2007/03 Term

Summary of Interim Financial Statements for the Half-year Ended September 30, 2006 (Consolidated)

November 17, 2006

Company name SEIKOH GIKEN Co., Ltd. Listed market JASDAQ
Code number 6834 (URL http://www.seikoh-giken.co.jp) Location Chiba Prefecture
Representative Title President & CEO Name Masatoshi Ueno
For inquiry Department in charge Management Planning Office Name Yuji Saito, Team Leader TEL +81-47-388-6401
Date of Board of Directors Meeting for closing November 17, 2006
U.S. GAAP None

1. Consolidated business results for interim term ended September 2006 (April 1, 2006 - September 30, 2006)

(1) Consolidated business performance

	Sales amount		Operating profit		Ordinary profit	
	¥Million	%	¥Million	%	¥Million	%
Interim term ended September 2006	3,382	[5.5]	5	[(99.3)]	66	[(92.5)]
Interim term ended September 2005	3,207	[(5.0)]	788	[(26.9)]	892	[(24.6)]
2006/03 Term	6,304		1,048		1,217	

	Net profit		Net profit per share	Fully diluted earnings per share in net profit
	¥Million	%	Yen Sen	Yen Sen
Interim term ended September 2006	308	[(38.2)]	33.47	33.41
Interim term ended September 2005	499	[(51.5)]	54.16	54.08
2006/03 Term	756		81.11	80.93

(Notes) 1. Investment profit (loss) on equity method: [Interim term ended September 2006] - ¥Million / [Interim term ended September 2005] - ¥Million / [2006/03 term] - ¥ Million
2. Average number of shares issued (consolidated): [Interim term ended September 2006] 9,228,488 shares / [Interim term ended September 2005] 9,224,437 shares / [2006/03 Term] 9,225,222 shares
3. Changes in accounting procedures: None
4. Percentage figures for Sales amount, Operating profit, Ordinary profit and Net profit show the changes from the previous term.

(2) Financial conditions

	Total assets	Net assets	Net worth ratio	Net assets per share
	¥Million	¥Million	%	Yen
Interim term ended September 2006	26,207	24,491	93.5	2,653.68
Interim term ended September 2005	25,797	24,256	94.0	2,629.61
2006/03 Term	26,227	24,709	94.2	2,676.77

(Note) Number of shares issued (consolidated): [Interim term ended September 2006] 9,229,386 shares/ [Interim term ended September 2005] 9,224,466 shares / [2006/03 Term] 9,228,166 shares

(3) Consolidated cash flow conditions

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Balance of cash and cash equivalents at end of term
	¥Million	¥Million	¥Million	¥Million
Interim term ended September 2006	468	(557)	(361)	2,415
Interim term ended September 2005	574	(2,834)	(457)	2,505
2006/03 Term	1,570	(3,502)	(450)	2,863

(4) Matters regarding the scope of consolidation and application of the equity method
Consolidated subsidiaries: 5; Equity method non-consolidated subsidiaries: 0; Equity-method affiliates: 0

(5) Changes in the scope of consolidation and application of the equity method
Consolidated subsidiaries (New): 1; (Excluded): 0; / Equity-method subsidiaries (New): 0; (Excluded): 0

2. Forecasts of consolidated performance for 2007/03 Term (April 1, 2006 - March 31, 2007)

	Sales amount	Ordinary profit	Net profit
	¥Million	¥Million	¥Million
Full year	7,200	160	330

(Reference) Forecast of net profit per share for 2007/03 term (full year): 35.75 yen

*The above estimated figures are calculated based on the information available as of the date of disclosure of this material, and they include considerably uncertain factors. Actual results may differ depending on changes in business circumstances, etc. Please refer to page 8 for the matters concerning the forecasts stated above. The figures included in this report are rounded off for the monetary amounts displayed and rounded for the percentages and others displayed.

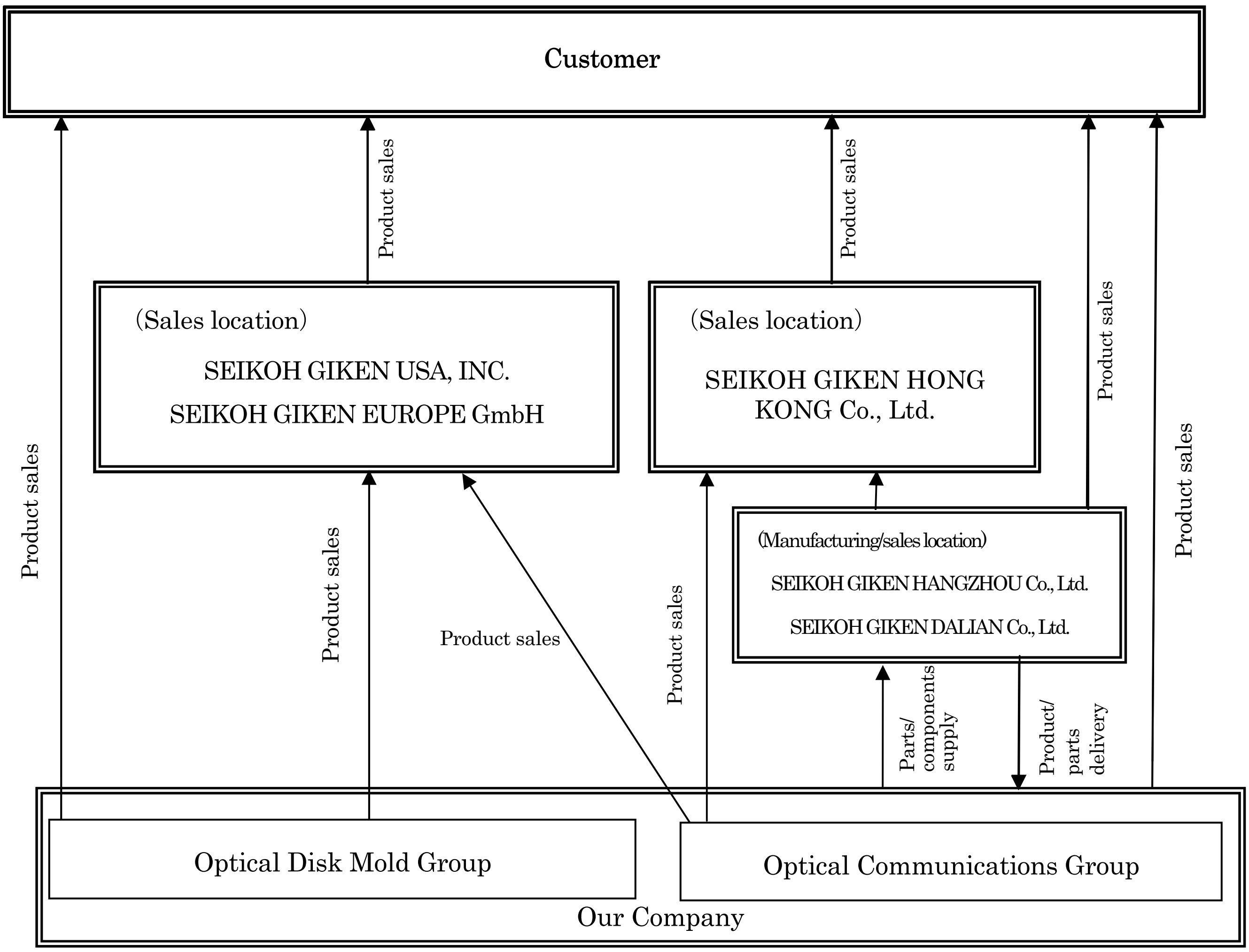
1. Conditions of SEIKOH GIKEN Group

The SEIKOH GIKEN Group, the Company and five consolidated subsidiaries, consists of two core segments, the Optical Disc Mold segment that handles the design, production and sale of precision molds centering on optical disk molds, and the Optical Communications segment that handles the production and sale of optical components for optical telecommunication and manufacturing devices for optical components.

