



Summary Report of Consolidated Financial Statements for the Interim Period of Fiscal 2008

May 9, 2008

Company Name	SK-Electronics Co., Ltd.	Listed Exchange	JASDAQ
Code No.	6 6 7 7	URL	http://www.sk-el.co.jp
Representative	(Title) President	(Name)	Yoshitada Nogami
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Scheduled Date for Submitting Annual Interim Report	June 23, 2008		

(Rounded down to the nearest ¥million)

1. CONSOLIDATED RESULTS OF OPERATIONS FOR THE INTERIM OF FISCAL 2008 (OCTOBER 1, 2007 THROUGH MARCH 31, 2008) (% indicates increases/ decreases vs. Prior Year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	¥millions	%	¥millions	%	¥millions	%	¥millions	%
Interim period of fiscal 2008	8,289	-15.1	469	264.6	343	156.7	163	79.6
Interim period of fiscal 2007	9,761	-3.8	128	-91.8	133	-91.4	91	-89.3
FYE 9/2006	18,344		174		133		52	

	Interim (Current) Net Income Per Share		Diluted Interim (Current) Net Income Per Share	
	¥	Hundredths	¥	Hundredths
Interim period of fiscal 2008	1,444	62	—	—
Interim period of fiscal 2007	846	91	—	—
FYE 9/2007	488	50		

(Reference) Equity in Earnings (Loss) of Unconsolidated Subsidiaries and Affiliates
Interim period of fiscal 2008 — million
Interim period of fiscal 2007 — million
FYE9/2007 —million

(2) Consolidated Financial Standing

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share	
	¥millions	¥millions	%	¥	hundredths
Interim period of fiscal 2008	25,956	12,946	42.8	97,958	16
Interim period of fiscal 2007	30,018	12,714	35.3	98,415	31
FYE 9/2007	25,376	13,226	44.4	99,371	54

(Reference) Owned Capital Interim period of of fiscal 2008 11,111 million
Interim period of fiscal 2007 10,603 million
FYE 9/2007 11,271 million

(3) Selected Consolidated Cash Flow Information

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
	¥millions	¥millions	¥millions	¥millions
Interim period of fiscal 2008	2,011	-2,661	996	1,908
Interim period of fiscal 2007	1,204	-2,821	2,453	2,392
FYE 9/2007	4,010	-3,586	-375	1,599

2. Dividends

	Dividend Per Share			
(Date of Record)	Interim Period End	Period End	FY	
	¥ Hundredths	¥ Hundredths	¥ Hundredths	
FYE 9/2007	— —	750 00	750 00	
FYE 9/2008	— —	— —		
FYE 9/2008 (Projected)		800 00	800 00	

3. PROJECTIONS OF RESULTS OF OPERATIONS FOR FYE 9/2008 (OCTOBER 1, 2007 THROUGH SEPTEMBER 30, 2008)

(% indicates increase/ decrease compared to Prior Year (Annual))

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share	
	¥millions	%	¥millions	%	¥millions	%	¥millions	%	¥	hundredths
Annual	16,700	-9.0	550	215.8	490	268.4	250	372.4	2,204	05

4. Other

(1) Changes in Material Subsidiaries during the Period (changes in subsidiaries that cause a change in the scope of consolidation) None

(2) Changes in Accounting Principles, Procedures or Methods with respect to the Preparation of interim Consolidated Financial Statements (changes in important items affecting the preparation of interim consolidated financial statements)

① Changes due to Revision of Accounting Standards None

② Changes other than ①, above None

(3) Shares Issued and Outstanding (Common Stock)

① Shares Issued and Outstanding, End of Period (including Treasury Stock)	interim period of fiscal 2008	113,684 shares
	Interim period of fiscal 2007	108,000 shares
	FYE 9/2007	113,684 shares

② Treasury Stock, End of Period	interim period of fiscal 2008	256.65 shares
	Interim period of fiscal 2007	257.65 shares
	FYE 9/2007	256.65 shares

(Reference) Overview of Non-Consolidated Results of Operations

1. NON-CONSOLIDATED RESULTS OF OPERATIONS FOR FYE 9/2007 (OCTOBER 1, 2006 THROUGH SEPTEMBER 30, 2007)

(1) Non-Consolidated Results of Operations (% indicates increases/ decreases vs. Prior Year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	¥millions	%	¥millions	%	¥millions	%	¥millions	%
Interim period of fiscal 2008	6,736	-16.7	299	15.7	323	5.4	171	-13.5
Interim period of fiscal 2007	8,089	-10.3	259	-65.9	307	-63.1	198	-62.0
FYE 9/2007	14,857		315		533		320	

	Net Income per Share	
	¥	hundredths
Interim period of fiscal 2008	1,513	82
Interim period of fiscal 2007	1,841	50
FYE 9/2007	2,957	25

(2) Non-Consolidated Financial Standing

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share	
	¥millions	¥millions	%	¥	hundredths
Interim period of fiscal 2008	20,568	10,531	51.2	92,850	06
Interim period of fiscal 2007	22,651	9,632	42.5	89,405	77
FYE 9/2007	19,102	10,489	54.9	92,476	51

(Reference) Owned Capital Interim period of fiscal 2008 10,531 million
 Interim period of fiscal 2007 9,632 million
 FYE 9/2007 10,489 million

2. PROJECTION OF NON-CONSOLIDATED RESULTS OF OPERATIONS FOR FYE 9/2008 (OCTOBER 1, 2007 THROUGH SEPTEMBER 30, 2008)

(% indicates increase/ decrease compared to Prior Year (Annual))

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	¥millions	%	¥millions	%	¥millions	%	¥millions	%	¥ Hundredths
Annual	13,200	-11.2	550	74.2	590	10.7	310	-3.2	2,733 3

(Note regarding future projections and statements)

The above forecasts are based on information available at the time, and are based on reasonable information. Actual results may vary from projections due to various factors. Please See Page 7 “1. Results of Operations (3) Fiscal Year Outlook” for more information related to notes to this Financial Report.

1. Results of Operations

(1) Analysis of Results of Operations

Current Period

During the current interim consolidated accounting period, the economy of Japan struggled due to escalating oil and materials prices and the deceleration of the U.S. economy due to the subprime loan problem. Despite maintaining solid levels, corporate profits did not grow significantly, despite a slight increase in exports, personal consumption underperformed, and private capital investment remained flat.

During this time, the SK-Electronics Group continued to focus efforts on further product QCDS (Quality, Cost, Delivery, Service) and cost reduction activities across the organization in order to respond to the demand of our clients. Our sales, engineering, production and management teams have come together to rapidly resolve client technical issues as one means to build stronger relationships of trust.

SK-Electronics Group Net Sales during the current interim consolidated accounting period amounted to ¥8.289 billion (15.1% year-on-year decrease), with Operating Income of ¥469 million (264.6% year-on-year increase), an Ordinary Income of ¥343 million (156.7% year-on-year increase). The Group recorded Interim Net Income of ¥163 million (79.6% year-on-year increase), resulting in a period of declining revenues and increased profits compared to the prior period.

Compared to the prior period, the SK-Electronics Group Taiwanese subsidiary experienced significantly less inventory impairment, which led to temporary profits.

