

Consolidated Financial Statements-Summary

For the Fiscal Year ended March 31,2005

May 13,2005

(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 consolidated financial statements : May 13,2005

1 . Financial Results of FY2004(April 1,2004 through March 31,2005)

(1) Consolidated Financial Results (Million yen: amounts less than one million yen are omitted)

	Net Sales	Operating Income	Ordinary Income
FY2004	5,077 - %	(168) - %	(172) - %
FY2003	- - %	- - %	- - %

	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
FY2004	(594) - %	(4,301.73)yen	-	(16.7) %	(2.0) %	(3.4) %
FY2003	- - %	-	-	-	-	-

- (Notes:)
1. Average number of shares outstanding: For FY2004 : 138,179 shares
 2. Change in accounting policy: None
 3. The year to March 31,2005, is the first year for the Corporation to disclose consolidated financial results. Therefore, year on year comparisons are not available.

(2) Consolidated Financial Positions (Million yen: amounts less than one million yen are omitted)

	Total Assets	Shareholder's Equity	Equity Ratio	Equity per Share
FY2004	9,014	3,189	35.4%	23,165.52yen
FY2003	-	-	-	-
FY2003	-	-	-	-

(Note:) Number of shares issued and outstanding at end of period : FY 2004: 137,680 shares

(3) Consolidated Cash Flows (Million yen: 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
FY2004	(524)	(908)	1,826	1,958
FY2003	-	-	-	-

(4) Scope of Consolidation and Equity Method

Number of consolidated subsidiaries: 1

(5) Change in Scope of Consolidation and Equity Method

None

2 . 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
Interim FY 2005	2,500	(40)	(50)
FY 2005	5,800	280	130

(cf.) Estimated Net Income per Share: 911.53yen

Disclaimer Regarding Forecast Statements

Statements made in this release with respect to Kubotek's forecast for FY2005, 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.

Consolidated Financial Statements

Consolidated Balance Sheets

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

	FY2004		
	(As of Mar. 31, 2005)		
			%
<Assets>			
.Current assets			
Cash and bank deposits		2,040,519	
Notes and accounts receivable		2,364,700	
Inventories		1,352,499	
Deferred income taxes		128,102	
Others		124,343	
Allowance for doubtful receivables		(34,304)	
Total current assets		5,975,860	66.3
.Fixed assets			
1.Property, plant and equipment			
Buildings and structures	904,112		
Less-accumulated depreciation	245,346	658,765	
Machinery and automotive equipment	57,667		
Less-accumulated depreciation	38,488	19,179	
Furniture and fixtures	708,597		
Less-accumulated depreciation	372,694	335,903	
Land		946,588	
Construction in progress		43,422	
Net property, plant and equipment		2,003,860	22.2
2.Intangible assets			
Goodwill		213,902	
Software		292,051	
Others		2,285	
Total intangible assets		508,239	5.6
3.Investments and other assets			
Investment securities		177,768	
Investment property	281,566		
Less-accumulated depreciation	5,421	276,144	
Deferred income taxes		37,360	
Other investments and other assets		35,307	
Allowance for doubtful receivables		(29)	
Total investments and other assets		526,551	5.9
Total fixed assets		3,038,651	33.7
Total Assets		9,014,511	100.0

	FY2004 (As of Mar. 31, 2005)	
<Liabilities>		
.Current liabilities		
Notes and accounts payable	1,012,759	
Short-term bank loans	2,240,000	
Current portion of long-term debt	1,144,500	
Income taxes payable	20,529	
Others	368,845	
Total current liabilities	4,786,635	53.1
.Long-term liabilities		
Long-term debt	985,000	
Retirement benefits	32,114	
Others	21,332	
Total Long-term liabilities	1,038,447	11.5
Total liabilities	5,825,082	64.6
<Minority interests>		
Minority interests		
<Shareholders' equity>		
.Common stock	1,951,750	21.7
.Capital surplus	743,750	8.2
.Retained earnings	579,388	6.4
.Net unrealized loss on securities	(1,271)	(0.0)
.Foreign currency translation adjustments	(2,529)	(0.0)
.Treasury stock	(81,658)	(0.9)
Total shareholders' equity	3,189,429	35.4
Total liabilities, minority interests and shareholders' equity	9,014,511	100.0

Consolidated Statements of Income

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

	FY2004 (Apr.2004 - Mar.2005)		
			%
.Net Sales		5,077,629	100.0
.Cost of sales		3,833,283	75.5
Gross profit		1,244,345	24.5
.Selling, general and administrative expenses		1,412,460	27.8
Operating loss		(168,114)	(3.3)
.Non-operating income			
Interest income	175		
Rent received	50,367		
Others	3,560	54,104	1.1
.Non-operating expenses			
Interest expense	26,134		
Rental property expense	27,488		
Foreign Exchange loss	3,814		
Others	1,023	58,460	1.2
Ordinary loss		(172,470)	3.4
.Extraordinary Profits			
Gain on return of Retirement benefit	8,765	8,765	0.2
.Extraordinary Losses			
Loss on disposal of property, plant and equipment	612		
Loss on inventory valuation	409,865	410,478	8.1
Net loss before income taxes		(574,183)	(11.3)
Income taxes(current)	59,595		
Income taxes(deferred)	(39,370)	20,224	0.4
Net loss		(594,408)	(11.7)

Consolidated Statements of Appropriations

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

	FY2004 (Apr.2004 - Mar.2005)	
(Capital Surplus)		
.Balance at beginning of period		743,750
.Balance at end of period		743,750
(Retained Earnings)		
.Balance at beginning of period		1,233,616
.Increase in retained earnings		
.Decrease in retained earnings		
1.Cash dividend	55,320	
2.Bonuses paid to directors	4,500	
3.Net loss	594,408	654,228
.Balance at end of period		579,388

