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Summary of Consolidated Financial Statements for the Interim of FY2002 (ended March 31, 2003)

Nov 22, 2002

Name of Listed Company: NABCO Ltd. Stock listed on: the First Section of the Tokyo Stock Exchange and Osaka Securities Exchange
Code Number: 7142 Location (prefecture) of Head Office: Hyogo, Japan
(URL <http://www.nabco.co.jp/>)
Representative Name: Shigeo Iwatare
Title: Representative Director and President
Inquiries: Name: Hiroshi Sawa Tel. (078) 993-0213
Title: Director and General Manager,
Corporate Planning Dept.
Date of Board of Directors Meeting for Account Settlement: Nov 22, 2002
Has the Company adopted U.S. Accounting Standards: No

1. Consolidated Operating Results for the Interim of Fiscal Year ended March 31, 2003 (From April 1, 2002 to September 30, 2002)

(1) Consolidated Operating Results Note: Amounts less than one million yen have been rounded down.

	Net sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
Interim of Fiscal Year 2002	26,710	(5.6)	740	668.7	469	261.1
Interim of Fiscal Year 2001	28,305	(4.2)	91	-	129	-
Fiscal Year ended March 31, 2002	58,230		1,220		1,239	

	Interim (net) income		Interim (net) income per share		Diluted interim (net) income per share	
	Million yen	%	Yen		Yen	
Interim of Fiscal Year 2002	402	-	5.01		-	
Interim of Fiscal Year 2001	(1,363)	-	(16.97)		-	
Fiscal Year ended March 31, 2002	(3,864)		(48.10)		-	

- (Notes) a) Investment profit/loss on equity method:
Interim of FY2002 - million yen Interim of FY2001 - million yen FY2001 - million yen
b) Average number of outstanding shares during the fiscal year (consolidated)
Interim of FY2002 80,328,953 shares Interim of FY2001 80,352,630 shares FY2001 80,350,087 shares
c) Change in accounting methods: None
d) Percentages shown for net sales, operating income, ordinary income and interim (net) income represent the increase or decrease compared with the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
Interim of Fiscal Year 2002	71,721	24,264	33.8	302.11
Interim of Fiscal Year 2001	74,904	24,990	33.4	311.01
Fiscal Year ended March 31, 2002	73,422	23,788	32.4	296.09

(Note) Shares outstanding at fiscal year-end (consolidated):

Interim of FY2002 80,316,729 shares Interim of FY2001 80,353,129 shares FY2001 80,341,778 shares

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at fiscal year-end
	Million yen	Million yen	Million yen	Million yen
Interim of Fiscal Year 2002	2,450	1,222	(115)	7,023
Interim of Fiscal Year 2001	(1,767)	224	1,160	3,671
Fiscal Year ended March 31, 2002	(1,324)	(410)	1,155	3,484

(4) Scope of consolidation and application of equity method

Consolidated subsidiaries: 3 companies
Non-consolidated subsidiaries accounted for by the equity method: None
Affiliates accounted for by the equity method: None

(5) Change in scope of consolidation and application of equity method

Newly consolidated companies: None (excluded): None
Equity method (new): None (excluded): None

2. Forecast of consolidated operating results for the fiscal year ending March 31, 2003 (From April 1, 2002 to March 31, 2003)

Fiscal year	Net sales	Ordinary income	Net income
	Million yen	Million yen	Million yen
	55,000	1,700	800

Reference: Estimated consolidated net income per share for the fiscal year: 9.96 yen

Notice regarding the application of consolidated forecast:

The information stated above is based on various assumptions. This summary does not constitute an assurance or guarantee that the company will achieve its numerical targets or necessarily implement the strategies outlined.

Interim Consolidated Financial Statements**(1) Interim Consolidated Balance Sheets**

(¥ Million)

