMENT INFORMATION

Years ended March 31

	Millions of yen				Thousands of U.S. dollars			
	Net sales		Operating income		Net sales		Operating income	
	2002	2001	2002	2001	2002	2001	2002	2001
Radio	¥ 21,742	¥ 20,377	¥ 3,316	¥ 3,097	\$ 163,241	\$ 152,992	\$ 24,897	\$ 23,252
Computer	4,272	5,199	(562)	(475)	32,074	39,034	(4,220)	(3,566)
Elimination	(4)	(9)	0	1	(30)	(67)	0	8
Consolidated Total	26,010	25,567	2,754	2,623	195,285	191,959	20,677	19,694

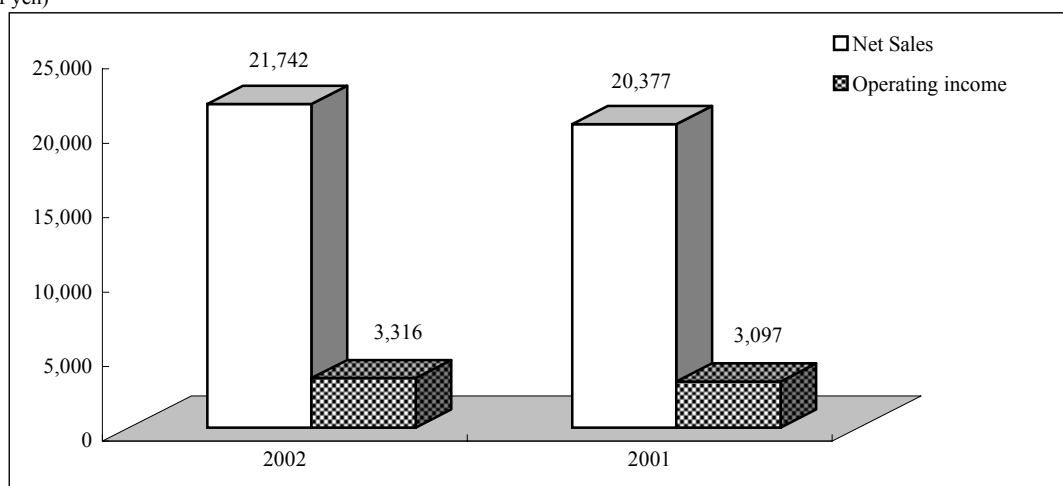
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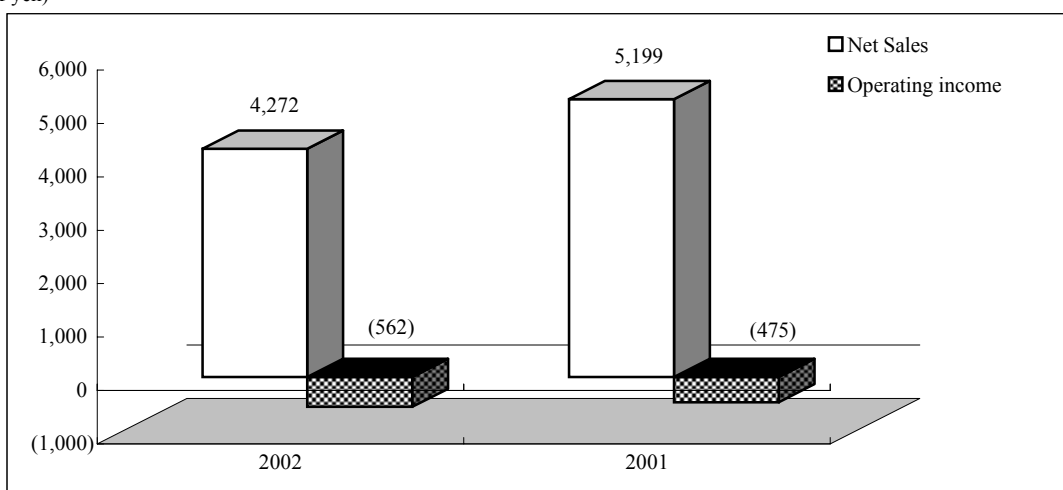
Radio

(Millions of yen)



Computer

(Millions of yen)



Operating Highlights

GEOGRAPHICAL SEGMENT INFORMATION

Years ended March 31

	Millions of yen				Thousands of U.S. dollars			
	Net sales		Operating income		Net sales		Operating income	
	2002	2001	2002	2001	2002	2001	2002	2001
Japn	¥ 22,231	¥ 23,783	¥ 1,856	¥ 2,116	\$ 166,912	\$ 178,564	\$ 13,935	\$ 15,887
North America	8,983	7,580	584	503	67,445	56,911	4,385	3,777
Europe	1,311	1,045	118	77	9,843	7,846	886	578
Asia & Oceania	1,766	1,513	103	100	13,259	11,360	773	751
Elimination	(8,281)	(8,354)	93	(173)	(62,174)	(62,722)	698	(1,299)
Consolidated Total	26,010	25,567	2,754	2,623	195,285	191,959	20,677	19,694

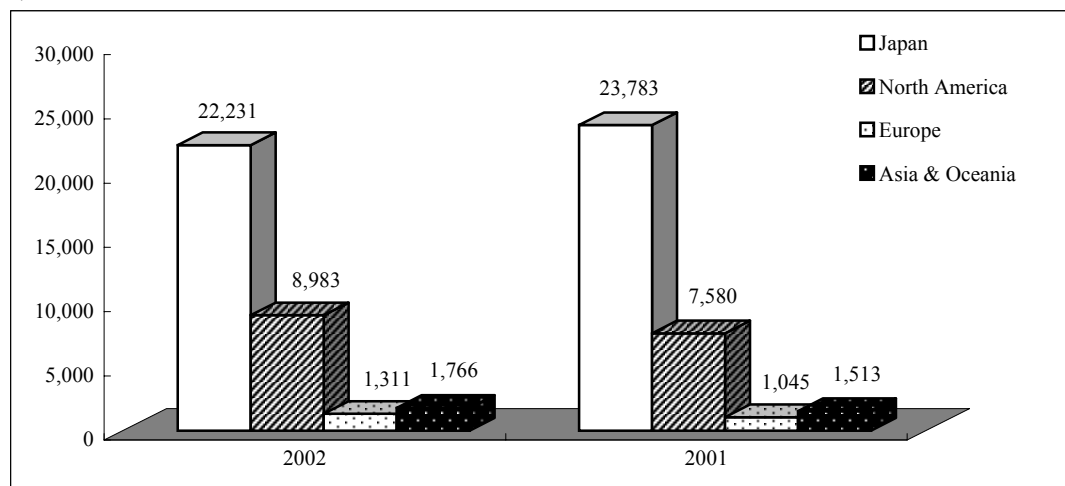
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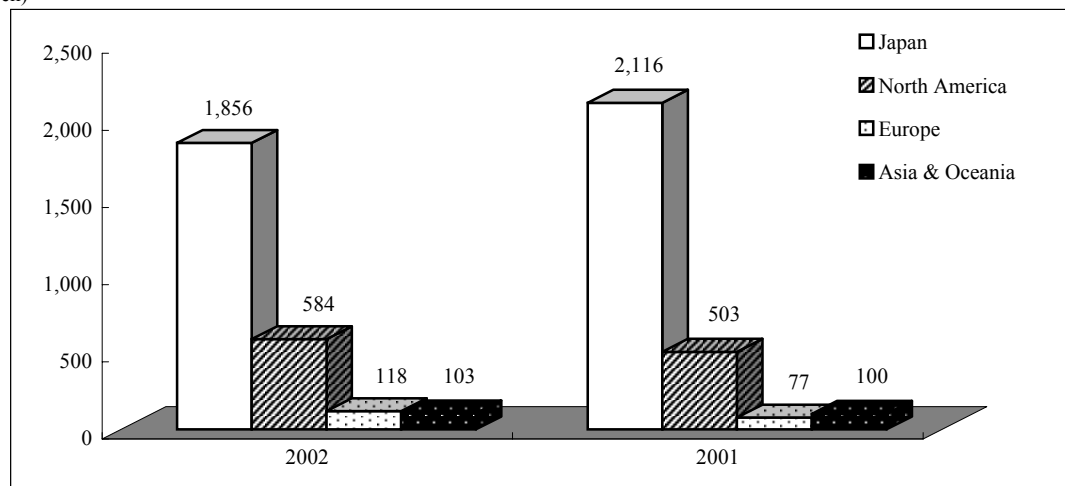
Net Sales

