

Consolidated Interim Financial Statements—Summary For the Six Months Ended September 30,2007

November 9,2007

(All financial information has been prepared in accordance with generally accepted accounting principles in Japan)

KUBOTEK CORPORATION

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Date of submission of semiannual security report (scheduled) : December 20,2007

(Million yen: amounts less than one million yen are omitted)

1. Consolidated Financial Results for the Interim FY2007 (April 1,2007 through September 30,2007)

(1) Consolidated Operating Results

(Percentage figures indicate year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Net Income	
Interim FY2007	2,704	18.1%	260	—%	253	—%	249	—%
Interim FY2006	2,289	(11.7)%	(203)	—%	(209)	—%	(335)	—%
FY2006	4,744	—%	(416)	—%	(433)	—%	(936)	—%

	Net Income per Share (Yen)	Diluted Net Income per Share
Interim FY2007	1,809.02	—
Interim FY2006	(2,435.11)	—
FY2006	(6,800.81)	—

(Reference) Equity in earnings of affiliated InterimFY2007: ¥ — million Interim FY2006: ¥ — million FY2006: ¥ — million

(2) Consolidated Financial Positions

(Percentage figures indicate year-on-year change)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
Interim FY2007	6,213	1,896	30.5%	13,772.25yen
Interim FY2006	7,638	2,235	29.3%	16,235.75yen
FY2006	6,935	1,637	23.6%	11,892.71yen

(Reference) Net Assets InterimFY2007: ¥ 1,896 million Interim FY2006: ¥ 2,235 million FY2006: ¥ 1,637 million

(3) Consolidated Cash Flows

	From Operating Activities	From Investing Activities	From Financing Activities	Cash and Cash Equivalents at the end of period
Interim FY2007	417	(108)	(293)	1,148
Interim FY2006	15	(210)	(385)	1,651
FY2006	234	(497)	(838)	1,130

2. Cash Dividends

(Record date)	Dividends per Share		
	Interim Dividends	Year-End Dividends	Annual
FY2006	—	—	0.00yen
FY2007	—	—	0.00
FY2007(Est.)	—	—	0.00

3. Consolidated Financial Forecasts for the Fiscal Year ending March 31,2008

(Percentage figures indicate year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per share (Yen)	
FY 2007	4,600	(3.0)%	115	—%	100	—%	95	—%	690.01	

4. Other information

(1) Changes in important subsidiaries during the period (changes of particular fully owned subsidiaries associated with changes in the scope of consolidation) : None

(2) Changes in accounting principles and procedures and in presentation, etc. used in the preparation of consolidated interim financial statements (matters stated in important notes concerning the basis of preparation of consolidated interim financial statements).

① Changes due to revision of accounting standards, etc.: Yes

② Changes other than stated in item ① :No

(3) Number of shares issued (share of common stock)

①Number of shares issued at the end of the period (including treasury stock)

As of September 30,2007:138,300 shares; As of September 30,2006: 138,300shares

As of March 31,2006: 138,300shares

②Number of treasury stock at the end of the period

As of September30, 2007: 620 shares; As of September 30,2006: 620shares;

As of March 31,2006: 620shares

(Reference)

1. Non-consolidated Financial Results for the Interim FY2007(April 1,2007 through September 30,2007)

(1)Non-consolidated Operating Results

(Million yen: amounts less than one million yen are omitted)

	Net Sales		Operating Income		Ordinary Income		Net Income	
Interim FY2007	2,554	19.4%	320	—%	314	—%	309	—%
Interim FY2006	2,139	(14.2)%	(121)	—%	(117)	—%	(245)	—%
FY2006	4,450	—%	(228)	—%	(223)	—%	(972)	—%

	Net Income per Share
Interim FY2007	2,250.46 yen
Interim FY2006	(1,780.17) yen
FY2006	(7,061.51) yen

