

## Summary of Financial Statements for the Half-year Ended September 30, 2008



November 13, 2008

Listed market JASDAQ

Listed company name SEIKOH GIKEN Co., Ltd.  
Code number 6834 URL <http://www.seikoh-giken.co.jp>  
Representative (Title) President & CEO  
For inquiries (Title) Management Planning Team Leader  
Scheduled date of quarterly financial statements submission November 13, 2008

(Name) Masatoshi Ueno  
(Name) Yuji Saito TEL +81-47-388-6401

(All amounts rounded down to the nearest million yen)

### 1. Consolidated business results for the interim term ended September 30, 2008 (April 1, 2008 to September 30, 2008)

(1) Consolidated business performance (accumulated total) (Percentage figures show the changes from the previous second quarter.)

	Sales amount		Operating profit		Ordinary profit		Net profit	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Interim term ended September 30, 2008	3,977	-	(75)	-	39	-	35	-
Interim term ended September 30, 2007	3,687	9.0	(126)	-	(84)	-	(132)	-

	Net profit per share	Fully diluted net profit per share
	Yen Sen	Yen Sen
Interim term ended September 30, 2008	3.90	-
Interim term ended September 30, 2007	(14.37)	-

### (2) Consolidated financial conditions

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥ million	¥ million	%	Yen Sen
Interim term ended September 30, 2008	24,973	22,881	91.6	2,487.23
Year ended March 31, 2008	25,115	23,136	92.1	2,514.95

(Reference) Shareholders' equity Interim term ended September 30, 2008 22,881 million yen Year ended March 31, 2008 23,136 million yen

### 2. Dividend status

(Base date)	Dividend per share				
	End of the first quarter	End of the second quarter	End of the third quarter	End of the term	Full year
	Yen Sen	Yen Sen	Yen Sen	Yen Sen	Yen Sen
Year ended March 31, 2008	-	0.00	-	30.00	30.00
Year ending March 31, 2009	-	0.00	-	-	-
Year ending March 31, 2009 (Forecast)	-	-	-	30.00	30.00

Note: Revision to the forecast for the dividend during the current second quarter: None

### 3. Forecast of consolidated business performance for the year ending March 31, 2009 (April 1, 2008 to March 31, 2009)

(Percentage figures show the changes from the previous term.)

Full year	Sales amount		Operating profit		Ordinary profit		Net profit		Net profit per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	Yen Sen
	7,620	-	(310)	-	(170)	-	(180)	-	(19.57)

Note: Revision to the forecast for the figures of consolidated business performance during the current second quarter: Exists

### 4. Others

(1) Transfer of important subsidiaries during the term (Transfer of specified subsidiaries necessary to change the range of consolidation): None

(2) Simplified accounting procedures and special accounting procedures applied in preparation of quarterly consolidated financial statements: Exist

(3) Changes in principle, procedure, display method, etc. relating to accounting procedures for the preparation of quarterly consolidated financial statements (Items to be described in the "Changes in Important Matters Used as the Base for Preparing the Quarterly Consolidated Financial Statements")

1) Changes according to the amendment of accounting standards, etc.: Exist

2) Changes other than 1): None

(4) Number of shares issued (common shares)

1) Number of shares issued at the end of the term (Treasury stocks included)	Interim term ended September 30, 2008	9,333,654 shares	Year ended March 31, 2008	9,333,654 shares
2) Number of treasury stocks at the end of the term	Interim term ended September 30, 2008	134,122 shares	Year ended March 31, 2008	134,046 shares
3) Average number of shares during the term (accumulated quarterly consolidated period)	Interim term ended September 30, 2008	9,199,563 shares	Interim term ended September 30, 2007	9,222,780 shares

1. The forecast figures above are made based on the information available as of the date of disclosure of this report. Actual results may differ from the forecast figures, depending on various factors.

