

Interim Financial Results

Six-Month Period Ended April 30, 2007 (November 1, 2006 - April 30, 2007)

Date: June 11, 2007
 Company: Tomoe Engineering Co., Ltd. and Subsidiaries
 (Web Site: http://www.tomo-e.co.jp/index_e.html)
 Stock exchange listing: 1st Section, Tokyo Stock Exchange
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1. Consolidated financial data for the 6-month period results ended April 30, 2007:

(1) Results of Operation (Consolidated)

6-month period ended Apr. 30	2007	2006	Millions of yen
			Year ended Oct. 31, 2006
Sales	24,127	25,095	47,331
Operating income	1,256	1,537	2,110
Recurring profit	1,325	1,614	2,222
Net income	673	987	1,267
Net income (loss) per share	¥67. ⁵²	¥98. ⁹³	¥127. ⁰²

Notes: The equity in net earnings of affiliated companies for the 6-month periods ended April 30, 2007 and April 30, 2006 and the year ended October 31, 2006 were none.

(2) Assets and Shareholder's Equity (Consolidated)

6-month period ended Apr. 30	2007	2006	Millions of yen
			Yr. ended Oct. 31, 2006
Total assets (A)	31,849	29,493	28,808
Net assets (B)	16,268	15,091	15,717
Shareholder's equity ratio (B / A)	50.5%	51.2%	54.0%
Shareholder's equity per share	¥1,612. ⁹⁹	¥1,512. ²⁵	¥1,559. ¹⁶

Note: Shareholder's equity for the 6-month periods ended April 30, 2007, April 30, 2006 and the year ended October 31, 2006 were ¥16,096 million, ¥15,091 million and ¥15,559 million respectively.

(3) Cash Flows (Consolidated)

6-month period ended Apr. 30	2007	2006	Millions of yen
			Yr. Ended Oct. 31, 2006
Net cash provided (used) by operating activities	(1,708)	(779)	883
Net cash provided (used) in investing activities	(350)	(47)	(336)
Net cash provided (used) by financing activities	1,997	189	(838)
Consolidated cash and cash equivalent (period-end)	1,206	881	1,235

2. Dividend Status

	Dividend per share	
	End of the year	Full year
Year ended Oct. 31, 2006	¥30.00	¥30.00
Year ending Oct. 31, 2007 (prospect)	¥30.00	¥30.00

3. Forecast for the Year ending October 31, 2007 (Consolidated)

	Millions of yen
	<u>Year ending October 31, 2007</u>
Sales	51,500
Operating income	2,430
Recurring profit	2,500
Net income	1,330
Net income per share	¥133. ²⁸

4. Others

- (1) Significant changes in subsidiaries during the year under review (changes in specific subsidiaries involving changes in the scope of consolidation): None
- (2) Changes in accounting principles, procedures, the method of presentation associated with preparation of the 6-month period of consolidated financial statements (matters to be included in the section, *Basis of Consolidated Financial Statements and Summary of Significant Accounting Policies*)
 - 1) Changes due to revisions of accounting standards etc.: Yes
 - 2) Changes other than 1): None

Note: Please refer to *Basis of Consolidated Financial Statements and Summary of Significant Accounting Policies*, on the page 18.
- (3) Number of shares outstanding (common stock)
 - 1) Number of shares outstanding at fiscal year end (including treasury stock):
 April 30, 2007: 10,533,200 shares April 30, 2006: 10,533,200 shares
 October 31, 2006: 10,533,200 shares
 - 2) Number of shares of treasury stock at fiscal year end:
 April 30, 2007: 554,008 shares April 30, 2006: 554,004 shares
 October 31, 2006: 554,008 shares

Note: Please refer to *Per share information*, on the page 38, for the number of shares that forms the basis for calculating earnings per share.