(2)Non-consolidated Financial Positions

(Million yen: amounts less than one million yen are omitted)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
Interim FY2007	6,085	2,044	33.6%	14,849.05yen
Interim FY2006	7,643	2,461	32.2%	17,879.94yen
FY2006	6,811	1,734	25.5%	12,598.60yen

(Reference) Net Assets

InterimFY2007: ¥ 2,044 million

Interim FY2006: ¥ 2,461 million

FY2006: ¥ 1,734 million

2. Non-consolidated Financial Forecasts for the Fiscal Year ending March 31,2008

(Million yen: amounts less than one million yen are omitted)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
FY 2007	4,300 (3.4)%	200 —	180 —	170 —	1234.75yen

Disclaimer Regarding Forecast Statements

Statements made in this release with respect to Kubotek's forecast for FY2007, are based on assumptions and beliefs in light of the information currently available to us, and therefore investors should not place undue reliance on them as they make a judgment about their investment. Kubotek cautions investors that a number of important factors could cause actual results to differ materially from those discussed in the forecast statements. Our major product of display inspection systems, such as for liquid crystal display are for highly competitive markets characterized by keen demand for production efficiency, quick adaptation of emerging new materials and rapid development of production technology. And this industry is strongly affected by factors such as demand fluctuation, the general trend of capital market, pricing pressures, and general economic conditions in east Asia market. Moreover, exchange rates between yen and other currencies in which Kubotek possibly makes significant sales or in which Kubotek's assets and liabilities are denominated, may change to influence the business performances, though Kubotek's business is yen-based so far.

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousand yen: amounts less than one thousand yen are omitted)

	Interim FY2006 (As of Sept. 30, 2006)			Interim FY2007 (As of Sept. 30, 2007)			FY2006 (As of Mar. 31, 2007)		
			%			%			%
<<Assets>									
<Assets>									
I. Current assets									
Cash and deposits		1,715,256			1,210,562			1,193,079	
Notes and accounts receivable-trade		1,787,755			1,516,030			2,002,224	
Marketable securities		18,212			20,498			19,314	
Inventories		1,293,864			965,569			1,283,763	
Other		163,491			135,060			73,170	
Allowance for doubtful accounts		(17,912)			(45,645)			(51,318)	
Total current assets		4,960,669	64.9		3,802,076	61.2		4,520,233	65.2
II. Fixed assets									
1. Property, plant and equipment									
Buildings and structures	1,022,370			1,022,370			1,022,370		
Accumulated depreciation	327,258	695,112		369,861	652,509		350,055	672,314	
Equipment	840,973			977,404			975,234		
Accumulated depreciation	538,952	302,020		657,966	319,438		591,988	383,246	
Land		1,117,578			1,117,578			1,117,578	
Other	61,784			61,860			61,775		
Accumulated depreciation	44,821	16,962		48,587	13,273		46,802	14,972	
Total net property, plant and equipment		2,131,674	27.9		2,102,798	33.8		2,188,111	31.5
2. Intangible fixed assets									
Goodwill		119,082			—			—	
Other		307,691			242,682			112,038	
Total intangible fixed assets		426,773	5.6		242,682	3.9		112,038	1.6
3. Investments and other assets									
Other		119,695			66,306			117,862	
Allowance for doubtful accounts		—			—			(2,268)	
Total investments and other assets		119,695	1.6		66,306	1.1		115,594	1.7
Total fixed assets		2,678,143	35.1		2,411,788	38.8		2,415,743	34.8
Total Assets		7,638,812	100.0		6,213,864	100.0		6,935,977	100.0

(Thousand yen: amounts less than one thousand yen are omitted)