2. Starting from the current consolidated fiscal year, "Accounting standards related to quarterly financial statements" (Corporate accounting standard No. 12) and "Policies applied in accounting standards related to quarterly financial statements" (Policies applied to corporate accounting standards No. 14) are applied. Quarterly financial statements are prepared in accordance with "Principles of quarterly financial statements."

## Qualitative information and financial statements

### 1. Qualitative information regarding consolidated business results

In the current consolidated interim term, Japanese exports slowed as the international economy stagnated due to the financial crisis and slump in corporate profits prevailed resulting from soaring energy and raw materials prices. Moreover, the prices of daily necessities continued to rise and the employment situation and incomes weakened, putting further downward pressure on consumer spending. In the information telecommunications/digital electronic appliance industries related to the businesses of our Company Group, the Beijing Olympics was expected to generate special demand, but the economic effect from increased sales of high-definition flat-screen televisions and Blu-ray disc recorders was limited.

Amid this environment, our Company Group worked to expand our existing groups, the Optical Disc Mold Group, which handles mainly optical disc molds, and the Optical Communications Group, which handles mainly optical communication parts, into new areas. Through these measures, sales of the current consolidated interim term increased to ¥3,977,374 thousand. We also actively continued with R&D to develop new products and technologies in new fields that will carry the Company in the next generation. These included high heat resistance lenses, optical transmission devices, and optical electric field sensors. As a result, we recorded an operating loss of ¥75,120 thousand for the current consolidated interim term. Ordinary profit, on the other hand, was ¥39,855 thousand due to income from patent royalties and foreign exchange gains, and net profit for the second quarter was ¥35,903 thousand after deferred income taxes.

Performance by sector was as follows.

#### 1) Optical Disc Mold Group

In the current consolidated interim term, Blu-ray disc mold sales grew moderately, and demand for DVD molds rose. Sales of maintenance and replacement parts for optical disc molds were strong, recording sales of ¥966,773 thousand. The Company posted a ¥157,523 thousand operating loss, however, due to development expenses related to high heat resistance lenses.

#### 2) Optical Communications Group

In the domestic market, demand was strong for optical communications parts for construction of the Next Generation Network (NGN). Construction of optical communications networks in China and other developing regions grew and the sales volume of optical communications parts increased significantly, and although downward pressure on prices continued, increased sales volume resulted in sales of ¥3,010,600 thousand. Accompanying this increase in sales, we recorded an operating profit of ¥82,403 thousand.

### 2. Qualitative information regarding consolidated financial position

Total assets at the end of the current consolidated interim term were ¥24,973,726 thousand, a reduction of ¥141,785 thousand from the end of the previous consolidated accounting year. Current assets were ¥17,448,542 thousand, down ¥68,468 thousand from the end of the previous consolidated accounting year. The major contributing factors were a decrease in the balance of cash and deposits resulting from payment of dividends and a reduction in inventory assets accompanying a write-down of inventory assets from applying the "Accounting standards related to valuation of inventory assets." Fixed assets were ¥7,525,184 thousand, a decrease of ¥73,317 thousand from the end of the previous consolidated accounting year. The major factor was a decrease in the balance of buildings and structures and mechanical equipment and vehicles resulting from depreciation.

Total liabilities at the end of the current consolidated interim term were ¥2,092,333 thousand, up ¥113,410 thousand from the end of the previous consolidated accounting year. The major contributing factor was an increase in the balance of accounts payable.

Total net assets at the end of the current consolidated interim term amounted to ¥22,881,393 thousand, a decrease of ¥255,195 thousand from the end of the previous consolidated accounting year. The major contributing factors were payment of dividends and a decrease in foreign exchange translation adjustment.

### 3. Qualitative information regarding forecasts for consolidated financial results

Company performance for the current consolidated interim term was slightly better than the initial plan. However, due to the worsening of the world economy due to the financial uncertainty and the expected delay beyond the third quarter of the start of full-scale mass production of high heat resistance lenses, the forecasts for the year ending March 31, 2009 (April 1, 2008 to March 31, 2009) announced on May 15, 2008 have been changed as follows.

