

Summary of Consolidated Financial Statement

Units: million yen rounded down

Consolidated Balance Sheets

	Current fiscal year As of March 31, 2010	Previous fiscal year As of March 31, 2009
Assets		
Current assets	15,654	16,459
Cash and deposits	13,331	13,796
Notes and accounts receivable-trade	1,197	1,414
Inventories	889	991
Other	238	260
Allowance for doubtful accounts	(3)	(5)
Fixed assets	6,005	6,885
Property, plant and equipment	4,923	5,686
Buildings and structures	1,671	2,241
Machinery, equipment and vehicles	466	607
Land	2,131	2,211
Other	653	626
Intangible assets	72	177
Goodwill	7	89
Other	64	87
Investments and other assets	1,010	1,021
Investment securities	15	13
Real estate for investment	869	876
Other	125	132
Allowance for doubtful accounts	—	(1)
Total assets	21,660	23,344
Liabilities		
Current liabilities	954	1,195
Accounts payable-trade	253	449
Current portion of long-term loans payable	—	20
Income taxes payable	32	31
Other	669	694
Noncurrent liabilities	626	611
Provision for retirement benefits	328	297
Long-term accounts payable-other	147	148
Long-term guarantee deposited	128	145
Long-term lease deposited	19	19
Other	2	—
Total liabilities	1,580	1,807
Net assets		
Shareholders' equity	20,336	21,816
Capital stock	6,791	6,791
Capital surplus	10,571	10,571
Retained earnings	3,400	4,880
Treasury stock	(427)	(427)
Valuation and translation adjustments	(256)	(290)
Valuation difference on available-for-sale securities	(1)	(4)
Foreign currency translation adjustment	(255)	(285)
Minority interests	—	12
Total net assets	20,079	21,537
Total liabilities and net assets	21,660	23,344

Consolidated Income Statements

	Current fiscal year April 1, 2009 to March 31, 2010	Previous fiscal year April 1, 2008 to March 31, 2009
Sales amount	4,683	6,426
Cost of sales	3,511	4,523
Gross profit	1,172	1,902
Selling, general and administrative expenses	2,097	2,613
Operating loss	(925)	(710)
Non-operating income	227	190
Non-operating expenses	17	32
Ordinary loss	(716)	(552)
Extraordinary income	24	0
Extraordinary loss	692	279
Net loss before taxes	(1,383)	(831)
Income taxes	(28)	109
Minority interests in loss	(12)	(83)
Net loss	(1,342)	(857)

Consolidated Statement of Cash Flows

	Current fiscal year April 1, 2009 to March 31, 2010	Previous fiscal year April 1, 2008 to March 31, 2009
Net cash provided by (used in) operating activities	30	779
Net cash provided by (used in) investing activities	(436)	(823)
Net cash provided by (used in) financing activities	(158)	(394)
Effect of exchange rate change on cash and cash equivalents	17	(200)
Net increase (decrease) in cash and cash equivalents	(547)	(638)
Cash and cash equivalents at beginning of period	2,218	2,857
Cash and cash equivalents at end of period	1,671	2,218

Share outlook

Authorized shares	37,000,000
Outstanding shares	9,333,654
Shareholders	4,227

Notes for Shareholders

Fiscal year: April 1 to March 31
Date of General meeting of stockholders: Every June
Shareholder registration date: Every March 31.
Shareholder's register manager:
The Chuo Mitsui Trust and Banking Company, Limited
3-33-1 Shiba, Minato-ku, Tokyo 105-8574
Contact and postal address:
The Chuo Mitsui Trust and Banking Company, Limited
2-8-4 Izumi, Sugunami-ku, Tokyo 168-0063
Stock transfer agency department
Phone: (toll-free: 0120-78-2031)
The Chuo Mitsui Trust and Banking Company, Limited
Branches throughout Japan
Japan Securities Agents, Ltd. Head office and branches

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Newsletter for shareholders

38th Term Business Report
April 01, 2009 to March 31, 2010

Greeting

I would like to express my gratitude for the continued support of our shareholders and investors.

The Seikoh Giken Group is building a structure that will allow it to strengthen and utilize its precision machining technology that it has nurtured since it's founding to provide products useful to society in a wide range of industrial areas. In April of this year we launched a new five-year long-term business plan, "Master Plan 2010", and will aim to build a structure that can continuously produce profits. I respectfully request the your continued understand and support.

President & CEO
Masatoshi Ueno



Outlines of Business Performance / Business Highlights

The information communications and digital home electronics related industries in which the Group belongs experienced growth in the sales of high-vision flat panel televisions, Blu-ray records, and other products from the effects of government-led economic measures. The decline in prices for such digital home electronics is marked, however, so companies in the industry are struggling to survive and are taking such measures as merging with other companies and making bold decisions about selective use and concentration business resources. The decline in prices for such digital home electronics is marked, however, so companies in the industry are struggling to survive and are taking such measures as merging with other companies and making bold decisions about selective use and concentration business resources.

Under this business environment, the Seikoh Giken Group is building a structure that will allow it to strengthen and utilize its precision machining technology that it has nurtured since it's founding to provide products useful to society in a wide range of industrial areas.

