

Business Report for the 30th Term

from April 1, 2001 to March 31, 2002

	Consolidated		Unconsolidated		(Millions of yen)
	2002.3 This term	2002.3 This term	2001.3 Last term	Comparison	
Sales	4,046	4,247	13,157	(67.7)%	
Optical Communications Group	2,245	2,281	8,685	(73.7)%	
Mold Products Group	1,800	1,966	4,472	(56.0)%	
Operating profit	171	339	5,596	(93.9)%	
Ordinary profit	23	201	5,530	(96.4)%	
Net income	(942)	(768)	2,891	-	
Net income per share (¥)	(101.0)	(82.4)	341.5	-	
Return on equity (%)	(4.0)	(3.2)	19.7	-	
Return on assets (%)	0.1	(3.0)	15.5	-	
Total assets	24,270	24,475	27,165		
Stockholders' equity	23,313	23,454	24,403		
Equity ratio (%)	96.1	95.8	89.8		
Equity per share (¥)	2,497.83	2,512.94	2,614.53		

*The SEIKOH GIKEN Group is reporting full-year consolidated accounts for the first time. Accordingly, no data has been made available regarding consolidated results for the previous fiscal year, therefore no figures are reported for year-on-year change.

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Achievements of the 30th Term (from April 1, 2001 to March 31, 2002)

Building a Global Marketing Network —To Enhance Customer Satisfaction

SEIKOH GIKEN proudly celebrated in this year the 30th anniversary of its founding in 1972 in Ota-ku, Tokyo. I extend my heartfelt gratitude to all who have contributed to this milestone—to our shareholders for their support; to our business colleagues and partners, including our valued customers for continuing to use our products; as well as all of our current and past employees for building the history of the Group.

The SEIKOH GIKEN Group is currently engaged in businesses centered on the two main pillars of optical communications and mold products. During the term under review, the global economy remained in the doldrums due to falling demand caused by excessive production capacity in IT-related industries and the effects of the September 11, 2001 terrorist attacks in the United States. As a result, the Group suffered significant declines in sales in both its Optical Communications and Mold Products Groups. Under such business conditions, while the Group actively cultivated global sales activities, we moved to bolster our global marketing by lowering manufacturing costs while maintaining high quality through our micro-mechanics technology.



President and CEO
Masatoshi Ueno

In April 2001, we established a subsidiary in the Zhejiang, the Province of China to manufacture optical communications devices and conduct basic research and development for next-generation optical communications devices. The subsidiary began production in September 2001. We expanded production capacity and reduced production costs by combining our production and quality control technologies for optical communications devices, and we have established a



firm foundation for entering the Chinese market, where growth is expected.

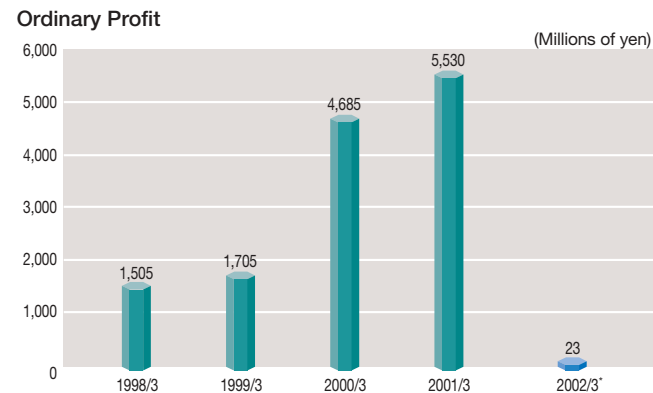
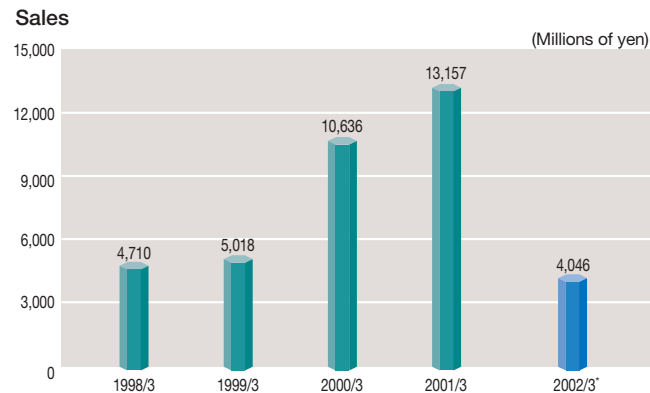
Additionally, in November 2001 we took over the sales and maintenance businesses related to optical disc molds owned by an overseas subsidiary of Sumitomo Heavy Indus-

tries, Ltd. On this occasion, we opened a branch office in Taiwan and also started a mold business section at our U.S. subsidiary, SEIKOH GIKEN USA, Inc. toward establishing a more fine-tuned customer service system. As a result, the Group's consolidated sales for the term were ¥4,046,236,000 with ordinary profit of ¥23,320,000. We reported a consolidated net loss totaling ¥942,793,000 due to an extraordinary loss of ¥952,244,000, including an appraisal loss accompanied by reevaluation of asset holdings and others.



As for dividends for the term, we decided to pay ¥30 per share, the same level as in the preceding term, from the viewpoint of maintaining stability in dividend payment.