Forecast of consolidated results for the year ending March 31, 2009 (April 1, 2008 to March 31, 2009)

	Sales amount	Operating profit	Ordinary profit	Net profit	Net profit per share
	¥ million	¥ million	¥ million	¥ million	Yen Sen
Previously announced forecast (A)	8,500	260	320	270	29.31
Newly adjusted forecast (B)	7,620	(310)	(170)	(180)	(19.57)
Amount of change (B-A)	(880)	(570)	(490)	(450)	(48.88)
Percent of change (%)	(10.4)	-	-	-	-
Result for previous term (year ended March 31, 2008)	7,148	(426)	(540)	(1,071)	(116.35)

### 4. Other

(1) Transfer of important subsidiaries during the term (Transfer of specified subsidiaries necessary to change the range of consolidation)

No applicable transfers

(2) Simplified accounting procedures and special accounting procedures applied in preparation of quarterly consolidated financial statements

• Simplified accounting procedures

Regarding the method used to calculate depreciation of fixed assets, for assets to which the declining balance method is applied, the amount of depreciation cost is distributed across the consolidated fiscal year.

(3) Changes in principle, procedure, display method, etc. relating to accounting procedures for the preparation of quarterly consolidated financial statements

• Changes in accounting standards

1. Starting from the current consolidated fiscal year, "Accounting standards related to quarterly financial statements" (Corporate accounting standard No. 12) and "Policies applied in accounting standards related to quarterly financial statements" (Policies applied to corporate accounting standards No. 14) are applied. Quarterly financial statements are prepared in accordance with "Principles of quarterly consolidated financial statements."

2. Changes in valuation standards and valuation methods for major assets

Inventory assets

Starting from the current consolidated first quarter, "Accounting standards related to valuation of inventory assets" (Accounting Standards Board of Japan, July 5, 2006, Corporate accounting standard No. 9) is applied. Regarding valuation standards, the Company has changed from the cost accounting method to the method of reducing book value due to a decline in profitability.

As a result of this change, operating loss for the current consolidated interim term increased by ¥61,871 thousand, and ordinary profit and net profit before taxes and other adjustments each declined by ¥61,871 thousand.

Effects on segment information are listed for applicable items.

3. Application of handling of accounting procedures from overseas subsidiaries in the preparation of consolidated financial statements.

"Application of handling of accounting procedures from overseas subsidiaries in the preparation of consolidated financial results" (Accounting Standards Board of Japan, May 17, 2006, Practical report No. 18) has been applied starting in this consolidated financial quarter, and the necessary revisions to the consolidated financial results have been made.

The effect of this revision on profits and loss is negligible.

There is no effect on segment information.

## 5. Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheet

(Unit: Thousands of yen)