The Group's two existing businesses of the Optical Disc Mold Group, the leading products of which are optical disc molds, and the Optical Communication Group, the leading products of which are optical communication components and the equipment for manufacturing them, focused on producing attractive products that meet the needs of customers and society while also striving to improve the supply chain and manufacturing process to provide a stable supply of high-quality products at a reasonable price.

As a result, for the current consolidated fiscal year the Company posted sales of ¥4,683 million, which significantly decreased from the previous consolidated accounting year. Profits were affected by the decrease in sales resulting in an operating loss of ¥925 million and an ordinary loss of ¥716 million.

Since, including the current term, a net loss was recorded for the third straight term, however, we sincerely regret to announce that a dividend will not be paid at the end of the year. Long-term management plan formulated a new "Master Plan 2010" under, we will work to move the Company back into profitability as soon as possible so that we may again pay our shareholders a stable return on their investment.

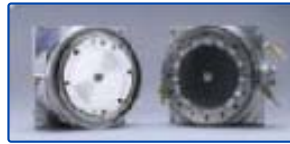
(Unit: million yen)

	Current fiscal year April 1, 2009 to March 31, 2010	Previous fiscal year April 1, 2008 to March 31, 2009
Sales amount	4,683	6,426
Operating loss	(925)	(710)
Ordinary loss	(716)	(552)
Net loss	(1,342)	(857)

Optical Disc Mold Group DVD | CD | BD | Other

Blu-ray Disc Molding Die

Many of the CDs and DVDs distributed throughout the world are made from Seikoh Giken molding dies.



Business Performance

The Optical Disc Mold Group revised the production process and shortened manufacturing lead times to reduce manufacturing costs while also working to increase orders for new products that make use of precision machining, precision polishing, and mold technology to improve the earning power of the division. In addition, the High Heat-Resistant Lens Business also focused on demand for camera lenses used in mobile telephones for China and other emerging markets and worked to mass produce these lenses. These efforts resulted in current consolidated fiscal year sales for the Precision Products & Engineering Business of ¥906,720 thousand.

Optical Communications Group

Connection Parts | Connection Parts | Manufacturing Devices

Optical Fiber Cords

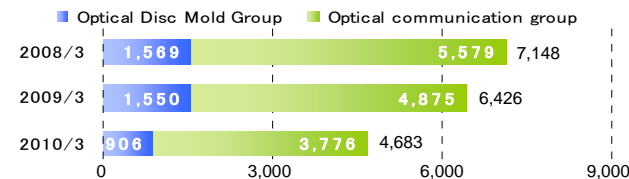
Seikoh Giken's products are essential for enabling optical communication networks maintain trouble-free enjoyment of the internet.



Business Performance

The Optical Communications Group promoted the local procurement of materials that comprise optical communications components and changes in the supply chain to increase orders in the high-growth Chinese market and strengthen its cost competitiveness. At the same time, the business also focused on selling high value-added optical communications component manufacturing equipment and new products. During the global economic recession at the time, however, telecommunication companies in Europe and the United States cut back on capital investment while at the same time stiff competition drove down prices for optical communications components and thus the overall environment for the business was difficult. As a result, the current consolidated fiscal year sales for the Fiber Optic Products Business were ¥3,776,654 thousand.

Change in Sales (Unit: million yen)

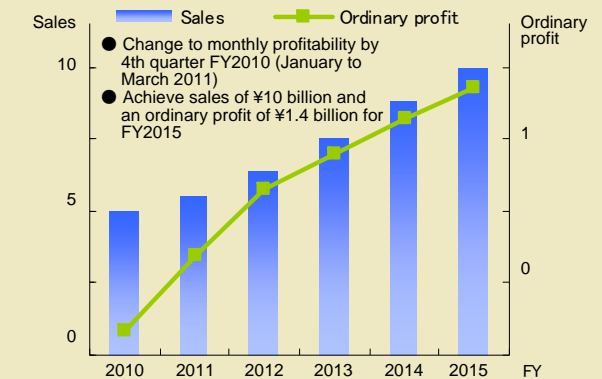


Long-term Business Plan "Master Plan 2010"

Fundamental restructuring is required to transform the corporate structure as quickly as possible into one that will continuously improve corporate value, so in April of this year the Company launched a new five-year long-term business plan, "Master Plan 2010." Master Plan 2010 sets targets of sales of ¥10 billion and consolidated ordinary profit of ¥1.4 billion in fiscal 2015, and to reach these targets we will establish a strong operational foundation and strengthen sales ability and product appeal.

Performance Targets for

FY2010 to FY2015 (Unit: Billion yen)



Main Points of Business Renovation

1. Restructuring of Operations

Selection and concentration of business resources to build a lean corporate structure

Withdraw unprofitable products / Optimize production facilities / Select and concentrate development investment / Optimize business resources

2. Business Expansion Strategy

Expand business through a global market-in business strategy and product strategy

Strengthen sales capability (sales strategy) / Strengthen product appeal (product strategy)

3. Organizational Reformation

Expand business through a global market-in business strategy and product strategy

Strengthen sales capability (sales strategy) / Strengthen product appeal (product strategy)