Business Overview



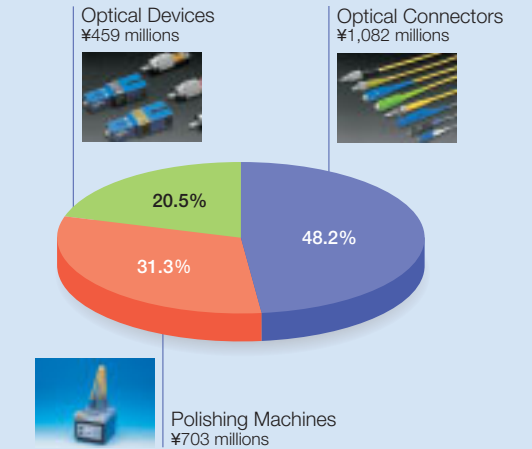
Outlook for the Future

Pursuing Market-oriented Businesses —To Maintain and Deepen Customer Confidence

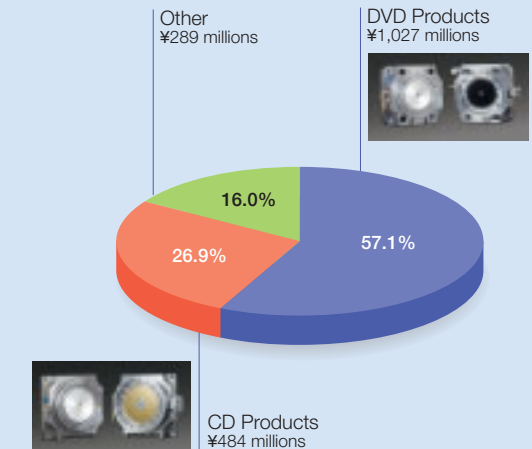
Our top priority going forward is to develop products that precisely respond to the demands of our customers and the market. SEIKOH GIKEN has traditionally promoted a technology-oriented business model, an approach that is inherently vulnerable to significant changes in the times and volatile market trends. We will therefore boldly expand our business opportunities by undertaking product development that more closely matches the needs of the market and customers, which differ by region to region.



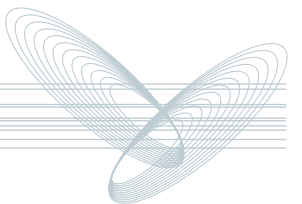
Ratio of Sales in Optical Communications Group



Ratio of Sales in Mold Products Group



*Data for the fiscal year ended March 31, 2002 are based on consolidated results.



First, with regard to optical communications, despite a recent drop in demand, we expect sufficient recovery of demand alongside progress in infrastructure building for optical networks, since products made by our group companies are used in the critical components of optical networks. In addition, in terms of new product development, we are focusing on metro/access networks, which have been identified as one of the main hurdles in the spread of broadband communications from a mid-term perspective. We also plan to introduce products in the key areas of AON (All-Optical Networks), PON (Passive Optical Networks) and High-Power Applications to the market.

As for mold products, we are building on our advantage

of having entered the field of optical discs at an early stage, supplying molds for all five methods currently commercialized in the DVD market—DVD-RAM, DVD-RW, DVD+RW, DVD-ROM, DVD-R—and for next-generation optical discs, also known as post-DVD, to major manufacturers worldwide, and we will continue to contribute as the top maker of optical discs molds.

In order to maintain our technological advantage and the relationship of trust with our customers, we intend to pursue market-oriented businesses with making full use of our global marketing network which was established during the term. As part of this drive, we changed our organizational structure in April 2002, from a structure based on functions such as marketing and manufacturing to



one based on products, aiming for a flat management style that accelerates decision-making and product development more closely aligned to the needs of the market. Through “Rebirth and Challenge,” our new management philosophy, we will create a challenging and aggressive corporate culture, in which every employee is encouraged to be attentive and responsive to emerging needs of the market and our customers. SEIKOH GIKEN has entered an important new phase, as we position our enterprise to move to the next level of performance, taking bold initiatives to improve our organizational structure and business culture. The entire organization is united in this resolve. We deeply appreciate your continuing support for SEIKOH GIKEN.



TOPICS

Marketing Launched for New G Type Model DVD Molds

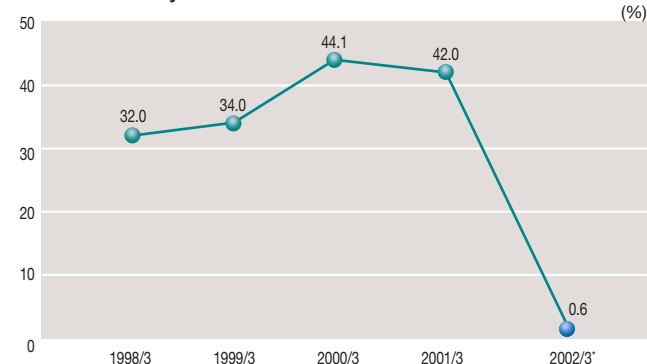
In January 2002, SEIKOH GIKEN began marketing the new G type model for DVD molds—an innovative version of the conventional H type mold. The new model is equipped with four pillars to prevent the mold from slipping to enhance the position accuracy of the center hole and data area of the optical disc, providing the high precision and high cycle performance (reduced from 5 seconds to 3.5 seconds) required for DVD molds, and significantly boosting both quality and production efficiency of DVD.