(Millions of yen)



Operating Income

(Millions of yen)



Operating Highlights

OVERSEAS SALES

Years ended March 31

	Millions of yen				Thousands of U.S. dollars			
	2002		2001		2002		2001	
North America	¥ 9,457	36.4%	¥ 8,194	32.1%	\$ 71,004	36.4%	\$ 61,521	32.1%
Europe	4,299	16.5%	4,150	16.2%	32,277	16.5%	31,158	16.2%
Asia	4,555	17.5%	3,472	13.6%	34,199	17.5%	26,068	13.6%
Other	1,103	4.2%	1,184	4.6%	8,282	4.2%	8,890	4.6%
Overseas Total	19,414	74.6%	17,000	66.5%	145,762	74.6%	127,637	66.5%
Domestic Total	6,596	25.4%	8,567	33.5%	49,523	25.4%	64,322	33.5%
Consolidated Total	26,010	100.0%	25,567	100.0%	195,285	100.0%	191,959	100.0%

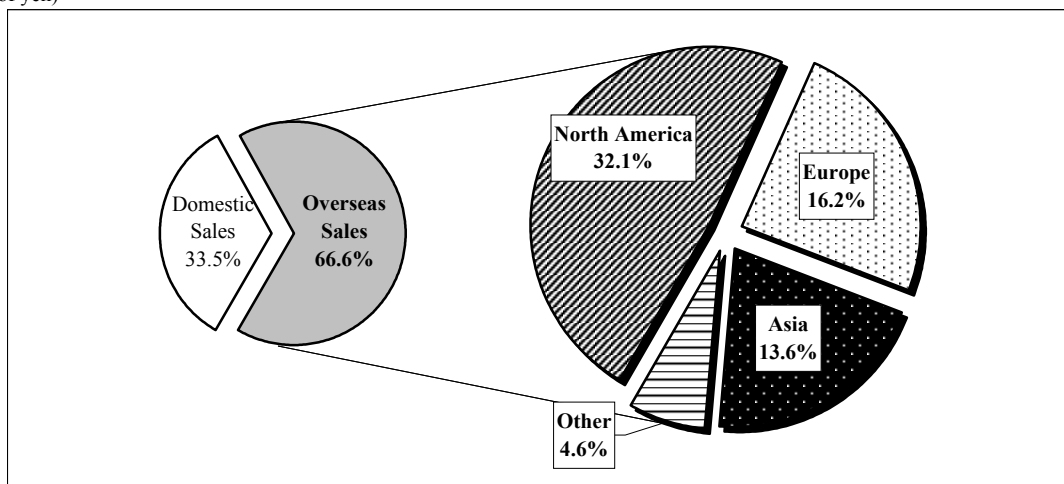
Notes:

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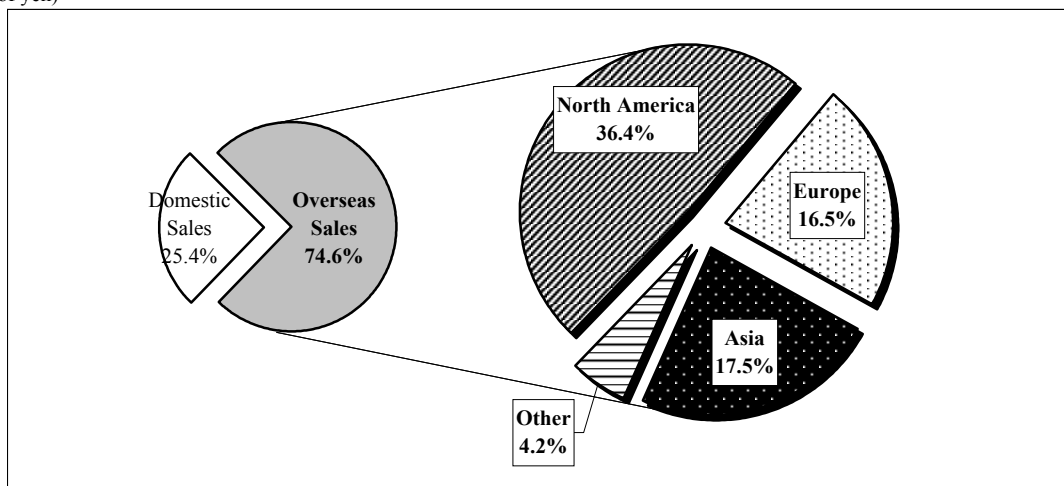
Net Sales 2001

(Millions of yen)



Net Sales 2002

(Millions of yen)



ICOM INCORPORATED AND SUBSIDIARIES
Consolidated Balance Sheets

March 31, 2002 and 2001

Assets	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2002	2001	2002	2001
Current assets:				
Cash and bank deposits (Note 16)	¥ 15,836	¥ 13,360	\$ 118,898	\$ 100,308
Marketable securities (Note 3)	2,890	1,502	21,698	11,277
Trade notes and accounts receivable (Note 5)	4,582	4,371	34,402	32,818
Allowance for doubtful accounts	(72)	(78)	(540)	(586)
	4,510	4,293	33,862	32,232
Inventories (Note 4 and 5)	4,543	4,823	34,109	36,211
Deferred income taxes (Note 12)	395	511	2,966	3,837
Other current assets	280	947	2,102	7,110
Total current assets	28,454	25,436	213,635	190,975
Property, plant and equipment:				
Land	3,313	3,300	24,874	24,777
Building and structures	4,420	4,367	33,186	32,788
Machinery and equipment	8,764	8,914	65,801	66,927
Vehicles and vessels	304	372	2,282	2,793
Construction in progress	2	1	15	7
	16,803	16,954	126,158	127,292
Accumulated depreciation	(10,194)	(10,174)	(76,537)	(76,387)
	6,609	6,780	49,621	50,905
Investments:				
Investments in securities (Note 3)	1,688	2,850	12,674	21,398
Deferred income taxes (Note 12)	372	108	2,793	811
Other investments	904	1,051	6,787	7,891
Total Investments	2,964	4,009	22,254	30,100
Other assets	183	144	1,373	1,081
	¥ 38,210	¥ 36,369	\$ 286,883	\$ 273,061