	At the end of the current consolidated interim term (September 30, 2008)	Summary of consolidated balance sheet at the end of the previous year (March 31, 2008)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and deposits	13,764,138	13,984,423
Notes receivable and trade accounts receivable	2,285,932	1,845,576
Merchandise	6	21
Products	207,766	211,526
Raw materials	408,223	466,632
Work-in-process	455,619	600,760
Supplies	13,609	15,913
Accrued refund of corporation tax	-	68,395
Others	318,621	329,767
Bad debt allowance	(5,375)	(6,005)
<b>Total Current Assets</b>	<b>17,448,542</b>	<b>17,517,010</b>
<b>Fixed Assets</b>		
<b>Tangible Fixed Assets</b>		
Buildings and structures	4,426,035	4,458,047
Accumulated depreciation	(2,015,461)	(1,941,999)
Buildings and structures (net base)	2,410,574	2,516,048
Mechanical equipment and vehicles	2,630,853	2,583,250
Accumulated depreciation	(1,845,762)	(1,734,279)
Mechanical equipment and vehicles (net base)	785,090	848,970
Land	2,211,508	2,211,508
Others	2,119,921	1,866,409
Accumulated depreciation	(1,294,164)	(1,173,260)
Others (net base)	825,756	693,149
<b>Total Tangible Fixed Assets</b>	<b>6,232,929</b>	<b>6,269,677</b>
<b>Intangible Fixed Assets</b>		
Goodwill	123,402	162,964
Others	112,204	130,935
<b>Total Intangible Fixed Assets</b>	<b>235,606</b>	<b>293,899</b>
<b>Investment and Other Assets</b>		
Investment securities	23,103	23,730
Investment real estate assets (net base)	881,550	886,100
Others	153,590	126,690
Bad debt allowance	(1,597)	(1,597)
<b>Total Investment and Other Assets</b>	<b>1,056,647</b>	<b>1,034,924</b>
<b>Total Fixed Assets</b>	<b>7,525,183</b>	<b>7,598,501</b>
<b>Total Assets</b>	<b>24,973,726</b>	<b>25,115,511</b>

(Unit: Thousands of yen)

	At the end of the current consolidated interim term (September 30, 2008)	Summary of consolidated balance sheet at the end of the previous year (March 31, 2008)
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade accounts payable	492,440	395,398
Accrued corporate taxes and others	46,175	56,392
Others	958,832	920,197
<b>Total Current Liabilities</b>	<b>1,497,447</b>	<b>1,371,988</b>
<b>Fixed Liabilities</b>		
Allowance for retirement benefits	271,236	269,076
Long-term accrued liabilities	149,089	149,126
Long-term guarantee deposit received	154,197	164,191
Long-term deposit	19,037	19,037
Others	1,326	5,504
<b>Total Fixed Liabilities</b>	<b>594,885</b>	<b>606,936</b>
<b>Total Liabilities</b>	<b>2,092,332</b>	<b>1,978,924</b>
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Capital	6,791,682	6,791,682
Capital surplus	10,571,419	10,571,419
Retained earnings	5,773,723	5,986,363
Treasury stocks	(370,622)	(370,462)
<b>Total Shareholders' Equity</b>	<b>22,766,204</b>	<b>22,979,003</b>
<b>Valuation/Conversion Differentials and Others</b>		
Differential from valuation of securities	1,350	1,814
Foreign exchange translation adjustment	113,839	155,770
<b>Total of Valuation/Conversion Differentials and Others</b>	<b>115,189</b>	<b>157,584</b>
<b>Total Net Assets</b>	<b>22,881,393</b>	<b>23,136,587</b>
<b>Total Liabilities/Net Assets</b>	<b>24,973,726</b>	<b>25,115,511</b>

(2) Quarterly Consolidated Income Statement  
(Current Consolidated Interim Term)

(Unit: Thousands of yen)

	Current Consolidated Interim Term (From April 1, 2008 to September 30, 2008)
Sales Amount	3,977,374
Cost of Sales	2,719,346
Gross Profit	1,258,027
Selling, General and Administrative Expenses	1,333,148
Operating (Loss)	(75,120)
Non-Operating Income	
Interest received	49,638
Dividends received	250
Invested real estate rent income	19,200
Foreign exchange gains	33,111
Others	22,383
Total Non-Operating Income	124,583
Non-Operating Expenses	
Cost of real estate rent income	7,206
Others	2,401
Total Non-Operating Expenses	9,607
Ordinary Profit	39,855
Extraordinary Profit	
Gain on sale of fixed assets	112
Total Extraordinary Profit	112
Extraordinary Loss	
Loss on retirement of fixed assets	33
Total Extraordinary Loss	33
Net Profit before Taxes and Other Adjustments	39,934
Corporate Taxes, Local and Enterprise Taxes	35,431
Adjustment to Corporate Taxes	(31,399)
Total Corporate Taxes	4,031
Net Profit	35,903

