

**Consolidated and Non-Consolidated Financial Results  
for the Three Month Period Ended January 31, 2007  
(First Quarter)**

Date: March 1, 2007  
 Company: Tomoe Engineering Co., Ltd. and Subsidiaries  
 (Web Site: [http://www.tomo-e.co.jp/index\\_e.html](http://www.tomo-e.co.jp/index_e.html))  
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Financial Highlights for the First 3-Month Period Ended January 31, 2007:

**1. Notes to Consolidated Financial Information**

- (1) Adoption of simplified accounting method: None
- (2) Change in accounting policies: None
- (3) Change in scope of consolidated and application of the equity method: None

**2. Consolidated Financial Data for the First 3-Month Period Ended January 31, 2007**

**(1) Results of Operation (Consolidated)**

3-month period ended January 31	2007	2006	Millions of yen Yr. ended Oct. 31, 2006
Sales	10,313	10,229	47,331
Operating income	199	29	2,110
Recurring profit	226	54	2,222
Net income	(223)	79	1,267
Net income (loss) per share	(¥22. <sup>37</sup> )	¥7. <sup>97</sup>	¥127. <sup>02</sup>

Qualitative information regarding the consolidated operating results:

In the **Machinery & Equipment Business**, due to improved sales in all private, public, and overseas sectors, the first quarter sales were higher than the same period last year at ¥1,613 million, and operating loss was substantially improved to ¥79 million.

In the **Chemical Products Business**, despite an increase in sales in fine chemicals business and electronic material business, due to a decrease in sales in plastic related business in Hong Kong, the first quarter sales were slightly lower than the same period last year at ¥8,699 million, and operating income was just ¥279 million.

As a result, the first quarter sales of ¥10,313 million, operating income of ¥199 million, and recurring profit of ¥226 million were all higher than the same period last year. However, the consolidated net income was a net loss of ¥223 million in the first quarter, due to the recording of corporate tax adjustments.

## (2) Financial Condition (Consolidated)

	Millions of yen		
3-month period ended January 31	2007	2006	Yr. ended Oct. 31, 2006
Assets (A)	29,708	27,972	28,808
Net assets (B)	15,374	14,246	15,717
(B) / (A)	51.2%	50.9%	54.0%
Net assets per share	¥1,524. <sup>16</sup>	¥1,427. <sup>60</sup>	¥1,559. <sup>16</sup>

### [Cash Flows]

	Millions of yen		
3-month period ended January 31	2007	2006	Year ended Oct. 31, 2006
Net cash provided (used) by operating activities	(1,634)	(1,124)	883
Net cash provided (used) by investing activities	(389)	(30)	(336)
Net cash provided (used) by financing activities	1,856	901	(838)
Consolidated cash and cash equivalent (period-end)	1,097	1,274	1,235

Qualitative information regarding changes in consolidated financial position:

The total assets at the end of the first quarter consolidated period increased by ¥900 million to ¥29,708 million compared with the end of the previous consolidated fiscal year. The current assets increase by ¥277 million to ¥23,529 million compared with the end of the previous consolidated fiscal year. The fixed assets increase by ¥623 million to ¥6,179 million compared with the end of the previous consolidated fiscal year. The total liabilities increase by ¥1,243 million to ¥14,334 million compared with the end of the previous consolidated fiscal year. The current liabilities increase by ¥1,139 million to ¥13,444 million compared with the end of the previous consolidated fiscal year. The long-term liabilities increased by ¥103 million to ¥889 million compared with the end of the previous consolidated fiscal year. The net assets were ¥15,374 million and the equity ratio was 51.2%. Major factors that contributed to the increase in assets include a ¥1,642 million increase in inventories and a ¥219 million increase in guarantee deposits.

As regards the cash flow, the balance of cash and cash equivalents at the end of the first quarter consolidated period increased was ¥1,097 million, a decrease of ¥138 million compared with the end of the previous consolidated fiscal year.

Net cash used in operating activities was ¥1,634 million, due to increase in inventories, etc. Net cash used in investing activities was ¥389 million, due to an increase in guarantee deposits etc. The net cash provided by financing activities was ¥1,856 million, due to an increase in short-term debt.

