

Overview of Financial and Business Performance (Consolidated) for First Quarter, FY 2007

August 10, 2007

Listed Company Name: Ishihara Sangyo Kaisha
(URL: <http://www.iskweb.co.jp/eng/>)

Representative Officer:

Name: Kenzo Oda

Title: President

Contact:

Name: Yasuo Sumino

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1. Information related to the preparation of, and
accounting processes relevant to, financial
statements for the quarter period

- ① Application of simplified accounting methods: : None
② Changes in employed accounting method from : None
recent consolidated fiscal years:
③ Changes in scope of consolidation and : None
application of the equity method:

2. Overview of Financial and Business Performance for First Quarter, FY 2007 (April 1, 2007 – June 30, 2007)

(1) Consolidated Operation Results

Note: Amounts less than 1 million yen are rounded
down to the nearest million yen or nil.

	Sales		Operating Income		Ordinary Income		Net Income (Quarter or FY)	
	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%
1st Quarter, FY 2007	28,258	6.8	3,914	49.8	3,539	78.4	1,956	49.7
1st Quarter, FY 2006	26,458	-0.9	2,612	-24.5	1,983	-26.8	1,306	-47.7
(Reference: FY 2006)	106,161		12,711		11,062		-3,935	-

	Net Income (Quarter or FY) per Share	Net Income (Quarter or FY) per Share-diluted
	(Unit: yen)	(Unit: yen)
1st Quarter, FY 2007	5.09	-
1st Quarter, FY 2006	3.51	-
(Reference: FY 2006)	-10.54	-

Note: Percentage figures for sales, operating income and other indices show respective changes from the same quarter or 12-month period of the previous fiscal year.

(2) Consolidated Financial Performance

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	(Unit: million yen)	(Unit: million yen)	%	(Unit: yen)
1st Quarter, FY 2007	188,196	46,850	24.9	121.73
1st Quarter, FY 2006	168,292	48,467	28.6	129.32
(Reference: FY 2006)	193,175	45,692	23.5	118.28

[Consolidated Cash Flows]

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash and Cash Equivalents at Fiscal Term End
	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)
1st Quarter, FY 2007	-2,142	-154	-457	39,505
1st Quarter, FY 2006	4,773	-637	-1,486	26,140
(Reference: FY 2006)	6,253	-2,343	14,626	42,249

[Attachments]

1. Consolidated Financial Statements and Other Related Documents for First Quarter, Fiscal 2007

(1) Consolidated Balance Sheet for First Quarter, Fiscal 2007

(Unit: million yen)

Account Name	1st Quarter, FY 2007 (as of June 30, 2007)	1st Quarter, FY 2006 (as of June 30, 2006)	FY 2006 (as of March 31, 2007)
(ASSETS)			
Current Assets	112,999	98,932	115,861
Cash and Time Deposits	39,525	26,160	42,349
Trade Receivables (Notes and Accounts)	34,506	28,946	32,375
Investments in Securities	-	-	-
Inventories	29,698	27,769	30,526
Deferred Income Taxes	6,776	12,463	8,233
Other Current Assets	2,923	3,998	2,801
Less Allowance for Doubtful Receivables	-430	-406	-424
Property, Plant and Equipment	75,196	69,360	77,314
Tangible Fixed Assets	52,926	53,623	54,298
Intangible Fixed Assets	758	825	810
Deferred Income Taxes	12,344	3,801	13,210
Investments and Other Assets	9,247	11,208	9,097
Less Allowance for Doubtful Receivables	-81	-98	-101
Total Assets	188,196	168,292	193,175
(LIABILITIES)			
Current Liabilities	83,066	84,278	88,727
Trade Payables (Notes and Accounts)	17,924	15,183	19,361
Short-term Bank Loans	39,310	32,239	39,244
Allowance for Collection of Ferosilt	12,820	26,508	16,591
Other Current Liabilities	13,010	10,347	13,529
Long-term Liabilities	58,278	35,545	58,755
Long-term Debts	32,530	25,847	33,043
Allowance for Collection of Ferosilt	15,266	-	15,266
Other Long-term Liabilities	10,482	9,697	10,445
Total Liabilities	141,345	119,824	147,483
(NET ASSETS)			
Shareholders' Equity	45,299	46,532	43,275
Common Stock	42,028	42,028	42,028
Capital Surplus	9,231	8,594	8,594
Retained Earnings	-5,358	-1,257	-7,314
Treasury Stock	-602	-2,832	-32
Gain/Loss Arising from Revaluation or Foreign Exchange Translation of Asset Items	1,520	1,610	2,168
Gain/Loss on Revaluation of Investments in Securities	1,326	2,547	1,973
Deferred Hedging Gain/Loss	-6	1	3
Gain/Loss on Foreign Exchange Translation Adjustments	201	-938	192
Minority Interests	30	325	248
Total Net Assets	46,850	48,467	45,692
Total Liabilities and Net Assets	188,196	168,292	193,175

(2) Consolidated Statement of Income

(Unit: million yen)

