

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

February 8, 2008

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

Representative Officer:

Name : Kenzo Oda

Title : President

Contact:

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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 Third Quarter, FY 2007 (April 1, 2007 – December 31, 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)	%
3rd Quarter, FY 2007	84,985	12.9	10,073	52.9	8,675	58.0	-1,443	-
3rd Quarter, FY 2006	75,279	2.0	6,589	-11.7	5,489	-15.9	3,107	-
(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)
3rd Quarter, FY 2007	-3.75	-
3rd Quarter, FY 2006	8.35	-
(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)
3rd Quarter, FY 2007	181,954	43,494	23.9	113.03
3rd Quarter, FY 2006	162,458	50,735	31.1	135.70
(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)
3rd Quarter, FY 2007	-3,291	-1,517	-5,334	32,051
3rd Quarter, FY 2006	6,248	-3,395	-3,743	22,746
(Reference: FY 2006)	6,253	-2,343	14,626	42,249

[Attachments]

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

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

(Unit: million yen)

Account Name	3rd Quarter, FY 2007 (as of December 31, 2007)	3rd Quarter, FY 2006 (as of December 31, 2006)	FY 2006 (as of March 31, 2007)
(ASSETS)			
Current Assets	107,325	88,743	115,861
Cash and Time Deposits	32,071	22,846	42,349
Trade Receivables (Notes and Accounts)	31,126	27,659	32,375
Investments in Securities	-	-	-
Inventories	32,976	27,844	30,526
Deferred Income Taxes	7,581	8,051	8,233
Other Current Assets	3,938	2,777	2,801
Less Allowance for Doubtful Receivables	-368	-436	-424
Property, Plant and Equipment	74,629	73,715	77,314
Tangible Fixed Assets	52,555	53,928	54,298
Intangible Fixed Assets	644	900	810
Deferred Income Taxes	13,640	6,945	13,210
Investments and Other Assets	7,862	12,042	9,097
Less Allowance for Doubtful Receivables	-72	-101	-101
Total Assets	181,954	162,458	193,175
(LIABILITIES)			
Current Liabilities	85,785	79,082	88,727
Trade Payables (Notes and Accounts)	18,966	17,493	19,361
Short-term Bank Loans	38,832	33,412	39,244
Allowance for Collection of Ferosilt	15,481	15,915	16,591
Other Current Liabilities	12,504	12,260	13,529
Long-term Liabilities	52,674	32,640	58,755
Long-term Debts	28,153	22,442	33,043
Allowance for Collection of Ferosilt	14,501	-	15,266
Other Long-term Liabilities	10,020	10,197	10,445
Total Liabilities	138,460	111,722	147,483
(NET ASSETS)			
Shareholders' Equity	41,874	48,331	43,275
Common Stock	42,028	42,028	42,028
Capital Surplus	9,231	8,594	8,594
Retained Earnings	-8,758	536	-7,314
Treasury Stock	-626	-2,827	-32
Gain/Loss Arising from Revaluation or Foreign Exchange Translation of Asset Items	1587	2,181	2,168
Gain/Loss on Revaluation of Investments in Securities	1,322	2,774	1,973
Deferred Hedging Gain/Loss	-	-4	3
Gain/Loss on Foreign Exchange Translation Adjustments	265	-587	192
Minority Interests	32	222	248
Total Net Assets	43,494	50,735	45,692
Total Liabilities and Net Assets	181,954	162,458	193,175

(2) Consolidated Statement of Income

(Unit: million yen)

