

FY 2004 Consolidated Financial Results

FUJIMI INCORPORATED

JASDAQ Code: #5384

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US GAAP: Not adopted

Registered trademark: FUJIMI INC.

Location of headquarters: Aichi Prefecture

President: Akira Koshiyama

1. Operations for FY 2004 (April 1, 2003 - March 31, 2004)

(1) Summary of results

(Fractions less than one million yen are rounded off.)

	FY 2004	FY 2003
	Million yen (%)	Million yen (%)
Net sales	23,938 (8.9)	21,992 (16.1)
Operating income	3,007 (38.1)	2,177 (692.2)
Ordinary income	2,981 (38.8)	2,147 (654.9)
Net income	1,922 (77.0)	1,086 (---)
Net income per share	125.21 yen	68.39 yen
Net income per share (diluted)	123.91 yen	---
Net income to capital stock ratio	5.5%	3.1%
Ordinary income to gross capital ratio	7.2%	5.2%
Ordinary income to net sales ratio	12.5%	9.8%

Notes: 1. Equity in earnings (losses) of affiliated companies:

(FY 2004) --- million yen (FY 2003) --- million yen

2. Average shares: (FY 2004) 15,036,105 (FY 2003) 15,148,617

3. Changes in accounting policies: None

4. The figures in percentage for net sales, operating income, ordinary income and net income indicate changes from a year earlier.

(2) Financial position

	Yen (millions)	
	FY 2004	FY 2003
Total assets	40,990	42,167
Shareholders' equity	35,068	34,775
Shareholders' equity ratio	85.6%	82.5%
Shareholders' equity per share	2,371.68 yen	2,307.60 yen

Notes: The number of issued shares at the term-end: (FY 2004) 14,769,326 (FY 2003) 15,048,385

(3) Consolidated cash flows

	Yen (millions)	
	FY 2004	FY 2003
Operating activities	2,490	5,871
Investing activities	3,008	918
Financing activities	1,413	1,782
Cash and cash equivalents at the term-end	11,419	13,491

(4) The number of consolidated subsidiaries and other affiliated companies (equity method)

Consolidated subsidiaries: 2 Unconsolidated subsidiaries: --- Affiliated companies: ---

(5) Changes in the number of consolidated subsidiaries and other affiliated companies (equity method)

Consolidated subsidiaries (new): --- (exclusion): 1

Equity method (new): --- (exclusion): ---

* This change is due to the merger between consolidated subsidiaries

2. Forecast for FY2005 (April 1, 2004 - March 31, 2005)

	Yen (millions)	
	Mid-term	Yearly
Net Sales	12,750	26,400
Ordinary income	1,520	3,500
Net income	950	2,150

Reference: Estimated net income per share (yearly): 145.57 yen

Forecasts contained in this documentation are provided as a reference only. They are based on the company's projection and estimates and should not be construed as an assurance or guarantee of future performance. When using this information, please keep in mind that results may differ from the estimates.

Consolidated Financial Statement

(1) Consolidated Balance Sheet

(Thousands of yen)

Item	Term	FY 2003 (As of March 31, 2003)		FY 2004 (As of March 31, 2004)		Increase/ Decrease
		Amount	Percentage	Amount	Percentage	
			%		%	
ASSETS						
I Current assets						
1. Cash and deposits		13,291,207		10,869,864		2,421,343
2. Notes and accounts receivable		6,173,865		7,345,453		1,171,588
3. Marketable securities		274,090		615,918		341,827
4. Inventories		3,384,296		3,006,039		378,256
5. Deferred tax assets		638,908		342,050		296,858
6. Prepaid expenses		70,004		12,308		57,696
7. Short-term loans receivable		1,812		1,382		430
8. Accrued corporate tax		116,400		42,004		74,396
9. Other current assets		27,186		54,042		26,855
Allowance for doubtful accounts		33,000		16,000		17,000
Total current assets		23,944,773	56.8	22,273,064	54.3	1,671,709
II Fixed Assets						
1. Tangible fixed assets						
(1) Building and structures		6,384,430		6,284,413		100,017
(2) Machinery, equipment and vehicles		3,253,646		2,879,433		374,213
(3) Land		3,985,934		3,949,434		36,499
(4) Construction in progress		701,068		719,377		18,308
(5) Other tangible fixed assets		1,289,278		1,106,911		182,366
Total tangible fixed assets		15,614,358	37.0	14,939,570	36.5	674,788
2. Intangible fixed assets						
(1) Software		451,496		366,140		85,355
(2) Other intangible fixed assets		32,902		51,451		18,548
Total intangible fixed assets		484,399	1.1	417,592	1.0	66,806
3. Investments and other assets						
(1) Investment in securities		698,338		804,014		105,676
(2) Long-term loans receivable		2,408		372,724		370,315
(3) Deferred tax assets		407,960		264,055		143,904
(4) Other investments and assets		1,055,261		1,949,191		893,929
Allowance for doubtful accounts		39,525		29,500		10,025
Total investment and other assets		2,124,443	5.0	3,360,485	8.2	1,236,042
Total fixed assets		18,223,201	43.2	18,717,648	45.7	494,446
Total Assets		42,167,974	100.0	40,990,712	100.0	1,177,262