(Reference)

Non-consolidated Financial Results

1. Non-Consolidated Financial Data for the 6-month period results ended April 30, 2007

(1) Results of Operation (Non-consolidated)

6-month period ended Apr. 30	2007	2006	Millions of yen
			<u>Year ended Oct. 31, 2006</u>
Sales	21,913	21,631	41,316
Operating income	1,029	1,180	1,609
Recurring profit	1,154	1,304	1,791
Net income	583	787	952
Net income (loss) per share	¥58. ⁴⁶	¥78. ⁹⁴	¥95. ⁴⁵

(2) Assets and Shareholder's Equity (Non-consolidated)

6-month period ended Apr. 30	2007	2006	Millions of yen
			Yr. ended Oct. 31, 2006
Total Assets (A)	28,588	26,270	25,737
Net assets (B)	15,138	14,351	14,695
Shareholder's equity ratio (B / A)	53.0%	54.6%	57.1%
Shareholder's equity per share	¥1,516. ⁹⁸	¥1,438. ¹⁷	¥1,472. ⁶²

2. Forecast for the Year ending October 31, 2007 (Non-Consolidated)

	Millions of yen				
	Sales	Operating income	Recurring profit	Net income	Net income per share
Full business year	46,400	1,960	2,100	1,100	¥110. ²³

Note:

With regard to the forecasts of consolidated financial results, please refer to "Notice concerning Revision of Forecasts of Consolidated Financial Results for the Fiscal Year ending October 31, 2007" announced on June 7, 2007. Forward-looking statements contained in this material such as forecasts of consolidated financial results are based on information currently available to us and certain assumptions that we believe are reasonable. Actual results could differ materially due to various factors. For assumptions of the forecasts and necessary precautions, please refer to "1. Operating Results (1) Analysis of operating results" on page 4.

1. Operating Results

(1) Analysis of operating results

Operating Results during the interim period under review

During this interim period Japanese economy continued on a modest but steady path to recovery driven by global economic rebound and solid domestic personal consumption.

Under such circumstances, the Machinery & Equipment Business saw steady performance in the private and overseas sectors but decreased sales in the public sector. In the public sector, prompted by a rapid change in the public bidding system, low-price bidding by main contractors were prevalent, and there occurred many cases where deliveries that had been usually concentrated on the second quarter were postponed to the third quarter, due to the delay in order placement. These factors are mainly responsible for the decrease in the public sector sales in the first-half period. As a result, the sales of the Machinery & Equipment Business decreased 14.4% year on year to 6,137 million yen and the operating income decreased 38.1% year on year to 547 million yen.

The Chemical Products Business saw a relatively large decrease in sales of plastics related business in China due to relocation of certain customer's processing center. However, the sales of Advanced Materials and Electronic Materials remained strong and there was a one-off increase in demand in Fine Chemicals and Industrial Materials. As a result, the sales of the Chemical Products Business increased 0.4% year on year to 17,989 million yen, and the operating income increased 8.5% year on year to 708 million yen.

Consequently, the sales in the consolidated interim period under review decreased by 3.9% year on year to 24,127 million yen, and operating income decreased by 18.3% year on year to 1,256 million yen, affected by the decrease in profits in the Machinery & Equipment Business, and recurring profit also decreased by 17.9% year on year to 1,325 million yen. Net income decreased by 31.8% year on year to 673 million yen due to the decrease in recurring profit and due to the fact that the head office relocation expense and unrealized losses on investment securities were accounted for as extraordinary losses.

When examined by geographic segment, the sales in Japan increased by 1.4% year on year to 21,758 million yen, and operating income decreased by 21.8% year on year to 1,085 million yen. In the Asian region, sales decreased 32.6% year on year to 2,545 million yen. However, due to increased sales of higher margin products and goods as a result of a profit-oriented sales policy, operating income increased by 18.8% year on year to 177 million yen.

Outlook for the full year

With respect to the outlook for the full year ending October 2007, we expect the sales of the Machinery & Equipment Business to be substantially higher than the previous year. This is because, although the public sector is expected to perform slightly poorer, the private sector will perform strongly and the overseas sector is expected to advance, due to large projects for a terephthalic acid production plant. In the Chemical Products Business, the market condition experienced in the first half is expected to continue in the second half, and the full year sales will be slightly higher than the previous year.

As a result, we expect that the full year consolidated sales will increase by 8.8% year on year to 51,500 million yen and recurring profit will increase 12.5% year on year to 2,500 million yen. However, as a result of the recording of the above-mentioned extraordinary losses, net profits will be 1,330 million yen, an increase of 4.9% year on year.

