

# Non-consolidated Interim Financial Statements-Summary

For the Six Months Ended September 30,2004

Nov. 12,2004

(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  
 Contact Person : Naotake Kakishita, Director, Department of General Affairs Division  
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 (URL <http://www.kubotek.com/>)

Date of the meeting of the Board of Directors for approval of interim consolidated financial statements : Nov. 12,2004  
 Date of the payment of interim Dividend : Dec. 10,2004  
 Interim Dividend Plan : YES

### 1 . Non-consolidated Financial Results for Interim FY2004(April 1,2004 through September 30,2004)

#### (1) Non-consolidated Results of Operations

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

	Net Sales		Operating Income		Ordinary Income	
Interim FY2004	2,884	57.6%	144	331.6%	137	355.5%
Interim FY2003	1,830	(26.5)%	33	(88.1)%	30	(88.8)%
FY2003	6,406		565		552	

	Net Income		Net Income per Share
Interim FY2004	89	552.3%	647.58yen
Interim FY2003	13	(91.3)%	99.28yen
FY2003	349		2,492.67yen

- (Notes:)
- Average number of shares outstanding: For interim FY 2004: 138,300 shares  
 For interim FY 2003: 138,300 shares  
 For FY2003 : 138,300 shares
  - Change in accounting policy: None
  - Figures in parentheses above show the change from the previous period in percentage.

#### (2) Non-consolidated Dividend

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

	Interim Dividend per Share	Annual Dividend per Share
Interim FY2004	200yen	-
Interim FY2003	200yen	-
FY2003	-	400yen

#### (3) Non-consolidated Financial Positions

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

	Total Assets	Shareholder's Equity	Equity Ratio	Equity per Share
Interim FY2004	9,078	3,985	43.9%	28,819.94yen
Interim FY2003	7,701	3,620	47.0%	26,178.97yen
FY2003	8,147	3,928	48.2%	28,372.36yen

- (Note) Number of shares issued and outstanding at end of period: Interim FY 2004 : 138,300 shares  
 Interim FY 2003 : 138,300 shares  
 FY 2003 : 138,300 shares

### 2 . Non-consolidated Financial Forecasts for the Fiscal Year ending March 31,2005

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

	Net Sales	Ordinary Income	Net Income	Annual dividend per share amount	
				Interim dividend	
FY2004	5,500	300	180	200yen	400yen

(cf.) Estimated Net Income per Share: 1,268.98yen

## 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.

# Non-consolidated Financial Statements

## Non-consolidated Balance Sheets

(Thousand yen: amounts less than one thousand yen are omitted)

