

October 16, 2007



Interim Report First Half of Fiscal 2007

(April 1 – September 30, 2007)

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Notice Regarding Forward-Looking Statements

This presentation contains statements about the Company's plans, forecasts, strategies, and beliefs related to its future performance. Such forward-looking statements were prepared based on judgments of the Company's management according to information available when this presentation was prepared. Readers are asked not to rely completely on performance forecasts contained herein, and understand that actual results may differ from such forecasts.

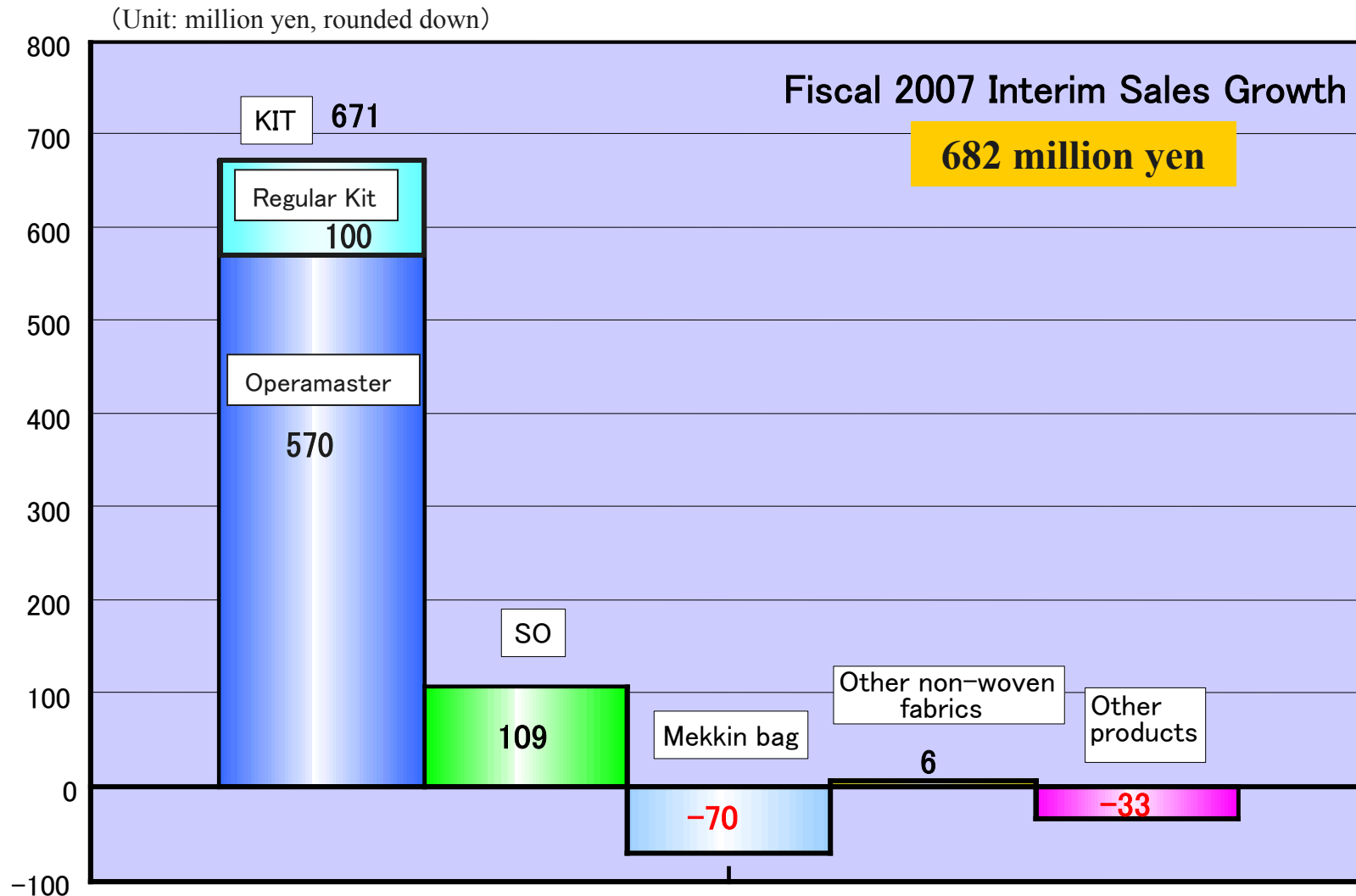
Financial results reported herein have not been audited.

Performance Overview

Fiscal 2007 Income Statements (Interim Periods)