(2) Analysis of financial condition

Total assets at the end of this consolidated interim period increased 3,041 million yen (10.6%) compared with the previous consolidated fiscal year, due to an increase in current assets of 2,557 million yen by an increase in account receivables and inventories, and an increase in fixed assets of 483 million yen by an increase in guarantee deposits in connection with the head office relocation. Total liabilities increased 2,490 million yen (19.0%) compared with the previous consolidated fiscal year due to an increase in purchase liabilities and short-term debt. Net assets increased 550 million yen (3.5%) compared with the previous consolidated fiscal year due to an increase in retained earnings, unrealized gains and losses on marketable securities and investments, etc. As a result, shareholder's equity ratio at the end of this consolidated interim period decreased 3.5 percentage points to 50.5%.

Due to an increase in accounts receivables and inventories, cash and cash equivalent decreased 28 million yen (2.3%) to 1,206 million yen at the end of this consolidated interim period.

(Cash flow from business activities)

Net cash expended by operating activities was 1,708 million yen due to an increase in trade receivables and inventories despite net income before adjustment of tax of 1,220 million yen. As a result, cash flow from operating activities decreased by 929 million yen compared with the previous consolidated fiscal year.

(Cash flow from investment activities)

Net cash used in investing activities was 350 million yen due to acquisition of tangible fixed assets and an increase in guarantee deposits, etc. As a result, cash flow from investing activities decreased by 303 million yen compared with the previous consolidated fiscal year.

(Cash flow from financing activities)

Net cash provided in financing activities was 1,997 million yen due to an increase in short-term debt, etc. As a result, cash flow from financing activities increased by 1,808 million yen compared with the previous consolidated fiscal year.

Trends in cash flow indices are as follows:

Years ended Oct. 31	2003	2004	2005	2006	6-months ended Apr. 30, 2007
Equity ratio (%)	52.4	46.2	52.7	54.0	50.5
Equity ratio based on market value (%)	27.6	34.1	63.9	53.8	50.8
Debt-repayment period (years)	50.6	-	5.9	2.5	-
Interest coverage ratio (%)	0.9	-	9.4	13.5	-

Notes:

Equity ratio = Shareholders' equity / Total assets

Equity ratio based on market value = Market capitalization of shares / Total assets

Debt-repayment period = Interest-bearing debt / Cash flow from operating activities

Interest coverage ratio = Cash flow from operating activities / Interest expense

* All indices are calculated on the basis of consolidated financial figures.

* Market capitalization is calculated by multiplying the closing share price at the end of the interim period by the number of outstanding shares at the end of the interim period (excluding treasury stock).

* Operating cash flow refers to the net cash provided by operating activities in the Statements of Consolidated Cash Flows. Interest bearing debt refers to all debt for which interest is payable declared in the Consolidated Balance Sheet. Interest expense refers to the interest paid as shown in the Statements of Consolidated Cash Flows.

* The debt-repayment period and interest coverage ratio are not recorded for this interim period and the year ended October 31st, 2004, as operating cash flow was negative in those periods.

(3) Basic policy for profit distribution and dividends for Fiscal 2007

We consider that returning profits to shareholders is an important management goal. Our basic policy is to pay dividends in line with the profitability of the Company. Actual decision on the profit distribution is made after taking into consideration maintenance of a stable dividend and accumulation of retained earnings to provide for the enhancement of existing business and development of new products and businesses in the future. Even after the enforcement of the Company Law, no particular change is planned in the number of dividend payments.

(4) Risk factors in business

Outlined below are the key areas of business risks of our group that might have significant influence on investors' decision.

This paragraph contains forward-looking statements, representing the judgments of the Company as of the end of this interim period.

1) Seasonal fluctuation of operating results

Under the present circumstances, the business of our group remains seasonally biased towards the second quarter. In the Machinery & Equipment Business, sales for government and other public offices account for relatively high percentage and such sales tend to be concentrated in the second quarter due to customers' budget implementation, etc.; although the tendency is weakened somewhat due to the change in the method of ordering by the government and public offices. As a result, a large portion of annual sales of Machinery & Equipment Business is concentrated in the second quarter. However, since the sales of Chemical Products Business, which are relatively less affected by seasonal factors, account for higher percentage of our total sales, seasonal factors do not have significant effect on the total sales of our entire group.

On the other hand, our operating income tends to be skewed in the second quarter as the fixed costs in selling, general and administration costs are almost evenly borne through the year and the Machinery & Equipment Business sales are concentrated in the second quarter.

