

Non-consolidated Financial Statements

For the Fiscal Year ended March 31,2004

May 13,2004

(All financial information has been prepared in accordance with generally accepted accounting principles in Japan)

KUBOTEK CORPORATION

Code No. : 7709
 Stock Exchange Listed : Tokyo Stock Exchange-1st Section
 Location of the Head Office : 3-36, Nakanoshima 4-chome,Kita-ku,Osaka Japan
 Representative : Tetsuo Kubo, President
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Date of the meeting of the Board of Directors for approval of non-consolidated financial statements : May 13,2004
 Date of the ordinary general meeting of shareholders : June 24,2004
 Interim Dividends Plan : YES

1 . Financial Results for FY2003(April 1,2003 through March 31,2004)

(1) Results of Operations (:amounts less than one million yen are omitted)

	Net Sales		Operating Income		Ordinary Income	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
FY2003	6,406	17.1%	565	(25.8)%	552	(25.6)%
FY2002	5,471	75.7%	762	60.2%	743	59.6%

	Net Income		Net Income per Share	Diluted Net Income per Share	ROE [Ratio of Net Income to Shareholder's Equity]	ROA [Ratio of ordinary Income/ Total Assets]	Ordinary Income/Net Sales
	Amount	Ratio	Amount	Amount	Ratio	Ratio	Ratio
FY2003	349	(23.4)%	2,492.67yen	-	9.2%	7.3%	8.6%
FY2002	455	78.6%	3,263.20yen	-	15.3%	13.5%	13.6%

- (Notes):
- Average number of shares outstanding: For FY2003 : 138,300 shares
For FY2002 : 138,271 shares
 - Change in accounting policy: None
 - Figures in parentheses above show the change from the previous period in percentage.

(2) Dividends (:amounts less than one million yen are omitted)

	Annual Dividends per Share			Total Dividends for the Year	Ratio of Earnings to Dividends	Ratio of Dividends to Shareholder's Equity
	Interim Dividends	Year-End Dividends				
FY2003	400yen	200yen	200yen	55	16.0%	1.4%
FY2002	500yen	200yen	300yen	69	15.2%	1.9%

(3) Financial Positions (:amounts less than one million yen are omitted)

	Total Assets	Shareholder's Equity	Equity Ratio	Equity per Share
	FY2003	8,147	3,928	48.2%
FY2002	7,066	3,652	51.7%	26,379.69yen

(Note:) Number of shares issued and outstanding at the end of the fiscal year :FY2003 138,300 shares
:FY2002 138,300 shares

(4) Cash Flows (:amounts less than one million yen are omitted)

	From Operating Activities	From Investing Activities	From Financing Activities	Cash and Cash Equivalents at end of period
	FY2003	625	(934)	309
FY2002	(394)	(376)	2,161	1,519

2 . Financial Forecasts for the Fiscal Year ending March 31,2005 (:amounts less than one million yen are omitted)

	Net Sales	Ordinary Income	Net Income	Annual dividends per share amount		
				Interim	Year-End	Amount
Interim FY 2004	2,500	200	100	200yen	-	-
FY 2004	6,500	650	350	-	200yen	400yen

(cf.) Estimated Net Income per Share: 2,498.19yen

Disclaimer Regarding Forecast Statements

Statements made in this release with respect to Kubotek's forecast for FY2004, are based on assumptions and beliefs in light of the information currently available to us, and therefore investors should not place undue reliance on them as they make a judgement about their investment. Kubotek cautions investors that a number of important factors could cause actual results to differ materially from those discussed in the forecast statements. Our major product of display inspection systems, such as for liquid crystal display are for highly competitive markets characterized by keen demand for production efficiency, quick adaptation of emerging new materials and rapid development of production technology. And this industry is strongly affected by factors such as demand fluctuation, the general trend of capital market, pricing pressures, and general economic conditions in east Asia market. Moreover, exchange rates between yen and other currencies in which Kubotek possibly makes significant sales or in which Kubotek's assets and liabilities are denominated, may change to influence the business performances, though Kubotek's business is yen-based so far.