	Interim FY2006 (As of Sept. 30, 2006)			Interim FY2007 (As of Sept. 30, 2007)			FY2006 (As of Mar. 31, 2007)		
<<Assets>			%			%			%
<Liabilities>									
I .Current liabilities									
Notes and accounts payable-trade	1,081,377			682,659			1,364,684		
Short-term loans payable	3,446,000			2,887,000			3,094,000		
Other	363,890			405,019			424,604		
Total current liabilities	4,891,267	64.0		3,974,678	64.0		4,883,288	70.4	
II . Non-current liabilities									
Long-term loans payable	471,000			284,000			370,000		
Reserve for retirement benefits	35,679			53,137			39,581		
Other	5,526			5,885			5,719		
Total non-current liabilities	512,206	6.7		343,022	5.5		415,300	6.0	
Total liabilities	5,403,473	70.7		4,317,701	69.5		5,298,589	76.4	
<Net assets>									
I .Owners' equity									
1.Capital stock	1,951,750	25.6		1,951,750	31.4		1,951,750	28.2	
2.Capital surplus	743,750	9.7		—	—		743,750	10.7	
3.Retained earnings	(347,179)	(4.5)		44,567	0.7		(948,248)	(13.7)	
4.Treasury stock	(81,658)	(1.1)		(81,658)	(1.3)		(81,658)	(1.2)	
Total owners' equity	2,266,662	29.7		1,914,659	30.8		1,665,593	24.0	
II .Valuation and translation adjustments									
1.Valuation difference on available-for-sale securities	61	0.0		745	0.0		438	0.0	
2. Translation adjustment	(31,386)	(0.4)		(19,242)	(0.3)		(28,644)	(0.4)	
Total valuation and translation adjustments	(31,324)	(0.4)		(18,496)	(0.3)		(28,206)	(0.4)	
Total net assets	2,235,338	29.3		1,896,163	30.5		1,637,387	23.6	
Total liabilities and net assets	7,638,812	100.0		6,213,864	100.0		6,935,977	100.0	

Consolidated Statements of Income

(Thousand yen: amounts less than one thousand yen are omitted)

	Interim FY2006 (Apr.2006—Sept.2006)			Interim FY2007 (Apr.2007—Sept.2007)			FY2006 (Apr.2006—Mar.2007)		
			%			%			%
I. Net Sales		2,289,249	100.0		2,704,632	100.0		4,744,067	100.0
II. Cost of sales		1,708,895	74.6		1,737,497	64.2		3,575,873	75.4
Gross profit		580,353	25.4		967,135	35.8		1,168,194	24.6
III. Selling, general and administrative expenses		784,118	34.3		706,741	26.2		1,584,320	33.4
Operating income (loss)		(203,764)	(8.9)		260,393	9.6		(416,125)	(8.8)
IV. Non-operating income									
1. Interest income	1,681			3,597			1,973		
2. Dividends income	397			511			899		
3. Rent income	5,194			5,158			10,512		
4. Receipt repairing expense	—			2,704			—		
5. Foreign exchange gains	1,459			—			2,108		
6. Other	1,940	10,671	0.5	1,354	13,326	0.5	2,994	18,487	0.4
V. Non-operating expenses									
1. Interest expenses	16,076			18,292			36,102		
2. Foreign exchange losses	—	16,076	0.7	1,676	19,969	0.7	—	36,102	0.7
Ordinary income (loss)		(209,169)	(9.1)		253,750	9.4		(433,740)	(9.1)
VI. Extraordinary income									
1. Reversal of allowance for doubtful accounts	1,703	1,703	0.0	—	—	—	—	—	—
VII. Extraordinary loss									
1. Loss on retirement of fixed assets	35			132			5,712		
2. Impairment loss	—			—			300,399		
3. Provision of allowance for doubtful accounts	—			—			16,400		
4. Loss on cancellation of leasehold contracts	—	35	0.0	—	132	0.0	25,333	347,845	7.4
Income (loss) before income taxes		(207,501)	(9.1)		253,618	9.4		(781,585)	(16.5)
Income taxes—current	2,738			4,552			7,493		
Income taxes—deferred	125,025	127,764	5.5	—	4,552	0.2	147,255	154,749	3.2
Net income (loss)		(335,266)	(14.6)		249,065	9.2		(936,334)	(19.7)

Consolidated Statements of Change in Net Assets

Interim FY 2006(Apr.2006 – Sep. 2006)

