

FINANCIAL STATEMENTS

FOR

THE 48TH FISCAL YEAR

FROM 1 APRIL 2003  
TO 31 MARCH 2004

NITTO KOHKI CO.,LTD.

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

AS AT 31 MARCH 2004  
(In Millions Japanese yen)

ASSETS		LIABILITIES and SHAREHOLDERS' EQUITY	
account title	amount	account title	amount
<b>CURRENT ASSETS</b>	<u>20,489</u>	<b>CURRENT LIABILITIES</b>	<u>2,779</u>
Cash & Deposits	6,754	Notes Payable, Trade	102
Notes Receivable, Trade	4,150	Accounts Payable, Trade	999
Accounts Receivable, Trade	3,506	Accounts Payable, Other	167
Marketable Securities	899	Income Taxes Payable	610
Finished Goods	1,722	Accrued Expenses	443
Raw Materials	227	Deposits Received	48
Work in Progress	10	Accrued Bonuses	346
Advance Payments	9	Other	60
Prepaid Expenses	20		
Deferred Tax Assets	216		
Short-term Loans-subsidiaries	538		
Trust Beneficiary Rights	2,275		
Other	159		
Allowance for Doubtful Accounts	2		
<b>FIXED ASSETS</b>	<u>12,572</u>	<b>LONG-TERM LIABILITIES</b>	<u>1,007</u>
<b>Tangible Fixed Assets</b>	<u>4,913</u>	Allowance for Employee's Retirement Benefits	654
Buildings	1,346	Allowance for Directors' Retirement Benefits	225
Structures	69	Other	128
Machinery & Equipment	13		
Vehicles and Delivery Equipment	9	<b>TOTAL LIABILITIES</b>	<u>3,787</u>
Tools, Furniture, Fixtures and Other	509	<b>SHAREHOLDERS' EQUITY</b>	<u>29,275</u>
Land	2,962	<b>Common Stock</b>	<u>1,850</u>
Construction in Progress	0	<b>Capital Surplus</b>	<u>1,925</u>
<b>Intangible Fixed Assets</b>	<u>77</u>	Additional Paid-in Capital	1,925
Computer Software	27	<b>Retained Earnings</b>	<u>25,496</u>
Other	49	Legal Reserve	462
<b>Investments and Other Assets</b>	<u>7,582</u>	Reserve for Equalization of Dividends	220
Investments in Securities	647	Reserve for Advanced Depreciation on Tangible Fixed Assets	22
Investments in Subsidiaries	4,933	Voluntary Reserve	23,300
Long-term Loans	1,353	Reserve for Interim Dividends	0
Long-term prepaid expenses	9	Unappropriated Retained Earnings	1,490
Deferred Tax Assets	273	<b>Unrealized Holding Gains on Securities</b>	<u>214</u>
Guaranty Deposits	109	<b>Treasury Stock</b>	<u>211</u>
Accumulated Funds of Insurance	131		
Other	172		
Allowance for Doubtful Accounts	46		
<b>TOTAL ASSETS</b>	<u>33,062</u>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u>33,062</u>

INCOME STATEMENT

FROM : 1 APRIL 2003

TO : 31 MARCH 2004

(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		21,112
Operating Expenses		
Cost of Sales	12,325	
Selling, General and Administrative expenses	6,375	18,701
<b>Operating income</b>		2,411
<b>Non-operating income and expenses</b>		
Non-operating Income		
Interest Income	42	
Other	237	280
Non-operating Expenses		
Cash Discounts	99	
Other	127	227
<b>Ordinary Income</b>		2,464
<b><u>EXTRAORDINARY INCOME AND EXPENSES</u></b>		
Extraordinary Income		
Gain on Sales of Investment Securities	0	
Reversal of Allowance for Doubtful Accounts	2	
Gain on Sales of Investment in Affiliate	85	87
Extraordinary Losses		
Loss on Disposal of Fixed Assets	6	
Devaluation Loss on Investment Securities	8	
Provision of Allowance for Doubtful Accounts	162	
Severance Payment for Early Retirement	29	
<b>Income before Income Taxes</b>		2,345
Income Taxes-current	1,017	
Income Taxes-deferred	8	1,025
<b>Net Income</b>		1,319
Unappropriated Retained Earnings Brought Forward		171
Reversal of Reserve for Interim Dividends		339
Interim Dividends		339
<b>Unappropriated Retained Earnings</b>		1,490

STATEMENT OF APPROPRIATIONS

(In Japanese yen)

account title	amount	
<b>Unappropriated Retained Earnings</b>		<b>1,490,953,189</b>
<b>Reversal of Reserve for Advanced Depreciation on Tangible Fixed Assets</b>	1,312,963	
<b>Reversal of Reserve for Interim Dividends</b>	948,520	<b>2,261,483</b>
<b>Appropriation of Retained Earnings</b>		<b>1,493,214,672</b>
Dividends	565,080,925	
Ordinary Dividend of ¥ 25.0 per Share		
Provision of Reserve for Advanced Depreciation on Tangible Fixed Assets	893,327	
Bonus to Directors	13,500,000	
Reserve for Interim Dividends	453,000,000	
Voluntary Reserve	300,000,000	<b>1,332,474,252</b>
<b>Retained Earnings Carried Forward to the Next Year</b>		<b>160,740,420</b>