See accompanying notes to consolidated financial statements

ICOM INCORPORATED AND SUBSIDIARIES
Consolidated Balance Sheets

March 31, 2002 and 2001

Liabilities and Shareholders' Equity	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2002	2001	2002	2001
Current liabilities:				
Short-term bank loans (Note 5)	¥ -	¥ 523	\$ -	\$ 3,927
Accounts payable:				
Trade	1,321	1,297	9,918	9,738
Other	458	359	3,439	2,695
Accrued income taxes	737	830	5,533	6,232
Accrued expenses	864	780	6,487	5,856
Other current liabilities	73	53	548	398
Total current liabilities	3,453	3,842	25,925	28,846
Long-term liabilities:				
Accrued severance indemnities (Note 6)	777	635	5,834	4,768
Other long-term liabilities	83	70	623	525
Total long-term liabilities	860	705	6,457	5,293
Minority interests	36	25	270	188
Shareholders' equity (Note 10):				
Common stock				
Authorized - 34,000,000 shares				
Issued - 14,850,000 shares	7,081	7,081	53,165	53,165
Additional paid-in capital	10,449	10,449	78,452	78,452
Retained earnings	15,594	13,727	117,081	103,063
Net unrealized holding gains on securities	256	327	1,922	2,455
Foreign currency translation adjustments	481	213	3,611	1,599
Total shareholders' equity	33,861	31,797	254,231	238,734
Treasury stock				
Common stock, at cost	(0)	(0)	(0)	(0)
Total shareholders' equity	33,861	31,797	254,231	238,734
	¥ 38,210	¥ 36,369	\$ 286,883	\$ 273,061
Per common share:				
Net asset	¥ 2,280.23	¥ 2,141.19	\$ 17.12	\$ 16.08

See accompanying notes to consolidated financial statements

ICOM INCORPORATED AND SUBSIDIARIES
Consolidated Statements of Income

Years ended March 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2002	2001	2002	2001
Net sales	¥ 26,010	¥ 25,567	\$ 195,285	\$ 191,959
Cost of sales	16,884	16,977	126,766	127,465
Gross profit	9,126	8,590	68,519	64,494
Selling, general and administrative expenses	6,372	5,967	47,842	44,800
Operating income	2,754	2,623	20,677	19,694
Other income (expenses):				
Interest and dividend income	317	263	2,380	1,975
Interest expenses	(1)	(10)	(7)	(75)
Gain (Loss) on sales of securities, net	0	(156)	0	(1,171)
Write-down of marketable securities	(145)	(84)	(1,089)	(631)
Foreign exchange gain, net	1,214	1,024	9,115	7,688
Loss on disposal of inventories	(192)	(198)	(1,442)	(1,487)
Write-down of inventories	(45)	(74)	(338)	(556)
Sales discount	(252)	(266)	(1,892)	(1,997)
Other, net	(65)	(42)	(488)	(315)
	831	457	6,239	3,431
Income before income taxes and minority interests	3,585	3,080	26,916	23,125
Income taxes:				
Current	1,600	1,483	12,012	11,134
Deferred	(89)	(229)	(668)	(1,719)
	1,511	1,254	11,344	9,415
Income before minority interests	2,074	1,826	15,572	13,710
Minority interests	5	6	38	45
Net income	¥ 2,069	¥ 1,820	\$ 15,534	13,665
Per common share:				
	yen		cents (Note 1)	
Net income	¥ 139.34	¥ 122.58	¢ 104.62	¢ 92.03
Cash dividends	10.00	10.00	7.51	7.51

See accompanying notes to consolidated financial statements

Consolidated Statements of Shareholders' Equity

Years ended March 31, 2002 and 2001

	Thousands	Millions of yen					
	Number of Common stock issued and outstanding	Common stock	Additional Paid-in Capital	Retained earnings	Net unrealized holding gains on securities	Foreign currency translation adjustment	Treasury stock
Balance at April 1, 2000	14,850	¥ 7,081	¥ 10,449	¥ 12,134	¥ -	¥ -	¥ (0)
Net income for the year	-	-	-	1,820	-	-	-
Net unrealized holding gains on securities	-	-	-	-	327	-	-
Foreign currency translation adjustments	-	-	-	-	-	213	-
Cash dividends	-	-	-	(148)	-	-	-
Bonuses to directors and statutory auditors	-	-	-	(79)	-	-	-
Purchase of treasury stock	-	-	-	-	-	-	4
Sales of treasury stock	-	-	-	-	-	-	(4)
Balance at March 31, 2001	14,850	¥ 7,081	¥ 10,449	¥ 13,727	¥ 327	¥ 213	¥ (0)
Net income for the year	-	-	-	2,069	-	-	-
Net unrealized holding gains on securities	-	-	-	-	(71)	-	-
Foreign currency translation adjustments	-	-	-	-	-	268	-
Cash dividends	-	-	-	(148)	-	-	-
Bonuses to directors and statutory auditors	-	-	-	(54)	-	-	-
Purchase of treasury stock	-	-	-	-	-	-	0
Sales of treasury stock	-	-	-	-	-	-	(0)
Balance at March 31, 2002	14,850	¥ 7,081	¥ 10,449	¥ 15,594	¥ 256	¥ 481	¥ (0)

	Thousands	Thousands of U.S. dollars (Note 1)					
	Number of Common stock issued and outstanding	Common stock	Additional Paid-in Capital	Retained earnings	Net unrealized holding gains on securities	Foreign currency translation adjustment	Treasury stock
Balance at April 1, 2000	14,850	\$ 53,165	\$ 78,452	\$ 91,103	\$ -	\$ -	\$ (0)
Net income for the year	-	-	-	13,665	-	-	-
Net unrealized holding gains on securities	-	-	-	-	2,455	-	-
Foreign currency translation adjustments	-	-	-	-	-	1,599	-
Cash dividends	-	-	-	(1,111)	-	-	-
Bonuses to directors and statutory auditors	-	-	-	(594)	-	-	-
Purchase of treasury stock	-	-	-	-	-	-	30
Sales of treasury stock	-	-	-	-	-	-	(30)
Balance at March 31, 2001	14,850	\$ 53,165	\$ 78,452	\$ 103,063	\$ 2,455	\$ 1,599	\$ (0)
Net income for the year	-	-	-	15,534	-	-	-
Net unrealized holding gains on securities	-	-	-	-	(533)	-	-
Foreign currency translation adjustments	-	-	-	-	-	2,012	-
Cash dividends	-	-	-	(1,111)	-	-	-
Bonuses to directors and statutory auditors	-	-	-	(405)	-	-	-
Purchase of treasury stock	-	-	-	-	-	-	0
Sales of treasury stock	-	-	-	-	-	-	(0)
Balance at March 31, 2002	14,850	\$ 53,165	\$ 78,452	\$ 117,081	\$ 1,922	\$ 3,611	\$ (0)

ICOM INCORPORATED AND SUBSIDIARIES
Consolidated Statements of Cash Flows

Years ended March 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2002	2001	2002	2001
Cash flows from operating activities:				
Income before income taxes and minority interests	¥ 3,585	¥ 3,080	\$ 26,916	\$ 23,125
Adjustments for:				
Depreciation and amortization	915	900	6,870	6,757
Interest and dividend income	(317)	(263)	(2,380)	(1,975)
Interest expenses	1	10	7	75
Increase in notes and accounts receivable	(14)	(102)	(105)	(766)
(Increase) decrease in inventories	416	(391)	3,123	(2,935)
Decrease in notes and accounts payable	(120)	(519)	(901)	(3,896)
Other	(573)	(360)	(4,301)	(2,703)
Subtotal	3,893	2,355	29,229	17,682
Income taxes paid	(1,701)	(1,525)	(12,771)	(11,450)
Net cash provided by operating activities	2,192	830	16,458	6,232
Cash flows from investing activities:				
Decrease in time deposits				
with original maturities over three months	94	124	706	931
Payments for purchase of marketable securities	(345)	(999)	(2,590)	(7,500)
Proceeds from sales of marketable securities	743	2,095	5,578	15,729
Payments for purchase of property, plant and equipment	(640)	(1,241)	(4,805)	(9,317)
Payments for purchase of other assets	(111)	(80)	(833)	(601)
Payments for purchase of investment securities	(1,153)	(1,095)	(8,657)	(8,221)
Proceeds from sales of investment securities	1,664	693	12,493	5,203
Interest and dividend income received	330	247	2,478	1,854
Other	514	23	3,859	173
Net cash used in investing activities	1,096	(233)	8,229	(1,749)
Cash flows from financing activities:				
Increase (decrease) in short-term bank loans	(522)	358	(3,919)	2,688
Increase of treasury stock	(0)	(0)	(0)	(0)
Interest expenses paid	(1)	(10)	(8)	(75)
Cash dividends paid	(149)	(149)	(1,119)	(1,119)
Net cash provided by financing activities	(672)	199	(5,046)	1,494
Effect of exchange rate changes on cash and cash equivalents	1,343	820	10,083	6,156
Net increase in cash and cash equivalents	3,959	1,616	29,724	12,133
Cash and cash equivalents at beginning of year	14,263	12,647	107,088	94,955
Cash and cash equivalents at end of year	18,222	14,263	136,812	107,088

