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Nabtesco

Summary of Consolidated Financial Statements for the FY ended March 31, 2005 (full year)

May 10, 2005

Name of Listed Company: Nabtesco Corporation
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.
Date of Board of Directors Meeting for Account Settlement: May 10, 2005
Has the Company adopted U.S. Accounting Standards: No

Stock listed on: the First Section of the Tokyo Stock Exchange
Location (prefecture) of Head Office: Tokyo, Japan
Tel. (03) 3578-7070

1. Consolidated Operating Results for the Fiscal Year ended March 31, 2005 (From April 1, 2004 to March 31, 2005)

(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, 2005	137,960	9.9	11,287	35.3	11,306	33.4
Fiscal year ended March 31, 2004	125,478	(-)	8,345	(-)	8,477	(-)

	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, 2005	5,625	32.9	43.66	43.66	11.2	8.6	8.2
Fiscal year ended March 31, 2004	2,611	(-)	32.72	-	9.4	6.5	6.8

- (Notes) a) Investment profit/loss on equity method:
Fiscal year ended March 31, 2005 230 million yen Fiscal year ended March 31, 2004 838 million yen
b) Average number of outstanding shares during the fiscal year (consolidated)
Fiscal year ended March 31, 2005 127,011,940 shares Fiscal year ended March 31, 2004 127,070,544 shares
c) Change in accounting methods: Yes
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, 2005	133,602	52,471	39.3	412.72
Fiscal year ended March 31, 2004	130,683	47,718	36.5	374.92

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

Fiscal year ended March 31, 2005 126,943,445 shares Fiscal year ended March 31, 2004 127,080,434 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, 2005	11,102	(4,569)	(7,808)	14,035
Fiscal year ended March 31, 2004	15,750	(3,804)	(5,335)	14,476

(4) Scope of consolidation and application of equity method

Consolidated subsidiaries: 33 companies
Non-consolidated subsidiaries accounted for by the equity method: 1 company
Affiliates accounted for by the equity method: 8 companies

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

Newly consolidated companies: 11 (excluded): 3
Equity method (new): 7 (excluded): None

2. Forecast of consolidated operating results for the fiscal year ending March 31, 2006 (From April 1, 2005 to March 31, 2006)

	Net sales	Ordinary income	Net income
	Million yen	Million yen	Million yen
Interim	70,500	5,600	3,000
Fiscal year	141,000	11,200	6,000

Reference: Estimated consolidated net income per share for the fiscal year: 46.62 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)

	FY2004 (As of Mar.31, 2005)	FY2003 (As of Mar.31, 2004)	Increase (Decrease)
<Assets>			
Current assets			
Cash and time deposits	14,353	14,801	(447)
Trade notes and accounts receivable	43,025	38,580	4,444
Inventories	14,158	13,226	932
Deferred income taxes	2,526	2,415	110
Other current assets	1,482	2,232	(750)
Allowance for doubtful receivables	(384)	(367)	(16)
Total	75,161	70,888	4,272
Fixed assets			
(1) Property, plant and equipment	58,440	59,794	(1,353)
Buildings and structures	15,005	16,385	(1,379)
Machinery and equipment	9,447	8,718	729
Tools, furniture and fixtures	2,284	2,246	37
Land	14,462	14,881	(419)
Construction in progress	748	663	84
Total	41,949	42,895	(946)
(2) Intangible assets			
Total	1,791	1,983	(191)
(3) Investments and other assets			
Investments in securities	11,361	9,333	2,027
Deferred income taxes	1,082	2,492	(1,409)
Other investments and other assets	2,509	3,394	(884)
Allowance for doubtful receivables	(254)	(304)	51
Total	14,699	14,915	(215)
Total assets	133,602	130,683	2,918