## SEIKOH GIKEN CO., LTD. (6834): Interim Summary of Financial Statements: Second Quarter of 2009/03 Term

(Current Consolidated Second Quarter)

(Unit: Thousands of yen)

	Current Consolidated Second Quarter (From July 1, 2008 to September 30, 2008)
Sales Amount	2,228,829
Cost of Sales	1,548,748
Gross Profit	680,080
Selling, General and Administrative Expenses	684,382
Operating (Loss)	(4,301)
Non-Operating Income	
Interest received	27,994
Dividends received	34
Invested real estate rent income	9,600
Others	3,753
Total Non-Operating Income	41,382
Non-Operating Expenses	
Cost of real estate rent income	3,603
Foreign exchange loss	53,294
Others	274
Total Non-Operating Expenses	57,171
Ordinary (Loss)	(20,091)
Extraordinary Profit	
Gain on sale of fixed assets	68
Total extraordinary profit	68
Extraordinary Loss	
Loss on retirement of fixed assets	11
Total extraordinary loss	11
Net (Loss) before Taxes and Other Adjustments	(20,034)
Corporate Taxes, Local and Enterprise Taxes	25,306
Adjustment to Corporate Taxes	(47,115)
Total Corporate Taxes	(21,808)
Net Profit	1,774

## (3) Quarterly Consolidated Cash Flow Statement

(Unit: Thousands of yen)

	Current Consolidated Interim Term (From April 1, 2008 to September 30, 2008)
<b>Cash Flow from Operating Activities</b>	
Net profit before taxes and other adjustments	39,934
Depreciation expenses	310,064
Depreciation of goodwill	38,587
Interest received and dividends received	(49,889)
Rent Income	(19,200)
(Profit) or loss on sale of fixed assets	(112)
Loss on retirement of fixed assets	33
Increase/(decrease) in bad debt allowance	(338)
Increase/(decrease) in allowance for retirement benefits	2,159
Foreign exchange (gain)/loss	21
(Increase)/decrease in trade accounts receivable	(462,270)
(Increase)/decrease in inventory assets	196,877
(Increase)/decrease in other assets	16,314
Increase/(decrease) in trade accounts payable	128,170
Increase/(decrease) in other current liabilities	(4,238)
<b>Subtotal</b>	<b>196,114</b>
Interest and dividends received	38,886
Refund of corporate taxes and others	68,782
Payment of corporate taxes and others	(11,547)
<b>Cash Flow from Operating Activities</b>	<b>292,235</b>
<b>Cash Flow from Investing Activities</b>	
Payment into time deposit	(4,716,501)
Income from repayment of time deposit	4,801,190
Payment for acquisition of tangible fixed assets	(216,175)
Income from sale of tangible fixed assets	1,589
Payment for acquisition of intangible fixed assets	(7,312)
Payment for acquisition of investment securities	(152)
Income from rent of invested real estate	19,200
Others	132
<b>Cash Flow from Investing Activities</b>	<b>(118,029)</b>
<b>Cash Flow from Financing Activities</b>	
Payment for purchase of treasury stocks	(159)
Payment of dividends	(275,982)
<b>Cash Flow from Financing Activities</b>	<b>(276,141)</b>
Conversion Differentials Related to Cash and Cash Equivalents	(33,640)
<b>Increase/(decrease) in Cash and Cash Equivalents</b>	<b>(135,576)</b>
Opening Balance of Cash and Cash Equivalents	2,857,613
<b>Ending Balance of Cash and Cash Equivalents</b>	<b>2,722,037</b>



SEIKOH GIKEN CO., LTD. (6834): Interim Summary of Financial Statements: Second Quarter of 2009/03 Term

Starting from the current consolidated fiscal year, "Accounting standards related to quarterly financial statements" (Corporate accounting standard No. 12) and "Policies applied in accounting standards related to quarterly financial statements" (Policies applied to corporate accounting standards No. 14) are applied. Quarterly financial statements are prepared in accordance with "Principles of quarterly consolidated financial statements."

