

Summary of Consolidated Financial Statements for the Interim of FY2003 (ended March 31, 2004)

Nov 11, 2003

Name of Listed Company: Nabtesco Corporation
(TS Corporation (formerly Teijin Seiki Co., Ltd.))

Code Number: 6268

(URL <http://www.nabtesco.com/>)

Representative

Name: Makoto Okitsu

Title: Representative Director and President

Inquiries:

Name: Hiroshi Sawa

Title: Director and General Manager,

General Administration Dept.

Stock listed on: the First Section of the Tokyo Stock
Exchange

Location (prefecture) of Head Office: Tokyo, Japan

Tel. (03) 3578-7070

Date of Board of Directors Meeting for Account Settlement: Nov 11, 2003

Has the Company adopted U.S. Accounting Standards: No

1. Consolidated Operating Results for the Interim of Fiscal Year ended March 31, 2004 (From April 1, 2003 to September 30, 2003)

(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 2003	32,260	6.0	2,707	39.5	2,988	74.6
Interim of Fiscal Year 2002	30,439	0.6	1,940	113.2	1,711	193.0
Fiscal Year ended March 31, 2003	66,221		3,842		3,502	

	Interim (net) income		Interim (net) income per share	Diluted interim (net) income per share
	Million yen	%	Yen	Yen
Interim of Fiscal Year 2003	1,357	58.0	17.24	-
Interim of Fiscal Year 2002	859	(-)	10.94	-
Fiscal Year ended March 31, 2003	1,569		19.56	-

(Notes) a) Investment profit/loss on equity method:

Interim of FY2003 436 million yen Interim of FY2002 16 million yen FY2002 102 million yen

b) Average number of outstanding shares during the fiscal year (consolidated)

Interim of FY2003 78,781,844 shares Interim of FY2002 78,583,274 shares FY2002 78,574,804 shares

c) Change in accounting methods: Yes

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 2003	61,965	19,922	32.2	252.19
Interim of Fiscal Year 2002	56,186	17,914	31.9	227.97
Fiscal Year ended March 31, 2003	60,433	18,345	30.4	233.10

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

Interim of FY2003 79,000,321 shares Interim of FY2002 78,580,307 shares FY2002 78,563,367 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 2003	5,100	(1,307)	(722)	6,640
Interim of Fiscal Year 2002	1,614	(656)	(1,776)	1,801
Fiscal Year ended March 31, 2003	5,637	(772)	(2,717)	3,510

(4) Scope of consolidation and application of equity method

Consolidated subsidiaries: 20 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, 2004 (From April 1, 2003 to March 31, 2004)

For consolidated forecast, please refer to Nabtesco Corporation's Summary of Consolidated Financial Statements for the Interim of FY2003 (ended March 31, 2004).

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

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

	End of Current Interim Term (As of Sept.30, 2003)	End of Previous Interim Term (As of Sept.30, 2002)	Increase (Decrease) compared to prior fiscal year interim period	End of Previous Term (As of Mar.31, 2003)
<Assets>				
Current assets				
Cash and time deposits	2,442	1,792	649	2,754
Notes and accounts receivable	16,580	14,403	2,176	18,914
Inventories	8,233	10,637	(2,404)	8,579
Deferred income taxes	1,393	542	850	1,284
Deposits from subsidiaries and affiliates	4,198	8	4,189	756
Other current assets	1,951	823	1,127	1,012
Allowance for doubtful receivables	(102)	(143)	40	(147)
Total	34,695	28,064	6,630	33,154
Fixed assets	27,269	28,121	(851)	27,279
(1) Property, plant and equipment				
Buildings and structures	7,866	8,311	(444)	8,053
Machinery and equipment	6,064	7,126	(1,061)	6,986
Land	6,525	6,525	0	6,525
Other property, plant and equipment	1,349	1,356	(7)	1,328
Total	21,805	23,319	(1,513)	22,893
(2) Intangible assets				
Total	1,001	973	27	1,007
(3) Investments and other assets				
Investments in securities	2,289	1,125	1,163	1,235
Deferred income taxes	1,058	1,032	25	583
Other investments and other assets	1,186	1,765	(579)	1,634
Allowance for doubtful receivables	(71)	(95)	23	(75)
Total	4,462	3,828	633	3,377
Total assets	61,965	56,186	5,778	60,433

