

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

Nov 11, 2003

Name of Listed Company: Nabtesco Corporation
Code Number: 6268 (NABCO Ltd.)
(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: Nov 11, 2003
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 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	28,487	6.7	1,074	52.5	918	95.7
Interim of Fiscal Year 2002	26,710	(5.6)	704	668.7	469	261.1
Fiscal Year ended March 31, 2003	55,303		2,183		1,793	

	Interim (net) income		Interim (net) income per share	Diluted interim (net) income per share
	Million yen	%	Yen	Yen
Interim of Fiscal Year 2003	448	11.4	5.59	-
Interim of Fiscal Year 2002	402	-	5.01	-
Fiscal Year ended March 31, 2003	322		3.82	-

- (Notes) a) Investment profit/loss on equity method:
Interim of FY2003 - million yen Interim of FY2002 - million yen FY2002 - million yen
b) Average number of outstanding shares during the fiscal year (consolidated)
Interim of FY2003 80,230,842 shares Interim of FY2002 80,328,953 shares FY2002 80,296,574 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 2003	68,179	25,321	37.1	315.13
Interim of Fiscal Year 2002	71,721	24,264	33.8	302.11
Fiscal Year ended March 31, 2003	68,305	24,064	35.2	299.69

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

Interim of FY2003 80,353,810 shares Interim of FY2002 80,316,729 shares FY2002 80,242,722 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	3,902	(515)	(1,921)	5,884
Interim of Fiscal Year 2002	2,450	1,222	(115)	7,023
Fiscal Year ended March 31, 2003	4,014	896	(3,959)	4,419

(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, 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)

	End of Current Interim Term (As of Sept.30, 2003)	End of Previous Interim Term (As of Sept.30, 2002)	Increase (Decrease)	End of Previous Term (As of Mar.31, 2003)
<Assets>				
I Current assets				
Cash and time deposits	6,178	7,305	(1,127)	4,705
Notes and accounts receivable	21,411	22,619	(1,208)	22,894
Marketable securities	49	29	20	29
Inventories	5,942	5,817	125	5,702
Deferred income taxes	459	419	40	591
Other current assets	887	1,356	(469)	1,957
Allowance for doubtful receivables	(136)	(124)	(12)	(159)
Total	34,792	37,422	(2,630)	35,721
II Fixed assets	33,386	34,252	(866)	32,584
(1) Property, plant and equipment				
Buildings and structures	9,238	9,650	(412)	9,427
Machinery and equipment	3,095	3,486	(391)	3,235
Tools, furniture and fixtures	1,176	1,190	(14)	1,111
Land	8,465	8,538	(73)	8,465
Construction in progress	199	169	30	142
Total	22,175	23,035	(860)	22,382
(2) Intangible assets				
Total	891	816	75	803
(3) Investments and other assets				
Investments in securities	5,452	4,618	834	3,684
Deferred income taxes	2,829	3,805	(976)	3,759
Other investments and other assets	2,236	2,148	88	2,162
Allowance for doubtful receivables	(199)	(171)	(28)	(208)
Total	10,319	10,400	(81)	9,398
III Deferred charges				
Test and research expenses	-	46	(46)	-
Total	-	46	(46)	-
Total assets	68,179	71,721	(3,542)	68,305

(¥ Million)