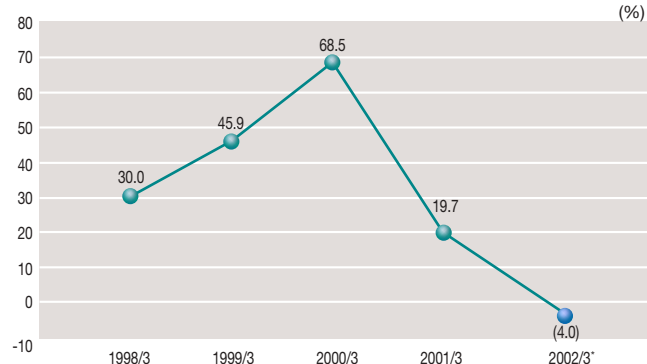
G Type Model for DVD Molds

Business Overview

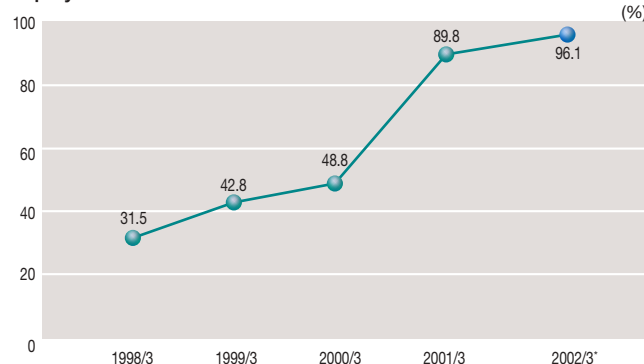
Ratio of Ordinary Profit to Sales



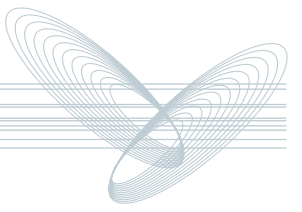
Return on Assets



Equity Ratio



*Data for the fiscal year ended March 31, 2002 are based on consolidated results.



Optical Communications

Metro/Access Networks

Broadband communication that enables high-speed, high-volume transmission of information has been entrenched as ADSL and CATV services and users of those have been rapidly increasing, which in turn is accelerating the drive to lay fiber optic networks connecting one repeater station with another and repeater stations with subscribers. Access networks linking distances of between 1 to 10 kilometers and metro networks spanning 10 to 100 kilometers are particularly regarded as vital components in the growth of broadband services. SEIKOH GIKEN is applying its expertise in the development of optical devices for long distance “long haul” lines to aggressively market devices for the metro/access network, which requires both high quality and excellent cost performance.



Optical Connectors

AON (All-Optical Networks)/PON (Passive Optical Networks)/High-Power Applications

As we stand on the edge of a full-scale broadband era, a global effort to build the infrastructure for optic networks is rapidly underway. SEIKOH GIKEN will develop next-generation devices by focusing on the three key areas: AON—All-Optical Networks where all data transmissions are carried entirely as optical signals, including the amplification and compensation of degraded or attenuated signals; PON—Passive Optical Networks which realize fiber optic networks without electric drive; and High-Power Applications which meet the need for the growing volume of information transmitted over optic lines.

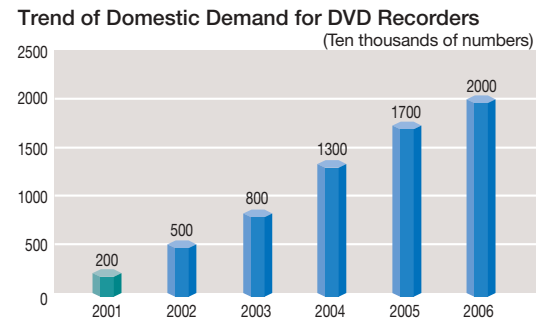


Optical Switch

Mold Products

DVD-RAM/DVD-RW/DVD+RW

DVD, already recognized as the driving force behind the digitalization of visual software and a recordable media for visual information, is also seen as a high-capacity recordable media in the personal computer market, where broadband connectivity is required. As of now, three types of DVD recorders have been commercialized—DVD-RAM, DVD-RW and DVD+RW. SEIKOH GIKEN has earned a stellar track record in the market for optical discs, where molds are considered the decisive factor for ensuring quality. The Company manufactures molds for all of these formats and develops molds for “write-only” DVD-R. The Company intends to fully leverage this advantage to establish a solid business foundation in the promising fast-growth market of DVD discs and to create an infallible system for rapidly adapting to the changing market.



Source: Survey conducted by the Japan Electronic and Information Technology Industries Association
Survey on DVD recorders available since 2001 (Figures beyond 2002 are estimates.)

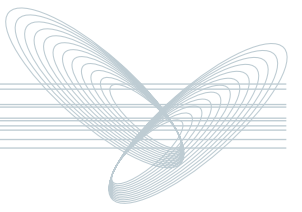
Blu-Ray Discs

The Blu-Ray Disc, which was introduced in February 2002, has become the focus of widespread attention as a high-capacity optical disc that will replace the DVD. Blu-Ray Discs can record and playback five times the volume of information of a DVD, storing up to 2 hours of high-definition television broadcasts and 40 hours of normal televised images in a single disc. SEIKOH GIKEN has been participating in the development of this next-generation optical media from the research level and has played a significant role in commercializing the media by producing prototype molds in collaboration with other companies.

