Outline of Financial Statements and Performance for the Fiscal Year Ended March 31, 2005 (Consolidated)

May 20, 2005

Name	SEIKOH GIKEN Co., Ltd.	Listed market	JASDAQ
Code	6834	Location	Chiba Prefecture

（URL http://www.seikoh-giken.co.jp ）

Representative Title President & CEO
Name Masatoshi Ueno
For inquiries Title Management Planning, Sub Leader
Name Yuji Saito (Phone: +81-47-388-6401)

Date of the Board of Directors for Closing May 20, 2005 U.S.GAAP Not adopted

1. Consolidated business results for the current term (April 1, 2004 - March 31, 2005)

(1) Performance (consolidated)

	Sales		Operating Profit		Ordinary Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
2005/03 Term	6,103	(-11.8)	1,714	(-25.2)	1,842	(-15.0)
2004/03 Term	6,918	(62.3)	2,291	(725.8)	2,168	(996.2)

	Net Profit (current term)		Earnings per Share	Fully Diluted Earnings per Share in Net Profit (current term)	Return on Stockholder's Equity	Ordinary Profit to Total Capital	Ordinary Profit to Sales
	Millions of yen	%	Yen	Yen	%	%	%
2005/03 Term	1,768	(27.1)	189.39	188.90	7.5	7.3	30.2
2004/03 Term	1,391	(-)	148.28	147.84	6.3	8.6	31.3

(Note)
1. Investment loss (profit) on equity method: 2005/03 Term - Millions of yen 2004/03 Term - Millions of yen
2. Average number of shares issued (consolidated): 2005/03 Term 9,266,435 shares 2004/03 Term 9,303,531 shares
3. Changes in accounting procedures: None
4. The percentages in the Sales, Operating Profit, Ordinary Profit and Net Profit columns show the changes against the figures of the previous fiscal year.

(2) Changes in consolidated financial conditions

	Total Assets	Shareholder's Equity	Shareholder's Equity Ratio	Shareholder's Equity per Share	
	Millions of yen	Millions of yen	%	Yen	Sen
2005/03 Term	25,351	24,134	95.2	2,615	10
2004/03 Term	25,138	22,946	91.3	2,464	66

(Note) Number of shares issued (consolidated) 2005/03 Term - 9,223,746 shares 2004/03 Term - 9,305,446 shares

(3) Changes in consolidated cash flows conditions

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of Year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
2005/03 Term	2,766	-7,900	-553	5,219
2004/03 Term	122	-1,167	-177	10,902

(4) Matters regarding the scope of consolidation and application of the equity method

Consolidated subsidiaries: 3 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 (newly added): 0 (Excluded): 0
Equity-method non-consolidated subsidiaries and affiliates (newly added): 0 (Excluded): 0

2. Forecasts of consolidated performance for the 2006/03 Term (April 1, 2005 – March 31, 2006)

	Sales	Ordinary Profit	Net Profit
	Millions of yen	Millions of yen	Millions of yen
Mid-term	3,000	700	450
Full business year	6,260	660	430

(For reference) Forecasts of net profit per share for the 2006/03 term (Full business year): 46.69 yen

*The above estimated figures are calculated based on the information available as of the date of disclosure of this material. Actual results may differ depending on changes in various factors and business circumstances. Please refer to page 14 for the matter concerning the forecasts stated above.

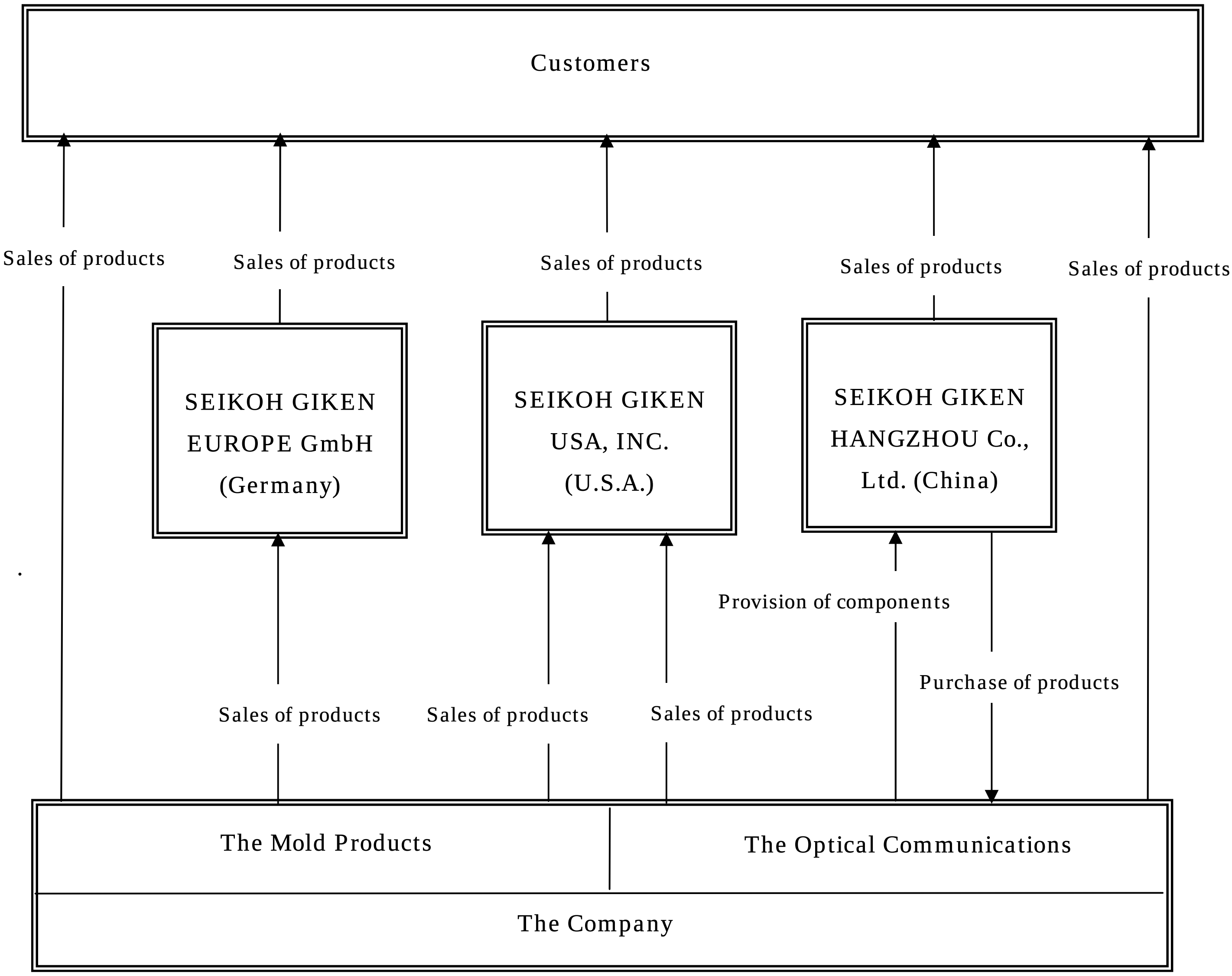
Amounts reported have been provided by abbreviating figures below the specified unit. Figures for percentages and others have been rounded off.

1. Conditions of the SEIKOH GIKEN Group

The SEIKOH GIKEN Group, the Company and three consolidated subsidiaries, consists of two segments, the Mold Products Segment that handles design, production and sales of precision molds centering on optical disk molds, and the Optical Communications Segment that handles production and sales of optical components for optical communication and manufacturing devices for optical components.

In the Mold Products Segment, production is handled by the Company, and sales of products are handled by the Company, SEIKOH GIKEN USA, INC. (a consolidated subsidiary) and SEIKOH GIKEN EUROPE GmbH (a consolidated subsidiary).
In the Optical Communications Segment, production is handled by the Company and SEIKOH GIKEN HANGZHOU Co., Ltd. (consolidated subsidiary), and sales of the products are handled by the Company, SEIKOH GIKEN USA, INC. (a consolidated subsidiary) and SEIKOH GIKEN HANGZHOU Co., Ltd. (a consolidated subsidiary).