The relationship between the Company and its subsidiaries concerning the relevant business is as follows;

Main products of each division		Subsidiaries constituting the Company Group and their functions	
Div.	Main products	Manufacturing	Marketing
Optical disc mold	Optical disc molds etc.	Our Company	Our Company SEIKOH GIKEN USA, INC. (U.S.A.) SEIKOH GIKEN EUROPE GmbH (Germany)
Optical communications	Optical connector Optical connector chord Optical attenuator Ferrule Optical connector polisher, etc.	Our Company SEIKOH GIKEN HANGZHOU Co., Ltd. (China) SEIKOH GIKEN DALIAN Co., Ltd. (China)	Our Company SEIKOH GIKEN USA, INC. (U.S.A.) SEIKOH GIKEN EUROPE GmbH (Germany) SEIKOH GIKEN HANGZHOU Co., Ltd. (China) SEIKOH GIKEN DALIAN Co., Ltd. (China) SEIKOH GIKEN HONG KONG Co., Ltd. (China)

The group companies are as shown below:



2. Management policies

(1) Basic policies of corporate management

Our management philosophy is "Based on outstanding technologies and creativity, we will supply high-quality products, contribute to the social evolution and development, and pursue the growth of the company and the happiness of employees, while at the same time fulfilling our social responsibilities." To realize this philosophy, we have set up the following five management policies. We will aim at attaining the contribution to the society by implementing these policies without fail and increasing the corporate value.

1) Customer satisfaction

All employees will hold the viewpoint of customer satisfaction and will work to improve our products in terms of quality, price, delivery time and services to make our company trustworthy at all times.

2) Stable growth

We want to become a company that is constantly expanding, through reinforcing our customer bases, establishing an efficient organizational structure and increasing the employee profitability per capita.

3) Top share of the world

From the international perspective, we will create a new value by promoting the continued technological development and the acquisition of intellectual property. We will aim at the world's top share, offering the world's most trusted products (or brand).

4) Growth of individuals

We will support the individual growth of our employees through self-development and training, and increase the power of the organization as a whole by bringing about the best quality and the maximum capability in each employee.

5) Social contribution

We will contribute to the creation of a better society and a better environment through our business activities, by strictly abiding by laws and regulations as a member of society, and achieve mutual prosperity with all cooperators around us.

(2) Basic policies for allocation of earnings

From the viewpoint of our management policy attaching more importance to our shareholders, we will continue to pay a stable dividend of ¥30 per share/annum to the shareholders. We also have a policy to return our profits to our shareholders according to our profits, aiming at over 30% of the consolidated net profits. Regarding the use of the internal reserves, we will use them in facilities investment for expanding the existing businesses and for the development of a new business and new technology/new products to reinforce our business base and further enhance our corporate value.

(3) Concept and policy on reducing the unit of share trading

We consider reducing the unit of share trading to be an important management issue for increasing the number of personal investors and revitalizing the share distribution in the market. At present, however, we have not determined specific measures and an implementation schedule yet.

(4) Management index targets

In order to accomplish the stable growth of our operating revenue, we regard the expansion of the existing business and the development of new businesses as important management targets. We are carrying out management activities with an emphasis on aiming to increase the amount of sales and profits through the effective utilization of management resources, aggressive business investment and the pursuit of efficiency.

(5) Management strategies in the long and medium terms

The information and telecommunication industries in which the Company and the group subsidiaries are doing business at present are characterized by extremely serious waves of changes. The equipment investments by our customers are prone to be influenced by the market trends, which tends to have a significant impact on the business performance of our Group. We have set up the medium-term management policies as follows so as to attain a stable business growth under such circumstances and continue to increase the shareholders' value of the Company.

1) Growth of existing businesses

i. Expansion of business fields

To realize the growth of the existing businesses in the mid/long term, it is essential to develop strategies in consideration of the business lifecycle. Based on the "high-precision processing technology" we have created since the corporate foundation, we will continue to expand the business fields into a new and growing market before the existing markets mature and start to shrink.

ii. Growth of profit

In the existing businesses, we have continued to increase our sales amount by expanding the business in the Optical Communications Group since last year. In the mid/long term, we will pursue the optimization of manufacturing, distribution, and marketing aiming to increase profits through more efficient business operations, ensuring an organic linkage with each of our Group Companies.

iii. Development of technology

To launch as many new products as possible that have the creativity capturing the market needs, we will promote the application of the "high-precision processing technology" and "precision polish technology" owned in the Company and emphasize the development of technology by building up aggressive alliances with external research institutes, universities and business corporations.

2) Creation of new businesses

i. Participation in a growing market

In addition to information/telecommunications industries our Company Group puts a great emphasis on, we will go into a new business area related to such industries as "automotive/energy" and "medical/biotech" that can expect market growth in the future, and construct a diversified business portfolio on a planned basis.

ii. Development/introduction of new technology

Our Company Group is pursuing "the ONLY ONE technology" that cannot be imitated by others, and is aiming at the development of creative products that will contribute to the progress/development of the society. We are committed to the internal development of new technology in order to launch overwhelmingly superior products into the market. To shorten the time required for internal development, we will aggressively promote the introduction of external technology including M&A.

iii. Clarification and implementation of business plans

To launch a new business effectively, it is essential to clarify business plans such as the establishment of a business vision to begin with, market analysis, management resources analysis, examination of business profitability, implementation plans and so forth. After starting to tackle new business promotions, we will examine the effectiveness of business development through the progress confirmation on a regular basis and materialize the business launch as soon as possible.

(6) Issues to be addressed by the Company

1) Continuous growth of the existing business

To maintain or increase our market share and continuously improve our brand value in the highly competitive market, the following features are necessary: a wide range of product lineups, highly reliable quality, sales networks that efficiently cover the market, and the capacity for technological development to realize the customers' requests. Through the establishment and improvement of internal technology development and the promotion of marketing strategies, we intend to develop/strengthen such efforts through positive alliances with other companies and expand our sales and profits in a sustainable manner.

2) Efficiency improvement

Further to the acquisition of the optical business operations from Seiko Instruments Inc. (SII) last year, we acquired the marketing operations of the optical device business from NEC TOKIN Corporation in June this year. This added to the customer base of our company and expanded the range of our own technology the product line-up. At present, we are in the process of integrating similar products among the increased number of products and enhancing the manufacturing productivity by unifying the vendors of materials and the manufacturing processes. In addition, we will continue to reduce the manufacturing cost further by starting local purchasing of parts and materials and by manufacturing the parts, which we used to purchase from outside, at our Chinese production base.

3) Enhancement of development

It is necessary for us to accelerate the speed of aggressive business development and new product development in order to expand continuously the value of our Company Group for the future and enhance the market competitiveness. We will make efforts to improve the level of our internal technological seeds by aggressively creating opportunities to meet development needs with participation in the marketing activities and exhibitions, by gathering ideas for new business and new product development and by making alliances with other companies, universities and research institutes. Furthermore, we will hold regular opportunities for technology exchange between engineers of different divisions of the Company and aim at creating innovative technology through mutual synergy of engineers.

4) Social contribution

The Company acquired the certification of ISO14001 last year. We will continue to take stronger measures for global environmental protection by maintaining/improving these efforts in the future. In addition, we acquired the certification of ISMS (Information Security Management System) and the certification of BS7799 in March this year. We plan to renew this as the certification of ISO27001 by the end of this fiscal year. We are committed to becoming a business corporation continuing to contribute to the society on a permanent basis by making an appropriate administration of important information property such as our core technological information including personal information of our shareholders and customers and becoming a corporation trusted by all the stakeholders of our Company.

(7) Matters related to the parent company

This item does not apply to our company since our Company does not have any parent company.

3. Business results and financial conditions

(1) Business results

(Summary)

With regard to the Japanese economy in the current consolidated interim accounting term, sales quantities were on an increasing trend, coupled with steady exports, and business conditions that were stable. Although, the increasing prices of raw materials negatively affected the corporate profits. Since the employment/income environment is in an improvement tendency, personal spending are in a steady trend, and there is a prevailing observation that the economy has got out of deflation and is shifting toward a stable growth course.

In the meantime, looking at the world economy, corporate equipment investment and personal spending are staying strong although there is a declining tendency of housing investment in the economy of the U.S.A. The European economy is maintaining the growth since strong corporate profits are pushing up consumption. The Asian economy also continued to grow under the support of both domestic demands and exports.

In the information and telecommunications industries that are in the peripheral areas of our Company Group, digital devices such as personal computers, mobile phones and LCD television sets expanded in terms of functionality and maturity, and the business competition in technology innovation and price is getting all the more stringent. The use of the Internet is expanding with the U.S.A. and Japan taking the lead, and the construction of the information telecommunications infrastructure using optical fiber is intensifying. The next-generation optical disc as a successor to DVD is experiencing the development competition between the two different specifications, and the DVD recorders and the players under the two different specifications have been put into the market. The full-fledged mass production, however, is still to come.

Under such business environment, the sales amount in the current consolidated interim accounting term was ¥3,382 million (up 5.5% in year-to-year comparison). In the profit/loss statement, the ordinary profit was ¥66 million (down 92.5% in year-to-year comparison) and the net profit in the interim period was ¥308 million (down 38.2% in year-to-year comparison), since the sales revenue of the comparatively profitable Optical Disc Mold Group was largely reduced.