2) Influence of foreign exchange fluctuations

Exchange rate fluctuations may affect the value of our export and import transactions in foreign currencies after translation into yen. Operating results and financial condition of our group might be affected by these foreign currency transactions, although we make efforts to minimize exchange fluctuation risks by entering into foreign currency swaps and forward exchange contracts. Our group has overseas subsidiary companies and prepares financial statements in foreign currencies. In preparing consolidated financial statements, there is a risk associated with exchange fluctuation when converting into yen equivalent.

3) Potential Risk of Overseas Activities

Our group is engaged in marketing and manufacturing overseas, focusing on China and other Southeast Asian countries. Our group will monitor the local situation at all times and take appropriate actions. However, our group's operating results and financial condition might be affected by unforeseen circumstances arising from local legal restrictions, customs, etc.

4) Risks Associated with Quality of Goods and Products

The products of our group are manufactured by paying due attention based on systematic quality control. However, maintenance and repair or replacement costs might be required for products involving development work or due to unforeseen troubles of relevant products. Also, since our group is not directly involved in manufacturing of many of imported raw materials, defects that our group is not directly associated with may occur and we might be obligated to cease sales and collect such materials. Although we are prepared to take prompt and appropriate actions to cope with the risks involved in quality of manufactured products and commercial goods, it may result in affecting our group's operating results and financial condition.

5) Risk of New Investments

We are trying to move deeper into higher added value business. To do this, we must take measures such as aggressive investment, acquisition of trade rights, etc. Since these measures may involve higher potential risks than conventional business risks, it might affect operating results and financial condition of our group.

2. Tomoe Engineering and Companies

Tomoe Group consists of Tomoe Engineering and its 8 subsidiaries. Its group is mainly engaged in manufacture/distribution of centrifuges and trading of chemical products. Business activities of the group are divided into the following 3 main categories. “Business Segments,” which will be discussed in a later section, are based on the following business activity segments. Since “Other businesses” involve no consolidated subsidiary, “Business Segments” do not include figures related to them.

Machinery & Equipment Business:

Tomoe Engineering manufactures and distributes centrifuges. Tomoe Machinery Service provides centrifuge users with after-sales services as well as parts. Tomoe Machinery undertakes machining and sheet-metal processing of centrifuge parts. Tomoe Engineering (Shanghai) manufactures centrifuges and also provides after-sales services.