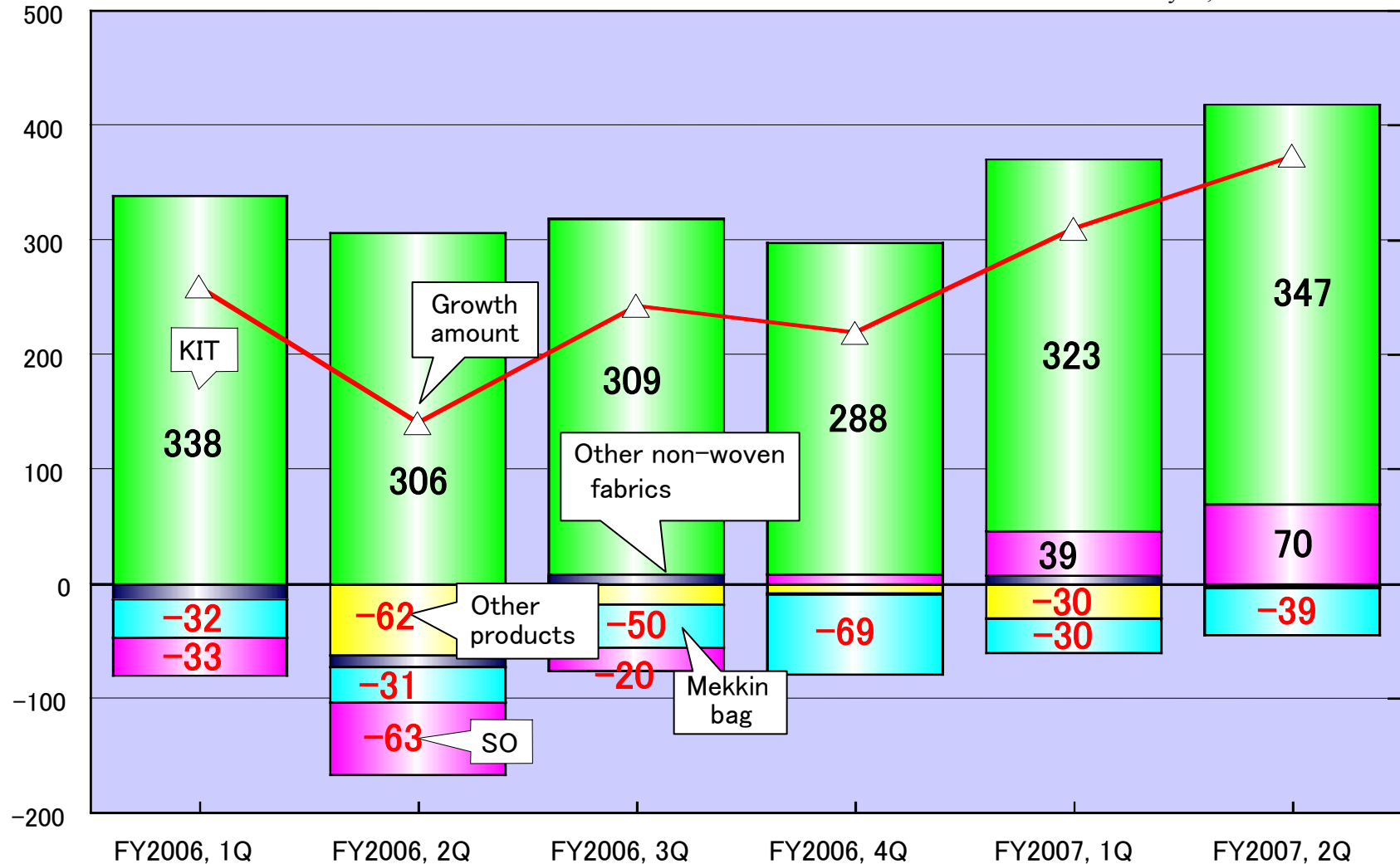
| (Unit: million yen, rounded down) | Fiscal 2006 Interim Results | | Fiscal 2007 Interim Plan | | Fiscal 2007 Interim Results | | Year-on-Year Comparison | | Plan Comparison | |
|--------------------------------------|--------------------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|----------------------------|--------|--------------------|--------|
| | Amount | % of total | Amount | % of total | Amount | % of total | Amount | % | Amount | % |
| Net sales | 13,422 | | 14,070 | | 14,105 | | 682 | 105.1% | 35 | 100.3% |
| Operating income | 2,957 | 22.0% | 3,390 | 24.1% | 3,386 | 24.0% | 429 | 114.5% | -3 | 99.9% |
| Ordinary income | 3,026 | 22.6% | 3,387 | 24.1% | 3,421 | 24.3% | 395 | 113.1% | 34 | 101.0% |
| Net income | 1,784 | 13.3% | 2,020 | 14.4% | 2,053 | 14.6% | 268 | 115.1% | 33 | 101.6% |
| EPS | 114.41 yen | | 135.51 yen | | 136.56 yen | | | | | |

Fiscal 2007 Sales Growth by Major Products (Interim Period)



Fiscal 2007 Sales Growth by Quarter (Interim Period)

