

Selected Financial Data

SANKO GOSEI LTD.

Consolidated

Years ended May 31	Millions of yen				
	2008	2007	2006	2005	2004
Net sales.....	¥ 52,836	¥ 48,657	¥ 49,138	¥ 49,148	¥ 44,418
Operating income (loss).....	731	432	(153)	291	1,480
Net income (loss).....	146	828	(1,186)	229	582
Net assets.....	8,080	8,547	7,056	7,306	7,189
Total assets.....	33,344	31,842	30,462	30,589	28,920

Amounts per share of common stock:	Yen				
	2008	2007	2006	2005	2004
Net income (loss).....	¥ 6.96	¥ 39.50	¥ (56.56)	¥ 29.85	¥ 78.62

Note: The computation of net income per share is based on the weighted-average number of shares of common stock outstanding during the year.

Non-Consolidated

Years ended May 31	Millions of yen				
	2008	2007	2006	2005	2004
Net sales.....	¥ 25,605	¥ 26,630	¥ 26,622	¥ 31,562	¥ 27,386
Operating income (loss).....	(76)	401	(683)	151	612
Net income (loss).....	(331)	304	(1,097)	416	222
Net assets.....	7,129	7,507	7,203	8,377	8,041
Total assets.....	22,558	23,185	24,720	25,821	25,824

Amounts per share of common stock:	Yen				
	2008	2007	2006	2005	2004
Net income (loss).....	¥ (15.78)	¥ 14.51	¥ (52.34)	¥ 56.55	¥ 27.38
Cash dividends applicable to the year.....	2.00	-	4.50	5.00	5.00

Note: The computation of net income per share is based on the weighted-average number of shares of common stock outstanding during the year.

A Message from the Management

We are very delighted to find each shareholder of our company in good health and prosperity. On the occasion of issuing our Annual Report 2008, we would like to express our sincere appreciation for your special patronage to our company.

Consolidated Results of Operations

In this financial year ended May 31, 2008, Japanese economy seemed to keep recovery basis supported by the increase of capital expenditure based on the recovery of companies' performance and the improvement of labor circumstance. However, due to world-wide financial confusion caused by subprime lending problem, domestic stock market situation and unstable fluctuation of foreign exchange market, it is now facing the unpredictable situation.

In the plastic molding industries, although the production of manufacturers relating automotive, office automation equipments and digital consumer electronics continued to increase, we suffered the severe business circumstance due to the price increase of raw materials, especially oil and etc.

Under these circumstances, Sanko Gosei Group has made an effort toward the reduction of the production costs, strengthened quality assurance and kept aggressive sales activities considering customer satisfaction.

In Japan, sales amount of consumable parts for office automation equipments and functional parts for automotive has kept stable. However, sales amount of mould tools has decreased in accordance with the number of projects.

In the Asian countries, such as Thailand, Singapore and Indonesia, sales amount of automotive parts has kept stable. In SANKO GOSEI (THAILAND) LTD., subsidiary company in Thailand, new factory is now under construction and planning to start its operation by the end of this year.

In the European area, as the sales amount of the parts for flat TV screen has increased and the production costs has decreased, profitability has largely improved.

In the North America, as the improvement of cost reduction has proceeded gradually, operating loss has decreased.

As a result of the above, consolidated sales of this financial year was ¥52,836 million, which was 8.6% increase from previous financial year. As the performance in the Asian and European area has been getting better, operating income was ¥731 million, which was 69.1% increase from previous financial year. Due to the increase of taxation, net income was ¥146 million, which was 82.4% decrease from previous financial year.

Performance results of our two main product groups are as follows:

Plastic Products

In the plastic products for automotive, as the sales quantity of functional parts in Japan and exterior and interior parts in the Asian area have increased, sales amount has increased.

In the plastic products for information and communication equipment, although the sales quantity of consumable parts for office automation equipment has increased, sales amount has decreased due to withdrawal from mobile phone business.

In the plastic products for consumer electronics and others, as the sales quantity of parts for flat TV screen has increased, sales amount has increased.

As a result of the above, the sales amount of plastic products was ¥48,005 million, which was 11.9% increase from previous financial year, and, operating income was ¥923 million, which was 192.5% increase from previous financial year.

Mold tools

In the overseas, sales amount of mold tools for flat TV screen business has increased.

However, in Japan and the Asian area, as the number of projects relating automotive business has dramatically decreased, the sales amount of mold tools was ¥4,830 million, which was 16.0% decrease from previous financial year, and, operating income was ¥127 million, which was 71.4% decrease from previous financial year.

Non-consolidated results of operations

On a non-consolidated basis, total sales of this financial year ended May 31, 2008, was ¥25,605 million, which was 3.8% decrease from previous financial year. Operating loss was ¥76 million (¥401 million profit in previous financial year), and net loss was ¥330 million (¥304 million profit in previous financial year).

Outlook

Concerning about the forecast about next financial year, business condition will be difficult to predict due to recession in United States and price increase, such as oil price.

Under these circumstances, Sanko Gosei Group will try to get business of added-value plastic products and mold tools, proceed with rationalization and efficiency in production, and strengthen our company structure.

In the plastic products business, sales amount of the parts for automotive will increase in the Asian area. Although sales amount of parts for information and communication equipment will stay same level as this financial year, sales amount of parts for consumer electronics and others will decrease due to decline of demand.

In the mold tools business, sales amount of the mold tools for automotive will increase in the Asian area.

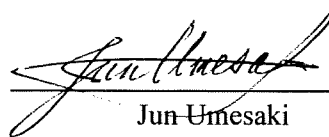
In Japan, as business condition will decline, sales amount of mould tools and the plastic products for automotive will decrease and business situation will be difficult.

In the Asian area, sales amount will keep growing, in the European area, sales amount of parts for automotive will stay same level as this financial year, and, in the North America, sales amount will stay same level as this financial year, but, we expect operating profit by further cost reduction.

Based on the above, in the next financial year ended May 31, 2009, we expect consolidated sales to be ¥52,000 million and net income ¥150 million.

We would like to request your continued support and guidance for our Sanko Gosei Group.

August, 2008



Jun Umesaki

President and

Representative Director