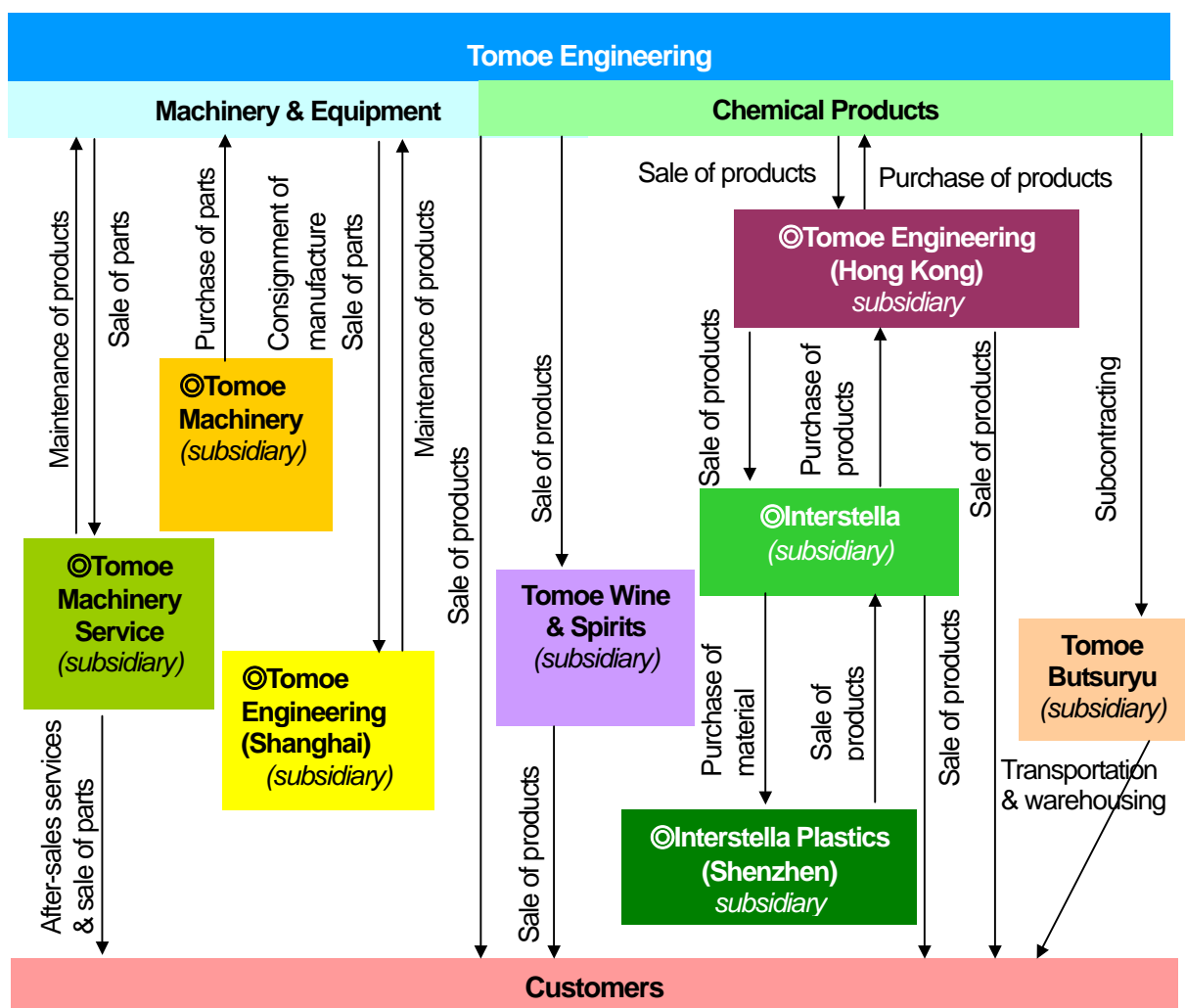
Chemical Products Business:

Interstella Plastics (Shenzhen) is engaged in coloring and compounding of plastic materials. Interstella is the investing company and also serves a contact for purchasing and sales. Tomoe Engineering (Hong Kong) Co., Ltd. functions as hub in relation to the marketing and sales activities in China for the Group and Tomoe Wines & Spirits distributes wines and spirits imported by Tomoe Engineering.

Other Businesses:

Tomoe Butsuryu subcontracts with Tomoe Engineering for transportation and warehousing.

(◎: Consolidated subsidiaries)



3. Management Policy

(1) Basic management philosophy

Our basic management philosophy is to contribute to society and bring good life to every people involved through growth and development of the Company with spirit of creation and entrepreneurship and to provide our customers with high level of technologies and excellent products.

(2) Targeted management index

Tomoe consists of two distinctive businesses: the Machinery & Equipment Business that manufactures and sells separation device and apparatus such as centrifuges and the Chemical Products Business that sells unique products, mainly imported raw materials, as a specialized trading company. Rather than just increasing the sales of products, we always make a point of developing and dealing with unique value-added products that require specific technology and expertise, even if the market is limited. Our primary management goal is to continuously secure necessary resources to achieve this and enhance profitability to meet the expectations of shareholders. As a management index to accomplish this goal, we place the highest priority to recurring profit that directly expresses the absolute value and change of profitability.

(3) Long- and medium- term strategy

Our basic long and medium-term strategies of the Machinery & Equipment Business are development of new products, reduction of the manufacturing cost, and cultivation of overseas markets, and those of the Chemical Products Business are introduction of unique new commercial products and expansion of Chinese business. To prepare ourselves for a new development of this strategy, we have started to formulate the Eighth Mid-term Management Plan (from year ending October 31st, 2008 to year ending October 31st, 2010). Through drawing-up of this plan and its steady realization, we will exert our maximum effort to enhance our profitability and to strengthen our management foundation.

(4) Challenges to be addressed

In our Seventh Mid-term Management Plan "TBC25," we have set a management goal of increasing our profitability steadily. Although there have been some deviations from the original plan at individual management index level such as sales, we believe that at earnings level we will be able to achieve the original plan. To enhance our earnings base in the future, we need to promote our business more extensively while maintaining the existing business as a core base to enhance our earnings base.