## (3) Results of Operation (Non-consolidated)

	Millions of yen		
3-month period ended January 31	2007	2006	Yr. ended Oct. 31, 2006
Sales	9,222	8,380	41,316
Operating income	121	(100)	1,609
Recurring profit	184	(43)	1,791
Net income	(184)	10	952
Net income (loss) per share	(¥18. <sup>54</sup> )	¥1. <sup>06</sup>	¥95. <sup>45</sup>

Qualitative information related to the operation results (Non-consolidated): Omitted.

#### (4) Financial Condition (Non-consolidated)

3-month period ended January 31	Millions of yen		
	2007	2006	Yr. ended Oct. 31, 2006
Assets (A)	26,444	24,644	25,737
Net assets (B)	14,370	13,634	14,695
(B) / (A)	54.3%	55.3%	57.1%
Net assets per share	¥1,440. <sup>06</sup>	¥1,366. <sup>28</sup>	¥1,472. <sup>62</sup>

Qualitative information related to the operation results (Non-consolidated): Omitted.

\*Attached documents: Consolidated balance sheet, Statements of consolidated income, Statements of changes in shareholder's equity, Retained earnings, Statement of cash flows, Segment Information, Non-consolidated balance sheet, and Statements of non-consolidated income.

(Concluded)

#### (Reference):

	Earning Projections (Consolidated) for the Year ending October 31, 2007				Millions of yen
	Sales	Operating income	Recurring profit	Net income	
Semiannual Projection announced on Dec. 11, 2006 (A)	23,900	1,400	1,400	750	
Revised projection this time (B)	23,650	1,020	1,030	540	
Increase/decrease (B - A)	(250)	(380)	(370)	(210)	
Rate of change (%)	(1.0)	(27.1)	(26.4)	(28.0)	
Full business year	48,000	2,410	2,400	1,300	

(Reference: Expected net income per share through the full business year: ¥114.<sup>24</sup>)

Qualitative information regarding forecast:

In the **Machinery & Equipment Business**, both sales and recurring profit during this interim period are expected to be lower than the previous forecast due to the delays in delivery of several large projects from the first half to the second half. On the other hand, in the **Chemical Products Business**, domestic business is forecast to remain steady led by fine chemical business, and both sales and recurring profit during this interim period are expected to be higher than the previous forecast.

In light of the above situations, consolidated earnings for the first half of fiscal year ending October 2007 are expected to be as shown above.

Consolidated earnings for the fiscal year ending October 2007 are expected to remain unchanged from the previous forecast.

The above forecast is based upon information available as of the date of publication of this document. Actual results may vary due to various factors in the future.

**Earning Projections (Non-consolidated) for the Year ending October 31, 2007**

Millions of yen

	Sales	Operating income	Recurring profit	Net income
Semiannual	21,800	1,080	1,140	600
Full business year	21,500	900	960	510
Increase/decrease	(300)	(180)	(180)	(90)
Rate of change (%)	(1.4)	(16.7)	(15.8)	(15.0)
Full business year	43,800	2,020	2,100	1,100

(Reference: Expected net income per share through the full business year: ¥110.<sup>23</sup>)Projected dividend : ¥30.<sup>00</sup>

Qualitative information regarding forecast:

In the **Machinery & Equipment Business**, both sales and recurring profit during this interim period are expected to be lower than the previous forecast due to the delays in delivery of several large projects from the first half to the second half. On the other hand, in the **Chemical Products Business**, domestic business is forecasted to remain steady led by fine chemical business, and both sales and recurring profit during this interim period are expected to be higher than the previous forecast.

In light of the above situations, Non-consolidated earnings for the first half of fiscal year ending October 2007 are expected to be as shown above.

Non-consolidated earnings for the fiscal year ending October 2007 are expected to remain unchanged from the previous forecast.

The above forecast is based upon information available as of the date of publication of this document. Actual results may vary due to various factors in the future.

