

Consolidated Interim Financial Statements

October 29,2004

For the First Half of Fiscal Year 2004(April 1,2004 to September 30,2004)

AICHI MACHINE INDUSTRY CO.,LTD.

Code No. : 7263
 URL : http://www.aichikikai.co.jp
 Stock Exchange Listed : Tokyo and Nagoya Stock Exchange First Section
 Corporate Headquarters : 2-12, Kawanami cho, Atsuta ku, Nagoya, 456-8601, Japan
 Corporate Representative : Masato Nakagawa, President and CEO
 Investor Relations : Yoshio Kokuryou, General Manager, Business Administration Department
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Date of the meeting of the Board of Directors for approval
 of non consolidated interim financial statements : October 29,2004
 Adoption of U.S.GAAP : None

1.Consolidated Financial Results for the First Half of Fiscal Years Ended September 30,2004 and 2003

(1)Consolidated Results of Operations (million yen, except per share amount)

	Sales		Operating Income		Ordinary Income	
Six Months ended Sep.30,2004	62,842	7.0%	2,485	32.1%	2,499	22.1%
Six Months ended Sep.30,2003	58,758	(10.1)%	1,881	110.8%	2,047	169.1%
Year ended Mar.31,2004	120,836		4,170		4,416	

	Net Income		Net Income per Share		Diluted Net Income per Share	
Six Months ended Sep.30,2004	1,422	(47.6)%	15.70 yen		-	
Six Months ended Sep.30,2003	2,714		29.96 yen		-	
Year ended Mar.31,2004	5,344		58.99 yen		-	

Notes: 1. Equity in earnings(losses) of affiliates :
 For the first half of fiscal year ended Sep.30,2004: - million yen
 For the first half of fiscal year ended Sep.30,2003: - million yen
 For the fiscal year ended Mar.31,2004: - million yen
 2. Average number of shares outstanding:
 Six Months ended Sep.30,2004: 90,598,865 shares
 Six Months ended Sep.30,2003: 90,607,267 shares
 Year ended Mar.31,2004: 90,605,820 shares
 3. Change in accounting policy: None
 4. Percentage above represent annual changes over the preceding year unless otherwise stated.

(2)Consolidated Financial Positions (million yen, except per share amount)

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity to Total Assets	Shareholders' Equity per Share
Six Months ended Sep.30,2004	93,163	49,731	53.4 %	548.93 yen
Six Months ended Sep.30,2003	88,698	46,010	51.9 %	507.81 yen
Year ended Mar.31,2004	92,480	48,292	52.2 %	533.02 yen

Note: Number of shares issued and outstanding at the end of each of period(consolidated)
 As of Sep.30,2004: 90,597,798 shares
 As of Sep.30,2003: 90,605,850 shares
 As of Mar.31,2004: 90,601,908 shares

(3)Consolidated Cash Flows (million yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of the Period
Six Months ended Sep.30,2004	4,963	(10,489)	5,292	1,856
Six Months ended Sep.30,2003	3,721	(3,682)	(159)	2,183
Year ended Mar.31,2004	6,992	(2,473)	(4,605)	2,091

(4)Number of consolidated companies and companies accounted for using the equity method

The number of consolidated subsidiaries: 6
 The number of unconsolidated subsidiaries accounted for using the equity method: -
 The number of affiliates accounted for using the equity method: -

(5)Change of reporting entities

The number of consolidated companies added: -
 The number of consolidated companies removed: 1
 The number of companies carried by the equity method added: -
 The number of companies carried by the equity method removed: -

2. Consolidated Financial Forecasts for the Fiscal Year ending March 31,2005

(million yen, except per share amount)

	Sales	Ordinary Income	Net Income
Year ending Mar.31,2005	130,000	5,400	2,200

(Reference) Expected Net Income per Share: 24.28yen

Management of the Company has made estimates and assumptions relating to financial forecasts based on information available as of the reporting date. Actual results could differ from those estimates.
 Amounts are disregarded to omit fraction less than 1 million yen, through this report.