

## Summary of Consolidated Financial Statements for the FY ended March 31, 2004 (full year)

May 7, 2004

Name of Listed Company:	Nabtesco Corporation	Stock listed on:	the First Section of the Tokyo Stock Exchange
Code Number:	6268	Location (prefecture) of Head Office:	Tokyo, Japan
(URL <a href="http://www.nabtesco.com/">http://www.nabtesco.com/</a> )			
Representative	Name: Makoto Okitsu Title: Representative Director and President		
Inquiries:	Name: Hiroshi Sawa Title: Director and General Manager, General Administration Dept.	Tel. (03) 3578-7070	
Date of Board of Directors Meeting for Account Settlement:	May 7, 2004		
Has the Company adopted U.S. Accounting Standards:	No		

### 1. Consolidated Operating Results for the Fiscal Year ended March 31, 2004 (From April 1, 2003 to March 31, 2004)

(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	%
Fiscal year ended March 31, 2004	125,478	( - )	8,345	( - )	8,477	( - )
Fiscal year ended March 31, 2003	-	( - )	-	( - )	-	( - )

	Net income		Net income per share	Diluted net income per share	Return on shareholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to net sales
	Million yen	%	Yen	Yen	%	%	%
Fiscal year ended March 31, 2004	4,232	( - )	32.72	-	9.4	6.5	6.8
Fiscal year ended March 31, 2003	-	( - )	-	-	-	-	-

- (Notes) a) Investment profit/loss on equity method:  
Fiscal year ended March 31, 2004 838 million yen Fiscal year ended March 31, 2003 - million yen  
b) Average number of outstanding shares during the fiscal year (consolidated)  
Fiscal year ended March 31, 2004 127,070,544 shares Fiscal year ended March 31, 2003 - shares  
c) Change in accounting methods: None  
d) Percentages shown for net sales, operating income, ordinary income and 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
Fiscal year ended March 31, 2004	130,683	47,718	36.5	374.92
Fiscal year ended March 31, 2003	-	-	-	-

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

Fiscal year ended March 31, 2004 127,080,434 shares Fiscal year ended March 31, 2003 - 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
Fiscal year ended March 31, 2004	15,750	(3,804)	(5,335)	14,476
Fiscal year ended March 31, 2003	-	-	-	-

### (4) Scope of consolidation and application of equity method

Consolidated subsidiaries: 25 companies  
Non-consolidated subsidiaries accounted for by the equity method: None  
Affiliates accounted for by the equity method: 2 companies

### (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, 2005 (From April 1, 2004 to March 31, 2005)

	Net sales	Ordinary income	Net income
	Million yen	Million yen	Million yen
Interim	66,000	4,000	2,500
Fiscal year	133,000	9,000	4,800

Reference: Estimated consolidated net income per share for the fiscal year: 37.16 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.

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

(Million yen: amounts less than one million yen are omitted)

&lt;Reference&gt;

(Million yen: amounts less than one million yen are omitted)

	FY2003 (As of Mar.31, 2004)	Simple Summation of prior year (As of Mar.31 2003)	Increase (Decrease)
<b>&lt;Assets&gt;</b>			
<b>Current assets</b>			
Cash and time deposits	14,801	7,459	7,342
Trade notes and accounts receivable	38,580	41,809	(3,229)
Inventories	13,226	14,281	(1,055)
Deferred income taxes	2,415	1,875	540
Other current assets	2,232	3,755	(1,523)
Allowance for doubtful receivables	(367)	(306)	(61)
<b>Total</b>	<b>70,888</b>	<b>68,875</b>	<b>2,013</b>
<b>Fixed assets</b>	<b>59,794</b>	<b>59,863</b>	<b>(69)</b>
<b>(1) Property, plant and equipment</b>			
Buildings and structures	16,385	17,480	(1,095)
Machinery and equipment	8,718	10,221	(1,503)
Land	14,881	14,990	(109)
Other property, plant and equipment	2,910	2,583	327
<b>Total</b>	<b>42,895</b>	<b>45,276</b>	<b>(2,381)</b>
<b>(2) Intangible assets</b>			
<b>Total</b>	<b>1,983</b>	<b>1,810</b>	<b>173</b>
<b>(3) Investments and other assets</b>			
Investments in securities	9,333	4,920	4,413
Deferred income taxes	2,492	4,342	(1,850)
Other investments and other assets	3,394	3,797	(403)
Allowance for doubtful receivables	(304)	(283)	(21)
<b>Total</b>	<b>14,915</b>	<b>12,776</b>	<b>2,139</b>
<b>Total assets</b>	<b>130,683</b>	<b>128,738</b>	<b>1,945</b>

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<Reference>

(Million yen: amounts less than one million yen are omitted)