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

	FY2004 (As of Mar.31, 2005)	FY2003 (As of Mar.31, 2004)	Increase (Decrease)
<Liabilities>			
Current liabilities			
Trade notes and accounts payable	27,580	24,133	3,446
Short-term bank loans	8,948	9,212	(264)
Current portion of bonds	-	5,000	(5,000)
Current portion of long-term loans	5,662	4,510	1,152
Income taxes payable	1,433	1,747	(314)
Accrued employees' bonuses	-	987	(987)
Reserve for losses on land improvements	1,160	-	1,160
Other current liabilities	9,448	6,848	2,599
Total	54,232	52,441	1,790
Long-term liabilities			
Long-term loans	10,428	13,095	(2,666)
Retirements allowance	12,207	12,802	(595)
Reserve for directors' retirement accounts	211	690	(479)
Other long-term liabilities	680	713	(33)
Total	23,526	27,302	(3,775)
Total liabilities	77,759	79,744	(1,984)
<Minority interests>			
Minority interests	3,371	3,220	150
<Shareholders' equity>			
Capital stock	10,000	10,000	-
Capital surplus	17,709	17,709	(0)
Earned surplus	23,172	18,677	4,494
Net unrealized gains on securities	2,880	2,473	407
Translation adjustments	(1,128)	(1,060)	(68)
Treasury stock, at cost	(162)	(81)	(81)
Total shareholders' equity	52,471	47,718	4,753
Total liabilities, minority interests and shareholders' equity	133,602	130,683	2,918

(2) Consolidated Statements of Income

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

	FY2004 (Apr.2004-Mar.2005)	FY2003 (Apr.2003-Mar.2004)	Increase (Decrease)
Net sales	137,960	125,478	12,481
Cost of sales	105,227	97,187	8,040
Gross profit	32,733	28,291	4,441
Selling, general and administrative expenses	21,446	19,946	1,499
Operating income	11,287	8,345	2,941
Non-operating income			
Interest income	22	42	(19)
Dividends income	76	38	37
Equity in earnings of an affiliate	230	838	(608)
Rents income	324	418	(94)
Other non-operating income	195	354	(159)
Total	849	1,693	(844)
Non-operating expenses			
Interest expenses	461	616	(154)
Foreign exchange loss	-	277	(277)
Loss on disposal of inventories	88	183	(95)
Other non-operating expenses	279	482	(203)
Total	829	1,561	(732)
Ordinary income	11,306	8,477	2,829
Extraordinary gains			
Gain on sales of fixed assets	385	16	368
Gain on sale of investment securities	0	121	(120)
Reversal of allowance for doubtful accounts	57	43	14
Compensation for loss on withdrawal from business	420	-	420
Other extraordinary gains	0	-	0
Total	864	180	683
Extraordinary losses			
Loss on disposal of fixed assets	1,381	709	671
Write-down of investment securities	13	61	(48)
Write-down of golf membership rights	13	100	(86)
Loss on cancellation of leasehold property	335	-	335
Special contribution to a pension fund	-	1,183	(1,183)
Loss on reserve for losses on land improvements	1,160	-	1,160
Other extraordinary losses	41	3	38
Total	2,945	2,058	887
Net income before income taxes	9,225	6,599	2,625
Corporate, resident and business taxes	2,274	2,239	34
Adjustment for corporate and other taxes	1,063	(147)	1,210
Minority interest income	262	275	(13)
Net income	5,625	4,232	1,393

(3) Consolidated Statements of Appropriations

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

	FY2004 (Apr.2004-Mar.2005)	FY2003 (Apr.2003-Mar.2004)
(Capital surplus)		
I Balance at beginning of period	17,709	17,904
II Increase in capital surplus		
Issue of new stock through wholly-owned subsidiary capital increase prior to transfer of equity	-	72
Gain on disposal of treasury stock	-	51
Total	-	123
III Decrease in capital surplus		
Grant of transfer of stock	-	317
Loss on disposal of treasury stock	0	-
Total	0	317
IV Balance at end of period	17,709	17,709
(Earned surplus)		
I Balance at beginning of period	18,677	14,937
II Increase in earned surplus		
Net income	5,625	4,232
Increase from increase in number of consolidated subsidiaries	242	-
Increase from increase in number of affiliated companies accounted for by the equity method	30	-
Total	5,898	4,232
III Decrease in earned surplus		
Cash dividend paid	889	437
Bonuses to directors	74	48
Transfer to projected benefit obligation at overseas subsidiary	7	7
Transfer to statutory capital of overseas subsidiary	1	-
Decrease from increase in number of consolidated subsidiaries	394	-
Decrease from increase in number of affiliated companies accounted for by the equity method	35	-
Total	1,403	492
Balance at end of period	23,172	18,677