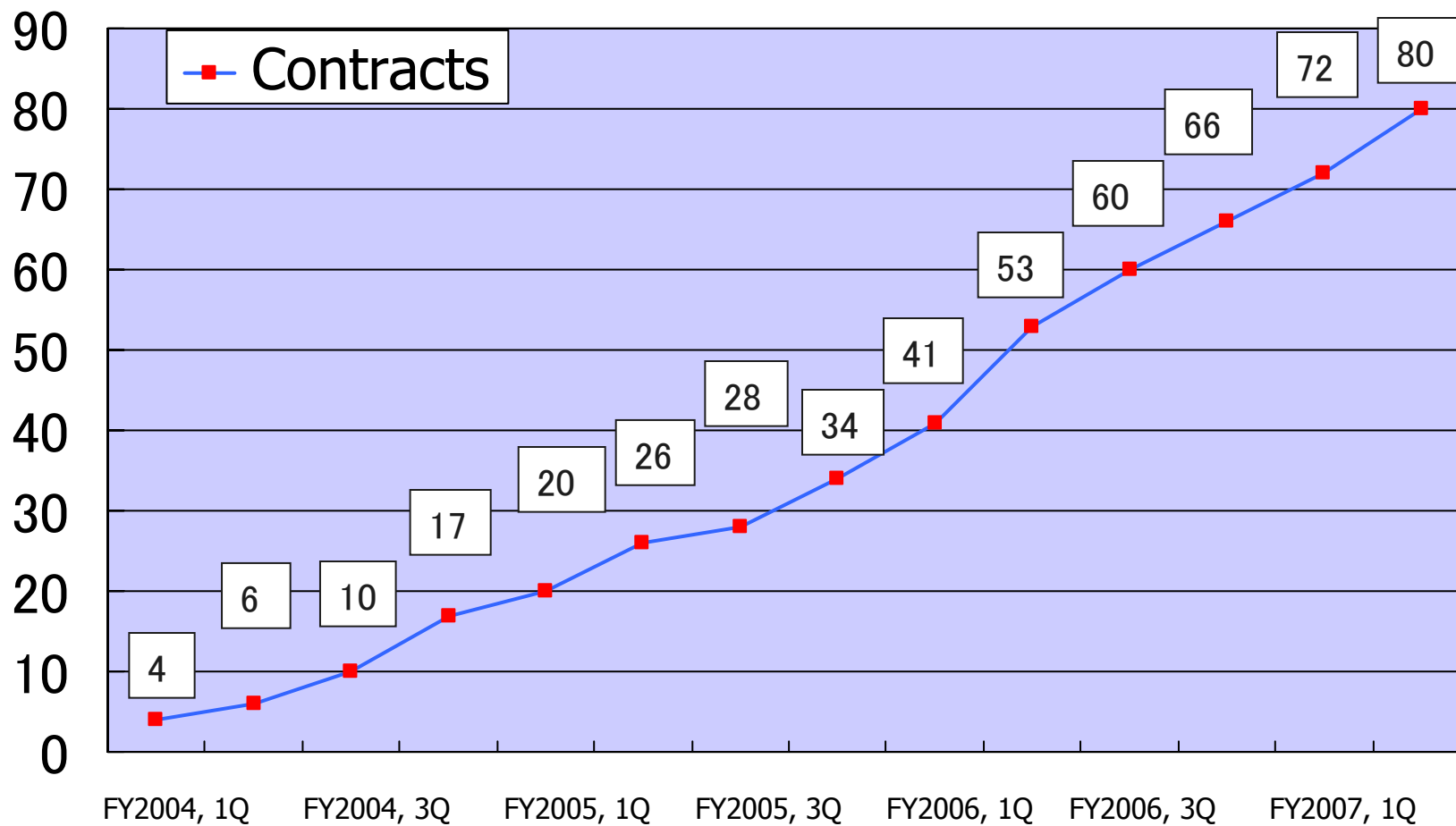
(Unit: million yen, rounded down)