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

	End of Current Interim Term (As of Sept.30, 2003)	End of Previous Interim Term (As of Sept.30, 2002)	Increase (Decrease) compared to prior fiscal year interim period	End of Previous Term (As of Mar.31, 2003)
<Liabilities>				
Current liabilities				
Trade notes and accounts payable	13,299	11,284	2,014	14,381
Short-term bank loans	8,895	10,021	(1,126)	9,426
Income taxes payable	1,037	242	794	387
Reserve for loss of guarantee debts	-	38	(38)	38
Other current liabilities	4,886	4,447	439	5,237
Total	28,118	26,034	2,084	29,472
Long-term liabilities				
Bonds	5,000	5,000	-	5,000
Long-term loans	289	501	(211)	377
Retirement allowance	6,502	4,596	1,905	5,172
Reserve for directors' retirement accounts	326	378	(51)	416
Other long-term liabilities	638	737	(98)	580
Total	12,756	11,212	1,543	11,546
Total liabilities	40,875	37,247	3,627	41,019
<Minority interests>				
Minority interests	1,166	1,024	141	1,068
<Shareholders' equity>				
Capital stock	6,695	6,623	72	6,623
Capital surplus	6,359	6,287	72	6,287
Earned surplus	7,177	5,613	1,564	6,047
Net unrealized gains on securities	324	86	237	65
Translation adjustments	(634)	(692)	58	(671)
Treasury stock, at cost	-	(2)	2	(6)
Total shareholders' equity	19,922	17,914	2,008	18,345
Total liabilities, minority interests and shareholders' equity	61,965	56,186	5,778	60,433

(2) Interim Consolidated Statements of Income

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

	Six-month ended Sept.30, 2003	Six-month ended Sept.30, 2002	Increase (Decrease) compared to prior fiscal year interim period	Term ended Mar.31, 2004
Net sales	32,260	30,439	1,821	66,221
Cost of sales	24,307	23,610	697	52,255
Gross profit	7,953	6,829	1,123	13,966
Selling, general and administrative expenses	5,245	4,888	356	10,123
Operating income	2,707	1,940	766	3,842
Non-operating income				
Interest income	5	5	0	9
Dividends income	2	3	(1)	4
Equity in earnings of an affiliate	436	16	420	102
Rents income	69	30	39	52
Other non-operating income	100	54	46	117
Total	614	109	505	286
Non-operating expenses				
Interest expenses	109	103	5	191
Foreign exchange loss	63	71	(7)	43
Loss on disposal of inventories	37	13	24	86
Other non-operating expenses	123	150	(27)	304
Total	333	338	(4)	626
Ordinary income	2,988	1,711	1,277	3,502
Extraordinary gains				
Gain on sales of fixed assets	5	691	(686)	691
Gain on sale of investment securities	117	45	72	68
Reversal of allowance for doubtful accounts	20	37	(16)	53
Total	143	774	(630)	813
Extraordinary losses				
Loss on disposal of fixed assets	57	45	11	82
Write-down of investment securities	-	-	-	143
Write-down of golf membership rights	8	-	8	4
Special contribution to a pension fund	1,183	247	936	494
Restructuring cost	-	270	(270)	952
Other extraordinary losses	3	-	3	162
Total	1,252	563	688	1,840
Net income before income taxes	1,880	1,922	(42)	2,475
Corporate, resident and business taxes	1,183	202	980	411
Adjustment for corporate and other taxes	(760)	727	(1,487)	318
Minority interest income	99	133	(33)	176
Net income	1,357	859	498	1,569

(3) Interim Consolidated Statements of Appropriations

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

	Six-month ended Sept.30, 2003	Six-month ended Sept.30, 2002	Increase (Decrease) compared to prior fiscal year interim period	Term ended Mar.31, 2003
(Capital surplus)				
I Balance at beginning of period	6,287	6,287	-	6,287
II Increase in capital surplus				
New issue of stock accompanying increase of capital	72	-	72	-
Total	72	-	72	-
III Balance at end of period	6,359	6,287	72	6,287
(Earned surplus)				
I Balance at beginning of period	6,047	5,055	992	5,055
II Increase in earned surplus				
Net income	1,357	859	498	1,569
Total	1,357	859	498	1,569
III Decrease in earned surplus				
Cash dividend paid	196	235	(39)	432
Bonuses to directors	32	10	21	10
Other	-	55	(55)	134
Total	228	301	(73)	577
IV Balance at end of period	7,177	5,613	1,564	6,047

