



2004
ANNUAL REPORT



2005,

2,

A 2004, &

E

G

G &

A, G

&

29, 2004

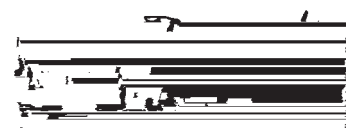
A A 2003,

2004

9%

(C) 21

G



CE



A 2004
121 2003 8,
113 2004. A

Q

A

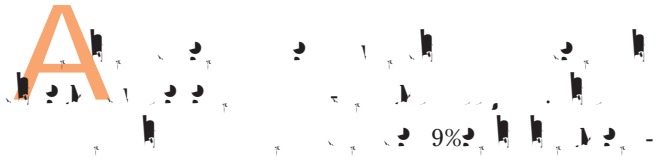
&

E

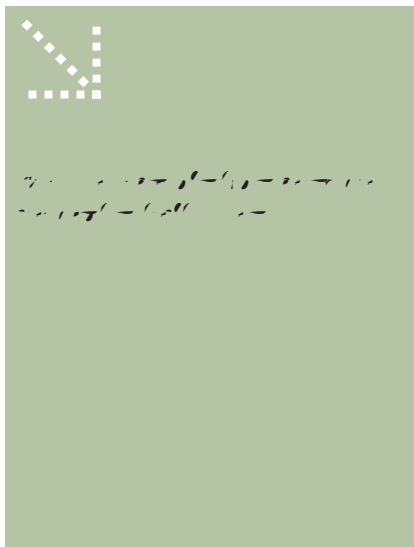
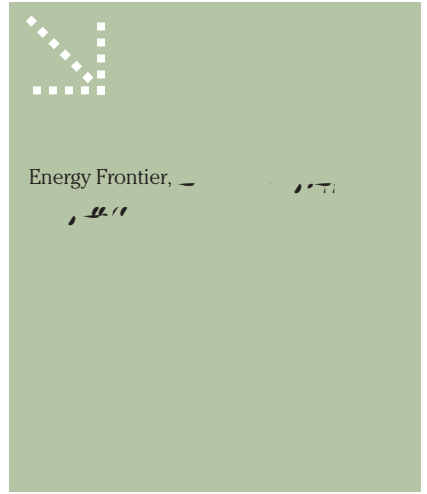
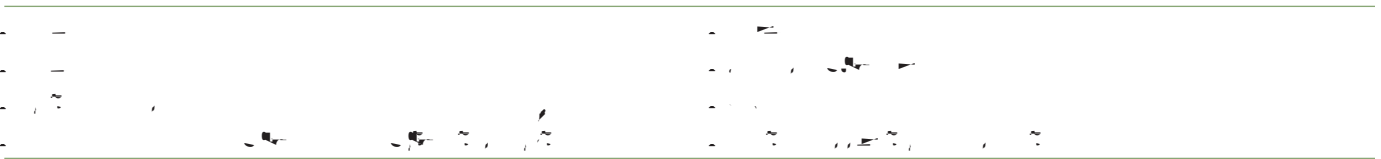
2004

Musical notation for the left staff, including notes and rests. The notation includes the following letters: B, A, B, D, E, G, A, D, G.

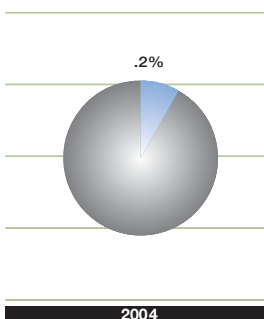
Musical notation for the right staff, including notes and rests. The notation includes the following letter: G.



Review of Operations

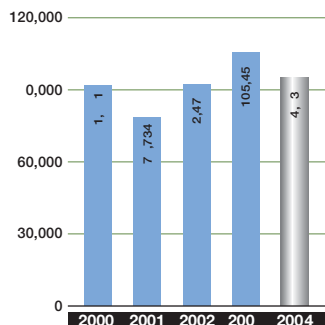


Percentage of Net Sales



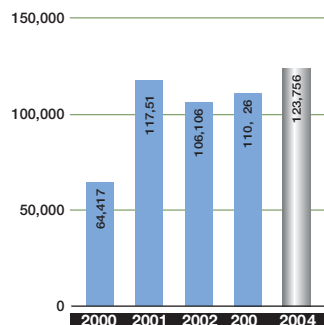
Sales

(Millions of yen)



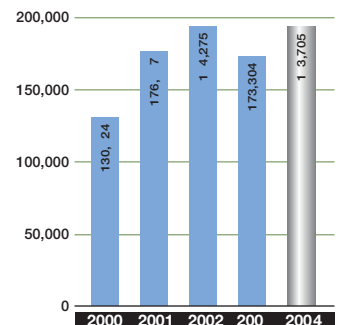
Orders Received

(Millions of yen)