## Consolidated Financial Statement

### 1-(1) Balance Sheets (Consolidated)

Assets	Thousands of yen		
	3-month period ended Jan. 31, 2006	Jan. 31, 2007	Year ended Oct. 31, 2006
<b>I. Current assets</b>			
1. Cash and deposits	1,374,661	1,097,180	1,235,536
2. Trade receivables	14,404,524	14,930,641	15,924,099
3. Inventories	5,886,361	6,673,429	5,030,842
4. Deferred tax assets	508,359	224,127	570,794
5. Other current assets	580,048	623,247	528,705
Allowance for doubtful receivables	(73,010)	(19,163)	(37,734)
<b>Total current assets</b>	<b>22,680,945</b>	<b>23,529,460</b>	<b>23,252,243</b>
<b>II. Fixed assets</b>			
1. Tangible fixed assets			
1) Buildings	2,162,749	2,306,804	2,190,983
Accumulated depreciation	(1,249,727)	(1,320,333)	(1,299,111)
Net	913,022	986,471	891,871
2) Machinery, equipment & vehicles	3,205,834	3,179,793	3,126,761
Accumulated depreciation	(2,299,368)	(2,244,677)	(2,202,038)
Net	906,465	935,116	924,722
3) Land	975,451	975,451	975,451
4) Other fixed assets	984,696	964,436	986,894
Accumulated depreciation	(848,023)	(816,412)	(848,948)
Net	136,673	148,023	137,946
<b>Total tangible fixed assets</b>	<b>2,931,613</b>	<b>3,045,063</b>	<b>2,929,992</b>
2. Intangible fixed assets	13,392	11,202	11,263
3. Investments and others			
1) Investments in securities	1,508,764	1,527,350	1,396,555
2) Guarantee deposits	359,667	512,242	292,956
3) Deferred tax assets	87,170	22,480	22,494
4) Financial derivative	246,560	495,642	346,420
5) Other investments	231,900	650,574	642,382
Allowance for doubtful receivables	(87,997)	(85,193)	(85,809)
<b>Total investment and others</b>	<b>2,346,066</b>	<b>3,123,097</b>	<b>2,615,000</b>
<b>Total fixed assets</b>	<b>5,291,072</b>	<b>6,179,363</b>	<b>5,556,256</b>
<b>Total assets</b>	<b>27,972,018</b>	<b>29,708,824</b>	<b>28,808,500</b>

Thousands of yen

Liabilities, Shareholder's Equity & Net Assets	3-month period ended		Year ended
	Jan. 31, 2006	Jan. 31, 2007	Oct. 31, 2006
<b>Liabilities</b>			
<b>I. Current liabilities</b>			
1. Trade-payables	7,815,464	7,816,829	7,615,028
2. Short-term debt	3,503,724	4,058,427	1,894,489
3. Account payable-others	694,666	696,832	648,540
4. Accrued income tax	27,930	30,471	599,496
5. Advance from customers	78,177	74,915	38,525
6. Accrued employee's bonus	344,301	398,768	1,097,234
7. Accrued officer's bonus	11,500	14,014	50,789
8. Allowance for product warranty	0	118,900	119,700
9. Other current liabilities	196,519	235,140	240,664
<b>Total current liabilities</b>	<b>12,672,283</b>	<b>13,444,300</b>	<b>12,304,468</b>
<b>II. Long-term liabilities</b>			
1. Long-term debt	450,000	330,000	330,045
2. Accrued pension and severance liabilities	22,197	26,328	25,174
3. Officer's retirement allowance	202,962	165,735	229,640
4. Financial derivative gains	246,560	0	0
5. Deferred tax liabilities	0	367,882	201,446
<b>Total long-term liabilities</b>	<b>921,720</b>	<b>889,946</b>	<b>786,306</b>
<b>Total liabilities</b>	<b>13,594,004</b>	<b>14,334,246</b>	<b>13,090,774</b>
<b>Minority interests</b>	<b>131,576</b>	-	-
<b>Shareholder's equity</b>			
<b>I. Common stock</b>			
	1,061,210	-	-
<b>II. Capital surplus</b>			
	1,483,410	-	-
<b>III. Retained earnings</b>			
	11,651,908	-	-
<b>IV. Unrealized gains and losses on marketable securities and investments</b>			
	387,358	-	-
<b>V. Foreign currency translation adjustment</b>			
	25,046	-	-
<b>VI. Issued shares reacquired</b>			
	(362,496)	-	-
<b>Total shareholder's equity</b>	<b>14,246,437</b>	-	-
<b>Total liability, minority interest, &amp; shareholder's equity</b>	<b>27,972,018</b>	-	-
<b>Net assets</b>			
<b>I. Shareholder's capital</b>			
1. Common stock	-	1,061,210	1,061,210
2. Capital surplus	-	1,483,410	1,483,410
3. Retained earnings	-	12,317,328	12,839,980
4. Issued shares reacquired	-	(362,697)	(362,697)
<b>Total shareholder's capital</b>	<b>-</b>	<b>14,499,251</b>	<b>15,021,902</b>