	End of Current Interim Term (As of Sept.30 2002)	Percent of total	End of Previous Term (As of Mar.31 2002)	Percent of total	Increase (Decrease)	End of Previous Interim Term (As of Sept.30 2001)	Percent of total
<Assets>		%		%			%
I Current assets							
Cash and time deposits	7,305		3,467		3,838	3,670	
Trade notes and accounts receivable	22,619		25,485		(2,866)	23,866	
Marketable securities	29		39		(10)	59	
Inventories	5,817		6,172		(355)	7,306	
Deferred income taxes	419		363		56	345	
Other current assets	1,356		1,472		(116)	1,690	
Allowance for doubtful receivables	(124)		(87)		(37)	(81)	
Total	37,422	52.2	36,912	50.3	510	36,856	49.2
II Fixed assets	34,252	47.7	36,417	49.6	(2,165)	37,870	50.6
(1) Property, plant and equipment							
Buildings and structures	9,650		9,925		(275)	10,062	
Machinery and equipment	3,486		3,732		(246)	4,080	
Tools, furniture and fixtures	1,190		1,166		24	1,252	
Land	8,538		8,564		(26)	8,563	
Construction in progress	169		164		5	216	
Total	23,035		23,552		(517)	24,174	
(2) Intangible assets							
Total	816		620		196	476	
(3) Investments and other assets							
Investments in securities	4,618		6,613		(1,995)	9,357	
Deferred income taxes	3,805		4,190		(385)	2,391	
Other investments	2,148		1,726		422	1,710	
Allowance for doubtful receivables	(171)		(286)		115	(240)	
Total	10,400		12,244		(1,844)	13,219	
III Deferred charges							
Test and research expenses	46		92		(46)	177	
Total	46	0.1	92	0.1	(46)	177	0.2
Total assets	71,721	100	73,422	100	(1,701)	74,904	100

(¥ Million)

	End of Current Interim Term (As of Sept.30 2002)	Percent of total	End of Previous Term (As of Mar.31 2002)	Percent of total	Increase (Decrease)	End of Previous Interim Term (As of Sept.30 2001)	Percent of total
<Liabilities>		%		%			%
Current liabilities							
Trade notes and accounts payable	9,786		11,390		(1,604)	11,145	
Short-term bank loans	6,870		10,580		(3,710)	18,378	
Income taxes payable	205		301		(96)	130	
Accrued employees' bonuses	781		773		8	871	
Allowance for compensation related to installation	8		7		1	9	
Other current liabilities	2,268		2,607		(339)	2,880	
Total	19,919	27.8	25,659	35.0	(5,740)	33,417	44.6
Long-term liabilities							
Long-term loans	18,726		15,174		3,552	7,314	
Retirement allowance	6,196		6,159		37	6,674	
Reserve for directors' retirement accounts	396		435		(39)	333	
Other long-term liabilities	205		212		(7)	212	
Total	25,524	35.6	21,981	29.9	3,543	14,534	19.4
Total liabilities	45,444	63.4	47,641	64.9	(2,197)	47,951	64.0
<Minority interests>							
Minority interests	2,012	2.8	1,993	2.7	19	1,961	2.6
<Shareholders' equity>							
Capital stock	-	-	8,602	11.7	(8,602)	8,602	11.5
Capital reserve	-	-	6,318	8.6	(6,318)	6,318	8.4
Retained earnings	-	-	8,582	11.7	(8,582)	11,083	14.8
Net unrealized gains on securities	-	-	263	0.4	(263)	(1,016)	(1.3)
Translation adjustments	-	-	22	0.0	(22)	3	0.0
Treasury stock, at cost	-	-	(1)	(0.0)	1	(0)	(0.0)
Capital stock	8,602	12.0	-	-	8,602	-	-
Capital surplus	6,318	8.8	-	-	6,318	-	-
Earned surplus	8,969	12.5	-	-	8,969	-	-
Net unrealized gains on securities	399	0.5	-	-	399	-	-
Translation adjustments	(21)	(0.0)	-	-	(21)	-	-
Treasury stock, at cost	(4)	(0.0)	-	-	(4)	-	-
Total shareholders' equity	24,264	33.8	23,788	32.4	476	24,990	33.4
Total liabilities, minority interests and shareholders' equity	71,721	100	73,422	100	(1,701)	74,904	100

(2) Interim Consolidated Statements of Income

(¥ Million)

