

FY2004 Mid-Term 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

1. Operations for FY2004 Mid-Term (April 1, 2003 - September 30, 2003)

(1) Summary of mid-term results

Yen in millions (%)

	FY2004 mid-term	FY2003 mid-term	FY2003
Net sales	11,745 (4.3)	11,255 (12.9)	21,992
Operating income	1,426 (24.5)	1,146 (148.4)	2,177
Ordinary income	1,407 (22.6)	1,147 (132.4)	2,147
Net income	841 (33.7)	629 (---)	1,086
Net income per share (basic)	55.89 yen	41.26 yen	68.39 yen
Net income per share (diluted)	55.32 yen	---	---

(Amounts less than one million yen are omitted.)

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

(FY2004 mid-term) --- (FY2003 mid-term) --- (FY2003) --- yen in millions

2. Average shares: (FY2004 mid-term) 15,048,071 (FY2003 mid-term) 15,247,627 (FY2003) 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 the previous year.

(2) Financial position

Yen in millions

	FY2004 mid-term	FY2003 mid-term	FY 2003
Total assets	41,207	41,335	42,167
Shareholders' equity	35,499	34,513	34,775
Shareholders' equity ratio	86.1%	83.5%	82.5%
Shareholders' equity per share	2,359.16 yen	2,293.33 yen	2,307.60 yen

(Amounts less than one million yen are omitted.)

Notes: The number of issued shares at term-end:

(FY2004 mid-term) 15,047,555 (FY2003 mid-term) 15,049,656 (FY2003) 15,048,385

(3) Consolidated cash flows

Yen in millions

	FY2004 mid-term	FY2003 mid-term	FY2003
Operating activities	512	3,268	5,871
Investing activities	1,701	161	918
Financing activities	335	1,338	1,782
Cash and cash equivalents at term-end	11,966	12,384	13,491

(Amounts less than one million yen are omitted.)

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

Consolidated subsidiaries: 2 Unconsolidated subsidiaries: --- Associated companies: ---

The number of consolidated subsidiaries decreased as a result of a merger between two of the consolidated subsidiaries.

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

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

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

2. Forecast for FY2004 (April 1, 2003 - March 31, 2004)

	Yen in millions
	<u>Yearly</u>
Net Sales	24,100
Ordinary income	3,200
Net income	1,900

Reference: Estimated net income per share (yearly): 126.27 yen

The forecast above is based on information currently available to management and includes risks and uncertainties that could cause the actual results to differ materially from the forecast figures.

Mid-Term Consolidated Financial Results

(1) Mid-Term Balance Sheet

(Yen in thousands)

Item	Term	FY2003 mid-term (As of September 30, 2002)		FY2004 mid-term (As of September 30, 2003)		FY2003 (As of March 31, 2003)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
ASSETS							
I Current assets							
1.	Cash and deposits	12,184,320		11,239,545		13,291,207	
2.	Notes and accounts receivable	6,752,377		6,896,547		6,173,865	
3.	Marketable securities	354,908		800,440		274,090	
4.	Inventories	3,047,492		2,988,933		3,384,296	
5.	Deferred tax assets	350,192		384,858		638,908	
6.	Prepaid expenses	11,016		18,342		70,004	
7.	Short-term loans receivable	6,962		1,647		1,812	
8.	Accrued corporate tax	264,883		73,537		116,400	
9.	Other current assets	57,626		69,710		27,186	
	Allowance for doubtful accounts	5,922		16,000		33,000	
	Total current assets	23,023,860	55.7	22,457,563	54.5	23,944,773	56.8
II Fixed Assets							
1.	Tangible fixed assets						
	(1) Buildings and structures	6,607,885		6,508,445		6,384,430	
	(2) Machinery, equipment and vehicles	3,677,824		2,999,912		3,253,646	
	(3) Land	3,983,848		3,984,682		3,985,934	
	(4) Construction in progress	188,765		538,319		701,068	
	(5) Other tangible fixed assets	1,407,745		1,245,459		1,289,278	
	Total tangible fixed assets	15,866,069		15,276,819		15,614,358	
2.	Intangible fixed assets						
	(1) Software	431,734		415,789		451,496	
	(2) Consolidated adjustment accounts	81,879		---		---	
	(3) Other intangible fixed assets	33,768		32,036		32,902	
	Total intangible fixed assets	547,383		447,826		484,399	
3.	Investments and other assets						
	(1) Investment in securities	625,837		932,228		698,338	
	(2) Long-term loans receivable	3,464		1,816		2,408	
	(3) Deferred tax assets	566,048		325,960		407,960	
	(4) Other investments and assets	746,460		1,847,938		1,055,261	
	Allowance for doubtful accounts	43,902		82,317		39,525	
	Total of investments and other assets	1,897,907		3,025,626		2,124,443	
	Total fixed assets	18,311,360	44.3	18,750,272	45.5	18,223,201	43.2
Total Assets		41,335,221	100.0	41,207,836	100.0	42,167,974	100.0

