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To whom it may concern

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## Upward Revision to Business Forecast of the First Half of the Financial Year Ending March 2007

Hakuto announced today a revision of the consolidated and unconsolidated business forecast for the first half of the financial year ending March 2007, which was previously announced on May 17, 2006, to reflect the recent business trends.

1. Upward revision to previous forecast of the first half (April 1 - September 30, 2006) of the financial year ending March 2007

[Consolidated]

(Unit: JPY MLN)

	Sales	Ordinary Income	First Half Net Profit
Previous Forecast (A) (as of May 17, 2006)	58,000	2,000	1,100
Revised Forecast (B)	58,000	2,450	1,450
Change (B-A)	0	+450	+350
Rate of Change (%)	0.0	+22.5	+31.8
Earnings in Same Period Last Year (First half of business year ending March 2006)	54,679	1,918	1,079

[Unconsolidated]

(Unit: JPY MLN)

	Sales	Ordinary Income	First Half Net Profit
Previous Forecast (A) (as of May 17, 2006)	44,600	1,400	800
Revised Forecast (B)	46,500	1,800	1,000
Change (B-A)	+1,900	+400	+200
Rate of Change (%)	+4.3	+28.6	+25.0
Earnings in Same Period Last Year (First half of business year ending March 2006)	42,703	1,617	1,001

## 2. Reasons for Revision

Supported by strong capital investment in communication infrastructure such as cellular base transceiver stations and metro Ethernet networks and semiconductor packages continued from the previous term, sales of electronic components such as PLD (programmable logic devices) and optical transport components and electronic/electric equipment such as PCB (printed circuit board) manufacturing equipment remained at a level higher than originally anticipated. Earnings are also expected to exceed our original expectations as a result of profitability improvement through product mix changes and stronger inventory control.

For the above reasons, Hakuto decided to revise the consolidated and unconsolidated first-half business forecast.

For the full year forecast, the company will maintain the previous forecast since the market trend in the second half remains uncertain.

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