Comparison between DVD and Blu-Ray Discs

	DVD	Blu-Ray*
Diameter	12 cm	12 cm
Thickness	1.2 mm	1.2 mm
Memory size on single side	4.7 GB	27.0 GB
Track pitch	0.74 μm	0.32 μm
Wavelength of laser	650 nm(red)	405 nm(blue-violet)
Thickness of protective layer	0.6 mm	0.1 mm

*Blu-Ray Value: Excerpt of announcement made by the 9 companies—Hitachi Ltd., LG Electronics Inc., Matsushita Electric Industrial Co., Ltd., Pioneer Corporation, Philips Electronics N.V., Samsung Electronics Co., Ltd., Sharp Corporation, Sony Corporation and Thomson Multimedia—responsible for establishing standard specifications for Blue-Ray Discs (as of February 19, 2002).



History of Epochal SEIKOH GIKEN Technology

1972

Production of Molds for Powder Metallurgy and for Fine Blanking

The Company was founded in Ota-ku, Tokyo with a capital of ¥500,000 to design, manufacture and engineer molds for precision plasticity. At the time, the Japanese automobile industry had begun to internalize the manufacturing of important safety-related parts made by powder metallurgy molding in response to the rapid increase in production volume. SEIKOH GIKEN offered technical assistance and supplied molds to automobile companies, establishing a foundation of corporate trust and a solid track record.

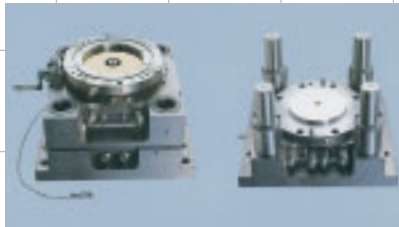


Example of Powder Metallurgy Molding Parts

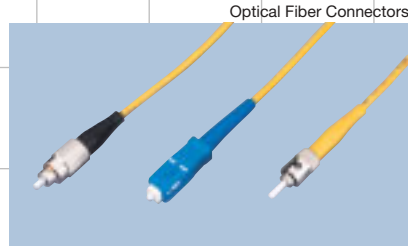
1981

Launched Development of Injection-molding MO Discs for Information Storage

SEIKOH GIKEN was one of the fastest companies to develop molds for magneto-optical (MO) discs—developed as recording media to replace the floppy disc—in a joint effort with makers, marking the Company's entry into the field of optical discs for information storage. By providing higher precision than conventional molds and responding to stringent demands for quality control including those for dust and scars, SEIKOH GIKEN received high acclaim in the market, and contributed significantly to the development and expansion of the MO market.



MO Molds



Optical Fiber Connectors

1986

Start of Production of Fiber Optic Communication Devices

When commercial use of optical fiber became a reality, optical fiber connectors (ferrules) consisted of metal. Now, however, they are generally made of ceramics. SEIKOH GIKEN used its metal processing expertise and mold technology to produce and market fiber cables with low backreflection optical connectors. Having established the most advanced polishing technology for ferrules, which require extremely accurate processing, the Company expanded its business into the field of optical fiber communications devices.

1989

Production and Marketing of SFP-510, Polishing Machine to Form Spherical Convex for Optical Connectors Using the Rotation-revolution Mechanism

The low backreflection optical connectors which the Company began fully developing into a business in 1986 received high acclaim, leading to the production and marketing of polishing equipment that commercialized SEIKOH GIKEN technology. The SFP-510 polishing machine to form spherical convex for optical connectors (US Patent No. 4,979,334), in particular, incorporated an original polishing structure and steadily increased its sales as a mass-production polishing machine.



SFP-510 Polishing Machine

1996

Start of Marketing Standard Molds for CD-R

SEIKOH GIKEN launched the production of standard molds for CD-R by utilizing the expertise and track record accumulated through developing molds for MO discs and expanded its sales to overseas markets.



Molds for CD-R

1990

Development of the World's First Angled Physical Contact (APC) Connectors

By further evolving its innovative polishing technology, SEIKOH GIKEN went on to pursue research for decreasing reflected light and raising the connections' efficiency. By polishing the end face of optical connectors at an angle in a spherical manner, the Company developed the world's first APC (angled physical contact) connectors which limited interference between signals and laser reflections.

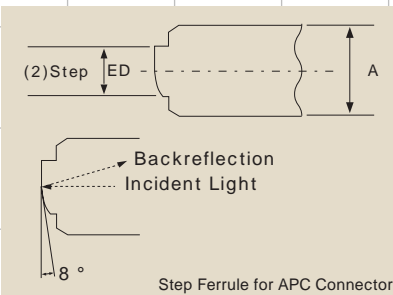


Step Ferrule for APC Connector

1997

Step Ferrule for APC Connectors Adopted as IEC Standard

To enable full compatibility between connectors made by different makers and under varying specifications, the global standardization of connectors was pursued. SEIKOH GIKEN's step ferrule for APC connectors was adopted by the IEC (International Electrotechnical Commission) (IEC60874-14-9, and others) as the global standard.