(Yen in thousands)

Term Item	FY2003 mid-term (As of September 30, 2002)		FY2004 mid-term (As of September 30, 2003)		FY2003 (As of March 31, 2003)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
		%		%		%
LIABILITIES		%		%		%
I Current liabilities						
1. Notes and accounts payable	2,753,396		2,807,316		2,629,935	
2. Short-term borrowings	915,125		587,020		697,450	
3. Accrued expenses	196,250		257,833		267,800	
4. Corporate tax payable	839,072		270,000		1,155,000	
5. Deferred tax liabilities	1,816		1,648		1,780	
6. Reserve for bonus payments	420,382		414,362		413,850	
7. Notes payable for facilities	60,527		91,312		193,907	
8. Other current liabilities	582,320		678,633		1,019,019	
Total current liabilities	5,768,891	14.0	5,108,127	12.4	6,378,745	15.1
II Fixed liabilities						
1. Deferred tax liabilities	79,649		22,349		42,931	
2. Allowance for employees' retirement benefits	416,543		426,980		410,525	
3. Allowance for directors' retirement benefits	526,301		114,601		530,076	
Total fixed liabilities	1,022,495	2.4	563,931	1.4	983,533	2.3
Total liabilities	6,791,386	16.4	5,672,058	13.8	7,362,278	17.4
MINORITY INTEREST						
Minority interest	29,979	0.1	36,152	0.1	29,997	0.1
SHAREHOLDERS' EQUITY						
I Capital stock	4,753,438	11.5	4,753,438	11.5	4,753,438	11.3
II Capital surplus	5,038,501	12.2	5,038,501	12.2	5,038,501	12.0
III Retained earnings	25,150,138	60.8	25,959,495	63.0	25,394,114	60.2
IV Gain or loss on revaluation of other securities	1,254	0.0	117,416	0.3	21,269	0.0
V Foreign currency translation adjustment	338,045	0.8	401,026	1.0	378,761	0.9
VI Treasury stock	765,015	1.8	770,253	1.9	767,847	1.8
Total shareholders' equity	34,513,855	83.5	35,499,624	86.1	34,775,698	82.5
Total of liabilities, minority interest and shareholders' equity	41,335,221	100.0	41,207,836	100.0	42,167,974	100.0

(2) Mid-Term Statement of Income

(Yen in thousands)

Term Item	FY2003 mid-term 〔 April 1, 2002- September 30, 2002 〕		FY2004 mid-term 〔 April 1, 2003- September 30, 2003 〕		FY2003 〔 April 1, 2002- March 31, 2003 〕	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
I Net sales	11,255,982	100.0	11,745,149	100.0	21,992,159	100.0
II Cost of sales	7,752,907	68.9	7,923,564	67.5	14,997,971	68.2
Gross profit on sales	3,503,075	31.1	3,821,585	32.5	6,994,187	31.8
III Selling, general and administrative expenses	2,356,911	20.9	2,394,818	20.4	4,816,414	21.9
Operating income	1,146,164	10.2	1,426,766	12.1	2,177,773	9.9
IV Non-operating income						
1. Interest received	34,959		12,116		49,972	
2. Dividends received	1,020		921		1,579	
3. Other	20,696		45,814		36,596	
Total	56,676	0.5	58,852	0.5	88,149	0.4
V Non-operating expenses						
1. Interest paid	21,262		16,985		47,006	
2. Exchange loss	19,166		52,744		36,598	
3. Other	14,559		8,611		34,721	
Total	54,987	0.5	78,341	0.7	118,326	0.5
Ordinary income	1,147,852	10.2	1,407,277	12.0	2,147,595	9.8
VI Extraordinary income						
1. Reversal of allowance for doubtful accounts	12,000		---		7,000	
2. Profit on sale of membership	1,285		1,450		1,285	
3. Profit on cancellation of insurance	---		4,232		---	
Total	13,285	0.1	5,682	0.0	8,285	0.0
VII Extraordinary loss						
1. Loss on sale and disposal of fixed assets	10,368		18,560		56,115	
2. Loss on revaluation of membership	1,500		886		12,650	
3. Loss on revaluation of investment in securities	---		---		95,171	
4. Loss on adjustment concerning development	---		---		106,902	
Total	11,868	0.1	19,446	0.2	270,838	1.2
Current net income before tax	1,149,270	10.2	1,393,513	11.9	1,885,042	8.6
Corporate tax, inhabitant tax, and business tax	832,846	7.4	327,297	2.8	1,239,137	5.6
Corporate tax adjustment	314,589	2.8	218,878	1.9	444,232	2.0
Minority interest	1,914	0.0	6,232	0.1	4,132	0.0
Net income	629,098	5.6	841,106	7.2	1,086,004	5.0