	End of Current Interim Term (As of Sept.30, 2003)	End of Previous Interim Term (As of Sept.30, 2002)	Increase (Decrease)	End of Previous Term (As of Mar.31, 2003)
<Liabilities>				
Current liabilities				
Trade notes and accounts payable	10,842	9,786	1,056	10,234
Short-term loans payable	4,603	6,870	(2,267)	4,572
Income taxes payable	140	205	(65)	264
Accrued employees' bonuses	900	781	119	838
Allowance for compensation related to installation	6	8	(2)	6
Other current liabilities	2,213	2,268	(55)	2,370
Total	18,707	19,919	(1,212)	18,285
Long-term liabilities				
Long-term loans	15,536	18,726	(3,190)	17,208
Retirement allowance	6,079	6,196	(117)	6,056
Reserve for directors' retirement accounts	269	396	(127)	433
Other long-term liabilities	205	205	0	205
Total	22,090	25,524	(3,434)	23,903
Total liabilities	40,797	45,444	(4,647)	42,188
<Minority interests>				
Minority interests	2,059	2,012	47	2,051
<Shareholders' equity>				
Capital stock	8,602	8,602	-	8,602
Capital surplus	6,318	6,318	-	6,318
Earned surplus	9,081	8,969	112	8,890
Net unrealized gains on securities	1,339	399	940	286
Translation adjustments	(20)	(21)	1	(20)
Treasury stock, at cost	-	(4)	4	(12)
Total shareholders' equity	25,321	24,264	1,057	24,064
Total liabilities, minority interests and shareholders' equity	68,179	71,721	(3,542)	68,305

(2) Interim Consolidated Statements of Income

(¥ Million)

	Six-month ended Sept.30, 2003	Six-month ended Sept.30, 2002	Increase (Decrease)	Term ended Mar.31, 2003
Net sales	28,487	26,710	1,777	55,303
Cost of sales	22,863	21,623	1,240	44,245
Gross profit	5,624	5,086	538	11,057
Selling, general and administrative expenses	4,549	4,382	167	8,873
Selling expenses	2,508	2,449	59	4,989
General and administrative expenses	2,041	1,932	109	3,883
Operating income	1,074	704	370	2,183
Non-operating income				
Interest income	16	6	10	20
Dividends income	13	19	(6)	45
Rents income	199	164	35	366
Other non-operating income	86	131	(45)	205
Total	316	321	(5)	638
Non-operating expenses				
Interest expenses	220	229	(9)	448
Foreign exchange loss	62	165	(103)	184
Other non-operating expenses	189	162	27	394
Total	471	556	(85)	1,027
Ordinary income	918	469	449	1,793
Extraordinary gains				
Gain on sales of fixed assets	-	286	(286)	726
Gain on sale of investment securities	-	136	(136)	136
Total	-	422	(442)	862
Extraordinary losses				
Write-down of investment securities	-	-	-	846
Warranty claims paid	-	-	-	393
Impairment of goodwill	-	-	-	242
Write-down of golf membership rights	-	-	-	71
Total	-	-	-	1,554
Net income before income taxes	918	891	27	1,102
Corporate, resident and business taxes	136	208	(72)	479
Adjustment for corporate and other taxes	299	233	66	188
Minority interest income	33	47	(14)	111
Net income	448	402	46	322

(3) Interim Consolidated Statements of Appropriations

(¥ Million)

	Six-month ended Sept.30, 2003	Six-month ended Sept.30, 2002	Increase (Decrease)	Term ended Mar.31, 2003
(Capital surplus)				
I Balance at beginning of period				
Balance of capital reserve at beginning of period	-	6,318		6,318
Total	6,318	6,318	-	6,318
II Balance at end of period	6,318	6,318	-	6,318
(Earned surplus)				
I Balance at beginning of period				
Balance of retained earnings at beginning of period	-	8,582		8,582
Total	8,890	8,582	308	8,582
II Increase in earned surplus				
Net income	448	402	46	322
Total	448	402	46	322
III Decrease in earned surplus				
Cash dividend paid	240	-	240	15
Bonuses to directors	16	15	1	-
Total	257	15	242	15
IV Balance at end of period	9,081	8,969	112	8,890

(4) Interim Consolidated Statements of Cash Flows

(¥ Million)