(4) Interim Consolidated Statements of Cash Flows

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

	Six-month ended Sept.30, 2003	Six-month ended Sept.30, 2002	Increase (Decrease) compared to prior fiscal year interim period	Term ended Mar.31, 2003
I Cash follows from operating activities				
Net income before income taxes and adjustments	1,880	1,922	(42)	2,475
Depreciation and amortization	1,308	1,529	(220)	3,199
Amortization of cost in excess of net book values of consolidated subsidiaries	28	28	-	57
Decrease in allowance for doubtful receivables	(49)	(6)	(42)	(8)
Increase in retirement benefits of employees	1,327	271	1056	708
Increase (decrease) in directors' retirement allowance	(89)	38	(128)	76
Interest and dividend income	(8)	(8)	0	(14)
Interest expense	109	103	5	191
Foreign exchange gain (loss)	0	(26)	26	(10)
Equity in earnings of an affiliate	(436)	(16)	(420)	(102)
Gain on sales of fixed assets	(5)	(691)	686	(691)
Loss on disposal of fixed assets	57	45	11	82
Gain on sales of investment securities	(117)	(45)	(72)	(68)
Losses from valuation of investment securities	-	-	-	143
Write-down of golf membership rights	8	-	8	4
Restructuring cost	-	-	-	952
Other non-operating income	-	-	-	(31)
Increase (decrease) in notes and accounts receivable	2,445	20	2,425	(4,595)
Increase (decrease) in inventories	350	(646)	996	682
Increase (decrease) in other assets	68	(372)	441	(382)
Increase (decrease) in notes and accounts payable	(1,143)	222	(1,366)	3,178
Increase (decrease) in consumption taxes payable	(7)	(1)	(5)	50
Increase (decrease) in other liabilities	13	(301)	315	323
Bonuses to director	(32)	(6)	(25)	(10)
Subtotal	5,707	2,057	3,650	6,211
Interest and dividends received	55	33	21	39
Interest paid	(123)	(101)	(22)	(195)
Income taxes paid	(538)	(375)	(163)	(418)
Net cash and cash equivalents provided by operating activities	5,100	1,614	3,485	5,637
II Cash flows from investing activities				
Purchases of property, plant and equipment	(1,560)	(971)	(588)	(2,319)
Proceeds from sale of property, plant and equipment	46	1,299	(1,252)	1,417
Purchases of investment in securities	(476)	(2)	(474)	(2)
Proceeds from sale of investments securities	340	501	(161)	545
Purchases of subsidiary and affiliate stocks	-	-	-	(237)
Payment of short-term loans	(3)	(7)	4	-
Proceeds from repayment of short-term loans	4	25	(20)	16
Income from other investing activities	448	20	427	165
Expenses from other investing activities	(107)	(209)	102	(357)
Net cash and cash equivalents used in investing activities	(1,307)	656	(1,964)	(772)
III Cash flows from financing activities				
Decrease in short-term bank loans	(500)	(1,306)	806	(1,910)
Proceeds from long-term loans	194	-	194	-
Repayment of long-term loans	(344)	(227)	(116)	(364)
Proceeds from issuance of common stock	144	-	144	-
Payments for purchases of treasury stock	(8)	(1)	(6)	(5)
Cash dividends paid	(196)	(234)	38	(432)
Cash dividends paid of subsidiaries for minority	(11)	(5)	(5)	(5)
Net cash and cash equivalents provided by financing activities	(722)	(1,776)	1,054	(2,717)
IV Effect of exchange rate changes on cash and cash equivalents	59	(63)	122	(6)
V Increase in cash and cash equivalents	3,130	431	2,698	2,140
VI Cash and cash equivalents at beginning of year	3,510	1,370	2,140	1,370
VII Cash and cash equivalents at end of year	6,640	1,801	4,839	3,510

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

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

	End of Current Interim Term (As of Sept.30, 2003)	End of Previous Interim Term (As of Sept.30, 2002)	Increase (Decrease) compared to prior fiscal year interim period	End of Previous Term (As of Mar.31, 2003)
<Assets>				
Current assets				
Cash and time deposits	1,209	806	402	1,084
Trade notes receivable	1,337	1,254	83	1,432
Accounts receivable	8,041	7,209	832	8,214
Marketable securities	-	1,000	(1,000)	-
Inventories	4,467	5,490	(1,022)	4,133
Deferred income taxes	1,662	731	931	1,597
Deposits from subsidiaries and affiliates	4,198	-	4,198	750
Short-term loans receivable	4,926	5,006	(80)	5,379
Other current assets	1,266	547	719	638
Allowance for doubtful receivables	(2,762)	(918)	(1,843)	(2,718)
Total	24,346	21,127	3,219	20,511
Fixed assets	24,429	25,033	(603)	24,620
(1) Property, plant and equipment				
Buildings	6,059	6,449	(389)	6,200
Machinery and equipment	4,290	5,472	(1,181)	5,127
Land	5,370	5,370	-	5,370
Other property, plant and equipment	1,232	1,298	(65)	1,231
Total	16,953	18,589	(1,635)	17,929
(2) Intangible assets				
Total	280	197	83	250
(3) Investments and other assets				
Investments in securities	4,460	3,342	1,118	3,780
Deferred income taxes	1,049	873	175	583
Other investments and other assets	1,740	2,109	(368)	2,135
Allowance for doubtful receivables	(56)	(79)	23	(58)
Total	7,194	6,245	949	6,440
Total assets	48,776	46,160	2,615	45,132

