

## Financial Results (Non-Consolidated) for Six months ended September 30, 2006

Date of Board Meeting for Six months ended September 30, 2006: October 31, 2006

Payment date of Interim cash dividends: December 7, 2006

The Company has a policy of paying interim dividends.

Trading unit of the Company consists of 100 shares on the Tokyo Stock Exchange.

### 1. Results of Six months ended September 30, 2006 (From April 1, 2006 to September 30, 2006)

#### (1) OPERATING RESULTS

Amount Unit: Millions of yen unless otherwise specified

	Net Sales		Operating Income		Ordinary Income	
		%		%		%
Six months ended Sept. 30, 2006	377,396	6.5	39,810	94.7	55,143	66.6
Six months ended Sept. 30, 2005	354,508	(10.4)	20,447	(20.5)	33,090	(12.6)
Year ended March 31, 2006	748,255		62,103		84,126	

  

	Net Income		Net Income Per Share of Common Stock	
		%	Yen	
Six months ended Sept. 30, 2006	29,579	31.3	57.97	
Six months ended Sept. 30, 2005	22,521	(6.9)	44.21	
Year ended March 31, 2006	43,367		84.90	

Note 1. Average number of shares:

Six months ended Sept. 30, 2006: 510,249,045 Six months ended Sept. 30, 2005: 509,369,597 Year ended March 31, 2006: 509,592,248

2. Change in Accounting Policies: Applicable

3. Percent: Change against corresponding period of the previous year on Net Sales, Operating Income, Ordinary Income, Net Income.

#### (2) FINANCIAL POSITION

	Total Assets	Net Asset	Net Asset Ratio to Total Assets	Net Asset Per Share of Common Stock
			%	Yen
As of Sept. 30, 2006	2,033,822	1,618,847	79.6	3,173.52
As of Sept. 30, 2005	1,795,505	1,567,029	87.3	3,076.44
As of March 31, 2006	1,868,397	1,605,810	85.9	3,146.80

Note 1. Number of shares outstanding:

As of Sept. 30, 2006: 510,110,510 As of Sept. 30, 2005: 509,364,368 As of March 31, 2006: 510,265,996

2. Number of treasury stocks:

As of Sept. 30, 2006: 4,515,218 As of Sept. 30, 2005: 5,261,360 As of March 31, 2006: 4,359,732

3. Net asset, Net asset ratio to total assets, and Net asset per share of common stock for the interim fiscal period ended September 30, 2005 and the fiscal year ended March 31, 2006 were presented, respectively, as shareholders' equity, shareholders' equity ratio to total assets, and shareholders' equity per share of common stock.

### 2. Forecast for the Fiscal Year ending March 31, 2007 (From April 1, 2006 to March 31, 2007)

The Company does not disclose forecasts on a non-consolidated basis.

### 3. CASH DIVIDENDS

	Cash Dividends per Share of Common Stock (Yen)		
	Interim	Year end	Total
Year ended March 31, 2006	12.50	12.50	25.00
Year ending March 31, 2007 (Actual)	12.50	-	25.00
Year ending March 31, 2007 (Forecast)	-	12.50	