Results by segment are as follows:

Comprehensive Large-Format Photomask Business

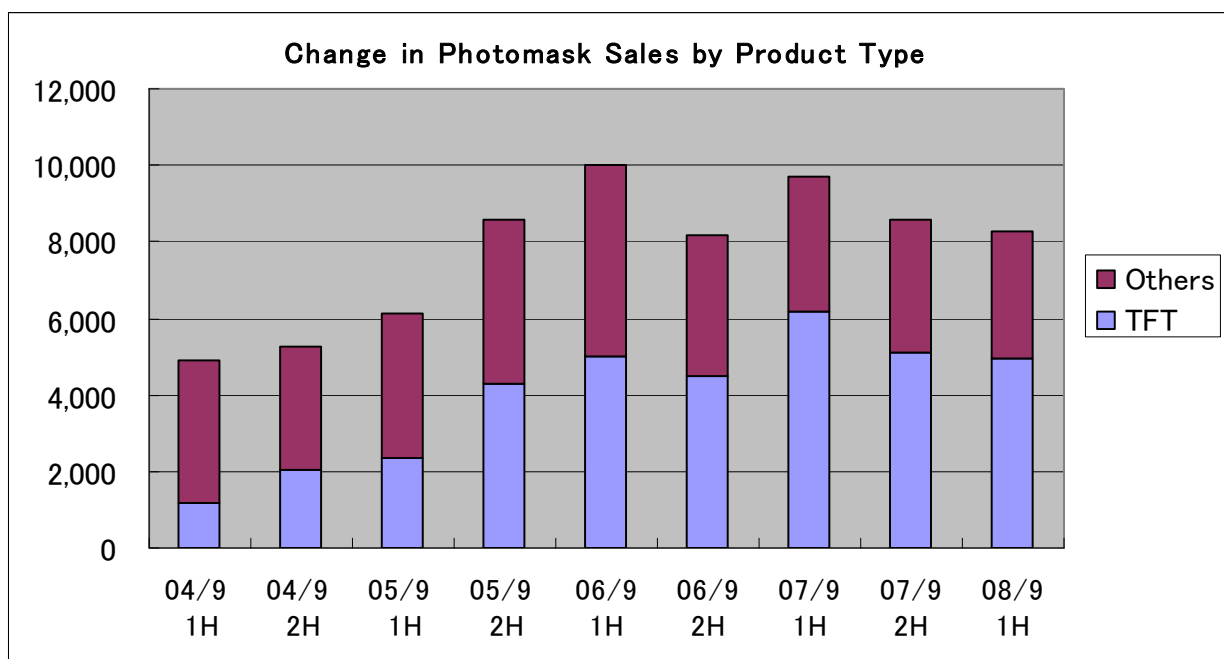
Net Sales	¥8.289 billion	(14.6% year-on-year decrease)
Operating Income	¥567 million	(79.4% year-on-year increase)

During the first quarter of the current interim consolidated accounting period, the LCD panel industry experienced full production line capacity for laptop computer, monitor, and 40-inch and smaller LCD TV panels, with production volumes at each panel manufacturer growing significantly. The resulting decrease in panel manufacturing line slow time (when firms normally develop new types of panels) has caused a decline in demand for photomasks to be used for new model development.

During the second quarter, the Net Sales ratio of particularly high-value added multi-tone photomasks rose among the overall sales of photomasks for LCD panels, while the Company continued to be engaged in productivity improvements, fixed cost reductions and other cost improvements to improve profitability.

As a result, Net Sales for the Comprehensive Large-Format Photomask Business for the current consolidated accounting period were ¥8.289 billion (14.6% year-on-year decrease), with Operating Income of ¥567 million (79.4% year-on-year increase).

By product, Net Sales of TFT Photomasks experienced a 19.7% year-on-year decline, amounting to ¥4.942 billion.



(Reference) Change in Photomask Sales by Product Type (Unit : Millions of yen)

	04/9 1H	04/9 2H	05/9 1H	05/9 2H	06/9 1H	06/9 2H	07/9 1H	07/9 2H	08/9 1H
TFT	1,160	2,021	2,370	4,269	5,005	4,479	6,156	5,131	4,942
Others	3,732	3,258	3,736	4,291	5,025	3,700	3,555	3,431	3,346
Total	4,892	5,279	6,107	8,560	10,031	8,179	9,711	8,583	8,289

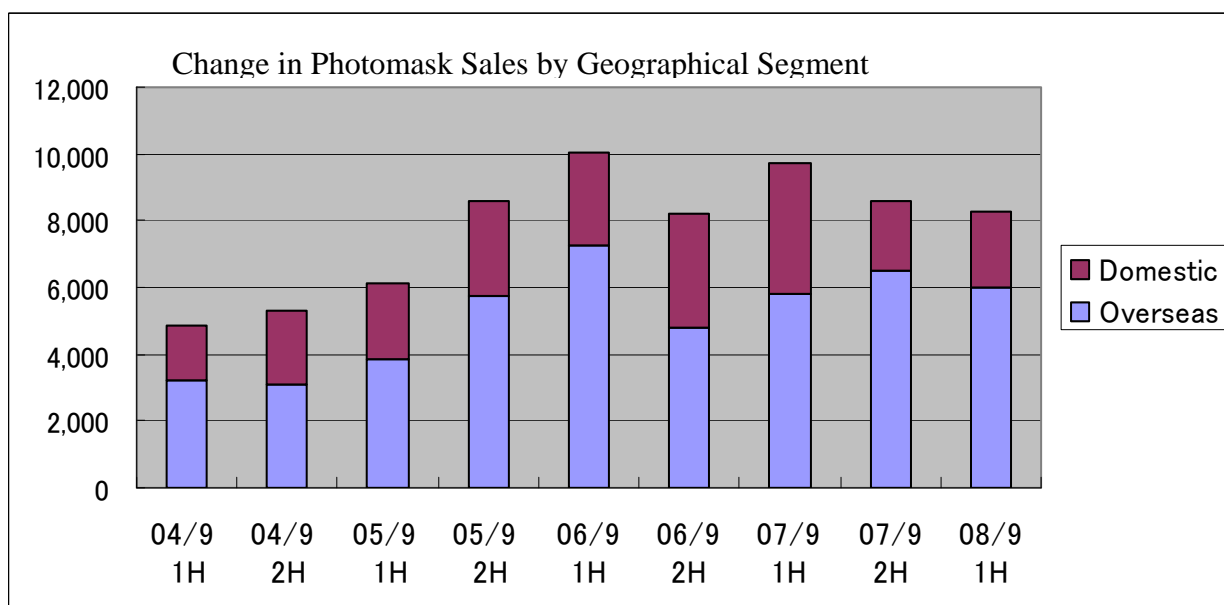
Year-on-year Comparison

(Unit: Millions of yen)

	07/9 1H	08/9 2H	Change (%)
TFT	6,156	4,942	-19.7%
Others	3,555	3,346	-5.9%
Total	9,711	8,289	-14.6%

By geographical segment, domestic sales fell by 41.9% compared with the prior year to ¥2.257 billion due to stagnation in demand for photomasks for smaller panels.

Overseas sales grew by 3.6% year-on-year to ¥6.031 billion.



(Reference) Change in Photomask Sales by Geographical Segment (Unit: Millions of yen)

	04/9 1H	04/9 2H	05/9 1H	05/9 2H	06/9 1H	06/9 2H	07/9 1H	07/9 2H	08/9 1H
Overseas	3,226	3,113	3,871	5,718	7,280	4,796	5,823	6,474	6,031
Domestic	1,666	2,166	2,236	2,842	2,750	3,383	3,888	2,088	2,257
Total	4,892	5,279	6,107	8,560	10,031	8,179	9,711	8,563	8,289

Year-on-year Comparison

(Unit: Millions of yen)

	07/9 1H	08/9 2H	Change (%)
Overseas	5,823	6,031	3.6
Domestic	3,888	2,257	-41.9
Total	9,711	8,289	-14.6

As a result, the Comprehensive Large-Format Photomask Business posted Net Sales of ¥8.289 billion (14.6% year-on-year decrease), and Operating Income of ¥567 million (79.4% year-on-year increase).

(2) Analysis of Financial Position

I □ Assets, Liabilities and Net Assets

Total Assets increased by ¥579 million over the end of the prior consolidated fiscal year to ¥25.956 billion. This was mainly due to a ¥757 million increase in tangible fixed assets, and an increase in Cash and Deposits of ¥309 million, offset somewhat by a ¥789 million decrease in Notes Receivable and Accounts Receivable.

Total Liabilities grew to ¥13.009 billion, up ¥859 million from the end of the prior consolidated fiscal year, mainly due to a ¥502 million decrease in Short-Term Debt and a ¥1.584 billion increase in Long-Term Debt.

II Total Net Assets decreased to ¥12.946 billion, down ¥280 million from the end of the prior consolidated fiscal year. This was mainly due to a ¥239 million decrease in Valuation and Translation Adjustments.