(4) Notes on premise as a going concern

No applicable items

(5) Segment Information

[Segment Information by Business Type]

Current Consolidated Second Quarter (From July 1, 2008 to September 30, 2008)

(Unit: Thousands of yen)

	Optical Disk Mold Group	Optical Communications Group	Total	Elimination or Company-total	Consolidated
Sales Amount					
(1) Sales amount to external customers	463,530	1,765,299	2,228,829	—	2,228,829
(2) Internal sales amount or transfer amount between segments	—	—	—	—	—
Total	463,530	1,765,299	2,228,829	—	2,228,829
Operating Profit or (Loss)	(76,096)	71,795	(4,301)	—	(4,301)

Current Consolidated Interim Term (From April 1, 2008 to September 30, 2008)

(Unit: Thousands of yen)

	Optical Disk Mold Group	Optical Communications Group	Total	Elimination or Company-total	Consolidated
Sales Amount					
(1) Sales amount to external customers	966,773	3,010,600	3,977,374	—	3,977,374
(2) Internal sales amount or transfer amount between segments	—	—	—	—	—
Total	966,773	3,010,600	3,977,374	—	3,977,374
Operating Profit or (Loss)	(157,523)	82,403	(75,120)	—	(75,120)

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:      | Molds for optical disc molding, molds for powder metallurgy molding  |
| (2) Optical Communications Group: | Optical connectors, optical connector cords, optical attenuators, ferrules, isolators, optical connector polishing machines and others |

3. Changes in the method of accounting procedures

(Accounting standards related to valuation of inventory assets)

As indicated in 2 of "Changes in principle, procedure, display method, etc. relating to accounting procedures for the preparation of quarterly consolidated financial statements," starting from the current consolidated first quarter, "Accounting standards related to valuation of inventory assets" (Corporate accounting standard No. 9, July 5, 2006) is applied. The result of this change on the current consolidated interim term increases the operating loss for the Optical Disk Mold Group by ¥5,642 thousand and reduces the operating profit for the Optical Communications Group by ¥56,228 thousand.

## [Segment Information by Location]

Current Consolidated Second Quarter (From July 1, 2008 to September 30, 2008)

(Unit: Thousands of yen)

	Japan	North America	Asia	Europe	Total	Elimination or Company-total	Consolidated
Sales Amount							
(1) Sales amount to external customers	973,407	333,102	494,575	427,744	2,228,829	–	2,228,829
(2) Internal sales amount or transfer amount between segments	678,317	7,026	411,507	353	1,097,205	(1,097,205)	–
Total	1,651,724	340,129	906,083	428,097	3,326,035	(1,097,205)	2,228,829
Operating Profit or (Loss)	(96,203)	20,741	82,844	11,943	19,326	(23,627)	(4,301)

Current Consolidated Interim Term (From April 1, 2008 to September 30, 2008)

(Unit: Thousands of yen)

	Japan	North America	Asia	Europe	Total	Elimination or Company-total	Consolidated
Sales Amount							
(1) Sales amount to external customers	1,914,293	648,562	657,150	757,367	3,977,374	–	3,977,374
(2) Internal sales amount or transfer amount between segments	1,365,321	10,158	911,217	353	2,287,050	(2,287,050)	–
Total	3,279,614	658,720	1,568,368	757,721	6,264,425	(2,287,050)	3,977,374
Operating Profit or (Loss)	(244,510)	28,557	127,421	20,400	(68,131)	(6,988)	(75,120)

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

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

- (1) North America: U.S.A.
- (2) Asia: China, Taiwan
- (3) Europe: Germany

3. Changes in the method of accounting procedures

(Accounting standards related to valuation of inventory assets)

As indicated in 2 of “Changes in principle, procedure, display method, etc. relating to accounting procedures for the preparation of quarterly consolidated financial statements,” starting from the current consolidated first quarter, “Accounting standards related to valuation of inventory assets” (Corporate accounting standard No. 9, July 5, 2006) is applied. The result of this change on the current consolidated interim term increases the operating loss for Japan by ¥60,757 thousand and reduces the operating profit for Asia by ¥1,113 thousand.

