



FINANCIAL STATEMENTS

FOR

THE 47TH FISCAL YEAR

FROM 1 APRIL 2002  
TO 31 MARCH 2003

NITTO KOHKI CO.,LTD.

B A L A N C E S H E E T

AS AT 31 MARCH 2003  
(In Millions Japanese yen)

ASSETS		LIABILITIES and SHAREHOLDERS' EQUITY	
account title	amount	account title	amount
<b>CURRENT ASSETS</b>	<b>18,950</b>	<b>CURRENT LIABILITIES</b>	<b>2,553</b>
Cash & Deposits	5,454	Notes Payable, Trade	172
Notes Receivable, Trade	3,756	Accounts Payable, Trade	980
Accounts Receivable, Trade	3,433	Accounts Payable, Other	166
Marketable Securities	799	Income Taxes Payable	420
Finished Goods	1,799	Accrued Expenses	380
Raw Materials	260	Deposits Received	48
Work in Progress	6	Accrued Bonuses	370
Advance Payments	7	Other Current Liabilities	15
Prepaid Expenses	23		
Deferred Tax Assets	174		
Short-term Loans-subidiaries	942		
Trust Beneficiary Rights	2,124		
Other Current Assets	170		
Allowance for Doubtful Accounts	▲ 3		
<b>FIXED ASSETS</b>	<b>12,863</b>	<b>LONG-TERM LIABILITIES</b>	<b>836</b>
<b>Tangible Fixed Assets</b>	<b>4,841</b>	Allowance for Retirement Benefits	531
Buildings	1,297	Allowance for of Directors' Retirement Benefits	197
Structures	70	Other Long-term Liabilities	107
Machinery & Equipment	17		
Vehicles and Delivery Equipment	11	<b>TOTAL LIABILITIES</b>	<b>3,389</b>
Tools, Furniture, Fixtures and Other	476	<b>SHAREHOLDERS' EQUITY</b>	<b>28,424</b>
Land	2,962	<b>Common Stock</b>	<b>1,850</b>
Construction in Progress	4	<b>Capital Surplus</b>	<b>1,925</b>
<b>Intangible Fixed Assets</b>	<b>82</b>	Additional Paid-in Capital	1,925
Computer Software	22	<b>Retained Earnings</b>	<b>24,864</b>
Other Intangible Fixed Assets	59	Legal Reserve	462
<b>Investments and Other Assets</b>	<b>7,939</b>	Reserve for Equalization of Dividends	220
Investments in Securities	416	Reserve for Advanced Depreciation on Tangible Fixed Assets	23
Investments in Subsidiaries	4,796	Voluntary Reserve	23,700
Long-term Loans	1,875	Reserve for Interim Dividends	6
Long-term prepaid expenses	11	Unappropriated Retained Earnings (net income)	452 (771)
Deferred Tax Assets	472	<b>Unrealized Holding Gains on Securities</b>	<b>▲ 4</b>
Guaranty Deposits	108	<b>Treasury Stock</b>	<b>▲ 211</b>
Accumulated Funds of Insurance	131		
Other Assets	173		
Allowance for Doubtful Accounts	▲ 48		
<b>TOTAL ASSETS</b>	<b>31,813</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>31,813</b>

## INCOME STATEMENT

FROM : 1 APRIL 2002

TO : 31 MARCH 2003

(In Millions Japanese yen)

account title	amount	
<b><u>ORDINARY INCOME AND EXPENSES</u></b>		
<b>Operating Income and Expenses</b>		
Operating Income		
Net Sales		18,960
Operating Expenses		
Cost of Sales	11,101	
Selling, General and Administrative expenses	6,110	17,211
<b>Operating income</b>		1,748
<b>Non-operating income and expenses</b>		
Non-operating Income		
Interest Income	61	
Other Non-operating Income	224	286
Non-operating Expenses		
Cash Discounts	83	
Other Non-operating Expenses	135	218
<b>Ordinary Income</b>		1,815
<b><u>EXTRAORDINARY INCOME AND EXPENSES</u></b>		
Extraordinary Income		
Gain on Sales of Investment Securities	1	
Reversal of Allowance for Doubtful Accounts	10	
Gain on Sales of Investment in Affiliate		12
Extraordinary Losses		
Loss on Disposal of Fixed Assets	10	
Devaluation Loss on Investment Securities	290	
Provided of Allowance for Doubtful Accounts	3	
Severance Pay for Early Retirement	110	
Other Extraordinary Loss		415
<b>Income before Income Taxes</b>		1,412
Income Taxes-current	844	
Income Taxes-deferred	▲ 203	640
<b>Net Income</b>		771
Unappropriated Retained Earnings Brought Forward		142
Redemption of Treasury Stock		461
Reversal of Reserve for Interim Dividends		343
Interim Dividends		343
<b>Unappropriated Retained Earnings</b>		452

STATEMENT OF APPROPRIATIONS

(In Japanese yen)

account title	amount	
<b>Unappropriated Retained Earnings</b>		<b>452,975,785</b>
<b>Reversal of Reserve for Advanced Depreciation on Tangible Fixed Assets</b>	1,358,709	
<b>Reversal of Reserve for Interim Dividends</b>	6,007,970	
<b>Reversal of Voluntary Reserve</b>	23,700,000,000	<b>23,707,366,679</b>
<b>Appropriation of Retained Earnings</b>		<b>24,160,342,464</b>
Dividends	339,053,280	
Ordinary Dividend of ¥ 15.0 per Share		
Provision of Reserve for Advanced Depreciation on Tangible Fixed Assets	583,358	
Bonus to Directors	9,700,000	
Reserve for Interim Dividends	340,000,000	
Voluntary Reserve	23,300,000,000	<b>23,989,336,638</b>
<b>Retained Earnings Carried Forward to the Next Year</b>		<b>171,005,826</b>