See accompanying notes to consolidated financial statements

Notes to Consolidated Financial Statements

1. Basis of Presenting Consolidated Financial Statements

ICOM INCORPORATED (the "Company") and its domestic subsidiaries maintain their accounts and records in accordance with the provisions set forth in the Commercial Code of Japan (the "Code") and the Securities and Exchange Law and in conformity with accounting principles and practices generally accepted in Japan, which may differ in some material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

The Company's overseas subsidiaries maintain their accounts and records in conformity with generally accepted accounting principles and practices prevailing in their respective countries of domicile.

The accompanying consolidated financial statements are prepared based on the consolidated financial statements of the Company and its subsidiaries (the "Group") which were filed with the Director of Kanto Local Finance Bureau as required by the Securities and Exchange Law.

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

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of the reader, using the approximate exchange rate at March 31, 2002, which was ¥133.19 to US\$1.00. These 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.

2. Summary of Significant Accounting Policies

(a) Consolidation Principles

The consolidated financial statements include the accounts of the Company's domestic and foreign subsidiaries. All significant inter-company transactions and accounts are eliminated.

(b) Translation of Foreign Currencies

Revenues and expenses are translated at the rates of exchange prevailing when transactions are made.

Assets and liabilities of foreign subsidiaries are translated into Japanese yen at the exchange rates in effect on the respective balance sheet dates. Revenue and expenses are translated at the average rates of exchange for the respective years. Every monetary assets and liabilities denominated in foreign currencies are translated into yen at the rate of exchange in effect at the balance sheet date and translation adjustments of foreign currency financial statements are reflected in shareholders' equity and minority interests in the consolidated balance sheets.

(c) Consolidated Statements of Cash Flows

For the purposes of cash flow statements, cash and cash equivalents comprise cash in hand, deposits held at call with banks, net of overdrafts and all highly liquid investments with maturities of three months or less.

(d) Marketable securities and Investments in Securities

Securities are classified into two categories: equity investments in associates and other securities.

Other securities are carried at fair value with the unrealized gains and losses, net of income tax, reported in a separate component of shareholders' equity. Realized gains and losses and declines in value judged to be other than temporary on other securities are charged to income.

Other investments are carried at cost. The cost is determined by the moving average method.

Notes to Consolidated Financial Statements

(e) Inventories

Finished goods	principally cost being determined by the moving average method
Work in process	cost being determined by the moving average method
Raw materials and supplies (for repair and R & D)	the lower of the moving average cost or market
Merchandise and supplies (other)	principally at the most recent purchase prices

(f) Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation for the Company and its domestic subsidiaries is computed at rates based on the estimated useful lives of assets using the declining-balance method except for buildings for which the straight-line method is applied. Depreciation for the Company's overseas subsidiaries is computed at rates based on the estimated useful lives of assets using both the accelerated and the straight-line method.

(g) Accrued Severance Indemnities

The accrued severance indemnities are provided based on the amount of projected benefit obligation reduced by pension plan assets at fair value at the end of the annual period.

The retirement benefits for directors and statutory auditors are paid based on the Company regulation subject to the approval at the shareholders' meeting.

The allowance for directors and statutory auditors are set up annually as the cost for the year can be estimated on the Company regulation.

(h) Leases

In Japan finance leases other than those that are deemed to transfer the ownership of the leased assets to lessees are accounted for by a method similar to that applicable to ordinary operating leases.

(i) Computer Software

Expenditure relating to computer software developed for internal use is charged to income when incurred, except if it contributes to the generation of income or to future cost savings. Such expenditure is capitalized as an asset and is amortized using the straight-line method over its estimated useful life which is in the range of 3 to 5 years.

(j) Per Share Information

The computation of basic net income per share is based on the weighted average number of shares of common stock outstanding during each period. The average number of shares used in the computation was 14,850 thousand and 14,850 thousand for the years ended March 31 2002 and 2001, respectively.

Cash dividends per share shown in the statements of income are the amounts applicable to the respective years.

Notes to Consolidated Financial Statements

3. Marketable securities and Investments in Securities

Marketable securities and investments in securities for the year ended March 31, 2002 are as follows:

(1) Other marketable securities:

Types	As at March 31, 2002					
	Millions of yen			Thousands of U.S. dollars		
	Acquisition Cost	Book Value	Unrealized Gain (Loss)	Acquisition Cost	Book Value	Unrealized Gain (Loss)
Those of the Book Value exceeding the Acquisition Cost						
(1) Stocks	¥ 305	¥ 520	¥ 215	\$ 2,290	\$ 3,904	\$ 1,614
(2) Bonds						
Government, Municipal bonds	¥ -	¥ -	¥ -	\$ -	\$ -	\$ -
Corporate bonds	¥ 18	¥ 18	¥ 0	\$ 135	\$ 135	\$ 0
Other	¥ -	¥ -	¥ -	\$ -	\$ -	\$ -
(3) Other	¥ 1,007	¥ 1,073	¥ 66	\$ 7,561	\$ 8,057	\$ 496
Subtotal	¥ 1,330	¥ 1,611	¥ 281	\$ 9,986	\$ 12,096	\$ 2,110
Those of the Book Value not exceeding the Acquisition Cost						
(1) Stocks	¥ 5	¥ 5	¥ (0)	\$ 37	\$ 37	\$ (0)
(2) Bonds						
Government, Municipal bonds	¥ -	¥ -	¥ -	\$ -	\$ -	\$ -
Corporate bonds	¥ 200	¥ 200	¥ (0)	\$ 1,502	\$ 1,502	\$ (0)
Other	¥ 300	¥ 300	¥ (0)	\$ 2,252	\$ 2,252	\$ (0)
(3) Other	¥ -	¥ -	¥ -	\$ -	\$ -	\$ -
Subtotal	¥ 505	¥ 505	¥ (0)	\$ 3,791	\$ 3,791	\$ (0)
Total	¥ 1,835	¥ 2,116	¥ 281	\$ 13,777	\$ 15,887	\$ 2,110

(2) Other securities sold during the fiscal year under review (April 1, 2001 – March 31, 2002):

Year ended March 31, 2002					
Millions of yen			Thousands of U.S. dollars		
Sales Price	Total Gain on Sales	Total Loss on Sales	Sales Price	Total Gain on Sales	Total Loss on Sales
¥ 1,492	¥ 210	¥ 209	\$ 11,202	\$ 1,577	\$ 1,569

(3) Non-marketable securities:

Other securities

Types	As at March 31, 2002	
	Millions of yen	Thousands of U.S. dollars
	Book Value	Book Value
Unlisted stocks (except for the over-the-counter stocks)	¥ 72	\$ 541
Money market fund	¥ 2,390	\$ 17,944
Total	¥ 2,462	\$ 18,485

(4) Maturity values expected for securities with maturity and bonds held for the maturity out of other securities:

Types	As at March 31, 2002			
	Millions of yen		Thousands of U.S. dollar	
	Within 1 year	Over 1 year but within 5 years	Within 1 year	Over 1 year but within 5 years
(1) Bonds				
Government, Municipal bonds	¥ -	¥ -	\$ -	\$ -
Corporate bonds	¥ 200	¥ 18	\$ 1,502	\$ 135
Other	¥ 300	¥ 0	\$ 2,252	\$ 0
(2) Other	¥ -	¥ 1,018	\$ -	\$ 7,643
Total	¥ 500	¥ 1,036	\$ 3,754	\$ 7,778

Notes to Consolidated Financial Statements

Marketable securities and investments in securities for the year ended March 31, 2001 are as follows:

(1) Other marketable securities:

Types	As at March 31, 2001					
	Millions of yen			Thousands of U.S. dollars		
	Acquisition Cost	Book Value	Unrealized Gain (Loss)	Acquisition Cost	Book Value	Unrealized Gain (Loss)
Those of the Book Value exceeding The Acquisition Cost						
(1) Stocks	¥ 318	¥ 705	¥ 387	\$ 2,387	\$ 5,293	\$ 2,906
(2) Bonds						
Government, Municipal bonds	¥ -	¥ -	¥ -	\$ -	\$ -	\$ -
Corporate bonds	¥ 217	¥ 218	¥ 1	\$ 1,629	\$ 1,637	\$ 8
Other	¥ 643	¥ 658	¥ 15	\$ 4,828	\$ 4,941	\$ 113
(3) Other	¥ 598	¥ 833	¥ 235	\$ 4,490	\$ 6,254	\$ 1,764
Subtotal	¥ 1,776	¥ 2,414	¥ 638	\$ 13,334	\$ 18,125	\$ 4,791
Those of the Book Value not exceeding the Acquisition Cost						
(1) Stocks	¥ 508	¥ 443	¥ (65)	\$ 3,814	\$ 3,326	\$ (488)
(2) Bonds						
Government, Municipal bonds	¥ -	¥ -	¥ -	\$ -	\$ -	\$ -
Corporate bonds	¥ -	¥ -	¥ -	\$ -	\$ -	\$ -
Other	¥ 399	¥ 388	¥ (11)	\$ 2,996	\$ 2,913	\$ (83)
(3) Other	¥ -	¥ -	¥ -	\$ -	\$ -	\$ -
Subtotal	¥ 907	¥ 831	¥ (76)	\$ 6,810	\$ 6,239	\$ (571)
Total	¥ 2,683	¥ 3,245	¥ 562	\$ 20,144	\$ 24,364	\$ 4,220

(2) Other securities sold during the fiscal year under review (April 1, 2000 – March 31, 2001):

Year ended March 31, 2001					
Millions of yen			Thousands of U.S. dollars		
Sales Price	Total Gain on Sales	Total Loss on Sales	Sales Price	Total Gain on Sales	Total Loss on Sales
¥ 974	¥ 79	¥ 235	\$ 7,313	\$ 593	\$ 1,764

(3) Non-marketable securities:

Other securities

Types	As at March 31, 2001	
	Millions of yen	Thousands of U.S. dollars
	Book Value	Book Value
Unlisted stocks (except for the over-the-counter stocks)	¥ 71	\$ 533
Free financial fund	¥ 501	\$ 3,762
Medium-term government bond fund	¥ 100	\$ 751
Commercial paper	¥ 400	\$ 3,003
Total	¥ 1,072	\$ 8,049

(4) Maturity values expected for securities with maturity and bonds held for the maturity out of other securities:

Types	As at March 31, 2001			
	Millions of yen		Thousands of U.S. dollar	
	Within 1 year	Over 1 year but within 5 years	Within 1 year	Over 1 year but within 5 years
(1) Bonds				
Government, Municipal bonds	¥ -	¥ -	\$ -	\$ -
Corporate bonds	¥ 200	¥ 18	\$ 1,502	\$ 135
Other	¥ 301	¥ 646	\$ 2,260	\$ 4,850
(2) Other	¥ 400	¥ -	\$ 3,003	\$ -
Total	¥ 901	¥ 664	\$ 6,765	\$ 4,985

Notes to Consolidated Financial Statements

4. Inventories

Inventories at March 31, 2002 and 2001 comprised the following:

	Millions of yen		Thousands of U.S. dollars	
	2002	2001	2002	2001
Merchandise & Finished products	¥ 3,084	¥ 3,397	\$ 23,155	\$ 25,505
Work in process	¥ 62	¥ 63	\$ 465	\$ 473
Raw material and supplies	¥ 1,397	¥ 1,363	\$ 10,489	\$ 10,233
	¥ 4,543	¥ 4,823	\$ 34,109	\$ 36,211

5. Short-term bank loans

Short-term bank loans at March 31, 2002 and 2001 consisted of the following:

	Millions of yen		Thousands of U.S. dollars	
	2002	2001	2002	2001
Short-term bank loans:				
Collateralized	¥ -	¥ 523	\$ -	\$ 3,927

The annual average interest rates applicable to short-term bank loans at March 31, 2001 are 8.00%.

At March 31, 2002 and 2001, assets pledged as collateral for the above short-term bank loans were as follows:

	Millions of yen		Thousands of U.S. dollars	
	2002	2001	2002	2001
Accounts receivable	¥ -	¥ 1,527	\$ -	\$ 11,465
Inventories	¥ -	¥ 997	\$ -	\$ 7,485
	¥ -	¥ 2,524	\$ -	\$ 18,950

6. Accrued Severance Indemnities

The following tables sets forth the changes in benefit obligation, plan assets and funded status of the Company and its subsidiaries at March 31, 2002 and 2001.

	Millions of yen		Thousands of U.S. dollars	
	2002	2001	2002	2001
Benefit obligation at end of year	¥ (2,892)	¥ (2,268)	\$ (21,713)	\$ (17,028)
Fair value of plan assets at end of year	¥ 1,459	¥ 1,437	\$ 10,954	\$ 10,789
Funded status:				
Benefit obligation in excess of plan assets	¥ (1,433)	¥ (831)	\$ (10,759)	\$ (6,239)
Unrecognized net transition obligation				
at date of adoption	¥ 513	¥ 553	\$ 3,852	\$ 4,152
Unrecognized actuarial gain	¥ 691	¥ 171	\$ 5,188	\$ 1,284
Accrued pension liability recognized				
in the consolidated balance sheets	¥ (229)	¥ (107)	\$ (1,719)	\$ (803)

Note: Some domestic subsidiaries have adopted allowed alternative treatment of the accounting standards for retirement benefit for small business entity.

Severance and pension costs of the Company and its subsidiaries included the following components for the years ended March 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars	
	2002	2001	2002	2001
Service cost	¥ 166	¥ 160	\$ 1,246	\$ 1,201
Interest cost	¥ 66	¥ 60	\$ 495	\$ 450
Expected return on plan assets	¥ (41)	¥ (42)	\$ (308)	\$ (315)
Amortization:				
Transition obligation at date of adoption	¥ 39	¥ 39	\$ 293	\$ 293
Actuarial gain	¥ 17	¥ -	\$ 128	\$ -
Net periodic benefit cost	¥ 247	¥ 217	\$ 1,854	\$ 1,629

Note: The net periodic benefit cost of the domestic subsidiaries, who have adopted allowed alternative treatment of the accounting standards for retirement benefit for small business entity, are included in the service cost.

