

**Summary of Financial Statements for the First Quarter  
of the Fiscal Year 2010**



August 11, 2009

Listed market: JASDAQ

Listed company name SEIKOH GIKEN Co., Ltd.  
 Code number 6834 URL <http://www.seikoh-giken.co.jp>  
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 Due date of quarterly financial statements submission August 11, 2009  
 Date of dividend payment -

(All amounts rounded down to the nearest million yen)

1. Consolidated business results for the first quarter of fiscal 2010 (April 1, 2009 to June 30, 2009)

(1) Consolidated business performance (Percentage figures show the changes from the previous first quarter.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2009	1,047	(40.1)	(301)	-	(246)	-	(173)	-
Three months ended June 30, 2008	1,748	-	(70)	-	59	-	34	-

	Net profit per share	Fully diluted net profit per share
	Yen	Yen
Three months ended June 30, 2009	(18.95)	-
Three months ended June 30, 2008	3.71	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Three months ended June 30, 2009	22,921	21,389	93.3	2,340.02
Year ended March 31, 2009	23,344	21,537	92.2	2,355.04

(Reference) Shareholders' equity Three months ended June 30, 2009 21,388 million yen Fiscal year ended March 31, 2009 21,525 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 year	Full year
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2009	-	0.00	-	15.00	15.00
Year ending March 31, 2010	-	-	-	-	-
Year ending March 31, 2010 (Forecast)	-	0.00	-	15.00	15.00

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

3. Forecast of consolidated business performance for the year ending March 31, 2010 (April 1, 2009 to March 31, 2010)

(Percentage figures for "Full year" show the changes from the previous year, and percentage figures for "Half year" show the changes from the previous interim period.)

	Net sales		Operating income		Ordinary income		Net income		Net profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Half year	2,600	(34.6)	(240)	-	(220)	-	(220)	-	(23.96)
Full year	6,200	(3.5)	(70)	-	0	-	0	-	0.00

Note: Revision to the forecast for the figures of consolidated business performance during the current first quarter: None

4. Others

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

(2) Simplified accounting procedures and special accounting procedures applied in preparing the quarterly consolidated financial statements: Yes

(3) Changes in principle, procedure, display method, etc. relating to accounting procedures applied in preparing the consolidated financial statements (Items to be described in the “Changes in Important Matters Used as the Basis for Preparing the Consolidated Financial Statements”)

1) Changes according to the amendment of accounting standards, etc.: None

2) Changes other than 1): None

(4) Number of shares issued (common stocks)

1) Number of shares issued at the end of the period (Treasury stocks included):

[Three months ended June 30, 2009] 9,333,654 shares / [Fiscal year ended March 31, 2009] 9,333,654 shares

2) Number of treasury stocks at the end of the period:

[Three months ended June 30, 2009] 193,482 shares / [Fiscal year ended March 31, 2009] 193,482 shares

3) Average number of shares during the period (Accumulated quarterly consolidated period):

[Three months ended June 30, 2009] 9,140,172 shares / [Three months ended June 30, 2008] 9,199,659 shares

\*Notes on using the business performance forecast and other special instructions

The business performance forecast figures above are based on information available as of the date of disclosure of this material, and therefore include many uncertainties. Actual results may differ from the forecast figures, depending on various factors such as changes in business conditions.

## Qualitative information and financial statements

### 1. Qualitative information regarding consolidated business results

During the first quarter of the current consolidated fiscal year, the world economy overall remained in a serious state as in the previous fiscal year despite the recovery effects of economic stimulus measures in China and elsewhere. The economy in Japan continued to suffer from low capital investment and the worsening employment situation due to stagnant corporate earnings. Although the government has taken economic stimulus measures such as distributing fixed cash handouts and introducing the “eco point system”, the recovery in consumer spending remains weak and the future economic prospects are unclear.

Under this environment the Company Group worked to expand the scope of business for both the Optical Disc Mold Group, which handles mainly optical disc molds, and the Optical Communications Group, which handles mainly optical communication parts, but customers had little incentive to make capital investments and therefore consolidated net sales for the three months ended June 30, 2009 were ¥1,047,737 thousand (down 40.1% year-on-year). Despite companywide measures to reduce costs and expenditures, the fall in sales resulted in an operating loss of ¥301,688 thousand (an operating loss of ¥70,819 thousand in the previous period) and an ordinary loss of ¥246,962 thousand (an ordinary loss of ¥59,945 thousand in the previous period), and a net loss of ¥173,203 thousand (a net income of ¥34,129 thousand in the previous period).

Performance by sector was as follows.