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	FY2003 (As of Mar.31, 2004)	Simple Summation of prior year (As of Mar.31 2003)	Increase (Decrease)
<b>&lt;Liabilities&gt;</b>			
<b>Current liabilities</b>			
Trade notes and accounts payable	24,133	24,615	(482)
Short-term bank loans	13,723	13,998	(275)
Current portion of bonds	5,000	-	5,000
Income taxes payable	1,747	651	1,096
Accrued employees' bonuses	987	838	149
Other current liabilities	6,848	7,653	(805)
<b>Total</b>	<b>52,441</b>	<b>47,757</b>	<b>4,684</b>
<b>Long-term liabilities</b>			
Bonds	-	5,000	(5,000)
Long-term loans	13,095	17,585	(4,490)
Retirements allowance	12,802	11,229	1,573
Reserve for directors' retirement accounts	690	849	(159)
Other long-term liabilities	713	785	(72)
<b>Total</b>	<b>27,302</b>	<b>35,450</b>	<b>(8,148)</b>
<b>Total liabilities</b>	<b>79,744</b>	<b>83,208</b>	<b>(3,464)</b>
<b>&lt;Minority interests&gt;</b>			
Minority interests	3,220	3,120	100
<b>&lt;Shareholders' equity&gt;</b>			
Capital stock	10,000	15,226	(5,226)
Capital surplus	17,709	12,605	5,104
Earned surplus	18,677	14,937	3,740
Net unrealized gains on securities	2,473	351	2,122
Translation adjustments	(1,060)	(691)	(369)
Treasury stock, at cost	(81)	(19)	(62)
<b>Total shareholders' equity</b>	<b>47,718</b>	<b>42,410</b>	<b>5,308</b>
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>130,683</b>	<b>128,738</b>	<b>1,945</b>

## (2) Consolidated Statements of Income

(Million yen: amounts less than one million yen are omitted)

&lt;Reference&gt;

(Million yen: amounts less than one million yen are omitted)

	FY2003 (Apr.2003-Mar.2004)	Simple Summation of prior year (Apr.2002-Mar.2003)	Increase (Decrease)
<b>Net sales</b>	<b>125,478</b>	<b>121,525</b>	<b>3,953</b>
Cost of sales	97,187	96,501	686
<b>Gross profit</b>	<b>28,291</b>	<b>25,023</b>	<b>3,268</b>
Selling, general and administrative expenses	19,946	18,997	949
<b>Operating income</b>	<b>8,345</b>	<b>6,025</b>	<b>2,320</b>
Non-operating income			
Interest income	42	30	12
Dividends income	38	50	(12)
Equity in earnings of an affiliate	838	102	736
Rents income	418	418	0
Other non-operating income	354	322	32
<b>Total</b>	<b>1,693</b>	<b>924</b>	<b>769</b>
Non-operating expenses			
Interest expenses	616	640	(24)
Foreign exchange loss	183	271	(88)
Loss on disposal of inventories	277	62	215
Other non-operating expenses	482	679	(197)
<b>Total</b>	<b>1,561</b>	<b>1,654</b>	<b>(93)</b>
<b>Ordinary income</b>	<b>8,477</b>	<b>5,296</b>	<b>3,181</b>
Extraordinary gains			
Gain on sales of fixed assets	16	1,418	(1,402)
Gain on sale of investment securities	121	204	(83)
Reversal of allowance for doubtful accounts	43	53	(10)
<b>Total</b>	<b>180</b>	<b>1,676</b>	<b>(1,496)</b>
Extraordinary losses			
Loss on disposal of fixed assets	709	82	627
Write-down of investment securities	61	989	(928)
Write-down of golf membership rights	100	76	24
Warrantary claims paid	-	393	(393)
Impairment of goodwill	-	242	(242)
Special contribution to a pension fund	1,183	494	689
Restructuring cost	-	952	(952)
Other extraordinary losses	3	162	(159)
<b>Total</b>	<b>2,058</b>	<b>3,394</b>	<b>(1,336)</b>
<b>Net income before income taxes</b>	<b>6,599</b>	<b>3,577</b>	<b>3,022</b>
Corporate, resident and business taxes	2,239	890	1,349
Adjustment for corporate and other taxes	(147)	506	(653)
Minority interest income	275	287	(12)
<b>Net income</b>	<b>4,232</b>	<b>1,892</b>	<b>2,340</b>

## (3) Consolidated Statements of Appropriations

(Million yen: amounts less than one million yen are omitted)