Notes to Consolidated Financial Statements

Assumption used in the accounting for the defined benefit plans for the years ended March 31, 2002 and 2001 are as follows:

	2002	2001
Method of attributing benefit to periods of service	Straight-line basis	Straight-line basis
Discount rate	2.0%	3.0%
Long-term rate of return on fund assets	2.0%	3.0%
Amortization period for prior service cost	-	-
Amortization period for actuarial gain	10 years	10 years
Amortization period for transition obligation at date of adoption	15 years	15 years

7. Contingencies

Contingent liabilities with respect to trade note discounted at March 31, 2001 amounted to ¥35 million (\$263 thousand).

8. Leases

Pro forma information relating to acquisition costs, accumulated depreciation and future minimum lease payments for property held under finance leases which do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2002 and 2001, is as follows:

	Millions of yen		Thousands of U.S. dollars	
	2002	2001	2002	2001
Acquisition cost	¥ 10	¥ 10	\$ 75	\$ 75
Accumulated depreciation	¥ 9	¥ 7	\$ 67	\$ 52
Net leased property	¥ 1	¥ 3	\$ 8	\$ 23

Note 1: All the above amounts are related to "Machinery and equipment".

Note 2: The acquisition costs under finance leases include the imputed interest expense portion.

Future minimum lease payments under finance leases as of March 31, 2002 and 2001 were as follows:

	Millions of yen		Thousands of U.S. dollars	
	2002	2001	2002	2001
Due within 1 year	¥ 1	¥ 2	\$ 8	\$ 15
Due over 1 year	¥ -	¥ 1	\$ -	\$ 8
Total	¥ 1	¥ 3	\$ 8	\$ 23

Note 1: The future minimum lease payments under finance leases include the imputed interest expense portion.

Depreciation expense, which is not reflected in the accompanying consolidated statements of income, computed by the straight-line method over the lease period as its useful lives with no residual value, would have been ¥2 million (\$15 thousand) for the years ended March 31, 2002 and 2001.

9. Derivatives and Hedging Activities

Derivative financial instruments are utilized by the Company principally to reduce foreign exchange rate risk. The Company has established a control environment which includes policies and procedures for risk assessment and for the approval, reporting and monitoring of transactions involving derivative financial instruments. The Company does not hold or issue derivative financial instruments for trading purposes.

The Group is exposed to certain market risks arising from its forward exchange contracts. The Group is also exposed to the risk of credit loss in the event of non-performance by the counterparties to the currency; however, the Group does not anticipate non-performance by any of these counterparties all of whom are financial institutions with high credit ratings.

10. Shareholders' Equity

The Code requires the Company to transfer an amount equal to at least 10% of appropriations paid in cash to the legal reserve. Under the revised Code effective on October 1, 2001, the Company may not appropriate retained earnings to the legal reserve when the total balance of the legal reserve and additional paid-in capital equals to 25% of common stock. Amounts of the legal reserve and additional paid-in capital in excess of 25% of common stock, subject to a shareholders' approval, may be used for dividend distributions.

11. Research and Development

Research and development expenditure charged to income was ¥1,606 million (\$12,058 thousand) and ¥1,496 million (\$11,232 thousand) for the years ended March 31, 2002 and 2001, respectively.

Notes to Consolidated Financial Statements

12. Income Taxes

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets at March 31, 2002 and 2001 are presented below:

	Millions of yen		Thousands of U.S. dollars	
	2002	2001	2002	2001
Deferred tax assets:				
Unrealized profit on inventories	¥ 236	¥ 271	\$ 1,772	\$ 2,035
Retirement and severance benefit for directors	¥ 230	¥ 222	\$ 1,727	\$ 1,667
Retirement and severance benefit for employees	¥ 95	¥ 45	\$ 713	\$ 338
Accrued bonus	¥ 95	¥ 70	\$ 713	\$ 525
Write-down of marketable securities	¥ 89	¥ 35	\$ 668	\$ 263
Accrued enterprise taxes	¥ 68	¥ 74	\$ 511	\$ 555
Write-down of inventories	¥ 50	¥ 49	\$ 375	\$ 368
Other	¥ 106	¥ 109	\$ 796	\$ 818
Total gross deferred tax assets	¥ 969	¥ 875	\$ 7,275	\$ 6,569
Deferred tax liabilities:				
Net unrealized holding gains on securities	¥ (185)	¥ (237)	\$ (1,389)	\$ (1,779)
Special depreciation reserve	¥ (11)	¥ (15)	\$ (82)	\$ (113)
Other	¥ (6)	¥ (4)	\$ (45)	\$ (30)
Total gross deferred tax liabilities	¥ (202)	¥ (256)	\$ (1,516)	\$ (1,922)
Net deferred tax assets	¥ 767	¥ 619	\$ 5,759	\$ 4,647
Net deferred tax liabilities	¥ -	¥ -	\$ -	\$ -

Notes to Consolidated Financial Statements

13. Segment Information

Information about operations in different business segments, geographical segments and overseas sales of the Group for the years ended March 31, 2002 and 2001, is as follows:

(1) Business Segments

	Millions of yen				
	2002				
	Radio	Computer	Subtotal	Elimination	Consolidated
. Net Sales and Operating Income					
Net Sales					
(1) Customers	¥ 21,742	¥ 4,268	¥ 26,010	¥ -	¥ 26,010
(2) Intersegment	¥ -	¥ 4	¥ 4	¥ (4)	¥ -
Total	¥ 21,742	¥ 4,272	¥ 26,014	¥ (4)	¥ 26,010
Operating Expenses	¥ 18,426	¥ 4,834	¥ 23,260	¥ (4)	¥ 23,256
Operating Income	¥ 3,316	¥ (562)	¥ 2,754	¥ 0	¥ 2,754
. Assets, Depreciation and Capital Expenditures					
Assets	¥ 34,681	¥ 3,529	¥ 38,210	¥ (0)	¥ 38,210
Depreciation	¥ 869	¥ 46	¥ 915	¥ -	¥ 915
Capital Expenditures	¥ 813	¥ 5	¥ 818	¥ -	¥ 818
	Thousands of U.S. dollars				
	2002				
	Radio	Computer	Subtotal	Elimination	Consolidated
. Net Sales and Operating Income					
Net Sales					
(1) Customers	\$ 163,241	\$ 32,044	\$ 195,285	\$ -	\$ 195,285
(2) Intersegment	\$ -	\$ 30	\$ 30	\$ (30)	\$ -
Total	\$ 163,241	\$ 32,074	\$ 195,315	\$ (30)	\$ 195,285
Operating Expenses	\$ 138,344	\$ 36,294	\$ 174,638	\$ (30)	\$ 174,608
Operating Income	\$ 24,897	\$ (4,220)	\$ 20,677	\$ 0	\$ 20,677
. Assets, Depreciation and Capital Expenditures					
Assets	\$ 260,387	\$ 26,496	\$ 286,883	\$ (0)	\$ 286,883
Depreciation	\$ 6,525	\$ 345	\$ 6,870	\$ -	\$ 6,870
Capital Expenditures	\$ 6,104	\$ 38	\$ 6,142	\$ -	\$ 6,142