(Thousands of yen)

Item	Term	FY 2003 (As of March 31, 2003)		FY 2004 (As of March 31, 2004)		Increase/Decrease
		Amount	Percentage	Amount	Percentage	
			%		%	
LIABILITIES						
I Current liabilities						
1.	Notes and accounts payable	2,629,935		3,110,052		480,117
2.	Short-term loans payable	697,450		449,946		247,504
3.	Corporate tax payable	1,155,000		137,393		1,017,606
4.	Deferred tax liabilities	1,780		1,414		365
5.	Accrued expenses	267,800		383,445		115,645
6.	Allowance for bonus payment	413,850		417,547		3,696
7.	Notes payable for facilities	193,907		120,880		73,027
8.	Other current liabilities	1,019,019		713,515		305,503
	Total current liabilities	6,378,745	15.1	5,334,196	13.0	1,044,549
II Fixed liabilities						
1.	Deferred tax liabilities	42,931		6,887		36,044
2.	Allowance for employees' retirement benefits	410,525		431,328		20,802
3.	Allowance for directors' retirement benefits	530,076		117,478		412,598
	Total fixed liabilities	983,533	2.3	555,693	1.3	427,840
	Total liabilities	7,362,278	17.4	5,889,889	14.3	1,472,389
MINORITY INTEREST						
	Minority interest	29,997	0.1	32,708	0.1	2,710
SHAREHOLDERS' EQUITY						
I	Capital stock	4,753,438	11.3	4,753,438	11.6	---
II	Capital surplus	5,038,501	12.0	5,038,501	12.3	---
III	Retained earnings	25,394,114	60.2	26,800,275	65.4	1,406,160
IV	Gain or loss on revaluation of other securities	21,269	0.0	80,381	0.2	101,650
V	Foreign currency translation adjustment	378,761	0.9	75,280	0.2	454,041
VI	Treasury stock	767,847	1.8	1,529,202	3.7	761,354
	Total shareholders' equity	34,775,698	82.5	35,068,114	85.6	292,415
	Total of liabilities, minority interest and shareholders' equity	42,167,974	100.0	40,990,712	100.0	1,177,262

(2) Consolidated Statement of Income

(Thousands of yen)

Term Item	FY 2003 〔 April 1, 2002- March 31, 2003 〕		FY 2004 〔 April 1, 2003- March 31, 2004 〕		Increase/ Decrease
	Amount	Percentage	Amount	Percentage	Amount
I Net sales	21,992,159	100.0	23,938,874	100.0	1,946,715
II Cost of sales	14,997,971	68.2	16,191,570	67.6	1,193,598
Gross income on sales	6,994,187	31.8	7,747,304	32.4	753,116
III Selling, general and administrative expenses	4,816,414	21.9	4,739,852	19.8	76,561
1. Selling expenses	626,057		646,478		20,420
2. General and administrative expenses	4,190,356		4,093,374		96,982
Operating income	2,177,773	9.9	3,007,451	12.6	829,678
IV Non-operating income	88,149	0.4	90,754	0.4	2,605
1. Interest received	49,971		32,743		17,229
2. Dividends received	1,579		1,543		36
3. Profit from waste disposal	---		13,198		13,198
4. Income from subsidies	11,371		10,401		970
5. Other	25,225		32,867		7,641
V Non-operating expenses	118,326	0.5	116,295	0.5	2,031
1. Interest paid	47,006		17,841		29,164
2. Provision for doubtful accounts	15,000		---		15,000
3. Exchange loss	36,598		83,255		46,657
4. Other	19,721		15,197		4,523
Ordinary income	2,147,595	9.8	2,981,910	12.5	834,314
VI Extraordinary income	8,285	0.0	169,399	0.7	161,113
1. Gain on sales of fixed assets	---		30,469		30,469
2. Reversal of allowance for doubtful accounts	7,000		---		7,000
3. Gain on sale of membership	1,285		---		1,285
4. Gain on sale of investment in securities	---		133,248		133,248
5. Other	---		5,682		5,682
VII Extraordinary loss	270,838	1.2	58,393	0.3	212,445
1. Loss on disposal of fixed assets	56,115		46,307		9,808
2. Loss on revaluation of investment in securities	95,171		---		95,171
3. Loss on revaluation of membership	12,650		10,700		1,950
4. Loss on adjustment concerning development	106,902		---		106,902
5. Other	---		1,386		1,386
Net income before tax adjustment	1,885,042	8.6	3,092,917	12.9	1,207,874
Corporate tax, inhabitant tax, and business tax	1,239,137	5.6	780,428	3.3	458,709
Corporate tax adjustment	444,232	2.0	383,359	1.6	827,591
Minority interest	4,132	0.0	6,482	0.0	2,349
Net income	1,086,004	5.0	1,922,647	8.0	836,642

