

ZUKEN INCORPORATED

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Consolidated financial reports for the six-month period ended September 30, 2011

	Six months ended September 30		
	Millions of Yen		Thousands of U. S. dollars
	2010	2011	2011
<i>For the period:</i>			
Net sales	8,119	8,586	111,506
Cost of sales	1,988	2,195	28,506
Selling, general and administrative expenses	6,418	6,224	80,831
Operating income(loss)	(287)	167	2,169
Income(loss) before income taxes and minority interests	(316)	1,289	16,740
Net income(loss)	(237)	607	7,883
<i>At period-end:</i>			
Total assets	35,394	35,658	463,091
Total net assets	28,059	27,346	355,143
<i>Increase (Decrease) in cash flows</i>			
Cash Flows from Operating Activities	109	1,087	14,117
Cash Flows from Investing Activities	(353)	1,346	17,481
Cash Flows from Financing Activities	(279)	(167)	(2,169)
Cash and Cash Equivalents at End of Period	9,320	10,927	141,909
	Yen		U. S. dollars
<i>Per share of common stock:</i>			
Net income(loss)	(9.40)	26.11	0.339
Interim dividends applicable to the period	7.00	7.00	0.091
<i>Earnings forecast (April 1, 2011 - March 31, 2012):</i>			
	Millions of Yen		Thousands of U. S. dollars
Net sales	19,200		249,351
Net income	970		12,597
	Yen		U. S. dollars
Full-year dividends per share	14.00		0.182
Forecasted net income per share	41.71		0.542

Notes:

1. Operating income reflects certain reclassifications to follow the accounting standard readers outside Japan are more familiar with.
2. Net income per share is computed based upon the weighted-average number of shares of common stock outstanding during the six-month period.
3. Yen amounts have been translated into U.S.dollars, for convenience only, using the exchange rate of ¥ 77 to US\$ 1 in effect at September 30, 2011.
4. Forecasted net income per share is computed based upon the number of outstanding shares as of September 30, 2011.
5. Earnings forecast are forward-looking statements based on a number of assumptions and beliefs in light of information currently available to management and subject to significant risks and uncertainties.