#### 1) Optical Disc Mold Group

All optical disc mold manufacturers are running at low operating rates and have little incentive to make capital investments, so demand for optical disc molds and related maintenance remained low, resulting in net sales of ¥174,796 thousand (down 65.3% year-on-year). Due to declining sales, the Group posted an operating loss of ¥189,369 thousand (an operating loss of ¥81,427 thousand in the previous period).

#### 2) Optical Communications Group

The optical communications related market is expected to grow gradually over the long term, but the sudden economic downturn since last autumn has caused demand for components for optical communications to stagnate, resulting in net sales of ¥872,941 thousand (down 29.9% year-on-year). The decline in sales of manufacturing equipment for components for optical communications, which have relatively high added value, resulted in an operating loss of ¥112,318 thousand (an operating loss of ¥10,607 thousand in the previous period).

### 2. Qualitative information regarding consolidated financial position

Total assets at the end of the current first quarter were ¥22,921,181 thousand, down ¥423,747 thousand from the end of the previous consolidated accounting year. Current assets were ¥15,993,379 thousand, down ¥465,788 thousand from the end of the previous consolidated accounting year. The main reason for this was the decrease in receivables. Noncurrent assets were ¥6,927,801 thousand, up ¥42,040 thousand from the end of the previous consolidated accounting year. The main reason for this was an increase in property, plant and equipment, such as tools and instruments.

Total liabilities at the end of the current first quarter were ¥1,531,559 thousand, down ¥275,797 thousand from the end of the previous consolidated accounting year. The main reason for this was a decrease in accounts payable.

Total net assets at the end of the current first quarter were ¥21,389,621 thousand, down ¥147,950 thousand from the end of the previous consolidated accounting year. The main reason for this was the payment of a dividend.

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

The forecasted consolidated results for the year ending March 2010 are expected to be within the targets of the current plan, so there is no revision to the forecast results announced on May 14, 2009.

### 4. Others

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

No applicable transfers

(2) Simplified accounting procedures and special accounting procedures applied in preparing the 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 applied in preparing the quarterly consolidated financial statements

Not applicable

## 5. Consolidated Quarterly Financial Statements

## (1) Consolidated quarterly balance sheets

(Unit: Thousands of yen)

	At the end of the current first quarter (as of June 30, 2009)	Summary of consolidated balance sheet at the end of the previous year (As of March 31, 2009)
<b>Assets</b>		
Current assets		
Cash and deposits	13,545,691	13,796,969
Notes and accounts receivable – trade	1,067,444	1,414,526
Merchandise and finished goods	209,440	195,104
Work in process	436,752	385,094
Raw materials and supplies	396,355	411,717
Income taxes receivable	98,977	17,790
Other	243,013	242,964
Allowance for doubtful accounts	(4,295)	(5,000)
Total current assets	15,993,379	16,459,167
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,380,907	4,333,845
Accumulated depreciation	(2,132,695)	(2,092,483)
Buildings and structures, net	2,248,211	2,241,362
Machinery, equipment and vehicles	2,504,570	2,429,688
Accumulated depreciation	(1,896,617)	(1,822,423)
Machinery, equipment and vehicles, net	607,953	607,265
Land	2,211,508	2,211,508
Other	2,114,651	2,006,206
Accumulated depreciation	(1,433,231)	(1,379,992)
Other, net	681,420	626,213
Total property, plant and equipment	5,749,093	5,686,349
Intangible assets		
Goodwill	71,121	89,936
Other	85,848	87,814
Total intangible assets	156,970	177,751
Investments and other assets		
Investment securities	17,255	13,553
Real estate for investment, net	875,013	876,999
Other	130,567	132,703
Allowance for doubtful accounts	(1,099)	(1,597)
Total investments and other assets	1,021,737	1,021,659
Total noncurrent assets	6,927,801	6,885,761
Total assets	22,921,181	23,344,928

(Unit: Thousands of yen)

	At the end of the current first quarter (as of June 30, 2009)	Summary of consolidated balance sheet at the end of the previous year (As of March 31, 2009)
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	266,328	449,504
Current portion of long-term loans payable	–	20,880
Income taxes payable	22,388	31,064
Other	612,268	694,493
Total current liabilities	900,984	1,195,942
Noncurrent liabilities		
Provision for retirement benefits	319,500	297,932
Long-term accounts payable – other	147,734	148,814
Long-term guarantee deposited	141,347	145,630
Long-term lease deposited	19,037	19,037
Other	2,956	–
Total noncurrent liabilities	630,574	611,414
Total liabilities	1,531,559	1,807,356
Net assets		
Shareholders' equity		
Capital stock	6,791,682	6,791,682
Capital surplus	10,571,419	10,571,419
Retained earnings	4,569,798	4,880,104
Treasury stock	(427,107)	(427,107)
Total shareholders' equity	21,505,793	21,816,099
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(1,197)	(4,840)
Foreign currency translation adjustment	(116,390)	(285,796)
Total valuation and translation adjustments	(117,588)	(290,637)
Minority interests	1,416	12,109
Total net assets	21,389,621	21,537,571
Total liabilities and net assets	22,921,181	23,344,928