	Six-month ended Sept.30, 2003	Six-month ended Sept.30, 2002	Increase (Decrease)	Term ended Mar.31, 2003
I Cash flows from operating activities				
Net income before income taxes and adjustments	918	891	27	1,102
Depreciation and amortization	822	875	(53)	1,812
Provision for allowance for doubtful receivables	(31)	(74)	43	(63)
Provision for retirement benefits of employees	22	37	(15)	(102)
Interest and dividend income	(30)	(25)	(5)	(66)
Interest expense	220	229	(9)	448
Foreign exchange gain (loss)	(3)	0	(3)	(7)
Gain (loss) on sales of property, plant and equipment	-	(286)	286	(726)
Gain (loss) on sales of investment marketable securities	-	(136)	136	(136)
Losses from valuation on investment securities	-	-	-	846
Impairment of goodwill	-	-	-	242
Write-down of golf membership rights	-	-	-	71
Increase (decrease) in notes and accounts receivable	1,482	2,840	(1,358)	2,565
Increase (decrease) in inventories	(241)	321	(562)	438
Increase (decrease) in other current assets	1,024	(63)	1,087	(712)
Increase (decrease) in notes and accounts payable	608	(1,596)	2,204	(1,149)
Increase (decrease) in consumption taxes payable	(43)	(105)	62	(83)
Increase (decrease) in other current liabilities	(257)	(86)	(171)	121
Increase (decrease) in other assets	26	165	(139)	302
Increase (decrease) in other liabilities	(164)	(45)	(119)	(9)
Bonuses to director	(22)	(20)	(2)	(20)
Subtotal	4,333	2,919	1,414	4,873
Interest and dividend received	29	33	(4)	73
Interest paid	(220)	(197)	(23)	(412)
Income taxes paid	(239)	(306)	67	(520)
Net cash and cash equivalents provided by operating activities	3,902	2,450	1,452	4,014
II Cash flows from investing activities				
Decrease in time deposit	(12)	(306)	294	(315)
Increase in time deposit	4	7	(3)	-
Decrease from sale of short-term investment	-	10	(10)	10
Purchases of property, plant and equipment	(422)	(619)	197	(1,105)
Proceeds from sale of property, plant and equipment	3	444	(441)	1,011
Purchase of intangible assets	(127)	(258)	131	(521)
Purchases of investments in securities	(96)	(105)	9	(312)
Proceeds from sale of investments securities	109	2,472	(2,363)	2,569
Proceeds from (expenses for) other investing activities	25	(422)	447	(439)
Net cash and cash equivalents used in investing activities	(515)	1,222	(1,737)	896
III Cash flows from financing activities				
Increase (decrease) in short-term bank loans	(350)	(2,645)	2,295	(5,907)
Proceeds from long-term loans	-	5,400	(5,400)	5,530
Repayment of long-term loans	(1,284)	(2,842)	1,558	(3,522)
Payments of purchases of treasury stock	(20)	(3)	(17)	(11)
Amount of dividend paid by parent company	(238)	(0)	(238)	(0)
Cash dividends paid subsidiaries for minority	(27)	(24)	(3)	(48)
Net cash and cash equivalents provided by financing activities	(1,921)	(115)	(1,806)	(3,959)
IV Effect of exchange rate changes on cash and cash equivalents	(0)	(17)	17	(16)
V Increase (decrease) in cash and cash equivalents	1,465	3,539	(2,074)	935
VI Cash and cash equivalents at beginning of year	4,419	3,484	935	3,484
VII Cash and cash equivalents at end of year	5,884	7,023	(1,139)	4,419

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

(¥ Million)