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



2. Management Policies

(1) Basic management policies

Our management philosophy is "Based on outstanding technologies and creativity, we will supply high-quality products, contribute to 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 are making efforts towards increasing in corporate value and realizing the contribution to society by the confident implementation of these.

1) Customer Satisfaction

Always be a trusted company in which all employees maintain a perspective of customer satisfaction, and work to improve quality, price, delivery, and service.

2) Stable Growth

Be a company that is constantly expanding, by working to strengthen the customer base, achieving an efficient organizational structure, and increasing per capita profitability on an employee base.

3) Top Global Share

Create new value by maintaining an international perspective and by promoting tireless technological development and the accumulation of intellectual assets, and acquire the top global share by offering the world's most trusted products (brands).

4) Growth of the Individual

Support individual growth through personal development and training, and increase the power of the organization as a whole by bringing out the best qualities and the maximum capabilities of each individual employee.

5) Social Contributions

Abide strictly by laws and regulations as a member of society, contribute to the creation of a better society and a better environment through business activities, and achieve mutual prosperity for all who collaborate and interact with us.

(2) Basic policies for allocation of earnings

From a viewpoint of the aim at management that puts more importance on shareholders, we intend to implement overall steps for the return of shareholders considering the balance between business results and internal reserves as well as existing stable dividends.

As business results of the fiscal year were higher than expected and net profits sharply exceeded the figures projected at the beginning of the fiscal year because of a decrease in the loads of taxes associated with the tax effect accounting and other factors, we are pleased to add special dividends of ¥20 per share to common dividends at the end of the fiscal year of ¥30 to set profit-sharing dividends for the current consolidated fiscal year ("the fiscal year") ended March 31, 2005 to be ¥50 per share.

In addition, based on the resolution adopted at the Board of Directors held on August 2 and September 30, 2004, the purchase of its 84,500 common shares for ¥274 million as the total acquisition amount was conducted during the fiscal year.

(3) Attitude and policy on lowering of investment unit

Although we recognize the lowering of investment unit as an important issue for management in our attempt to expand the individual investors layer and activation of share distribution, at present, concrete measures and their timing have not been determined yet.

(4) Targeted management index

The Company hopes to generate products with high added value by which it can seek a global share while broadening the scope of the current technologies we hold through effective utilization of capital, and ensure continuous corporate growth. Therefore, as the management index, the Company is conducting management activities that are aware of turnover on capital employed from a standpoint of efficiency and rate of business return from a viewpoint of profitability.

(5) Management strategies in the long and medium terms

1) Mold Products Segment

Amid increased recording capacities of optical disks, media to record and run digital information in conjunction with technological progresses, at present, the spread of DVD-ROM and DVD-R has been accelerated. Each optical disk molding manufacturer is seeking molding speeds with another “high cycle” in order to achieve mass production of high quality optical disks. In addition, attempts for mass production of next generation optical disks with higher recording capacities than those of DVD have gradually been launched. In order to correctly meet these movements of endusers, we will initiate more efforts on development of technologies for optical disk molds, improvement of customer satisfaction and maintaining of the market dominance.

Moreover, sales of new molds tend to be influenced by the development of new types of optical disks, spreading conditions, and the timing of customers' capital investment due to the product’s features. In order to stabilize business results in the long and medium terms, maintenance of molds delivered to customers, expansion of maintenance business such as sales of consumable components, and taking in of mold needs other than optical disks are vital. For such purposes, we will aggressively work to explore new business sectors that can utilize our mold technologies, while forming a firmer relationship with existing customers focusing efforts on strengthening sales abilities of maintenance business bases in the U.S., Germany and Taiwan.

2) Optical Communications Segment

Construction of the optical fiber to offices and homes (FTTH) is constantly under way for the advent of full-scale broadband communications. Backed by this situation, it is expected that the global demand for components of the optical communication for the metro/ access network would gradually expand. Following this expectation, the Company will focus its energy on strengthening collaboration with major customers at home and abroad who are key persons for the construction of the optical communication network and on development of competitive products. In addition, we will aggressively shift our production to the plants in China and try to make our production structure capable of providing high quality products with competitive prices.

Moreover, we will take steps for the diversion of technologies obtained through the development of component products for the optical communication to fields outside the communication industry. For instance, fields where our technologies of precision process and assembly could take an active part include car electronics components that are built in vehicles and different types of sensors for medical industry and bioindustry, besides the communication industry. We intend to establish a business constitution that is tough against cyclical changes and concentrate on steady growth of each segment's performance by broadening the scope of business territories.

(6) Issues to be addressed

Amid an unprecedented wave of changes in the market environment surrounding our Group, the issues we should address in order to achieve continuously steady corporate growth and build a management structure that is able to increase corporate value and contributes to society in the long run are as follows:

1) Growth of business

Elements such as the broad products line-up and high credibility for quality, the sales network effectively covering the market, and technological development abilities to realize customers' requests are necessary for maintaining and expanding the share of a fiercely competitive market and improving brand value. Through establishment and improvement of these elements, we intend to improve the capital efficiency with the goal of continuous growth of sales and profit.

2) Early commercialization of fuel cell separators

Toward its practical application, businesses around the world are conducting research and development of a fuel cell, which attracts attention as the next generation of eco-friendly clean energy. In January 2005, our Group has successfully worked out a prototype of a separator that is one of the essential components that comprise a fuel cell, and set about development of the lines for the prototypes. We plan its early commercialization by furthermore accelerating development in the future.

3) Strengthening of development

Aggressive development of business and the speeding up of new product developments are indispensable for continuous expansion of corporate value as our Group for the future and enhancement of competitiveness in the market. We intend to collect ideas that connect to new business and products from a wide range of fields inside and outside the Company, by actively creating opportunities to come across new development needs such as making presentations at exhibitions. Also, we will upgrade our developing system by establishing meeting bodies and structures that effectively realize those new business and products.

4) Contribution to society

Being aware of our contribution to society by taking good care of the global environment in all business activities, our Group has achieved the acquisition of ISO14001 certification in February 2005. We intend to work on company-wide activities of environmental protection as a firm that conducts worldwide business activities by taking environmental steps based on the global standards.

(7) Basic attitude on corporate governance and implementing conditions of its steps

1) Basic attitude on corporate governance

We believe the basic of corporate governance is to enhance compliance structures on the assumption of compliance with regulations provided in the related laws and the bylaws of incorporation, improve the transparency of management by disclosing information about the management status timely and in just proportion against stakeholders, and carry out its corporate social responsibility.

2) Implementing conditions of the steps for corporate governance

a. Conditions of the corporate governance structure such as the business management organization associated with decision-making, execution and supervision of corporate management issues

[Substance of corporate organization and conditions of the internal control and enhancement of the risk management system]

The Company has adopted the Auditor System, which consists of four auditors (two auditors are from outside) appointed at the General Meeting of Shareholders, and supervises its management.

In addition, the Board of Directors, which meets every month or more, consists of six directors appointed at the General Meeting of Shareholders. One of the six members is from outside (part-time), and is working on activation of the Board and reinforcement of supervisory functions against the executive bodies of operation. Active deliberations are being held at each meeting of the Board as an organization to decide on issues such as the direction and the goal toward which the entire company heads, significant matters on management and other issues regulated by laws.

Besides this, directors and group leaders of each division who head each business execution hold management meetings every month for the purpose of sharing updated information in each division while reviewing matters to be sent to the Board of Directors.

In routine works, the Administrative Division, which consists of the Management Planning, the Administrative Group and the Accounting Group, and the groups of other divisions timely exchange information as well as regularly hold information communication meetings every week in order to grasp management risks in advance checking and balancing each other.