(Summary by segment)

1) Optical Disc Mold

In the market surrounding the Optical Disc Mold Group, whose major product are optical disc molds, the price of polycarbonate as raw materials for an optical disc board increased, while the market price for the recording DVDs is on the decline. Therefore, the optical disc manufacturers as the users of our Company's molds are positioned in very severe business conditions. In addition, the facility investment by the optical disc manufacturers in the current consolidated interim accounting term shrank drastically in year-to-year comparison since there were few hits of DVD video software. Consequently, the sales amount of the Optical Disc Mold Group in the current consolidated interim accounting term was ¥1,036 million (down 58.1% in year-to-year comparison). As the sales revenue decreased, the operating profit shrank to ¥70 million (down 92.1% in year-to-year comparison).

2) Optical Communications

In the market surrounding the Optical Communications Group handling optical telecommunication parts and the related manufacturing devices as main products, the information telecommunications networks using optical fibers is expanding centering on domestic markets and the U.S.A. market. Under these circumstances, further to acquisitions of the optical business operations from Seiko Instruments Inc. (SII) and its subsidiary company in September last year, we also acquired the optical device operations from NEC TOKIN Corporation in June this year, strengthening our competitiveness with acquisition of new products and technology. In addition, we established SEIKOH GIKEN HONG KONG Co., Ltd. (China) playing the role of the core base in the Asian regions with the reinforced marketing power and logistics functions to expand the base networks in our Company Group. As a result, the sales revenue of the Optical Communications Group in the current consolidated interim accounting term increased greatly as compared with the year-t-year comparison to ¥2,345 million (up 219.8% in year-to-year comparison). In the profit/loss statement, the operating loss was ¥64 million (¥108 million operating loss in the same term of the previous year) since there was a non-recurring accrual of expenses for acquisition of business operations.

(2) Financial conditions

Cash flow status

The balance of cash and cash equivalents at the end of the current consolidated accounting term was ¥2,415 million, resulting in the reduction of ¥448 million versus ¥2,863 million at the end of the previous consolidated accounting term. The status and factors of cash flow from respective activities are as follows:

(Cash flow from operating activities)

The fund earned from operating activities during the accounting term was ¥468 million (down 18.6% as compared with the previous consolidated interim accounting term). The main components of increase/decrease were ¥472 million of the net profit before taxes and other adjustments and ¥231 million of expenditure of corporate taxes and others in addition to ¥278 million of depreciation and ¥403 million of investment securities sale.

(Cash flow from investing activities)

The fund used for investing activities was ¥557 million (down 80.3% as compared with the previous consolidated interim accounting term). The main components of the income from investing activities were ¥3,175 million of the income from the repayment of time deposit and ¥1,076 million of income from the sale of investment securities and others. The main components of outlays were ¥3,675 million of time deposit payment, ¥962 million of business acquisitions.

(Cash flow from financing activities)

The fund used for financing activities was ¥361 million (down 21.0% as compared with the previous consolidated interim accounting term). The main component of the expenditure for financing activities was ¥277 million of dividend payments.

The Company's cash flow indicators are as follows:

	2005/03 Term		2006/03 Term		2007/03 Term
	Interim term	End of year	Interim term	End of year	Interim term
Equity ratio (%)	93.9	95.2	94.0	94.2	93.5
Equity ratio on market value (%)	108.8	118.2	109.8	145.7	133.8
Debt redemption period(year)	-	-	-	-	-
Interest coverage ratio(times)	-	-	-	-	-

Equity ratio: shareholders' equity/total assets

Equity ratio on market value base: Market capitalization/total assets

Equity redemption years: Interest-bearing liabilities/operating cash flow

Interest coverage ratio: Operating cash flow/interest payment

* Calculation of each indicator is based on financial figures from the consolidated accounting base.
* Market capitalization is calculated by multiplying the closing price at the end of the term by the number of shares issued at the end of the term (after deducting treasury stocks).
* Operating cash flow is based on the cash flow from operating activities in the consolidated cash flow statements.
* Since there were no interest-bearing liabilities or interest payments, neither "Debt redemption period" nor "Interest coverage ratio" is described.

(3) Forecast of the full-year term

In the current second-half term, we forecast that the business results of the Optical Disc Mold Group will be at the same level as the first-half term. The investment in the manufacturing equipment of the existing DVDs will continue to level off and the commencement of facility investment with a view to mass production of next-generation optical discs will most likely not occur before next year. Under these circumstances, we revised the business performance forecast of the consolidated and individual financial statements for the 2007/03 Term that we had announced on October 20, 2006.

The business performance forecast as of the date of the announcement of this material is as follows, after modification of the non-operating expenses and others in the first-half.

<<Consolidated business performance forecast>> (Unit: ¥Million)

	Sales amount	Ordinary profit	Net profit
Forecast announced at the begging of year	7,800	610	790
October 20 forecast (A)	7,200	140	310
Current forecast (B)	7,200	160	330
Increase/decrease (B-A)	0	20	20
Increase/decrease ratio (%)	0%	14.3%	6.5%

<<Individual business performance forecast>> (Unit: ¥Million)

	Sales amount	Ordinary profit	Net profit
Forecast announced at the begging of year	6,600	510	740
October 20 forecast (A)	6,600	70	290
Current forecast (B)	6,600	90	310
Increase/decrease (B-A)	0	20	20
Increase/decrease ratio (%)	0%	28.6%	6.9%

The forecast dividend per share at the end of the term will be ¥30.00 without change.

(Note) The above estimated figures are calculated based on the information available as of the date of disclosure of this material and the hypothesis related to uncertain factors influencing to the future business performance as of the date of disclosure of this material. Actual results may differ depending on various factors in the future.

4. Risk of business

(1) Changes in economy

The demands for the products and services of our Company Group are influenced by the economical situations of the countries where we provide the products and services. Therefore, if there are changes in the economic environment of Asia and North America, major markets of our Company Group, it will give an impact on the business performance and the financial conditions of our Company Group.

(2) Changes in foreign exchange rates

Our Company group has consolidated subsidiaries overseas and is exporting products to various countries overseas. Generally speaking, a stronger yen against other foreign currencies brings an unfavorable influence to the business performance of our Company Group, and a weaker yen brings a favorable influence. Since our Company Group has consolidated subsidiaries that have manufacturing facilities in China, if the Chinese currency of Yuan becomes stronger, it will push up the manufacturing costs in China. It will possibly lower the competitiveness of our Company Group.

(3) New product development

Our Company Group well understand that it is the requirement for enabling the growth/continuation of our Company Group to capture the future market needs for optical disc molds and optical telecommunication parts as soon as possible and develop innovative products and technology. The changes in the market, however, are rapidly taking place and the market launch process of new products and development is complex and highly uncertain due to its characteristics. If our Company Group cannot forecast such changes in the market needs or cannot develop an attractive new product, and if technological innovation appears and causes the obsolescence of our products, it will give a great impact on the business performance and the financial conditions of our Company Group.

(4) Price competition

The products and services offered by our Company Group are targeted at those companies belonging to the industries of machinery manufacturing, optical disc manufacturing and optical telecommunications. Those industries are suffering from serious price competition due to participation of competitors from China and other countries and are giving us a pressure for lowering the prices of our products and services. Our Company Group continues to carry out efforts for reducing costs, but if market prices for products and services keep on dropping for a long time and we lose price competitiveness, it will affect the business performance and the financial conditions of our Company Group.

(5) International activities

Our Company Group has business locations in the U.S.A., Germany, China (Mainland China and Hong Kong), and Taiwan, and is carrying out global manufacturing and marketing activities there. If any risk as listed below takes place in any of these countries, it will possibly give a negative influence to the business performance and the financial conditions of our Company Group.

- Unfavorable political or economical factors (such as import restriction)
- Unexpected changes in systems, laws or regulations
- International tax risk such as transfer price taxation and others
- Any risk causing an impediment or disturbance in manufacturing activities due to power failure or flood arising from insufficient infrastructure, or risk related to such failure resulting in the decline in customers' support of products and services of our Company Group
- Labor dispute including strikes
- Difficulty of employing and securing the personnel
- Social disturbance such as terrorism, war, regional epidemic disease and other factors

(6) Dependence on particular customer

Our Company group is manufacturing optical disc molds and selling its greater part to Sumitomo Heavy Industries, Ltd. The degree of dependence was low in the current consolidated interim term due to an increase in the sales amount of the Optical Communications Group and a decrease in the sales amount of the Optical Molds Group. However, out of the consolidated sales amount in the 2006/03 Term, 33.9% was from the company, and out of the total operating receivables of our Company Group, 43.5% was from the company. Therefore, if a significant change occurs such as a change in the management performance of the company, a change in their business policy or a change in the relationship between the company and our Company Group, it can possibly affect the business performance or the financial conditions of our Company Group.