[Overseas Sales Amount]

Current Consolidated Second Quarter (From July 1, 2008 to September 30, 2008)

(Unit: Thousands of yen)

	America	Europe	Asia and Other Regions	Total
I Overseas sales amount	333,102	440,222	547,262	1,320,587
II Consolidated sales amount	–	–	–	2,228,829
III Ratio of overseas sales amount to consolidated sales amount (%)	14.9	19.8	24.6	59.3

Current Consolidated Interim Term (From April 1, 2008 to September 30, 2008)

(Unit: Thousands of yen)

	America	Europe	Asia	Total
I Overseas sales amount	648,562	798,012	780,821	2,227,397
II Consolidated sales amount	–	–	–	3,977,374
III Ratio of overseas sales amount to consolidated sales amount (%)	16.3	20.1	19.6	56.0

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

2. Details of countries and territories belonging to categories are as follows:

- (1) America: U.S.A.
- (2) Europe: Germany
- (3) Asia and Other Regions: China, Taiwan

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

(6) Notes on when there is a significant change to the shareholders' equity

No applicable items

[Referential Information]

Financial Statements of the Previous Quarter

## (1) Interim Consolidated Income Statement

Item	Previous Consolidated Interim Term (From April 1, 2007 to September 30, 2007)	
	Amount (Thousands of yen)	%
I Sales Amount		3,687,758 100.0
II Cost of Sales		2,498,393 67.7
Gross Profit		1,189,364 32.3
III Selling, General and Administrative Expenses		1,315,757 35.7
Operating (Loss)		(126,392) (3.4)
IV Non-Operating Income		
1 Interest received	41,813	
2 Dividends received	151	
3 House rent income	20,234	
4 Patent royalties	10,844	
5 Foreign exchange gains	747	
6 Others	16,584	90,377 2.4
V Non-Operating Expenses		
1 Cost of house rent income	7,911	
2 Loss on retirement of inventory assets	37,427	
3 Others	3,130	48,469 1.3
Ordinary (Loss)		(84,484) (2.3)
VI Extraordinary Profit		
1 Reversal of bad debt allowance	80	80 0.1
V Extraordinary Loss		
1 Loss on retirement of fixed assets	1,979	1,979 0.1
Net loss before Taxes and Other Adjustments		(86,383) (2.3)
Corporate Taxes, Local and Enterprise Taxes	32,564	
Adjustment to Corporate Taxes	13,609	46,173 1.3
Net (Loss)		(132,557) (3.6)

## (2) Interim Consolidated Cash Flow Statement

Item	Previous Consolidated Interim Term (From April 1, 2007 to September 30, 2007)
	Amount (Thousands of yen)
I Cash Flow from Operating Activities	
1 Net loss before taxes and other adjustments	(86,383)
2 Depreciation expenses	301,151
3 Depreciation of goodwill	83,957
4 Increase in bad debt allowance	183
5 Increase in long-term accrued liabilities	840
6 Increase in allowance for retirement benefits	11,872
7 Interest received and dividends received	(41,965)
8 Interest expenses	50
9 House rent income	(20,234)
10. Miscellaneous income	(1,225)
11 Loss on retirement of fixed assets	1,979
12 Loss on retirement of inventory assets	37,427
13 Loss on valuation of foreign currency deposit	608
14 Increase in trade accounts receivable	(413,438)
15 Decrease in inventory assets	203,217
16 Decrease in other current assets	180,767
17 Increase in trade accounts payable	39,240
18 Increase in other current liabilities	37,542
Subtotal	335,591
19 Interest and dividends received	15,685
20 Interest and discounts expenses	(50)
21 Refund of corporate taxes and others	70,145
22 Payment of corporate taxes and others	(32,806)
Cash Flow from Operating Activities	388,565