	Six-month ended Sept.30, 2002	% of sales	Six-month ended Sept.30, 2001	% of sales	Increase (Decrease)	Term ended Mar.31, 2002	% of sales
Net sales	26,710	100	28,305	100	(1,595)	58,230	100
Cost of sales	21,623	81.0	23,513	83.1	(1,890)	47,778	82.0
Gross profit	5,086	19.0	4,791	16.9	295	10,452	18.0
Selling, general and administrative expenses	4,382	16.4	4,700	16.6	(318)	9,232	15.9
Selling expense	2,449		2,582		(133)	5,121	
General and administrative expenses	1,932		2,117		(185)	4,110	
Operating income	704	2.6	91	0.3	613	1,220	2.1
Non-operating income							
Interest income	6		5		1	8	
Dividend income	19		36		(17)	57	
Rent income	164		125		39	264	
Foreign exchange income	-		109		(109)	214	
Other non-operating income	131		142		(11)	324	
Total	321	1.2	419	1.5	(98)	869	1.5
Non-operating expenses							
Interest expenses	229		267		(38)	500	
Foreign exchange loss	165		-		165	-	
Other non-operating expenses	162		113		49	348	
Total	556	2.0	381	1.3	175	849	1.5
Ordinary income	469	1.8	129	0.5	340	1,239	2.1
Extraordinary gains							
Gain on sales of fixed assets	286		-		286	-	
Gain on sale of investment securities	136		-		136	-	
Total	422	1.5	-	-	422	-	-
Extraordinary losses							
Write-down of investment securities	-		52		(52)	4,302	
Loss on sales of investment securities	-		1,427		(1,427)	1,427	
Special retirement allowance for employees	-		-		-	557	
Loss on disposal of fixed assets	-		-		-	223	
Losses relating to the recall of products sold	-		58		(58)	155	
Loss on doubtful accounts	-		-		-	120	
Expenses related to relocation of Head Office	-		90		(90)	87	
Write-down of golf membership rights	-		19		(19)	19	
Total	-	-	1,647	5.9	(1,647)	6,894	11.8
Net income before income taxes	891	3.3	(1,517)	(5.4)	2,408	(5,654)	(9.7)
Corporate, resident and business taxes	208	0.8	132	0.5	76	447	0.8
Adjustment for corporate and other taxes	233	0.8	(325)	(1.2)	558	(2,335)	(4.0)
Minority interest income	47	0.2	38	0.1	9	98	0.1
Net income	402	1.5	(1,363)	(4.8)	1,765	(3,864)	(6.6)

(3) Interim Consolidated Statements of Appropriations

(¥ Million)

	Six-month ended Sept.30, 2002	Six-month ended Sept.30, 2001	Term ended Mar.31, 2002
I Balance of retained earnings at beginning of period	-	12,411	12,411
II Increase in retained earnings	-	52	52
Increase from decrease in number of consolidated subsidiaries	-	52	52
III Decrease in retained earnings	-	16	16
Bonuses to directors	-	16	16
IV Net income	-	(1,363)	(3,864)
V Balance of retained earnings at end of period	-	11,083	8,582
(Capital surplus)			
I Balance of capital surplus at beginning of period	6,318	-	-
Balance of capital reserve at beginning of period	6,318	-	-
II Balance of capital surplus at end of period	6,318	-	-
(Earned surplus)			
I Balance of earned surplus at beginning of period	8,582	-	-
Balance of retained earnings at beginning of period	8,582	-	-
II Increase in earned surplus	402	-	-
Net income	402	-	-
III Decrease in earned surplus	15	-	-
Bonuses to directors	15	-	-
IV Balance of earned surplus at end of period	8,969	-	-

(4) Interim Consolidated Statements of Cash Flows

(¥ Million)