1998

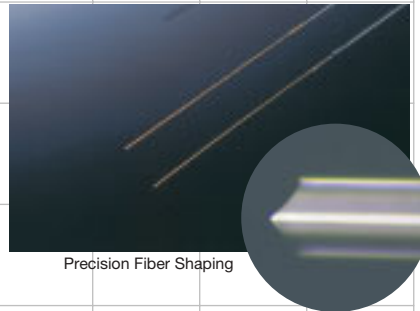
Start of Marketing H Type Molds for DVD Video

Along with the dissemination of DVDs centered on movie software, SEIKOH GIKEN began marketing H type molds for DVD videos. Based on its ample MO and CD-R experience, the Company has provided technical assistance to manufacturers and responded to molding needs requiring ever higher reliability and density, significantly contributing to the expansion of the DVD markets in Europe, the United States and around the world.

1999

Start of Marketing Lensed Fibers for Optical-fiber Amplifiers

As fiber optic communications expanded in scale to encompass longer distances and access networks, the demand for transmission amplifiers for optical signals also increased. SEIKOH GIKEN began marketing lensed fibers for optical-fiber amplifiers which offers maximum efficiency of amplification at low costs.



A Proud Memory of Achievement

—Mitsuo Takahashi (Senior Adviser)

SEIKOH GIKEN is celebrating its 30th anniversary. Please share with us an especially proud moment from your 30 years as executive manager and engineer.

Today, SEIKOH GIKEN, a relatively small enterprise, has established a firm foothold as a world-class brand in the optical communications devices and components industry as well as in the optical disc molds industry. I am grateful to our customers for helping to make this possible through their enthusiastic support. On our own part, we have worked to develop new products based on our core technologies.

Today, I would like to share with you a story about the very first version of our SFP-500, a polishing machine to form spherical convex for optical fiber, one of the products that formed the foundation upon which today's SEIKOH GIKEN stands.

What do you remember about the development of the SFP-500?

SEIKOH GIKEN began manufacturing and assembling optical connectors around 1986 as the first step in entering the optical communications device business. Unless the connected end faces of the optical fiber adhere closely, a light loss of 0.32 decibels, about 7%, occurs. To prevent this loss, NTT (Nippon Telegraph and Telephone Corporation) proposed PC connectors in which the connected end faces of the optical fiber were polished into a spherical shape. This proposal required a convex surface polisher, which didn't exist at the time. Since our own production would be affected, we looked hard for a solution, turning over the problem at work and even in our sleep, and conducting a series of experiments. Ultimately, as a result of our tireless efforts, the very first prototype of the SFP-500 was finally completed in 1987.

Furthermore, optical connectors polished using SFP-500 became the first in the world to achieve the high performance of 50 decibels, or about 0.001%, far superior to the 30 decibels, or about 0.1% of harmful backreflection light, which was the standard at the time. For a moment then, it crossed my mind that SEIKOH GIKEN could capture the entire global market share for optical connectors with our SFP-500. However, realizing that monopolizing the technology would go against the development of the optic communications industry, I released SFP-500 on a commercial basis.



SFP-500 prototype. Roughly the same size as a telephone and weighing only 20 kilograms, the highly portable polishing machine was welcomed by the market as a considerable innovation at the time.

Where do such original ideas come from?

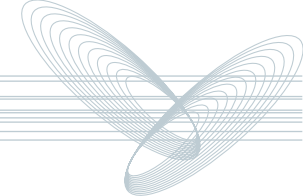
Our polishing machine to form spherical convex for optical fiber is based on our original basic principle, consisting of a resilient polishing machine with a complex circular orbit mechanism which combines a planetary circular motion and a rotatory circular motion. This polishing method has become the de facto standard worldwide. When developing completely new technology, the accumulation of core technologies and the strength of your resolve to see through the problem once you decide on a theme are very important.

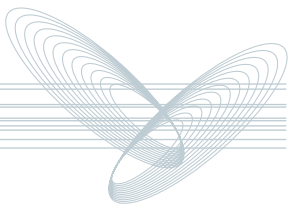
While I have retired from the frontlines of management, technology is becoming ever wider and deeper, so I hope to contribute as much as possible to SEIKOH GIKEN—where I have worked for 29 years as president—by offering my support to the development of cutting-edge technology.



Mitsuo Takahashi Ph.D.

Born 1932 in Yamagata Prefecture. Founded SEIKOH GIKEN in 1972 in Tokyo, for the engineering and fabrication of molds for automobile mechanical components and became President and CEO. In June 2001, was elected Chairman of the Board and then Senior Advisor in October 2001.