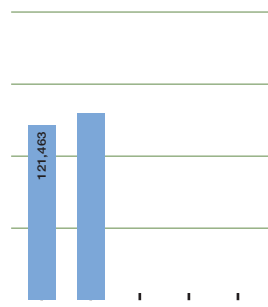
Order Backlog

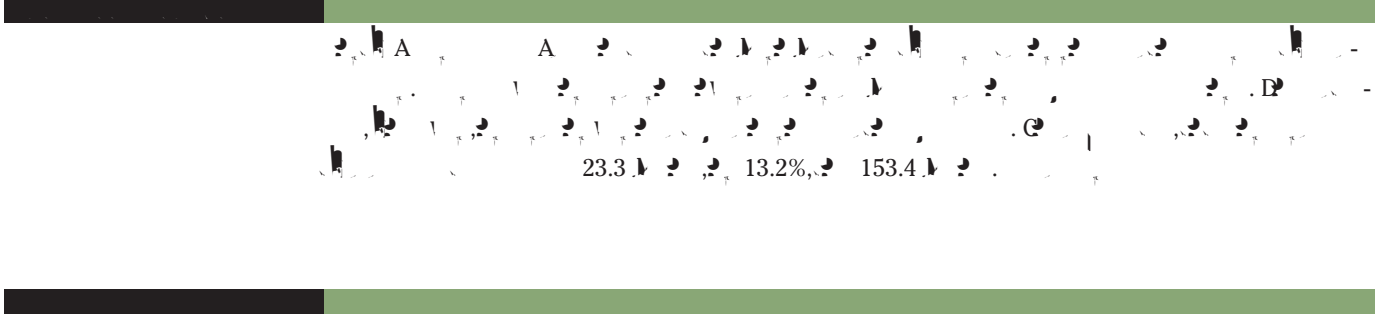
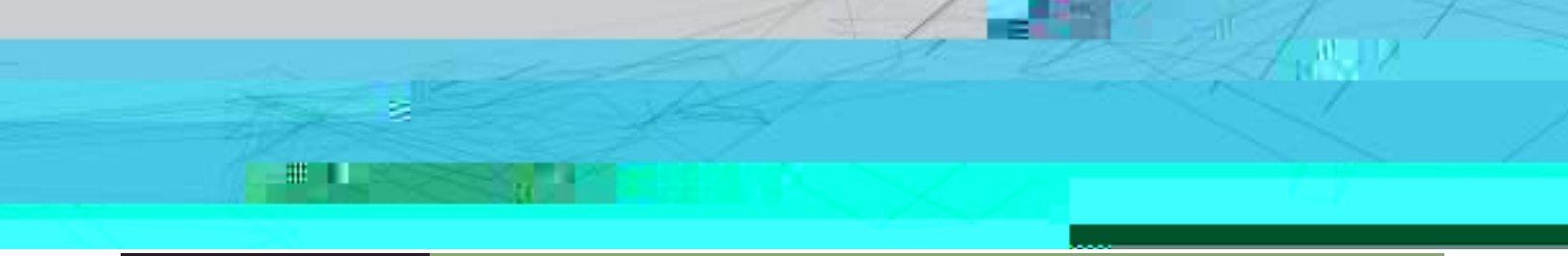
(Millions of yen)