## BALANCE SHEET (Consolidated)

Fiscal Year Ended March 2003

(In Millions Japanese yen)

ASSETS		LIABILITIES and SHAREHOLDERS' EQUITY	
account title	amount	account title	amount
<b>Current Assets</b>	<b>24,038</b>	<b>Current Liabilities</b>	<b>3,965</b>
Cash & Deposits	8,514	Notes Payable and Accounts Payable, Trade	1,914
Notes Receivable and Accounts Receivable, Trade	7,686	Income Taxes Payable	604
Marketable Securities	799	Accrued Bonuses	506
Inventories	4,137	Other Current Liabilities	939
Deferred Tax Assets	511		
Trust Beneficiary Rights	2,124		
Other Current Assets	284		
Allowance for Doubtful Accounts	▲ 22		
<b>Fixed Assets</b>	<b>11,753</b>	<b>Long-term Liabilities</b>	<b>1,286</b>
<b>Tangible Fixed Assets</b>	<b>8,994</b>	Allowance for Retirement Benefits	866
Buildings and Structures	3,089	Allowance for Directors' Retirement Benefits	202
Machinery and Vehicle Equipments	1,056	Other Long-term Liabilities	217
Tools, Furniture, Fixtures and Others	628	<b>TOTAL LIABILITIES</b>	<b>5,251</b>
Land	4,209	<b>MINORITY INTERESTS</b>	<b>158</b>
Construction in Progress	11	<b>SHAREHOLDERS' EQUITY</b>	<b>30,380</b>
<b>Intangible Fixed Assets</b>	<b>813</b>	<b>Common Stock</b>	<b>1,850</b>
<b>Investments and Other Assets</b>	<b>1,944</b>	<b>Capital Surplus</b>	<b>1,925</b>
Investments in Securities	419	Additional Paid-in Capital	1,925
Long-term Loans	494	<b>Retained Earnings</b>	<b>26,940</b>
Deferred Tax Assets	613	<b>Unrealized Holding Gains on Securities</b>	<b>▲ 4</b>
Other Assets	466	<b>Translation Adjustment</b>	<b>▲ 119</b>
Allowance for Doubtful Accounts	▲ 50	<b>Treasury Stock</b>	<b>▲ 211</b>
<b>TOTAL ASSETS</b>	<b>35,791</b>	<b>TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY</b>	<b>35,791</b>

STATEMENT OF INCOME (Consolidated)

(In Millions Japanese yen)

Fiscal Year Ended March 2003

account title	amount	
<b><u>ORDINARY INCOME AND EXPENSES</u></b>		
<b>Operating Income and expenses</b>		
Operating Income		21,493
Net Sales		
Operating Expenses		
Cost of Sales	11,327	
Selling, General and Administrative Expenses	7,764	19,091
<b>Operating Income</b>		<b>2,402</b>
<b>Non-operating Income and expenses</b>		
Non-operating Income		
Interest Income	44	
Other Non-operating Income	102	147
Non-operating Expenses		
Cash Discounts	83	
Other Non-operating Expenses	134	217
<b>Ordinary Income</b>		<b>2,331</b>
<b><u>EXTRAORDINARY INCOME AND EXPENSES</u></b>		
<b>Extraordinary Income</b>		<b>46</b>
<b>Extraordinary Losses</b>		<b>640</b>
<b>Income before Income Taxes</b>		<b>1,737</b>
Income Taxes-current	1,107	
Income Taxes-deferred	▲ 247	859
<b>Minority Interests</b>		<b>▲ 14</b>
<b>Net Income</b>		<b>892</b>

STATEMENT OF RETAINED EARNINGS (Consolidated)

(In Millions Japanese yen)

Fiscal Year Ended March 2003

account title	amount	
<b>ADDITIONAL PAID-IN CAPITAL</b>		
Additional Paid-in Capital at the Beginning of the Year	1,925	1,925
Additional Paid-in Capital at the End of the Year		1,925
<b>RETAINED EARNINGS</b>		
Retained Earnings at the Beginning of the Year	27,209	27,209
Increase in Retained Earnings :		
Net Income	892	892
Decrease in Retained Earnings :		
Dividends	687	
Bonus to Directors	11	
Treasury Stock Redemption	461	1,161
Retained Earnings at the End of the Year		26,940

STATEMENT OF CASH FLOWS (Consolidated)

(In Millions Japanese yen)

Fiscal Year Ended March 2003

account title	amount
Cash Flows from Operating Activities:	
Income before Income Taxes	1,737
Depreciation and Amortization	764
Net Increase in Provisions	▲ 15
Net Increase in Assets	▲ 260
Net Increase in Liabilities	231
Others	364
Sub Total	2,822
Interest and Dividends Received	49
Interest Paid	▲ 2
Income Taxes Paid	▲ 574
Net Cash provided by Operating Activities	2,294
Cash flows from Investing Activities:	
Increase in Time Deposits	▲ 0
Decrease in Time Deposits	130
Payments for Purchases of Fixed Assets	▲ 1,043
Net Increase in Loans	152
Others	408
Net Cash Used in Investing Activities	▲ 352
Cash flows from Financing Activities:	
Payments for purchase of Treasury Stock	▲ 461
Dividends Paid	▲ 687
Others	▲ 222
Net Cash Used in Financing Activities	▲ 1,372
Effect of Exchange Rate Changes on Cash and Cash Equivalents	65
Net Increase in Cash and Cash Equivalents	635
Cash and Cash Equivalents at the Beginning of the Year	10,804
Cash and Cash Equivalents at the End of the Year	11,439