(7) Securing and developing human resources

To continue to enhance the corporate value, it is essential for our Company Group to secure and develop human resources with excellent abilities in technology and management. In this connection, the competition for acquiring excellent human resources is formidable. Therefore, it is not necessarily possible to continue to secure the human resources needed by our Company Group. While we sufficiently invest in the development of human resources and the training of employees, there is a significant tendency of mobility in human resources under the current changing employment situations. There can be an outflow of human resources from our key personnel. From the long-term viewpoints, the business performance and the financial conditions of our Company Group can be affected if plans are not carried out as expected to secure and develop excellent human resources.

(8) Limitation to intellectual property protection

Our Company Group has positively acquired the intellectual property rights such as patents and design registrations with regard to important technology and know-how from the strategic viewpoints to protect our rights. While we make the best efforts for the protection of intellectual property rights, there are cases where the protection of these rights is difficult or only protected in a limited manner in particular areas of the world. As a result, it may be possible that we cannot prevent the manufacturing of products imitating the technology of our Company Group.

(9) Product defect

Although our Company Group is making the best possible efforts for maintaining the quality of products, the business performance and the financial conditions of our Company Group can be affected by expenses for compensation or complaint responses to the customers if a defect occurs with the products sold.

(10) Success/failure of tie-up with other companies

To win the heavy competition and heighten the corporate value continuously, it is necessary for our Company Group to acquire a new technology in addition to further improvement of our core technology accumulated by us. For this purpose, our Company Group continues to develop a product targeting at the next generation at all times and promotes the alliance with other companies aggressively, such as seeking M&A possibilities and technical tie-ups with a company having the technology that we do not have. But, in order to realize a tie-up producing synergy effects with other companies owning an attractive technology, a huge amount of investment may be needed. Also, a plan may not be carried out as expected if a problem arises in the intellectual property rights or human relations. If alliances with other companies cannot be achieved as planned over a long range of time, it may possibly cause the slowdown in technology innovation in our Company Group and lower the corporate competitiveness.

(11) Asset-impairment accounting

If the market condition or business environment significantly worsens, it is conceivable that the market values of the assets owned by our Company Group may drop and the business profitability arising from the assets may go down. If such a situation occurs, asset impairment can take place with the fixed assets owned by our company, which may affect the business performance and the financial conditions of our Company Group.

(12) Natural disaster

The Headquarters and Main Plant of our Company Group is located at the Matsuhidai Industrial Park in Matsudo City of Chiba Prefecture. In addition to the Main Plant, there are Plant No. 1, Plant No. 2 and Plant No. 4. in the same industrial park. In particular, the facilities of the Main Plant, which is the primary manufacturing base of the Company, are constructed with seismically-isolated structures resistible against a large-scale earthquake. If, however, an extremely large-scale earthquake should occur, causing enormous regional damages, there is no guarantee for preventing or reducing the influences of such an earthquake completely.

Furthermore, our Company Group is undertaking the business activities in various foreign countries such as the U.S.A., Germany, China, Taiwan and so forth. If the business operations should be suspended for a long period of time due to a natural disaster like an earthquake in these areas, the business performance and the financial conditions of our Company Group can be affected.

Interim Term Consolidated Balance Sheet

(Unit: Thousand Yen)

Item / Term		End of Current Consolidated Interim Accounting Term (As of September 30, 2006)		End of Previous Consolidated Interim Accounting Term (As of September 30, 2005)		Summarized Balance Sheet for Previous Consolidated Accounting Year (As of March 31, 2006)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
[Assets]			%		%		%
I. Current Assets							
1. Cash and deposits		13,427,230		13,517,147		13,275,534	
2. Notes receivable and trade accounts receivable	*4	1,930,514		2,599,366		2,092,977	
3. Inventory Assets		1,556,577		953,639		1,185,331	
4. Others		482,903		402,928		369,679	
Bad debt allowance		(5,663)		(4,944)		(8,231)	
Total Current Assets		17,391,563	66.4	17,468,137	67.7	16,915,290	64.5
II. Fixed Assets							
1. Tangible fixed assets	*1						
(1) Buildings and structures		2,478,852		2,631,623		2,559,348	
(2) Land		2,211,508		2,211,508		2,211,508	
(3) Others		1,635,379		595,278		1,258,117	
Total tangible fixed assets		6,325,740		5,438,410		6,028,973	
2. Intangible fixed assets							
(1) Goodwill		649,193		-		-	
(2) Others		162,863		-		-	
Total intangible fixed assets		812,057		492,690		526,073	
3. Investment and other assets							
(1) Investment securities		75,094		862,872		1,137,550	
(2) Others	*2/3	1,603,793		1,535,428		1,620,198	
Bad debt allowance		(507)		(507)		(507)	
Total investment and other assets		1,678,380		2,397,793		2,757,240	
Total Fixed Assets		8,816,178	33.6	8,328,894	32.3	9,312,287	35.5
Total Assets		26,207,741	100.0	25,797,031	100.0	26,227,578	100.0

(Unit: Thousand Yen)

Item \ Term	Current Consolidated Interim Accounting at the End of Term (As of September 30, 2006)		Previous Consolidated Interim Accounting at the End of Term (As of September 30, 2005)		Summarized Balance Sheet for Previous Consolidated Accounting Year (As of March 31, 2006)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
[Liabilities]		%		%		%
I. Current Liabilities						
1. Trade accounts payable	463,490		124,422		199,138	
2. Accrued income taxes	164,405		386,059		254,250	
3. Others	526,154		418,453		361,960	
Total Current Liabilities	1,154,050	4.4	928,934	3.6	815,349	3.1
II. Fixed Liabilities						
1. Allowance for retirement benefits for directors	-		131,880		136,350	
2. Allowance for retirement benefits	232,876		221,056		223,055	
3. Long term accrued liabilities	138,570		-		-	
4. Others *2	190,367		190,367		264,258	
Total Fixed Liabilities	561,813	2.1	543,303	2.1	623,663	2.4
Total Liabilities	1,715,864	6.5	1,472,237	5.7	1,439,012	5.5
[Minority Interest]						
Minority Interest	-	-	68,089	0.3	78,782	0.3

Item \ Term	Current Consolidated Interim Accounting at the End of Term (As of September 30, 2006)		Previous Consolidated Interim Accounting at the End of Term (As of September 30, 2005)		Summarized Balance Sheet for Previous Consolidated Accounting Year (As of March 31, 2006)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
[Shareholders' Equity]						
I. Capital	-	-	6,791,682	26.3	6,791,682	25.9
II. Capital Surplus	-	-	10,571,419	41.0	10,571,419	40.3
III. Retained Earnings	-	-	7,158,984	27.8	7,412,828	28.3
IV. Differential from Valuation of Securities and Others	-	-	107,626	0.4	241,453	0.9
V. Foreign Exchange Translation Adjustment	-	-	(47,642)	(0.2)	6,738	0.0
VI. Treasury Stock	-	-	(325,366)	(1.3)	(314,340)	(1.2)
Total Shareholders' Equity	-	-	24,256,704	94.0	24,709,782	94.2
Total Liabilities, Minority Interest and Shareholders' Equity	-	-	25,797,031	100.0	26,227,578	100.0
[Net Assets]						
I. Shareholders' Equity						
1. Capital	6,791,682		-		-	
2. Capital surplus	10,571,419		-		-	
3. Retained earnings	7,435,779		-		-	
4. Treasury stocks	(310,770)		-		-	
Total Shareholders' Equity	24,488,111	93.5	-	-	-	-
II. Valuation/Conversion Differentials and Others						
1. Differential from valuation of securities and others	9,128		-		-	
2. Foreign exchange translation adjustment	(5,363)		-		-	
Total of Valuation/Conversion Differentials	3,764	0.0	-	-	-	-
Total Net Assets	24,491,876	93.5	-	-	-	-
Total Liabilities/Net assets	26,207,741	100.0	-	-	-	-

Consolidated Income Statement for Interim Term

(Unit: Thousand Yen)