C A
 D 20 G
 CC A
 12.8 11.6% 123.8
 10.0% 10.5 94.9 D
 3.8
 1.4
 2.4 12 G G

G C G
 C
 E G 145,000
 31,2004 B
 G
 G EA-A (E A A), EA-A
 6% 10%
 EA-A

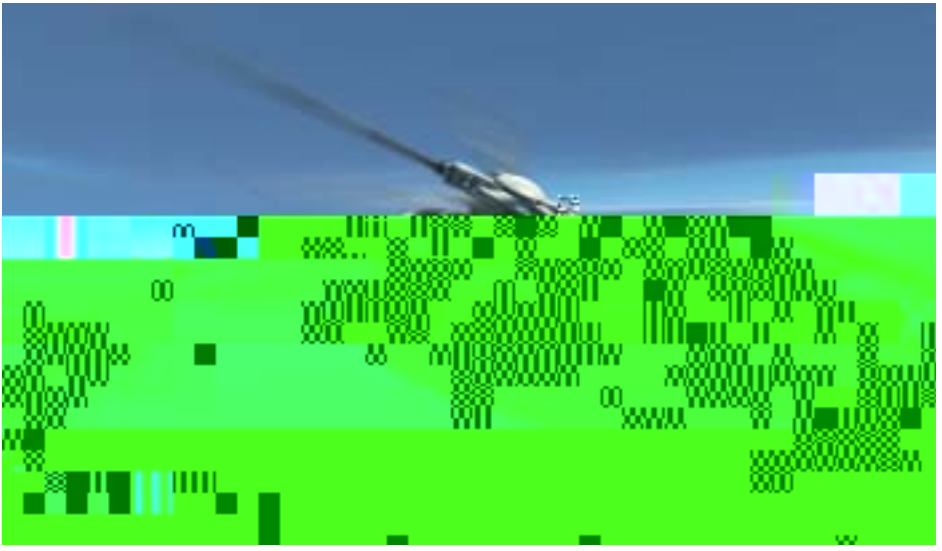




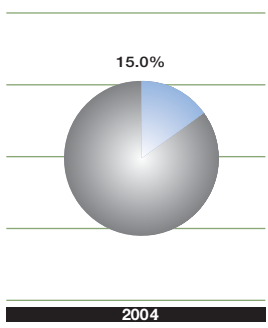


Embraer 170

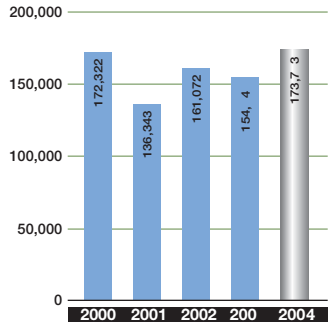
Embraer 170



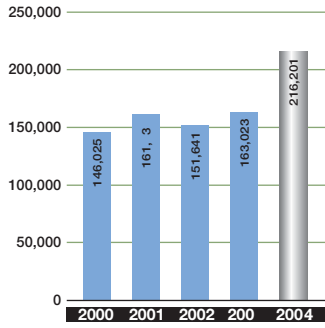
Percentage of Net Sales



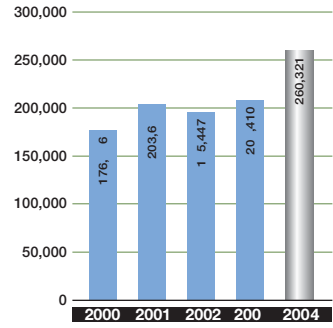
Sales (Millions of yen)



Orders Received (Millions of yen)



Order Backlog (Millions of yen)



DA, C-
 B, C
 53.2, 32.6%, 216.2, 18.9, 12.2%, 173.8
 DA
 C-
 2004.
 1.9, 30.4%, 4.2

D, C- DA, A
 A DA,
 A E 101,
 E A
 B B77 B767 A
 A
 7E7, B
 A
 E B E 170, 175, 190, 195
 F 2004, E 170
 2004. 2003,
 E 190 A
 B E 190
 2004,
 2005.



