



# Consolidated Financial Statement

\*Released September 2004

(Hercules Market Code 4290)  
 Contact: Naohiro Nishida  
 Corporate Planning Manager  
 1-4 Kojimachi, Chiyoda-ku, Tokyo 102-0083  
 Email: [ir@prestigein.com](mailto:ir@prestigein.com)  
[www.prestigein.com](http://www.prestigein.com)

## 1. Balance Sheet

	Interim period		Interim period		Fiscal year ended	
	as at 30 June 2003		as at 30 June 2004		as at 31 March 2004	
	in '000 Yen	in %	in '000 Yen	in %	in '000 Yen	in %
<b>Assets</b>						
I. Current Assets						
1. Cash on hand and in banks	631,142		1,651,357		696,549	
2. Accounts receivable - trade	820,817		930,233		827,958	
3. Inventories	13,732		4,045		6,246	
4. Short term loans	109,228		-		-	
5. Accrued revenues	-		-		153,008	
6. Deferred tax assets	111,061		-		-	
7. Other current assets	147,417		240,095		284,189	
8. Reserve for bad debts	(8,193)		(5,954)		(7,926)	
Total current assets	1,825,204	72.7%	2,819,778	73.2%	1,960,025	66.5%
II. Fixed Assets						
1. Tangible fixed assets						
(1) Buildings and structures	-		456,470		466,390	
(2) Machinery, tools and equipment	136,460		-		-	
(3) Other tangible assets	88,678		121,714		90,998	
Total tangible assets	225,139	9.0%	578,184	15.0%	557,389	18.9%
2. Intangible fixed assets						
(1) Consolidated goodwill	74,795		63,714		66,485	
(2) Other intangible assets	100,930		90,302		97,635	
Total intangible fixed assets	175,725	7.0%	154,017	4.0%	164,120	5.6%
3. Investments and other assets						
(1) Investment in securities	308,995		371,087		335,789	
(2) Deferred tax assets	14,016		-		-	
(3) Provision for bad debts	(37,402)		(70,328)		(68,309)	
Total investments and other assets	285,608	11.4%	300,759	7.8%	267,480	9.1%
Total fixed assets	686,473	27.3%	1,032,961	26.8%	988,991	33.5%
<b>Total assets</b>	<b>2,511,678</b>	<b>100.0%</b>	<b>3,852,739</b>	<b>100.0%</b>	<b>2,949,017</b>	<b>100.0%</b>

	Interim period		Interim period		Fiscal year ended	
	as at 30 June 2003		as at 30 June 2004		as at 31 March 2004	
	in '000 Yen	in %	in '000 Yen	in %	in '000 Yen	in %
<b>Liabilities and Equity</b>						
I. Current Liabilities						
(1) Accounts payable - trade	446,034		554,681		454,808	
(2) Short-term loans payable	75,295		274,000		174,000	
(3) Accrued income tax	24,205		-		-	
(4) Accrued expenses	162,148		-		-	
(5) Advances received	489,464		627,309		328,402	
(6) Deferred tax liabilities	35		-		-	
(7) Accrued bonuses	-		86,958		50,276	
(8) Other current liabilities	231,948		491,774		270,279	
Total current liabilities	1,429,132	56.9%	2,034,724	52.8%	1,277,765	43.3%
II. Long-term liabilities						
(1) Long-term loans	-		356,000		362,000	
(2) Provision for retirement allowance	6,669		9,477		9,125	
(3) Deferred tax liabilities	113		-		-	
(4) Other long-term liabilities	54,794		12,435		18,182	
Total long-term liabilities	61,577	2.5%	377,912	9.8%	389,308	13.2%
<b>Total Liabilities</b>	<b>1,490,710</b>	<b>59.4%</b>	<b>2,412,636</b>	<b>62.6%</b>	<b>1,667,075</b>	<b>56.5%</b>
<b>Shareholders equity</b>						
I. Share capital	809,200	32.2%	816,839	21.2%	809,752	27.5%
II. Legal capital reserve	793,075	31.6%	800,714	20.8%	793,627	26.9%
III. Accumulated net loss	(560,177)	-22.3%	(165,700)	-4.3%	(292,728)	-9.9%
IV. Securities and other valuation margins	(34,980)	-1.4%	(1,001)	0.0%	(12,390)	-0.4%
V. Foreign currency exchange adjustment	13,851	0.6%	(10,749)	-0.3%	(16,320)	-0.6%
<b>Total shareholders equity</b>	<b>1,020,967</b>	<b>40.6%</b>	<b>1,440,103</b>	<b>37.4%</b>	<b>1,281,941</b>	<b>43.5%</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,511,678</b>	<b>100.0%</b>	<b>3,852,739</b>	<b>100.0%</b>	<b>2,949,017</b>	<b>100.0%</b>