## BALANCE SHEET (Consolidated)

Fiscal Year Ended March 2004

(In Millions Japanese yen)

ASSETS		LIABILITIES and SHAREHOLDERS' EQUITY	
account title	amount	account title	amount
<b>Current Assets</b>	<u>26,058</u>	<b>Current Liabilities</b>	<u>4,339</u>
Cash & Deposits	9,731	Notes Payable and Accounts Payable, Trade	1,826
Notes Receivable and Accounts Receivable, Trade	8,088	Income Taxes Payable	979
Marketable Securities	899	Accrued Bonuses	492
Inventories	4,148	Other	1,041
Deferred Tax Assets	602		
Trust Beneficiary Rights	2,275		
Other	333		
Allowance for Doubtful Accounts	21	<b>Long-term Liabilities</b>	<u>1,458</u>
		Deferred Tax Liabilities	44
<b>Fixed Assets</b>	<u>11,314</u>	Allowance for Employee's Retirement Benefits	1,011
<b>Tangible Fixed Assets</b>	<u>8,881</u>	Allowance for Director's Retirement Benefits	233
Buildings and Structures	3,014	Other	169
Machinery and Vehicle Equipments	949	<b>TOTAL LIABILITIES</b>	<u>5,798</u>
Tools, Furniture, Fixtures and Others	697	<b>MINORITY INTERESTS</b>	<u>160</u>
Land	4,213	<b>SHAREHOLDERS' EQUITY</b>	<u>31,414</u>
Construction in Progress	6	<b>Common Stock</b>	<u>1,850</u>
<b>Intangible Fixed Assets</b>	<u>583</u>	<b>Capital Surplus</b>	<u>1,925</u>
<b>Investments and Other Assets</b>	<u>1,850</u>	Additional Paid-in Capital	1,925
Investments in Securities	649	<b>Retained Earnings</b>	<u>27,909</u>
Long-term Loans	390	<b>Unrealized Holding Gains on Securities</b>	<u>214</u>
Deferred Tax Assets	391	<b>Translation Adjustment</b>	<u>272</u>
Other	468	<b>Treasury Stock</b>	<u>211</u>
Allowance for Doubtful Accounts	49		
<b>TOTAL ASSETS</b>	<u>37,373</u>	<b>TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY</b>	<u>37,373</u>

STATEMENT OF INCOME (Consolidated)

(In Millions Japanese yen)

Fiscal Year Ended March 2004

account title	amount	
<b><u>ORDINARY INCOME AND EXPENSES</u></b>		
<b>Operating Income and expenses</b>		
Operating Income		
Net Sales		24,005
Operating Expenses		
Cost of Sales	12,429	
Selling, General and Administrative Expenses	8,079	20,509
<b>Operating Income</b>		3,495
<b>Non-operating Income and expenses</b>		
Non-operating Income		
Interest Income	32	
Other	79	111
Non-operating Expenses		
Cash Discounts	103	
Other	152	256
<b>Ordinary Income</b>		3,351
<b><u>EXTRAORDINARY INCOME AND EXPENSES</u></b>		
<b>Extraordinary Income</b>		92
<b>Extraordinary Losses</b>		282
<b>Income before Income Taxes</b>		3,160
Income Taxes-current	1,530	
Income Taxes-deferred	28	1,502
<b>Minority Interests</b>		2
<b>Net Income</b>		1,656

STATEMENT OF RETAINED EARNINGS (Consolidated)

(In Millions Japanese yen)

Fiscal Year Ended March 2004

account title	amount	
ADDITIONAL PAID-IN CAPITAL		
Additional Paid-in Capital at the Beginning of the Year		1,925
Additional Paid-in Capital at the End of the Year		1,925
RETAINED EARNINGS		
Retained Earnings at the Beginning of the Year		26,940
Increase in Retained Earnings :		
Net Income	1,656	1,656
Decrease in Retained Earnings :		
Dividends	678	
Bonus to Directors	9	687
Retained Earnings at the End of the Year		27,909

STATEMENT OF CASH FLOWS (Consolidated)

(In Millions Japanese yen)

Fiscal Year Ended March 2004

account title	amount
Cash Flows from Operating Activities:	
Income before Income Taxes	3,160
Depreciation and Amortization	785
Net Increase in Provisions	161
Net Increase in Assets	583
Net Increase in Liabilities	37
Others	80
Sub Total	3,641
Interest and Dividends Received	38
Interest Paid	11
Income Taxes Paid	1,155
Net Cash provided by Operating Activities	2,513
Cash flows from Investing Activities:	
Increase in Time Deposits	12
Decrease in Time Deposits	0
Payments for Purchases of Fixed Assets	686
Net Increase in Loans	125
Others	210
Net Cash Used in Investing Activities	362
Cash flows from Financing Activities:	
Payments for purchase of Treasury Stock	0
Dividends Paid	678
Net Cash Used in Financing Activities	678
Effect of Exchange Rate Changes on Cash and Cash Equivalents	16
Net Increase in Cash and Cash Equivalents	1,455
Cash and Cash Equivalents at the Beginning of the Year	11,439
Cash and Cash Equivalents at the End of the Year	12,894