Item / Term		Current Consolidated Interim Accounting Term (from April 1, 2006 to September 30, 2006)		Previous Consolidated Interim Accounting Term (from April 1, 2005 to September 30, 2005)		Summarized Consolidated Income Statement for Previous Consolidated Accounting Year (from April 1, 2005 to March 31, 2006)	
		Amount	%	Amount	%	Amount	%
			%		%		%
I. Sales Amount		3,382,933	100.0	3,207,957	100.0	6,304,666	100.0
II. Cost of Sales		2,203,035	65.1	1,526,542	47.6	3,228,424	51.2
Gross Profit		1,179,898	34.9	1,681,415	52.4	3,076,241	48.8
III. Selling, General and Administrative Expenses	*1	1,174,106	34.7	893,053	27.8	2,028,137	32.2
Operating Profit		5,791	0.2	788,361	24.6	1,048,104	16.6
IV. Non-operating income							
1. Interest received		9,009		4,018		8,926	
2. Dividends received		93		35,032		35,068	
3. Foreign exchange gains		12,254		11,379		39,161	
4. House rent income		19,200		19,200		38,400	
5. Patent royalties		11,420		13,333		23,551	
6. Others		20,477		32,015		47,406	
Total of Non-operating Income		72,456	2.1	114,979	3.5	192,513	3.1
V. Non-operating Expenses							
1. Cost of house rent income		8,785		10,053		20,287	
2. Others		2,463		624		2,389	
Total of Non-operating Expenses		11,248	0.3	10,678	0.3	22,677	0.4
Ordinary Profit		66,999	2.0	892,663	27.8	1,217,940	19.3
VI. Extraordinary Profit							
1. Reversal of bad debt allowance		1,420		-		-	
2. Gain on sale of fixed assets	*2	319		73		348	
3. Gain on sale of investment securities		403,848		-		-	
Total of Extraordinary Profit		405,588	12.0	73	0.0	348	0.0
VII. Extraordinary Loss							
1. Loss on retirement of fixed assets	*3	172		4,280		5,271	
2. Loss on sale of investment securities		-		14,500		14,500	
Total of Extraordinary Loss		172	0.0	18,780	0.6	19,771	0.3
Interim Term Net Profit before Tax Adjustment or Current Term Net Profit before Tax Adjustment		472,415	14.0	873,955	27.2	1,198,517	19.0
Corporate Taxes, Local and Enterprise Taxes		155,522	4.6	360,964	11.2	373,216	5.9
Adjustment to Corporate Taxes		7,945	0.3	12,363	0.4	63,549	1.0
Minority Shareholders' Profit		-	-	1,025	0.0	5,370	0.1
Interim Net Profit or Current Term Net Profit		308,947	9.1	499,602	15.6	756,380	12.0

Interim Term Consolidated Surplus Statement

(Unit: Thousand Yen)

Item / Term	Previous Consolidated Interim Accounting Term (from April 1, 2005 to September 30, 2005)	Consolidated Surplus Statement for the Previous Consolidated Accounting Year (from April 1, 2005 to March 31, 2006)
(Capital Surplus)		
I. Balance of Capital Surplus at the Beginning of Term	10,571,419	10,571,419
II. Balance of Capital Surplus at the End of Interim Term	10,571,419	10,571,419
(Retained Earnings)		
I. Balance of Retained Earnings at the Beginning of Term	7,134,303	7,134,303
II. Increase in Retained Earnings		
1. Interim net profit or current term net profit	499,602	756,380
III. Decrease in Retained Earnings		
1. Dividend	461,187	461,187
2. Bonus for directors	13,100	13,100
3.Loss on sale of treasury stocks	634	3,567
IV. Balance of Retained Earnings at the End of Term	7,158,984	7,412,828

Statement of Changes in Interim Consolidated Shareholders' Equity
Current Interim Accounting Term (from April 1, 2006 to September 30, 2006)

(Unit: Thousand Yen)

Item	Shareholders' Equity					Valuation/Conversion Differentials and Others			Minority Shareholders' Interest	Total Net Assets
	Capital	Capital Surplus	Retained Earnings	Treasury stocks	Total Shareholders' Equity	Valuation Differentials for Other Marketable Securities	Account for Foreign Exchange Conversion Adjustment	Valuation/ Conversion Differentials and Others		
Balance at March 31, 2006	6,791,682	10,571,419	7,412,828	(314,340)	24,461,590	241,453	6,738	248,192	78,782	24,788,565
Changes During Interim Consolidated Accounting Term										
Dividend of Surplus (Note)			(276,844)		(276,844)					(276,844)
Payment of Director Bonus (Note)			(8,120)		(8,120)					(8,120)
Interim Net Profit			308,947		308,947					308,947
Loss on Sale of Treasury Stocks			(1,031)		(1,031)					(1,031)
Acquisition of Treasury Stocks				(304)	(304)					(304)
Sale of Treasury Stocks				3,874	3,874					3,874
Changes in Items Other than Shareholders' Equity during Interim Consolidated Accounting Term (Net Amount)					-	(232,325)	(12,102)	(244,427)	(78,782)	(323,210)
Total amount of Changes during Interim Consolidated Accounting Term	-	-	22,951	3,570	26,521	(232,325)	(12,102)	(244,427)	(78,782)	(296,688)
Balance at September 30, 2006	6,791,682	10,571,419	7,435,779	(310,770)	24,488,111	9,128	(5,363)	3,764	-	24,491,876

(Note) The above are the profit appropriation items as approved by the General Meeting of Shareholders in June 2006.

Interim Consolidated Cash Flow Statement

(Unit: Thousand Yen)

Item \ Term	Current Consolidated Interim Accounting Term (from April 1, 2006 to September 30, 2006)	Previous Consolidated Interim Accounting Term (from April 1, 2005 to September 30, 2005)	Summarized Consolidated Cash Flow Statement for Previous Consolidated Accounting Year (from April 1, 2005 to March 31, 2006)
	Amount	Amount	Amount
I. Cash Flow from Operating Activities			
1. Interim net profit before tax adjustment or current term net profit before tax adjustment	472,415	873,955	1,198,517
2. Depreciation expenses	278,609	260,646	573,477
3. Depreciation of goodwill	89,648	-	-
4. Increase/(decrease) in bad debt allowance	(2,622)	1,402	4,572
5. Increase/(decrease) in allowance for retirement benefits for directors	(136,350)	1,030	5,500
6. Increase/(decrease) in long-term accrued liabilities	138,570	-	-
7. Increase/(decrease) in allowance for retirement benefits	9,821	2,390	4,389
8. Interest received and dividends received	(9,103)	(39,050)	(43,994)
9. House rent income	(19,200)	(19,200)	(38,400)
10. Miscellaneous income	(1,584)	-	(3,295)
11. Miscellaneous expenses	236	-	277
12. Gain on sale of fixed assets	(319)	(73)	(348)
13. Loss on retirement of fixed assets	172	4,280	5,271
14. Gain on sale of investment securities	(403,848)	-	-
15. Loss on sale of investment securities	-	14,500	14,500
16. (Gain)/loss on foreign exchange valuation	(164)	937	(1,654)
17. (Increase)/decrease in trade accounts receivable	164,787	(567,338)	(41,598)
18. (Increase)/decrease in inventory assets	(202,203)	127,103	114,022
19. (Increase)/decrease in other current assets	(112,631)	(59,557)	(106,282)
20. Increase/(decrease) in trade accounts payable	262,517	(134,900)	(90,167)
21. Increase/(decrease) in other current liabilities	171,691	12,178	56,978
22. Bonus paid to directors	(8,120)	(13,100)	(13,100)
Subtotal	692,322	465,203	1,638,664
23. Interest and dividends received	5,907	36,550	42,051
24. Repayment of corporate taxes and others	1,671	90,837	90,837
25. Payment of corporate taxes and others	(231,839)	(17,706)	(201,479)
Cash flow from Operating Activities	468,061	574,885	1,570,073
II. Cash Flow from Investing Activities			
1. Payment into time deposit	(3,675,757)	(3,002,052)	(11,012,034)
2. Income from repayment of time deposit	3,175,757	2,034	8,012,034
3. Payment for acquisition of tangible fixed assets	(173,611)	(95,359)	(241,145)
4. Income from sale of tangible fixed assets	1,172	2,893	2,937
5. Payment for acquisition of intangible fixed assets	(16,716)	(15,727)	(55,779)
6. Payment for acquisition of investment securities	(140)	(133)	(50,269)
7. Income from sale of investment securities	1,076,637	1,478,960	1,485,500
8. Payment for acquisition of business operations *2	(962,457)	(726,639)	(908,231)
9. Payment for new acquisition of consolidated subsidiaries *3	-	-	(769,164)
10. House rent income	19,200	19,200	38,400
11. Payment for other investing activities	385	(497,762	(5,173)
12. Income from other investing activities	(2,294)	308	510
Cash flow from Investing Activities	(557,825)	(2,834,279)	(3,502,415)
III. Cash Flow from Financing Activities			
1. Income from sale of treasury stocks	2,843	1,519	9,841
2. Payment for purchase of treasury stocks	(304)	-	(230)
3. Payment of dividends	(277,114)	(458,748)	(459,864)
4. Payment for acquisition of minority shareholders' equity	(86,488)	-	-
Cash flow from Financing Activities	(361,064)	(457,229)	(450,253)
IV. Conversion Differentials Related to Cash and Cash Equivalents	2,548	2,046	26,284
V. Increase/(Decrease) in Cash and Cash Equivalents	(448,279)	(2,714,576)	(2,356,310)
VI. Opening Balance of Cash and Cash Equivalents	2,863,362	5,219,672	5,219,672
VII. Ending Balance of Cash and Cash Equivalents *1	2,415,082	2,505,095	2,863,362

