

# FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006

## Hakuto Co., Ltd. and Subsidiaries

Stock Code: 7433

(URL <http://www.hakuto.co.jp>)

### 1. Consolidated Financial Results for 1<sup>st</sup> half FY06 (April 1, 2006 to September 30, 2006)

#### (1) Consolidated Operating Results

|                                       | Net sales       |     | Operating income |       | Ordinary income |       |
|---------------------------------------|-----------------|-----|------------------|-------|-----------------|-------|
|                                       | Millions of Yen | %   | Millions of Yen  | %     | Millions of Yen | %     |
| 1 <sup>st</sup> half FY06 (Sept. '06) | 58,060          | 6.2 | 2,403            | 31.8  | 2,479           | 29.3  |
| 1 <sup>st</sup> half FY05 (Sept. '05) | 54,679          | 6.7 | 1,824            | (1.5) | 1,918           | (1.9) |
| FY05 (March '06)                      | 115,503         |     | 4,178            |       | 4,447           |       |

|                                       | Net income      |      | Net income per share |     | Net income per share (diluted basis) |     |
|---------------------------------------|-----------------|------|----------------------|-----|--------------------------------------|-----|
|                                       | Millions of Yen | %    | Yen                  | Yen | Yen                                  | Yen |
| 1 <sup>st</sup> half FY06 (Sept. '06) | 1,486           | 37.8 | 67.51                |     | 67.44                                |     |
| 1 <sup>st</sup> half FY05 (Sept. '05) | 1,079           | 5.3  | 49.10                |     | 49.05                                |     |
| FY05 (March '06)                      | 2,601           |      | 116.37               |     | 116.07                               |     |

Note: 1) Profit (loss) by equity method for 1<sup>st</sup> half FY06 (Sept.'06): 74 million yen, 1<sup>st</sup> half FY05 (Sept.'05): 58 million yen, FY05 (March '06): 102 million yen

2) Average number of outstanding shares for 1<sup>st</sup> half FY06 (Sept.'06): 22,008,743 shares, 1<sup>st</sup> half FY05 (Sept.'05): 21,965,937 shares, FY05 (March '06): 21,979,432 shares

3) Changes to accounting procedures: None

4) Percentages for net sales, operating income, ordinary income and net income show a change from those of same period the year before.

#### (2) Consolidated Financial Position

|                                       | Total assets    | Net assets      | Equity ratio | Shareholders' equity per share |
|---------------------------------------|-----------------|-----------------|--------------|--------------------------------|
|                                       | Millions of Yen | Millions of Yen | %            | Yen                            |
| 1 <sup>st</sup> half FY06 (Sept. '06) | 76,336          | 39,915          | 52.3         | 1,812.34                       |
| 1 <sup>st</sup> half FY05 (Sept. '05) | 67,534          | 36,711          | 54.4         | 1,671.01                       |
| FY05 (March '06)                      | 70,162          | 39,363          | 56.1         | 1,786.57                       |

Note: Number of outstanding shares as of September 30, 2006: 22,008,617 shares, September 30, 2005: 21,969,340 shares, March 31, 2006: 22,008,838 shares

#### (3) Consolidated Cash Flow

|                                       | Net cash provided by (used in) operating activities | Net cash provided by (used in) investing activities | Net cash provided by (used in) financing activities | Cash and cash equivalents, balance at end of period |
|---------------------------------------|---|---|---|---|
|                                       | Millions of Yen                                     | Millions of Yen                                     | Millions of Yen                                     | Millions of Yen                                     |
| 1 <sup>st</sup> half FY06 (Sept. '06) | (3,018)   | (715)   | 1,326   | 5,009   |
| 1 <sup>st</sup> half FY05 (Sept. '05) | (101)   | (192)   | 333   | 7,343   |
| FY05 (March '06)                      | 1,516   | 31  | (1,550)   | 7,458   |

#### (4) Number of Subsidiaries and Affiliated Companies

Consolidated subsidiaries: 13 Non-consolidated subsidiaries accounted for by equity method: 0

Affiliated companies accounted for by equity method: 2

#### (5) Changes in Number of Subsidiaries and Affiliated Companies

Consolidated subsidiaries: (Newly included) 2 (Excluded) 1

Companies accounted for by equity method: (Newly included) 0 (Excluded) 0

### 2. Consolidated Profit Forecast for FY06 (April 1, 2006 to March 31, 2007)

|                       | Net sales       | Ordinary income | Net income      |
|-----------------------|-----------------|-----------------|-----------------|
|                       | Millions of Yen | Millions of Yen | Millions of Yen |
| Full year (March '07) | 124,000         | 4,700           | 2,700           |

Projected net income per share for FY06 (March '07): 122.68 yen