FINANCIAL STATEMENTS

BALANCE SHEETS

(amounts less than one thousand yen are omitted)

	FY2003			FY2002			Increase (Decrease)
	(As of Mar. 31,2004)		%	(As of Mar. 31,2003)		%	
<Assets>							
.Current assets							
Cash and bank deposits		1,587,203			1,586,385		818
Trade notes receivable		60,420			503,521		(443,100)
Trade accounts receivable		2,512,825			1,853,886		658,938
Finished products		54,299			56,398		(2,099)
Raw materials		370,166			394,686		(24,520)
Work in process		1,114,585			1,112,824		1,760
Prepaid expenses		21,003			12,979		8,023
Deferred income taxes		100,790			67,162		33,627
Consumption taxes receivable		121,150			49,085		72,064
Other		34,653			4,987		29,666
Allowance for doubtful receivables		(39,515)			(33,990)		(5,525)
Total current assets		5,937,582	72.9		5,607,928	79.4	329,654
.Fixed assets							
1.Property, plant and equipment, at cost							
Buildings	749,928			614,484			
Less-accumulated depreciation	173,219	576,708		133,331	481,153		95,554
Structures	42,812			34,823			
Less-accumulated depreciation	19,904	22,907		14,998	19,825		3,082
Machinery and equipment	31,406			23,947			
Less-accumulated depreciation	13,380	18,026		10,510	13,437		4,588
Vehicles and automotive equipment	26,119			26,119			
Less-accumulated depreciation	21,714	4,405		19,725	6,394		(1,989)
Furniture and fixtures	459,963			443,097			
Less-accumulated depreciation	308,490	151,473		249,175	193,921		(42,448)
Land		775,599			585,950		189,648
Total tangible assets		1,549,119	19.0		1,300,682	18.4	248,436
2.Intangible assets							
Goodwill		285,203			-		285,203
Software		30,446			35,258		(4,812)
Software in process		93,720			-		93,720
Telephone subscription rights		2,285			2,285		-
Total intangible assets		411,656	5.0		37,544	0.5	374,112
3.Investments and other assets							
Investment securities		1,500			1,500		-
Stocks of affiliated companies		197,590			65,886		131,704
Long-term prepaid expenses		-			732		(732)
Deferred income tax assets		25,302			25,334		(32)
Guarantee deposit		20,344			8,972		11,371
Other investments and other assets		4,500			18,030		(13,530)
Total investments and other assets		249,237	3.1		120,456	1.7	128,780
Total fixed assets		2,210,013	27.1		1,458,683	20.6	751,330
Total Assets		8,147,595	100.0		7,066,611	100.0	1,080,984

(amounts less than one thousand yen are omitted)

	FY2003		FY2002		Increase (Decrease)	
	(As of Mar. 31,2004)		(As of Mar. 31,2003)			
<Liabilities>						
.Current liabilities						
Trade notes payable		1,118,022		723,456	394,565	
Trade accounts payable		260,048		365,258	(105,209)	
Short-term bank loans		950,000		960,000	(10,000)	
Current portion of long-term debt		542,000		212,000	330,000	
Current portion of bonds		-		100,000	(100,000)	
Accrued liability		85,814		25,212	60,602	
Accrued expenses		66,081		55,271	10,809	
Income taxes payable		224,395		171,603	52,792	
Advance received		13,374		9,618	3,756	
Deposits received		5,580		5,205	374	
Total current liabilities		3,265,317	40.1	2,627,626	37.2	637,691
.Long-term liabilities						
Long-term debt		914,500		756,500	158,000	
Retirement benefits		39,380		29,673	9,706	
Total Long-term liabilities		953,880	11.7	786,173	11.1	167,706
Total liabilities		4,219,198	51.8	3,413,800	48.3	805,398
<Shareholders' equity>						
.Common stock		1,951,750	24.0	1,951,750	27.6	-
.Capital surplus						
Additional paid-in capital	743,750			743,750		
Total capital surplus		743,750	9.1	743,750	10.5	-
.Retained earnings						
Legal reserve	20,496			20,496		
Unappropriated profits	1,213,673			938,087		
Total retained earnings		1,234,169	15.1	958,583	13.6	275,586
.Net unrealized gains on investment securities		(1,271)	(0.0)	(1,271)	(0.0)	-
Total shareholders' equity		3,928,397	48.2	3,652,811	51.7	275,586
Total liabilities and shareholders' equity		8,147,595	100.0	7,066,611	100.0	1,080,984