(Thousand yen: amounts less than one thousand yen are omitted)

	Owners' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total owners' equity
Balance as of Mar.31, 2006	1,951,750	743,750	(11,913)	(81,658)	2,601,928
Changes of items during interim FY 2006					
Interim net loss			(335,266)		(335,266)
Net changes of items other than owners' equity during interim year					
Total changes of items during interim FY2006	—	—	(335,266)	—	(335,266)
Balance as of Sep.30, 2006	1,951,750	743,750	(347,179)	(81,658)	2,266,662

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Translation adjustment	Total valuation and translation adjustments	
Balance as of Mar.31, 2006	—	(29,573)	(29,573)	2,572,355
Changes of items during interim FY 2006				
Interim net loss				(335,266)
Net changes of items other than owners' equity during interim year	61	(1,812)	(1,750)	(1,750)
Total changes of items during interim FY2006	61	(1,812)	(1,750)	(337,017)
Balance as of Sep.30, 2006	61	(31,386)	(31,324)	2,235,338

Interim FY 2007(Apr.2007 – Sep. 2007)

(Thousand yen: amounts less than one thousand yen are omitted)

	Owners' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total owners' equity
Balance as of Mar.31, 2007	1,951,750	743,750	(948,248)	(81,658)	1,665,593
Changes of items during interim FY 2007					
Reversal of legal capital surplus for deficit disposition		(743,750)	743,750		—
Interim net gain			249,065		249,065
Net changes of items other than owners' equity during interim year					
Total changes of items during interim FY2007	—	(743,750)	992,815	—	249,065
Balance as of Sep.30, 2007	1,951,750	—	44,567	(81,658)	1,914,659

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Translation adjustment	Total valuation and translation adjustments	
Balance as of Mar.31, 2007	438	(28,644)	(28,206)	1,637,387
Changes of items during interim FY 2007				
Reversal of legal capital surplus for deficit disposition				—
Interim net gain				249,065
Net changes of items other than owners' equity during interim year	307	9,401	9,709	9,709
Total changes of items during interim FY2007	307	9,401	9,709	258,775
Balance as of Sep.30, 2007	745	(19,242)	(18,496)	1,896,163

FY 2006(Apr.2006 – Mar. 2007)

(Thousand yen: amounts less than one thousand yen are omitted)

	Owners' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total owners' equity
Balance as of Mar.31, 2006	1,951,750	743,750	(11,913)	(81,658)	2,601,928
Changes of items during the period					
Net loss			(936,334)		(936,334)
Net changes of items other than owners' equity during the period					
Total changes of items during the period	—	—	(936,334)	—	(936,334)
Balance as of Mar.31, 2007	1,951,750	743,750	(948,248)	(81,658)	1,665,593

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Translation adjustment	Total valuation and translation adjustments	
Balance as of Mar.31, 2006	—	(29,573)	(29,573)	2,572,355
Changes of items during the period				
Net loss				(936,334)
Net changes of items other than owners' equity during the period	438	928	1,367	1,367
Total changes of items during the period	438	928	1,367	(934,967)
Balance as of Mar.31, 2007	438	(28,644)	(28,206)	1,637,387

Consolidated Statements of Cash Flows

(Thousand yen: amounts less than one thousand yen are omitted)