Consolidated Balance Sheet

		(Thousands of yen)
Item	Term	Current Consolidated Fiscal Year as of March 31, 2002
ASSETS		
Current Assets		16,049,061
Cash and deposits		10,913,510
Note receivable and accounts receivable—trade		670,191
Marketable securities		999,651
Inventories		2,058,764
Income tax refundable		1,274,610
Other		136,032
Allowance for doubtful accounts		(3,699)
Fixed Assets		8,221,920
Property, Plant and Equipment		6,913,868
Buildings and structures		3,088,413
Machinery, equipment and delivery equipment		344,904
Land		2,984,278
Construction in progress		86,292
Other		409,980
Intangible Fixed Assets		395,684
Goodwill		334,995
Other		60,688
Investments and Other Assets		912,368
Securities investment		692,478
Other		219,899
Allowance for doubtful accounts		(10)
Total Assets		24,270,981

		(Thousands of yen)
Item	Term	Current Consolidated Fiscal Year as of March 31, 2002
LIABILITIES		
Current Liabilities		412,408
Trade accounts payable		73,974
Income tax payable		3,899
Other		334,534
Long-term Liabilities		473,238
Allowance for retirement bonuses to officers		279,150
Allowance for retirement benefits		194,088
Total Liabilities		885,646
MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES		
Minority Interest		71,540
STOCKHOLDERS' EQUITY		
Common Stock		6,791,682
Additional Paid-in Capital		10,571,419
Consolidated Surplus		5,920,214
Variance from Valuation of Securities		(1,498)
Foreign Exchange Translation Adjustment		33,801
Treasury Stock		(1,826)
Total Stockholders' Equity		23,313,794
Total Liabilities, Minority Interest and Stockholders' Equity		24,270,981

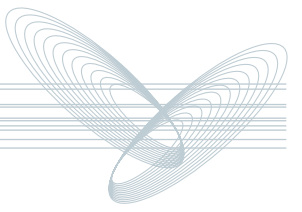
Consolidated Income Statement

		(Thousands of yen)	
Item	Term	Current Consolidated Fiscal Year from April 1, 2001 to March 31, 2002	Percentage
Sales		4,046,236	100.0
Cost of Sales		2,607,079	64.5
Gross profit		1,439,157	35.5
Selling, General and Administrative Expenses		1,267,912	31.3
Operating Profit		171,244	4.2
Non-operating Income		69,314	1.7
Interest received		15,100	
Dividends received		104	
Royalties received		27,200	
Foreign exchange gain		13,627	
Other		13,281	
Non-operating Expenses		217,237	5.3
Loss on securities sold		104,084	
Depreciation on suspending fixed assets		76,654	
Other		36,499	
Ordinary Profit		23,320	0.6
Extraordinary Profits		146,858	3.6
Gain on sales of fixed assets		1,138	
Reversal of allowance for doubtful accounts		3,740	
Prior year royalties received		141,980	
Extraordinary Losses		952,244	23.5
Loss on disposal of fixed assets		99,316	
Valuation loss on investment securities		336,373	
Valuation loss on inventory		516,554	
Net Loss Before Income Taxes		782,064	(19.3)
Income Taxes and Enterprise Tax		3,899	
Prior Year Income Taxes and Enterprise Tax		(39,292)	
Income Tax—deferred		203,780	
Loss on Minority Interests		7,659	0.1
Net Loss		942,793	(23.3)

Consolidated Statements of Cash Flows

		(Thousands of yen)
Item	Term	Current Consolidated Fiscal Year from April 1, 2001 to March 31, 2002
Cash Flows from Operating Activities		
Net loss before taxes, etc.		(782,064)
Depreciation		570,957
Decrease in allowance for doubtful accounts		(3,740)
Increase in allowance for retirement bonuses to officers		9,200
Increase in allowance for retirement benefits		49,313
Interest and dividends received		(15,204)
Loss on disposal of fixed assets		99,316
Gain on sale of fixed assets		(1,138)
Valuation loss on investment securities		336,373
Valuation loss on inventory		516,554
Valuation gain on foreign currency deposits		(416)
Decrease in account receivable		1,793,495
Increase in inventory		(998,844)
Increase in other current assets		(19,105)
Decrease in trade payable		(365,286)
Decrease in other current liabilities		(161,281)
Officers' bonuses		(18,900)
Interest and dividends received		16,353
Payments of income tax		(2,643,724)
Net Cash Provided by Operating Activities		(1,618,143)
Cash Flows from Investing Activities		
Increase in term deposits		(2,089,262)
Decrease in term deposits		4,289,096
Income from sale of securities		799,646
Expenditure on acquisition of property, plant and equipment		(2,133,751)
Income from sale of property, plant and equipment		2,000
Expenditure on acquisition of intangible fixed assets		(49,597)
Expenditure on goodwill acquisition		(418,744)
Expenditure on purchases of investment securities		(1,576)
Other expenditures for acquisitions of investments		(5,142)
Net Cash Used in Investing Activities		392,668
Cash Flows from Financing Activities		
Income from payments of minority shareholders		79,200
Dividends paid		(280,008)
Net Cash Provided by Financing Activities		(200,808)
Cash and Cash Equivalent-related Conversion Difference		3,456
Net Decrease in Cash and Cash Equivalents		(1,422,826)
Cash and Cash Equivalents at Beginning of Period		13,335,989
Cash and Cash Equivalents at the End of Period		11,913,162

*Amounts reported have been provided by abbreviating figures below ¥1,000.