(2) Consolidated Quarterly Income Statement  
(Consolidated First Quarter)

(Unit: Thousands of yen)

	Three months ended June 30, 2008 (from April 1, 2007 to June 30, 2008)	Three months ended June 30, 2009 (from April 1, 2008 to June 30, 2009)
Net sales	1,748,544	1,047,737
Cost of sales	1,170,598	814,232
Gross profit	577,946	233,504
Selling, general and administrative expenses	648,766	535,193
Operating loss	(70,819)	(301,688)
Non-operating income		
Interest income	21,644	21,134
Dividend income	215	193
Rent of real estate for investment	9,600	9,600
Foreign exchange gains	86,406	4,014
Other	18,629	23,529
Total non-operating income	136,495	58,472
Non-operating expenses		
Rent cost of real estate	3,603	3,303
Other	2,127	442
Total non-operating expenses	5,730	3,745
Ordinary income (loss)	59,945	(246,962)
Extraordinary income		
Gain on sales of noncurrent assets	44	—
Reversal of allowance for doubtful accounts	1	91
Total extraordinary income	45	91
Extraordinary loss		
Loss on retirement of noncurrent assets	21	—
Loss on sales of noncurrent assets	—	480
Total extraordinary losses	21	480
Income (loss) before income taxes and minority interests	59,969	(247,350)
Income taxes – current	10,124	2,043
Refund of income taxes for prior periods	—	(74,451)
Income taxes – deferred	15,715	8,954
Total income taxes	25,840	(63,453)
Minority interests in loss	—	(10,693)
Net income (loss)	34,129	(173,203)

## (3) Consolidated Quarterly Cash Flow Statement

(Unit: Thousands of yen)

	Three months ended June 30, 2008 (from April 1, 2007 to June 30, 2008)	Three months ended June 30, 2009 (from April 1, 2008 to June 30, 2009)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	59,969	(247,350)
Depreciation and amortization	146,823	119,566
Amortization of goodwill	18,964	19,542
Interest and dividend income	(21,860)	(21,328)
Proceeds from rent income	(9,600)	(9,600)
Loss (gain) on sales of noncurrent assets	(44)	480
Loss on retirement of noncurrent assets	21	—
Increase (decrease) in allowance for doubtful accounts	1,211	(1,521)
Increase (decrease) in long-term accounts payable – other	(68)	(1,100)
Increase (decrease) in provision for retirement benefits	14,025	21,567
Foreign exchange losses (gains)	(63)	(5,432)
Decrease (increase) in notes and accounts receivable – trade	(195,301)	390,656
Decrease (increase) in inventories	11,398	(10,707)
Decrease (increase) in other assets	56,989	(20,826)
Increase (decrease) in notes and accounts payable – trade	(25,793)	(235,078)
Increase (decrease) in other liabilities	(30,064)	(124,533)
Subtotal	26,608	(125,664)
Interest and dividend income received	32,626	32,399
Income taxes paid	(9,050)	(14,386)
Net cash provided by (used in) operating activities	50,184	(107,650)
Net cash provided by (used in) investing activities		
Payments into time deposits	(4,714,052)	(4,151,660)
Proceeds from withdrawal of time deposits	4,801,190	4,115,263
Purchase of property, plant and equipment	(47,811)	(71,928)
Proceeds from sales of property, plant and equipment	1,020	589
Purchase of intangible assets	(5,150)	(3,139)
Purchase of investment securities	(60)	(59)
Proceeds from rental of real estate for investment	(9,600)	9,600
Other payments	—	(792)
Other, net	(111)	—
Net cash provided by (used in) investing activities	44,623	(102,128)
Net cash provided by (used in) financing activities		
Repayment of long-term loans payable	—	(20,880)
Purchase of treasury stock	(159)	—
Cash dividends paid	(275,982)	(137,102)
Net cash provided by (used in) financing activities	(276,141)	(157,982)
Effect of exchange rate fluctuations on cash and cash equivalents	(98,686)	74,653
Net increase (decrease) in cash and cash equivalents	(280,019)	(293,108)
Cash and cash equivalents at beginning of period	2,857,613	2,218,619
Cash and cash equivalents at end of period	2,577,594	1,925,511