D

G. A 130.0

3.0 2.3% 14.3

9.5% 136.5

0.7 13.9% 4.5

50 20A, 20

20A

30

150 18,000 7,000

20A

C

A C

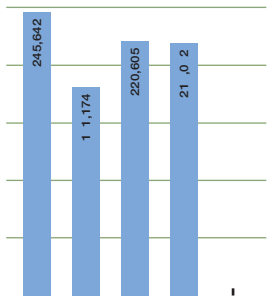
A B& C

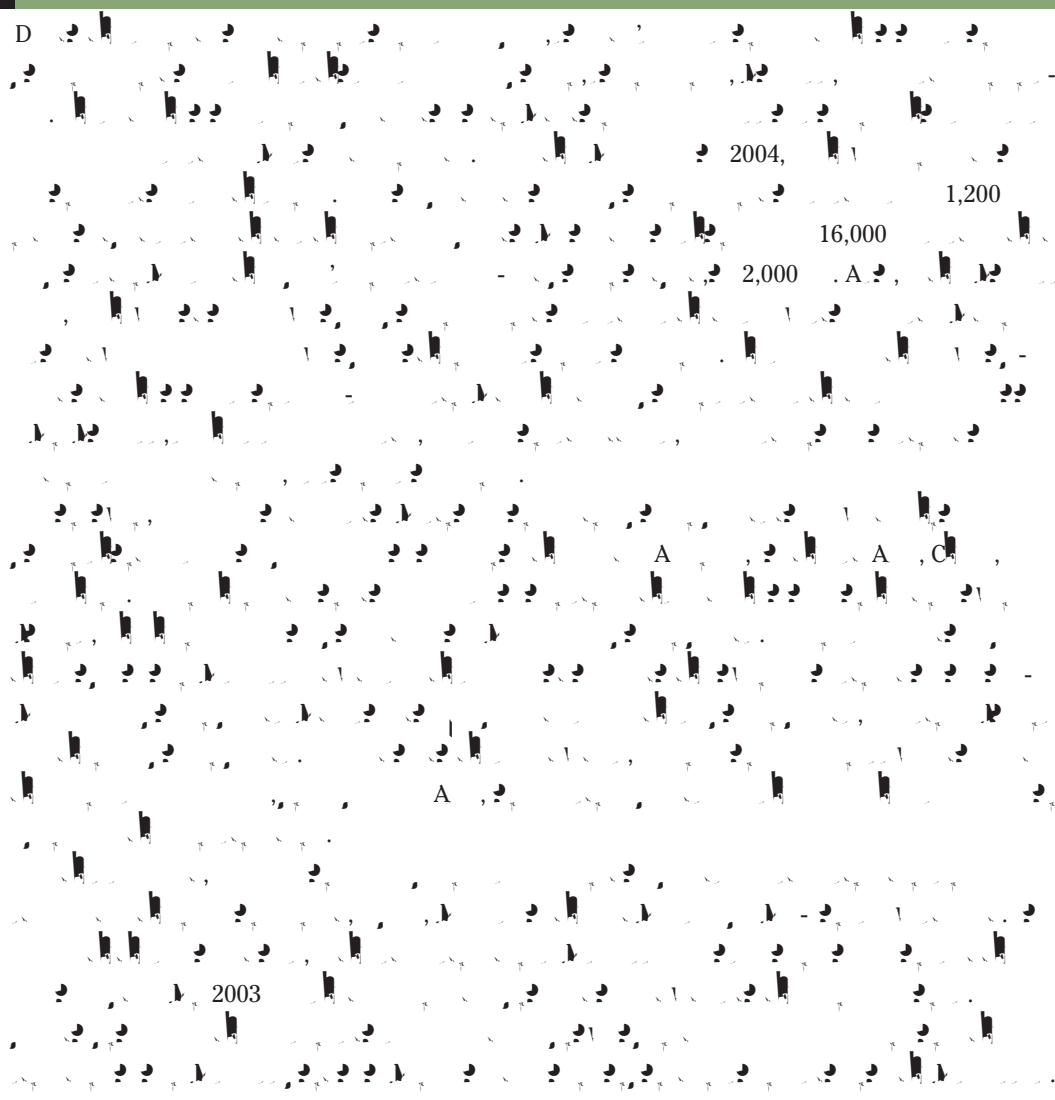
G

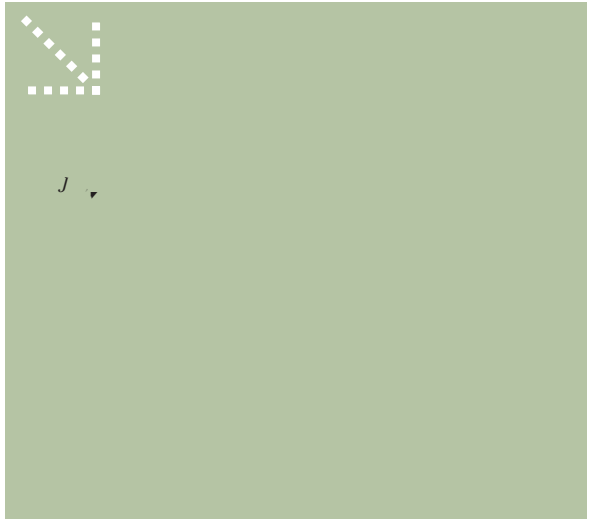
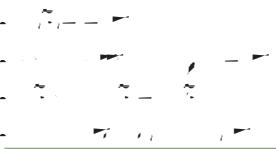
G



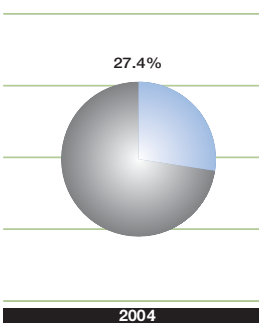
1. 2018年1-6月，全国规模以上工业企业实现利润总额4502.2亿元，同比增长1.1%。其中，国有控股企业实现利润总额1374.5亿元，同比增长0.7%；股份制企业实现利润总额2456.4亿元，同比增长1.7%；外商及港澳台商投资企业实现利润总额700.9亿元，同比增长0.1%；私营企业实现利润总额1117.4亿元，同比增长2.0%。2018年1-6月，全国规模以上工业企业实现主营业务收入152606.9亿元，同比增长0.8%。其中，国有控股企业实现主营业务收入47369.7亿元，同比增长0.5%；股份制企业实现主营业务收入101489.4亿元，同比增长1.0%；外商及港澳台商投资企业实现主营业务收入23967.4亿元，同比增长1.7%；私营企业实现主营业务收入60569.8亿元，同比增长1.5%。



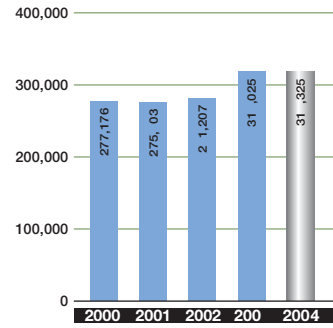




Percentage of Net Sales



Sales (Millions of yen)