Grouping conditions of internal check organization, and operational groups and administrative groups in the organization are as follows:

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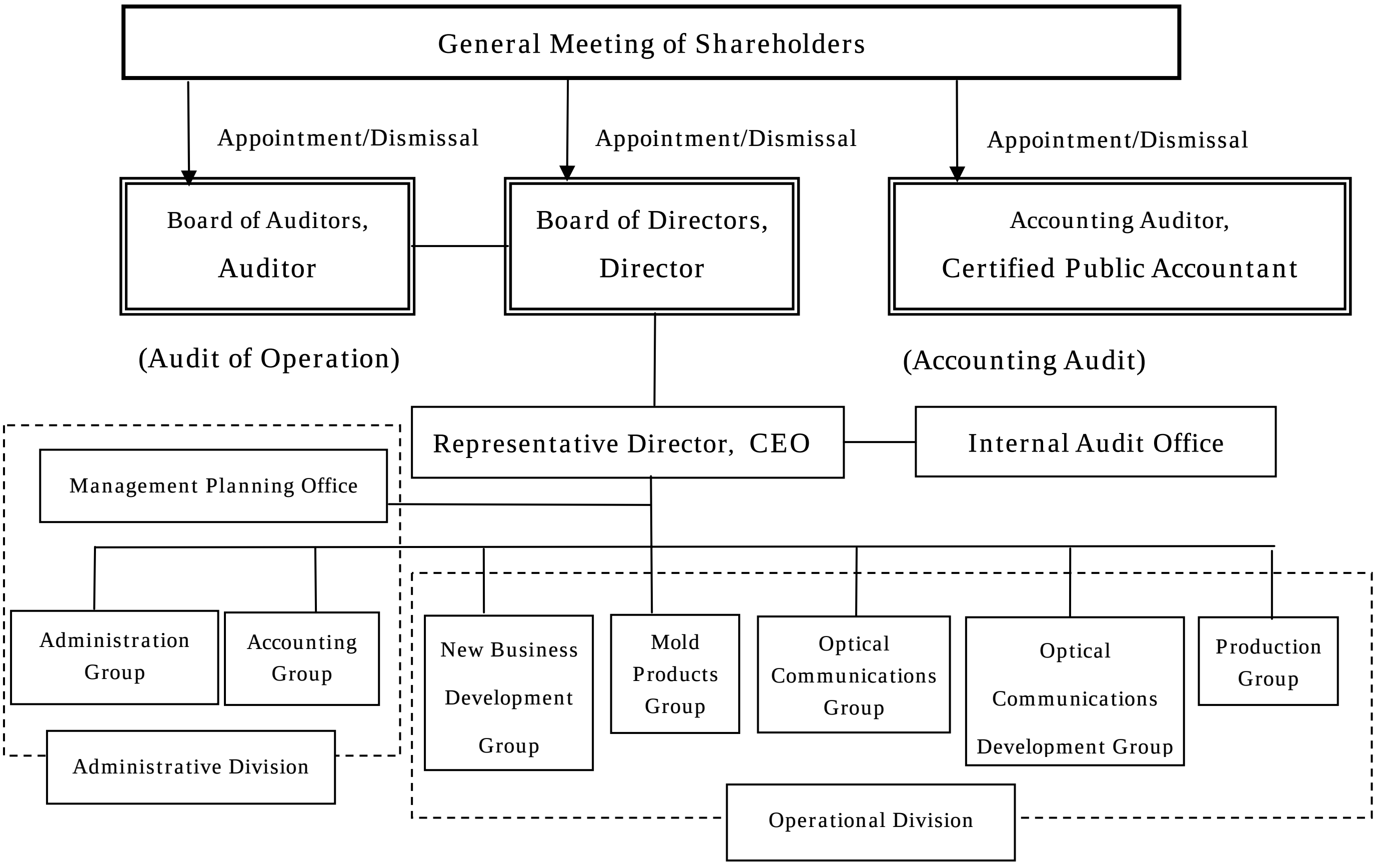

[Conditions of internal audit and auditor's audit, and accounting audit]

Establishing an "Internal Audit Office" under the direct control of the CEO to reinforce the internal management system, the Company conducts strict internal audits regularly or on a temporary basis, and reviews and assesses enhancement conditions of management bodies, compliance and efficiency of operation, and accuracy and adequacy of management documents.

Auditors attend different types of meetings internally held including the "Management Meeting" to reinforce management supervisory functions, as well as attending every "Board of Directors."

The Company has appointed ChuoAoyama PricewaterhouseCoopers as an accounting auditor and concluded an audit agreement. The conditions of certified public accountants and trainee accountants who conducted auditing practices of the current consolidated fiscal year are as follows:

(i) Certified public accountants

Certified public accountants		Engagement years
Appointed employee, Operational employee	Setsuo Higuchi	Seven
Appointed employee, Operational employee	Shoji Yoshizawa	Seven

(ii) Number of assistants involved in audit practices

Certified public accountants	Five
Trainee accountants	Two
Others	One

[Compensation to directors and auditors]

(i) Compensation to officers

	In-house Board Directors		Outside Board Directors		In-house Auditors		Outside Auditors		Total	
	Number	Amount (Thousand yen)	Number	Amount (Thousand yen)	Number	Amount (Thousand yen)	Number	Amount (Thousand yen)	Number	Amount (Thousand yen)
Compensation based on the bylaws or the General Meeting resolution	5	54,120	1	3,000	3	14,205	2	1,650	11	72,975
Bonus to directors based on surplus appropriation	4	8,700	1	500	3	2,600	1	200	9	12,000
Total	-	62,820	-	3,500	-	16,805	-	1,850	-	84,975

(Note) Besides mentioned above, ¥27,391 thousand was paid to three directors as compensation for concurrent service as an employee and a director.

(ii) Compensation to audit

Compensation in accordance with the Certified Public Accountants Law No.2-1 ¥18,000 thousand.

There is no compensation based on the practices other than above.

b. Outline of personal relationship, capital relationship, business relationship and other interest between the Company and outside directors and auditors

(i) Outside director

Name	Personal relationship	Capital relationship	Business relationship	Other interest
Hirokazu Hosokawa	-	-	-	-

(ii) Outside auditors

Name	Personal relationship	Capital relationship	Business relationship	Other interest
Toru Miyoshi	-	-	Corporate lawyer contract	-
Toshio Aiba	-	-	Consultant contract	-

c. Implementing conditions of enhancement efforts on corporate governance in the nearest year

The Board of Directors met 19 times in total during the current fiscal year. Besides this, monthly management meetings were held 12 times in total, and meetings of information communication were held 47 times in total.

Moreover, the Company held briefings of the financial statements and the interim financial statements for investors as one of IR activities to correctly communicate our management conditions to stake holders. In addition, we made efforts to timely disclose closing results to all investors including individuals, by promptly displaying each quarterly results on our website soon after its announcement.

(8) Conditions of enhancement and operation of the internal management system

1) Grouping conditions of the internal check organization, and the Operational Division and the Administrative Division in the organization, preparing progress of internal regulations, and enhancement progress of the other internal management systems

The Company has distributed the Office Regulations providing service disciplines to all staff, for the maintenance of order of working floors and for smooth and proper running of operations. Also, the Company has prepared a variety of internal regulations for strict management, and made their compliance compulsory to all employees.

Grouping conditions of the Internal Audit Office, and the Operational Division and the Administrative Division in the organization are described in page seven.

2) Implementing conditions of enhancement efforts on the internal management system in the recent year

The Company conducted an internal audit to check whether practices in each organization were operated in compliance with the regulations during the current fiscal year. In addition, we formed the security committee to prevent misuse and leakage of internal information, and held meetings twice during the fiscal year. Furthermore, we checked proper operation of ordering management system and production management system by the system audits of outside system consultants.

3. Business results and financial conditions

(1) Business results

[Overall outline]

While the world economy was on a recovery trend with the U.S. and China in the lead in the first half of the fiscal year, the nation's economy also saw a steady growth of corporate earnings as a whole backed by increased exports and active business investment thanks to demand overseas that resulted from such a trend. However, in the second quarter, business recovery faced a turning point with personal spending being weakened due to the still tight job climate, and it is depressed by declining pressures such as surging oil prices, natural disasters at home and abroad and the strong yen.