**BALANCE SHEETS (Non-Consolidated)**

Amount Unit: Millions of yen

	As of September 30, 2006		As of March 31, 2006		Change	As of September 30, 2005	
<b>ASSETS</b>	%		%			%	
Current assets:							
Cash on hand and in banks		161,195		60,330	100,864		94,956
Trade notes receivable		1,841		1,872	(30)		2,057
Trade accounts receivable		129,052		152,077	(23,025)		134,893
Marketable securities		71,726		69,828	1,897		50,938
Short-term loans receivable		64,734		62,811	1,922		107,454
Other accounts receivable		19,317		26,978	(7,661)		13,769
	22.0	447,866	20.0	373,899	73,967	22.5	404,070
Finished goods		35,316		33,962	1,353		33,242
Semi-finished goods		18,989		21,203	(2,213)		20,464
Raw materials		13,662		13,752	(90)		11,811
Work in process		9,694		9,798	(104)		7,133
Supplies		11,781		10,552	1,229		7,831
	4.4	89,443	4.8	89,269	174	4.5	80,484
Advances paid		1,951		2,191	(240)		2,427
Prepaid expenses		475		371	104		475
Deferred income taxes		13,734		18,365	(4,631)		14,646
Other current assets		381		329	51		345
Allowance for doubtful receivables		(220)		(240)	20		(470)
Total current assets	27.2	553,634	25.9	484,187	69,446	28.0	501,979
Fixed assets:							
Property, plant and equipment							
Buildings		114,808		111,090	3,717		97,643
Structures		10,207		9,543	664		8,510
Machinery and equipment		155,744		154,784	960		138,032
Automotive equipment		313		296	17		318
Tools, furniture and fixtures		21,763		23,725	(1,962)		22,912
Land		27,706		27,177	528		25,852
Construction in progress		23,835		22,555	1,280		34,083
Subtotal	17.4	354,379	18.7	349,172	5,206	18.2	327,352
Intangible assets							
Patent		6,725		4,541	2,183		5,061
Leasehold		1,620		1,620	-		1,620
Trademark		4		5	0		5
Software		30,468		32,985	(2,516)		32,772
Goodwill		1,141		1,304	(163)		-
Other		98		125	(26)		116
Subtotal	2.0	40,058	2.2	40,581	(522)	2.2	39,577
Investments and other assets							
Investment securities		292,848		263,287	29,560		244,428
Stock of affiliated company		674,327		620,103	54,224		574,919
Bond of affiliated company		1,052		1,052	-		-
Contributions to affiliated company		38,306		69,854	(31,547)		67,141
Long-term loans receivable		66,605		29,331	37,274		30,952
Long-term advances to employees		38		32	5		33
Long-term prepaid expenses		5,061		5,443	(381)		5,457
Long-term prepaid pension costs		4,685		2,753	1,932		1,101
Long-term guarantees		1,285		1,303	(18)		1,228
Other investments		2,009		1,674	334		1,512
Allowance for doubtful receivables		(470)		(380)	(90)		(180)
Subtotal	53.4	1,085,749	53.2	994,455	91,294	51.6	926,595
Total fixed assets	72.8	1,480,188	74.1	1,384,209	95,978	72.0	1,293,525
Total assets	100.0	2,033,822	100.0	1,868,397	165,424	100.0	1,795,505

	As of September 30, 2006		As of March 31, 2006		Change	As of September 30, 2005	
<b>LIABILITIES</b>	%		%			%	
Current liabilities:							
Trade notes payable	2,365		4,805		(2,439)		5,819
Trade accounts payable	65,388		71,157		(5,769)		57,909
Short-term debt	12,690		23,435		(10,744)		12,670
Advances received	580		697		(117)		253
Provision for product warranties	1,786		2,024		(237)		2,002
Other accounts payable	25,584		33,333		(7,748)		39,285
Accrued expenses	48,017		62,479		(14,462)		49,560
Accrued income taxes	3,815		5,984		(2,169)		5,206
Notes payable for construction	10,228		7,692		2,536		12,102
Other current liabilities	1,975		1,823		152		1,799
Total current liabilities	8.5	172,431	11.4	213,432	(41,000)	10.4	186,610
Long-term liabilities:							
Convertible bond type-bonds with stock acquisition rights	200,737		-		200,737		-
Accrued pension and severance costs	3,290		3,444		(153)		3,534
Directors' retirement benefit	291		412		(121)		350
Deferred income taxes	32,152		38,690		(6,537)		29,830
Customers' guarantee deposits	4,886		4,853		33		8,150
Other long-term liabilities	1,184		1,753		(569)		-
Total long-term liabilities	11.9	242,542	2.7	49,154	193,388	2.3	41,865
Total liabilities	20.4	414,974	14.1	262,586	152,387	12.7	228,476

