

Selected Financial Data

SANKO GOSEI LTD.

Consolidated

Years ended May 31	Millions of yen				
	2009	2008	2007	2006	2005
Net sales.....	¥ 41,090	¥ 52,836	¥ 48,657	¥ 49,138	¥ 49,148
Operating income (loss).....	(854)	731	432	(153)	291
Net income (loss).....	(2,489)	146	828	(1,186)	229
Net assets.....	4,679	8,080	8,547	7,056	7,306
Total assets.....	24,908	33,344	31,842	30,462	30,589

Amounts per share of common stock:	Yen				
	2009	2008	2007	2006	2005
Net income (loss).....	¥ (118.86)	¥ 6.96	¥ 39.50	¥ (56.56)	¥ 29.85

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				
	2009	2008	2007	2006	2005
Net sales.....	¥ 21,206	¥ 25,605	¥ 26,630	¥ 26,622	¥ 31,562
Operating income (loss).....	(322)	(76)	401	(683)	151
Net income (loss).....	(1,578)	(331)	304	(1,097)	416
Net assets.....	5,507	7,129	7,507	7,203	8,377
Total assets.....	19,340	22,558	23,185	24,720	25,821

Amounts per share of common stock:	Yen				
	2009	2008	2007	2006	2005
Net income (loss).....	¥ (75.37)	¥ (15.78)	¥ 14.51	¥ (52.34)	¥ 56.55
Cash dividends applicable to the year.....	-	2.00	-	4.50	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 2009, 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, 2009, Japanese economy was affected by the global financial crisis that assumed the issue of subprime loan the beginning, and economy retrogressed rapidly. The corporate earnings and the consumer spending largely turned worse by the fall of the stock prices and an unstable trend of the foreign exchange.

In each industry where our group was related to, demand suddenly dropped in the whole global market. It was the business environment that it took influence by the shutdown of the factory and a large underproduction, the slowdown of the plant and equipment investment with this directly, and was very severe.

Under these circumstances, Sanko Gosei Group has reinforced a setup and the guarantee of quality of system of the new item of the automotive parts in Japan and Asia and we promoted suggestion type business and did a positive business activity.

However, for the latter half period when it underwent was sudden, decreasing production, the freeze of reduction and the plant and equipment investment of the labor cost such as executive remuneration or the employee salary, the review of the production foothold carried out the reduction of every expense thoroughly.

The decrease of large order decrease and the new development item of the die of expendable supplies skillful with a automotive function parts and consumption parts of office automation were, in the domestic, influenced it, and it was it with a decrease.

The reduction of a rapid market of the world economy was affected overseas, and the order of a parts for automotive uses parts and thin-screen TVs suddenly cooled down.

As a result of the above efforts, consolidated net sales for the year ended, May 31, 2009 amounted to ¥41,090 million, which is 22.2% less than previous fiscal year ends. Consolidated operating loss has amounted to ¥854 million (2008: consolidated operating income ¥731 million), and finally net loss amounted ¥2,489million (2008: net income ¥146 million) because of reexamination of deferred tax assets.

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

Plastic Products

In the plastic products for automotive, about the field of automotive, we took influence of was global, decreasing production greatly.

An underproduction in domestic and Asia was big and influenced it with Europe and Asia, the function part with the exterior and interior part, and it was in particular it with a decrease.

The order decrease of the consumable parts of office automation became more remarkable than the period latter half, and in addition, there was the order slump in Asia with the printer parts, too. About the field of information and communication machinery, it was it with a decrease.

As a result of the above, the sales amount of plastic products was ¥36,491 million, which was 24.0% decrease from previous financial year, and, operating loss was ¥567 million from previous financial year.

Mold tools

There was the increase of the receipt by a model change for automotive in Europe, but the decrease of the development item of the automotive relations in the global scale influenced it.

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 ¥4,599 million, which was 4.8% decrease from previous financial year, and, operating income was ¥31 million, which was 75.4% decrease from previous financial year.

Non-consolidated results of operations

On a non-consolidated basis, total sales of this financial year ended May 31, 2009, was ¥21,206 million, which was 17.2% decrease from previous financial year. Operating loss was ¥322 million (¥76 million loss in previous financial year), and net loss was ¥1,578 million (¥331 million loss in previous financial year).

Outlook

A automotive, information and communication equipment which the global economy slump continues for the time being, and is a main customer. It seems that it follows it, and severe situation continues while the destocking of each industry of the digital appliance is prolonged, and the rise of the crude oil price expected in the situation that large increase cannot expect of sales figures.

Under these circumstances, Sanko Gosei Group wrestle with a bottom of such situation, development and the technology development of a new market and perform a more value-added high product and the order getting of the die and it follows it and can go ahead through " choice and the concentration" of each business.

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 ¥34,000 million and net income ¥150 million.

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

September, 2009



Kenso Kuroda

*President and
Representative Director*