In the digital consumer electronics industry, which is a peripheral territory of our Group's business, competition by businesses in the industry has become tightened because improvements of functions and price-reduction of devices such as DVD recorders have concurrently developed.

Under such management climate, our Group worked on constructing a base that enables us to be an entity capable of ensuring steady corporate growth in the future and contribute to society in the broader business fields. In both fields of the Mold Products and the Optical Communications that currently comprise our business earnings, we concentrated on steps for improving profitability, while developing products that meet users' needs by reinforcing relations with major and influential customers. In addition, based on the existing business, we actively developed new businesses that could be new sources of earnings, such as the development of "Reactive Oxygen Species Sensor" and "Fuel Cell Separator."

Moreover, while having achieved the acquisition of ISO 14001 certification in February 2005, we have prepared "Environmental Policies" under which we plan to work on protection of global environment in every business activity and fulfill our social responsibility as a member comprising a local community.

In spite of implementation of such steps, in the current consolidated fiscal year, the sales decreased by 11.8 percent to ¥6,103,562 thousand, and the ordinary profit decreased by 15.0 percent to ¥1,842,672 thousand, as compared with the previous year. Meanwhile, net profit increased by 27.1 percent to ¥1,768,096 thousand as compared with the previous year, due to reduced loads of taxes.

[Outline by segment]

1) Mold Products Segment

In the Mold Products Segment, following the recent accelerated spread of DVD to individual homes, each optical disk molding manufacturer increased DVD production lines. Therefore, steady shipments of DVD molds that are cornerstone products of the Mold Products segment were continuing. However, as it is believed that the number of DVDs that had been produced in large quantity by each molding manufacturer and poured into the market has presently exceeded the demand volume, a market price collapse of DVD is taking place. Furthermore, since the price increase of polycarbonate resin in late 2004, DVD's material, each DVD molding manufacturer has become careful in extending its production facilities, which resulted in a decline of DVD molds orders as compared with the same term last year. On the other hand, performances of mold maintenance business bases in the U.S., Taiwan and Germany, which have been concentrating on stabilization of their segment business, held firm.

In addition, technology development of DVD is advancing on the strength of the market's request, which is seeking more convenient recordable media. Recently, DVD±R that provides the performance of 16 x Write has been put on the market, and recording capacity has been expanded from 4.7GB to 8.5GB or even 9.4GB. In order to achieve such high functions of DVD, precision levels of molds that produce those goods must be further upgraded. By inventing more advanced mold design and improving the technologies of precision process and assembly, we have succeeded in developing the molds that meet such high specification. Through these efforts, our Group is contributing to the spread of the optical disk media and backing up their further evolution. Development of optical disks, DVD's next generation successor, is concurrently under way; accordingly, we are discussing the issue with molding manufacturers with a view to full-scale mass production.

As a result, the sales of the Mold Products Segment in the current fiscal year are decreased by 18.7 percent to ¥4,853,036 thousand as compared with the previous year.

2) Optical Communications Segment

In the optical Communications Segment, the market is on the moderate recovery backed by the expanding trend of the information communication network utilizing optical fiber, mainly in Japan and the North America. In Japan, NTT released a large-scale business investment plan with the aim of acquiring 30 million household subscribers of optical lines by 2010, and leading firms in the power utility industry also announced expansion plans of construction of the optical communication network. In the North America, where broadband development has been delayed compared to Japan, it is expected that business investment in the optical fiber network will be accelerated in the future propelled by the removal of obligation to open up the optical fiber network, which had been imposed to each local communication firm.

Under such business climate, the Optical Communications Segment has been working on the improvement of business profitability by " Selection and Concentration." While reviewing the sales activities of less profitable products, we have established a branch office of SEIKOH GIKEN USA, INC. last September, in the state of New Jersey, the northeastern part of the U.S.A., where many important customers exist. Staff members in the branch are now working on the reinforcement of the relationship with major customers with high potential, by increasing visits and promoting concentrated business talks.

In the activities of technology development and production, we focused efforts on building a structure capable of timely provision of products suitable for the market trends, including customers' opinion for improving and developing products. Concurrently, by building a new plant of SEIKOH GIKEN HANGZHOU Co., Ltd., a manufacturing base in China, we have actively implemented a production transfer, and tried to improve production efficiency and reduce manufacturing costs.

As a result, the sales of Optical Communications Segment in the current consolidated fiscal year increased by 31.4 percent to ¥1,250,526 thousand as compared with the previous year.

(2) Financial conditions

[Conditions of cash flow]

The balance of cash and cash equivalents at the end of the current consolidated fiscal year stood at ¥5,219,672 thousand, a decrease of ¥5,682,761 thousand as compared with the previous fiscal year, which was ¥10,902,433 thousand. The conditions and details of cash flow from respective activities are as follows:

[Cash Flows from operating activities]

While net income before taxes stood at ¥1,851,128 thousand (a year-on-year decrease of ¥216,133 thousand), and decrease of accounts receivable was ¥1,542,152 thousand (at the end of the previous fiscal year, it was an increase of ¥2,909,475 thousand), taxes payment was ¥1,089,242 thousand (a year-on-year increase of ¥1,083,130 thousand), which resulted in ¥2,766,316 thousand increase in the cash flows from operating activities for the current consolidated fiscal year (a year-on-year increase of ¥2,644,184 thousand).

[Cash flow from investing activities]

Payment into time deposit was ¥8,011,986 thousand (a year-on-year increase of ¥7,586,469 thousand), which resulted in ¥7,900,261 thousand decrease in the cash flow from investing activities for the current consolidated fiscal year (a year-on-year increase of ¥6,732,870 thousand).

[Cash flow from financing activities]

While the dividends payment was ¥278,041 thousand (a year-on-year increase of ¥93,517 thousand), expense from purchase of treasury stocks was ¥281,419 thousand, which resulted in ¥553,337 thousand decrease in the cash flow from financing activities for the current consolidated fiscal year (a year-on-year increase of ¥375,593 thousand).

The trend of cash flows index is as follows:

	2002/03 Term	2003/03 Term	2004/03 Term	2005/03 Term
Equity ratio (%)	96.1	95.8	91.3	95.2
Equity ratio based on market value (%)	183.1	74.5	203.6	118.2
Debt redemption years (year)	-	-	-	-
Interest coverage ratio (times)	-	-	-	-

Equity ratio: shareholders' equity/total assets

Equity ratio based on market value: total share price at market value/total assets

Debt redemption years: interest-bearing liabilities/operating cash flows

Interest coverage ratio: operating cash flows /interest payment

*Calculation of each index is based on consolidated financial figures.

*Total share price at market value is the closing price at the end of the fiscal year multiplied by the number of shares issued (after deduction of treasury stocks).

* The figure of operating cash flows uses the figure of cash flows from operating activities of the consolidated cash flows statement.

* As items pertinent to interest-bearing liabilities or interest payments do not exist, neither debt redemption years nor the interest coverage ratio are specified.

(3) Forecasts of full business year

Amid factors such as soaring oil prices against a background of the still unstable Middle-east situation, and concerns about the slowing Chinese and the U.S. economies that have led external demand, the world economy in the future is expected to continue to be unpredictable. Meanwhile, in the market circumstance surrounding our Group, the decrease in new investment for DVD production facilities is anticipated despite the moderate recovery of the optical communication-related market. In addition, as the specific standard for the next generation optical disks succeeding to the current DVD remains undecided, splitting the businesses involved in two sides with no prospects of settlement. The Company forecasts that the management climate surrounding our Group will get tougher.

Under such a climate, in the Mold Products Segment, we will promote technology development toward growing demand for the next generation optical disk molds, while strengthening sales capabilities of each maintenance business base in the U.S., Germany and Taiwan. In the Optical Communications Segment, following a conclusion of a basic agreement under which the optical business of Seiko Instruments Inc. is transferred to the Company as of May 18, 2005, we intend to expand our share in the optical communication device-related market, as well as expand and upgrade customer networks at home and abroad surely succeeding business properties of Seiko Instruments. In addition, in order to ensure dominance even in the intensifying price competition, we will work on the building of production structure capable of providing high quality products for the prices that the market requests, effectively utilizing production facilities in Hangzhou, China.