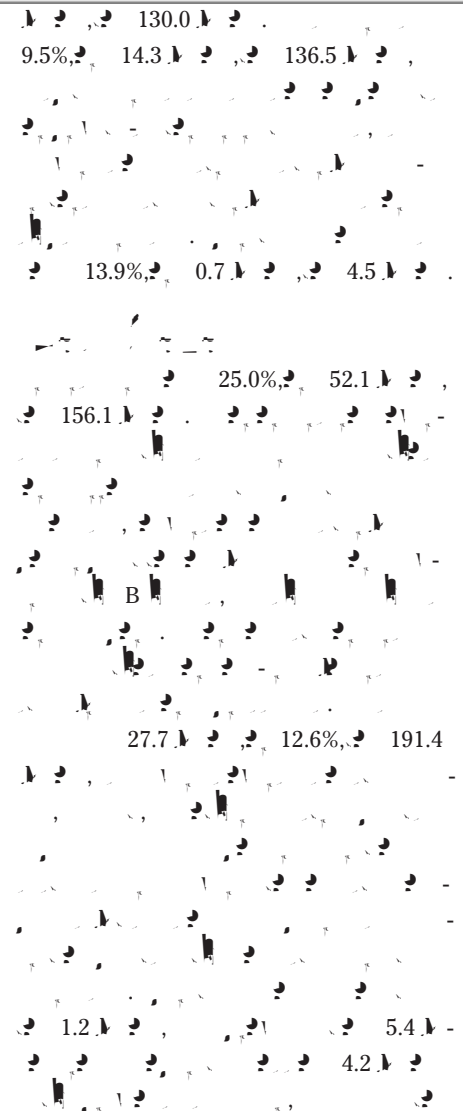
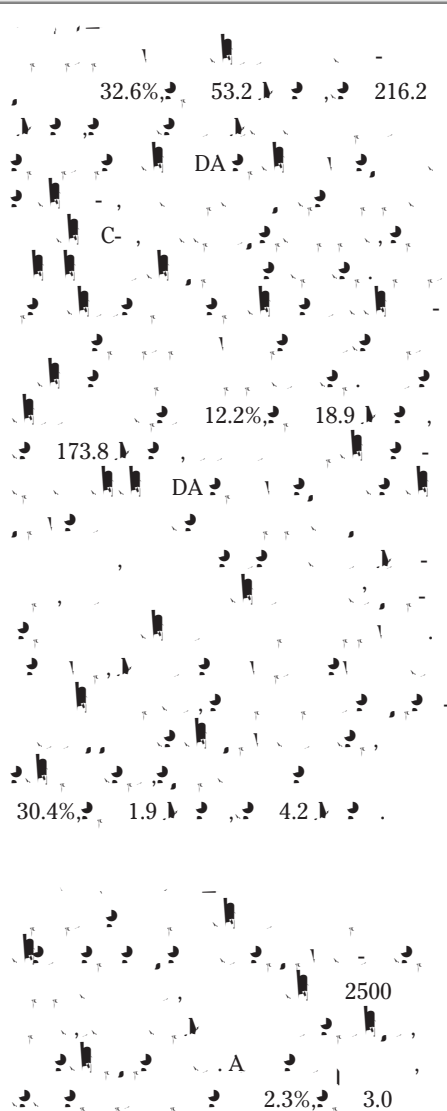
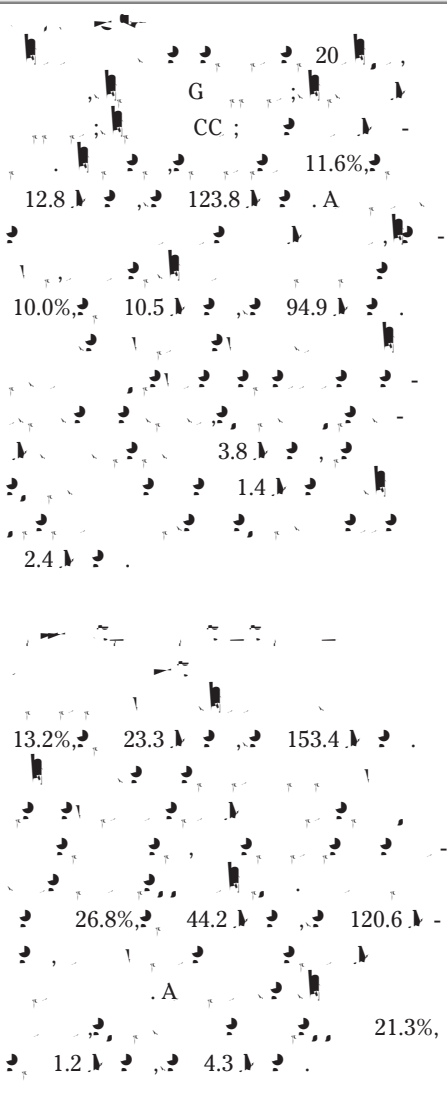


2004

.....	1,239,598	1,144,534	1,060,479	1,149,698	1,202,189
G.....	1,069,341	977,875	924,522	1,008,860	1,045,143
G.....	170,257	166,659	135,957	140,838	157,046
.....	139,714	135,348	131,497	139,587	135,380
.....	30,543	31,311	4,460	1,251	21,666
(.....)	13,022	6,282	(10,320)	(18,632)	(6,132)
C.....	35,165	33,132	32,687	39,685	42,143
D.....					