(4) Notes on premise as a going concern  
No applicable items

(5) Segment Information

a. Segment Information by Business Type

Previous Consolidated First Quarter (from April 1, 2008 to June 30, 2008)

(Unit: Thousands of yen)

	Optical Disc Mold Group	Optical Communications Group	Total	Elimination or Company-total	Consolidated
Net Sales					
(1) Net sales to external customers	503,243	1,245,301	1,748,544	–	1,748,544
(2) Internal net sales or transfer amount between segments	–	–	–	–	–
Total	503,243	1,245,301	1,748,544	–	1,748,544
Operating Income or (Loss)	(81,427)	10,607	(70,819)	–	(70,819)

Current Consolidated First Quarter (from April 1, 2009 to June 30, 2009)

(Unit: Thousands of yen)

	Optical Disc Mold Group	Optical Communications Group	Total	Elimination or Company-total	Consolidated
Net Sales					
(1) Net sales to external customers	174,796	872,941	1,047,737	–	1,047,737
(2) Internal net sales or transfer amount between segments	–	–	–	–	–
Total	174,796	872,941	1,047,737	–	1,047,737
Operating (Loss)	(189,369)	(112,318)	(301,688)	–	(301,688)

Notes:

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

2. Main products by business category

Previous Consolidated First Quarter

(1) Optical Disc Mold Group:

Molds for optical disc molding, molds for powder metallurgy molding and others

(2) Optical Communications Group:

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

Current Consolidated First Quarter

(1) Optical Disc Mold Group:

Molds for optical disc molding, molds for powder metallurgy molding, lenses and others

(2) Optical Communications Group:

Optical connectors, optical connector cables, optical attenuators, ferrules, isolators, optical connector polishing machines, passive optical transmitters and others

3. Changes in the method of accounting procedures

Previous Consolidated First Quarter

(Accounting standards related to valuation of inventory assets)

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. As a result of this change, the operating loss in the Optical Disc Mold Group increased by ¥1,448 thousand, and the operating income in the Optical Communications Group declined by ¥53,392 thousand.



## Segment Information by Location

Previous Consolidated First Quarter (from April 1, 2008 to June 30, 2008)

(Unit: Thousands of yen)

	Japan	North America	Asia	Europe	Total	Elimination or Company-total	Consolidated
Net Sales							
(1) Net sales to external customers	940,886	315,460	162,574	329,623	1,748,544	—	1,748,544
(2) Internal net sales or transfer amount between segments	687,003	3,131	499,710	—	1,189,844	(1,189,844)	—
Total	1,627,889	318,591	662,284	329,623	2,938,389	(1,189,844)	1,748,544
Operating Profit or (Loss)	(148,307)	7,815	44,577	8,456	(87,458)	16,638	(70,819)

Current Consolidated First Quarter (from April 1, 2009 to June 30, 2009)

(Unit: Thousands of yen)

	Japan	North America	Asia	Europe	Total	Elimination or Company-total	Consolidated
Net Sales							
(1) Net sales to external customers	435,695	181,023	222,361	208,658	1,047,737	—	1,047,737
(2) Internal net sales or transfer amount between segments	255,274	828	260,290	296	516,689	(516,689)	—
Total	690,969	181,851	482,652	208,954	1,564,427	(516,689)	1,047,737
Operating Income or (Loss)	(337,688)	(12,134)	36,558	2,785	(310,479)	8,791	(301,688)

## Notes:

- The category of country or territory is based on geographical proximity.
- Details of countries and territories belonging to categories other than Japan are as follows:
  - North America: U.S.A.
  - Asia: China, Taiwan
  - Europe: Germany

## 3. Changes in accounting principles

Previous Consolidated First Quarter

(Accounting standards related to valuation of inventory assets)

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. As a result of this change, the operating loss in Japan increased by ¥54,841 thousand.

## Overseas Net Sales

Previous Consolidated First Quarter (from April 1, 2008 to June 30, 2008)

(Unit: Thousands of yen)

	America and Regions	Europe and Regions	Asia and Other Regions	Total
I. Overseas net sales	315,460	357,790	233,559	906,810
II. Consolidated net sales	–	–	–	1,748,544
III. Ratio of overseas net sales to consolidated net sales	18.0%	20.5%	13.4%	51.9%

Current Consolidated First Quarter (from April 1, 2009 to June 30, 2009)

(Unit: Thousands of yen)

	America and Regions	Europe and Regions	Asia and Other Regions	Total
I. Overseas net sales	181,023	208,658	246,865	636,547
II. Consolidated net sales	–	–	–	1,047,737
III. Ratio of overseas net sales to consolidated sales amount	17.3%	19.9%	23.6%	60.8%

## 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. Overseas net sales mean 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

## 6. Other Information

No applicable items