III □ Cash Flows

Cash and Cash Equivalents (“Cash”) as of the last day of the current interim consolidated accounting period amounted to ¥1.908 billion, a ¥309 million increase from the end of the prior consolidated fiscal year.

(Cash Flows from Operating Activities)

Cash provided by operating activities during the current interim consolidated period was ¥2.011 billion (¥806 million year-on-year increase). This was mainly due to depreciation expenses of ¥1.301 billion (¥408 million year-on-year decrease) and a decrease in trade accounts receivable of ¥645 million (¥2.796 billion year-on-year increase).

(Cash Flows from Investing Activities)

Cash used in investing activities during the current interim consolidated accounting period was ¥2.661 billion (¥159 million year-on-year decrease). This was mainly due to ¥2.372 billion in tangible fixed asset purchases (¥387 million year-on-year decrease).

(Cash Flows from Financing Activities)

Cash provided by financing activities during the current interim consolidated accounting period amounted to ¥996 million (¥1.457 billion year-on-year decrease). This was mainly due to a net decrease in Short-Term Debt of ¥494 million (¥1.527 billion year-on-year increase), cash receipts of ¥2.5 billion related to Long-Term Debt (¥291 million year-on-year decrease), and cash outlays of ¥756 million (¥75 million year-on-year decrease) for Long-Term Debt payments.

(Reference) Historical Cash Flow Indicators

	Interim period of fiscal 2006	FYE 9/2006	Interim period of fiscal 2007	FYE 9/2007	Interim period of fiscal 2008
Equity Ratio (%)	37.2	39.6	35.3	44.4	42.8
Market Value Equity Ratio (%)	163.6	75.3	30.8	30.5	17.9
Interest-Bearing Liabilities to Cash Flow (%)	2.7	2.0	9.2	1.9	4.2
Interest Coverage Ratio (times)	59.7	33.4	17.5	25.6	29.7

- * Stockholders' Equity Ratio: Stockholders' Equity / Total Assets
- Stockholders' Equity Ratio on Market Value Basis: Market Capitalization/Total Assets
- Cash Flow to Interest-bearing Debt Ratio: Interest-bearing Debts/Cash Flows
- Interest Coverage Ratio: Cash Flows/Interest Payments

(Notes)

1. Each indicator is calculated based on consolidated financial results.
2. Market Capitalization is calculated by multiplying the closing stock price at the (interim) term-end by the number of outstanding shares at the (interim) term-end (excluding treasury stock).
3. Cash flow used is the net cash provided by operating activities.
4. Interest-bearing Debts include all liabilities reported on the consolidated Balance Sheet on which interest is paid.
5. For Interest Payments, the amount of interest payments reported on the Consolidated Statement of Cash Flows is used.

(3) Fiscal Year Outlook

With panel manufacturers in Taiwan and Korea planning to launch new large-format panel production lines during the second half of the fiscal period, the Company expects an attendant demand for photomasks to be used for factory expansions. In addition, the Company forecasts that the Beijing Olympics scheduled for August 2008 and the TV replacement demand in connection with the start of digital broadcasting in the United States beginning February 2009 will have a positive influence on the photomask market.

However, the Company also expects photomask demand for Japanese medium and small format panel manufacturers to continue to decrease. The Company is also cautious about the possibility that demand for photomasks to be used by new model development may decrease in the event that the mass production lines at panel manufacturers are put into operation at full capacity, which would lead to a continued severe business climate.

Given these factors, the Company expects consolidated Net Sales to be 16.7 billion yen, or a decrease of 4.6% compared to original projections for the full fiscal year. Non-consolidated Net Sales is expected to be 6.6% less than plan at 13.2 billion yen, while consolidated Operating Income is projected at 550 million yen, or an increase of 22.2% vs. the figures originally announced. The Company is concerned about the influence of exchange rate fluctuations, and is therefore projecting consolidated Ordinary Income and Net Income to be the same as original projections.

(4) Basic Policies regarding Profit Distribution and Dividends

I Basic Policies regarding Profit Distribution

The Company considers returning profits to stockholders to be a top management priority. Accordingly, the Company intends to consistently pay a dividend to our stockholders, based upon due consideration of factors including earnings performance, as well as future funding requirements for capital and R&D investment to ensure business expansion and the achievement of earnings forecasts.

The Company will be proactive in the use of retained earnings to cope with the rapid pace of technological innovation and to further enhance our staying power through R&D activities.

II Dividends

The Company plans to pay a dividend of ¥800 per share at the end of the current fiscal year, in accordance with our policies regarding profit distribution.

2 Corporate Group

The SK-Electronics Group consists of SK-Electronics Co., Ltd. and two consolidated subsidiaries: Finex Co., Ltd. (Tainan County, Science-based Industrial Park, Taiwan) and SKE Korea Co., Ltd. (Cheonan City, Chungnam, South Korea). The main business line of the SK-Electronics Group is the design, manufacture, and sales of large-format photomasks. The business lines of the SK-Electronics Group are as shown below:

Comprehensive Large-Format Photomask Business [Parent Company, Subsidiaries]

The Comprehensive Large-Format Photomask Business is in the business of design, manufacture and sales of photomasks, which serve as an indispensable negative plate used in the manufacturing of LCD panels for PCs, mobile phones, LCD televisions, etc.

A photomask is a negative plate used to transcribe LCD control circuits or color filter patterns expressing colors on printed circuit boards. A photomask is a vital component when developing new products or building new manufacturing lines. In recent years, the market has started searching for larger photomasks to create larger LCD televisions more cheaply.

3 Management Policies

(1) Basic Management Policies

The fundamental management policy of the Company is “Creation & Harmony.” Our goal is to become a company that makes both material and spiritual contributions to the realization of an affluent society by producing quality products that meet the needs of society, while emphasizing harmony with society, nature, and people.

We aim to acquire the staying power to ensure continued growth and steady profits by responding to changing business conditions in a timely and appropriate manner, as well as by orienting our management resources to their most efficient uses, both within and outside the company, in the ever-growing electronics sector. In so doing, we are determined to contribute to society as an R&D-oriented company that plays a key role in the fine technology-based electronics industry, thus rendering a valuable service to society.

(2) Performance Indicator Targets

The main management indicators for the SK-Electronics Group are as follows:

	FYE 9/2006	FYE 9/2007	FYE 9/2008 (forecast)	Target
Net Sales to Ordinary Income Ratio <Profitability Indicator>	10.2%	0.7%	2.6%	10.0% or greater
Equity Ratio <Safety Indicator>	39.6%	44.4%	40.0%	40.0% or greater
Net Sales to R&D Cost Ratio <New Development Indicator>	1.5%	1.5%	1.5%	5.0%

- Each benchmark is calculated based on consolidated financial results.

- Benchmark for Profitability, “Ordinary Income to Net Sales Ratio”:

Due to intensified competition in the market, this ratio has declined. The Company aims to improve profitability through further cost-cutting efforts (including reducing the cost of materials) and by enhancing the value added of its products through differentiation.

- Benchmark for Financial Soundness, “Stockholders' Equity Ratio”:

Due to continued capital investment to fulfill market needs, this ratio has edged down to the current level. Management will strive to improve this ratio through several measures, including the repayment of interest-bearing debt with cash flows from

operating activities, and the pursuit of other fundraising sources, including raising funds via the capital markets.

- Benchmark for New Product Development, "R & D Expenditure to Net Sales Ratio":

Management uses the ratio to gauge whether the Company is actively pursuing the technological development so vital for its continuous growth. The ratio has been below the target level, but the Company will redouble efforts to reach the target.

(3) Medium- and Long-Term Management Strategies and Issues

The business environment surrounding the comprehensive large-format photomask business, SK-Electronics Group's main line of business, continues to be very difficult. LCD panel manufacturers have continued to demand further reductions in photomask unit prices, and price competition has intensified with the rise of competitors. In such circumstances, the SK-Electronics Group will put "rapid management" into action to realize continuous growth and profit distribution to stockholders. The Group will also pull together as a team to address the following three issues under the slogan, "For future value creation through wisdom and enthusiasm."

