

ZUKEN INCORPORATED

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Consolidated financial reports for the six-month period ended September 30, 2010

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	Six months ended September 30		
	Millions of Yen		Thousands of U.S. dollars
	2009	2010	2010
<i>For the period:</i>			
Net sales	7,575	8,119	96,655
Cost of sales	1,949	1,988	23,667
Selling, general and administrative expenses	6,437	6,418	76,405
Operating income(loss)	(811)	(287)	(3,417)
Income(loss) before income taxes and minority interest	(971)	(316)	(3,762)
Net income(loss)	(793)	(237)	(2,821)
<i>At period-end:</i>			
Total assets	35,244	35,394	421,357
Total net assets	28,155	28,059	334,036
<i>Increase (Decrease) in cash flows</i>			
Cash Flows from Operating Activities	946	109	1,298
Cash Flows from Investing Activities	385	(353)	(4,202)
Cash Flows from Financing Activities	(182)	(279)	(3,321)
Cash and Cash Equivalents at End of Period	10,462	9,320	110,952
<i>Per share of common stock:</i>			
Net income(loss)	(31.39)	(9.40)	(0.112)
Interim dividends applicable to the period	7.00	7.00	0.083
<i>Earnings forecast (April 1, 2010 - March 31, 2011):</i>			
	Millions of Yen		Thousands of U.S. dollars
	Yen		U.S. dollars
Net sales	18,800		223,810
Net income	750		8,929
Full-year dividends per share	14.00		0.167
Forecasted net income per share	29.70		0.354

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 ¥ 84 to US\$ 1 in effect at September 30, 2010.
4. Forecasted net income per share is computed based upon the number of outstanding shares as of September 30, 2010.
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.