	FY2003 (Apr.2003-Mar.2004)
<b>(Capital surplus)</b>	
<b>I Balance at beginning of period</b>	<b>17,904</b>
<b>II Increase in capital surplus</b>	
Issue of new stock through wholly-owned subsidiary capital increase prior to transfer of equity	72
Gain on disposal of treasury stock	51
<b>Total</b>	<b>123</b>
<b>III Decrease in capital surplus</b>	
Grant of transfer of stock	317
<b>Total</b>	<b>317</b>
<b>IV Balance at end of period</b>	<b>17,709</b>
<b>(Earned surplus)</b>	
<b>I Balance at beginning of period</b>	<b>14,937</b>
<b>II Increase in earned surplus</b>	
Net income	4,232
<b>Total</b>	<b>4,232</b>
<b>III Decrease in earned surplus</b>	
Cash dividend paid	437
Bonuses to directors	48
Transfer to projected benefit obligation at overseas subsidiary	7
<b>Total</b>	<b>492</b>
<b>Balance at end of period</b>	<b>18,677</b>

## (4) Consolidated Statements of Cash Flows

(Million yen: amounts less than one million yen are omitted)

(Million yen: amounts less than one million yen are omitted)

	FY2003 (Apr.2003-Mar.2004)	FY2002 (Apr.2002-Mar.2003)	Increase (Decrease)
<b>I Cash flows from operating activities</b>			
Net income before income taxes and adjustments	6,599	3,577	3,022
Depreciation and amortization	4,508	5,011	(503)
Amortization of cost in excess of net book values of consolidated subsidiaries	57	57	-
Increase in allowance for doubtful receivables	13	(71)	84
Increase in retirement benefits of employees	1,597	606	991
Decrease in directors' retirement allowance	(158)	76	(234)
Interest and dividend income	(80)	(80)	0
Interest expense	616	640	(24)
Foreign exchange loss	6	(17)	23
Equity in earnings of an affiliate	(838)	(102)	(736)
Gain on sales of fixed assets	(16)	(1,418)	1,402
Loss on disposal of fixed assets	709	324	385
Gain on sales of investment securities	(121)	(204)	83
Losses from valuation of investment securities	61	989	(928)
Write-down of golf membership rights	100	76	24
Restructuring cost	-	952	(952)
Other no-operating gains	-	(31)	31
Decrease in notes and accounts receivable	2,941	(2,029)	4,970
Decrease in inventories	863	1,121	(258)
Decrease in other assets	1,274	(793)	2,067
Decrease in notes and accounts payable	(316)	2028	(2,344)
Decrease in consumption taxes payable	(63)	(33)	(30)
Decrease in other liabilities	(343)	435	(778)
Bonuses to director	(54)	(31)	(23)
Subtotal	17,358	11,085	6,273
Interest and dividends received	126	113	13
Interest paid	(629)	(607)	(22)
Income taxes paid	(1,105)	(938)	(167)
<b>Net cash and cash equivalents provided by operating activities</b>	<b>15,750</b>	<b>9,652</b>	<b>6,098</b>
<b>II Cash flows from investing activities</b>			
Decrease in time deposit	(45)	(315)	270
Increase in time deposit	23	-	23
Decrease from sale of short-term investment	-	10	(10)
Purchases of property, plant and equipment	(4,381)	(3,425)	(956)
Proceeds from sale of property, plant and equipment	729	2,429	(1,700)
Purchases of investment in securities	(703)	(314)	(389)
Proceeds from sale of investments securities	640	3,114	(2,474)
Purchases of subsidiary and affiliate stock	-	(237)	237
Payment of short-term loans	(15)	(611)	596
Proceeds from repayment of short-term loans	15	18	(3)
Expenses from other investing activities	(68)	(543)	475
<b>Net cash and cash equivalents used in investing activities</b>	<b>(3,804)</b>	<b>124</b>	<b>(3,928)</b>
<b>III Cash flows from financing activities</b>			
Decrease in short-term bank loans	(1,496)	(7,817)	6,321
Proceeds from long-term loans	191	5,530	(5,339)
Repayment of long-term loans	(3,350)	(3,886)	536
Issue of new stock through wholly-owned subsidiary prior to transfer of equity	144	-	144
Payments for purchases of treasury stock	(110)	(16)	(94)
Proceeds from sale of treasury stock	98	-	98
Stock transfer payments	(317)	-	(317)
Cash dividends paid	(435)	(432)	(3)
Cash dividends paid subsidiaries for minority	(60)	(53)	(7)
<b>Net cash and cash equivalents provided by financing activities</b>	<b>(5,335)</b>	<b>(6,677)</b>	<b>1,342</b>
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	<b>(64)</b>	<b>(23)</b>	<b>(41)</b>
<b>V Increase or decrease in cash and cash equivalents</b>	<b>6,546</b>	<b>3,075</b>	<b>3,471</b>
<b>VI Cash and cash equivalents at beginning of year</b>	<b>7,929</b>	<b>4,854</b>	<b>3,075</b>
<b>VII Cash and cash equivalents at end of year</b>	<b>14,476</b>	<b>7,929</b>	<b>6,546</b>