Furthermore, while upgrading the development structure, we intend to aggressively expand into new business fields, by applying core technologies we have acquired since the foundation of the Company as well as developing and acquiring new technologies.

Under such prospect, we expect the sales to be ¥6,260 million, the ordinary profit to be ¥660 million, and the net profit to be ¥430 million for the fiscal year ending March 31, 2006.

4. Consolidated financial statements and other information

(1) Consolidated balance sheet (Thousands of yen)

Account	Note No.	Current Consolidated Fiscal Year (As of March 31, 2005) Amount		Percentage	Previous Consolidated Fiscal Year (As of March 31, 2004) Amount		Percentage
(Assets)				%			%
I. Current Assets							
1. Cash and deposits			13,231,706			9,323,039	
2. Notes receivable and accounts receivable-trade			2,021,362			3,565,846	
3. Marketable securities			-			2,003,034	
4. Inventory			775,508			874,448	
5. Income tax, refundable			92,716			-	
6. Others			265,758			64,032	
Allowance for doubtful accounts			-3,507			-21,353	
Total Current Assets			16,383,545	64.6		15,809,047	62.9
II. Fixed Assets							
1. Tangible Fixed Assets							
(1) Buildings and structures		4,149,654			3,982,565		
Accumulated depreciation		1,445,960	2,703,694		1,258,377	2,724,187	
(2) Machinery, equipment and delivery equipment		1,262,798			1,249,950		
Accumulated depreciation		972,249	290,548		889,801	360,149	
(3) Land			2,211,508			2,211,508	
(4) Construction in progress			-			90,422	
(5) Others		1,026,188			1,020,223		
Accumulated depreciation		804,111	222,077		722,243	297,979	
Total Tangible Fixed Assets			5,427,828	21.4		5,684,246	22.6
2. Intangible Fixed Assets							
(1) Goodwill			67,300			147,128	
(2) Other			143,788			133,012	
Total Intangible Fixed Assets			211,089	0.8		280,140	1.1
3. Investment and Other Assets							
(1) Securities investment			2,235,902			2,240,695	
(2) Investment in real estates	*1		923,207			940,179	
(3) Others			170,395			184,697	
Allowance for doubtful accounts			-507			-10	
Total of Investments and Other Assets			3,328,996	13.1		3,365,562	13.4
Total Fixed Assets			8,967,915	35.4		9,329,949	37.1
Total Assets			25,351,460	100.0		25,138,997	100.0

(Thousands of yen)

Account	Note No.	Current Consolidated Fiscal Year (As of March 31, 2005) Amount	Ratio	Previous Consolidated Fiscal Year (As of March 31, 2004) Amount	Ratio
(Liabilities)			%		%
I. Current Liabilities					
1. Trade accounts payable		241,318		250,642	
2. Income taxes payable		42,679		716,136	
3. Others		330,602		647,517	
Total Current Liabilities		614,600	2.5	1,614,296	6.4
II. Fixed Liabilities					
1. Allowance for retirement bonuses to directors		130,850		122,360	
2. Allowance for retirement benefits		218,665		210,001	
3. Guarantee received	*1	171,330		171,330	
4. Deposit received	*1	19,037		19,037	
Total Fixed Liabilities		539,882	2.1	522,728	2.1
Total Liabilities		1,154,482	4.6	2,137,025	8.5
(Minority Stockholders' Interest)					
Minority Stockholders' Interest		62,900	0.2	55,248	0.2
(Stockholders' Equity)					
I. Capital		6,791,682	26.8	6,791,682	27.0
II. Capital Surplus		10,571,419	41.7	10,571,495	42.1
III. Retained Earnings		7,134,303	28.1	5,658,734	22.5
IV. Valiance from Valuation of Securities and Others		32,031	0.1	49,550	0.2
V. Foreign Exchange Translation Adjustment		-67,840	-0.2	-63,737	-0.3
VI. Treasury stock		-327,519	-1.3	-61,001	-0.2
Total Stockholders' Equity		24,134,077	95.2	22,946,724	91.3
Total Liabilities, Minority Interest and Stockholders' Equity		25,351,460	100.0	25,138,997	100.0

(2) Consolidated income statement

(Thousands of yen)

Account	Note No.	Current Fiscal Year (April 1, 2004 – March 31, 2005) Amount		Ratio	Previous Fiscal Year (April 1, 2003– March 31, 2004) Amount		Ratio
				%			%
I. Sales			6,103,562	100.0		6,918,504	100.0
II. Cost of Sales			2,758,574	45.2		3,057,414	44.2
Gross Profit			3,344,988	54.8		3,861,089	55.8
III. Selling, General and Administrative Expenses	*1,2		1,630,672	26.7		1,569,951	22.7
Operating Profit			1,714,315	28.1		2,291,138	33.1
IV. Non-operating Income							
1. Interest income		10,915			2,758		
2. Dividend income		36,096			36,043		
3. Rental income		38,400			15,360		
4. Additional cash from refund of taxes		-			7,762		
5. Patent royalties		20,327			6,016		
6. Income from insurance surrender		-			21,547		
7. Exchange gain		29,009			-		
8. Others		30,033	164,782	2.7	13,636	103,125	1.5
V. Non-operating Expense							
1. Cost of rental income		25,238			13,944		
2. Dormant fixed assets depreciation etc.		-			115,984		
3. Exchange loss		-			91,336		
4. Loss on disposal of inventory		-			628		
5.Treasury shares purchase fee		7,338			-		
6. Others		3,848	36,424	0.6	3,583	225,477	3.3
Ordinary Profit			1,842,672	30.2		2,168,786	31.3
VI. Extraordinary Profit							
1. Gain on sales of fixed assets	*3	437			962		
2. Reversal of allowance for doubtful accounts		15,587	16,024	0.3	-	962	0.0
VII. Extraordinary Losses							
1. Loss on sales of fixed assets	*4	32			964		
2. Loss on retirement of fixed assets	*5	2,272			101,522		
3. Loss on sales of investment securities		5,263	7,569	0.1	-	102,487	1.5
Net Income Before Taxes			1,851,128	30.3		2,067,261	29.8
Income Taxes, Local and Enterprise Tax		282,778			726,049		
Income Tax-deferred		-209,325	73,452	1.2	-46,311	679,738	9.8
Minority Stockholders' Profit			9,578	0.2		4,019	0.1
Net Profit for the Current Term			1,768,096	29.0		1,391,542	20.1

(3) Consolidated capital surplus statement

(Thousands of yen)

Account	Note No.	Current Fiscal Year (April 1, 2004 – March 31, 2005) Amount		Previous Fiscal Year (April 1, 2003– March 31, 2004) Amount	
(Capital Surplus)					
I. Capital Surplus at the Beginning of Year			10,571,495		10,571,419
II. Increase in Capital Surplus					
1. Gain on disposal of treasury stock		-	-	75	75
III. Decrease in Capital Surplus					
1. Loss on disposal of treasury stock		75	75	-	-
IV. Capital Surplus at the End of Year			10,571,419		10,571,495
(Retained Earnings)					
I. Retained Earnings at the Beginning of Year			5,658,734		4,453,239
II. Increase in Retained Earnings					
Net Profit		1,768,096	1,768,096	1,391,542	1,391,542
III. Decrease in Retained Earnings					
1. Dividends		279,163		186,046	
2. Bonus to directors		12,000		-	
3. Loss on disposal of treasury stock		1,363	292,527	-	186,046
IV. Unappropriated Retained Earnings at the End of Year			7,134,303		5,658,734

(4) Consolidated cash flows statement

(Thousands of yen)