Management's Discussion and Analysis

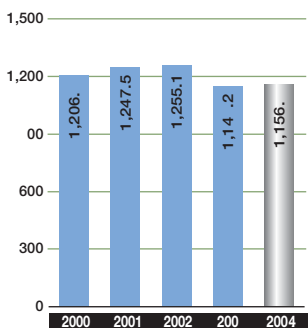
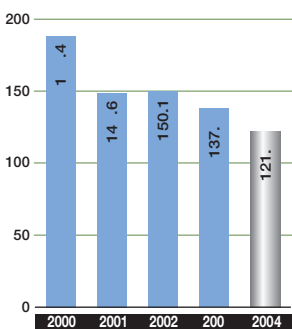
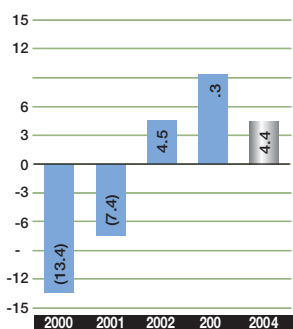
D 2004, 31, 2004, 22.3% 27.2%, 8.3%
 A 51.4%, 6.7%
 6.3%
 A 6.4%, 79.3%
 1,160.3
 B 18.9%
 A



Net Income (Loss) per Share (Yen)

Working Capital (Billions of yen)

Total Assets (Billions of yen)



3,969

Consolidated Balance Sheets

	2004	2003
Cash and cash equivalents	61,185	1,000
Accounts receivable	380,545	1,000
Inventory	17,698	1,000
Prepaid expenses	(5,176)	1,000
Other assets	393,067	1,000
Accounts payable (Accounts 3-5)	342,387	1,000
Deferred tax liability (Accounts 13)	18,423	1,000
Other liabilities	12,900	1,000
Equity	827,962	1,000
Total	1,499,161	1,000
Accounts receivable (Accounts 4-6)	52,146	1,000
Inventory	3,830	1,000
Prepaid expenses (Accounts 5)	14,812	1,000
Other assets	(5,044)	1,000
Accounts payable	65,744	1,000
Deferred tax liability (Accounts 5):	53,430	1,000
Other liabilities	257,088	1,000
Equity	444,124	1,000
Other assets	6,468	1,000
Total	761,110	1,000
Accounts payable	(526,758)	1,000
Equity	234,352	1,000
Total	707,594	1,000
Deferred tax liability (Accounts 13)	10,765	1,000
Other liabilities (Accounts 7)	10,338	1,000
Total	21,103	1,000
Equity	1,149,161	1,000



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Consolidated Statements of Income

	2004	2003	2002
Revenue	1,239,598	1,144,534	1,000,000
Cost of sales	1,069,341	977,875	850,000
Gross profit	170,257	166,659	150,000
Operating expenses (Note 11)	139,714	135,348	120,000
Operating income	30,543	31,311	30,000
Other income	4,684	4,798	5,000
Equity income (Note 12)	(467)	379	500
Other expenses	(10,291)	(12,146)	(10,000)
Other income (Note 12)	(7,241)	(8,348)	(5,000)
Income before taxes	17,228	15,994	15,000
Income tax expense (Note 13):			
C	(11,395)	(6,114)	(5,000)
D	7,555	(3,131)	(2,000)
Income tax expense	(366)	(467)	(7,000)
Income after taxes	13,022	6,282	8,000
Income before taxes (Note 2 (C), (D)):			
Income before taxes	9.3	4.5	5.0
Income tax expense	8.8	4.4	5.0
Income after taxes	2.0	0.0	0.0

Consolidated Statements of Shareholders' Equity

As of and for the periods ended

	2001	2000	1999	1998	1997	1996	
B	31, 2001	1,390,596	81,427	24,682	58,452	13,091	(13,571)

	2004	2004
D	221	269
A	(31,349)	(31,406)
	8,428	10,677
A	(2,208)	(2,904)
	40	133
A	(4,240)	(6,595)
	2,643	205
D ()	(179)	368
A	(1,805)	(2,086)
	762	3,157
	860	93
	(26,827)	(28,089)
	(53,048)	837
	34,129	12,939
	(40,579)	(32,303)
A	(2)	
C	(2)	(5)
C	(99)	(56)
	(59,601)	(18,588)
E	(282)	449
	(29,940)	14,565
C	89,777	75,212
	59,837	89,777
C	61,185	91,344
	(1,348)	(1,567)
	59,837	89,777

Notes to the Consolidated Financial Statements

	31, 2004	31, 2003	31, 2002
()			
E			
F			
E			
()			
GAA			
F B F E			
	105.63		
	\$1.		