(3) Mid-Term Cash Flows

(Yen in thousands)

Item	Term	FY2003 mid-term	FY2004 mid-term	FY2003
		(April 1, 2002 September 30, 2002)	(April 1, 2003 September 30, 2003)	(April 1, 2002 March 31, 2003)
		Amount	Amount	Amount
Cash flows from operating activities				
Net income before tax adjustments		1,149,270	1,393,513	1,885,042
Depreciation expense		1,149,340	984,497	2,297,490
Amortization of consolidated adjustment account		81,879	---	163,759
Loss on revaluation of investment in securities		---	---	95,171
Increase/decrease in allowance for doubtful accounts (: decrease)		12,000	32,092	12,200
Increase/decrease in allowance for employees' retirement benefits (: decrease)		30,207	16,454	36,225
Increase/decrease in allowance for directors' retirement benefits (: decrease)		3,775	415,475	7,550
Increase/decrease for bonus payments (: decrease)		182,084	511	175,552
Interest and dividends received		35,979	13,037	51,550
Interest paid		21,262	16,985	47,006
Loss on sale and disposal of tangible fixed assets		8,283	16,745	54,030
Loss on sale and disposal of intangible fixed assets		2,085	1,815	2,085
Loss on adjustment concerning development		---	---	106,902
Loss on revaluation of membership		1,500	---	3,150
Increase/decrease in accounts receivable (: increase)		897,361	773,883	279,716
Increase/decrease in accounts payable (: decrease)		565,250	180,242	414,799
Increase/decrease in inventories (: increase)		239,063	389,583	105,328
Increase/decrease in accrued expenses (: decrease)		45,021	128,805	74,163
Increase/decrease in accrued consumption tax (: decrease)		36,099	17,065	42,188
Other		825,471	92,670	1,091,261
Bonuses to directors		---	50,000	---
Subtotal		3,244,795	1,726,843	5,999,533
Interest and dividends received		35,979	13,037	30,162
Interest paid		21,262	16,985	47,006
Corporate tax paid		9,396	1,209,911	111,136
Cash flows from operating activities		3,268,908	512,983	5,871,553
Cash flows from investing activities				
Payments for time deposits		500,000	800,000	800,000
Proceeds from repayment of time deposits		500,000	---	500,000
Purchases of marketable securities		99,950	---	99,950
Proceeds from sales of marketable securities		512,599	---	581,263
Purchases of tangible fixed assets		137,104	924,851	706,028
Purchase of intangible fixed assets		110,250	26,000	183,497
Purchases of investment in securities		16,233	1,194	517,434
Proceeds from sales of investment in securities		---	---	300,001
Proceeds from collection of loans		1,393	757	7,816
Purchases of other investments		22,274	17,433	55,362
Proceeds from sales of other investments		33,710	67,542	55,114
Cash flows from investing activities		161,890	1,701,180	918,075
Cash flows from financing activities				
Net increase/decrease in short-term borrowings (: decrease)		344,280	107,361	572,600
Purchases of treasury stock		763,653	2,405	766,486
Dividends paid by parent company		230,236	225,725	443,167
Cash flows from financing activities		1,338,170	335,492	1,782,253
Effect of currency rate exchanges on cash and cash equivalents		110,448	1,345	82,152
Increase/decrease in cash and cash equivalents (: decrease)		1,982,179	1,525,034	3,089,071
Cash and cash equivalents at the beginning of mid-term		10,402,149	13,491,220	10,402,149
Cash and cash equivalents at the end of mid-term		12,384,329	11,966,186	13,491,220