I Improved Profitability in our Comprehensive Large-Format Photomask Business

In an attempt to minimize the impact that LCD panel manufacturers' capital expenditure and production trends have on our comprehensive large-format photomask business, we will make further efforts to strengthen our marketing activities, and to cope with pricing pressures and to engage in successful price competition, we will place high priority on a series of initiatives designed to increase profitability, including higher productivity, lower fixed costs and lower material procurement costs.

II Vertical Startup of Next-Generation Large-Format Photomask plant

With the announcement by Sharp Corporation of the construction of a 10th-generation large-format LCD panel factory in Sakai City, Osaka and other recent developments, it is certain the LCD panel market will continue to move toward larger panels for LCD televisions in foreseeable future. Market experts predict further investment in new 8th-generation and next-generation manufacturing lines as LCD panel manufacturers attempt to cope with expanding demand and larger panel specifications.

Given this environment, SK-Electronics has decided to lead the way in constructing a next-generation large-format photomask manufacturing plant. The Company is presently engaged in putting together systems and structures for the vertical startup and operation of the facility during FYE September 2009.

III Rapid Launch of New Businesses

The Company believes that the comprehensive large-format photomask business offers future growth potential; however, from a long-term point of view, we also believe that the business will gradually reach maturity, and declining growth rates. For the Group to sustain growth, it is necessary to develop a new earnings driver at the earliest possible date. The Company will accelerate the process of new business development by carrying out prioritized and efficient allocation of management resources as we examine a broad range of options, including in-house R&D activities and the introduction of external technologies.

(4) Improvement/ Operations of Internal Management Systems

Matters related to this issue are addressed in our corporate governance report, "Basic Policies and Status of the SK-Electronics Internal Control System."

4 Interim Consolidated Financial Statements

(1) Interim consolidated Balance Sheet

		Previous interim consolidated accounting period as of end of half year As of March 31, 2007		Interim consolidated accounting period as of end of half year As of March 31, 2008		Previous consolidated financial term Summary consolidated balance sheet As of September 30, 2007	
Category	Note #	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Assets)							
I. Current assets							
1.Cash on hand and in banks	# 2	2,392,060		1,908,586		1,599,449	
2.Trade notes and accounts receivable	# 3	7,836,461		4,028,501		4,818,209	
3.Inventories		2,856,478		2,534,529		2,237,507	
4.Deferred tax assets-current		116,924		93,114		50,661	
5.Accounts Receivable				688,682		838,087	
6.Other current assets		75,659		38,022		55,304	
Allowance for doubtful accounts		-45,749		-6,543		-31,922	
Total current assets		13,231,834	44.1	9,284,894	35.8	9,657,298	38.1
II. Fixed assets							
1.Property, plant and equipment	# 1						
(1) Buildings and structures	# 2	2,819,655		2,614,217		2,759,515	
(2) Equipment and vehicles	# 2	12,059,039		8,092,761		9,341,364	
(3) Land	# 2	904,751		1,574,035		1,574,035	
(4)Construction in progress		242,885		3,518,597		1,358,351	
(5) Other property, plant and equipment		163,299		144,672		153,549	
Total property, plant and equipment		16,189,631	53.9	15,944,283	61.4	15,186,816	59.8
2.Intangible fixed assets							
(1) Software		98,585		333,309		86,836	
(2) Other intangible fixed assets		1,883		—		—	
Total Intangible fixed assets		100,469	0.3	333,309	1.3	86,836	0.3
3.Investments and other assets							
(1) Investments in securities		316,491		146,896		271,298	
(2) Long-term loans receivable		1,085		2,121		733	
(3)Postponement tax property		—		58,279		—	
(4) Other assets		210,275		215,094		204,229	
Allowance for doubtful accounts		-31,039		-28,571		-30,671	
Total investments and other assets	#2	496,812	1.7	393,818	1.5	445,588	1.8
Total fixed assets		16,786,913	55.9	16,671,412	64.2	15,719,241	61.9
Total assets		30,018,748	100.0	25,956,306	100.0	25,376,539	100.0

		Previous interim consolidated accounting period as of end of half year As of March 31, 2007		Interim consolidated accounting period as of end of half year As of March 31, 2008		Previous consolidated financial term Summary consolidated balance sheet As of September 30, 2007	
Category	Note #	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Liabilities)							
I. Current liabilities							
1.Trade notes and accounts payable	# 3	5,203,358		3,498,387		3,843,533	
2.Short-term borrowings	# 2	3,603,945		—		502,189	
3.Current portion of long-term debt	# 2	1,740,465		1,809,790		1,844,054	
4.Current portion of bonds		157,497		121,734		139,100	
5.Accrued expenses		252,484		308,434		257,848	
6.Income taxes payable		273,362		210,000		—	
7.Accrued liabilities for equipment		258,163		—		—	
8. Equipment Notes Payable				255,906		111,353	
9.Current portion of accrued long-term liabilities on equipment		339,071		342,043		338,374	
10.Allowance for directors' bonus		17,000		14,000		—	
11.Other current liabilities	# 3	56,204		186,430		253,928	
Total current liabilities		11,901,553	39.6	6,746,726	26.0	7,290,381	28.7
II. Long-term liabilities							
1.Long-term debt	# 2, 4	4,571,089		5,781,799		4,196,881	
2. Accrued long-term liabilities on equipment		765,248		423,205		595,149	
3. Deferred Tax Liabilities		—		—		7,095	
4.Other long-term liabilities		66,086		57,880		60,220	
Total long-term liabilities		5,402,425	18.0	6,262,885	24.1	4,859,345	19.2
Total liabilities		17,303,978	57.6	13,009,611	50.1	12,149,727	47.9
(Net assets)							
I Stockholders' equity							
1 Common stock		3,729,025	12.4	4,109,722	15.8	4,109,722	16.2
2 Capital surplus		3,954,782	13.2	4,355,413	16.7	4,335,413	17.1
3 Retained earnings		2,799,454	9.3	2,839,829	11.0	2,761,112	10.9
4 Treasury stock		—48,579	—0.1	—48,317	—0.2	—48,390	—0.2
Total stockholders' equity		10,434,681	34.8	11,236,647	43.3	11,157,857	44.0
II Valuation and translation adjustment							
1 Net unrealized holding gains on other marketable securities		72,430	0.3	1,271	0.0	45,540	0.2
2.Foreign currency translation adjustments		96,383	0.3	—126,784	—0.5	68,052	0.2
Total valuation and translation adjustments		168,814	0.6	—125,513	—0.5	113,592	0.4
III Minority interests		2,111,273	7.0	1,835,560	7.1	1,955,362	7.7
Total net assets		12,714,769	42.4	12,946,694	49.9	13,226,812	52.1
Total liabilities and net assets		30,018,748	100.0	25,956,306	100.0	25,376,539	100.0