(Segment information)

1. Segment Information by Business Type

Current consolidated interim accounting term (April 1, 2006 - September 30, 2006) (Unit: Thousand Yen)

	Optical Disk Mold Group	Optical Communications Group	Total	Elimination or Company-total	Consolidated
Sales Amount					
(1) Sales amount to external customers	1,036,990	2,345,942	3,382,933	-	3,382,933
(2) Internal sales amount or transfer between segments	-	-	-	-	-
Total	1,036,990	2,345,942	3,382,933	-	3,382,933
Operating Expenses	966,226	2,410,914	3,377,141	-	3,377,141
Operating Profit or (Loss)	70,763	(64,971)	5,791	-	5,791

(Notes): 1. The business category is defined in consideration of the product group and market similarity.

2. Main products by business category

(1) Optical Disk Mold Group: Mold for optical disc molding, mold for powder metallurgy molding

(2) Optical Communications Group: Optical connector, optical connector chord, attenuator, light-gathering optical fiber, optical connector polishing machine, light measurement inspection device and others

3. Changes in the method of allocating the operating expenses:

The common expenses incurred in the administrative departments of the parent company used to be allocated to each business category according to the proportion of the gross sales revenues of each business division, but starting with the current consolidated interim accounting term, the method was changed to allocate the common expenses to each business category according to rational allocation standards depending on each expense to reflect the business performance more appropriately and enhance the effectiveness of the segment information further.

Consequently, the Optical Disk Mold business is allocated with an increase of ¥115,343 thousand of the operating expenses and less of the same amount of the operating profit; the Optical Communications business is allocated with a decrease of ¥115,343 thousand of the operating expenses and less of the same amount of the operating loss, respectively, as compared with the previous method.

Previous consolidated interim accounting term (April 1, 2005 - September 30, 2005) (Unit: Thousand Yen)

	Optical Disk Mold Group	Optical Communications Group	Total	Elimination or Company-total	Consolidated
Sales Amount					
(1) Sales amount to external customers	2,474,378	733,579	3,207,957	-	3,207,957
(2) Internal sales amount or transfer amount between segments	-	-	-	-	-
Total	2,474,378	733,579	3,207,957	-	3,207,957
Operating Expenses	1,577,256	842,339	2,419,596	-	2,419,596
Operating profit or (loss)	897,121	(108,760)	788,361	-	788,361

(Notes) 1. The business category is defined in consideration of the product group and market similarity.

2. Main products by business category

(1) Optical Disk Mold Group: Mold for optical disc molding, mold for powder metallurgy molding

(2) Optical Communications Group: Optical connector, optical connector chord, attenuator, light-gathering optical fiber, optical connector polishing machine, light measurement inspection device and others

Previous consolidated accounting year (April 1, 2005 - March 31, 2006)

(Unit: Thousand Yen)

	Optical Disk Mold Group	Optical Communications Group	Total	Elimination or Company-total	Consolidated
Sales Amount					
(1) Sales amount to external customer	4,029,400	2,275,265	6,304,666	-	6,304,666
(2) Internal sales amount or transfer between segments	-	-	-	-	-
Total	4,029,400	2,275,265	6,304,666	-	6,304,666
Operating Expenses	2,754,083	2,502,478	5,256,562	-	5,256,562
Operating Profit or (Loss)	1,275,317	(227,213)	1,048,104	-	1,048,104

(Notes) 1. The business category is defined in consideration of the product group and market similarity.

2. Main products by business category

(1) Optical Disk Mold Group: Mold for optical disc molding, mold for powder metallurgy molding

(2) Optical Communications Group: Optical connector, optical connector chord, attenuator, light-gathering optical fiber, optical connector polishing machine, light measurement inspection device and others

2. Segment Information by Location

Current consolidated interim accounting term (April 1, 2006 - September 30, 2006) (Unit: Thousand Yen)

	Japan	North America	Asia	Europe	Total	Elimination or Company-total	Consolidated
Sales Amount							
(1) Sales amount to external customer	1,886,557	681,070	147,892	667,412	3,382,933	-	3,382,933
(2) Internal sales amount or transfer between segments	1,274,817	6,039	643,719	308	1,924,885	(1,924,885)	-
Total	3,161,374	687,110	791,611	667,721	5,307,819	(1,924,885)	3,382,933
Operating Expenses	3,199,226	661,968	790,304	614,084	5,265,584	(1,888,443)	3,377,141
Operating Profit or (Loss)	(37,851)	25,141	1,307	53,636	42,234	(36,442)	5,791

(Notes) 1. The category of country or territory is based on geographical proximity.

2. Details of countries and territories belonging to the category other than Japan are as follows:。

(1) North America: U.S.A.

(2) Asia: China, Taiwan

(3) Europe: Germany

Previous consolidated interim accounting term (April 1, 2005 - September 30, 2005) (Unit: Thousand Yen)

	Japan	North America	Asia	Europe	Total	Elimination or Company-total	Consolidated
Sales Amount							
(1) Sales amount to external customer	2,198,171	628,916	225,965	154,903	3,207,957	-	3,207,957
(2) Internal sales amount or transfer between segments	706,974	4,112	145,563	-	856,650	(856,650)	-
Total	2,905,146	633,028	371,529	154,903	4,064,608	(856,650)	3,207,957
Operating Expenses	2,247,106	611,989	306,268	132,499	3,297,864	(878,267)	2,419,596
Operating Profit	658,039	21,039	65,261	22,403	766,744	21,617	788,361

(Notes) 1. The category of country or territory is based on geographical proximity.

2. Details of countries and territories belonging to the category other than Japan are as follows:

(1) North America: U.S.A.

(2) Asia: China, Taiwan

(3) Europe: Germany

Previous consolidated accounting year (April 1, 2005 - March 31, 2006) (Unit: Thousand Yen)

	Japan	North America	Asia	Europe	Total	Elimination or Company-total	Consolidated
Sales amount							
(1) Sales amount to external customer	3,743,923	1,371,762	592,285	596,695	6,304,666	-	6,304,666
(2) Internal sales amount or transfer between segments	1,798,709	10,670	301,000	206	2,110,587	(2,110,587)	-
Total	5,542,633	1,382,432	893,285	596,902	8,415,253	(2,110,587)	6,304,666
Operating expenses	4,797,854	1,323,298	693,915	570,611	7,385,680	(2,129,118)	5,256,562
Operating profit	744,778	59,134	199,370	26,290	1,029,572	18,531	1,048,104

(Notes) 1. The category of country or territory is based on geographical proximity.

2. Details of countries and territories belonging to the category other than Japan are as follows:

(1) North America: U.S.A.

(2) Asia: China, Taiwan

(3) Europe: Germany

3. Overseas Sales Amount

Current consolidated interim accounting term (April 1, 2006 - September 30, 2006) (Unit: Thousand Yen)

	America and Regions	Europe and Regions	Asia and Other Regions	Total
I. Overseas sales amount	681,070	675,475	500,580	1,857,126
II. Consolidated sales amount	-	-	-	3,382,933
III. Overseas sales amount ratio to consolidated sales amount	20.1%	20.0%	14.8%	54.9%

(Notes) 1. The category of country or territory is based on geographical proximity.

2. Main countries or territories belonging to each category:

(1) America and Regions: U.S.A.

(2) Europe and Regions: Germany

(3) Asia and Other Regions: China

3. Overseas sales amount means the sales amount of our Company and consolidated subsidiaries in countries and territories other than Japan.

