

October 24, 2006

For Immediate Release

Ryosan Co., Ltd.

Representative: Eiji Hamano, President

Listing Code No.: 8140

Listing: First Section, Tokyo Stock Exchange

Inquiries: Kiyoshi Suzuki

General Manager

Corporate Planning Headquarters

IR and Publicity Office

TEL: +81-3-3862-3816

Notice Concerning Revision to Earnings Forecasts

Taking into consideration recent business results, Ryosan Co., Ltd. (“Ryosan” or “the Company”) today announced details of revisions to interim earnings forecasts for the fiscal year ending March 31, 2007 (April 1, 2006 to March 31, 2007), which were included in the earnings announcement made on May 19, 2006. Brief details are as follows.

1. Revised Forecasts of Consolidated Results for the Interim Period (April 1, 2006 to September 30, 2006) of the Fiscal Year Ending March 31, 2007

(Millions of yen unless otherwise stated)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previously announced forecasts (A)	154,000	5,100	5,200	3,000
Revised forecasts (B)	158,000	5,300	5,500	3,500
Change (B – A)	4,000	200	300	500
Change (%)	2.6	3.9	5.8	16.7
Results for fiscal year ended March 31, 2006	163,154	5,277	5,266	3,269

2. Revised Forecasts of Non-Consolidated Results for the Interim Period (April 1, 2006 to September 30, 2006) of the Fiscal Year Ending March 31, 2007

(Millions of yen unless otherwise stated)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previously announced forecasts (A)	114,000	3,400	4,200	2,600
Revised forecasts (B)	118,000	4,000	5,300	3,500
Change (B – A)	4,000	600	1,100	900
Change (%)	3.5	17.6	26.2	34.6
Results for fiscal year ended March 31, 2006	118,997	3,399	4,292	2,505

3. Reasons for the Revision

Net sales for the interim period of the fiscal year under review are expected to slightly exceed previous forecasts. On the earnings front, profits are also anticipated to surpass previously announced forecasts owing to an improvement in profit margins and contributions from gain on sales of investment securities. Accounting for these factors, Ryosan has revised its consolidated and non-consolidated earnings forecasts for the six-month period ended September 30, 2006.

The Company plans to review full-year forecasts (April 1, 2006 to March 31, 2007) in conjunction with the earnings announcement for the interim period ended September 30, 2006, scheduled for November 9, 2006.

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