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Nabtesco

Summary of Consolidated Financial Statements for the Interim of FY2004 (ended March 31, 2005)

Nov 5, 2004

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.
 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 5, 2004
 Has the Company adopted U.S. Accounting Standards: No

1. Consolidated Operating Results for the Interim of Fiscal Year ended March 31, 2005 (From April 1, 2004 to September 30, 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	%
Interim of Fiscal Year 2004	66,538	10.0	5,242	42.2	5,733	48.3
Interim of Fiscal Year 2003	60,497	-	3,687	-	3,867	-
Fiscal Year ended March 31, 2004	125,478		8,345		8,477	

	Interim (net) income		Interim (net) income per share		Diluted interim (net) income per share	
	Million yen	%	Yen		Yen	
Interim of Fiscal Year 2004	3,460	101.8	27.24		-	
Interim of Fiscal Year 2003	1,715	-	13.50		-	
Fiscal Year ended March 31, 2004	4,232		32.72		-	

- (Notes) a) Investment profit/loss on equity method:
 Interim of FY2004 452 million yen Interim of FY2003 436 million yen FY2003 838 million yen
 b) Average number of outstanding shares during the fiscal year (consolidated)
 Interim of FY2004 127,059,853 shares Interim of FY2003 127,060,654 shares FY2003 127,070,544 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 2004	132,898	50,313	37.9	396.05
Interim of Fiscal Year 2003	129,760	44,770	34.5	352.36
Fiscal Year ended March 31, 2004	130,683	47,718	36.5	374.92

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

Interim of FY2004 127,039,272 shares Interim of FY2003 127,060,654 shares FY2003 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
Interim of Fiscal Year 2004	4,529	(996)	(2,846)	15,983
Interim of Fiscal Year 2003	9,002	(1,823)	(2,643)	12,525
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: 36 companies
 Non-consolidated subsidiaries accounted for by the equity method: None
 Affiliates accounted for by the equity method: 9 companies

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

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

2. Forecast of consolidated operating results for the fiscal year ending March 31, 2005 (From April 1, 2004 to March 31, 2005)

Fiscal year	Net sales	Ordinary income	Net income
	Million yen	Million yen	Million yen
	135,000	10,300	5,400

Reference: Estimated consolidated net income per share for the fiscal year: 42.11 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 yen; amounts less than one million yen are omitted)

	End of Current Interim Term (As of Sept.30, 2004)	End of Previous Interim Term (As of Sept.30, 2003)	Increase (Decrease)	End of Previous Term (As of Mar.31, 2004)
<Assets>				
Current assets				
Cash and time deposits	16,311	8,621	7,689	14,801
Notes and accounts receivable	38,939	37,767	1,172	38,580
Inventories	15,556	14,167	1,388	13,226
Deferred income taxes	2,430	1,864	566	2,415
Other current assets	1,617	6,920	(5,302)	2,232
Allowance for doubtful receivables	(379)	(239)	(140)	(367)
Total	74,476	69,101	5,374	70,888
Fixed assets				
(1) Property, plant and equipment				
Buildings and structures	16,134	17,104	(970)	16,385
Machinery and equipment	9,092	9,160	(68)	8,718
Land	14,481	14,990	(509)	14,881
Other property, plant and equipment	3,013	2,725	288	2,910
Total	42,721	43,980	(1,259)	42,895
(2) Intangible assets				
Total	1,969	1,892	76	1,983
(3) Investments and other assets				
Investments in securities	9,474	7,742	1,732	9,333
Deferred income taxes	1,826	3,891	(2,064)	2,492
Other investments and other assets	2,685	3,423	(737)	3,394
Allowance for doubtful receivables	(254)	(271)	16	(304)
Total	13,731	14,785	(1,053)	14,915
Total assets	132,898	129,760	3,138	130,683