(2) Interim Consolidated Statement of Income

		Previous interim consolidated accounting period as of end of half year As of March 31, 2007			Interim consolidated accounting period as of end of half year As of March 31, 2008			Previous consolidated financial term Summary consolidated balance sheet As of September 30, 2007		
Category	Not e#	Amount		Ratio	Amount		Ratio	Amount		Ratio
I Net Sales	# 1		9,761,852	100.0		8,289,175	100.0		18,344,870	100.0
II Cost of Sales			8,649,589	88.6		6,686,182	80.7		16,281,933	88.8
Gross Profit			1,112,262	11.4		1,602,992	19.3		2,062,936	11.2
III Selling, General and Administrative Expenses			983,429	10.1		1,133,313	13.6		1,888,787	10.3
Operating Income			128,833	1.3		469,679	5.7		174,149	0.9
IV Non-Operating Income	# 2									
1 Interest Income		409			883			983		
2 Dividend Income		258			296			3,606		
3 Real Estate Rental Income		12,074			12,059			24,112		
4 Commissions Received		15,454			15,454			30,909		
5 Foreign Exchange Gains		59,167			—			71,873		
6 Other		4,879	92,244	1.0	39,200	67,894	0.8	26,985	158,470	0.9
V Non-Operating Expenses										
1 Interest Expense		66,396			69,250			156,183		
2 Cost of Real Estate Rentals		5,525			6,211			13,103		
3 Lease Payments		14,730			14,730			29,460		
4. Exchange losses		—			82,132			—		
5 Other		790	87,443	0.9	22,231	194,556	2.4	851	199,598	1.1
Ordinary Income			133,634	1.4		343,016	4.1		133,021	0.7
VI Extraordinary Income	# 2									
1 Subsidies		44,726			6,174			44,726		
2 Reversal of Allowance for Doubtful Accounts		—	44,726	0.5	35,633	41,807	0.5	—	44,726	0.2
Extraordinary Loss										
1 Loss on Disposal of Fixed Assets		11,655			12,249			27,874		
2 Investment securities appraisal loss		—			49,999			—		
3 Provision for Doubtful Accounts		31,445	43,100	0.5	—	62,249	0.7	31,445	59,319	0.3
Income before Income Taxes and Other		135,259	1.4		322,574	3.9		118,427	0.6	
Corporate, Residence, and Business Taxes	184,372			236,937			188,808			
Prior Year Corporate, Residence, and Business Taxes	—			—			32,289			
Adjustments for Corporate and Other Taxes	— 11,129	173,242	1.8	— 94,583	142,353	1.7	29,626	250,724	1.3	
Minority Interest in Income or Loss (-)		— 129,231	— 1.3		16,360	0.2		— 185,218	— 1.0	
Interim(Current) Net Income		91,248	0.9		163,859	2.0		52,921	0.3	

(4) Interim Consolidated Statements of Changes in Net Assets
Interim Period of Fiscal 2007 (From October 1, 2007 to March 31, 2008)

	Shareholders' Equity				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance as of September 30, 2007	4,109,722	4,335,413	2,761,112	—48,390	11,157,857
Changes during the interim period					
Dividends from surplus			—85,070		—85,070
Special bonuses to employees			163,859		163,859
Interim net income				—20	—20
Acquisition of treasury stock			—72	94	21
Net changes in items other than shareholders' equity during the interim period					
Total changes during the interim period			78,716	73	78,790
Balance as of March 31, 2008	4,109,722	4,335,413	2,839,829	—48,317	11,236,647

	Valuation and Translation Adjustments			Minority Interests	Total Net Assets
	Net Unrealized Holding Gains (losses) on Other Marketable Securities	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments		
Balance as of September 30, 2007	45,540	68,052	113,592	1,955,362	13,226,812
Changes during the interim period					
Dividends from surplus					—85,070
Special bonuses to employees					163,859
Interim net income					—20
Acquisition of treasury stock					21
Net changes in items other than shareholders' equity during the interim period	—44,269	—194,837	—239,106	—119,802	—358,907
Total changes during the interim period	—44,269	—194,837	—239,106	—119,802	—280,118
Balance as of March 31, 2008	1,271	—126,784	—125,513	1,835,560	12,946,694

Interim Consolidated Statements of Changes in Net Assets

Interim Period of Fiscal 2008 (From October 1, 2007 to March 31, 2008)

(Unit: Thousands of yen)

	Shareholders' Equity				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance as of September 30, 2006	3,729,025	3,954,782	2,912,916	-48,579	10,548,144
Changes during the interim period					
Dividends from surplus			-204,710		-204,710
Special bonuses to employees					
Interim net income			91,248		91,248
Acquisition of treasury stock					
Net changes in items other than shareholders' equity during the interim period					
Total changes during the interim period			-113,462		-113,462
Balance as of March 31, 2007	3,729,025	3,954,782	2,799,454	-48,579	10,434,681

	Valuation and Translation Adjustments			Minority Interests	Total Net Assets
	Net Unrealized Holding Gains (losses) on Other Marketable Securities	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments		
Balance as of September 30, 2006	86,790	94,398	181,188	2,239,108	12,968,441
Changes during the interim period					
Dividends from surplus					-204,710
Special bonuses to employees					
Interim net income					91,248
Acquisition of treasury stock					
Net changes in items other than shareholders' equity during the interim period	-14,360	1,985	-12,374	-127,835	-140,210
Total changes during the interim period	-14,360	1,985	-12,374	-127,835	-253,672
Balance as of March 31, 2007	72,430	96,383	168,814	2,111,273	12,714,769

Fiscal 2007(From October 1, 2006 to March 31, 2007)

(Unit: Thousands of yen)

	Shareholders' Equity				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance as of September 30, 2006	3,729,025	3,954,782	2,912,916	— 48,579	10,548,144
Changes during the fiscal year					
Issuance of New Shares	380,697	380,697			761,394
Dividends from surplus			— 204,710		— 204,710
Net income			52,921		52,921
Purchase of treasury stock		— 65	— 14	188	107
Net changes in items other than shareholders' equity during the fiscal year					
Total changes during the fiscal year	380,697	380,631	— 151,803	188	609,713
Balance as of September 30, 2007	4,109,722	4,335,413	2,761,112	— 48,390	11,157,857

	Valuation and Translation Adjustments			Minority Interests	Total Net Assets
	Net Unrealized holding Gains on Other Marketable Securities	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments		
Balance as of September 30, 2006	86,790	94,398	181,188	2,239,108	12,968,441
Change during the fiscal year					
Issuance of New Shares					761,394
Dividends from retained earnings					— 204,710
Net income					52,921
Disposal of Treasury Stock					107
Net changes in items other than shareholders' equity during the fiscal year	— 41,250	— 26,345	— 67,596	— 283,746	— 351,342
Total changes during the fiscal year	— 41,250	— 26,345	— 67,596	— 283,746	258,370
Balance as of September 30, 2007	45,540	68,052	113,592	1,955,362	13,226,812

(4) Interim Consolidated Statement of Cash Flows

		Previous consolidated accounting period as of end of first half From October 1, 2006 To March 31, 2007	Consolidated accounting period as of end of first half From October 1, 2007 To March 31, 2008	Previous consolidated financial term Summary consolidated statements of cash flows From October 1, 2006 To September 30, 2007
Category	Note #	Amount	Amount	Amount
I. Cash flows from operating activities				
1 Income before Income Taxes and Other		135,259	322,574	118,427
2 Depreciation Expense		1,709,279	1,301,273	3,449,634
3 Increase in Allowance for Doubtful Accounts		37,678	-25,085	23,804
4 Increase in Reserve for Directors' Bonuses (Decrease(-))		-31,000	14,000	-48,000
5 Interest Income and Dividend Income		-667	-1,179	-4,589
6 Interest Expense		66,396	69,250	156,183
7 Loss on Disposal of Fixed Assets		11,655	12,249	27,874
8 Agreed value for the Acquisition of Investment Securities		—	49,999	—
9 Decrease in Accounts Receivable (Increase(-))		-2,151,366	645,326	854,007
10 Decrease in Inventory (Increase(-))		454,793	-250,797	982,709
11 Increase in Accounts Payable (Decrease(-))		941,468	-262,185	-416,176
12 Increase in Other Accounts Payable		43,640	-25,909	23,584
13 Decrease in Consumption Tax Receivable		241,288	—	241,288
14 Others		-77,798	191,410	-819,248
Sub-total		1,380,627	2,040,926	4,591,501
15 Interest and Dividends Received		682	1,350	4,422
16 Interest Paid		-68,911	-67,741	-156,871
17 Corporate and Other Taxes Paid		-107,636	-2,764	-428,946
18 Income by refund Corporate and Other Taxes Paid		—	39,330	—
Net cash provided by (used in) operating activities		1,204,762	2,011,101	4,010,106
II Cash Flows from Investing Activities				
1 Expenditures for the Acquisition of Tangible Fixed Assets		-2,760,450	-2,372,879	-5,092,872
2 Income from the Sale of Tangible Fixed Assets		—	—	1,584,701
3 Expenditures for the Acquisition of Intangible Fixed Assets		-20,471	-267,182	-24,897
4 Expenditures for the Acquisition of Investment Securities		-53,000	—	-53,000
5 Increase in Loan Receivables		-800	-1,700	-800
6 Collection of Loans		492	311	845
7 Other		12,899	-20,033	-100
Net cash provided by (used in) investing activities		-2,821,329	-2,661,482	-3,586,124