Amount unit: Millions of yen

	As of September 30, 2006		As of March 31, 2005		Change	As of September 30, 2005	
<b>SHAREHOLDERS' EQUITY</b>	%		%			%	
Common stock	-	-	2.2	40,363	-	2.2	40,363
Capital surplus	-	-	3.4	63,636	-	3.3	59,036
Additional paid-in capital							
Retained earnings	-	-	0.5	10,090	-	0.6	10,090
Reserve for dividends		-		280	-		280
Reserve for retirement allowance		-		280	-		280
Reserve for R&D		-		285	-		285
Reserve for accelerated depreciation		-		3,411	-		3,411
Reserve for deferred capital gain for reinvestment in property		-		3,601	-		3,601
General reserve		-		1,398,305	-		1,398,305
Total voluntary reserve	-	-	75.3	1,406,162	-	78.3	1,406,162
Unappropriated retained earnings	-	-	2.8	52,521	-	2.1	38,041
Total retained earnings	-	-	78.6	1,468,774	-	81.0	1,454,295
Unrealized gains on securities	-	-	2.7	49,817	-	1.9	33,584
Treasury stocks		-		(16,780)	-		(20,251)
Total shareholders' equity	-	-	85.9	1,605,810	-	87.3	1,567,029
Total liabilities and shareholders' equity	-	-	100.0	1,868,397	-	100.0	1,795,505
<b>NET ASSETS</b>							
Shareholders' equity							
Common stock	2.0	40,363	-	-	-	-	-
Capital surplus							
Additional paid in capital		63,636		-	-	-	-
Other capital surplus		0		-	-	-	-
Total capital surplus	3.1	63,636	-	-	-	-	-
Retained earnings							
Legal reserve		10,090		-	-	-	-
Other retained earnings							
Reserve for dividends		280		-	-	-	-
Reserve for retirement allowance		280		-	-	-	-
Reserve for R&D		285		-	-	-	-
Reserve for accelerated depreciation		3,613		-	-	-	-
Reserve for deferred capital gain for reinvestment in property		3,436		-	-	-	-
Other reserve		1,428,305		-	-	-	-
Retained earnings brought forward		45,581		-	-	-	-
Total retained earnings	73.4	1,491,872	-	-	-	-	-
Treasury stock	(0.9)	(17,381)	-	-	-	-	-
Total shareholders' equity	77.6	1,578,490	-	-	-	-	-
Valuation and translation adjustments							
Valuation difference on available-for-sale securities	2.0	40,357	-	-	-	-	-
Total net assets	79.6	1,618,847	-	-	-	-	-
Total liabilities and net assets	100.0	2,033,822	-	-	-	-	-

## STATEMENTS OF INCOME (Non-Consolidated)

Amount unit: Millions of yen

	Six months ended September 30, 2006 From April 1, 2006 To Sept. 30, 2006		Six months ended September 30, 2005 From April 1, 2005 To Sept. 30, 2005		Change		Year ended March 31, 2006 From April 1, 2005 To March 31, 2006	
					Amount	%		
	%		%			%	%	
Net sales	100.0	377,396	100.0	354,508	22,887	6.5	100.0	748,255
Cost of sales	64.0	241,674	67.3	238,605	3,068	1.3	65.7	491,402
Gross profit	36.0	135,722	32.7	115,903	19,818	17.1	34.3	256,853
Selling, general and administrative expenses	14.3	53,785	15.2	53,930	(144)	(0.3)	14.7	110,246
Research and development expenses	11.2	42,125	11.7	41,524	600	1.4	11.3	84,502
Total selling, general and administrative expenses	25.5	95,911	26.9	95,455	456	0.5	26.0	194,749
Operating income	10.5	39,810	5.8	20,447	19,362	94.7	8.3	62,103
Other income								
Interest income		2,179		1,913	265	13.9		3,664
Dividend income		12,704		11,609	1,094	9.4		19,515
Miscellaneous income		3,239		1,198	2,041	170.4		3,698
Total other income	4.8	18,122	4.1	14,721	3,401	23.1	3.6	26,878
Other expenses								
Interest expenses		1,109		91	1,017	1,112.9		199
Bank charges for export drafts discounted		251		192	58	30.5		446
Miscellaneous expenses		1,428		1,794	(366)	(20.4)		4,209
Total other expenses	0.7	2,789	0.6	2,078	710	34.2	0.7	4,855
Ordinary income	14.6	55,143	9.3	33,090	22,053	66.6	11.2	84,126
Extraordinary losses								
Losses on disposal of fixed assets		2,381		1,824	556	30.5		4,541
Restructuring charges		12,824		-	12,824	-		16,487
Total extraordinary losses	4.0	15,205	0.5	1,824	13,380	733.3	2.8	21,028
Net income before income taxes	10.6	39,937	8.8	31,265	8,672	27.7	8.4	63,098
Current income taxes	1.5	5,800	1.9	6,700	(900)	(13.4)	1.8	13,400
Deferred income taxes		4,558		2,044	2,514	123.0		6,331
Net income	7.8	29,579	6.4	22,521	7,057	31.3	5.8	43,367
Retained earnings brought forward		-		15,521	-	-		15,521
Interim dividends paid		-		-	-	-		6,367
Losses from treasury stock transactions		-		0	-	-		0
Unappropriated retained earnings		-		38,041	-	-		52,521