(a) Consolidation

	31, 2004	31, 2003	31, 2002
()			
	101	(104)	2003
			105
2002)			
F	31, 2004, 5	(3 2003	2 2002)

(b) Application of the equity method of accounting

	31, 2004	31, 2003	31, 2002
F	16 (15	2003	17 2002)
F	31, 2004,	5 (3 2003	2 2002)
	13 (12	2003	13 2002)

(c) Consolidated subsidiaries' fiscal year-ends

	31, 2004	31, 2003	31, 2002
F	29 (29	2003	31 2002)
			D 31.

(d) Elimination of inter-company transactions and accounts

	31, 2004	31, 2003	31, 2002
A			

(n) Property, plant and equipment

... D (... A, 1998)
... D
A, 1998

(o) Intangible assets

A

(p) Accounting for the impairment of fixed assets

31, 2004, ...
... (... E ... A ... F
A ... B ... A ... D ... C ... A, 9, 2002)
... G ... 6 ... A ... B ... 31, 2003).
... A, 1, 2005, ...

(q) Provision for product warranty

...

(r) Provision for restructuring charges

...

(s) Provision for losses on construction contracts

...

(t) Bond issue expenses

B

(u) Income taxes

...

...

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*riQlosoye nnird dde*et sng rience aalueT*(l.l yu TD(ment of fixed assge*(T)lr acul.)Tj/Fhe stquiasonitites thesaccou*

A 1, 2000 () 31, 2001. A
 10
 E
 C
 50,

(w) Hedge accounting

C
 C

(x) Finance leases

F C
 GAA

(y) Net income per share

D
 E A 1, 2002, C
 (A B .2, A E
 F G .4, G A
 E A B 25, 2002).

(z) Cash dividends

A

(aa) Reclassifications

(C) A 31, 2004 2003

	2004		
E			
E			
E	11,610	19,637	8,027
E	4,395	3,134	(1,261)
	16,005	22,771	6,766

(b) B 31, 2004 2003

	2004	2004
A	25	
E	8,957	
	5,296	
	14,253	
A	18	
	7,538	
	7,556	

(C) 31, 2004, 2003 2002

	2004
E	

	31, 2004	2003	2004	2004
	1.254,	1.374,		
31, 2004	2003,		150,932	
C	1.310,	1.696,		
31, 2004	2003,		50,316	
			201,248	
		2004, 2035,		
	1.505,	1.657,		
31, 2004	2003,		116,887	
1.05,	2003		10,000	
1.94,	2004		20,000	
1.50 1.67,	2005		20,000	
1.87,	2006		10,000	
2.00,	2007		10,000	
2.51 2.775,	2008		20,000	
2.33,	2009		10,000	
0.65 0.90,	2003		19,079	
0.75,	2005		9,609	
1.10,	2006		17,118	
0.90,	2008		7,520	968 7,520

	31, 2004	
2005	55,903	\$ 529,234
2006	49,196	465,739
2007	49,356	467,253
2008	33,260	314,873
2009	79,007	747,960
	<u>266,722</u>	<u>\$2,525,059</u>

31, 2004 2003 12,398
 (\$117,372) 15,108

	2004	2004
		16

(11 7.....)-5 D((\$117

31, 2004 2003

2004

2004

A

41.9, 31, 2004, 2003, 2002. 31, 2003 (31, 2004):

D	41.9%
	9.2
	7.3
	(15.6)
	(9.3)
	(7.5)
	(3.8)
E	<u>22.2%</u>

31, 2004 2003

	2004	2004
D		
E	7,572	
	13,282	
A	3,192	
	3,380	
F	905	
D	1,194	
	5,953	
	1,264	
	11,113	
G	47,855	
	(7,174)	
	40,681	
D		
D	5,110	
	2,999	
	1,247	
	5,246	
	14,602	
	26,079	

41.9, 31, 2002. E A, 1, 2004. B C, 41.9, 40.5, 31, 2003. A 120, 242, 122, 41.9, A 31, 2004, 40.5,

D A

G

G

G

E

G

() 31, 2004 :

C			
E			

(b) 31, 2003 :

C			
E			
	82,555	83,824	(969)
	4,926	4,921	(5)
	6,244	219	(124)
	6,030	60	(34)
			(1,132)

F

(a) As lessee

31, 2004 2003

2004

2004

(b) As lessor

2003 31, 2004

	2004	2004
A	1,870	(927)
	943	
A	140	(90)
	50	

2004 2003 31,

	2004	2004
C	266	

(b) Information by geographic area

Table with 5 columns: Geographic Area, 2004, 2005, 2006, 2007. Rows include A, E, A, and a final unlabeled row.