		Previous consolidated accounting period as of end of first half From October 1, 2006 To March 31, 2007	Consolidated accounting period as of end of first half From October 1, 2007 To March 31, 2008	Previous consolidated financial term Summary consolidated statements of cash flows From October 1, 2006 To September 30, 2007
Category	Note #	Amount	Amount	Amount
III Cash Flows from Financing Activities				
1 Net Increase in Short-Term Loans (Decrease(-))		1,033,880	-494,017	-2,071,418
2 Proceeds from Long-Term Loans Payable		2,791,870	2,500,000	3,295,430
3 Repayment of Long-Term Loans Payable		-831,417	-756,251	-1,568,612
4 Repayment of Long-Term Equipment Accounts Payable		-335,944	-168,275	-506,741
5 Proceeds from the Issuance of Stock		-	-	761,394
6 Proceeds from the Sale of Treasury Stock		-	21	107
7 Expenditure for the Purchase of Treasury Stock		-	-20	-
8 Cash Dividends		-204,710	-85,070	-204,710
9 Payment of Cash Dividends to Minority Shareholders		-	-	-80,581
Cash Flows from Financing Activities		2,453,677	996,386	-375,131
IV Exchange Differences in Cash and Cash Equivalents		1,525	-36,868	-2,823
V Increase in Cash and Cash Equivalents		838,636	309,136	46,025
□ Cash and Cash Equivalents, Beginning of Period		1,553,423	1,599,449	1,553,423
□ Cash and Cash Equivalents, End of Period		2,392,060	1,908,586	1,599,449

(Segment Information)

1 Segment Information by Business

Prior of Interim Consolidated Fiscal Year (From October 1, 2006 to March 31, 2007)

	Comprehensive Large- Format Photomask Business (¥thousands)	Circuit Verification Support Tool Business (¥thousands)	Total (¥thousands)	Elimination or Corporate (¥thousands)	Consolidated (¥thousands)
Net Sales					
(1) Net Sales to Outside Customers	9,711,854	49,997	9,761,852	—	9,761,852
(2) Inter-Segment Sales/ Transfers	—	—	—	—	—
Total	9,711,854	49,997	9,761,852	—	9,761,852
Operating Expenses	9,395,455	136,318	9,531,774	101,244	9,633,019
Operating Income or Operating Expense (-)	316,399	-86,321	230,077	(101,244)	128,833

(Note)

- 1 Segment classifications are made based on a consideration of the type and similar nature of the products in question.
- 2 Major Products by Segment
 - (1) Comprehensive Large-Format Photomask Business·····Design/manufacture of photomasks for display devices, photomasks for hybrid ICs, photomasks for etching, and photomasks for various types of gauges
 - (2) Circuit Verification Support Tool Business·····Circuit design, pattern design, manufacture of printed circuit boards, and development/manufacture of various types of test boards
- 3 The amount of unallocated Operating Expenses included in “Elimination or Corporate” accounts totaled ¥101,244 thousand, the majority of which were costs related to Company administrative functions.

Current Period of Interim Consolidated Fiscal Year (From October 1, 2007 to March 31, 2008)

During the October 9, 2007 meeting of the Board of Directors, the Company resolved to divest its Circuit Verification Support Tool Business, selling the business to Accverinos Co., Ltd. (Yokohama City, Kanagawa Prefecture) as of October 16, 2007.

Prior of Consolidated Fiscal Year (From October 1, 2006 to September 30, 2007)

	Comprehensive Large-Format Photomask Business (¥thousands)	Circuit Verification Support Tool Business (¥thousands)	Total (¥thousands)	Elimination or Corporate (¥thousands)	Consolidated (¥thousands)
Net Sales					
(1) Net Sales to Outside Customers	18,274,879	69,991	18,344,870	—	18,344,870
(2) Inter-Segment Sales/ Transfers	—	—	—	—	—
Total	18,274,879	69,991	18,344,870	—	18,344,870
Operating Expenses	17,779,813	226,871	18,006,685	164,035	18,170,720
Operating Income or Operating Expense (-)	495,065	-156,880	338,184	(164,035)	174,149

(Note) 1 Segment classifications are made based on a consideration of the type and similar nature of the products in question.

2 Major Products by Segment

(1) Comprehensive Large-Format Photomask Business·····Design/manufacture of photomasks for display devices, photomasks for hybrid ICs, photomasks for etching, and photomasks for various types of gauges

(2) Circuit Verification Support Tool Business·····Circuit design, pattern design, manufacture of printed circuit boards, and development/manufacture of various types of test boards

3 The amount of unallocated Operating Expenses included in “Elimination or Corporate” accounts totaled ¥164,035 thousand, the majority of which were costs related to Company administrative functions.

2 Segment Information by Geographical Location

Prior Interim Consolidated Fiscal Year (From October 1, 2006 to March 31, 2007)

	Japan (¥thousands)	Asia (¥thousands)	Total (¥thousands)	Elimination or Corporate (¥thousands)	Consolidated (¥thousands)
Net Sales					
(1) Net Sales to Outside Customers	6,502,051	3,259,800	9,761,852	—	9,761,852
(2) Inter-Segment Sales/ Transfers	1,587,205	10,881	1,598,086	(1,598,086)	—
Total	8,089,257	3,270,681	11,359,939	(1,598,086)	9,761,852
Operating Expenses	7,728,747	3,624,193	11,352,940	(1,719,921)	9,633,019
Operating Income or Operating Expense (-)	360,510	-353,511	6,998	121,834	128,833

- (Note) 1. Basis for geographic segmentation of countries or regions and major components of each segment
- (1) Countries and regions are segmented by geographical proximity.
 - (2) Major components Asia: Taiwan
2. Unallocated operating expenses included in the “Elimination or Corporate” category totaled ¥101,244 thousand, the majority of which are the costs for the Company’s administrative functions.

Current Interim Consolidated Fiscal Year (From October 1, 2007 to March 31, 2008)

	Japan (¥thousands)	Asia (¥thousands)	Total (¥thousands)	Elimination or Corporate (¥thousands)	Consolidated (¥thousands)
Net Sales					
(1) Net Sales to Outside Customers	5,491,568	2,797,607	8,289,175	—	8,289,175
(2) Inter-Segment Sales/ Transfers	1,245,056	145,922	1,390,979	(1,390,979)	—
Total	6,736,624	2,943,529	9,680,154	(1,390,979)	8,289,175
Operating Expenses	6,338,707	2,795,328	9,134,035	(1,314,539)	7,819,496
Operating Income	397,917	148,201	546,119	(76,440)	469,679

- (Note) 1. Basis for geographic segmentation of countries or regions and major components of each segment
- (1) Countries and regions are segmented by geographical proximity.
 - (2) Major components Asia: Taiwan, South Korea
2. Unallocated operating expenses included in the “Elimination or Corporate” category totaled ¥97,957 thousand, the majority of which are the costs for the Company’s administrative functions.

Prior Consolidated Fiscal Year (From October 1, 2006 to September 30, 2007)

	Japan (¥thousands)	Asia (¥thousands)	Total (¥thousands)	Elimination or Corporate (¥thousands)	Consolidated (¥thousands)
Net Sales					
(1) Net Sales to Outside Customers	12,161,463	6,183,407	18,344,870	—	18,344,870
(2) Inter-Segment Sales/ Transfers	2,695,868	93,623	2,789,491	(2,789,491)	—
Total	14,857,331	6,277,030	21,134,362	(2,789,491)	18,344,870
Operating Expenses	14,377,548	6,705,010	21,082,559	(2,911,838)	18,170,720
Operating Income or Operating Expense (-)	479,783	-427,980	51,802	122,346	174,149

- (Note) 1. Basis for geographic segmentation of countries or regions and major components of each segment
(1) Countries and regions are segmented by geographical proximity.
(2) Major components Asia: Taiwan, South Korea
2. Unallocated operating expenses included in the “Elimination or Corporate” category totaled ¥164,035 thousand, the majority of which are the costs for the Company’s administrative functions.

