

# ZUKEN INCORPORATED

2-25-1, Edahigashi, Tsuzuki-ku, Yokohama 224-8585, JAPAN

*Consolidated financial reports for the six-month period ended September 30, 2008*

Contact: Jinya Katsube, Chief Operating Officer Tel: (045)942-1511

	Six months ended September 30		
	Millions of Yen		Thousands of U. S. dollars
	2007	2008	2008
<b><i>For the period:</i></b>			
Net sales .....	10,099	10,284	98,885
Cost of sales .....	2,161	2,613	25,125
Selling, general and administrative expenses .....	6,566	7,005	67,356
Operating income .....	1,372	666	6,404
Income before income taxes and minority interest .....	1,354	789	7,587
Net income .....	878	541	5,202
<b><i>At period-end:</i></b>			
Total assets .....	35,473	36,598	351,904
Total net assets .....	27,110	28,307	272,183
<b><i>Increase (Decrease) in cash flows</i></b>			
Cash Flows from Operating Activities .....	(276)	643	6,183
Cash Flows from Investing Activities .....	(383)	(692)	(6,654)
Cash Flows from Financing Activities .....	(113)	(153)	(1,471)
Cash and Cash Equivalents at End of Period .....	9,616	10,279	98,837
<b><i>Per share of common stock:</i></b>			
Net income .....	33.91	20.89	0.201
Interim dividends applicable to the period .....	5.00	7.00	0.067
<b><i>Earnings forecast (April 1, 2008 - March 31, 2009):</i></b>			
	Millions of Yen		Thousands of U. S. dollars
	Yen		U. S. dollars
Net sales .....		22,100	212,500
Net income .....		1,640	15,769
Full-year dividends per share .....		14.00	0.135
Forecasted net income per share .....		63.34	0.609

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 ¥ 104 to US\$ 1 in effect at September 30, 2008.
4. Forecasted net income per share is computed based upon the number of outstanding shares as of September 30, 2008.
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.