Consolidated Statements of Cash Flows

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

	FY2005 (Apr.2004 - Mar.2005)
.Cash flows from operating activities	
1. Income(loss) before income taxes	(574,183)
2. Depreciation and amortization	276,310
3. Decrease in allowance for doubtful receivables	(5,181)
4. Decrease in retirement benefits	(7,265)
5. Interests and dividend income	(235)
6. Interest expense	26,134
7. Foreign exchange loss	1,684
8. Loss on disposal of tangible fixed assets	612
9. Decrease in notes and accounts receivables	221,322
10. Decrease in inventories	33,109
11. Decrease in consumption taxes receivables	21,840
12. Decrease in notes and accounts payable	(367,236)
13. Bonuses paid to directors	(4,500)
14. Increase in sales deposits	136,038
15. Other	11,136
S u b - t o t a l	(230,414)
16. Interest and dividend received	235
17. Interest paid	(26,555)
18. Income taxes paid	(267,892)
Net cash provided by operating activities	(524,626)
.Cash flows from investing activities	
1. Payments for time deposits	(15,009)
2. Purchases of property, plant and equipment	(383,252)
3. Purchases of intangible fixed assets	(243,119)
4. Purchase of investment property	(281,566)
5. Income or (Expenditure) for other investing activities	14,464
Net cash used in investing activities	(908,483)
.Cash flows from financing activities	
1. Increase in short-term bank loans	1,290,000
2. Proceeds from long-term debt	1,300,000
3. Repayments of long-term debt	(627,000)
4. Cash dividend paid	(55,224)
5. Purchase of treasury stock	(81,658)
Net cash provided by financing activities	1,826,117
.Effect of exchange rate changes on cash and cash equivalents	(1,684)
.Increase in cash and cash equivalents	391,322
.Cash and cash equivalents at beginning of period	1,566,895
.Cash and cash equivalents at end of period	1,958,217

Segment information

1. Business Segment Information

Results of FY2004(Apr.2004 - Mar.2005)

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

	Inspection Systems Div.	Creation Engineering Div.	Media & Network Div.	Total	Elimination/ corporate	Consolidated Total
Sales						
(1)External customers	4,438,708	452,512	186,407	5,077,629		5,077,629
(2)Intersegment net sales or transfer						
Net Sales	4,438,708	452,512	186,407	5,077,629		5,077,629
Operating expenses	4,046,178	711,232	207,889	4,965,300	280,443	5,245,743
Operating income (Operating loss)	392,530	(258,719)	(21,482)	112,329	(280,443)	(168,114)
Assets, depreciation, and capital Expenditures						
Total assets	4,775,093	1,156,451	667,452	6,598,997	2,415,514	9,014,511
Depreciation	81,205	159,677	22,043	262,926	13,384	276,310
Capital Expenditures	52,606	270,849	295,158	618,614	282,401	901,016

(Notes:)

- The business segments are classified based on similarity of products and services.
- Main products in each business segment are as follows:
 - Inspection Systems Div.....Image-based Inspection System,
Line Observation & Optimum Control System
 - Creation Engineering Div.....2D/3D Fusion Modeler CAD/CAM, 3D Measuring Modeler,
Real Prototyping System
 - Media & Network Div.....Remote Monitoring/Video Distribution System,
Video Network Distribution System
- Unallocated operating expenses of 280,443 thousand yen shown in "Elimination or Corporate" are mainly comprised of the expense relating to management section of Kubotek.
- Corporate assets shown in "Elimination or Corporate" are 2,415,514 thousand yen, which mainly comprised of surplus funds and the expense relating to management section of Kubotek.

2. Geographic Segment Information

Results of FY2004(Apr.2004 - Mar.2005)

Geographic segment information is omitted because the amounts of net sales and assets in Japan exceed 90% of the amounts of combined net sales and assets of all segments for the FY2004 ended March31,2005.

3. Overseas Sales

Results of FY2004(Apr.2004 - Mar.2005)

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

	Asia	Other Regions	Total
Overseas Sales	3,352,001	211,848	3,563,850
Net Sales			5,077,629
Ratio of overseas sales to net sales(%)	66.0	4.2	70.2

(Notes:)

- The Geographic regions are classified by geographic proximity.

2. Main countries or regions included in each geographic segments:
 - Asia.....Taiwan, Korea, China
 - Other areas.....North America, Europe
3. Overseas sales are those sales of the Company and its consolidated subsidiaries that take place in regions other than Japan.

(Production Volume)

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

BY BUSINESS SEGMENT	FY2004 (Apr.2004 - Mar.2005)	
	Inspection Systems Div.	4,748,480
Creation Engineering Div.	516,837	
Media & Network Div.	211,822	
T o t a l	5,477,140	

(Orders Received)

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

BY BUSINESS SEGMENT	FY2004 (Apr.2004 - Mar.2005)	
	Orders	Backlog
Inspection Systems Div.	3,946,588	3,048,980
Media & Network Div.	100,000	100,000
T o t a l	4,046,588	3,148,980

(Sales Results)

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

BY BUSINESS SEGMENT	FY2004 (Apr.2004 - Mar.2005)	
	Inspection Systems Div.	4,438,708
Creation Engineering Div.	452,512	
Media & Network Div.	186,407	
T o t a l	5,077,629	

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

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

Major Customers	FY2004 (Apr.2004 - Mar.2005)	
	R e s u l t s	R a t i o (%)
Chi Mei Optoelectronics Corporation	1,287,324	25.4