## NON-CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Amount unit: Millions of yen

	Shareholders' equity								Valuation and Translation adjustments	Total net assets
	Common stock	Capital surplus		Legal reserve	Retained earnings		Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	
		Additional paid-in capital	Other capital surplus		Voluntary reserve	Retained earnings brought forward				
Balance of March 31, 2006	40,363	63,636	-	10,090	1,406,162	52,521	(16,780)	1,555,993	49,817	1,605,810
Changes in the term										
Issuance of new shares									-	-
Dividends from surplus						(6,378)		(6,378)		(6,378)
Directors' bonus						(103)		(103)		(103)
Transfer to voluntary reserve					31,852	(31,852)			-	-
Reversal of voluntary reserve					(1,815)	1,815			-	-
Net income						29,579		29,579		29,579
Purchase of treasury stock							(602)	(602)		(602)
Disposal of treasury stock			0				2	2		2
Net change of unrealized gains on securities									(9,459)	(9,459)
Total changes in the term			0		30,037	(6,939)	(600)	22,496	(9,459)	13,037
Balance of September 30, 2006	40,363	63,636	0	10,090	1,436,200	45,581	(17,381)	1,578,490	40,357	1,618,847

Notes: 1. Breakdown of other retained earnings

Amount unit: Millions of yen

	Other retained earnings								
	Voluntary reserve							Retained earnings brought forward	Total other retained earnings
	Reserve for dividends	Reserve for retirement allowance	Reserve for R&D	Reserve for accelerated depreciation	Reserve for deferred capital gain for reinvestment in property	Other reserve	Total voluntary reserve		
Balance of March 31, 2006	280	280	285	3,411	3,601	1,398,305	1,406,162	52,521	1,458,683
Changes in the term									
Dividends from surplus								-	(6,378)
Directors' bonus								-	(103)
Transfer to voluntary reserve				1,852		30,000	31,852	(31,852)	-
Reversal of voluntary reserve				(1,650)	(164)		(1,815)	1,815	-
Net income								29,579	29,579
Total changes in the term				201	(164)	30,000	30,037	(6,939)	23,098
Balance of September 30, 2006	280	280	285	3,613	3,436	1,428,305	1,436,200	45,581	1,481,781

2. The number of total outstanding stocks as of September 30, 2006 was 514,625,728 shares.

3. The number of treasury stocks as of September 30, 2006 was 4,515,218 shares.

4. Dividend

	Total amount of dividends	Dividend per share	Record date	Effective date
The ordinary general meeting of shareholders held on June 29, 2006	¥6,378 million	¥12.5	March 31, 2006	June 30, 2006
Board of directors held on October 31, 2006	¥6,376 million	¥12.5	September 30, 2006	December 7, 2006

## DETAILS OF NET SALES (Non-Consolidated)

### (1) Net sales by product

Amount Unit: Millions of yen

	Six months ended September 30, 2006 From April 1, 2006 To Sept. 30, 2006		Six months ended September 30, 2005 From April 1, 2005 To Sept. 30, 2005		Change	
					Amount	%
Net sales:						
Imaging Solutions	38.7%	146,220	42.9%	152,189	(5,968)	(3.9)
Information Solutions	61.3%	231,175	57.1%	202,319	28,856	14.3
Total	100.0%	377,396	100.0%	354,508	22,887	6.5

Note: The major products and services of each operating segment are as follows:

Imaging Solutions      Color films, digital cameras, photofinishing equipment  
and color paper, chemicals and services for photofinishing

Information Solutions    Equipment and materials for medical diagnostics and life science, equipment and materials for graphic arts,  
flat panel display materials, recording media, and inkjet materials

### (2) Domestic and Export sales

Amount Unit: Millions of yen

	Six months ended September 30, 2006 From April 1, 2006 To Sept. 30, 2006		Six months ended September 30, 2005 From April 1, 2005 To Sept. 30, 2005		Change	
					Amount	%
Net sales:						
Domestic	44.4%	167,631	49.7%	176,218	(8,586)	(4.9)
Export	55.6%	209,765	50.3%	178,290	31,474	17.7
Total	100.0%	377,396	100.0%	354,508	22,887	6.5

## NOTES

### NOTES TO THE BALANCE SHEETS

Amount unit: Millions of yen

	As of September 30,2006	As of March 31, 2006	Change	As of September 30,2005
Accumulated depreciation of tangible fixed assets	745,520	744,469	1,050	740,540
Contingent liabilities for guarantees	15,195	16,439	(1,243)	29,854
Amount of export drafts discounted	7,445	5,247	2,198	6,872
Number of treasury stocks	4,515,218 shares	4,359,732 shares	155,486 shares	5,261,360 shares

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (1) Securities

Investments in subsidiaries and affiliated companies are stated at cost determined by the moving average method.

Other securities that have fair values are stated at fair value, with unrealized gains and losses excluded from earnings

and included in a separate component of shareholder's equity on a net-of-tax basis. Realized gains and losses on sales of securities are based on the moving average cost of the securities sold.

Other securities that do not have fair values are stated at cost determined by the moving average method.

#### (2) Inventories

Finished goods, semi-finished goods, work in process, supplemental materials and supplies are stated at the lower of moving average cost or market. Silver nitrate included in semi-finished goods and work in process, and principal raw-materials are stated at the lower of cost or market determined by the last-in, first-out method.

#### (3) Depreciation and amortization

Depreciation of property, plant and equipment is computed by the declining-balance method except that depreciation of buildings acquired on and after April 1, 1998 is computed by the straight-line method.

Intangible assets are amortized by the straight-line method.

#### (4) Reserves

##### **Allowance for doubtful receivables**

The allowance for doubtful receivables is provided at the amount of estimated uncollectible accounts, based on individual collectibility with respect to identified doubtful receivables and past experience of doubtful receivables.

##### **Provision for product warranty**

Provision for product warranty costs is provided for warranty expenditure based on historical actual amounts.

##### **Accrued pension and severance cost**

Pension and severance costs for employees are accrued based on an estimate of the pension obligation and the plan assets at the end of the year.

The allowance for officer's retirement benefits is provided on the basis of the Company's internal regulations for officer's retirement benefits at the amount which would be required to be paid if all officers retired at the balance sheet date.

##### **Director's retirement benefits**

The allowance for director's retirement benefits is provided on the basis of the Company's internal regulations for directors' retirement benefits at the amount that would be required to be paid if all directors retired at the balance sheet date.

#### (5) Accounting for consumption tax

Transactions subject to consumption tax are recorded at amounts exclusive of consumption tax.

### CHANGE IN ACCOUNTING POLICIES

#### **Accounting for Directors' Bonus**

Directors' bonuses are accounted for as an expense of the accounting period in which such bonuses are accrued. "Accounting Standard for Directors' Bonus" (The Accounting Standard Board of Japan, ASBJ Statement No.4, November 29, 2005) has been applied for the interim period ended September 30, 2006.

The impact of this application on operating income, ordinary income, and net income before income taxes for this interim period is immaterial.

#### **Accounting Standard for Presentation of Net Assets in the Balance Sheet**

"Accounting Standard for Presentation of Net Assets in the Balance Sheet" (The Accounting Standard Board of Japan, ASBJ Statement No.5, December 9, 2005) and "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet"(The Accounting Standard Board of Japan, ASBJ Guidance No.8, December 9, 2005) have been applied for the interim period ended September 30, 2006.

The corresponding amount to the Net Assets before the application of these standards for this interim period is ¥1,618,847 million.