

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

May 15, 2008

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

Phone: +81-6-6444-1850

Title : Managing Director

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 FY 2007 (April 1, 2007 – March 31, 2008)

(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)	%
FY 2007	117,278	10.5	16,012	26.0	13,206	19.4	2,642	-
FY 2006	106,161	1.7	12,711	-5.1	11,062	-3.2	-3,935	-

	Net Income (Quarter or FY) per Share	Net Income (Quarter or FY) per Share-diluted
	(Unit: yen)	(Unit: yen)
FY 2007	6.87	-
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)
FY 2007	177,407	46,813	26.4	121.65
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)
FY 2007	-2,203	-2,745	-8,788	28,373
FY 2006	6,253	-2,343	14,626	42,249

[Attachments]

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

(1) Consolidated Balance Sheet for Fiscal 2007

(Unit: million yen)

Account Name	FY 2006 (as of March 31, 2006)	FY 2007 (as of March 31, 2007)	Difference
(ASSETS)			
Current Assets	115,861	103,065	-12,796
Cash and Time Deposits	42,349	28,393	-13,956
Trade Receivables (Notes and Accounts)	32,375	30,320	-2,055
Investments in Securities	-	-	-
Inventories	30,526	34,307	3,781
Deferred Income Taxes	8,233	7,103	-1,130
Other Current Assets	2,801	3,377	576
Less Allowance for Doubtful Receivables	-424	-437	-13
Property, Plant and Equipment	77,314	74,341	-2,973
Tangible Fixed Assets	54,298	54,465	167
Intangible Fixed Assets	810	587	-223
Deferred Income Taxes	13,210	13,651	441
Investments and Other Assets	9,097	5,707	-3,390
Less Allowance for Doubtful Receivables	-101	-69	32
Total Assets	193,175	177,407	-15,768
(LIABILITIES)			
Current Liabilities	88,727	82,298	-6,429
Trade Payables (Notes and Accounts)	19,361	18,415	-946
Short-term Bank Loans	39,243	38,833	-410
Allowance for Collection of Ferosilt	16,591	14,019	-2,572
Other Current Liabilities	13,532	11,031	-2,501
Long-term Liabilities	58,755	48,294	-10,461
Long-term Debts	33,043	24,709	-8,334
Allowance for Collection of Ferosilt	15,266	12,990	-2,276
Other Long-term Liabilities	10,446	10,595	149
Total Liabilities	147,483	130,593	-16,890
(NET ASSETS)			
Shareholders' Equity	43,275	45,955	2,680
Common Stock	42,028	42,028	-
Capital Surplus	8,594	9,231	637
Retained Earnings	-7,314	-4,672	2,642
Treasury Stock	-32	-632	-600
Gain/Loss Arising from Revaluation or Foreign Exchange Translation of Asset Items	2,168	820	-1,348
Gain/Loss on Revaluation of Investments in Securities	1,973	289	-1,684
Deferred Hedging Gain/Loss	3	-	-3
Gain/Loss on Foreign Exchange Translation Adjustments	192	495	303
Minority Interests	248	38	-210
Total Net Assets	45,692	46,813	1,121
Total Liabilities and Net Assets	193,175	177,407	-15,768

(2) Consolidated Statement of Income

(Unit: million yen)

Account Name	FY 2006 (as of March 31, 2006)	FY 2007 (as of March 31, 2007)	Difference
Net Sales	106,161	117,278	11,117
Cost of Sales	72,649	78,945	6,296
Gross Profit	33,511	38,333	4,822
Selling, General and Administrative Expenses	20,800	22,320	1,520
Operating Income	12,711	16,012	3,301
Other Income	1,026	1,121	95
Interest and Dividend Income	163	243	80
Equity in Earnings of Affiliates	378	518	140
Foreign Exchange Gain	274	-	-274
Other	209	359	150
Other Expenses	2,675	3,928	1,253
Interest Expense	1,280	1,938	658
Other	1,395	1,990	595
Ordinary Income	11,062	13,206	2,144
Extraordinary Income	2,479	2,255	-224
Gain on Sales of Investments in Securities	2,197	1,336	-861
Gain on Revision of Profit/Loss of Previous Fiscal Term		54	54
Other	282	865	583
Extraordinary Loss	20,354	10,222	-10,132
Loss on Devaluation of Investments in Securities	47	352	305
Loss on Disposal of Fixed Assets	268	352	84
Loss on Revision of Profit/Loss of Previous Fiscal Term	1,006	30	-976
Loss on Collection of Ferosilt			
Entries to Allowance for Loss on Collection of Ferosilt	18,907	8,739	-10,168
Entries to Allowance for Environmental safe maintenance		580	580
Other	124	166	42
Income or Loss (Quarter or 12-month Period) Before Income Taxes and Minority Interests (In case of loss, the corresponding figure is indicated with -.)	-6,812	5,240	12,052
Income Taxes (Corporate, Inhabitants' and Enterprise Taxes)	971	866	-105
Adjustments for Income and Other Taxes	-3,899	1,726	5,625
Minority Interests	50	4	-46
Income or Loss (Quarter or 12-month Period) Before Income Taxes and Minority Interests (In case of loss, the corresponding figure is indicated with -.)	-3,935	2,642	6,577