Notes to Consolidated Financial Statements

	Millions of yen				
	2001				
	Radio	Computer	Subtotal	Elimination	Consolidated
. Net Sales and Operating Income					
Net Sales					
(1) Customers	¥ 20,377	¥ 5,190	¥ 25,567	¥ -	¥ 25,567
(2) Intersegment	¥ -	¥ 9	¥ 9	¥ (9)	¥ -
Total	¥ 20,377	¥ 5,199	¥ 25,576	¥ (9)	¥ 25,567
Operating Expenses	¥ 17,280	¥ 5,674	¥ 22,954	¥ (10)	¥ 22,944
Operating Income	¥ 3,097	¥ (475)	¥ 2,622	¥ 1	¥ 2,623
. Assets, Depreciation and Capital Expenditures					
Assets	¥ 33,516	¥ 2,853	¥ 36,369	¥ (0)	¥ 36,369
Depreciation	¥ 869	¥ 31	¥ 900	¥ -	¥ 900
Capital Expenditures	¥ 1,262	¥ 15	¥ 1,277	¥ -	¥ 1,277
	Thousands of U.S. dollars				
	2001				
	Radio	Computer	Subtotal	Elimination	Consolidated
. Net Sales and Operating Income					
Net Sales					
(1) Customers	\$ 152,992	\$ 38,967	\$ 191,959	\$ -	\$ 191,959
(2) Intersegment	\$ -	\$ 67	\$ 67	\$ (67)	\$ -
Total	\$ 152,992	\$ 39,034	\$ 192,026	\$ (67)	\$ 191,959
Operating Expenses	\$ 129,740	\$ 42,600	\$ 172,340	\$ (75)	\$ 172,265
Operating Income	\$ 23,252	\$ (3,566)	\$ 19,686	\$ 8	\$ 19,694
. Assets, Depreciation and Capital Expenditures					
Assets	\$ 251,640	\$ 21,421	\$ 273,061	\$ (0)	\$ 273,061
Depreciation	\$ 6,524	\$ 233	\$ 6,757	\$ -	\$ 6,757
Capital Expenditures	\$ 9,475	\$ 113	\$ 9,588	\$ -	\$ 9,588

Notes to Consolidated Financial Statements

(2) Geographical Segments

The geographical segments of the Group for the years ended March 31, 2002 and 2001 are summarized as follows:

	Millions of yen						
	2002						
	Japan	North America	Europe	Asia & Oceania	Subtotal	Elimination	Consolidated
. Net Sales and Operating Income							
Net Sales							
(1) Customers	¥ 15,221	¥ 8,980	¥ 1,268	¥ 541	¥ 26,010	¥ -	¥ 26,010
(2) Intersegment	¥ 7,010	¥ 3	¥ 43	¥ 1,225	¥ 8,281	¥ (8,281)	¥ -
Total	¥ 22,231	¥ 8,983	¥ 1,311	¥ 1,766	¥ 34,291	¥ (8,281)	¥ 26,010
Operating Expenses	¥ 20,375	¥ 8,399	¥ 1,193	¥ 1,663	¥ 31,630	¥ (8,374)	¥ 23,256
Operating Income	¥ 1,856	¥ 584	¥ 118	¥ 103	¥ 2,661	¥ 93	¥ 2,754
. Assets	¥ 34,780	¥ 4,828	¥ 532	¥ 918	¥ 41,058	¥ (2,848)	¥ 38,210
	Thousands of U.S. dollars						
	2002						
	Japan	North America	Europe	Asia & Oceania	Subtotal	Elimination	Consolidated
. Net Sales and Operating Income							
Net Sales							
(1) Customers	\$ 114,280	\$ 67,423	\$ 9,520	\$ 4,062	\$ 195,285	\$ -	\$ 195,285
(2) Intersegment	\$ 52,632	\$ 22	\$ 323	\$ 9,197	\$ 62,174	\$ (62,174)	\$ -
Total	\$ 166,912	\$ 67,445	\$ 9,843	\$ 13,259	\$ 257,459	\$ (62,174)	\$ 195,285
Operating Expenses	\$ 152,977	\$ 63,060	\$ 8,957	\$ 12,486	\$ 237,480	\$ (62,872)	\$ 174,608
Operating Income	\$ 13,935	\$ 4,385	\$ 886	\$ 773	\$ 19,979	\$ 698	\$ 20,677
. Assets	\$ 261,131	\$ 36,249	\$ 3,994	\$ 6,892	\$ 308,266	\$ (21,383)	\$ 286,883

	Millions of yen						
	2001						
	Japan	North America	Europe	Asia & Oceania	Subtotal	Elimination	Consolidated
. Net Sales and Operating Income							
Net Sales							
(1) Customers	¥ 16,399	¥ 7,577	¥ 1,045	¥ 546	¥ 25,567	¥ -	¥ 25,567
(2) Intersegment	¥ 7,384	¥ 3	¥ 0	¥ 967	¥ 8,354	¥ (8,354)	¥ -
Total	¥ 23,783	¥ 7,580	¥ 1,045	¥ 1,513	¥ 33,921	¥ (8,354)	¥ 25,567
Operating Expenses	¥ 21,667	¥ 7,077	¥ 968	¥ 1,413	¥ 31,125	¥ (8,181)	¥ 22,944
Operating Income	¥ 2,116	¥ 503	¥ 77	¥ 100	¥ 2,796	¥ (173)	¥ 2,623
. Assets	¥ 33,173	¥ 4,605	¥ 626	¥ 538	¥ 38,942	¥ (2,573)	¥ 36,369
	Thousands of U.S. dollars						
	2001						
	Japan	North America	Europe	Asia & Oceania	Subtotal	Elimination	Consolidated
. Net Sales and Operating Income							
Net Sales							
(1) Customers	\$ 123,124	\$ 56,889	\$ 7,846	\$ 4,100	\$ 191,959	\$ -	\$ 191,959
(2) Intersegment	\$ 55,440	\$ 22	\$ 0	\$ 7,260	\$ 62,722	\$ (62,722)	\$ -
Total	\$ 178,564	\$ 56,911	\$ 7,846	\$ 11,360	\$ 254,681	\$ (62,722)	\$ 191,959
Operating Expenses	\$ 162,677	\$ 53,134	\$ 7,268	\$ 10,609	\$ 233,688	\$ (61,423)	\$ 172,265
Operating Income	\$ 15,887	\$ 3,777	\$ 578	\$ 751	\$ 20,993	\$ (1,299)	\$ 19,694
. Assets	\$ 249,065	\$ 34,575	\$ 4,700	\$ 4,039	\$ 292,379	\$ (19,318)	\$ 273,061

Notes to Consolidated Financial Statements

(3) Overseas Sales

The overseas sales of the Group for the years ended March 31, 2002 and 2001 are as follows:

	Millions of yen				
	2002				
	North America	Europe	Asia	Other	Total
. Sales to Foreign Customers	¥ 9,457	¥ 4,299	¥ 4,555	¥ 1,103	¥ 19,414
. Consolidated Net Sales					¥ 26,010
. Ratio of Sales to Foreign Customers to Consolidated Net Sales	36.4%	16.5%	17.5%	4.2%	74.6%
	Thousands of U.S. dollars				
	2002				
	North America	Europe	Asia	Other	Total
. Sales to Foreign Customers	\$ 71,004	\$ 32,277	\$ 34,199	\$ 8,282	\$ 145,762
. Consolidated Net Sales					\$ 195,285
. Ratio of Sales to Foreign Customers to Consolidated Net Sales	36.4%	16.5%	17.5%	4.2%	74.6%