3 Overseas Net Sales

Prior Interim Consolidated Fiscal Year (From October 1, 2006 to March 31, 2007)

	Asia	Other	Total
I Overseas Net Sales (¥thousands)	3,576,893	—	3,576,893
II Consolidated Net Sales (¥thousands)	9,761,852		
III Ratio of Overseas Net Sales to Consolidated Net Sales (%)	36.6	—	36.6

- (Note) 1. Segmentation of countries and regions is based on geographical proximity.
2. Major countries and regions outside Japan
Asia: Taiwan, South Korea, Singapore
3. Overseas sales represent sales of the Company and its consolidated subsidiaries in the countries and regions outside Japan.
4. Indirect exports of ¥2,246,257 thousand are not included in the above table.

Current Interim Consolidated Fiscal Year (From October 1, 2007 to March 31, 2008)

	Asia	Other	Total
□ Overseas Net Sales (¥thousands)	2,846,388	—	2,846,388
□ Consolidated Net Sales (¥thousands)	8,289,175		
□ Ratio of Overseas Net Sales to Consolidated Net Sales (%)	34.3	—	34.3

- (Note) 1. Segmentation of countries and regions is based on geographical proximity.
2. Major countries and regions outside Japan
Asia: Taiwan, South Korea, Singapore
3. Overseas sales represent sales of the Company and its consolidated subsidiaries in the countries and regions outside Japan.
4. Indirect exports of ¥3,185,178 thousand are not included in the above table.

Prior Consolidated Fiscal Year (From October 1, 2006 to September 30, 2007)

	Asia	Other	Total
□ Overseas Net Sales (¥thousands)	6,733,063	—	6,733,063
□ Consolidated Net Sales (¥thousands)	18,344,870		
□ Ratio of Overseas Net Sales to Consolidated Net Sales (%)	36.7	—	36.7

- (Note)
1. Segmentation of countries and regions is based on geographical proximity.
 2. Major countries and regions outside Japan
Asia: Taiwan, South Korea, China, Singapore
 3. Overseas sales represent sales of the Company and its consolidated subsidiaries in the countries and regions outside Japan.
 4. Indirect exports of ¥5,564,531 thousand are not included in the above table.

5. Interim Non-Consolidated Financial Statements etc

(1) Interim Non-Consolidated Balance Sheets

Category	Note#	Previous interim Non-consolidated accounting period as of end of half year As of March 31, 2007		Interim Non-consolidated accounting period as of end of half year As of March 31, 2008		Previous Non-consolidated financial term Summary consolidated balance sheet As of September 30, 2007	
		Amount	Ratio	Amount	Ratio	Amount	Ratio
(Assets)							
I. Current assets							
1.Cash on hand and in banks		2,110,284		1,450,013		1,259,419	
2.Trade notes and accounts receivable	# 5	158,000		181,472		92,527	
3.Trade accounts receivable		6,086,027		2,814,688		3,513,903	
4.Inventories		2,006,281		1,867,568		1,817,879	
5. Suspense payment		7,461		—		—	
6 Secured income receivable		—		759,286		900,991	
7 Deferred tax assets-current		111,821		110,170		64,782	
8. Others	# 3	79,903		26,634		46,820	
Allowance for doubtful accounts		—50,000		—376		—36,000	
Total current assets		10,509,780	46.4	7,209,457	35.1	7,660,324	40.1
II. Fixed assets							
1.Property, plant and equipment	# 1						
(1)Buildings and structures	# 2	2,533,335		2,359,797		2,481,307	
(2)Equipment and vehicles	# 2	5,978,257		3,104,949		3,536,900	
(3) Land	# 2	904,751		1,574,035		1,574,035	
(4)Construction in progress		20,467		3,496,733		1,194,338	
(5)Other property, plant and equipment		145,600		131,857		137,324	
Total property, plant and equipment		9,582,413	42.3	10,667,373	51.8	8,923,906	46.7
2. Intangible fixed assets		98,585	0.4	332,140	1.6	85,980	0.5
3. Investments and other assets							
(1) Investments in securities		316,491		146,896		271,298	
(2) Investments in affiliated company		1,967,673		2,000,281		2,000,281	
(3) Deferred Tax Assets		—		58,279		—	
(3) Other assets		176,272		153,891		161,096	
Allowance for doubtful accounts		—30		—1		—10	
Total investments and other assets		2,460,407	10.9	2,359,347	11.5	2,432,665	12.7
Total fixed assets		12,141,407	53.6	13,358,862	64.9	11,442,551	59.9
Total assets		22,651,187	100.0	20,568,319	100.0	19,102,876	100.0

		Previous interim Non-consolidated accounting period as of end of half year As of March 31, 2007			Interim Non-consolidated accounting period as of end of half year As of March 31, 2008			Previous Non-consolidated financial term Summary consolidated balance sheet As of September 30, 2007		
Category	Note #	Amount		Ratio	Amount		Ratio	Amount		Ratio
(Liabilities)										
I. Current liabilities										
1.Trade notes and accounts payable	# 5	3,973,419			2,410,446			2,939,155		
2.Short-term borrowings		760,367			749,884			703,407		
3.Current portion of long-term debt	# 2	2,965,000			—			280,000		
4.Current portion of bond	# 2	1,017,680			979,748			1,002,614		
5. Accrued liabilities		171,654			231,141			202,694		
6. Accrued expenses		183,300			209,787			147,985		
7. Income tax payable		170,000			210,000			—		
8 Equipment Notes Payable	# 5	—			255,906			111,353		
9.Accrued liabilities for equipment		339,071			342,043			338,374		
10.Allowance for directors' bonus		17,000			14,000			—		
11.Other current liabilities		69,639			70,639			157,435		
Total current liabilities			9,667,133	42.7		5,473,596	26.6		5,883,019	30.8
II. Long-term liabilities										
1.Long-term debt	# 2,6	2,519,930			4,081,902			2,068,026		
2. Accrued long-term liabilities on equipment		765,248			423,205			595,149		
3 Other long-term liabilities		66,086			57,880			67,315		
Total long-term liabilities			3,351,265	14.8		4,562,987	22.2		2,730,490	14.3
Total liabilities			13,018,398	57.5		10,036,584	48.8		8,613,510	45.1
(Net assets)										
I Stockholders' equity										
1 Common stock			3,729,025	16.5		4,109,722	20.0		4,109,722	21.5
2 Capital surplus										
(1) Capital reserve		3,954,716			4,335,413			4,335,413		
(2)Other retained earnings		65			—			—		
Total Capital Surplus			3,954,782	17.4		4,335,413	21.1		4,335,413	22.7
3 Retained earnings										
(1) Earned surplus reserve		21,500			21,500			21,500		
(2) Other earned surplus										
Contingent reserve		1,400,000			1,500,00			1,400,000		
Net earned surplus forwarded		503,630			612,145			625,580		
Total earned surplus			1,925,130	8.5		2,133,645	10.3		2,047,080	10.7
4 Treasury stock			—48,579	—0.2		—48,317	—0.2		—48,390	—0.2
Total Stockholders' equity			9,560,358	42.2		10,530,464	51.2		10,443,825	54.7
II Valuation and translation adjustment										
1 Net unrealized holding gains on other marketable securities			72,430	0.3		1,271	0.0		45,540	0.2

Total valuation and translation adjustments		72,430	0.3		1,271	0.0		45,540	0.2
Total net assets		9,632,788	42.5		10,531,735	51.2		10,489,366	54.9
Total liabilities and net assets		22,651,187	100.0		20,568,319	100.0		19,102,876	100.0