<b>II. Revaluation and translation adjustments</b>			
1. Unrealized gains and losses on marketable securities and investments	-	372,278	301,319
2. Financial derivative gains and losses	-	293,916	205,427
3. Foreign currency translation adjustment	-	44,438	30,480
<b><i>Total revaluation and translation adjustments</i></b>	-	710,633	537,226
<b>III. Minority interests</b>			
	-	164,693	158,595
<b><i>Total net assets</i></b>	-	15,374,577	15,717,725
<b>Total liabilities and Total net assets</b>	-	29,708,824	28,808,500

## 1-(2) Statements of Income (Consolidated)

Thousands of yen

3-month period ended January 31	2006	2007	Year ended Oct. 31, 2006
<b>I. Sales</b>	10,229,908	10,313,268	47,331,192
<b>II. Cost of sales</b>	8,675,104	8,499,726	39,009,228
<b>Gross profit</b>	1,554,803	1,813,542	8,321,963
<b>III. Selling, general and administrative</b>	1,525,173	1,613,575	6,211,249
<b>Operating income</b>	29,630	199,967	2,110,713
<b>IV. Other income</b>			
1. Interests	996	1,574	5,632
2. Dividends	3,673	4,241	56,058
3. Rents	12,056	4,483	34,921
4. Foreign exchange gains	22,344	29,223	77,302
5. Sundry	9,840	14,422	46,300
<b>Other income total</b>	48,911	53,946	220,215
<b>V. Other expenses</b>			
1. Interests	16,426	18,328	65,749
2. Discounts on bills of exchange	817	1,895	5,155
3. Commitment fee	0	0	10,023
4. Sundry	6,818	7,483	27,220
<b>Other expense total</b>	24,062	27,707	108,148
<b>Recurring profit</b>	54,479	226,206	2,222,780
<b>VI. Extraordinary gains</b>			
1. Realized gains on property and equipment	982	0	18,489
2. Reversal of allowance for doubtful receivables	57,977	19,381	95,368
<b>Extraordinary gains total</b>	58,959	19,381	113,857
<b>VII. Extraordinary losses</b>			
1. Realized loss on property and equipment	0	0	1,574
2. Written-off losses on property and equipment	1,115	5,756	23,120
3. Realized loss on investment securities	0	0	47,835
4. Unrealized loss on investment securities	0	0	12,000
5. Removal expenses	0	37,800	0
6. Provision for allowance for doubtful receivables	173	0	0
<b>Extraordinary losses total</b>	1,288	43,557	84,530
<b>Income before income taxes</b>	112,150	202,030	2,252,108
Income taxes			
Current	24,402	17,777	797,600
Deferred	(2,759)	403,633	150,962
<b>Income taxes total</b>	21,643	421,411	948,562
Losses on minority interests	10,980	3,895	35,947
<b>Income from consolidated operations</b>	79,526	(223,275)	1,267,597

### 1-(3) Consolidated Statements of Changes in Shareholder's Equity

3-month period ended January 31, 2007

Thousands of yen

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Issued shares reacquired	Total shareholder's equity
Surplus as of October 31, 2006	1,061,210	1,483,410	12,839,980	(362,697)	15,021,902
Changes during this quarter					
Cash dividend paid	0	0	(299,375)	0	(299,375)
Net income (loss)	0	0	(223,275)	0	(223,275)
Total amount changed	0	0	(522,651)	0	(522,651)
Balance, end of the 3-month period	1,061,210	1,483,410	12,317,328	(362,697)	14,499,251

3-month period ended January 31, 2007

Thousands of yen

	Revaluation and translation adjustments				Minority interests	Total net assets
	Unrealized gains and losses on marketable securities and investments	Financial derivative loss or gain	Foreign currency translation adjustment	Total revaluation and translation adjustments		
Surplus as of October 31, 2006	301,319	205,427	30,480	537,226	158,595	15,717,725
Changes during this quarter						
Cash dividend paid	0	0	0	0	0	(299,375)
Net income (loss)	0	0	0	0	0	(223,275)
Total (net) amount changed (except shareholder's equity)	70,959	88,488	13,958	173,406	6,097	179,503
Total amount changed	70,959	88,488	13,958	173,406	6,097	(343,147)
Balance, end of the 3-month period	372,278	293,916	44,438	710,633	164,693	15,374,577