	Interim FY2004 (As of Sept. 30, 2004)			Interim FY2003 (As of Sept. 30, 2003)			FY2003 (As of Mar. 31, 2004)		
			%			%			%
<b>&lt;Assets&gt;</b>									
<b>.Current assets</b>									
Cash and bank deposits		959,203			1,799,382			1,587,203	
Trade notes receivable		183,867			111,390			60,420	
Trade accounts receivable		3,038,421			1,693,021			2,512,825	
Inventories		1,906,420			2,065,906			1,539,050	
Deferred income taxes		88,656			59,485			100,790	
Others		166,889			256,615			176,807	
Allowance for doubtful		(36,234)			(34,000)			(39,515)	
<b>Total current assets</b>		<b>6,307,223</b>	<b>69.5</b>		<b>5,951,802</b>	<b>77.3</b>		<b>5,937,582</b>	<b>72.9</b>
<b>.Fixed assets</b>									
<b>1. Property, plant and equipment</b>									
Buildings	841,513			630,996			749,928		
Less-accumulated	195,456	646,056		151,822	479,173		173,219	576,708	
Furniture and fixtures	520,727			448,690			459,963		
Less-accumulated	332,018	188,709		276,125	172,565		308,490	151,473	
Land		946,588			775,599			775,599	
Others	101,513			97,143			100,338		
Less-accumulated	59,816	41,697		49,745	47,397		54,999	45,339	
<b>Net property, plant and equipment</b>		<b>1,823,051</b>	<b>20.1</b>		<b>1,474,735</b>	<b>19.2</b>		<b>1,549,119</b>	<b>19.0</b>
<b>2. Intangible assets</b>		<b>438,428</b>	<b>4.8</b>		<b>41,221</b>	<b>0.5</b>		<b>411,656</b>	<b>5.0</b>
<b>3. Investments and other assets</b>									
Investment securities		199,090			177,768			199,090	
Investment property	261,973								
Less-accumulated	1,282	260,690			-			-	
Other investments and other assets		50,129			55,911			50,146	
Allowance for doubtful receivables		(27)			-			-	
<b>Total investments and other assets</b>		<b>509,883</b>	<b>5.6</b>		<b>233,679</b>	<b>3.0</b>		<b>249,237</b>	<b>3.1</b>
<b>Total fixed assets</b>		<b>2,771,364</b>	<b>30.5</b>		<b>1,749,637</b>	<b>22.7</b>		<b>2,210,013</b>	<b>27.1</b>
<b>Total Assets</b>		<b>9,078,587</b>	<b>100.0</b>		<b>7,701,439</b>	<b>100.0</b>		<b>8,147,595</b>	<b>100.0</b>
<b>&lt;Liabilities&gt;</b>									
<b>.Current liabilities</b>									
Trade notes payable		1,243,679			1,017,545			1,118,022	
Trade accounts payable		470,030			309,212			260,048	
Short-term bank loans		1,250,000			850,000			950,000	
Current portion of long-term debt		1,025,500			502,000			542,000	
Income taxes payable		46,680			15,145			224,395	
Others		145,501			166,550			170,851	
<b>Total current liabilities</b>		<b>4,181,392</b>	<b>46.1</b>		<b>2,860,454</b>	<b>37.1</b>		<b>3,265,317</b>	<b>40.1</b>
<b>.Long-term liabilities</b>									
Long-term debt		860,000			1,185,500			914,500	

	Interim FY2004 (As of Sept. 30, 2004)			Interim FY2003 (As of Sept. 30, 2003)			FY2003 (As of Mar. 31, 2004)		
			%			%			%
Retirement benefits		31,489			34,934			39,380	
Others		19,907			-			-	
<b>Total Long-term liabilities</b>		911,397	10.0		1,220,434	15.9		953,880	11.7
<b>Total liabilities</b>		5,092,789	56.1		4,080,888	53.0		4,219,198	51.8
<b>&lt;Shareholders' equity&gt;</b>									
<b>.Common stock</b>		1,951,750	21.5		1,951,750	25.3		1,951,750	24.0
<b>.Capital surplus</b>									
Additional paid-in capital	743,750			743,750			743,750		
<b>Total capital surplus</b>		743,750	8.2		743,750	9.7		743,750	9.1
<b>.Retained earnings</b>									
Legal reserve	20,496			20,496			20,496		
Unappropriated profits	1,271,074			905,827			1,213,673		
<b>Total retained earnings</b>		1,291,570	14.2		926,323	12.0		1,234,169	15.1
<b>.Net unrealized loss on securities</b>		(1,271)	(0.0)		(1,271)	(0.0)		(1,271)	(0.0)
<b>Total shareholders' equity</b>		3,985,798	43.9		3,620,551	47.0		3,928,397	48.2
<b>Total liabilities and shareholders' equity</b>		9,078,587	100.0		7,701,439	100.0		8,147,595	100.0

## Non-consolidated Statements of Income

(Thousand yen: amounts less than one thousand yen are omitted)