	Interim FY2006 (Apr.2006—Sept.2006)	Interim FY2007 (Apr.2007—Sept.2007)	FY2006 (Apr.2006—Mar.2007)
I. Net cash provided by operating activities			
1. Interim (current period) income (loss) before Income taxes	(207,501)	253,618	(781,585)
2. Depreciation	227,475	99,463	442,396
3. Amortization of goodwill	38,683	—	77,366
4. Impairment loss	—	—	300,399
5. Increase (decrease) in allowance for doubtful accounts	(2,703)	(7,501)	32,921
6. Increase in reserve for retirement benefits	5,400	13,556	9,301
7. Interests and dividends income	(2,078)	(4,109)	(2,872)
8. Interest expenses	16,076	18,292	36,102
9. Foreign exchange losses (gains)	(5,932)	(2,363)	278
10. Loss on retirement of property, plant and equipment	35	132	5,712
11. Decrease (increase) in notes and accounts receivable-trade	58,445	483,779	(151,037)
12. Decrease (increase) in inventories	(114,814)	318,055	(103,222)
13. Decrease in consumption tax refund receivables	34,082	—	50,966
14. Increase (decrease) in notes and accounts payable-trade	57,628	(681,607)	337,444
15. Increase in accrued consumption taxes	—	1,130	—
16. Increase (decrease) in advances received	(43,516)	59,918	(59,051)
17. Increase (decrease) in prepaid expenses	(49,878)	(52,676)	11,623
18. Other	17,496	(56,513)	64,549
Sub-total	28,897	443,174	271,292
19. Interest and dividends income received	2,078	4,109	2,872
20. Interest expenses paid	(12,377)	(22,030)	(34,597)
21. Income tax paid	(2,738)	(7,853)	(4,807)
Net cash provided by operating activities	15,859	417,399	234,760
II. Net cash used in investment activities			
1. Payment into time deposits	(9)	(79)	(9)
2. Proceeds from redemption of investment securities	—	50,000	—
3. Purchases of property, plant and equipment	(76,720)	(17,531)	(219,185)
4. Purchases of intangible fixed assets	(137,839)	—	(283,397)
5. Software development cost	—	(140,820)	—
6. Other	4,500	389	4,764
Net cash used in investment activities	(210,070)	(108,042)	(497,828)
III. Net cash used in financing activities			
1. Increase (decrease) in short-term loans payable	—	100,000	(500,000)
2. Proceeds from long-term payable	—	200,000	400,000
3. Repayments of long-term payable	(385,000)	(593,000)	(738,000)
4. Cash dividends paid	(271)	(132)	(454)
Net cash used in financing activities	(385,271)	(293,132)	(838,454)
IV. Effect of exchange rate change on cash and cash equivalents	(1,243)	2,363	(278)
V. Increase (decrease) in cash and cash equivalents	(580,725)	18,587	(1,101,801)
VI. Cash and cash equivalents at beginning of period	2,231,872	1,130,071	2,231,872
VII. Cash and cash equivalents at end of period	1,651,147	1,148,659	1,130,071

Segment Information

1. Business Segment Information

Results of interim FY2007 (Apr.2007–Sept.2007)

(Thousand yen: amounts less than one thousand yen are omitted)

	Inspection Systems Div.	Creation Engineering Div.	Media & Network Div.	Total	Elimination & Corporate	Consolidated Total
Sales						
(1) External customers	2,402,957	231,025	70,649	2,704,632	—	2,704,632
(2) Inter segment net sales or transfer	—	—	—	—	—	—
Net Sales	2,402,957	231,025	70,649	2,704,632	—	2,704,632
Operating expenses	1,804,463	312,400	213,970	2,330,834	113,404	2,444,238
Operating income (Operating loss)	598,494	(81,374)	(143,321)	373,797	(113,404)	260,393

(Notes:)

- The business segments are classified based on similarity of products and services.
- Main products in each business segment are as follows:
 - Inspection Systems Div.·····Image-based Inspection System,
Line Observation & Optimum Control System
 - Creation Engineering Div.·····2D/3D Fusion Modeler CAD/CAM, 3D Measuring Modeler,
Real Prototyping System
 - Media & Network Div.·····Remote Monitoring/Video Distribution System,
Video Network Distribution System
- Unallocated operating expenses disclosed in “Elimination & Corporate” for the interim year ended September 30, 2007 amounted to 113,404 thousand yen, which mainly include expenses incurred by Management Department of the parent company.

2. Geographic Segment Information

Results of interim FY2007 (Apr.2007–Sept.2007)

Geographic segment information is omitted because the amounts of net sales in Japan exceed 90% of the amounts of combined net sales of all segments for the interim year ended September.30, 2007.