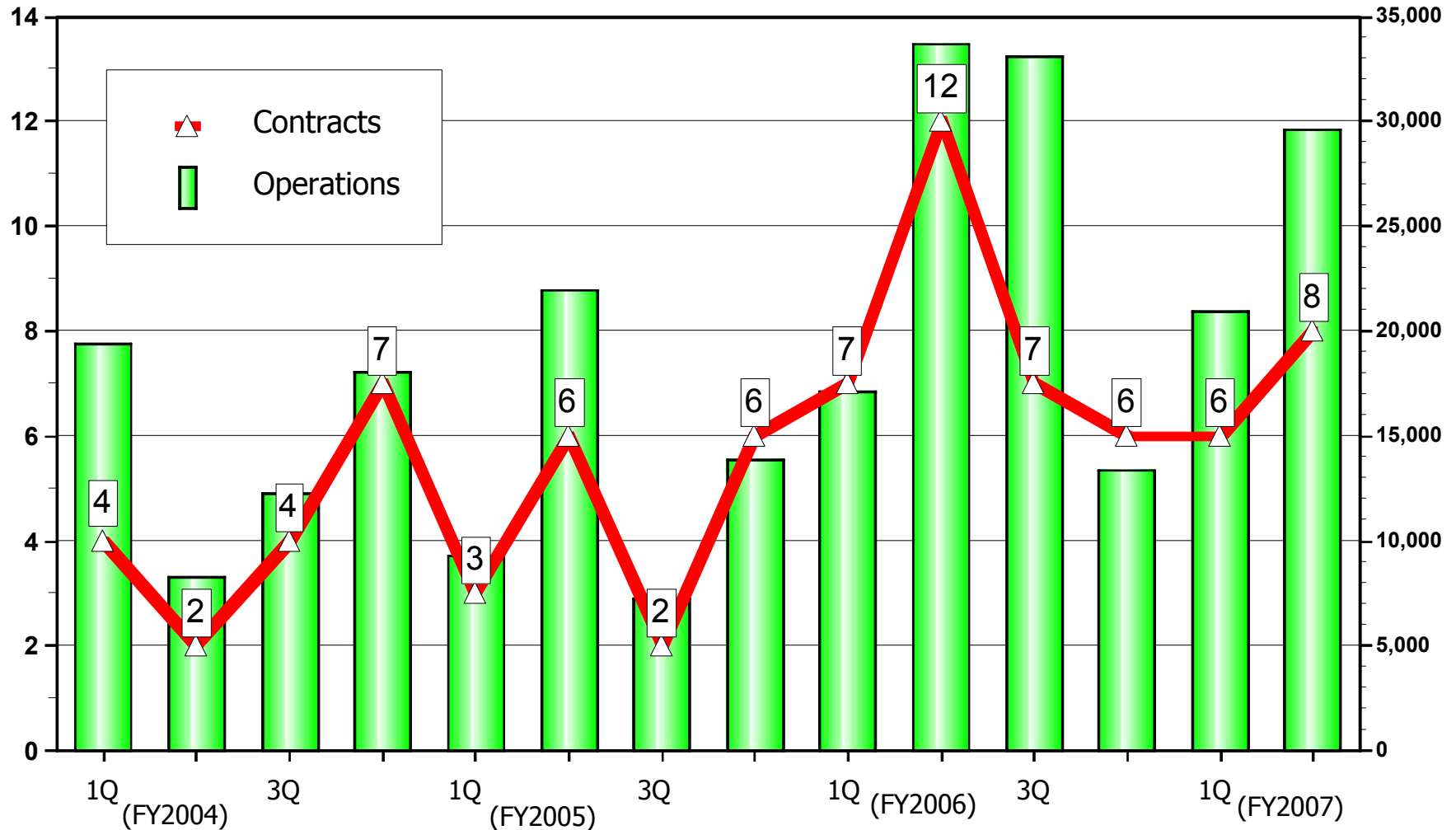
Progress of Operamaster Marketing

| | |
|--|--|
| Fiscal 2006 Results | <ul style="list-style-type: none">■ Contracts: 66 (new: 32)■ Sales: ¥3,164 million (30.5% of Kit sales, ¥10,364 million) |
| Fiscal 2007 Interim results | <ul style="list-style-type: none">■ Contracts: 80 (new: 14)■ Sales: ¥2,054 million (36.3% of Kit sales, ¥5,667 million) |
| Fiscal 2007 Plans | <ul style="list-style-type: none">■ Contracts: 106 (new: 40)■ Sales: ¥5,350 million (44.9% of Kit sales, ¥11,919 million) |