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

	End of Current Interim Term (As of Sept.30, 2003)	End of Previous Interim Term (As of Sept.30, 2002)	Increase (Decrease) compared to prior fiscal year interim period	End of Previous Term (As of Mar.31, 2003)
<Liabilities>				
Current liabilities				
Trade notes payable	12	18	(6)	16
Accounts payable	8,313	6,695	1,617	6,774
Short-term bank loans	6,595	7,950	(1,355)	7,050
Current portion of long-term loans	17	126	(108)	81
Income taxes payable	870	7	862	16
Reserve for loss of guarantee debts	-	38	(38)	38
Other current liabilities	3,552	4,281	(728)	3,574
Total	19,360	19,118	241	17,552
Long-term liabilities				
Bonds	5,000	5,000	-	5,000
Long-term loans	-	17	(17)	-
Retirement allowance	5,675	4,093	1,581	4,445
Reserve for directors' retirement accounts	262	263	(0)	289
Other long-term liabilities	512	498	14	478
Total	11,450	9,872	1,578	10,213
Total liabilities	30,811	28,991	1,819	27,766
<Shareholders' equity>				
Capital stock	6,695	6,623	72	6,623
Capital surplus	6,303	6,231	72	6,231
Capital reserve	4,703	4,631	72	4,631
Other capital surplus	1,600	1,600	-	1,600
Earned surplus	4,641	4,230	411	4,452
Voluntary reserve	2,479	2,175	304	2,175
Appropriation of earnings at end of period	2,162	2,055	107	2,276
Net income	405	660	(254)	1,078
Net unrealized gains on securities	324	86	237	65
Treasury stock, at cost	-	(2)	2	(6)
Total shareholders' equity	17,965	17,169	796	17,366
Total liabilities and shareholders' equity	48,776	46,160	2,615	45,132

(2) Interim Non-consolidated Statements of Income

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

	Six-month ended Sept.30, 2003	Six-month ended Sept.30, 2002	Increase (Decrease) compared to prior fiscal year interim period	Term ended Mar.31, 2003
Net sales	20,574	17,590	2,984	36,959
Cost of sales	16,096	13,817	2,279	29,690
Gross profit	4,477	3,773	704	7,269
Selling, general and administrative expenses	2,785	2,233	551	4,686
Operating income	1,692	1,539	153	2,582
Non-operating income				
Interest and dividend income	123	151	(28)	167
Other non-operate income	127	82	44	149
Total	250	233	16	317
Non-operating expenses				
Interest expenses	56	63	(7)	121
Other non-operate income	162	179	(16)	327
Total	219	243	(23)	449
Ordinary income	1,723	1,530	193	2,450
Extraordinary gains				
Gain on sales of investment securities	117	45	72	67
Gain on sales of fixed assets	0	681	(681)	681
Extraordinary dividend from affiliated company	-	-	-	1,249
Reversal of allowance for doubtful accounts	3	76	(72)	77
Total	121	802	(681)	2,075
Extraordinary losses				
Loss on disposal of fixed assets	51	29	21	157
Special contribution to a pension fund	1,100	226	874	453
Write-down of affiliates' stock	-	189	(189)	189
Loss on sales of investment securities	0	-	0	142
Loss on valuation of investments	2	-	2	-
Write-down of golf membership rights	7	-	7	4
Loss on reserve doubtful accounts for loans to affiliated companies	77	838	(761)	2,645
Total	1,239	1,284	(44)	3,592
Net income (loss) before income taxes	605	1,048	(443)	933
Corporate, resident and business taxes	908	8	900	33
Adjustment for corporate and other taxes	(708)	379	(1,088)	(178)
Net income	405	660	(254)	1,078
Retained earnings brought forward	1,756	303	1,452	303
Withdrawal from retained surplus	-	1,090	(1,090)	1,090
Interim dividends	-	-	-	196
Unappropriated retained earnings	2,162	2,055	107	2,276