PRESTIGE  
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## 2. Income Statement

	Interim period		Interim period		Fiscal year ended	
	as at 30 June 2003		as at 30 June 2004		as at 31 March 2004	
	in '000 Yen	in %	in '000 Yen	in %	in '000 Yen	in %
I. Sales	1,670,168	100.0%	1,881,128	100.0%	7,101,370	100.0%
II. Cost of sales	1,252,910	75.0%	1,405,786	74.7%	5,359,565	75.5%
<b>Gross profit on sales</b>	<b>417,257</b>	<b>25.0%</b>	<b>475,341</b>	<b>25.3%</b>	<b>1,741,804</b>	<b>24.5%</b>
III. Selling, general and administrative expenses	310,980	18.6%	273,067	14.5%	1,282,890	18.1%
<b>Operating profit</b>	<b>106,276</b>	<b>6.4%</b>	<b>202,274</b>	<b>10.8%</b>	<b>458,913</b>	<b>6.5%</b>
IV. Non-operating income						
1. Interest income	2,254		1,150		8,994	
2. Foreign exchange gains	16,451		-		-	
3. Rental income	-		907		4,904	
4. Sales commission received	-		536		-	
5. <u>Other income</u>	<u>992</u>		<u>548</u>		<u>2,442</u>	
Total non-operating income	19,698	1.2%	3,142	0.2%	16,341	0.2%
V. Non-operating expenses						
1. Interest expenses	1,636		2,643		9,355	
2. Foreign exchange loss	-		4,085		-	
3. Provision for bad debts	-		-		32,757	
4. Relocation expenses	12,218		-		36,067	
5. <u>Other expenses</u>	<u>2,007</u>		<u>509</u>		<u>9,130</u>	
Total non-operating expenses	15,863	0.9%	7,239	0.4%	87,310	1.2%
<b>Ordinary profit</b>	<b>110,111</b>	<b>6.6%</b>	<b>198,177</b>	<b>10.5%</b>	<b>387,945</b>	<b>5.5%</b>
VI. Extraordinary Income						
1. Profit on disposal of fixed assets	-		-		206	
2. Reversal of provision for bad debts	-		1,526		-	
3. Subsidy for equipment & building	-		-		94,281	
4. <u>Other extraordinary income</u>	<u>-</u>		<u>50</u>		<u>5,030</u>	
Total extraordinary income	-	0.0%	1,576	0.1%	99,517	1.4%
VII. Extraordinary expenses						
1. Loss on disposal of fixed assets	6,852		-		18,690	
2. Relocation expenses	-		17,379		-	
3. Loss on write-down of securities	-		-		16,700	
4. Extraordinary provision for retirement allowance	11,210		-		11,156	
5. <u>Other extraordinary expenses</u>	<u>-</u>		<u>-</u>		<u>6,471</u>	
Total extraordinary expenses	18,063	1.1%	17,379	0.9%	53,018	0.7%
<b>Net profit/loss before tax</b>	<b>92,048</b>	<b>5.5%</b>	<b>182,375</b>	<b>9.7%</b>	<b>434,444</b>	<b>6.1%</b>
Taxes	2,702	0.2%	30,128	1.6%	36,192	0.5%
Deferred tax expenses	3,613	0.2%	25,220	1.3%	45,069	0.6%
<b>Net profit/loss</b>	<b>85,731</b>	<b>5.1%</b>	<b>127,026</b>	<b>6.8%</b>	<b>353,183</b>	<b>5.0%</b>