Contracts for Operamaster

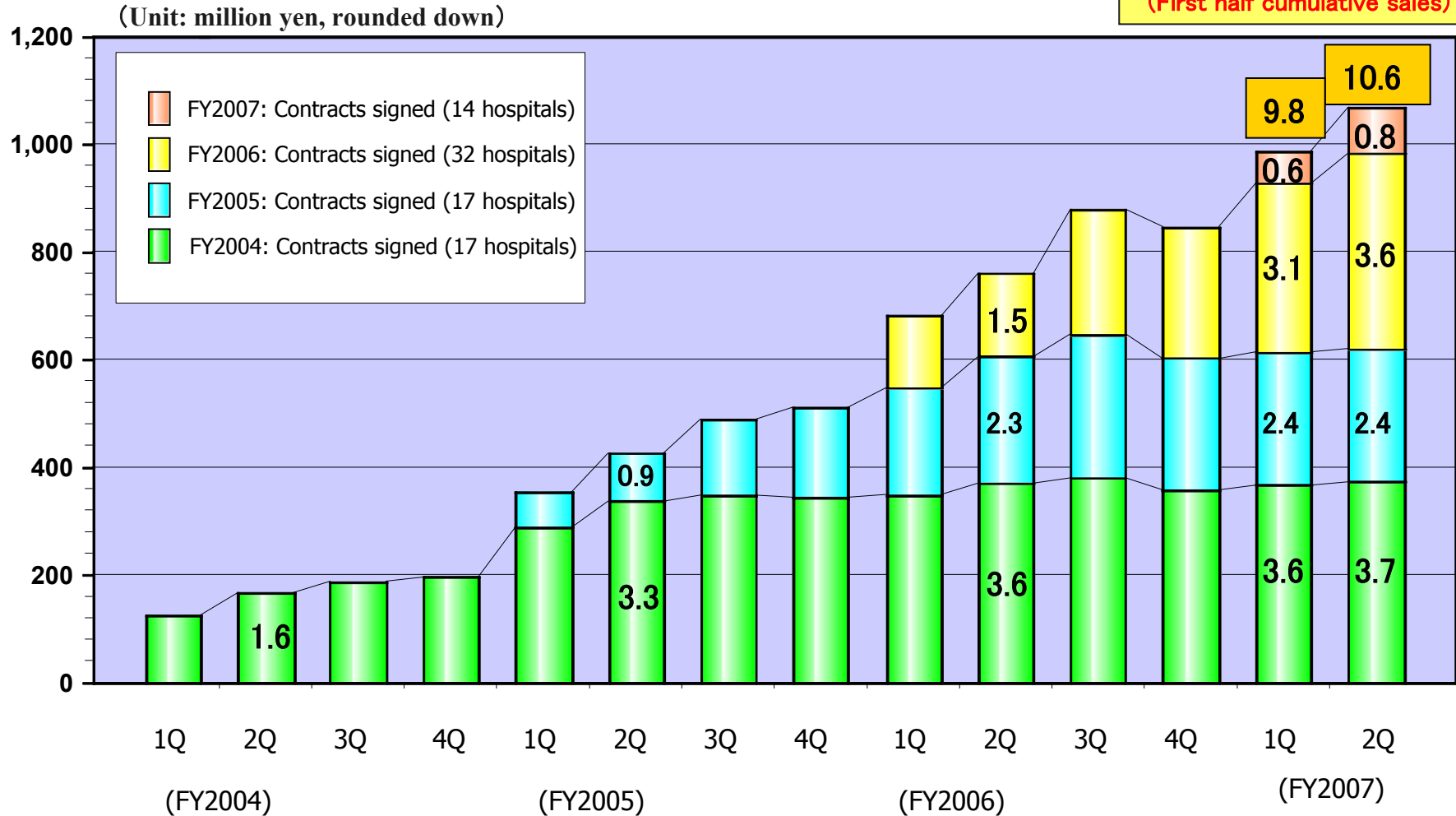


Contracts for Operamaster and Number of Operations



Sales of Operamaster

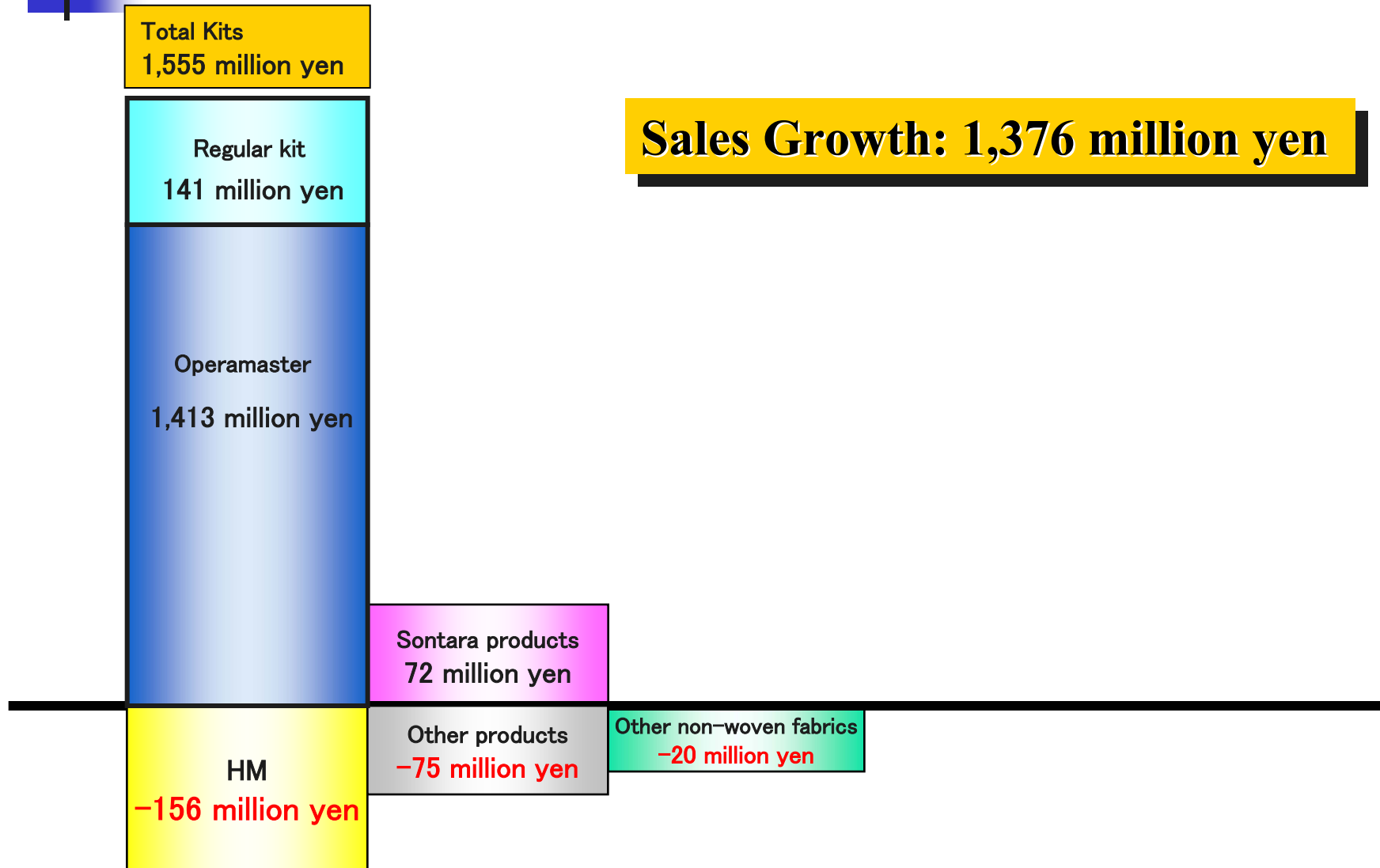
Contracts: 14
 (Cumulative contracts: 80)
Sales: 2,050 million yen
 (First half cumulative sales)



Fiscal 2007 Projected Statement of Income

| Unit: million yen, rounded down) | Fiscal 2006 Results | | Fiscal 2007 Plan | | Year-on-Year Comparison | |
|-------------------------------------|------------------------|---------------|---------------------|---------------|----------------------------|--------|
| | Amount | % of Total | Amount | % of Total | Amount | % |
| Net sales | 27,293 | | 28,670 | | 1,376 | 105.0% |
| Operating income | 6,058 | 22.2% | 7,000 | 24.4% | 941 | 115.5% |
| Ordinary income | 6,139 | 22.5% | 6,990 | 24.4% | 850 | 113.8% |
| Net income | 3,621 | 13.3% | 4,140 | 14.4% | 518 | 114.3% |
| EPS | 234.69 yen | | 276.12 yen | | | |

Fiscal 2007 Projected Sales Growth by Major Products



Overview and Analysis

Fiscal 2007 Income Statements (Interim Periods)

| (Unit: million yen, rounded down) | Fiscal 2006 Interim Results | | Fiscal 2007 Interim Plan | | Fiscal 2007 Interim Results | | Year-on-Year Comparison | | Plan Comparison | |
|--|--------------------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|----------------------------|--------|-----------------|--------|
| | Amount | % of total | Amount | % of total | Amount | % of total | Amount | % | Amount | % |
| Net sales | 13,422 | | 14,070 | | 14,105 | | 682 | 105.1% | 35 | 100.3% |
| Cost of sales | 6,668 | 49.7% | 6,690 | 47.5% | 6,809 | 48.3% | 141 | 102.1% | 119 | 101.8% |
| Gross profit | 6,753 | 50.3% | 7,380 | 52.5% | 7,295 | 51.7% | 541 | 108.0% | -84 | 98.9% |
| SG&A expenses | 3,796 | 28.3% | 3,990 | 28.4% | 3,909 | 27.7% | 112 | 103.0% | -80 | 98.0% |
| Operating income | 2,957 | 22.0% | 3,390 | 24.1% | 3,386 | 24.0% | 429 | 114.5% | -3 | 99.9% |
| Non-operating income/loss | 69 | | -3 | | 35 | | -33 | | 38 | |
| Ordinary income | 3,026 | 22.6% | 3,387 | 24.1% | 3,421 | 24.3% | 395 | 113.1% | 34 | 101.0% |
| Extraordinary income/loss | -26 | | -25 | | 15 | | 41 | | 39 | |
| Income before income taxes and minority interests | 1,784 | 13.3% | 2,020 | 14.4% | 2,053 | 14.6% | 268 | 115.1% | 33 | 101.6% |
| Net income | 114.41 yen | | 134.36 yen | | 136.56 yen | | | | | |