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	FY 2006 (as of March 31, 2006)	FY 2007 (as of March 31, 2007)	Difference
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 -.)	-6,812	5,240	12,052
Depreciation and Amortization	5,469	5,023	-446
Loss on impairment of fixed assets	1,006	30	-976
Provision for Doubtful Receivables	-4	6	10
Provision of Accrued Retirement Benefits for Employees, Directors and Corporate Auditors	305	146	-159
Provision for Loss on Collection of Ferosilt	2,225	-4,847	-7,072
Provision to Allowance for Environmental safe maintenance		580	580
Interest and Dividend Income	-291	-322	-31
Interest Expense	1,280	1,938	658
Foreign Exchange Gain/Loss (Gains indicated with -.)	-84	179	263
Equity in Earnings/Losses of Affiliates (Earnings indicated with -.)	-160	-338	-178
Loss on Disposal of Fixed Assets	161	116	-45
Loss on Revision of Profit/Loss of Previous	-	-	-
Gain on Sales/Redemption of Investments in Securities	-2,197	-1,336	861
Loss on Revaluation of Investments in Securities and Other	47	352	305
Changes in Operating Assets and Liabilities:			
Trade Receivables (Increases indicated with -.)	1,843	2,395	552
Inventories (Increases indicated with -.)	-2,964	-3,480	-516
Other Current Assets (Increases indicated with -.)	763	-302	-1,065
Trade Payables (Decreases indicated with -.)	3,734	-1,571	-5,305
Other Current Liabilities (Decreases indicated with -.)	3,586	-3,122	-6,708
Other	0	-712	-712
Sub-Total	7,910	-26	-7,936
Interest and Dividends Received	282	321	39
Interest Paid	-1,265	-1,980	-715
Other	-	705	705
Income Taxes Paid	-673	-1,224	-551
Net Cash Provided by Operating Activities	6,253	-2,203	-8,456
II Cash Flows From Investing Activities			
Increase in time deposits	-100	-20	80
Decrease in time deposits	20	100	80
Purchase of Marketable and Other Securities	-21	-792	-771
Proceeds from Maturity and Sales of Marketable and Other Securities	3,796	2,730	-1,066
Purchase of Property, Plant and Equipment	-5,644	-5,352	292
Proceeds from Sales of Property, Plant and Equipment	112	328	216
Loans Made	-450	-152	298
Collection of Loans	192	267	75
Payments of purchases of shares of subsidiaries from minority interest	-250	-	250
Other		145	145
Net Cash Used in Investing Activities	-2,343	-2,745	-402
III Cash Flows from Financing Activities			
Decrease in Short-term Bank Loans	111	711	600
Proceeds from Long-term Bank Loans	16,660	1,260	-15,400
Repayment of Long-term Bank Loans	-4,125	-10,723	-6,598
Proceeds from Sales of Treasury Stocks	2,005	-	-2,005
Net Gain/Loss Amount on Purchase and Sales of Odd-lot Treasury Stock	-24	-36	-12
Net Cash Used in Financing Activities	14,626	-8,788	-23,414
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents	308	-139	-447
V Increase/Decrease in Cash and Cash Equivalents	18,844	-13,875	-32,719
VI Cash and Cash Equivalents at Beginning of Fiscal Terms	23,404	42,249	18,845
VII Cash and Cash Equivalents at End of Fiscal Terms (Quarter and 12-month Period)	42,249	28,373	-13,876,