STATEMENTS OF INCOME

(:amounts less than one thousand yen are omitted)

	FY2003			FY2002			Increase (Decrease)
	(Apr. 2003- Mar. 2004)			(Apr. 2002- Mar. 2003)			
.Net Sales		6,406,739	100.0		5,471,832	100.0	934,906
.Cost of sales							
Cost of beginning inventory	56,398			4,434			
Transfer to other accounts	24,433			19,947			
Cost of products manufactured for the period	4,777,680			3,736,410			
TOTAL	4,858,512			3,760,791			
Transfer to other accounts	3,579			-			
Cost of ending inventory	54,299	4,800,634	74.9	56,398	3,704,393	67.7	1,096,240
Gross profit		1,606,104	25.1		1,767,439	32.3	(161,334)
.Selling, general and administrative expenses							
Advertising expenses	112,811			87,396			
Packing and shipping expenses	59,600			38,957			
Directors' and auditors' compensation	98,532			98,541			
Payroll	188,680			184,852			
Social insurance expenses	35,851			36,598			
Welfare expenses	1,234			1,767			
Bonus	32,123			28,949			
Retirement expenses	5,191			3,112			
Entertainment expenses	5,496			8,817			
Convention expenses	3,910			2,954			
Transportation expenses	52,821			78,927			
Communication expenses	11,233			12,118			
Consumables	10,311			15,632			
Repair expenditure	3,282			5,804			
Water lighting and heating expenses	3,550			3,376			
Commissions paid	232,330			231,403			
Insurance expenses	8,314			7,871			
Depreciation expenses	121,860			42,995			
R & D expenses	9,630			27,332			
Rent	21,850			31,201			
Rental expenses	1,753			1,973			
Tax and public imposition	6,799			19,216			
Membership expenses	787			792			
Provision for allowance for doubtful receivables	5,525			29,690			
Miscellaneous expenses	7,200	1,040,684	16.3	5,054	1,005,336	18.4	35,347
Operating income		565,420	8.8		762,102	13.9	(196,681)
.Non-operating income							
Interests income	160			172			
Dividend income	-			43			
Foreign exchange gain	5,392			-			
Other	882	6,436	0.1	2,277	2,492	0.1	3,943

(:amounts less than one thousand yen are omitted)

	FY2003 (Apr. 2003- Mar. 2004)			FY2002 (Apr. 2002- Mar. 2003)			Increase (Decrease)
			%			%	
.Non-operating expenses							
Interests expense	18,238			13,125			
Bond interests	430			1,051			
Foreign exchange loss	-			4,138			
Stock issuance cost	-			2,967			
Other	548	19,216	0.3	208	21,492	0.4	(2,276)
Ordinary income		552,640	8.6		743,102	13.6	(190,461)
Net Income before income taxes		552,640	8.6		743,102	13.6	(190,461)
Income taxes(current)	237,000			263,000			
Income taxes(deferred)	(33,595)	203,404	3.2	24,396	287,396	5.3	(83,991)
Net income		349,236	5.4		455,706	8.3	(106,470)
Retained earnings brought forward		892,097			510,040		382,056
Interim dividends		27,660			27,660		-
Unappropriated profits		1,213,673			938,087		275,586

STATEMENTS OF CASH FLOWS

(:amounts less than one thousand yen are omitted)