Fiscal 2007 Performance Analysis (Interim Periods)

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| Net Sales | Year-on-Year Comparison | Plan Comparison |
|------------------|---|--|
| Kit products | ■671 million yen (+13.4%) ✓Increase in net sales of Operamaster | ■37 million yen (+0.7%) ✓According to plan ✓Operamaster kits: Per plan |
| Sontara products | ■109 million yen (+2.1%) ✓Increase in net sales of gown products | ■73 million yen (+1.4%) ✓According to plan |

Fiscal 2007 Summary of Income Statements (Interim Periods)

| | Fiscal 2006 Interim Results | % of Total | Fiscal 2007 Interim Results | % of Total | Increase/ Decrease (Millions of yen) | % | Main reasons for changes |
|---------------------|--------------------------------------|---------------|--------------------------------------|---------------|---|-------|---|
| Net sales | 13,422 | 100% | 14,105 | 100% | 682 | 5.1% | ■Kit products: ¥5,667 million (up 13.4%); Sontara: ¥5,426 million (up 2.1%); Mekkin bag: ¥1,543 million (down 4.3%) |
| Cost of sales | 6,668 | 49.7% | 6,809 | 48.3% | 141 | 2.1% | ■Depreciation: -¥74 million; unrealized gains (internal profit): -¥81 million |
| Gross profit | 6,753 | 50.3% | 7,295 | 51.7% | 541 | 8.0% | |
| SG & A expenses | 3,796 | 28.3% | 3,909 | 27.7% | 112 | 3.0% | ■Disposal of recalled products: ¥42 million; transportation costs: ¥22 million; depreciation: ¥28 million |
| Operating income | 2,957 | 22.0% | 3,386 | 24.0% | 429 | 14.5% | |

Fiscal 2007 Summary of Income Statements (Interim Periods)

| | Fiscal 2006 Interim Results | % of Total | Fiscal 2007 Interim Results | % of Total | Increase/ Decrease (Millions of yen) | % | Main reasons for changes |
|---|--------------------------------------|---------------|--------------------------------------|---------------|---|--------|---|
| • Dividend income | 0 | | 15 | | 15 | | |
| • Exchange gain | 0 | | 17 | | 17 | | |
| • Others | 73 | | 38 | | -35 | | ■ Fiscal 2006: Income due to the cancellation at maturity of insurance policies for Group directors (¥35 million) |
| Non-operating income | 73 | 0.6% | 71 | 0.5% | -2 | -2.6% | |
| • Interest expenses | - | | 33 | | 33 | | ■ Incurred due to borrowings |
| • Miscellaneous losses | 4 | | 2 | | -2 | | |
| Non-operating Expenses | 4 | 0.0% | 36 | 0.3% | 31 | 734.5% | |
| Ordinary income | 3,026 | 22.6% | 3,421 | 24.3% | 395 | 13.1% | |
| • Transfer from allowance for doubtful accounts | 4 | | 21 | | 17 | | |
| Extraordinary income | 4 | 0.0% | 22 | 0.2% | 17 | 410.7% | |
| • Provision for allowance for doubtful accounts | 30 | | 0 | | -30 | | ■ Provided reserve to cover some obligations |
| Extraordinary expenses | 30 | 0.2% | 7 | 0.1% | -23 | -76.8% | |

Fiscal 2007 Summary of Income Statements (Interim Periods)

| | Fiscal 2006 Interim Results | % of Total | Fiscal 2007 Interim Results | % of Total | Increase/ Decrease (Millions of yen) | % | Main reasons for changes |
|---|--------------------------------------|---------------|--------------------------------------|---------------|---|-------|--------------------------|
| Income before income taxes and minority interests | 3,000 | 22.4% | 3,436 | 24.4% | 436 | 14.6% | |
| ▪Income taxes | 1,265 | 9.4% | 1,373 | 9.7% | 108 | 8.6% | |
| ▪Income tax adjustment | -49 | -0.4% | 9 | 0.1% | 59 | - | |
| ▪Minority interests | 0 | 0.0% | 0 | 0.0% | 0 | | |
| Net income | 1,784 | 13.3% | 2,053 | 14.6% | 268 | 15.1% | |

Fiscal 2007 Summary of Balance Sheets (Interim Periods)

| | Fiscal 2006 (At March 31, 2007) | Fiscal 2007 Interim | Increase/ Decrease (Millions of yen) | % | Main reasons for changes |
|--|---------------------------------------|------------------------|---|--------|------------------------------------|
| Assets | | | | | |
| Current assets | 23,061 | 24,961 | 1,900 | 8.2% | |
| Cash and bank deposits | 8,113 | 9,440 | 1,327 | 16.4% | ■Operating activities |
| Notes and accounts receivable | 8,924 | 9,408 | 483 | 5.4% | ■Operating activities |
| Inventories | 5,327 | 5,421 | 93 | 1.8% | |
| Other current assets | 695 | 690 | -5 | -0.7% | |
| Fixed assets | 36,170 | 35,029 | -1,140 | -3.2% | |
| Tangibles | 30,460 | 29,946 | -514 | -1.7% | |
| Buildings and structures | 13,969 | 13,574 | -395 | -2.8% | ■Due to depreciation |
| Machinery and vehicles | 8,586 | 7,876 | -710 | -8.3% | ■Due to depreciation |
| Construction in progress | 4 | 632 | 628 | | ■Land in Ushiku City: ¥525 million |
| Other assets | 7,899 | 7,864 | -35 | -0.4% | |
| Intangibles | 533 | 425 | -107 | -20.3% | |