	Previous Consolidated Interim Term (From April 1, 2007 to September 30, 2007)
Item	Amount (Thousands of yen)
II Cash Flow from Investing Activities	
1 Payment into time deposit	(3,657,881)
2 Income from repayment of time deposit	3,602,214
3 Payment for acquisition of tangible fixed assets	(252,537)
4 Income from sale of tangible fixed assets	1,961
5 Payment for acquisition of intangible fixed assets	(8,093)
6 Payment for acquisition of investment securities	(150)
7 House rent income	20,234
8 Payment for other investing activities	(10,207)
9 Income from other investing activities	2,166
Cash Flow from Investing Activities	(302,293)
III Cash Flow from Financing Activities	
1 Payment for purchase of treasury stocks	(60,586)
2 Dividend payments	(275,217)
Cash Flow from Financing Activities	(335,803)
IV Conversion Differentials Related to Cash and Cash Equivalents	26,580
V (Decrease) in Cash and Cash Equivalents	(222,950)
VI Opening Balance of Cash and Cash Equivalents	1,887,512
VII Ending Balance of Cash and Cash Equivalents	1,664,561

## (3) Segment Information

[Segment Information by Business Type]

Previous Consolidated Interim Term (From April 1, 2007 to September 30, 2007)

(Unit: Thousands of yen)

	Optical Disk Mold Group	Optical Communications Group	Total	Elimination or Company-total	Consolidated
Sales Amount					
(1) Sales amount to external customers	850,066	2,837,692	3,687,758	—	3,687,758
(2) Internal sales amount or transfer amount between segments	—	—	—	—	—
Total	850,066	2,837,692	3,687,758	—	3,687,758
Operating Expenses	930,026	2,884,125	3,814,151		3,814,151
Operating (Loss)	(79,959)	(46,433)	(126,392)	—	(126,392)

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:

Molds for optical disc molding, molds for powder metallurgy molding

(2) Optical Communications Group:

Optical connectors, optical connector cords, optical attenuators, ferrules, isolators, optical connector polishing machines and others

[Segment Information by Location]

Previous Consolidated Interim Term (From April 1, 2007 to September 30, 2007)

(Unit: Thousands of yen)

	Japan	North America	Asia	Europe	Total	Elimination or Company-total	Consolidated
Sales Amount							
(1) Sales amount to external customers	1,725,339	792,302	406,711	763,404	3,687,758	–	3,687,758
(2) Internal sales amount or transfer amount between segments	1,411,135	3,341	819,425	436	2,234,338	(2,234,338)	–
Total	3,136,475	795,643	1,226,136	763,840	5,922,096	(2,234,338)	3,687,758
Operating Expenses	3,315,253	758,656	1,217,326	750,755	6,041,991	(2,227,840)	3,814,151
Operating Profit or (Loss)	(178,778)	36,986	8,810	13,085	(119,895)	(6,497)	(126,392)

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

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

- |                    |               |
|--------------------|---------------|
| (1) North America: | U.S.A.        |
| (2) Asia:          | China, Taiwan |
| (3) Europe:        | Germany       |



[Overseas Sales Amount]

Previous Consolidated Interim Term (From April 1, 2007 to September 30, 2007)

(Unit: Thousands of yen)

	America	Europe	Asia	Total
I Overseas sales amount	792,302	827,299	554,368	2,173,971
II Consolidated sales amount	–	–	–	3,687,758
III Ratio of overseas sales amount to consolidated sales amount (%)	21.5	22.4	15.0	59.0

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

2. Details of countries and territories belonging to categories are as follows:

- (1) America: U.S.A.
- (2) Europe: Germany
- (3) Asia and Other Regions: China, Taiwan

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