3. Overseas Sales

Results of interim FY2007 (Apr.2007–Sept.2007)

(Thousand yen: amounts less than one thousand yen are omitted)

	Asia	Other Regions	Total
Overseas Sales	1,968,651	180,323	2,148,974
Net Sales	—	—	2,704,632
Ratio of overseas sales to net sales(%)	72.8	6.7	79.5

(Notes:)

- The Geographic regions are classified by geographic proximity.
- Main countries or regions included in each geographic segments:
 - Asia·····Taiwan, Korea, China
 - Other regions·····North America, Europe
- Overseas sales indicate the sales of Kubotek and its consolidated subsidiaries made to customers located in countries or regions outside Japan.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Thousand yen: amounts less than one thousand yen are omitted)

	Interim FY2006 (As of Sept. 30, 2006)			Interim FY2007 (As of Sept. 30, 2007)			FY2006 (As of Mar. 31, 2007)		
			%			%			%
<<Assets>									
<Assets>									
I. Current assets									
Cash and deposits		1,684,241			1,188,768			1,135,664	
Notes receivable-trade		20,913			6,072			247,077	
Accounts receivable-trade		1,731,449			1,416,202			1,699,937	
Inventories		1,290,649			962,646			1,279,773	
Deferred tax assets		18,168			—			—	
Other		259,618			132,072			89,992	
Allowance for doubtful accounts		(104,795)			(56,451)			(69,608)	
Total current assets		4,900,244	64.1		3,649,311	60.0		4,382,836	64.3
II. Fixed assets									
1. Property, plant and equipment									
Buildings	978,721			978,721			978,721		
Accumulated depreciation	296,961	681,760		336,878	641,842		318,253	660,467	
Equipment	807,908			940,782			939,844		
Accumulated depreciation	518,815	289,093		625,642	315,139		565,362	374,482	
Land		1,117,578			1,117,578			1,117,578	
Other	103,071			102,968			102,968		
Accumulated depreciation	74,049	29,021		79,837	23,130		77,207	25,761	
Total net property, plant and equipment		2,117,453	27.7		2,097,691	34.5		2,178,289	32.0
2. Intangible fixed assets		409,394	5.4		247,159	4.0		109,085	1.6
3. Investments and other assets									
Investment securities		132,573			58,873			108,873	
Loans receivable from affiliates		—			542,521			555,023	
Other		351,404			32,633			34,964	
Allowance for doubtful accounts		(267,217)			(542,521)			(557,291)	
Total investments and other assets		216,760	2.8		91,506	1.5		141,569	2.1
Total fixed assets		2,743,608	35.9		2,436,356	40.0		2,428,944	35.7
Total assets		7,643,852	100.0		6,085,667	100.0		6,811,780	100.0

(Thousand yen: amounts less than one thousand yen are omitted)

	Interim FY2006 (As of Sept. 30, 2006)			Interim FY2007 (As of Sept. 30, 2007)			FY2006 (As of Mar. 31, 2007)		
			%			%			%
<Liabilities>									
I .Current liabilities									
Notes payable-trade		840,474			557,548			963,022	
Accounts payable-trade		215,403			97,636			389,687	
Short-term loans payable		2,600,000			2,200,000			2,100,000	
Current portion of long-term loans payable		846,000			687,000			994,000	
Accrued income taxes		10,089			10,905			12,137	
Other		158,010			145,538			203,293	
Total current liabilities		4,669,979	61.1		3,698,628	60.8		4,662,141	68.4
II .Non-current liabilities									
Long-term loans payable		471,000			284,000			370,000	
Reserve for retirement benefits		35,679			53,137			39,581	
Other		5,483			5,483			5,483	
Total non-current liabilities		512,163	6.7		342,621	5.6		415,064	6.1
Total liabilities		5,182,142	67.8		4,041,250	66.4		5,077,206	74.5
<Net assets>									
I . Owners' equity									
1.Capital stock									
		1,951,750	25.5		1,951,750	32.1		1,951,750	28.7
2.Capital surplus									
(1) Legal capital surplus	743,750			—			743,750		
Total capital surplus		743,750	9.7		—	—		743,750	10.9
3.Retained earnings									
(1) Legal retained earnings	20,496			—			20,496		
(2) Other retained earnings									
Retained earnings brought forward	(172,627)			174,325			(899,763)		
Total retained earnings		(152,131)	(2.0)		174,325	2.8		(879,267)	(12.9)
4.Treasury stock									
		(81,658)	(1.0)		(81,658)	(1.3)		(81,658)	(1.2)
Total owners' equity		2,461,710	32.2		2,044,417	33.6		1,734,574	25.5
Total net assets		2,461,710	32.2		2,044,417	33.6		1,734,574	25.5
Total liabilities and net assets		7,643,852	100.0		6,085,667	100.0		6,811,780	100.0