Fiscal 2007 Summary of Balance Sheets (Interim Periods)

| | Fiscal 2006 (At March 31, 2007) | Fiscal 2007 Interim | Increase/ Decrease (Millions of yen) | % | Main reasons for changes |
|---|---------------------------------------|------------------------|---|--------|--------------------------|
| Investments and other assets | 5,176 | 4,657 | -518 | -10.0% | |
| Investment securities | 2,793 | 2,205 | -587 | -21.1% | ■Share valuation loss |
| Insurance reserve | 485 | 483 | -1 | -0.4% | |
| Other assets | 1,897 | 1,969 | 72 | 3.8% | |
| Total assets | 59,231 | 59,991 | 759 | 1.3% | |

Fiscal 2007 Summary of Balance Sheets (Interim Periods)

| | Fiscal 2006 (At March 31, 2007) | Fiscal 2007 Interim | Increase/ Decrease (Millions of yen) | % | Main reasons for changes |
|--|---------------------------------------|---------------------------|---|--------|--|
| Liabilities | | | | | |
| Current liabilities | 6,135 | 6,622 | 487 | 7.9% | |
| Notes and accounts payable | 2,999 | 3,347 | 347 | 11.6% | ■ Increase in accounts payable (PT Hogy) |
| Long-term debt due within 1 year | 1,000 | 1,000 | – | 0.0% | |
| Equipment-related notes payable | 65 | 13 | –52 | –80.0% | |
| Other current liabilities | 2,070 | 2,262 | 192 | –9.3% | ■ Increase in accrued income tax |
| Long-term liabilities | 5,065 | 4,246 | –818 | –16.2% | |
| Long-term debt | 3,925 | 3,425 | –500 | –12.7% | ■ Repaid during period |
| Deferred income taxes | 358 | 118 | –239 | –67.0% | ■ Tax effect related to loss on revaluation of investments in securities |
| Reserve for directors' retirement benefits | 412 | | –412 | | ■ Due to abolition of retirement bonus system for directors |
| Long-term payables | | 397 | 397 | | ■ Due to abolition of retirement bonus system for directors |
| Other long-term liabilities | 369 | 306 | –63 | –17.1% | |
| Total liabilities | 11,200 | 10,869 | –330 | –3.0% | |

Fiscal 2007 Summary of Balance Sheets (Interim Periods)

| | Fiscal 2006 (At March 31, 2007) | Fiscal 2007 Interim | Increase/ Decrease (Millions of yen) | % | Main reasons for changes |
|--|---------------------------------------|------------------------|---|-------------|---|
| Net Assets | | | | | |
| Shareholders' equity | 46,986 | 48,436 | 1450 | 3.1% | |
| Earned surplus | 38,626 | 40,078 | 1451 | 3.8% | |
| Treasury stock | -7,099 | -7,101 | -1 | 0.0% | |
| Common stock and capital surplus | 15,459 | 15,459 | - | 0.0% | |
| Valuation/translation adjustments | 1,031 | 671 | -360 | -34.9% | |
| Net unrealized gains or losses on securities | 22 | -331 | -353 | -1604.5% | ■Share valuation loss |
| Deferred hedging gains or losses | 926 | 818 | -107 | -11.7% | ■Decrease in valuation gain on forward exchange contracts |
| Translation adjustments | 82 | 183 | 101 | 123.2% | |
| Minority interests | 13 | 13 | 0 | 0.0% | |
| Total net assets | 48,031 | 49,122 | 1,090 | 2.3% | |
| Total liabilities and net assets | 59,231 | 59,991 | 759 | 1.3% | |

Fiscal 2007 Summary of Cash Flows (Interim Periods)

| | Fiscal 2006 Interim | Fiscal 2007 Interim | Increase/ Decrease (Millions of yen) | Main reasons for changes |
|--|---------------------------|---------------------------|---|---|
| I Net cash provided by operating activities | 1,681 | 3,390 | 1,708 | |
| Income before income taxes and minority interests | 3,000 | 3,436 | 436 | |
| Depreciation | 1,397 | 1,351 | -45 | |
| Notes and accounts receivable | -1,093 | -470 | 622 | ■Unsettled notes and accounts receivable (bank holiday on March 31): ¥915 million |
| Inventories | -458 | -57 | 400 | ■Decline in goods and products (K Gown) |
| Notes and accounts payable | 97 | 360 | 262 | ■Increase in accounts payable (PT Hogy) |
| Income taxes paid | -1,319 | -1,215 | 104 | |
| Others | 57 | -15 | -72 | |
| II Net cash used in investing activities | -1,608 | -997 | 611 | |
| Purchase of tangible fixed assets | -1,594 | -734 | 859 | ■Fiscal 2006: Tsukuba OPC (¥803 million) |
| Purchase of intangible fixed assets | -111 | -69 | 41 | |
| Others | 96 | -193 | -289 | ■Purchase of land for factory (PT Hogy) |