	Millions of yen				
	2001				
	North America	Europe	Asia	Other	Total
. Sales to Foreign Customers	¥ 8,194	¥ 4,150	¥ 3,472	¥ 1,184	¥ 17,000
. Consolidated Net Sales					¥ 25,567
. Ratio of Sales to Foreign Customers to Consolidated Net Sales	32.1%	16.2%	13.6%	4.6%	66.5%
	Thousands of U.S. dollars				
	2001				
	North America	Europe	Asia	Other	Total
. Sales to Foreign Customers	\$ 61,521	\$ 31,158	\$ 26,068	\$ 8,890	\$ 127,637
. Consolidated Net Sales					\$ 191,959
. Ratio of Sales to Foreign Customers to Consolidated Net Sales	32.1%	16.2%	13.6%	4.6%	66.5%

Notes to Consolidated Financial Statements

14. Related Party Transactions

Directors and Principal Individual Shareholders

Year ended March 31, 2002			
Attribute	Companies whose directors and their close relatives own a majority of its voting rights		
Company Name	Gigapalace (Note 2)		
Address	Naniwa-ku, Osaka		
Capital stock	¥ 105 million	\$	788 thousand
Principal Business	Sales of computers		
Percentage of voting rights	Direct: 11.77%		
Relationship	Number of interlocking Directors and corporate auditors	None	
	On business	Sales of computers	
Transaction & Amounts	Sales of computers	¥ 49 million	\$ 368 thousand
	Purchases of computers	¥ 1 million	\$ 7 thousand
Account Title & Year-end Balance	Trade notes and accounts receivable	¥ 2 million	\$ 15 thousand
	Accounts payable-Other	¥ 0 million	\$ 0 thousand

Note 1: Transactions term and policy

Sales price and other conditions of transactions in terms of computer sales were the same as the ones with other non-related parties.

Note 2: Mr. Tokuzo Inoue, the Company's director, and his close relatives own 100% of Gigapalace's voting rights.

Mr. Inoue is also a principal individual shareholder of the Company.

Gigapalace is a principal corporate shareholder of the Company.

Note 3: The amounts of transaction above do not include consumption taxes, while the year-end balance do.

Year ended March 31, 2001			
Attribute	Companies whose directors and their close relatives own a majority of its voting rights		
Company Name	Gigapalace (Note 2)		
Address	Naniwa-ku, Osaka		
Capital stock	¥ 105 million	\$	788 thousand
Principal Business	Sales of computers		
Percentage of voting rights	Direct: 11.77%		
Relationship	Number of interlocking Directors and corporate auditors	None	
	On business	Sales of computers	
Transaction & Amounts	Sales of computers	¥ 11 million	\$ 83 thousand
Account Title & Year-end Balance	Trade notes and accounts receivable	¥ 3 million	\$ 23 thousand

Note 1: Transactions term and policy

Sales price and other conditions of transactions in terms of computer sales were the same as the ones with other non-related parties.

Note 2: Mr. Tokuzo Inoue, the Company's director, and his close relatives own 100% of Gigapalace's voting rights.

Mr. Inoue is also a principal individual shareholder of the Company.

Gigapalace is a principal corporate shareholder of the Company.

Note 3: The amounts of transaction above do not include consumption taxes, while the year-end balance do.

Notes to Consolidated Financial Statements

15. Significant Subsidiaries

The Company's significant subsidiaries are as follows:

Name	Ownership Interest	Country of Incorporation
Icom America, Inc.	100.0%	United States of America
Icom (Europe) GmbH	100.0%	Germany
Icom (Australia) Pty., Ltd.	92.7%	Australia
Icom Spain, S.L.	100.0%	Spain
Asia Icom Inc.	100.0%	Taiwan
Wakayama Icom Inc.	100.0%	Japan
Icom Information Products Inc.	100.0%	Japan

16. Supplementary Cash Flow Information

Supplementary information relating to the statements of cash flows for the years ended March 31, 2002 and 2001 is as follows:

	Millions of yen		Thousands of U.S. dollars	
	2002	2001	2002	2001
Cash and bank deposits (in the consolidated balance sheets)	¥ 15,836	¥ 13,360	\$ 118,898	\$ 100,308
Marketable securities	¥ 2,890	¥ 1,502	\$ 21,698	\$ 11,277
Subtotal	¥ 18,726	¥ 14,862	\$ 140,596	\$ 111,585
Time deposit (due after 3 months)	¥ (4)	¥ (98)	\$ (30)	\$ (736)
Marketable securities (due after 3 months)	¥ (500)	¥ (501)	\$ (3,754)	\$ (3,761)
Cash and cash equivalents (in the consolidated statements of cash flow)	¥ 18,222	¥ 14,263	\$ 136,812	\$ 107,088

17. Subsequent Event

The following appropriations of the Company's retained earnings in respect of the year ended March 31, 2002 were as proposed by Board of Directors and approved by the shareholders at the annual meeting held on June 26, 2002:

	Millions of yen		Thousands of U.S. dollars	
	2002	2002	2002	2002
Cash dividends	¥ 74		\$ 556	
Bonuses to directors and statutory auditors	¥ 59		\$ 443	
	¥ 133		\$ 999	

Independent Auditor's Report

To the Shareholders and
Board of Directors
of ICOM INCORPORATED

We have audited the consolidated balance sheets of ICOM INCORPORATED and consolidated subsidiaries as of March 31, 2002 and 2001, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in yen. Our audits were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated financial statements, expressed in yen, present fairly the consolidated financial position of ICOM INCORPORATED and consolidated subsidiaries at March 31, 2002 and 2001, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles and practices generally accepted in Japan applied on a consistent basis.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2002 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Shin Nihon & Co.

Osaka, Japan
June 26, 2002

See note 1 to the consolidated financial statements which explains the basis of preparing the consolidated financial statements of ICOM INCORPORATED under Japanese accounting principles and practices.

**BOARD OF DIRECTORS
AND AUDITOR**

Tokuzo Inoue
*President and
Representative Director*

Toshio Hosho
Vice President and Director

Tsutomu Fukui
Managing Director

Kiyoshi Sakurai
Director

Yasuo Hyakudai
Director

Masataka Harima
Director

Nobuo Ogawa
Director

Masanori Kamoto
Director

Hiroshi Shimizu
Director

Kikuji Okumura
Director(part-time)

Naosuke Namikawa
Director(part-time)

Taichiro Itoyama
Director(part-time)

Masaki Mori
Auditor(full-time)

Tsuneo Hanafusa
Auditor

Hiroshi Umemoto
Auditor

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Phone: 49-211-346047
Fax: 49-211-333639
URL <http://www.icomeurope.com/>

Icom (Australia) Pty., Ltd.
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290-294 Albert Street, Brunswick
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Phone: 61-3-9387-0666
Fax: 61-3-9387-0022
URL <http://www.icom.net.au/>

Icom Spain, S.L.
“Edificio Can Castanyer” Ctra. Gracia
a Manresa km.14,750 08190 Sant Cugat
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Phone: 34-93-590-2670
Fax: 34-93-589-0446
URL <http://www.icomspain.com/>

Asia Icom Inc.
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Phone: 886-2-2559-1899
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Wakayama Icom Inc.

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Fax: 81-6-6793-8050
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Osaka Office:
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CORPORATE FACTS

Established: April, 1964
Employees: 477
Paid in Capital: ¥7,081 million
Authorized shares: 34,000,000
Issued and Outstanding Shares:
14,850,000
Shareholders: 3,345
Stock Listed: Tokyo Stock Exchange
and Osaka Securities Exchange

Shareholders	Thousands of shares
Tokuzo Inoue	4,918
Gigapalace Inc.	1,748
Yasuda Mutual Life Insurance	533
UFJ Bank, Ltd.	487
Hiroshima Bank, Ltd.	359
The Mitsubishi Trust and Banking Corporation	355
The Yasuda Fire and Marine Insurance Co., Ltd.	265
Employees' Stockholding	235
Noritsugu Inoue	202
Michiko Hosho	196