Account Name	3rd Quarter, FY 2007 (April 1, 2007– December 31, 2007)	3rd Quarter, FY 2006 (April 1, 2006– December 31, 2006)	FY 2006 (April 1, 2006– March 31, 2007)
Net Sales	84,985	75,279	106,161
Cost of Sales	59,598	54,658	72,646
Gross Profit	25,386	20,620	33,511
Selling, General and Administrative Expenses	15,313	14,030	20,800
Operating Income	10,073	6,589	12,711
Other Income	823	762	1,026
Interest and Dividend Income	266	226	290
Equity in Earnings of Affiliates	138	81	251
Foreign Exchange Gain	67	343	274
Other	350	110	209
Other Expenses	2,220	1,862	2,675
Interest Expense	1,483	933	1,280
Other	736	928	1,394
Ordinary Income	8,675	5,489	11,062
Extraordinary Income	242	282	2,479
Gain on Sales of Investments in Securities	120	201	2,197
Gain on Revision of Profit/Loss of Previous Fiscal Term	82	53	0
Other	39	27	282
Extraordinary Loss	9,163	272	20,354
Loss on Devaluation of Investments in Securities	-	0	47
Loss on Disposal of Fixed Assets	261	109	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	8,739	-	18,907
Other	163	161	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 -.)	-245	5,500	-6,812
Income Taxes (Corporate, Inhabitants' and Enterprise Taxes)	710	553	971
Adjustments for Income and Other Taxes	487	1,848	-3,899
Minority Interests	-0	-9	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 -.)	-1,443	3,107	-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	3rd Quarter, FY 2007 (April 1, 2007– December 31, 2007)	3rd Quarter, FY 2006 (April 1, 2006– December 31, 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 -.)	-245	5,500	-6,812
Depreciation and Amortization	3,804	4,141	5,469
Provision for Doubtful Receivables	-61	8	-4
Provision of Accrued Retirement Benefits for Employees, Directors and Corporate Auditors	-233	264	305
Provision for Loss on Collection of Ferosilt	-1,874	-13,716	2,225
Interest and Dividend Income	-266	-226	-291
Interest Expense	1,483	933	1,280
Foreign Exchange Gain/Loss (Gains indicated with -.)	61	-232	-84
Equity in Earnings/Losses of Affiliates (Earnings indicated with -.)	-138	-81	-160
Loss on Disposal of Fixed Assets	88	80	161
Loss on Revision of Profit/Loss of Previous	-	-	1,006
Gain on Sales/Redemption of Investments in Securities	-120	-201	-2,197
Loss on Revaluation of Investments in Securities and Other	-	0	47
Changes in Operating Assets and Liabilities:			
Trade Receivables (Increases indicated with -.)	1,190	6,054	1,843
Inventories (Increases indicated with -.)	-2,348	-775	-2,964
Other Current Assets (Increases indicated with -.)	-759	656	763
Trade Payables (Decreases indicated with -.)	-577	2,341	3,734
Other Current Liabilities (Decreases indicated with -.)	-1,356	2,477	3,586
Other	28	-4	0
Sub-Total	-1,325	7,219	7,910
Interest and Dividends Received	267	227	282
Interest Paid	-1,311	-844	-1,265
Income Taxes Paid	-921	-353	-673
Net Cash Provided by Operating Activities	-3,291	6,248	6,253
II Cash Flows From Investing Activities			
Purchase of Marketable and Other Securities	-14	-25	-21
Proceeds from Maturity and Sales of Marketable and Other Securities	194	456	3,796
Purchase of Property, Plant and Equipment	-2,180	-3,607	-5,644
Proceeds from Sales of Property, Plant and Equipment	138	352	112
Loans Made	-97	-380	-450
Collection of Loans	191	138	192
Other	-14	-350	-330
Net Cash Used in Investing Activities	-1,517	-3,395	-2,343
III Cash Flows from Financing Activities			
Decrease in Short-term Bank Loans	1,240	-458	111
Proceeds from Long-term Bank Loans	-	-	16,660
Repayment of Long-term Bank Loans	-6,543	-3,281	-4,125
Proceeds from Sales of Treasury Stocks	-	13	2,005
Net Gain/Loss Amount on Purchase and Sales of Odd-lot Treasury Stock	-31	-18	-24
Net Cash Used in Financing Activities	-5,334	-3,743	14,626
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents	-54	232	308
V Increase/Decrease in Cash and Cash Equivalents	-10,197	-658	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)	32,051	22,746	42,249