	Six-month ended Sept.30, 2002	Six-month ended Sept.30, 2001	Increase (Decrease)	Term ended Mar.31, 2002
I Cash follows from operating activities				
Net income before income taxes and adjustments	891	(1,517)	2,408	(5,654)
Depreciation and amortization	875	1,033	(158)	2,062
Increase (decrease) in allowance for doubtful receivables	(74)	13	(87)	63
Provision for accrued severances indemnities	37	(1,418)	1,455	(1,933)
Interest and dividend income	(25)	(42)	17	(65)
Interest expense	229	267	(38)	500
Foreign exchange loss (gain)	0	(105)	105	(115)
Loss on disposal of fixed assets	-	-	-	223
Loss (gain) on sales of property, plant and equipment	(286)	-	(286)	-
Loss (gain) on sales of investment marketable securities	(136)	1,427	(1,563)	1,427
Losses from valuation of investment securities	-	52	(52)	4,302
Write-down of golf membership rights	-	19	(19)	19
Decrease (increase) in notes and accounts receivable	2,840	1,865	975	272
Decrease (increase) in inventories	321	(327)	648	768
Decrease (increase) in other current assets	(63)	249	(312)	161
Increase (decrease) in notes and accounts payable	(1,596)	(2,220)	624	(1,989)
Increase (decrease) in consumption taxes payable	(105)	(30)	(75)	60
Increase (decrease) in other current liabilities	(86)	(432)	346	(752)
Decrease (increase) in other assets	165	191	(26)	311
Increase (decrease) in other liabilities	(45)	(235)	190	(128)
Bonuses to director	(20)	(22)	2	(22)
Subtotal	2,919	(1,233)	4,152	(487)
Interest and dividend received	33	42	(9)	56
Interest paid	(197)	(265)	68	(499)
Income taxes paid	(306)	(311)	5	(393)
Net cash and cash equivalents provided by operating activities	2,450	(1,767)	4,217	(1,324)
II Cash flows from investing activities				
Decrease in time deposits	(306)	(5)	(301)	(11)
Increase in time deposits	7	4	3	4
Decrease from sale of short-term investment	10	4	6	4
Purchases of property, plant and equipment	(619)	(917)	298	(1,644)
Proceeds from sale of property, plant and equipment	444	1	443	2
Purchase of intangible fixed assets	(258)	(6)	(252)	(177)
Purchases of investments in securities	(105)	(133)	28	(166)
Proceeds from sale of investments securities	2,472	116	2,356	312
Expenses related to purchase of subsidiary stock due to change in scope of consolidation	-	976	(976)	976
Proceeds from (expense for) other investing activities	(422)	182	(604)	288
Net cash and cash equivalents used in investing activities	1,222	224	998	(410)
III Cash flows from financing activities				
Decrease in short-term bank loans	(2,645)	2,508	(5,153)	2,628
Proceeds from long-term loans	5,400	100	5,300	8,100
Repayment of long-term loans	(2,842)	(1,422)	(1,420)	(9,522)
Payments of purchases of treasury stock	(3)	(1)	(2)	(2)
Proceeds from sales of treasury stock	-	1	(1)	1
Amount of dividend paid by parent company	(0)	(0)	0	(0)
Cash dividends paid of subsidiaries for minority	(24)	(24)	0	(48)
Net cash and cash equivalents provided by financing activities	(115)	1,160	(1,275)	1,155
IV Effect of exchange rate changes on cash and cash equivalents	(17)	2	(19)	11
V Increase or decrease in cash and cash equivalents	3,539	(380)	3,919	(568)
VI Cash and cash equivalents at beginning of year	3,484	4,052	(568)	4,052
VII Cash and cash equivalents at end of year	7,023	3,671	3,352	3,484

Interim Non-consolidated Financial Statements**(1) Interim Non-consolidated Balance Sheets**

(¥ Million)

	End of Current Interim Term (As of Sept.30 2002)	Percent of total	End of Previous Term (As of Mar.31 2002)	Percent of total	Increase (Decrease)	End of Previous Interim Term (As of Sept.30 2001)	Percent of total
<Assets>		%		%			%
Current assets							
Cash and time deposits	5,135		1,574		3,561	1,803	
Trade notes receivable	4,085		4,821		(736)	4,976	
Accounts receivable	16,921		18,490		(1,569)	17,047	
Inventories	4,197		4,537		(340)	5,640	
Deferred income taxes	263		226		37	229	
Other current assets	1,309		1,499		(190)	1,652	
Allowance for doubtful receivables	(36)		(2)		(34)	(2)	
Total	31,875	50.8	31,145	48.5	730	31,348	47.5
Fixed assets	30,833	49.1	32,970	51.4	(2,137)	34,418	52.2
(1) Property, plant and equipment							
Buildings	8,275		8,488		(213)	8,581	
Machinery and equipment	3,375		3,594		(219)	3,937	
Land	6,375		6,399		(24)	6,399	
Construction in progress	129		164		(35)	216	
Other property, plant and equipment	1,576		1,583		(7)	1,712	
Total	19,732		20,230		(498)	20,847	
(2) Intangible assets							
Total	520		291		229	151	
(3) Investments and other assets							
Investments in securities	3,479		5,036		(1,557)	7,230	
Investments in stock of affiliated company	2,208		2,652		(444)	3,061	
Deferred income taxes	3,431		3,805		(374)	2,112	
Other investments and other assets	1,463		953		510	1,015	
Allowance for doubtful receivables	(1)		(0)		(1)	(0)	
Total	10,581		12,447		(1,866)	13,418	
Deferred charge							
Test and research expenses	46		92		(46)	177	
Total	46	0.1	92	0.1	(46)	177	0.3
Total assets	62,755	100	64,208	100	(1,453)	65,943	100