Balance Sheet

Item	Term	(Thousands of yen)	
		The 30th term as of March 31, 2002	The 29th term as of March 31, 2001
ASSETS			
Current Assets		15,881,876	20,593,505
Cash and deposits		10,610,481	5,351,182
Notes receivable		47,256	251,408
Accounts receivable—trade		787,224	2,212,277
Marketable securities		999,651	10,965,405
Treasury stock		-	1,826
Goods		21,987	6,020
Finished products		38,876	103,874
Raw materials		946,979	671,067
Work in progress		989,433	786,854
Stored goods		7,292	7,267
Prepaid expenses		17,612	24,020
Consumption taxes refundable		102,143	-
Income tax refundable		1,274,610	-
Deferred tax assets		-	158,757
Other		41,625	60,982
Allowance for doubtful accounts		(3,300)	(7,440)
Fixed Assets		8,593,386	6,572,067
Property, Plant and Equipment		6,844,615	5,373,067
Buildings		2,981,295	1,662,567
Structures		107,117	94,948
Machinery and equipment		335,221	438,066
Vehicles and delivery equipment		1,986	23
Tools		352,280	337,926
Land		2,984,278	2,220,089
Construction in progress		82,435	619,446
Intangible Fixed Assets		197,278	11,680
Goodwill		184,103	-
Software		6,465	4,391
Telephone subscription rights		693	693
Water supply facilities usage rights		6,016	6,596
Investments and Other Assets		1,551,492	1,187,318
Securities investment		692,478	818,324
Investment in equity of subsidiaries		358,781	21,430
Investments in capital of subsidiaries		280,800	-
Long-term loans for employees		1,294	1,796
Deferred tax assets		119,623	252,413
Reserves for insurance payments		96,795	92,826
Other		1,729	538
Allowance for doubtful accounts		(10)	(10)
Total Assets		24,475,262	27,165,572

*Accumulated depreciation of property, plant and equipment 2,306,953 1,860,474

Item	Term	(Thousands of yen)	
		The 30th term as of March 31, 2002	The 29th term as of March 31, 2001
LIABILITIES			
Current Liabilities		547,182	2,347,758
Trade account payable		216,701	439,260
Accrued amount payable		129,220	247,612
Business office tax payable		42,663	5,414
Accrued expenses		134,444	177,503
Income tax payable		3,800	1,413,471
Advance received		518	767
Deposits received		19,560	63,728
Other		273	-
Long-term Liabilities		473,238	414,725
Allowance for retirement bonuses to officers		279,150	269,950
Allowance for retirement benefits		194,088	144,775
Total Liabilities		1,020,421	2,762,483
STOCKHOLDERS' EQUITY			
Common Stocks		6,791,682	6,791,682
Statutory Reserves		12,269,340	10,658,827
Additional paid-in capital		10,571,419	10,571,419
Legal reserve		1,697,920	87,407
Retained Earnings		4,397,142	7,075,283
Voluntary reserve		5,007,113	4,004,480
Reserves for special depreciation		7,113	4,480
Other reserve		5,000,000	4,000,000
Unappropriated retained earnings or loss		(609,971)	3,070,803
Variance of the Estimate		(1,498)	(122,704)
Variance from valuation of securities		(1,498)	(122,704)
Treasury Stock		(1,826)	-
Total Stockholders' Equity		23,454,841	24,403,088
Total Liabilities and Stockholders' Equity		24,475,262	27,165,572

Income Statement

Item	Term	(Millions of yen)	
		The 30th Term from April 1, 2001 to March 31, 2002	The 29th Term from April 1, 2000 to March 31, 2001
Ordinary Profits and Losses			
Operating Profits and Losses			
Operating Income		4,247,523	13,157,439
Sales		4,247,523	13,157,439
Operating Expenses		3,907,740	7,561,039
Cost of sales		2,779,788	6,521,837
Selling, general and administrative expenses		1,127,951	1,039,202
Operating Profit		339,782	5,596,400
Non-operating Profits and Losses			
Non-operating Income		81,016	64,785
Interest received		14,346	27,409
Dividends received		104	1,449
Royalties received		27,200	31,835
Foreign exchange gain		27,358	-
Other		12,007	4,090
Non-operating Expenses		219,308	130,404
Loss on securities sold		104,084	-
Depreciation on inactive fixed assets		76,654	-
Interest expense		-	21,139
Stock issue costs		-	61,384
Commissions on prepayment of borrowing paid		-	15,420
Other		38,570	32,459
Ordinary Profit		201,489	5,530,781
Extraordinary Profits and Losses			
Extraordinary Profits		150,323	-
Gain on sale of fixed assets		4,203	-
Prior year royalties received		141,980	-
Reversal of allowance for doubtful accounts		4,140	-
Extraordinary Losses		952,244	82,311
Loss on disposal of fixed assets		99,316	10,034
Valuation loss on investment securities		336,373	-
Valuation loss on inventory		516,554	-
Amortization of difference due to new accounting standard for retirement benefits		-	72,277
Income or Loss before Taxes		(600,431)	5,448,469
Income Taxes and Enterprise Tax		3,800	2,569,853
Prior Year Income Taxes and Enterprise Tax		(39,292)	-
Income Tax—deferred		203,780	(12,879)
Net Income Loss		(768,719)	2,891,496
Retained Earnings Brought from Previous Period		158,748	179,307
Unappropriated Earnings at the End of Term		(609,971)	3,070,803

*Amounts reported in the Balance Sheet and Statements of Income have been provided by abbreviating figures below ¥1,000.