## Year ended Oct. 31, 2006

Thousands of yen

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Issued shares reacquired	Total shareholder's equity
Surplus as of October 31, 2005	1,061,210	1,483,410	11,863,794	(362,462)	14,045,952
Changes during this quarter					
Cash dividend paid	0	0	(249,482)	0	(249,482)
Officer's bonuses	0	0	(41,930)	0	(41,930)
Net income	0	0	1,267,597	0	1,267,597
Issued shares reacquired	0	0	0	(235)	(235)
Total amount changed	0	0	976,185	(235)	975,950
Balance, end of fiscal year ended October 31, 2006	1,061,210	1,483,410	12,839,980	(362,697)	15,021,902

## Year ended Oct. 31, 2006

Thousands of yen

	Revaluation and translation adjustments				Minority interests	Total net assets
	Unrealized gains and losses on marketable securities and investments	Financial derivative loss or gain	Foreign currency translation adjustment	Total revaluation and translation adjustments		
Surplus as of October 31, 2005	295,905	0	(5,744)	290,160	114,324	14,450,437
Changes during this quarter						
Cash dividend paid	0	0	0	0	0	(249,482)
Officer's bonuses	0	0	0	0	0	(41,930)
Net income	0	0	0	0	0	1,267,597
Issued shares reacquired	0	0	0	0	0	(235)
Total (net) amount changed (except shareholder's equity)	5,413	205,427	36,224	247,065	44,271	291,337
Total amount changed	5,413	205,427	36,224	247,065	44,271	1,267,288
Balance, end of fiscal year ended October 31, 2006	301,319	205,427	30,480	537,226	158,595	15,717,725

#### 1-(4) Retained Earnings (Consolidated)

<b>3-month period ended January 31, 2006</b>		Thousands of yen
Surplus at opening of the period		<u>1,483,410</u>
Balance, beginning of the 3-month period		
Retained earnings		11,863,794
Net income (loss)		79,526
<b>Deduct:</b>		
1. Cash Dividend paid		249,482
2. Officer's bonuses		41,930
<Including Corporate Auditor's bonuses>		<11,250>
Total		<u>291,412</u>
Balance, end of the 3-month period		<u><u>11,651,908</u></u>

## 1-(5) Statements of Cash Flows (Consolidated)

Thousands of yen

3-month period ended January 31	2006	2007	Year ended Oct 31, 2006
<b>I. Operating activities</b>			
1. Net income before income taxes	112,150	202,030	2,252,108
2. Depreciation and amortization	87,173	71,599	364,442
3. Increase (decrease) in accrued employees' bonuses	332,817	(698,466)	1,085,750
4. Increase (decrease) in accrued officers' bonuses	11,500	(36,774)	50,789
5. Increase (decrease) in allowance for product warranty	0	(800)	119,700
6. Increase (decrease) in accrued pension and severance liabilities	(590)	1,154	2,385
7. Increase (decrease) in officer's retirement allowance	9,052	(63,905)	35,730
8. Increase (decrease) in allowance for doubtful receivables	(58,298)	(19,186)	(95,762)
9. Unrealized losses on investment securities	0	0	12,000
10. Interest and dividend income	(4,670)	(5,815)	(61,691)
11. Interest expense	16,426	18,328	65,749
12. Foreign exchange loss/profit	(8,834)	(23,972)	(7,039)
13. Realized gains on investment securities	(1)	0	47,835
14. Realized losses on property and equipment	(982)	0	(16,914)
15. Written off losses on property and equipment	1,115	5,756	23,120
16. Increase (decrease) in trade receivables	1,254,035	1,020,102	(404,797)
17. Increase (decrease) in inventories	(1,766,445)	(1,637,834)	(915,988)
18. Increase (decrease) in purchase liabilities	407,569	176,831	226,350
19. Increase (decrease) in trade payables	(112,840)	46,336	(159,893)
20. Increase (decrease) in advances from customers	(56,556)	36,389	(96,208)
21. Increase (decrease) in consumption tax, etc.	(57,655)	(108,839)	(1,013)
22. Officer's bonuses	(41,930)	0	(41,930)
23. Others	(952,169)	(28,077)	(961,291)
Sub total	(829,135)	(1,045,141)	1,523,430
24. Interests and dividends received	4,681	5,670	61,664
25. Interests paid	(14,710)	(15,346)	(65,536)
26. Income taxes paid	(285,190)	(579,423)	(635,951)
Net cash provided (used) by operating activities	(1,124,354)	(1,634,241)	883,606
<b>II. Investing activities</b>			
1. Increase in time deposits	0	0	(100,000)
2. Decrease in time deposits	0	0	100,000
3. Expenditures for properties and equipment	(32,089)	(177,655)	(404,912)
4. Proceeds from sales of properties and equipment	1,165	0	44,949
5. Expenditures for intangible fixed assets	0	(537)	0
6. Acquisition of investment securities	(10,802)	(11,057)	(86,099)
7. Proceeds from sales of investment securities	4	0	5,179
8. Collection of loans receivable	11,402	10,778	42,982
9. Increase in loans receivable	(630)	(480)	(5,768)
10. Decrease (increase) in guarantee deposits	800	(219,063)	67,455
11. Decrease in other investments	0	8,751	107
Net cash provided (used) in investing activities	(30,149)	(389,263)	(336,105)
<b>III. Financing activities</b>			
1. Increase (decrease) in short-term debt	1,151,426	2,155,946	(468,968)
2. Increase in long-term debt	0	0	60,045
3. Decrease in long-term debt	0	0	(180,00)
4. Reacquisition of issued shares of stocks	(34)	0	(235)
5. Cash dividends paid	(249,482)	(299,375)	(249,482)
Net cash provided (used) in financing activities	901,910	1,856,570	(838,639)