	2004	2005	2006	2007
A	100	100	100	100
E	100	100	100	100
A	100	100	100	100
	100	100	100	100

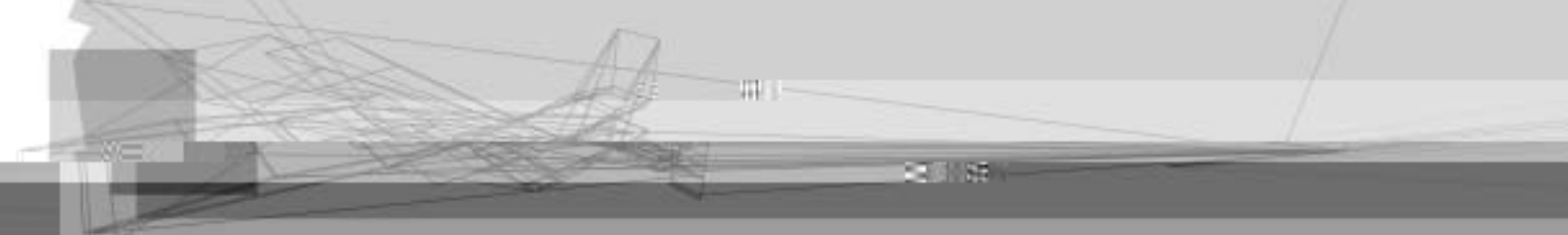
(c) Corporate assets

	2004	2003	2002	2001
Assets	115,811	155,580	108,725	(\$1,096,384)

(d) Overseas sales

	2004		2003	
	Amount	%	Amount	%
U.S.	303,682	24.5%	272,066	23.8%
Europe	92,155	7.4	62,139	5.4
Asia	87,014	7.0	95,832	8.4
Latin America	52,494	4.3	65,988	5.7
Other	535,345	43.2%	496,025	43.3%

U.S. A, Europe, C, E, G



31, 2004 2003, 31, 2004, G

Directors, Corporate Auditors, and Executive Officers



about 1/2 of the board of directors are independent



2
2
*

• - C, E
• () , %
• E, , ,

1-3, C
650-8680,
: 81-78-371-9530
F : 81-78-371-9568

C B
4-1, 2-
105-6116,
: 81-3-3435-2111
F : 81-3-3436-3037

1780
276-0022,
: 81-47-483-1111
F : 81-47-482-3227

1, G
504-8710,
: 81-583-82-5712
F : 81-583-82-2981

3-11, A
498-0066,
: 81-567-68-5117
F : 81-567-68-5090

7-4, A
490-1445,
: 81-567-55-0800
F : 81-567-55-0803

1-1, 3-
650-8670,
: 81-78-682-5001
F : 81-78-682-5500

1-18, 2-
652-0884,
: 81-78-682-3111
F : 81-78-671-5784

1-1, A
673-8666,
: 81-78-921-1301
F : 81-78-913-1366

8-1, 2-
651-2271,
: 81-78-992-1911
F : 81-78-992-1910

2680,
675-1113,
: 81-794-95-1211
F : 81-794-95-1226

8,
675-0155,
: 81-794-35-2131
F : 81-794-35-2132

3 F (307), G B
637, -P -G
405-817,
: 82-32-821-6941
F : 82-32-821-6947

2602, C 1,
C 1, G C A
B 100004,
: 86-10-6505-1350
F : 86-10-6505-1351

13 F BC
101, C A E
A
200120,
: 86-21-6841-3377
F : 86-21-6841-2266

15 F, F - B
99 -A 2,
: 886-2-2322-1752
F : 886-2-2322-5009

17 F, B
952, B
B 10500,
: 66-2-632-9511
F : 66-2-632-9515

6 F, B 162,
10 50250,
: 60-3-2070-5141
F : 60-3-2070-5148

12 F, B
9,
10340,
: 62-21-314-0737
F : 62-21-314-1049

1-1, 3- C
650-8670,
: 81-78-682-5501
F : 81-78-682-5514

1, 762-8507,
: 81-877-46-1473
F : 81-877-46-7006

234, 651-2239,
: 81-78-991-1133
F : 81-78-991-3186

18-31, 1- 533-0033,
: 81-6-6325-0300
F : 81-6-6325-0301

2-16, 3- 651-2271,
: 81-78-992-1400
F : 81-78-993-2076

3175, 236-8540,
: 81-45-773-5100
F : 81-45-773-5101

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: 1-770-499-7000
F : 1-770-421-6842

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 : 1-212-815-2042
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