(4) Consolidated Statements of Cash Flows

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

	FY2004 (Apr.2004-Mar.2005)	FY2003 (Apr.2003-Mar.2004)	Increase (Decrease)
I Cash follows from operating activities			
Net income before income taxes and adjustments	9,225	6,599	2,625
Depreciation and amortization	4,490	4,508	(18)
Amortization of cost in excess of net book values of consolidated subsidiaries	55	57	(2)
Increase (decrease) in allowance for doubtful receivables	(60)	13	(74)
Increase (decrease) in retirement benefits of employees	(593)	1,597	(2,190)
Increase (decrease) in directors' retirement allowance	(482)	(158)	(324)
Interest and dividend income	(98)	(80)	(18)
Interest expense	461	616	(154)
Foreign exchange loss	0	6	(6)
Equity in earnings of an affiliate	(230)	(838)	608
Gain on sales of fixed assets	(385)	(16)	(368)
Loss on disposal of fixed assets	1,381	709	671
Gain on sales of investment securities	(0)	(121)	120
Losses from valuation of investment securities	13	61	(48)
Write-down of golf membership rights	13	100	(86)
Loss on cancellation of leasehold property	335	-	335
Compensation for loss on withdrawal from business	(420)	-	(420)
Reserve for losses on land improvements	1,160	-	1,160
Decrease (increase) in notes and accounts receivable	(4,820)	2,941	(7,762)
Decrease (increase) in inventories	(772)	863	(1,635)
Decrease in other assets	250	1,274	(1,024)
Increase (decrease) in notes and accounts payable	3,811	(316)	4,128
Increase (decrease) in consumption taxes payable	144	(63)	208
Increase (decrease) in other liabilities	281	(343)	625
Bonuses to director	(80)	(54)	(26)
Subtotal	13,679	17,358	(3,678)
Interest and dividends received	305	126	178
Interest paid	(513)	(629)	116
Income taxes paid	(2,369)	(1,105)	(1,264)
Net cash and cash equivalents provided by operating activities	11,102	15,750	(4,648)
II Cash flows from investing activities			
Decrease in time deposit	(12)	(45)	32
Increase in time deposit	18	23	(5)
Purchases of property, plant and equipment	(4,494)	(4,381)	(112)
Proceeds from sale of property, plant and equipment	1,551	729	821
Purchases of intangible assets	(179)	-	(179)
Proceeds from sale of investments securities	40	-	40
Purchases of investment in securities	(1,578)	(703)	(874)
Proceeds from sale of investments securities	21	640	(619)
Payment of short-term loans	(12)	(15)	2
Proceeds from repayment of short-term loans	6	15	(8)
Income from other investing activities	477	-	477
Expenses from other investing activities	(408)	(68)	(339)
Net cash and cash equivalents used in investing activities	(4,569)	(3,804)	(764)
III Cash flows from financing activities			
Decrease in short-term bank loans	(251)	(1,496)	1,244
Proceeds from long-term loans	3,000	191	2,808
Repayment of long-term loans	(4,506)	(3,350)	(1,155)
Repayments of debentures	(5,000)	-	(5,000)
Issue of new stock through wholly-owned subsidiary capital increase prior to transfer of equity	-	144	(144)
Payments for purchases of treasury stock	(82)	(110)	28
Proceeds from sale of treasury stock	4	98	(94)
Stock transfer payments	-	(317)	317
Cash dividends paid	(889)	(435)	(453)
Cash dividends paid subsidiaries for minority	(84)	(60)	(23)
Net cash and cash equivalents provided by financing activities	(7,808)	(5,335)	(2,473)
IV Effect of exchange rate changes on cash and cash equivalents	19	(64)	83
V Increase or decrease in cash and cash equivalents	(1,256)	6,546	(7,803)
VI Cash and cash equivalents at beginning of year	14,476	7,929	6,546
VII Increase in cash and cash equivalents from newly consolidated company	815	-	815
VIII Cash and cash equivalents at end of year	14,035	14,476	(441)