Non-consolidated Statements of Income

(Thousand yen: amounts less than one thousand yen are omitted)

	Interim FY2006 (Apr.2006—Sept.2006)			Interim FY2007 (Apr.2007—Sept.2007)			FY2006 (Apr.2006—Mar.2007)		
			%			%			%
I .Net Sales		2,139,424	100.0		2,554,649	100.0		4,450,380	100.0
II .Cost of sales		1,688,460	78.9		1,722,333	67.4		3,529,768	79.3
Gross profit		450,964	21.1		832,315	32.6		920,612	20.7
III.Selling, general and administrative expenses		572,735	26.8		511,722	20.1		1,148,994	25.8
Operating income (loss)		(121,770)	(5.7)		320,592	12.5		(228,382)	(5.1)
IV.Non-operating income		20,502	1.0		13,815	0.6		41,240	0.9
V.Non-operating expenses		16,076	0.8		19,937	0.8		36,102	0.8
Ordinary income (loss)		(117,345)	(5.5)		314,471	12.3		(223,244)	(5.0)
VI.Extraordinary income		—	—		—	—		—	—
VII.Extraordinary loss		35	0.0		132	0.0		594,289	13.4
Income (loss) before income taxes		(117,381)	(5.5)		314,339	12.3		(817,534)	(18.4)
Income taxes—current	2,686			4,496			7,439		
Income taxes—deferred	125,025	127,711	6.0	—	4,496	0.2	147,255	154,694	3.4
Net income (loss)		(245,093)	(11.5)		309,842	12.1		(972,229)	(21.8)

Non-consolidated Statements of Change in Net Assets

Interim FY 2006(Apr.2006 – Sep. 2006)

(Thousand yen: amounts less than one thousand yen are omitted)

	Owners' equity					
	Capital stock	Capital surplus	Retained earnings		Treasury stock	Total owners' equity
		Legal capital surplus	Legal retained earnings	Other retained earnings		
				Retained earnings brought forward		
Balance as of Mar.31, 2006	1,951,750	743,750	20,496	72,465	(81,658)	2,706,803
Changes of items during interim FY 2006						
Interim net loss				(245,093)		(245,093)
Net changes of items other than owners' equity during interim year						
Total changes of items during interim FY2006	—	—	—	(245,093)	—	(245,093)
Balance as of Sep.30, 2006	1,951,750	743,750	20,496	(172,627)	(81,658)	2,461,710

Interim FY 2007(Apr.2007 – Sep. 2007)

(Thousand yen: amounts less than one thousand yen are omitted)

	Owners' equity					
	Capital stock	Capital surplus	Retained earnings		Treasury stock	Total owners' equity
		Legal capital surplus	Legal retained earnings	Other retained earnings		
				Retained earnings brought forward		
Balance as of Mar.31, 2007	1,951,750	743,750	20,496	(899,763)	(81,658)	1,734,574
Changes of items during interim FY 2007						
Reversal of legal capital surplus and legal retained earnings for deficit disposition		(743,750)	(20,496)	764,246		
Interim net gain				309,842		309,842
Net changes of items other than owners' equity during interim year						
Total changes of items during interim FY2007	—	(743,750)	(20,496)	1,074,088	—	309,842
Balance as of Sep.30, 2007	1,951,750	—	—	174,325	(81,658)	2,044,417