	Interim FY2004 (As of Sept. 30, 2004)			Interim FY2003 (As of Sept. 30,2003)			FY2003 (As of Mar. 31,2004)		
			%			%			%
<b>.Net Sales</b>		2,884,396	100.0		1,830,228	100.0		6,406,739	100.0
<b>.Cost of sales</b>		2,208,422	76.6		1,325,569	72.4		4,800,634	74.9
<b>Gross profit</b>		675,974	23.4		504,659	27.6		1,606,104	25.1
<b>.Selling, general and administrative expenses</b>		531,007	18.4		471,068	25.8		1,040,684	16.3
<b>Operating income</b>		144,966	5.0		33,590	1.8		565,420	8.8
<b>.Non-operating income</b>		16,625	0.6		4,967	0.3		6,436	0.1
<b>.Non-operating expenses</b>		23,834	0.8		8,317	0.4		19,216	0.3
<b>Ordinary income</b>		137,757	4.8		30,240	1.7		552,640	8.6
<b>. Extraordinary Profits</b>		8,765	0.3		-	-		-	-
<b>. Extraordinary Losses</b>		261	0.0		-	-		-	-
Net Income before income taxes		146,260	5.1		30,240	1.7		552,640	8.6
Income taxes(current)	44,000			14,000			237,000		
Income taxes(deferred)	12,700	56,700	2.0	2,510	16,510	0.9	(33,595)	203,404	3.2
Net income		89,560	3.1		13,729	0.8		349,236	5.4
Retained earnings at beginning of period		1,181,513			892,097			892,097	
Interim dividend		-			-			27,660	
Unappropriated profits		1,271,074			905,827			1,213,673	

## Non-consolidated Statements of Cash Flows

(Thousand yen: amounts less than one thousand yen are omitted)

	Interim FY2003 (Apr.2003 - Sept.2003)	Interim FY2003 (Apr.2003 - Mar.2004)
<b>.Cash flows from operating activities</b>		
1. Income before income taxes	30,240	552,640
2. Depreciation and amortization	79,591	214,267
3. Increase in allowance for doubtful receivables	9	5,525
4. Increase in retirement benefits	5,260	9,706
5. Interests and dividend income	(79)	(160)
6. Interest expense	8,306	18,668
7. Foreign exchange gain	(4,516)	(5,670)
8. (Increase) or Decrease in notes and accounts receivables	552,996	(215,837)
9. (Increase) or Decrease in inventories	(507,432)	19,424
10. (Increase) or Decrease in consumption taxes receivables	4,447	(72,064)
11. Increase in notes and accounts payable	238,043	289,355
12. Bonuses paid to directors	(4,500)	(4,500)
13. Increase in other assets	(197,807)	(4,371)
14. Increase or (Decrease) in other liabilities	(2,287)	21,550
<b>S u b - t o t a l</b>	202,272	828,534
15. Interest and dividend received	79	160
16. Interest paid	(9,087)	(18,673)
17. Income taxes paid	(170,457)	(184,207)
Net cash provided by operating activities	22,806	625,813
<b>.Cash flows from investing activities</b>		
1. Payments for time deposits	(9)	(9)
2. Purchases of property, plant and equipment	(205,557)	(361,392)
3. Purchases of intangible fixed assets	(27,912)	(474,006)
4. Payments for acquisition of shares of subsidiaries	(32,377)	(53,699)
5. Income or (Expenditure) for other investing activities	(12,000)	(45,391)
Net cash used in investing activities	(277,856)	(934,500)
<b>.Cash flows from financing activities</b>		
1. (Decrease) in short-term bank loans	(110,000)	(10,000)
2. Proceeds from long-term debt	800,000	800,000
3. Repayments of long-term debt	(81,000)	(312,000)
4. Redemption of bonds	(100,000)	(100,000)
5. Cash dividend paid	(41,191)	(68,694)
Net cash provided by financing activities	467,808	309,305
<b>.Effect of exchange rate changes on cash and cash equivalents</b>	228	189
<b>.Increase or (decrease) in cash and cash equivalents</b>	212,987	808
<b>.Cash and cash equivalents at beginning of period</b>	1,519,102	1,519,102
<b>.Cash and cash equivalents at end of period</b>	1,732,089	1,519,911