	FY2003 (Apr. 2003- Mar. 2004)	FY2002 (Apr. 2002- Mar. 2003)
Cash flows from operating activities		
1. Income before income taxes	552,640	743,102
2. Depreciation and amortization	214,267	141,124
3. Increase in allowance for doubtful receivables	5,525	29,690
4. Increase in retirement benefits	9,706	3,709
5. Interests and dividend income	(160)	(215)
6. Interest expense	18,668	14,177
7. Foreign exchange (gain) or loss	(5,670)	4,060
8. Loss on disposal of tangible fixed assets	-	208
9. Increase in notes and accounts receivables	(215,837)	(630,081)
10. (Increase) or Decrease in inventories	19,424	(913,884)
11. Increase in consumption taxes receivables	(72,064)	(37,996)
12. Increase in notes and accounts payable	289,355	581,234
13. Bonuses paid to directors	(4,500)	(4,500)
14. (Increase) or Decrease in other assets	(4,371)	6,980
15. Increase or (Decrease) in other liabilities	21,550	(24,439)
S u b - t o t a l	828,534	(86,830)
16. Interest and dividends received	160	215
17. Interest paid	(18,673)	(16,621)
18. Income taxes paid	(184,207)	(291,226)
Net cash provided by operating activities	625,813	(394,462)
Cash flows from investing activities		
1. Payments for time deposits	(9)	(514)
2. Proceeds from time deposits	-	9,500
3. Purchases of property, plant equipment	(361,392)	(362,312)
4. Proceeds from sales of property, plant and equipment	-	3,660
5. Purchases of intangible fixed assets	(474,006)	(26,881)
6. Payments for acquisition of shares of subsidiaries	(53,699)	-
7. Payment of loans	-	(4,500)
8. Income or (Expenditure) for other investing activities	(45,391)	4,541
Net cash used in investing activities	(934,500)	(376,507)
Cash flows from financing activities		
1. Increase or (Decrease) in short-term bank loans	(10,000)	500,000
2. Proceeds from long-term debt	800,000	900,000
3. Repayments of long-term debt	(312,000)	(136,440)
4. Redemption of bonds	(100,000)	-
5. Proceeds from issuance of stocks	-	952,532
6. Cash dividends paid	(68,694)	(54,490)
Net cash provided by financing activities	309,305	2,161,601
Effect of exchange rate changes on cash and cash equivalents	189	(2,569)
Increase or (decrease) in cash and cash equivalents	808	1,388,062
Cash and cash equivalents at beginning of period	1,519,102	131,040
Cash and cash equivalents at end of period	1,519,911	1,519,102

Segment information

(Production Volume)

(:amounts less than one thousand yen are omitted)

BY BUSINESS SEGMENT	FY2003		FY2002	
	(Apr.2003 - Mar.2004)		(Apr.2002 - Mar.2003)	
Inspection Systems Div.	5,314,138		5,335,414	
Engineering Solution Div.	812,676		678,347	
Media & Network Div.	316,397		236,993	
T o t a l	6,443,211		6,250,755	

(Orders Received)

(:amounts less than one thousand yen are omitted)

BY BUSINESS SEGMENT	FY2003		FY2002	
	(Apr.2003 - Mar.2004)		(Apr.2002 - Mar.2003)	
	Orders	Backlog	Orders	Backlog
Inspection Systems Div.	6,398,253	3,409,700	4,986,694	2,404,050
Engineering Solution Div.	560,700	131,400	255,000	165,000
Media & Network Div.	90,000	-	-	-
T o t a l	7,048,953	3,541,100	5,241,694	2,569,050

(Sales Results)

(:amounts less than one thousand yen are omitted)

BY BUSINESS SEGMENT	FY2003		FY2002	
	(Apr.2003 - Mar.2004)		(Apr.2002 - Mar.2003)	
Inspection Systems Div.	5,392,603		4,639,644	
Engineering Solution Div.	685,797		626,760	
Media & Network Div.	328,337		205,428	
T o t a l	6,406,739		5,471,832	

(Note:) 1. Major export geographic segment and its sales results are presented below.
But () describes the ratio of export sales results to the total sales results of Kubotek.

(:amounts less than one thousand yen are omitted)

Export to	FY2003		FY2002	
	(Apr.2003 - Mar.2004)		(Apr.2002 - Mar.2003)	
Asia	4,160,762 (64.9%)		1,947,580 (35.6%)	

(Note:) 2. Sales results of each major customer and the ratio of sales results to the total sales results of Kubotek.

(:amounts less than one thousand yen are omitted)

Major Customers	FY2003		FY2002	
	(Apr.2003 - Mar.2004)		(Apr.2002 - Mar.2003)	
	Results	Ratio(%)	Results	Ratio(%)
Chi Mei Optoelectronics Corporation	1,560,971	24.4	-	-
Dongwoo STI CO.,Ltd.	1,130,000	17.6	1,130,000	20.7
Samsung Japan Corporation	850,000	13.3	1,971,000	36.0
South Sintek Photronic Corporation	791,993	12.4	-	-