Account	Note No.	Current Fiscal Year (April 1, 2004 – March 31, 2005) Amount	Previous Fiscal Year (April 1, 2003 – March 31, 2004) Amount
I. Cash Flows from Operating Activities			
1. Net profit before taxes		1,851,128	2,067,261
2. Depreciation expense		500,016	479,624
3. Interest income and dividends receivable		-47,011	-38,802
4. Income from insurance surrender		-8,564	-21,547
5. Rental income		-38,400	-15,360
6. Sundry income		-	-10,936
7. Cost of rental income		8,265	6,367
8. Gain on sales of fixed assets		-437	-962
9. Loss on sales of fixed assets		32	964
10. Loss on retirement of fixed assets		2,272	101,522
11. Loss on sales of investment securities		5,263	—
12. Increase or decrease (-) in allowance for doubtful accounts		-17,327	18,045
13. Increase in allowance for retirement bonus to directors		8,490	-900
14. Increase in allowance for retirement benefits		8,663	17,355
15. Valuation loss on foreign currency deposits		4,111	9,276
16. Increase (-) or decrease in receivables-trade		1,542,152	-2,909,475
17. Increase (-) or decrease in inventory		92,868	-71,321
18. Increase (-) or decrease in other current assets		6,563	-23,303
19. Increase or decrease (-) in accounts payable		-3,129	77,223
20. Increase or decrease (-) in other current liabilities		-93,099	85,571
21. Payment of bonus to directors		-12,000	-
Subtotal		3,809,857	-229,394
22. Interest and dividends received		45,701	38,465
23. Refund of taxes		-	319,174
24. Payment of taxes		-1,089,242	-6,112
Cash Flows from Operating Activities		2,766,316	122,132
II. Cash Flows from Investing Activities			
1. Payment into time deposit		-8,011,986	-425,517
2. Income from refund of time deposit		415,558	519
3. Expense from acquisition of tangible fixed assets		-261,181	-426,042
4. Income from sales of tangible fixed assets		8,013	-
5. Expense from acquisition of intangible fixed assets		-89,912	-37,836
6. Expense from acquisition of investment securities		-261	-500,254
7. Income from sales of investment securities		3,984	-
8. Income from insurance surrender		9,097	21,547
9. Rental income		38,400	18,720
10. Income from deposit received		-	190,367
11. Expense of cost of rental income		-8,265	-6,367
12. Expense from acquisition of other investment acquisition		-3,708	-2,526
Cash Flows from Investing Activities		-7,900,261	-1,167,391
III. Cash Flows from Financing Activities			
1. Income from disposal of treasury stocks		6,123	6,779
2. Expense from purchase of treasury stocks		-281,419	-
3. Dividends payment		-278,041	-184,524
Cash Flows from Financial Activities		-553,337	-177,744
IV. Cash and Cash Equivalents-related Conversion Difference		4,521	-30,960
V. Decrease (-) in Cash and Cash Equivalents		-5,682,761	-1,253,962
VI. Balance of Cash and Cash Equivalents at the Beginning of Year		10,902,433	12,156,396
VII. Balance of Cash and Cash Equivalents at the End of Year	*	5,219,672	10,902,433

(Segment information)

1. Segment information by business categories

The current consolidated fiscal year (April 1, 2004 - March 31, 2005)

(Thousands of yen)

	Mold Products	Optical Communications	Total	Elimination or Entire Firm	Consolidated
I. Sales and Operating Profit					
Sales					
(1) Sales to external customers	4,853,036	1,250,526	6,103,562	-	6,103,562
(2) Internal sales or transfer between segments	-	-	-	-	-
Total	4,853,036	1,250,526	6,103,562	-	6,103,562
Operating Expense	3,029,962	1,359,284	4,389,247	-	4,389,247
Operating Profit or Loss (-)	1,823,073	-108,757	1,714,315	-	1,714,315
II. Assets, Depreciation Expense and Capital Expense					
Assets	3,414,013	2,021,144	5,435,157	19,916,303	25,351,460
Depreciation expense	163,341	139,467	302,808	180,235	483,043
Capital expense	35,105	74,444	109,550	59,219	168,769

(Note) 1. Business classification has been made considering the products categories and the similarity of the markets.

2. Products of each business category

(1) Mold Products: Optical disk molds, Powder metallurgy molds

(2) Optical Communications: Optical connector, Optical connector with code, Attenuator, Optical fiber for concentration of light, Optical connector grinder, Optical measurement inspection machine, etc.

3. Assets of the entire firm included in the item of Elimination or Entire Firm total ¥19,916,303 thousand, which is mainly the surplus funds managed by the Company (cash and securities) and the assets related to the administrative section.

The previous consolidated fiscal year (April 1, 2003 – March 31, 2004)

(Thousands of yen)

	Mold Products	Optical Communications	Total	Elimination or Entire Firm	Consolidated
I. Sales and Operating Profit					
Sales					
(1) Sales to external customers	5,966,772	951,731	6,918,504	-	6,918,504
(2) Internal sales or transfer between segments	-	-	-	-	-
Total	5,966,772	951,731	6,918,504	-	6,918,504
Operating Expense	3,301,575	1,325,789	4,627,365	-	4,627,365
Operating Profit or Loss (-)	2,665,196	-374,058	2,291,138	-	2,291,138
II Assets, Depreciation Expense and Capital Expense					
Assets	4,926,296	1,823,494	6,749,791	18,389,206	25,138,997
Depreciation Expense	146,927	115,150	262,077	209,970	472,047
Capital Expense	100,489	152,572	253,061	294,117	547,178

(Note) 1. Business classification has been made considering the products categories and the similarity of the markets.

2. Products of each business category

(1) Mold Products: Optical disk molds, Powder metallurgy molds

(2) Optical Communications: Optical connector, Optical connector with code, Attenuator, Optical fiber for concentration of light, Optical connector grinder, Optical measurement inspection machine, etc.

3. Assets of the entire firm included in the item of Elimination or Entire Firm total ¥18,389,206 thousand, which is mainly the surplus funds managed by the Company (cash and securities) and the assets related to the administrative section.

2. Segment information by locations

The current consolidated fiscal year (April 1, 2004 – March 31, 2005)

(Thousands of yen)

	Japan	North America	Asia	Europe	Total	Elimination or Entire Firm	Consolidated
I. Sales and Operating Profit							
Sales							
(1) Sales to external customers	4,204,856	1,160,316	437,401	300,988	6,103,562	-	6,103,562
(2) Internal sales or transfer between segments	1,406,462	6,029	240,895	1,126	1,654,514	(1,654,514)	-
Total	5,611,319	1,166,346	678,297	302,114	7,758,076	(1,654,514)	6,103,562
Operating Expense	4,127,747	1,132,972	524,350	274,048	6,058,789	(1,669,542)	4,389,247
Operating Profit	1,483,901	33,373	153,946	28,065	1,699,287	15,028	1,714,315
II. Assets	4,341,477	341,579	567,662	184,437	5,435,157	19,916,303	25,351,460

(Note) 1. The classification has been made considering the geographic proximity.

2. Countries or regions of each classification other than Japan are as follows:

(1) North America: The United States of America
(2) Asia: China
(3) Europe: Germany

3. Assets of the entire firm included in the item of Elimination or Entire Firm total ¥19,916,303 thousand, which is mainly the surplus funds managed by the Company (cash and securities) and the assets related to the administrative section.

The previous consolidated fiscal year (April 1, 2003 – March 31, 2004)

(Thousands of yen)

	Japan	North America	Asia	Europe	Total	Elimination or Entire Firm	Consolidated
I. Sales and Operating Profit							
Sales							
(1) Sales to external customers	5,493,652	784,768	363,421	276,661	6,918,504	-	6,918,504
(2) Internal sales or transfer between segments	1,237,233	3,946	120,261	-	1,361,441	(1,361,441)	-
Total	6,730,885	788,714	483,683	276,661	8,279,945	(1,361,441)	6,918,504
Operating Expense	4,455,639	839,756	407,645	270,058	5,973,100	(1,345,735)	4,627,365
Operating Profit or Loss (-)	2,275,245	-51,041	76,037	6,603	2,306,844	(15,706)	2,291,138
II. Assets	5,754,755	277,822	565,894	151,318	6,749,791	18,389,206	25,138,997

(Note) 1. The classification has been made considering the geographic proximity.