(2) Interim Non-Consolidated Statements of Income

		Previous Interim Non-consolidated accounting period as of end of half year From October 1, 2006 To March 31, 2007			Interim Non-Consolidated accounting period as of end of half year From October 1, 2007 To March 31, 2008			Previous Non-consolidated financial term Summary consolidated statements of income From October 1, 2006 To September 30, 2007		
Category	Note #	Amount		Ratio	Amount			Amount		Ratio
I. Net sales			8,089,257	100.0		6,736,624	100.0		14,857,331	100.0
II. Cost of sales			6,969,548	86.2		5,462,513	81.1		12,950,034	87.2
Gross profit			1,119,708	13.8		1,274,111	18.9		1,907,297	12.8
III. Selling, general and administrative expenses			860,443	10.6		974,150	14.5		1,591,550	10.7
Operating income			259,265	3.2		299,960	4.4		315,747	2.1
IV. Other income	# 1		122,736	1.5		106,224	1.6		365,765	2.5
V. Other expenses	# 2		74,639	0.9		82,318	1.2		148,436	1.0
Ordinary income			307,361	3.8		323,867	4.8		533,076	3.6
VI. Extraordinary gains	# 3		44,726	0.6		41,807	0.6		44,726	0.3
VII. Extraordinary losses	# 4		3,597	0.1		51,373	0.8		4,050	0.0
Interim (Current) income before income taxes and minority interest			348,490	4.3		314,300	4.6		573,751	3.9
Current income taxes		184,372			223,22			188,808		
Prior Year Corporate, Residence, and Business Taxes		—			—			32,289		
Deferred income taxes		—34,289	150,083	1.8	—80,629	142,592	2.1	32,281	253,379	1.7
Interim (Current) net Income or loss			198,407	2.5		171,708	2.5		320,372	2.2

(3) Interim Non-consolidated Statements of Changes in Net Assets
Previous Interim period of fiscal 2007 (From October 1, 2006 to March 31, 2007)
(Unit: Thousands of yen)

	Shareholders' Equity			
	Common Stock	Capital Surplus		
		Capital Reserve	Other Capital Surplus	Total Capital Surplus
Balance as of September 30, 2006	3,729,025	3,954,716	65	3,954,782
Changes during the interim period				
Dividends from surplus				
Contingent reserve				
Interim net income				
Acquisition of treasury stock				
Net changes in items other than shareholders' equity during the interim period				
Total changes during the interim period	—	—	—	—
Balance as of March 31, 2007	3,729,025	3,954,716	65	3,954,782

	Shareholders' Equity					
	Retained Earnings				Treasury Stock	Total Shareholders' Equity
	Earned Surplus Reserve	Other Retained Earnings		Total Retained Earnings		
		Contingent Reserve	Retained Earnings Carried Forward			
Balance as of September 30, 2006	21,500	880,000	1,029,933	1,931,433	-48,579	9,566,661
Changes during the interim period						
Dividends from surplus			-204,710	-204,710		-204,710
Contingent reserve		520,000	-520,000			
Interim net income			198,407	198,407		198,407
Acquisition of treasury stock						
Net changes in items other than shareholders' equity during the interim period						
Total changes during the interim period	-	520,000	-526,303	-6,303	-	-6,303
Balance as of March 31, 2007	21,500	1,400,000	503,630	1,925,130	-48,579	9,560,358

	Valuation and Translation Adjustments		Total Net Assets
	Net Unrealized Holding Gains on Other Marketable Securities	Total Valuation and Translation Adjustments	
Balance as of September 30, 2006	86,790	86,790	9,653,452
Changes during the interim period			
Dividends from surplus			-204,710
Contingent reserve			
Interim net income			198,407
Acquisition of treasury stock			
Net changes in items other than shareholders' equity during the interim period	-14,360	-14,360	-14,360
Total changes during the interim period	-14,360	-14,360	-20,663
Balance as of March 31, 2007	72,430	72,430	9,632,788

Interim period of fiscal 2007 (From October 1, 2007 to March 31, 2008)

(Unit: Thousands of yen)

	Shareholders' Equity		
	Common Stock	Capital Surplus	
		Capital Reserve	Total Capital Surplus
Balance as of September 30, 2007	4,109,722	4,335,413	4,335,413
Changes during the interim period			
Dividends from surplus			
Contingent reserve			
Interim net income			
Acquisition of treasury stock			
Disposal of Treasury Stock			
Net changes in items other than shareholders' equity during the interim period			
Total changes during the interim period			
Balance as of March 31, 2008	4,109,722	4,335,413	4,335,413

	Shareholders' Equity					
	Retained Earnings				Treasury Stock	Total Shareholders' Equity
	Earned Surplus Reserve	Other Retained Earnings		Total Retained Earnings		
		Contingent Reserve	Retained Earnings Carried Forward			
Balance as of September 30, 2007	21,500	1,400,000	625,580	2,047,080	— 48,390	10,443,825
Changes during the interim period						
Dividends from surplus			— 85,070	— 85,070		— 85,070
Contingent reserve		100,000	— 100,000			
Interim net income			171,708	171,708		171,708
Acquisition of treasury stock					— 20	— 20
Disposal of Treasury Stock			— 72	— 72	94	21
Net changes in items other than shareholders' equity during the interim period						
Total changes during the interim period		100,000	— 13,434	86,565	73	86,639
Balance as of March 31, 2008	21,500	1,500,000	612,145	2,133,645	— 48,317	10,530,464

	Valuation and Translation Adjustments		Total Net Assets
	Net Unrealized Holding Gains on Other Marketable Securities	Total Valuation and Translation Adjustments	
Balance as of September 30, 2007	45,540	45,540	10,489,366
Changes during the interim period			
Dividends from surplus			− 85,070
Contingent reserve			
Interim net income			171,708
Acquisition of treasury stock			− 20
Disposal of Treasury Stock			21
Net changes in items other than shareholders' equity during the interim period	− 44,269	− 44,269	− 44,269
Total changes during the interim period	− 44,269	− 44,269	42,370
Balance as of March 31, 2008	1,271	1,271	10,531,735

Fiscal 2007 (From October 1, 2006 to March 31, 2007)

(Unit: Thousands of yen)

	Shareholders' Equity			
	Common Stock	Capital Surplus		
		Capital Reserve	Other Capital Surplus	Total Capital Surplus
Balance as of September 30, 2006	3,729,025	3,954,716	65	3,954,782
Changes during the fiscal year				
Issuance of New Shares	380,697	380,697		380,697
Dividends from surplus				
Contingent reserve				
Net income				
Disposal of Treasury Stock			− 65	− 65
Net changes in items other than shareholders' equity during the fiscal year				
Total changes during the fiscal year	380,697	380,697	− 65	380,631
Balance as of September 30, 2007	4,109,722	4,335,413	−	4,335,413

	Shareholders' Equity					
	Retained Earnings				Treasury Stock	Total Shareholders' Equity
	Profit Reserve	Other Retained Earnings		Total Retained Earnings		
		Contingent Reserve	Retained Earnings Carried Forward			
Balance as of September 30, 2006	21,500	880,000	1,029,933	1,931,433	— 48,579	9,566,661
Changes during the fiscal year						
Issuance of New Shares						761,394
Dividends from surplus			— 204,710	— 204,710		— 204,710
Contingent reserve		520,000	— 520,000			
Net income			320,372	320,372		320,372
Disposal of Treasury Stock			— 14	— 14	188	107
Net changes in items other than shareholders' equity during the fiscal year						
Total changes during the fiscal year		520,000	— 404,353	115,646	188	877,164
Balance as of September 30, 2007	21,500	1,400,000	625,580	2,047,080	— 48,390	10,443,825

	Valuation and Translation Adjustments		Total Net Assets
	Net Unrealized holding Gains on Other Marketable Securities	Total Valuation and Translation Adjustments	
Balance as of September 30, 2006	86,790	86,790	9,653,452
Changes during the fiscal year			
Issuance of New Shares			761,394
Dividends from surplus			— 204,710
Contingent reserve			
Net income			320,372
Disposal of Treasury Stock			107
Net changes in items other than shareholders' equity during the fiscal year	— 41,250	— 41,250	— 41,250
Total changes during the fiscal year	— 41,250	— 41,250	835,913
Balance as of September 30, 2007	45,540	45,540	10,489,366