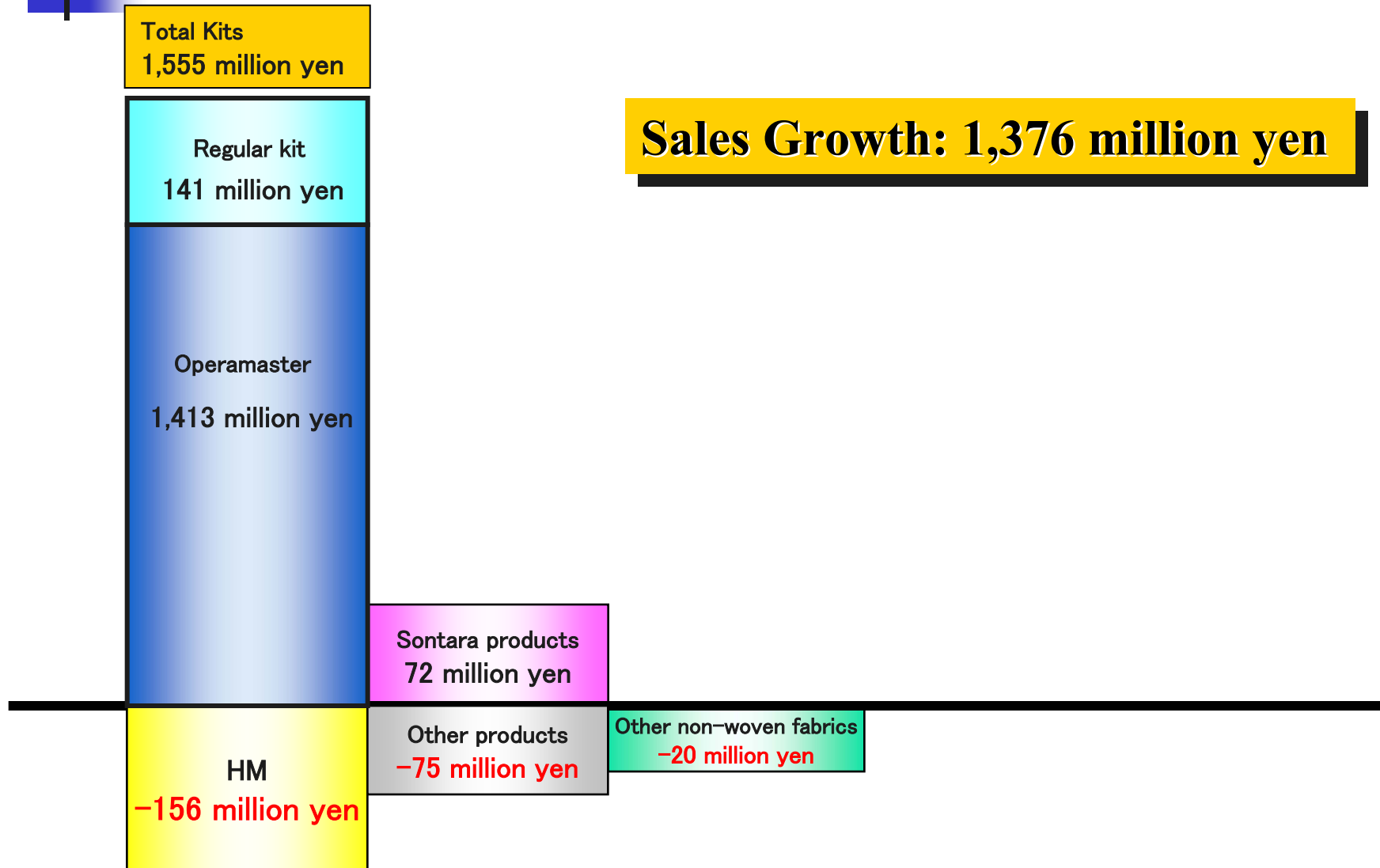
Fiscal 2007 Summary of Cash Flows (Interim Periods)

| | Fiscal 2006 Interim | Fiscal 2007 Interim | Increase/ Decrease (Millions of yen) | Main reasons for changes |
|--|---------------------------|---------------------------|---|---|
| III Net cash used in financing activities | -576 | -1,101 | -524 | |
| Repayments of long-term debt | — | -500 | -500 | ■Repayment of borrowings |
| Sales of treasury stock | 111 | — | -111 | ■Fiscal 2006: Stock options exercised |
| Purchase of treasury stock | -2 | -1 | 1 | |
| Cash dividends paid | -685 | -600 | 85 | ■Fiscal 2006(1st Q): Dividends paid (¥24.00/share for 2nd half of previous term) ■Fiscal 2007(1st Q): Dividends paid (¥20.00/share for 4th Q of previous term) |
| IV Effect of exchange rate changes on cash and cash equivalents | -10 | 29 | 40 | |
| V Net change in cash and cash equivalents | -514 | 1,320 | 1,835 | |
| VI Cash and cash equivalents at beginning of year | 6,055 | 7,825 | 1,770 | |
| VII Cash and cash equivalents at end of year | 5,540 | 9,146 | 3,605 | |

Fiscal 2007 Projected Statement of Income

| (Unit: million yen, rounded down) | Fiscal 2006 Results | | Fiscal 2007 Plan | | Year-on-Year Comparison | |
|--------------------------------------|---------------------|------------|------------------|------------|----------------------------|--------|
| | Amount | % of Total | Amount | % of Total | Amount | % |
| Net sales | 27,293 | | 28,670 | | 1,376 | 105.0% |
| Cost of sales | 13,490 | 49.4% | 13,670 | 47.7% | 179 | 101.3% |
| Gross profit | 13,803 | 50.6% | 15,000 | 52.3% | 1,196 | 108.7% |
| SG & A expenses | 7,745 | 28.4% | 8,000 | 27.9% | 254 | 103.3% |
| Operating income | 6,058 | 22.2% | 7,000 | 24.4% | 941 | 115.5% |
| Non-operating income /loss | 81 | | -10 | | -91 | |
| Ordinary income | 6,139 | 22.5% | 6,990 | 24.4% | 850 | 113.8% |
| Extraordinary income/loss | -37 | | -50 | | -12 | |
| Net income | 3,621 | 13.3% | 4,140 | 14.4% | 518 | 114.3% |
| EPS | 234.69 yen | | 276.12 yen | | | |

Fiscal 2007 Projected Sales Growth by Major Products



Net Sales Plan for Operamaster