2. Countries or regions of each classification other than Japan are as follows:

(1) North America: The United States of America
(2) Asia: China
(3) Europe: Germany

3. Assets of the entire firm included in the item of Elimination or Entire Firm total ¥18,389,206 thousand, which is mainly the surplus funds managed by the Company (cash and securities) and the assets related to the administrative section.

3. Overseas sales

The current consolidated fiscal year (April 1, 2004 – March 31, 2005)

(Thousands of yen)

	U.S. Area	European Area	Asian Area	Total
I. Overseas Sales	1,160,354	428,209	612,450	2,201,013
II. Consolidated Sales	-	-	-	6,103,562
III. Percentage of Overseas Sales to Consolidated Sales	19.0%	7.0%	10.0%	36.0%

(Note) 1. The classification has been made considering the geographic proximity.

2. Countries or regions of each area

(1) U.S. Area: The United States of America
(2) European Area: Germany
(3) Asian and Other Area: China

3. The figures for Overseas Sales stand for the sales of the Company and the Company's consolidated subsidiaries in countries or regions other than Japan.

The previous consolidated fiscal year (April 1, 2003 – March 31, 2004)

(Thousands of yen)

	U.S. Area	European Area	Asian Area	Total
I. Overseas Sales	785,222	381,789	603,998	1,771,011
II. Consolidated Sales	-	-	-	6,918,504
III. Percentage of Overseas Sales to Consolidated Sales	11.3%	5.5%	8.7%	25.5%

(Note) 1. The classification has been made considering the geographic proximity.

2. Countries or regions of each area

(1) U.S. Area: The United States of America
(2) European Area: Germany
(3) Asian and Other Area: China

3. The figures for Overseas Sales stand for the sales of the Company and the Company's consolidated subsidiaries in countries or regions other than Japan.

5. Conditions of production, order receipt and sales

(1) Production results

Production results by each segment in the current consolidated fiscal year are as follows:

(Thousands of yen)

Business segments	Output	Year-on-year (%)
Mold Products	4,947,484	82.0
Optical Communications	1,205,144	124.8
Total	6,152,627	87.9

(Note) 1. Transactions between segments are written-off.

2. The amounts are calculated based on sales prices.

3. Consumption tax, etc. are not included in the amounts mentioned above.

(2) Order receiving results

Order receiving results by each segment in the current consolidated fiscal year are as follows:

(Thousands of yen)

Business segments	Order volume	Year-on-year (%)	Backlog	Year-on-year (%)
Mold Products	4,116,338	68.3	637,337	46.4
Optical Communications	1,250,508	129.5	80,910	100.0
Total	5,366,846	76.7	718,247	49.4

(Note) 1. Transactions between segments are written-off.

2. Consumption tax, etc. are not included in the amounts mentioned above.

(3) Sales results

Sales results by each segment in the current consolidated fiscal year are as follows:

(Thousands of yen)

Business segments	Sales	Year-on-year (%)
Mold Products	4,853,036	81.3
Optical Communications	1,250,526	131.4
Total	6,103,562	88.2

(Note) 1. Transactions between segments are written-off.

2. Sales results by business partners and the percentage of the sales performance to the total sales

Business Partners	Previous Fiscal Year		Current Fiscal Year	
	Sales	Percentage (%)	Sales	Percentage (%)
Sumitomo Heavy Industries, Ltd.	4,486,780	64.9	3,122,806	51.2

3. Consumption tax, etc. are not included in the amounts mentioned above.

2005/03 Term

Outline of Financial Statements for the Fiscal Year Ended March 31, 2005 (Non-consolidated)

May 20, 2005

Name	SEIKOH GIKEN Co., Ltd.	Listed market	JASDAQ
Code	6834	Prefecture	Chiba Prefecture

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

Representative	Title	President & CEO		
	Name	Masatoshi Ueno		
For inquiries	Title	Management Planning, Sub Leader		
	Name	Yuji Saito	(Phone: +81-47-388-6401)	
Date of the Board of Directors for closing		May 20, 2005	Interim Dividend System	Adopted
Date of the Ordinary General Meeting of Shareholders		June 22, 2005	Trading Unit System of Shares	Adopted (100 shares/unit)

1. Business results for the current term (April 1, 2004 - March 31, 2005)

(1) Performance

	Sales		Operating Profit		Ordinary Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
2005/03 Term	5,789	(-15.7)	1,594	(-32.6)	1,730	(-23.2)
2004/03 Term	6,867	(67.2)	2,364	(507.3)	2,253	(641.9)

	Net Profit (current term)		Earnings per Share (current term)	Fully Diluted Earnings per Share in Net Profit (current term)	Return on Stockholder's Equity (current term)	Ordinary Profit to Total Capital	Ordinary Profit to Sales
	Millions of yen	%	Yen	Yen	%	%	%
2005/03 Term	1,684	(17.1)	180.42	179.95	7.1	6.8	29.9
2004/03 Term	1,438	(-)	153.33	152.88	6.4	8.8	32.8

(Note) 1. Average number of shares issued: 2005/03 Term - 9,266,435 shares, 2004/03 Term - 9,303,531 shares

2. Changes in accounting procedures: None

3. The percentages in the Sales, Operating Profit, Ordinary Profit and Net Profit columns show the changes against the previous fiscal year.

(2) Dividend distribution

	Annual Dividend per Share		Midterm		Year-end		Total Dividend (annual)	Dividend Payout	Dividend Rate for Stockholder's Equity
	Yen	Sen	Yen	Sen	Yen	Sen	Millions of yen	%	%
2005/03 Term	50	0	—		50	0	461	27.7	1.9
2004/03 Term	30	0	—		30	0	279	19.4	1.2

(3) Financial conditions

	Total assets	Shareholders' equity	Shareholder's Equity Ratio	Shareholder's Equity per Share	
	Millions of yen	Millions of yen	%	Yen	Sen
2005/03 Term	25,530	24,443	95.7	2,648	60
2004/03 Term	25,468	23,334	91.6	2,506	36

(Note) 1. Number of Shares Issued at the End of the Term: 2005/03 Term - 9,223,746 shares, 2004/03 Term - 9,305,446 shares

2. Number of Treasury Shares at the End of the Term: 2005/03 Term - 109,908 shares

2004/03 Term - 28,208 shares

2. Forecasts of performance for the next term (April 1, 2005 – March 31, 2006)

	Sales	Ordinary Profit	Net Profit	Annual Dividend per Share: Midterm		Year-end			
	Millions of yen	Millions of yen	Millions of yen	Yen	Sen	Yen	Sen	Yen	Sen
Midterm	2,900	740	500	00	0	----		----	
Full-year	5,810	680	460	----		30	0	30	0

(For reference) Forecasts of Net Profit per Share (Full business year): 50.48 yen

*The above estimated figures are calculated based on the information available as of the date of disclosure of this material. Actual results may differ depending on changes in various factors and business circumstances. Please refer to page 14 for the matter concerning the forecasts stated above. Amounts reported have been provided by abbreviating figures below the specified unit. Figures for percentages and others have been rounded off.