Nabtesco Corporation

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

	End of Current Interim Term (As of Sept.30, 2004)	End of Previous Interim Term (As of Sept.30, 2003)	Increase (Decrease)	End of Previous Term (As of Mar.31 2004)
<Liabilities>				
Current liabilities				
Trade notes and accounts payable	25,530	23,916	1,613	24,133
Short-term bank loans	11,995	13,499	(1,504)	13,723
Current portion of bonds	5,000	-	5,000	5,000
Income taxes payable	1,180	1,177	(69)	1,747
Accrued employees' bonuses	-	900	(900)	987
Other current liabilities	9,708	7,421	2,287	6,848
Total	53,342	46,915	6,426	52,441
Long-term liabilities				
Bonds	-	5,000	(5,000)	-
Long-term loans	12,513	15,826	(3,312)	13,095
Retirement allowance	12,570	12,581	(10)	12,802
Reserve for directors' retirement accounts	154	595	(441)	690
Other long-term liabilities	686	843	(157)	713
Total	25,925	34,847	(8,921)	27,302
Total liabilities	79,268	81,763	(2,494)	79,744
<Minority interests>				
Minority interests	3,316	3,226	89	3,220
<Shareholders' equity>				
Capital stock	10,000	10,000	-	10,000
Capital surplus	17,709	17,658	51	17,709
Earned surplus	21,460	16,167	5,293	18,677
Net unrealized gains on securities	2,288	1,646	641	2,473
Translation adjustments	(1,039)	(654)	(385)	(1,060)
Treasury stock, at cost	(105)	(47)	(58)	(81)
Total shareholders' equity	50,313	44,770	5,542	47,718
Total liabilities, minority interests and shareholders' equity	132,898	129,760	3,138	130,683

(2) Interim Consolidated Statements of Income

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

	Six-month ended Sept.30, 2004	Six-month ended Sept.30, 2003	Increase (Decrease)	Term ended Mar.31, 2004
Net sales	66,538	60,497	6,041	125,478
Cost of sales	50,802	46,927	3,875	97,187
Gross profit	15,735	13,569	2,165	28,291
Selling, general and administrative expenses	10,493	9,882	611	19,946
Operating income	5,242	3,687	1,554	8,345
Non-operating income				
Interest income	11	22	(11)	42
Dividends income	52	15	36	38
Equity in earnings of an affiliate	452	436	15	838
Foreign exchange gain	95	-	95	-
Rents income	208	205	3	418
Other non-operating income	110	187	(76)	354
Total	930	868	62	1,693
Non-operating expenses				
Interest expenses	260	329	(69)	616
Foreign exchange loss	-	126	(126)	277
Loss on disposal of inventories	22	39	(16)	183
Other non-operating expenses	157	192	(35)	482
Total	439	688	(248)	1,561
Ordinary income	5,733	3,867	1,866	8,477
Extraordinary gains				
Gain on sales of fixed assets	157	5	152	16
Gain on sale of investment securities	-	117	(117)	121
Reversal of allowance for doubtful accounts	22	21	1	43
Total	180	144	36	180
Extraordinary losses				
Loss on disposal of fixed assets	88	111	(23)	709
Write-down of investment securities	13	-	13	61
Write-down of golf membership rights	2	8	(5)	100
Special contribution to a pension fund	-	1,183	(1,183)	1,183
Loss on cancellation of leasehold property	335	-	335	-
Other extraordinary losses	-	3	(3)	3
Total	439	1,306	(867)	2,058
Net income before income taxes	5,474	2,705	2,769	6,599
Corporate, resident and business taxes	1,070	1,320	(250)	2,239
Adjustment for corporate and other taxes	808	(463)	1,271	(147)
Minority interest income	135	133	2	275
Net income	3,460	1,715	1,745	4,232

(3) Interim Consolidated Statements of Appropriations

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

	Six-month ended Sept.30, 2004	Six-month ended Sept.30, 2003	Increase (Decrease)	Term ended Mar.31, 2004
(Capital surplus)				
I Balance at beginning of period	17,709	17,904	(195)	17,904
II Increase in capital surplus				
Issue of new stock through wholly-owned subsidiary capital increase prior to transfer of equity	-	72	(72)	72
Gain on disposal of treasury stock	-	-	-	51
Loss on disposal of treasury stock	0	-	0	-
Total	-	72	(72)	123
III Decrease in capital surplus				
Grant of transfer of stock	-	317	(317)	317
Total	-	317	(317)	317
IV Balance at end of period	17,709	17,658	51	17,709
(Earned surplus)				
I Balance at beginning of period	18,677	14,937	3,740	14,937
II Increase in earned surplus				
Net income	3,460	1,715	1,745	4,232
Increase from increase in number of consolidated subsidiaries	242	-	242	-
Increase from increase in number of affiliated companies accounted for by the equity method	30	-	30	-
Total	3,733	1,715	2,018	4,232
III Decrease in earned surplus				
Cash dividends paid	444	437	7	437
Bonuses to directors	74	48	26	48
Transfer to projected benefit obligation at overseas subsidiary	-	-	-	7
Decrease from increase in number of consolidated subsidiaries	394	-	394	-
Decrease from increase in number of affiliated companies accounted for by the equity method	35	-	35	-
Total	950	485	464	492
Balance at end of period	21,460	16,167	5,293	18,677

