

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



November 16, 2007

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

(Code No: 4028, listed on the First Sections of
the Tokyo Stock Exchange and Osaka
Securities Exchange)

Representative Officer:

Name: Kenzo Oda

Title: President

Contact:

Name: Yasuo Sumino

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Title: Managing Director

1. Information related to the preparation of, and accounting processes relevant to, financial statements for the first half 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 Half, FY 2007 (April 1, 2007– September 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 Half, FY 2007	60,633	12.6	6,662	54.0	5,469	77.4	-4,308	-
1st Half, FY 2006	53,871	1.9	4,326	-9.6	3,082	-23.1	1,775	-
(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 Half, FY 2007	-11.20	-
1st Half, FY 2006	4.77	-
(Reference: FY 2006)	-10.54	-

Note: Percentage figures for sales, operating income and other indices show respective changes from the same half 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 Half, FY 2007	182,292	41,695	22.9	108.34
1st Half, FY 2006	165,071	48,966	29.5	130.65
(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 Half, FY 2007	-3,033	-576	-4,167	34,569
1st Half, FY 2006	7,832	-2,005	-2,345	26,979
(Reference: FY 2006)	6,253	-2,343	14,626	42,249

[Attachments]

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

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

(Unit: million yen)

Account Name	1st Half, FY 2007 (as of September 30, 2007)	1st Half, FY 2006 (as of September 30, 2006)	FY 2006 (as of March 31, 2007)
(ASSETS)			
Current Assets	107,281	93,820	115,861
Cash and Time Deposits	34,589	27,080	42,349
Trade Receivables (Notes and Accounts)	31,616	24,411	32,375
Inventories	30,397	27,887	30,526
Deferred Income Taxes	8,188	10,406	8,233
Other Current Assets	2,869	4,460	2,801
Less Allowance for Doubtful Receivables	-380	-425	-424
Property, Plant and Equipment	75,010	71,251	77,314
Tangible Fixed Assets	52,592	53,684	54,298
Intangible Fixed Assets	700	788	810
Deferred Income Taxes	13,036	5,639	13,210
Investments and Other Assets	8,754	11,239	9,097
Less Allowance for Doubtful Receivables	-73	-100	-101
Total Assets	182,292	165,071	193,175
(LIABILITIES)			
Current Liabilities	84,982	82,866	88,727
Trade Payables (Notes and Accounts)	17,247	16,804	19,361
Short-term Bank Loans	39,657	33,620	39,244
Allowance for Collection of Ferosilt	16,770	21,668	16,591
Other Current Liabilities	11,308	10,771	13,529
Long-term Liabilities	55,613	33,239	58,755
Long-term Debts	28,512	23,596	33,043
Other Long-term Liabilities	16,911	9,643	15,266
Total Liabilities	140,596	116,105	122,810
(NET ASSETS)			
Shareholders' Equity	39,015	47,007	43,275
Common Stock	42,028	42,028	42,028
Capital Surplus	9,231	8,594	8,594
Retained Earnings	-11,623	-795	-7,314
Treasury Stock	-621	-2,819	-32
Gain/Loss Arising from Revaluation or Foreign Exchange Translation of Asset Items	2,646	1,634	2,168
Gain/Loss on Revaluation of Investments in Securities	1,771	2,511	1,973
Deferred Hedging Gain/Loss	0	-4	3
Gain/Loss on Foreign Exchange Translation Adjustments	874	-872	192
Minority Interests	32	324	248
Total Net Assets	41,695	48,966	45,692
Total Liabilities and Net Assets	182,292	165,071	193,175

(2) Consolidated Statement of Income

(Unit: million yen)