**Cash and cash equivalents**

IV. Effect of exchange rate changes	15,915	28,578	15,334
V. Increase (decrease) in cash and cash equivalents	(236,678)	(138,356)	(275,803)
VI. Cash and cash equivalents at beginning of year	1,511,339	1,235,536	1,511,339
VII. Cash and cash equivalents at end of 1st qtrs/fiscal yr	1,274,661	1,097,180	1,235,536

**(Additional Information)**

3-month period ended January 31, 2006	3-month period ended January 31, 2007	Year ended Oct 31, 2006
N/A	<p><b>(Calculation of corporate tax adjustments)</b></p> <p>In the past, in the calculation of corporate tax adjustments in the first quarter, corporate tax adjustments had not been calculated with respect to the parent company and part of consolidated subsidiaries as no tax on income is generated under the tax code. However, from this first quarter consolidated period, corporate tax adjustments will be calculated in the similar manner as in the interim consolidated financial period and consolidated financial period.</p> <p>The net income for the first quarter of the financial year ending October 31, 2007 calculated according to the conventional method is 153,447 thousand yen.</p>	N/A

## 2. Segment information (Consolidated)

(Segment by type of business)

3-month period ended January 31, 2006

Thousands of yen

	Machinery & Equipment Business	Chemical Products Business	Total	Deletion or total company	Consolidated
I. Sales and operating income:					
Sales					
(1) Sales to unaffiliated customers	1,233,460	8,996,448	10,229,908	0	10,229,908
(2) Internal sales among segments or amount transferred	0	0	0	0	0
Total	1,233,460	8,996,448	10,229,908	0	10,229,908
Operating costs	1,508,032	8,692,245	10,200,278	0	10,200,278
Operating profits	(274,572)	304,202	29,630	0	29,630

3-month period ended January 31, 2007

Thousands of yen

	Machinery & Equipment Business	Chemical Products Business	Total	Deletion or total company	Consolidated
I. Sales and operating income:					
Sales					
(1) Sales to unaffiliated customers	1,613,698	8,699,570	10,313,268	0	10,313,268
(2) Internal sales among segments or amount transferred	0	0	0	0	0
Total	1,613,698	8,699,570	10,313,268	0	10,313,268
Operating costs	1,693,596	8,419,705	10,113,301	0	10,113,301
Operating income	(79,897)	279,865	199,967	0	199,967

Year ended Oct. 31, 2006

Thousands of yen

	Machinery & Equipment Business	Chemical Products Business	Total	Deletion or total company	Consolidated
I. Sales and operating income:					
Sales					
(1) Sales to unaffiliated customers	12,117,440	35,213,752	47,331,192	0	47,331,192
(2) Internal sales among segments or amount transferred	0	0	0	0	0
Total	12,117,440	35,213,752	47,331,192	0	47,331,192
Operating costs	11,266,622	33,953,855	45,220,478	0	45,220,478
Operating income	850,817	1,259,896	2,110,713	0	2,110,713

(Notes)