FY 2006(Apr.2006 – Mar. 2007)

(Thousand yen: amounts less than one thousand yen are omitted)

	Owners' equity					
	Capital stock	Capital surplus	Retained earnings		Treasury stock	Total owners' equity
		Legal capital surplus	Legal retained earnings	Other retained earnings		
				Retained earnings brought forward		
Balance as of Mar.31, 2006	1,951,750	743,750	20,496	72,465	(81,658)	2,706,803
Changes of items during the period						
Net loss				(972,229)		(972,229)
Net changes of items other than owners' equity						
Total changes of items during the period	—	—	—	(972,229)	—	(972,229)
Balance as of Mar.31, 2007	1,951,750	743,750	20,496	(899,763)	(81,658)	1,734,574

(Production Volume)

(Thousand yen: amounts less than one thousand yen are omitted)

BY BUSINESS SEGMENT	Interim FY2006 (Apr.2006—Sept.2006)		Interim FY2007 (Apr.2007—Sept.2007)		FY2006 (Apr.2006—Mar.2007)	
	Orders	Backlog	Orders	Backlog	Orders	Backlog
Inspection Systems Div.	1,945,071	3,202,600	2,072,718	1,078,800	4,129,986	2,480,000
Creation Engineering Div.	272,155	20,000	237,319	—	531,653	—
Media & Network Div.	215,181	—	93,441	—	425,747	—
T o t a l	2,432,409	3,222,600	2,403,478	1,078,800	5,087,387	2,480,000

(Orders Received)

(Thousand yen: amounts less than one thousand yen are omitted)

BY BUSINESS SEGMENT	Interim FY2006 (Apr.2006—Sept.2006)		Interim FY2007 (Apr.2007—Sept.2007)		FY2006 (Apr.2006—Mar.2007)	
	Orders	Backlog	Orders	Backlog	Orders	Backlog
Inspection Systems Div.	1,685,809	3,202,600	1,001,757	1,078,800	3,028,476	2,480,000
Media & Network Div.	—	20,000	—	—	—	—
T o t a l	1,685,809	3,222,600	1,001,757	1,078,800	3,028,476	2,480,000

(Sales Results)

(Thousand yen: amounts less than one thousand yen are omitted)

BY BUSINESS SEGMENT	Interim FY2006 (Apr.2006—Sept.2006)		Interim FY2007 (Apr.2007—Sept.2007)		FY2006 (Apr.2006—Mar.2007)	
	Sales	Ratio(%)	Sales	Ratio(%)	Sales	Ratio(%)
Inspection Systems Div.	1,867,209	—	2,402,957	28.0	3,916,876	—
Creation Engineering Div.	254,247	15.0	231,025	25.4	532,895	16.5
Media & Network Div.	167,792	33.6	70,649	24.3	294,296	31.4
T o t a l	2,289,249	—	2,704,632	—	4,744,067	11.4

(Note:) Sales results of each major customers and the ratio of the sales results to the total sales results of Kubotek are as described below.

(Thousand yen: amounts less than one thousand yen are omitted)

MAJOR CUSTOMERS	Interim FY2006 (Apr.2006—Sept.2006)		Interim FY2007 (Apr.2007—Sept.2007)		FY2006 (Apr.2006—Mar.2007)	
	Sales	Ratio(%)	Sales	Ratio(%)	Sales	Ratio(%)
Shanghai Tianma Micro Electronics Co., Ltd.	—	—	756,000	28.0	—	—
Samsung Japan Corporation	343,000	15.0	686,500	25.4	784,000	16.5
Wintec Corporation	770,323	33.6	656,990	24.3	1,491,948	31.4
Asahi Glass Co., Ltd.	—	—	—	—	540,824	11.4