

**First Half Non-Consolidated Earnings Report for Fiscal 2006, Ending March 31, 2007**

(The six-month period ended September 30, 2006)

Company name: Ryosan Company, Limited  
 Securities code: 8140  
 (URL <http://www.ryosan.co.jp>)  
 Representative: Eiji Hamano, President

Stock listing: First Section, Tokyo Stock Exchange  
 Location of head office: Tokyo

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Board of Directors' meeting to settle interim non-consolidated financial accounts: November 9, 2006

Date dividend payments are scheduled to commence: December 1, 2006

Trading unit for shares: 100 shares

**1 . Non-consolidated results for the interim period (April 1, 2006 to September 30, 2006)****(1) Non-consolidated operating results**

Figures less than ¥1 million have been omitted.

|           | Net sales       |       | Operating income |        | Ordinary income |        |
|-----------|-----------------|-------|------------------|--------|-----------------|--------|
|           | Millions of yen | %     | Millions of yen  | %      | Millions of yen | %      |
| 1H FY2006 | 118,229         | (0.6) | 4,065            | 19.6   | 5,287           | 23.2   |
| 1H FY2005 | 118,997         | (1.2) | 3,399            | (14.2) | 4,292           | (16.6) |
| FY 2005   | 236,297         |       | 6,990            |        | 8,438           |        |

|           | Net income      |        | Net income per share |
|-----------|-----------------|--------|----------------------|
|           | Millions of yen | %      | Yen                  |
| 1H FY2006 | 3,484           | 39.1   | 95.53                |
| 1H FY2005 | 2,505           | (17.1) | 68.69                |
| FY 2005   | 4,856           |        | 130.80               |

Notes:

- Average number of shares issued and outstanding (non-consolidated):  
 1H FY2006: 36,473,767 shares      1H FY2005: 36,471,786 shares  
 FY2005: 36,473,146 shares
- Changes in accounting methods: No
- Percentage figures for net sales, operating income, ordinary income and net income are the rates of increase and decrease from the corresponding period of the previous fiscal year.

**(2) Non-consolidated financial position**

|                    | Total assets    | Net assets      | Net assets to total assets | Net assets per share |
|--------------------|-----------------|-----------------|----------------------------|----------------------|
|                    | Millions of yen | Millions of yen | %                          | Yen                  |
| September 30, 2006 | 163,282         | 110,978         | 68.0                       | 3,042.75             |
| September 30, 2005 | 157,851         | 107,263         | 68.0                       | 2,940.74             |
| March 31, 2006     | 160,498         | 109,414         | 68.2                       | 2,997.44             |

Notes:

- Number of shares issued and outstanding at the end of the period (non-consolidated):  
 September 30, 2006: 36,473,183 shares      September 30, 2005: 36,475,153 shares  
 March 31, 2006: 36,474,159 shares
- Number of treasury stock at the end of the period:  
 September 30, 2006: 26,817 shares      September 30, 2005: 24,847 shares  
 March 31, 2006: 25,841 shares

**2. Forecast of results for the fiscal year ending March 31, 2007 (April 1, 2006 to March 31, 2007)**

(April 1, 2006 to March 31, 2007)

|        | Net sales       | Operating income | Ordinary income | Net income      |
|--------|-----------------|------------------|-----------------|-----------------|
|        | Millions of yen | Millions of yen  | Millions of yen | Millions of yen |
| FY2006 | 231,000         | 7,500            | 9,200           | 5,500           |

(Reference) Estimated net income per share for the fiscal year ending March 31, 2007 is ¥150.80

### 3. Cash Dividends

|                   | Cash dividends per share |                   |                 |
|-------------------|--------------------------|-------------------|-----------------|
|                   | Interim dividend         | Year-end dividend | Annual dividend |
| FY2005            | Yen<br>30.00             | Yen<br>40.00      | Yen<br>70.00    |
| FY2006 (Actual)   | 40.00                    | —                 | 80.00           |
| FY2006 (Forecast) | —                        | 40.00             |                 |

Note: The aforementioned forecasts were made, based on information available to management as of the date of this earnings report. Actual results may significantly differ from the above forecasts due to a variety of factors.