Previous consolidated interim accounting term (April 1, 2005 - September 30, 2005) (Unit: Thousand Yen)

	America and Regions	Europe and Regions	Asia and Other Regions	Total
I. Overseas sales amount	628,916	215,209	368,833	1,212,959
II. Consolidated sales amount	-	-	-	3,972,380
III. Overseas sales amount ratio to consolidated sales amount	19.6%	6.7%	11.5%	37.8%

(Notes) 1. The category of country or territory is based on geographical proximity.

2. Main countries or territories belonging to each category:

(1) America and Regions: U.S.A.

(2) Europe and Regions: Germany

(3) Asia and Other Regions: China

3. Overseas sales amount means the sales amount of our Company and consolidated subsidiaries in countries and territories other than Japan.

Previous consolidated accounting year (April 1, 2005 - March 31, 2006) (Unit: Thousand Yen)

	America and Regions	Europe and Regions	Asia and Other Regions	Total
I. Overseas sales amount	1,371,780	676,822	986,565	3,035,168
II. Consolidated sales amount	-	-	-	6,304,666
III. Overseas sales amount ratio to consolidated sales amount	21.8%	10.7%	15.6%	48.1%

(Notes) 1. The category of country or territory is based on geographical proximity.

2. Main countries or territories belonging to each category:

(1) America and Regions: U.S.A.

(2) Europe and Regions: Germany

(3) Asia and Other Regions: China

3. Overseas sales amount means the sales amount of our Company and consolidated subsidiaries in countries and territories other than Japan.

Details of Production, Orders received and Sales

(1) Actual production results

Actual production results by business type segment in the current consolidated accounting term (interim) are as follows:

(Unit: Thousand Yen)

Name of segment by business type	Production amount	Year-to-year comparison (%)
Optical Disk Mold	1,021,273	43.8
Optical Communications	2,553,306	369.0
Total	3,574,579	118.4

(Notes) 1. Transactions between segments are set off and eliminated.
2. The amounts are based on sales prices.
3. The amounts above do not include consumption tax and others.

(2) Actual orders received

Actual orders received by business segment in the current consolidated accounting term (interim) are as follows:

(Unit: Thousand Yen)

Name of segment by business type	Amount of orders received	Year-to-year comparison (%)	Order backlog	Year-to-year comparison (%)
Optical Disk Mold	972,316	43.2	134,649	32.8
Optical Communications	2,712,203	343.3	622,001	453.4
Total	3,684,519	121.3	756,650	138.1

(Notes) 1. Transactions between segments are set off and eliminated.
2. The amounts above do not include consumption tax and others.

(3) Actual sales results

Actual sales results received by business segment in the current consolidated accounting term (interim) are as follows:

(Unit: Thousand Yen)

Name of segment by business type	Sales amount	Year-to-year comparison (%)
Optical Disk Mold	1,036,990	41.9
Optical Communications	2,345,942	319.7
Total	3,382,933	105.4

(Notes) 1. Transactions between segments are set off and eliminated.
2. Actual sales results of a main client and the ratio of the actual sales results to the gross actual sales results:

Client	Previous consolidated interim accounting term		Current consolidated interim accounting term	
	Sales amount	Ratio (%)	Sales amount	Ratio (%)
Sumitomo Heavy Industries Inc.	1,607,765	50.1	335,933	9.9

3. The amounts above do not include consumption tax and others.

JASDAQ

2007/03 Term Summary of Individual Interim Financial Statement

November 17, 2006

Company name	SEIKOH GIKEN Co., Ltd.	Listed market	JASDAQ
Code number	6834	Location	Chiba Prefecture

(URL http://www.seikoh-giken.co.jp)

Representativ	Title	President & CEO	Name	Masatoshi Ueno	
For inquiry	Department in charge	Management Planning Office	Name	Yuji Saito, Team Leader;	TEL (047) 388-6401

Date of Board of Directors Meeting for closing	November 17, 2006	Date of dividend payment	-
Adoption of trade unit	Yes (Unit: 100 shares)		

1. Business Performance of Interim Term Ended in September 2006 (April 1, 2006 - September 30, 2006)

(1) Business performance

	Sales amount		Operating profit		Ordinary profit	
	¥Million	%	¥Million	%	¥Million	%
Interim term ended September 2006	3,206	[7.0]	(3)	[(100.5)]	57	[(93.0)]
Interim term ended September 2005	2,997	[(9.2)]	711	[(31.6)]	818	[(28.2)]
2006/03 Term	5,795		917		1,099	

	Interim Net Profit		Interim Net Profit per share
	¥Million	%	Yen Sen
Interim term ended September 2006	301	[(31.7)]	32.65
Interim term ended September 2005	441	[(55.8)]	47.84
2006/03 Term	672		71.98

(Notes) 1. Average number of shares issued: Interim Term Ended in September 2006 9,228,488 shares; Interim Term Ended in September 2005 9,224,437shares; 2006/03 Term 9,225,222 shares

2. Changes in accounting procedures: None

3. Percentage figures for Sales amount, Operating profit, Ordinary profit, and Net profit show the changes in year-to-year comparison.

(2) Financial conditions

	Total assets	Net assets	Net worth ratio	Net assets per share
	¥Million	¥Million	%	Yen
Interim term ended September 2006	26,458	24,646	93.2	2,670.45
Interim term ended September 2005	26,066	24,487	93.9	2,654.60
2006/03 Term	26,394	24,860	94.2	2,693.05

(Notes) 1. Number of shares issued at end of term: Interim Term Ended September 2006 9,229,386shares; Interim Term Ended September 2005 9,224,466shares; 2006/03 Term 9,228,166shares

2. Number of treasury stocks at end of term: Interim Term Ended September 2006 104,268shares; Interim Term Ended September 2005 109,188shares; 2006/03 Term 105,488shares

2. Forecast of Business Performance at March 2007 (April 1, 2006 - March 31, 2007)

	Sales amount	Ordinary profit	Net Profit
	¥Million	¥Million	¥Million
Full year	6,600	90	310

(Reference): Net Profit per share (full year) 33.59 Yen

3. Dividends

Cash dividend	Dividend per share (Yen)		
	End of Interim Term	End of Term	Full year
2006/03 Term	-	30.00	30.00
2007/03 Term (actual)	-	-	30.00
2007/03 Term (forecast)	-	30.00	

*The forecast above was created based on the information available as of the date of the announcement of the materials. Actual figures can deviate from the forecast figures depending on various factors from now. For items related to the forecast above, please refer to page 8. Regarding the figures described, a monetary amount is rounded off at the displayed unit and a ratio and others are rounded.

Interim Balance Sheet

(Unit: Thousand Yen)

Item \ Term		End of Interim Accounting Term (As of September 30, 2006)		End of Previous Interim Accounting Term (As of September 30, 2005)		Summarized Balance Sheet of Previous Business Year (As of March 31, 2006)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
[Assets]			%		%		%
I. Current Assets							
1. Cash and deposits		12,763,120		13,108,828		12,889,363	
2. Notes receivable	*5	116,819		1,218,908		819,254	
3. Trade accounts receivable		1,895,560		1,473,742		1,345,013	
4. Inventory Assets		1,071,318		799,876		795,396	
5. Deferred tax assets		107,849		196,075		136,648	
6. Others	*4	519,113		254,024		328,008	
Bad debt allowance		(720)		(2,980)		(2,140)	
Total current Assets		16,473,061	62.3	17,048,475	65.4	16,311,543	61.8
II. Fixed Assets							
1. Tangible Fixes Assets	*1						
(1) Buildings		2,257,583		2,402,976		2,327,285	
(2) Structures		65,285		77,212		70,692	
(3) Machinery and equipment		433,471		331,232		326,126	
(4) Vehicles		4,506		6,692		5,447	
(5) Tools, instrument, and furniture		422,244		210,091		202,122	
(6) Land		2,211,508		2,211,508		2,211,508	
(7) Construction in progress		59,580		-		23,750	
Total tangible Fixed Assets		5,454,180		5,239,713		5,166,931	
2. Intangible Fixes Assets		676,234		427,505		380,161	
3. Investment and other assets							
(1) Investment marketable securities		75,094		862,872		1,137,550	
(2) Equity of affiliated companies		431,322		431,322		431,322	
(3) Investments in affiliated companies		1,748,217		523,306		1,350,033	
(4) Long-lived deposit		500,000		-		600,000	
	*2	902,730		916,028		908,849	
(6) Deferred tax assets		87,673		14,801		-	
(7) Others	*3	110,361		602,795		108,913	
Bad debt allowance		(507)		(507)		(507)	
Total investment and other assets		3,854,892		3,350,618		4,536,161	
Total Fixed Assets		9,985,307	37.7	9,017,837	34.6	10,083,254	38.2
Total Assets		26,458,369	100.0	26,066,312	100.0	26,394,797	100.0