	End of Current Interim Term (As of Sept.30, 2003)	End of Previous Interim Term (As of Sept.30, 2002)	Increase (Decrease)	End of Previous Term (As of Mar.31, 2003)
<Assets>				
I Current assets				
Cash and time deposits	3,879	5,135	(1,256)	2,624
Trade notes receivable	4,289	4,085	204	4,332
Accounts receivable	15,110	16,921	(1,811)	16,347
Inventories	4,556	4,197	359	4,257
Deferred income taxes	292	263	29	426
Other current assets	896	1,309	(413)	1,920
Allowance for doubtful receivables	(33)	(36)	3	(37)
Total	28,991	31,875	(2,884)	29,871
II Fixed assets	30,474	30,833	(359)	29,659
(1) Property, plant and equipment				
Buildings	7,910	8,275	(365)	8,049
Machinery and equipment	2,994	3,375	(381)	3,127
Land	6,302	6,375	(73)	6,302
Construction in progress	170	129	41	142
Other property, plant and equipment	1,526	1,576	(50)	1,476
Total	18,903	19,732	(829)	19,097
(2) Intangible assets				
Total	845	520	325	749
(3) Investments and other assets				
Investments in securities	4,758	3,479	1,279	2,466
Investments in stock of affiliated companies	1,685	2,208	(523)	2,200
Deferred income taxes	2,482	3,431	(949)	3,363
Other investments	1,831	1,463	368	1,812
Allowance for doubtful receivables	(31)	(1)	(30)	(30)
Total	10,725	10,581	144	9,812
III Deferred charges				
Test and research expenses	-	46	(46)	-
Total	-	46	(46)	-
Total assets	59,465	62,755	(3,290)	59,530

(¥ Million)

	End of Current Interim Term (As of Sept.30, 2003)	End of Previous Interim Term (As of Sept.30, 2002)	Increase (Decrease)	End of Previous Term (As of Mar.31, 2003)
<Liabilities>				
Current liabilities				
Trade notes payable	1,811	2,059	(248)	1,715
Accounts payable	7,959	6,733	1,226	7,510
Short-term bank loans	3,910	5,725	(1,815)	3,920
Income taxes payable	11	10	1	20
Accrued employees' bonuses	615	493	122	553
Other current liabilities	1,676	1,837	(161)	1,919
Total	15,984	16,858	(874)	15,637
Long-term liabilities				
Long-term loans	15,300	18,410	(3,110)	16,875
Retirement allowance	5,635	5,784	(149)	5,620
Reserve for directors' retirement accounts	221	257	(36)	291
Other long-term liabilities	142	142	-	142
Total	21,299	24,594	(3,295)	22,929
Total liabilities	37,283	41,452	(4,169)	38,567
<Shareholders' equity>				
Capital stock	8,602	8,602	-	8,602
Capital surplus	6,318	6,318	-	6,318
Capital reserve	6,318	6,318	-	6,318
Earned surplus	5,926	5,984	(58)	5,764
Profit reserve	1,107	1,107	-	1,107
Voluntary reserve	3,658	6,742	(3,084)	6,742
Appropriation of earnings at end of period	1,160	(1,866)	3,026	(2,086)
Net unrealized gains on securities	1,333	402	931	290
Treasury stock, at cost	-	(4)	4	(12)
Total shareholders' equity	22,181	21,302	879	20,963
Total liabilities and shareholders' equity	59,465	62,755	(3,290)	59,530

(2) Interim Non-consolidated Statements of Income

(¥ Million)

	Six-month ended Sept.30, 2003	Six-month ended Sept.30, 2002	Increase (Decrease)	Term ended Mar.31, 2003
Net sales	23,142	21,582	1,560	44,375
Cost of sales	19,725	18,724	1,001	38,034
Gross profit	3,417	2,858	559	6,341
Selling, general and administrative expenses	2,685	2,532	153	5,063
Operating income	731	325	406	1,278
Non-operating income	393	419	(26)	785
Non-operating expenses	451	527	(76)	988
Ordinary income	674	218	456	1,075
Extraordinary income	-	422	(422)	615
Extraordinary losses	-	-	-	1,275
Net income before income taxes	674	640	34	415
Corporate, resident and business taxes	11	10	1	20
Adjustment for corporate and other taxes	260	243	17	228
Net income	403	387	16	167
Retained earnings brought forward	756	(2,254)	3,010	(2,254)
Unappropriated retained earnings	1,160	(1,866)	3,026	(2,086)