Profit Appropriation Statement

Item	Term	(Yen)
		The 30th Term
Unappropriated Loss		609,971,078
Reversal of voluntary reserves		
Reversal of special depreciation reserves		1,222,090
Reversal of other reserves		1,000,000,000
Total		391,251,012
Distribution of profit (30 yen per share)		280,008,360
Retained earnings carried forward to the following term		111,242,652

Company Overview

Profile

as of March 31, 2002

Company Name
SEIKOH GIKEN Co., Ltd.

Domestic Offices

1st Building 286-23 Matsuhidai, Matsudo-city,
Chiba 270-2214, Japan

2nd Building (Head Office) 296-1 Matsuhidai, Matsudo-city,
Chiba 270-2214, Japan

3rd Building 296-1 Matsuhidai, Matsudo-city,
Chiba 270-2214, Japan

4th Building 415-2 Matsuhidai, Matsudo-city,
Chiba 270-2214, Japan

Overseas Office

Taiwan Branch 8F-2 285 Kuang Fu Road, Sec 2,
Hsin Chu City, Taiwan, Republic of China

Overseas Subsidiaries
SEIKOH GIKEN USA, Inc.
SEIKOH GIKEN HANGZHOU Co., Ltd.

Established
June 17, 1972

Capital
¥6,791,682,700

Number of Employees
262 (including subsidiaries)

Board of Directors as of June 20, 2002

President and Chief Executive Officer Masatoshi Ueno

Director Tamotsu Kimura

Director Koichi Kobayashi

Director Koichi Hosokawa, Ph.D.

Senior Corporate Auditor Hirao Yamamoto

Senior Corporate Auditor Takeshi Miyanaga

Corporate Auditor Kyouhei Nitta

Corporate Auditor Toru Miyoshi

History

June 1972 Established with ¥500,000 in capital in Sanno, Ota-ku, Tokyo to design, manufacture and market molds for precision-sintered mechanical components

September 1981 Started research and development of injection molds for optical discs

April 1982 Started research and development of ferrules for optical connectors

May 1986 Added manufacturing and marketing of telecommunications and electronic devices to the Company's operational lines and entered the field of optical communications devices

October 1986 Started marketing fiber cables with SPC connectors (low backreflection optical connectors)

September 1987 Signed a marketing contract with JDS OPTICS Inc. (JDS Uniphase Corp.) of Canada

October 1987 Started marketing SFP-500, the world's first polishing machine to form spherical convex for optical connectors at the scale of mass production

May 1990 Started marketing the world's first fiber cables with APC (Angled Physical Contact) connectors (ultra-low backreflection optical connectors)

July 1994 Started research and development of Dense Wavelength Division Multiplexing (DWDM) systems

December 1995 Optical Communications Group obtained ISO 9001 certification

May 1997 Step ferrule for APC polishing adopted as IEC standard

May 1999 Signed distributorship contracts with 12 companies in the United Kingdom, France, Germany and others for expanding the marketing network in the European market

July 2000 Stock listed on the over-the-counter market (JASDAQ)

September 2000 Established SEIKOH GIKEN USA, Inc. in Norcross, Georgia, U.S.A.

March 2001 Established SEIKOH GIKEN HANGZHOU Co., Ltd. in Hangzhou City, Zhejiang Province, People's Republic of China

December 2001 Established Taiwan Branch Office in Hsin Chu City, Taiwan, Republic of China

Stock Information

as of March 31, 2002

Status of Stocks

Authorized Shares
37,000,000

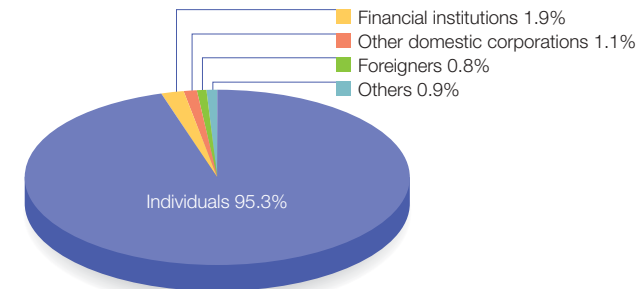
Shares Outstanding
9,333,654

Shareholders
6,933

Major Shareholders

Name	Number of Shares Held (Thousands)	Percentage
Mitsuo Takahashi	1,216	13.0
Yumiko Tomaru	1,181	12.7
Yukiko Hosoe	1,102	11.8
Masatoshi Ueno	912	9.8
Tamotsu Kimura	609	6.5
Fujiko Takahashi	470	5.0
Jun Ueno	329	3.5
Chie Ueno	329	3.5
Harue Watanabe	198	2.1
Employees' Association	198	2.1

Breakdown of Shareholders



Shareholder Information

Closing Date of Accounts
March 31

Ordinary General Meeting of Shareholders
June every year

Record Date
March 31 every year

Stock Transfer Agent
Chuo Mitsui Trust & Banking Co., Ltd.
33-1 Shiba 3-chome, Minato-ku, Tokyo 105-8574, Japan

Place of Transfer
Transfer Agent Division, Chuo Mitsui Trust & Banking Co., Ltd.
8-4 Izumi 2-chome, Sugunami-ku, Tokyo 168-0063, Japan
Tel: +81-3-3323-7111
Branches of Chuo Mitsui Trust & Banking Co., Ltd.

Service Offices
Head Office, branches and sub-branch offices of Japan Securities Agents, Ltd.

Media of Public Notice
Nihon Keizai Shimbun (daily newspaper)