1. Business classification is by aggregate sales classification.
2. Main products and goods in each business:
  - (1) Machinery & Equipment Business: Various type of centrifuges and other machinery
  - (2) Chemical Products Business: Synthetic resin, inorganic materials and other chemical products

**(Segment by location)****3-month period ended January 31, 2006**

Thousands of yen

	Japan	Asia	Total	Deletion or total company	Consolidated
I. Sales and operating income:					
Sales					
(1) Sales to unaffiliated customers	8,308,335	1,921,572	10,229,908	0	10,229,908
(2) Internal sales among segments or amount transferred	83,187	194	83,382	[83,382]	0
Total	8,391,523	1,921,767	10,313,290	[83,382]	10,229,908
Operating costs	8,454,292	1,829,966	10,284,258	(83,980)	10,200,278
Operating income	(62,768)	91,801	29,032	598	29,630

**3-month period ended. January 31, 2007**

Thousands of yen

	Japan	Asia	Total	Deletion or total company	Consolidated
I. Sales and operating income:					
Sales					
(1) Sales to unaffiliated customers	9,054,473	1,258,795	10,313,268	0	10,313,268
(2) Internal sales among segments or amount transferred	93,743	0	93,743	[93,743]	0
Total	9,148,216	1,258,795	10,407,012	[93,743]	10,313,268
Operating costs	9,008,223	1,200,431	10,208,654	[95,353]	10,113,301
Operating income	139,993	58,364	198,357	1,610	199,967

**Year ended Oct. 31, 2006**

Thousands of yen

	Japan	Asia	Total	Deletion or total company	Consolidated
I. Sales and operating income:					
Sales					
(1) Sales to unaffiliated customers	40,192,526	7,138,665	47,331,192	0	47,331,192
(2) Internal sales among segments or amount transferred	318,501	242	318,744	[318,744]	0
Total	40,511,027	7,138,908	47,649,936	[318,744]	47,331,192
Operating costs	38,882,487	6,661,544	45,544,032	[323,553]	45,220,478
Operating income	1,628,540	477,364	2,105,904	4,809	2,110,713

## (Notes)

1. Areas included in each country or region are determined based on their degree of proximity.
2. Main country or regions included in the areas other than Japan:  
Asia: China, Korea, Taiwan, and Indonesia (Total 4 countries)

## Non-consolidated Financial Statement

### 3-(1) Balance Sheets (Non-consolidated)

Thousands of yen

Assets	3month period ended		Year ended
	Jan. 31, 2006	Jan. 31, 2007	Oct. 31, 2006
<b>I. Current assets</b>			
1. Cash and deposits	861,323	551,395	555,011
2. Trade notes receivable	4,356,407	4,653,342	4,310,258
3. Trade receivables	8,352,106	8,742,237	10,358,057
4. Inventories	4,734,476	5,421,254	3,879,488
5. Deferred tax assets	463,561	217,191	503,026
6. Other current assets	666,223	677,038	558,512
Allowance for doubtful receivables	(73,225)	(19,142)	(37,903)
<b>Total current assets</b>	<b>19,360,871</b>	<b>20,243,316</b>	<b>20,126,451</b>
<b>II. Fixed assets</b>			
1. Tangible fixed assets			
1) Buildings	785,825	881,891	790,714
2) Machinery, equipment & vehicles	594,351	551,989	574,647
3) Land	931,080	931,080	931,080
4) Other fixed assets	126,768	123,464	108,582
<b>Total tangible fixed assets</b>	<b>2,438,025</b>	<b>2,488,425</b>	<b>2,405,025</b>
2. Intangible fixed assets	12,864	10,136	10,735
3. Investments and others			
1) Investments in securities	1,457,264	1,401,439	1,278,055
2) Affiliated companies' stock	483,765	483,765	483,765
3) Investments in capital of affiliated com's	104,363	171,075	171,075
4) Guarantee deposits	343,702	493,985	273,821
5) Deferred tax assets	69,156	0	0
6) Financial derivatives	246,560	495,642	346,420
7) Other investments	216,293	742,104	728,008
Allowance for doubtful receivables	(87,997)	(85,193)	(85,809)
<b>Total investment and others</b>	<b>2,833,108</b>	<b>3,702,817</b>	<b>3,195,336</b>
<b>Total fixed assets</b>	<b>5,283,997</b>	<b>6,201,379</b>	<b>5,611,096</b>
<b>Total assets</b>	<b>24,644,868</b>	<b>26,444,696</b>	<b>25,737,548</b>