(4) Interim Consolidated Statements of Cash Flows

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

	Six-month ended Sept.30, 2004	Six-month ended Sept.30, 2003	Increase (Decrease)	Term ended Mar.31, 2004
I Cash follows from operating activities				
Net income before income taxes and adjustments	5,474	2,705	2,769	6,599
Depreciation and amortization	2,123	2,131	(7)	4,508
Amortization of cost in excess of net book values of consolidated subsidiaries	27	28	(1)	57
Increase (decrease) in allowance for doubtful receivables	(41)	(81)	39	13
Increase (decrease) in retirement benefits of employees	(239)	1,349	(1,589)	1,597
Decrease in directors' retirement allowance	(538)	(253)	(285)	(158)
Interest and dividend income	(63)	(38)	(25)	(80)
Interest expense	260	329	(68)	616
Foreign exchange gain (loss)	(0)	(3)	2	6
Equity in earnings of an affiliate	(452)	(436)	(15)	(838)
Gain on sales of fixed assets	(157)	(5)	(152)	(16)
Loss on disposal of fixed assets	88	111	(23)	709
Gain on sales of investment securities	-	(117)	117	(121)
Losses from valuation of investment securities	13	-	13	61
Write-down of golf membership rights	2	8	(5)	100
Loss on cancellation of leasehold property	335	-	335	-
Increase (decrease) in notes and accounts receivable	(595)	4,001	(4,597)	2,941
Increase (decrease) in inventories	(2,197)	116	(2,314)	863
Increase (decrease) in other assets	(86)	1,156	(1,242)	1,274
Increase (decrease) in notes and accounts payable	1,609	(608)	2,218	(316)
Decrease in consumption taxes payable	(20)	(51)	30	(63)
Increase (decrease) in other liabilities	827	(247)	1,075	(343)
Bonuses to director	(80)	(54)	(26)	(54)
Subtotal	6,289	10,041	(3,752)	17,358
Interest and dividends received	250	84	166	126
Interest paid	(272)	(344)	72	(629)
Income taxes paid	(1,737)	(778)	(959)	(1,105)
Net cash and cash equivalents provided by operating activities	4,529	9,002	(4,472)	15,750
II Cash flows from investing activities				
Decrease in time deposit	(6)	(12)	6	(45)
Increase in time deposit	3	4	(1)	23
Purchases of property, plant and equipment	(1,857)	(1,982)	125	(4,381)
Proceeds from sale of property, plant and equipment	1,311	49	1,261	729
Purchases of intangible assets	(122)	-	(122)	-
Proceeds from sale of investments securities	20	-	20	-
Purchases of subsidiary and affiliate stocks	(318)	-	(318)	-
Purchases of investment in securities	(2)	(572)	570	(703)
Proceeds from sale of investment securities	13	449	(436)	640
Payment of short-term loans	(11)	(4)	(7)	(15)
Proceeds from repayment of short-term loans	2	6	(4)	15
Expenses from other investing activities	(216)	(234)	18	(68)
Income from other investing activities	187	473	(285)	-
Net cash and cash equivalents used in investing activities	(996)	(1,823)	827	(3,804)
III Cash flows from financing activities				
Decrease in short-term bank loans	(546)	(850)	304	(1,496)
Proceeds from long-term loans	-	194	(194)	191
Repayment of long-term loans	(1,771)	(1,629)	(142)	(3,350)
Issue of new stock through wholly-owned subsidiary capital increase prior to transfer of equity	-	144	(144)	144
Payments for purchases of treasury stock	(24)	(29)	4	(110)
Proceeds from sale of treasury stock	-	-	-	98
Stock transfer payments	-	-	-	(317)
Cash dividends paid	(444)	(434)	(10)	(435)
Cash dividends paid of subsidiaries for minority	(59)	(39)	(20)	(60)
Net cash and cash equivalents provided by financing activities	(2,846)	(2,643)	(203)	(5,335)
IV Effect of exchange rate changes on cash and cash equivalents	5	59	(53)	(64)
V Increase in cash and cash equivalents	691	4,595	(3,903)	6,546
VI Cash and cash equivalents at beginning of year	14,476	7,929	6,546	7,929
VII Increase in cash and cash equivalents from newly consolidated company	815	-	815	-
VIII Cash and cash equivalents at end of year	15,983	12,525	3,458	14,476