Balance Sheet

(Thousands of yen)

Account	Note No.	The 33rd Term (As of March 31, 2005) Amount		Percentage	The 32nd Term (As of March 31, 2004) Amount		Percentage
[Assets]				%			%
I. Current Assets							
1. Cash and deposits			13,020,849			9,185,190	
2. Notes receivable			979,484			1,716,577	
3. Accounts receivable-trade	*2		1,113,927			1,973,157	
4. Marketable securities			-			2,003,034	
5. Merchandise			290			54	
6. Finished goods			103,868			107,443	
7. Raw materials			139,694			112,748	
8. Work in process			372,004			514,273	
9. Stored goods			7,202			5,786	
10. Prepaid expenses			18,030			13,110	
11. Income tax, refundable			92,716			-	
12. Deferred tax assets			206,079			-	
13. Others			29,885			54,468	
Allowance for doubtful accounts			- 1,910			-20,970	
Total Current Assets			16,082,123	63.0		15,664,874	61.5
II. Fixed Assets							
1. Tangible Fixed Assets							
1. Buildings		3,807,605			3,805,005		
Accumulated depreciation		1,337,627	2,469,978		1,168,506	2,636,499	
2. Structures		186,500			172,765		
Accumulated depreciation		102,758	83,742		86,908	85,856	
3. Machinery and equipment		1,249,059			1,236,189		
Accumulated depreciation		964,022	285,037		883,954	352,235	
4. Vehicle and delivery equipment		2,656			2,656		
Accumulated depreciation		2,013	643		1,723	933	
5. Tools, appliances, and fixtures		941,317			928,146		
Accumulated depreciation		762,409	178,908		690,488	237,658	
6. Land			2,211,508			2,211,508	
Total Tangible Fixed Assets			5,229,816	20.5		5,524,691	21.7
2. Intangible Fixed Assets							
(1) Goodwill			36,471			72,942	
(2) Software			91,911			78,312	
(3) Utility rights			4,970			5,550	
Total Intangible Fixed Assets			133,353	0.5		156,805	0.6
3. Investments and Other Assets							
1. Securities investment			2,235,902			2,240,695	
2. Investment in affiliated companies			358,781			358,781	
3. Investment in partnership			399,744			399,744	
4. Investment in real estates	*3		923,207			940,179	
5. Long-term advances to employees			717			467	
6. Deferred tax assets			63,873			78,930	
7. Insurance reserve fund			101,495			101,951	
8. Others			2,456			1,783	
Allowance for doubtful accounts			-507			- 10	
Total Investments and Other Assets			4,085,669	16.0		4,122,523	16.2
Total Fixed Assets			9,448,840	37.0		9,804,021	38.5
Total Assets			25,530,963	100.0		25,468,896	100.0

(Thousands of yen)

Account	Note No.	The 33rd Term (As of March 31, 2005) Amount	Percentage	The 32nd Term (As of March 31, 2004) Amount	Percentage
[Liabilities]			%		%
I. Current Liabilities					
1. Trade accounts payable-trade		202,749		249,080	
2. Other accounts payable		104,129		364,396	
3. Accrued expenses		167,029		186,081	
4. Accrued income taxes payable		35,541		715,123	
5. Cash in advance		2,023		2,599	
6. Deposits received		8,303		11,424	
7. Earnings in advance		3,200		3,360	
8. Others		24,989		79,318	
Total Current Liabilities		547,965	2.2	1,611,383	6.3
II. Fixed Liabilities					
1. Allowance for retirement bonuses to directors		130,850		122,360	
2. Allowance for retirement benefits		218,665		210,001	
3. Guarantee received	*3	171,330		171,330	
4. Deposit received	*3	19,037		19,037	
Total Fixed Liabilities		539,882	2.1	522,728	2.1
Total Liabilities		1,087,848	4.3	2,134,112	8.4
[Stockholders' Equity]					
I. Capital	*1	6,791,682	26.6	6,791,682	26.7
II. Capital Surplus					
1. Additional paid-in capital		10,571,419		10,571,419	
2. Other capital surplus					
(1) Gain on disposal of treasury stocks		-		75	
Total Capital Surplus		10,571,419	41.4	10,571,495	41.5
III. Retained Earnings					
1. Legal reserves		1,697,920		1,697,920	
2. Voluntary reserves					
(1) Extraordinary depreciation reserves		2,191		4,790	
(2) General reserves		3,900,000		2,800,000	
3. Unappropriated earnings at the end of the period		1,775,389		1,480,345	
Total Retained Earnings		7,375,500	28.9	5,983,056	23.5
IV. Valiance from Valuation of Securities and Others	*4	32,031	0.1	49,550	0.2
V. Treasury Stock		-327,519	-1.3	-61,001	-0.3
Total Stockholders' Equity		24,443,115	95.7	23,334,783	91.6
Total Liabilities and Stockholders' Equity		25,530,963	100.0	25,468,896	100.0

Income Statement

(Thousands of yen)

Account	Note No.	The 33rd Term (April 1, 2004 – March 31, 2005) Amount		Percentage (%)	The 32nd Term (April 1, 2003 – March 31, 2004) Amount		Percentage (%)
I. Sales							
1. Sales of products		5,738,624			6,832,616		
2. Sales of merchandise		51,019	5,789,644	100.0	35,318	6,867,934	100.0
II. Cost of Sales							
(Cost of sales of products)							
1. Old inventory of products		107,443			108,458		
2. Production cost for the current term		2,831,143			3,201,090		
Total		2,938,587			3,309,548		
3. Transfer to other accounts	*1	45,256			20,665		
4. Ending inventory of products		103,868			107,443		
Cost of sales of products		2,789,461			3,181,439		
(Cost of sales of merchandise)							
1. Old inventory of merchandise		54			2,264		
2. Purchase amount of merchandise for the current term		34,458			21,962		
Total		34,513			24,227		
3. Ending inventory of merchandise		290			54		
Cost of sales of merchandise		34,223	2,823,685	48.8	24,172	3,205,611	46.7
Gross profit on sales			2,965,959	51.2		3,662,322	53.3
III. Selling, General and Administrative Expenses	*2,3		1,371,637	23.7		1,297,530	18.9
Operating Profit			1,594,321	27.5		2,364,791	34.4
IV. Non-operating Revenues							
1. Interest income		10,072			1,347		
2. Dividend income		36,096			36,043		
3. Rental income		38,400			15,360		
4. Additional cash from refund of taxes		-			7,762		
5. Patent royalties		20,327			6,016		
6. Income from insurance surrender		-			21,547		
7. Exchange gain		28,300			-		
8. Others		39,705	172,902	3.0	17,781	105,859	1.5
V. Non-operating Expense							
1. Cost of rental income		25,238			13,944		
2. Treasury stock purchase fee		7,338			-		
3. Loss on disposal of inventory		-			354		
4. Dormant fixed assets depreciation etc.		-			115,984		
5. Exchange loss		-			83,791		
6. Others		3,840	36,417	0.6	3,576	217,651	3.2
Ordinary Profit			1,730,806	29.9		2,253,000	32.8
VI. Extraordinary Profit							
1. Gain on sales of fixed assets	*4	437			962		
2. Reversal of allowance for doubtful accounts		18,562	18,999	0.3	-	962	0.0
VII. Extraordinary Loss							
1. Loss on sales of fixed assets	*5	32			964		
2. Loss on retirement of fixed assets	*6	2,272			101,522		
3. Loss on sales of investment securities		5,263	7,569	0.1	-	102,487	1.5
Net Income Before Taxes			1,742,236	30.1		2,151,475	31.3
Income Taxes, Local and Enterprise Tax		270,000			725,026		
Income Tax-deferred		-212,735	57,264	1.0	-12,092	712,934	10.4
Net Profit			1,684,971	29.1		1,438,540	20.9
Profit Carried Forward from the Previous Year			91,781			41,804	
Loss on Disposal of Treasury Stocks			1,363			-	
Unappropriated Earnings at the End of the Period			1,775,389			1,480,345	

(Thousands of yen)

Earnings Appropriation Plan			Appropriation Statement		
The 33rd Term			The 32nd Term Approved by the General Meeting of Shareholders on June 18, 2004		
Account	Note No.	Amount	Account	Note No.	Amount
I. Unappropriated Earnings at the end of the Period		1,775,389	I. Unappropriated Earnings at the End of the Period		1,480,345
II. Reversal of Voluntary Reserves			II. Reversal of Voluntary Reserves		
Reversal of Extraordinary Depreciation Reserves		1,391	Reversal of Extraordinary Depreciation Reserves		2,599
Total		1,776,780	Total		1,482,944
III. Appropriation of Earnings			III. Appropriation of Earnings		
1. Dividends		461,187	1. Dividends		279,163
2. Bonus to Directors		13,100	2. Bonus to Directors		12,000
3. Voluntary Reserves			3. Voluntary Reserves		
General Reserves		1,200,000	General Reserves		1,100,000
Total		1,674,287	Total		1,391,163
IV. Profit Carried Forward		102,493	IV. Profit Carried Forward		91,781