Account Name	1st Half, FY 2007 (April 1, 2007– September 30, 2007)	1st Half, FY 2006 (April 1, 2006– September 30, 2006)	FY 2006 (April 1, 2006– March 31, 2007)
Net Sales	60,633	53,871	106,161
Cost of Sales	43,818	39,982	72,649
Gross Profit	16,815	13,888	33,511
Selling, General and Administrative Expenses	10,153	9,561	20,800
Operating Income	6,662	4,326	12,711
Other Income	368	279	1,026
Interest and Dividend Income	146	133	290
Equity in Earnings of Affiliates	-	-	251
Foreign Exchange Gain	69	58	274
Other	151	87	209
Other Expenses	1,562	1,524	2,675
Interest Expense	1,004	604	1,280
Equity in Loss of Affiliates	26	220	-
Other	530	697	1,393
Ordinary Income	5,469	3,082	11,062
Extraordinary Income	100	231	2,479
Gain on Sales of Investments in Securities	4	191	2,197
Gain on Disposal of Fixed Assets	-	-	-
Gain on Revision of Profit/Loss of Previous Fiscal Term	73	13	0
Other	22	27	282
Extraordinary Loss	9,042	230	20,354
Loss on Revision of Profit/Loss of Previous Fiscal Term	-	-	-
Loss on Devaluation of Investments in Securities	-	0	47
Loss on Disposal of Fixed Assets	223	65	268
Entries to Allowance for Loss on Collection of Ferosilt	8,739	-	18,907
Other	79	164	124
Income or Loss (Half or 12-month Period) Before Income Taxes and Minority Interests (In case of loss, the corresponding figure is indicated with -.)	-3,472	3,083	-6,812
Income Taxes (Corporate, Inhabitants' and Enterprise Taxes)	499	405	971
Adjustments for Income and Other Taxes	335	902	-3,899
Minority Interests	-0	1	50
Income or Loss (Half or 12-month Period) Before Income Taxes and Minority Interests (In case of loss, the corresponding figure is indicated with -.)	-4,308	1,775	-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 Half, FY 2007 (April 1, 2007– September 30, 2007)	1st Half, FY 2006 (April 1, 2006– September 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 -.)	-3,472	3,083	-6,812
Depreciation and Amortization	2,584	2,801	5,469
Provision for Doubtful Receivables	3	-0	1,006
Provision of Accrued Retirement Benefits for Employees, Directors and Corporate Auditors	-129	108	305
Provision for Loss on Collection of Ferosilt	1,824	-7,962	2,225
Interest and Dividend Income	-147	-133	-291
Interest Expense	1,004	604	1,280
Foreign Exchange Gain/Loss (Gains indicated with -.)	26	-93	-84
Equity in Earnings/Losses of Affiliates (Earnings indicated with -.)	26	220	-160
Loss on Disposal of Fixed Assets	56	37	161
Gain on Sales/Redemption of Investments in Securities	-4	-191	-2,197
Loss on Revaluation of Investments in Securities and Other	-	0	47
Changes in Operating Assets and Liabilities:			
Trade Receivables (Increases indicated with -.)	1,220	9,262	1,843
Inventories (Increases indicated with -.)	496	-981	-2,964
Other Current Assets (Increases indicated with -.)	-15	-1,040	763
Trade Payables (Decreases indicated with -.)	-2,414	2,087	3,734
Other Current Liabilities (Decreases indicated with -.)	-2,347	874	3,586
Other	-65	2	0
Sub-Total	-1,355	8,677	7,910
Interest and Dividends Received	146	133	282
Interest Paid	-1,024	-581	-1,265
Income Taxes Paid	-799	-395	-673
Net Cash Provided by Operating Activities	-3,033	7,832	6,253
II Cash Flows From Investing Activities			
Purchase of Marketable and Other Securities	-3	-19	
Proceeds from Maturity and Sales of Marketable and Other Securities	66	442	3,796
Purchase of Property, Plant and Equipment	-1,044	-2,196	-5,644
Proceeds from Sales of Property, Plant and Equipment	252	17	112
Loans Made	-60	-229	-450
Collection of Loans	125	61	192
Proceeds from Liquidation of Reserves for US Affiliates	-	-	
Other	87	-80	-330
Net Cash Used in Investing Activities	-576	-2,005	-2,343
III Cash Flows from Financing Activities			
Decrease in Short-term Bank Loans	1,210	-308	111
Proceeds from Long-term Bank Loans	-	-	16,660
Repayment of Long-term Bank Loans	-5,353	-2,039	-4,125
Payment of Dividends	-	-	-
Proceeds from Sales of Treasury Stocks	-	13	2,005
Net Gain/Loss Amount on Purchase and Sales of Odd-lot Treasury Stock	-25	-10	-24
Net Cash Used in Financing Activities	-4,167	-2,345	14,626
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents	97	93	308
V Increase/Decrease in Cash and Cash Equivalents	-7,679	3,575	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 (Half and 12-month Period)	34,569	26,979	42,249