Thousands of yen

Liabilities, Shareholder's Equity & Net Assets	3month period ended		Year ended
	Jan. 31, 2006	Jan. 31, 2007	Oct. 31, 2006
<b>Liabilities</b>			
<b>I. Current liabilities</b>			
1. Notes-payable	1,251,900	1,233,057	1,270,445
2. Trade-payables	5,097,503	5,475,262	5,439,282
3. Short-term debt	2,490,000	3,000,000	1,020,000
4. Long-term debt to be repaid within 1 year	180,000	180,000	180,000
5. Accrued expense	568,377	617,525	578,761
6. Accrued income tax	8,002	7,906	487,989
7. Advances from customers	39,450	66,425	37,282
8. Accrued employee's bonus	302,910	354,466	950,766
9. Accrued officers' bonus	11,500	14,014	50,789
10. Allowance for product warranty	0	118,900	119,700
11. Other current liabilities	151,689	191,487	314,113
<b>Total current liabilities</b>	<b>10,101,334</b>	<b>11,259,045</b>	<b>10,329,430</b>
<b>II. Long-term liabilities</b>			
1. Long-term debt	450,000	270,000	270,000
2. Accrued pension and severance liabilities	9,536	11,859	11,450
3. Officer's retirement allowance	202,962	165,735	229,640
4. Deferred tax liabilities	0	367,385	201,446
5. Financial derivative gains	246,560	0	0
<b>Total long-term liabilities</b>	<b>909,059</b>	<b>814,979</b>	<b>712,536</b>
<b>Total liabilities</b>	<b>11,010,393</b>	<b>12,074,025</b>	<b>11,041,966</b>
<b>Shareholder's equity</b>			
<b>I. Common stock</b>	1,061,210	-	-
<b>II. Capital surplus</b>	1,483,410	-	-
<b>III. Retained earnings:</b>			
1. Earned Reserve	230,000	-	-
2. Unappropriate reserve	10,583,121	-	-
3. Unappropriated profit	251,871	-	-
<i>Retained earnings total</i>	11,064,992	-	-
<b>IV. Unrealized gains and losses on marketable securities and investments</b>	387,358	-	-
<b>V. Issued shares reacquired</b>	(362,496)	-	-
<b>Total shareholder's equity</b>	<b>13,634,475</b>	<b>-</b>	<b>-</b>
<b>Total liability &amp; shareholder's equity</b>	<b>24,644,868</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>			
<b>I. Shareholder's capital</b>	-	-	-
1. Common stock	-	1,061,210	1,061,210
2. Capital surplus	-	1,483,410	1,483,410
3. Retained earnings	-	11,522,553	12,006,911
4. Issued shares reacquired	-	(362,697)	(362,697)
<b>Total shareholder's capital</b>	<b>-</b>	<b>13,704,476</b>	<b>14,188,834</b>

<b>II. Revaluation and translation adjustments</b>			
1. Unrealized gains and losses on marketable securities and investments	-	372,278	301,319
2. Financial derivative gains and losses	-	293,916	205,427
<b><i>Total revaluation and translation adjustments</i></b>	-	666,194	506,746
<b>Total net assets</b>	-	14,370,671	14,695,581
<b>Total liabilities and net assets</b>	-	26,444,696	25,737,548

### 3-(2) Statements of Income (Non-consolidated)

Thousands of yen

3-month period ended January 31	2006	2007	Year ended Oct. 31, 2006
I. Sales	8,380,254	9,222,847	41,316,546
II. Cost of sales	7,079,278	7,613,263	34,003,021
Gross profit	1,300,975	1,609,583	7,313,524
III. Selling, general and administrative	1,401,581	1,487,679	5,704,091
Operating income	(100,605)	121,904	1,609,432
IV. Other income	73,453	82,654	273,448
V. Other expenses	15,925	19,821	91,274
Recurring profit	(43,077)	184,736	1,791,606
VI. Extraordinary gains	59,318	19,571	113,470
VII. Extraordinary losses	1,288	43,557	87,291
Income before income taxes	14,952	160,750	1,817,785
Income taxes			
Current	4,355	3,471	685,657
Deferred	0	342,261	179,612
<i>Income taxes total</i>	4,355	345,733	865,269
<b>Income from Non-consolidated operations</b>	10,597	(184,982)	952,516