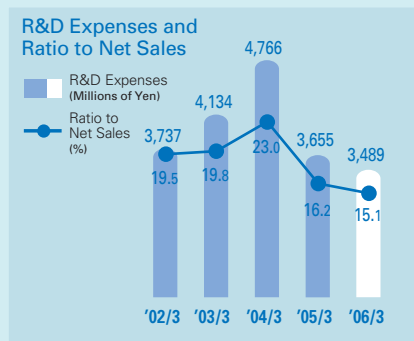
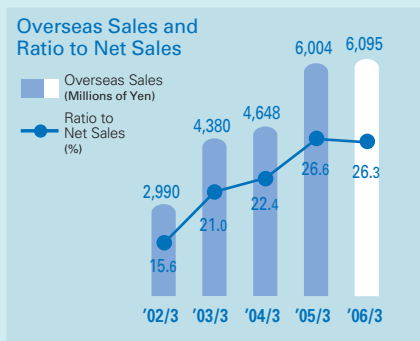
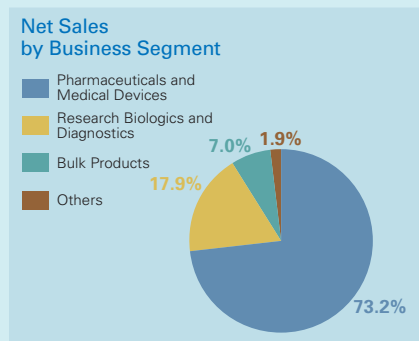
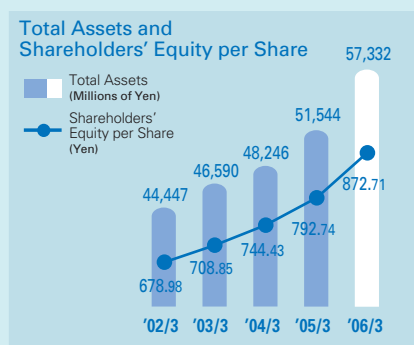
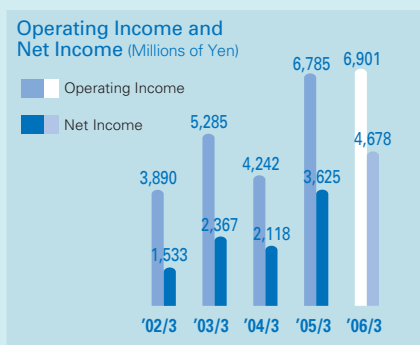
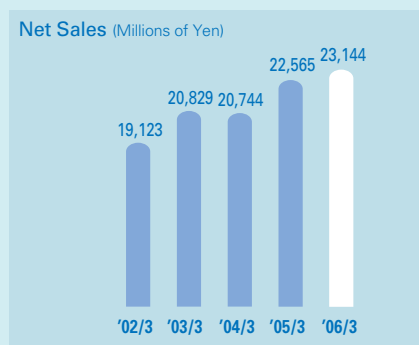


CONSOLIDATED FINANCIAL HIGHLIGHTS Years Ended March 31

| | | | | | Millions of Yen | Thousands of U.S. Dollars (Note 1) |
|---|----------|----------|----------|----------|-----------------|------------------------------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2006 |
| Net Sales | ¥ 19,123 | ¥ 20,829 | ¥ 20,744 | ¥ 22,565 | ¥ 23,144 | \$ 197,812 |
| Overseas Sales | 2,990 | 4,380 | 4,648 | 6,004 | 6,095 | 52,094 |
| Overseas Sales Ratio (to Net Sales) | 15.6% | 21.0% | 22.4% | 26.6% | 26.3% | 26.3% |
| Gross Profit | 12,689 | 14,199 | 14,206 | 15,723 | 15,976 | 136,547 |
| R&D Expenses | 3,737 | 4,134 | 4,766 | 3,655 | 3,489 | 29,821 |
| Operating Income | 3,890 | 5,285 | 4,242 | 6,785 | 6,901 | 58,983 |
| Operating Income Ratio (to Net Sales) | 20.3% | 25.4% | 20.5% | 30.1% | 29.8% | 29.8% |
| Net Income | 1,533 | 2,367 | 2,118 | 3,625 | 4,678 | 39,983 |
| Net Income Ratio (to Net Sales) | 8.0% | 11.4% | 10.2% | 16.1% | 20.2% | 20.2% |
| Shareholders' Equity | 39,828 | 41,517 | 43,596 | 46,426 | 50,693 | 433,273 |
| Return on Shareholders' Equity (ROE) | 3.9% | 5.8% | 5.0% | 8.1% | 9.6% | 9.6% |
| Total Assets | 44,447 | 46,590 | 48,246 | 51,544 | 57,332 | 490,017 |
| Return on Total Assets (ROA) | 3.5% | 5.2% | 4.5% | 7.3% | 8.6% | 8.6% |
| Consolidated Dividend Payout Ratio | 34.0% | 22.5% | 37.8% | 32.8% | 31.5% | 31.5% |
| | | | | | (Yen) | (Dollars) |
| Net Income per Share of Common Stock (Note 2) | 25.21 | 39.52 | 35.31 | 60.93 | 79.24 | 0.68 |
| Cash Dividends per Share of Common Stock (Note 3) | 8.88 | 8.88 | 13.33 | 20.00 | 25.00 | 0.21 |
| Number of Employees | 489 | 486 | 510 | 535 | 544 | |

- Notes: 1. U.S. dollar amounts are converted, for convenience only, at the rate of ¥117=US\$1, the approximate rate at March 31, 2006.
 2. Per-share figures have been retroactively adjusted for stock splits at July 20, 2004 and May 20, 2005. From the year ended March 31, 2003, a new method was adopted for computing net income per share, and the amount for 2002 was reclassified for comparison (see Note 2.o.)
 3. Cash dividends per share are dividends applicable to the respective years including dividends to be paid after the end of the year, retroactively adjusted for stock splits at July 20, 2004 and May 20, 2005. (See Notes 8 and 13.)



FORWARD-LOOKING STATEMENTS AND RISK FACTORS

Performance forecasts and other statements about the future in this document reflect judgments based on information available to the Seikagaku Group at the time of writing and are subject to risks and uncertainties. Investment decisions based solely on these statements concerning the future should therefore be avoided. Actual results may differ substantially from these performance forecasts because of various factors. Factors that have a significant effect on actual business results include changes in the economic environment in which Seikagaku Group conducts its business, as well as market trends and exchange rate fluctuations.