Account Name	1st Quarter, FY 2007 (April 1, 2007–June 30, 2007)	1st Quarter, FY 2006 (April 1, 2006–June 30, 2006)	FY 2006 (April 1, 2006–March 31, 2007)
Net Sales	28,258	26,458	106,161
Cost of Sales	19,311	19,203	72,646
Gross Profit	8,947	7,255	33,511
Selling, General and Administrative Expenses	5,033	4,642	20,800
Operating Income	3,914	2,612	12,711
Other Income	527	146	1,026
Interest and Dividend Income	86	97	290
Equity in Earnings of Affiliates	-	-	251
Foreign Exchange Gain	386	-	274
Other	53	48	209
Other Expenses	901	774	2,675
Interest Expense	494	346	1,280
Equity in Loss of Affiliates	154	139	-
Foreign Exchange Loss	-	39	-
Other	252	248	1,394
Ordinary Income	3,539	1,983	11,062
Extraordinary Income	31	233	2,479
Gain on Sales of Investments in Securities	-	190	2,197
Gain on Revision of Profit/Loss of Previous Fiscal Term	31	38	0
Other	-	4	282
Extraordinary Loss	205	33	20,354
Loss on Devaluation of Investments in Securities	-	1	47
Loss on Disposal of Fixed Assets	205	32	268
Loss on Revision of Profit/Loss of Previous Fiscal Term	-	-	1,006
Loss on Collection of Ferosilt	-	-	-
Entries to Allowance for Loss on Collection of Ferosilt	-	-	18,907
Other	0	-	124
Income or Loss (Quarter or 12-month Period) Before Income Taxes and Minority Interests (In case of loss, the corresponding figure is indicated with -.)	3,366	2,184	-6,812
Income Taxes (Corporate, Inhabitants' and Enterprise Taxes)	150	208	971
Adjustments for Income and Other Taxes	1,260	667	-3,899
Minority Interests	-0	1	50
Income or Loss (Quarter or 12-month Period) Before Income Taxes and Minority Interests (In case of loss, the corresponding figure is indicated with -.)	1,956	1,306	-3,935

Note: For the purpose of determining the amounts of tax expenses relevant to the quarter periods, a part of the consolidated companies employ the simplified accounting method. With regard to these consolidated companies, the amounts of any adjustments made for income and other taxes are included in the figures of Income Taxes.

(3) Consolidated Statement of Cash Flows

(Unit: million yen)

Account Name	1st Quarter, FY 2007 (April 1, 2007–June 30, 2007)	1st Quarter, FY 2006 (April 1, 2006–June 30, 2006)	FY 2006 (April 1, 2006–March 31, 2007)
I Cash Flows from Operating Activities			
Income or Loss (Quarter or 12-month Period) Before Income Taxes and Minority Interests (In case of loss, the corresponding figure is indicated with -.)	3,366	2,184	-6,812
Depreciation and Amortization	1,334	1,432	5,469
Provision for Doubtful Receivables	-12	-24	-4
Provision of Accrued Retirement Benefits for Employees, Directors and Corporate Auditors	-99	26	305
Provision for Loss on Collection of Ferosilt	-3,770	-3,123	2,225
Interest and Dividend Income	-87	-97	-291
Interest Expense	494	346	1,280
Foreign Exchange Gain/Loss (Gains indicated with -.)	-25	-114	-84
Equity in Earnings/Losses of Affiliates (Earnings indicated with -.)	154	139	-160
Loss on Disposal of Fixed Assets	39	6	161
Loss on Revision of Profit/Loss of Previous	-	-	1,006
Gain on Sales/Redemption of Investments in Securities	-	-190	-2,197
Loss on Revaluation of Investments in Securities and Other	-	1	47
Changes in Operating Assets and Liabilities:			
Trade Receivables (Increases indicated with -.)	-2,097	4,640	1,843
Inventories (Increases indicated with -.)	823	-836	-2,964
Other Current Assets (Increases indicated with -.)	-73	-600	763
Trade Payables (Decreases indicated with -.)	-1,162	1,541	3,734
Other Current Liabilities (Decreases indicated with -.)	-29	-90	3,586
Other	18	4	0
Sub-Total	-1,128,	5,246	7,910
Interest and Dividends Received	88	92	282
Interest Paid	-288	-247	-1,265
Income Taxes Paid	-813	-318	-673
Net Cash Provided by Operating Activities	-2,142	4,773	6,253
II Cash Flows From Investing Activities			
Purchase of Marketable and Other Securities	-1	-2	-21
Proceeds from Maturity and Sales of Marketable and Other Securities	2	441	3,796
Purchase of Property, Plant and Equipment	-333	-983	-5,644
Proceeds from Sales of Property, Plant and Equipment	52	1	112
Loans Made	-36	-47	-450
Collection of Loans	82	38	192
Other	80	-86	-330
Net Cash Used in Investing Activities	-154	-637	-2,342
III Cash Flows from Financing Activities			
Decrease in Short-term Bank Loans	772	-238	111
Proceeds from Long-term Bank Loans	-	-	16,660
Repayment of Long-term Bank Loans	-1,224	-1,244	-4,125
Payment of Dividends	-	-	-
Proceeds from Sales of Treasury Stocks	0	-	2,005
Net Gain/Loss Amount on Purchase and Sales of Odd-lot Treasury Stock	-6	-3	-24
Net Cash Used in Financing Activities	-457	-1,486	14,626
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents	10	87	308
V Increase/Decrease in Cash and Cash Equivalents	-2,743	2,736	18,844
VI Cash and Cash Equivalents at Beginning of Fiscal Terms	42,249	23,404	23,404
VII Cash and Cash Equivalents at End of Fiscal Terms (Quarter and 12-month Period)	39,505	26,140	42,249