(¥ Million)

	End of Current Interim Term (As of Sept.30 2002)	Percent of total	End of Previous Term (As of Mar.31 2002)	Percent of total	Increase (Decrease)	End of Previous Interim Term (As of Sept.30 2001)	Percent of total
<Liabilities>		%		%			%
Current liabilities							
Trade notes payable	2,059		2,710		(651)	2,946	
Accounts payable	6,733		7,575		(842)	7,088	
Short-term bank loans	5,725		9,490		(3,765)	17,300	
Income taxes payable	10		20		(10)	11	
Accrued employees' bonuses	493		493		(0)	593	
Other current liabilities	1,837		2,137		(300)	2,412	
Total	16,858	26.9	22,427	34.9	(5,569)	30,352	46.0
Long-term liabilities							
Long-term loans	18,410		14,760		3,650	6,800	
Retirement allowance	5,784		5,774		10	6,289	
Reserve for directors' retirement accounts	257		316		(59)	241	
Other long-term liabilities	142		142		-	142	
Total	24,594	39.2	20,993	32.7	3,601	13,472	20.5
Total liabilities	41,452	66.1	43,420	67.6	(1,968)	43,825	66.5
<Shareholders' equity>							
Capital stock	-	-	8,602	13.4	(8,602)	8,602	13.0
Capital reserve	-	-	6,318	9.9	(6,318)	6,318	9.6
Profit reserve	-	-	1,107	1.7	(1,107)	1,107	1.7
Other surplus	-	-	4,488	7.0	(4,488)	7,105	10.8
Voluntary reserve	-	-	6,826		(6,826)	6,826	
Unappropriated retained earnings	-	-	(2,338)		2,338	278	
Net unrealized gains on securities	-	-	271	0.4	(271)	(1,015)	(1.6)
Treasury stock, at cost	-	-	(1)	(0.0)	1	-	-
Capital stock	8,602	13.7	-	-	8,602	-	-
Capital surplus	6,318	10.1	-	-	6,318	-	-
Capital reserve	6,318		-	-	6,318	-	-
Earned surplus	5,984	9.5	-	-	5,984	-	-
Profit reserve	1,107		-	-	1,107	-	-
Voluntary reserve	6,742		-	-	6,742	-	-
Unappropriated retained earnings	(1,866)		-	-	(1,866)	-	-
Net unrealized gains on securities	402	0.6	-	-	402	-	-
Treasury stock, at cost	(4)	(0.0)	-	-	(4)	-	-
Total shareholders' equity	21,302	33.9	20,787	32.4	515	22,118	33.5
Total liabilities and shareholders' equity	62,755	100	64,208	100	(1,453)	65,943	100

(2) Interim Non-consolidated Statements of Income

(¥ Million)

	Six-month ended Sept.30, 2002	% to sales	Six-month ended Sept.30, 2001	% to sales	Increase (Decrease)	End of Previous Term (As of Mar.31 2002)	% to sales
Net sales	21,582	100%	21,916	100%	(334)	45,982	100%
Cost of sales	18,724	86.8	19,479	88.9	(755)	40,462	88.0
Gross profit	2,858	13.2	2,436	11.1	422	5,520	12.0
Selling, general and administrative expenses	2,532	11.7	2,687	12.2	(155)	5,233	11.4
Operating income	325	1.5	(250)	(1.1)	575	287	0.6
Non-operating income	419	1.9	341	1.6	78	785	1.7
Non-operating expenses	527	2.4	340	1.6	187	726	1.5
Ordinary income	218	1.0	(249)	(1.1)	467	347	0.8
Extraordinary income	422	2.0	670	3.0	(248)	670	1.4
Extraordinary expenses	-	-	193	0.9	(193)	5,284	11.5
Net income before income taxes	640	3.0	227	1.0	413	(4,266)	(9.3)
Corporate, resident and business taxes	10	0.1	11	0.0	(1)	20	0.0
Adjustment for corporate and other taxes	243	1.1	90	0.4	153	(1,797)	(3.9)
Net income	387	1.8	126	0.6	261	(2,489)	(5.4)
Retained earnings brought forward	(2,254)		151		(2,405)	151	
Unappropriated retained earnings	(1,866)		278		(2,144)	(2,338)	