(Unit: Thousand Yen)

Item / Term	End of Current Interim Accounting Term (As of September 30, 2006)		End of Previous Interim Accounting term (As of September 30, 2005)		Summarized Balance Sheet of Previous Business Year (As of March 31, 2006)	
	Amount	Percentag	Amount	Percentag	Amount	Percen
[Liabilities]		%		%		%
I. Current Liabilities						
1. Trade accounts payable	636,211		272,410		261,296	
2. Accrued liabilities	218,060		181,984		183,274	
3. Accrued expenses payable	226,549		180,247		197,085	
4. Accrued income taxes	135,754		372,082		233,922	
5. Others	33,338		29,013		35,537	
Total Current Liabilities	1,249,915	4.7	1,035,738	4.0	911,116	3.5
II. Fixed Liabilities						
1. Deferred tax liabilities	-		-		73,891	
2. Allowance for retirement benefits for directors	-		131,880		136,350	
3. Allowance for retirement benefits	232,876		221,056		223,055	
4. Guarantee deposit received *2	171,330		171,330		171,330	
5. Deposit key money *2	19,037		19,037		19,037	
6. Long-term accrued liabilities	138,570		-		-	
Total Fixed Liabilities	561,813	2.1	543,303	2.1	623,663	2.3
Total liabilities	1,811,729	6.8	1,579,041	6.1	1,534,779	5.8
[Shareholders' Equity]						
I. Capital	-	-	6,791,682	26.0	6,791,682	25.7
II. Capital Surplus						
1. Capital reserves	-		10,571,419		10,571,419	
Total Capital Surplus	-	-	10,571,419	40.5	10,571,419	40.1
III. Retained earnings						
1. Earned surplus reserves	-		1,697,920		1,697,920	
2. Free reserve fund	-		5,100,799		5,100,799	
3. Unappropriated interim retained earnings or Unappropriated retained earnings for the period	-		543,188		771,082	
Total retained earnings	-	-	7,341,908	28.2	7,569,802	28.7
IV. Differential from valuation of securities and others	-	-	107,626	0.4	241,453	0.9
V. Treasury stocks	-	-	(325,366)	(1.2)	(314,340)	(1.2)
Total Assets	-	-	24,487,270	93.9	24,860,018	94.2
Total Liabilities/Assets	-	-	26,066,312	100.0	26,394,797	100.0

(Unit: Thousand Yen)

Item \ Term	End of Interim Accounting Term (As of September 30, 2006)		End of Previous Accounting Term (As of September 30, 2005)		Summarized Balance Sheet of Previous Business Year (As of March 31, 2006)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
[Net Assets]		%		%		%
I. Shareholders' Equity						
1. Capital	6,791,682	25.7	-	-	-	-
2. Capital surplus						
(1) Capital reserves	10,571,419		-		-	
Total capital surplus	10,571,419	40.0	-	-	-	-
3. Retained earnings						
(1) Earned surplus reserves	1,697,920		-		-	
(2) Other retained earnings						
Special depreciation reserves	494		-		-	
Contingent reserves	5,500,000		-		-	
Retained earnings carried forward	386,764		-		-	
Total retained earnings	7,585,179	28.7	-	-	-	-
4. Treasury stocks	(310,770)	(1.2)	-	-	-	-
Total Shareholders' Equity	24,637,511		-	-	-	-
II. Differentials of Valuation/Conversion						
Differential from valuation of securities and others	9,128		-		-	
Total of Differentials of Valuation/Conversion	9,128	0.0	-	-	-	-
Total Net Assets	24,646,640	93.2	-	-	-	-
Total Liabilities/Net assets	26,458,369	100.0	-	-	-	-

Interim Income Statement

(Unit: Thousand Yen)

Item \ Term	Current Interim Accounting Term (from April 1, 2006 to September 30, 2006)		Previous Accounting Term (from April 1, 2005 to September 30, 2005)		Summarized Income Statement of Previous Business Year (from April 1, 2005 to March 31, 2006)	
	Amount	%	Amount	%	Amount	%
		%		%		%
I. Sales amount	3,206,225	100.0	2,997,090	100.0	5,795,130	100.0
II. Cost of sales *1	2,306,398	71.9	1,532,486	51.1	3,240,706	55.9
Gross Profit	899,826	28.1	1,464,603	48.9	2,554,424	44.1
III. Selling, general and administrative expenses *1	903,326	28.2	753,357	25.2	1,636,563	28.2
Operating profit of operating (loss)	(3,499)	(0.1)	711,245	23.7	917,861	15.9
IV. Non-operating income						
1. Interest received	5,355		2,953		5,976	
2. Dividends received	93		35,032		35,068	
3. House rent income	19,200		19,200		38,400	
4. Patent royalties	15,967		13,333		39,241	
5. Foreign exchange gains	16,964		13,878		39,058	
6. Others	13,562		33,359		46,031	
Total	71,143	2.2	117,756	3.9	203,775	3.5
V. Non-operating expenses						
1. Cost of house rent income	8,785		10,053		20,287	
2. Others	1,279		78		1,529	
Total	10,065	0.3	10,131	0.3	21,817	0.4
Ordinary Profit	57,578	1.8	818,871	27.3	1,099,819	19.0
VI. Extraordinary Profit *2	405,588	12.6	73	0.0	348	0.0
VII. Extraordinary Loss *3	9,719	0.3	18,780	0.6	19,771	0.4
Interim net profit before taxes or Net profit	453,448	14.1	800,163	26.7	1,080,395	18.6
Corporate taxes, local and enterprise taxes	127,359	4.0	351,000	11.7	343,000	5.9
Adjustment to corporate taxes	24,715	0.7	7,834	0.3	65,238	1.1
Interim net profit or Net profit	301,373	9.4	441,328	14.7	672,156	11.6
Unapppropriated retained earnings carried forward	-		102,493		102,493	
Loss on sale of treasury stocks	-		634		3,567	
Interim unappropriated retained earnings or Unappropriated retained earnings for the period	-		543,188		771,082	

Interim Statement of Changes in Shareholders' Equity and others

Interim accounting term (April 1, 2006 - September 30, 2006)

(Unit: Thousand Yen)

Item	Shareholders' Equity									
	Capital	Capital Surplus		Retained Earnings					Treasury Stocks	Total Shareholders' Equity
		Capital Reserves	Total Capital Surplus	Earned Surplus Reserves	Other Retained Earnings			Total Retained Earnings		
					Special Depreciation Reserve	Contingent Reserves	Earned Surplus Carried Over			
Balance at March 31, 2006	6,791,682	10,571,419	10,571,419	1,697,920	799	5,100,000	771,082	7,569,802	(314,340)	24,618,564
Changed in interim accounting term										
Dividend of surplus (Note)			-				(276,844)	(276,844)		(276,844)
Payment of director bonus (Note)			-				(8,120)	(8,120)		(8,120)
Reversal of special depreciation reserves (Note)			-		(304)		304	-		-
Contingent reserves accumulation (Note)			-			400,000	(400,000)	-		-
Interim Net Profit			-				301,373	301,373		301,373
Acquisition of treasury stocks			-					-	(304)	(304)
Sale of treasury stocks			-				(1,031)	(1,031)	3,874	2,843
Changes in items other than shareholders' equity during interim accounting term (Net amount)			-					-		-
Total amount of changes during interim accounting term	-	-	-	-	(304)	400,000	(384,318)	15,377	3,570	18,947
Balance at September 30, 2006	6,791,682	10,571,419	10,571,419	1,697,920	494	5,500,000	386,764	7,585,179	(310,770)	24,637,511

Item	Valuation/Conversion Differentials and Others		Total Net Assets
	Differential from Valuation of Securities and Others	Total of Valuation/Conversion Differentials and Others	
Balance at March 31, 2006	241,453	241,453	24,860,018
Changes in interim accounting term			
Dividend of surplus (Note)		-	(276,844)
Payment of director bonus (Note)		-	(8,120)
Reversal of special depreciation reserves (Note)		-	-
Contingent reserves accumulation (Note)		-	-
Interim Net Profit		-	301,373
Acquisition of treasury stocks		-	(304)
Sale of treasury stocks		-	2,843
Changes in items other than shareholders' equity during interim accounting term (Net amount)	(232,325)	(232,325)	(232,325)
Total amount of changes during interim accounting term	(232,325)	(232,325)	(213,378)
Balance at September 30, 2006	9,128	9,128	24,646,640

(Note) The above are the profit appropriation items as approved by the Regular Shareholders' Meeting in June 2006.