(3) Statement of Consolidated Retained Earnings

(Thousands of yen)

Term Item	FY 2003 〔 April 1, 2002- March 31, 2003 〕	FY 2004 〔 April 1, 2003- March 31, 2004 〕	Increase/ Decrease
	Amount	Amount	
(Capital surplus)			
Initial balance of capital surplus	5,038,501	5,038,501	---
Final balance of capital surplus	5,038,501	5,038,501	---
(Retained earnings)			
Initial balance of retained earnings	24,751,277	25,394,114	642,837
Increase in retained earnings	1,086,004	1,922,647	836,642
Net income	1,086,004	1,922,647	836,642
Decrease in retained earnings	443,167	516,486	73,319
1 Dividends	443,167	466,486	23,319
2 Directors' bonus	---	50,000	50,000
Final balance of retained earnings	25,394,114	26,800,275	1,406,160

(4) Consolidated Cash Flows

(Thousands of yen)

Item	Term	(Thousands of yen)	
		FY 2003	FY 2004
		(April 1, 2002 March 31, 2003)	(April 1, 2003 March 31, 2004)
		Amount	Amount
I	Cash flows from operating activities		
	Net income before tax adjustment	1,885,042	3,092,917
	Depreciation expense	2,297,490	2,020,681
	Amortization of consolidated adjustment account	163,759	---
	Loss on revaluation of investment in securities	95,171	---
	Increase/decrease in allowance for doubtful accounts (: decrease)	12,200	27,025
	Increase/decrease in allowance for employees' retirement benefits (: decrease)	36,225	20,802
	Increase/decrease in allowance for directors' retirement benefits (: decrease)	7,550	412,598
	Increase/decrease in allowance for bonus payments (: decrease)	175,552	3,696
	Interest and dividends received	51,550	34,287
	Interest paid	47,006	17,841
	Exchange loss	---	84,125
	Gain on sale of marketable securities	---	133,248
	Gain on sale of fixed assets	---	30,469
	Loss on disposal of tangible fixed assets	54,030	44,492
	Loss on disposal of intangible fixed assets	2,085	1,815
	Loss on adjustment concerning development	106,902	---
	Loss on revaluation of membership	3,150	2,500
	Increase/decrease in receivables (: increase)	279,716	1,268,261
	Increase/decrease in payables (: decrease)	414,799	571,555
	Increase/decrease in inventories (: increase)	105,328	252,579
	Increase/decrease in accrued amount payable (: decrease)	74,163	95,632
	Increase/decrease in accrued consumption tax (: decrease)	42,188	6,682
	Increase/decrease in other assets and liabilities (: increase)	1,091,261	263,151
	Bonuses to directors	---	50,000
	Subtotal	5,999,533	4,317,954
	Interest and dividends received	30,162	34,287
	Interest paid	47,006	17,841
	Corporate tax	111,136	1,843,872
	Cash flows from operating activities	5,871,553	2,490,527
II	Cash flows from investing activities		
	Fixed deposits	800,000	950,000
	Refund of fixed deposits	500,000	---
	Purchases of marketable securities	99,950	---
	Proceeds from sale of marketable securities	581,263	---
	Purchases of investment in securities	517,434	2,385
	Proceeds from sale of investment in securities	300,001	201,813
	Purchases of tangible fixed assets	706,028	1,872,416
	Proceeds from collection of loans	7,816	1,812
	Spending for loans	---	372,568
	Purchases of intangible fixed assets	183,497	58,939
	Purchases of subsidiaries' stock	---	937
	Purchases of other investments	55,362	34,973
	Proceeds from sale of other investments	55,114	80,091
	Cash flows from investing activities	918,075	3,008,501
III	Cash flows from financing activities		
	Net increase/decrease in short-term loans (: decrease)	572,600	185,728
	Purchases or sale of treasury stock (net)	766,486	761,354
	Dividends paid by parent company	443,167	466,486
	Cash flows from financing activities	1,782,253	1,413,568
IV	Effect of currency rate exchanges on cash and cash equivalents	82,152	139,890
V	Increase/decrease in cash and cash equivalents (: decrease)	3,089,071	2,071,432
VI	Cash and cash equivalents at the beginning of the term	10,402,149	13,491,220
VII	Cash and cash equivalents at the end of the term	13,491,220	11,419,787