The basic strategies of each business are as outlined in item (3) above. As a means to realize these strategies, the formulation and implementation of the Eighth Mid-term Management Plan is the most pressing issue of the Company at the moment.

4. Consolidated Financial Statements

(1) Balance Sheets

Assets	Thousands of yen		
	6-month period ended Apr. 30, 2006	6-month period ended Apr. 30, 2007	Year ended Oct. 31, 2006
I. Current assets			
1. Cash and deposits	981,510	1,206,674	1,235,536
2. Trade receivables	*3 18,458,199	17,270,738	15,924,099
3. Inventories	3,878,198	6,473,793	5,030,842
4. Deferred tax assets	428,134	449,562	570,794
5. Other current assets	754,465	451,150	528,705
Allowance for doubtful receivables	(89,556)	(42,422)	(37,734)
Total current assets	24,410,952	25,809,498	23,252,243
II. Fixed assets			
1. Tangible fixed assets			
1) Buildings	2,141,507	2,334,101	2,190,983
Accumulated depreciation	(1,257,100)	(1,335,461)	(1,299,111)
Net	884,406	998,640	891,871
2) Machinery, equipment & vehicles	3,110,149	3,166,334	3,126,761
Accumulated depreciation	(2,224,231)	(2,273,346)	(2,202,038)
Net	885,917	892,988	924,722
3) Land	975,451	975,451	975,451
4) Other fixed assets	979,767	984,460	986,894
Accumulated depreciation	(847,405)	(822,551)	(848,948)
Net	132,362	161,909	137,946
Total tangible fixed assets	2,878,138	3,028,989	2,929,992
2. Intangible fixed assets	12,588	16,494	11,263
3. Investments and others			
1) Investments in securities	*1 1,334,264	1,487,917	1,396,555
2) Guarantee deposits	361,864	404,918	292,956
3) Deferred tax assets	135,783	22,152	22,494
4) Financial derivatives	155,437	465,946	346,420
5) Other investments	292,396	794,412	642,382
Allowance doubtful receivable	(87,779)	(180,661)	(85,809)
Total investment and others	2,191,966	2,994,685	2,615,000
Total fixed assets	5,082,693	6,040,169	5,556,256
Total assets	29,493,645	31,849,667	28,808,500

Liabilities, Shareholder's Equity & Net Assets	6-month period		Year ended
	ended	ended	ended
	Apr. 30, 2006	Apr. 30, 2007	Oct. 31, 2006
Liabilities			
I. Current liabilities			
1. Trade payables	*1,3 8,204,884	8,108,171	7,615,028
2. Short-term debt	2,874,345	4,281,381	1,894,489
3. Account payable-others	749,106	568,730	648,540
4. Accrued income tax	589,154	390,747	599,496
5. Advances from customers	131,519	270,428	38,525
6. Accrued employee's bonuses	687,483	796,688	1,097,234
7. Accrued officers' bonuses	23,000	28,029	50,789
8. Allowance for product warranty	0	139,136	119,700
9. Other current liabilities	256,736	203,173	240,664
Total current liabilities	13,516,230	14,786,485	12,304,468
II. Long-term liabilities			
1. Long-term debt	360,000	240,000	330,045
2. Accrued pension and severance liabilities	22,719	29,673	25,174
3. Officer's retirement allowance	212,015	175,760	229,640
4. Financial derivative gain	155,437	0	0
5. Deferred tax liabilities	0	349,371	201,446
Total long-term liabilities	750,171	794,805	786,306
Total liabilities	14,266,401	15,581,291	13,090,774
Minority interests	136,200	-	-
Shareholder's equity			
I. Common stock	*4 1,061,210	-	-
II. Capital surplus	1,483,410	-	-
III. Retained earnings	12,559,635	-	-
IV. Unrealized gains and losses on marketable securities and investments	327,702	-	-
V. Foreign currency translation adjustment	21,775	-	-
VI. Issued shares reacquired	*5 (362,690)	-	-
Total shareholder's equity	15,091,043	-	-
Total liabilities, minority interests and shareholder's equity	29,493,645	-	-
Net assets			
I. Shareholder's capital			
1. Common stock	-	1,061,210	1,061,210
2. Capital surplus	-	1,483,410	1,483,410
3. Retained earnings	-	13,214,360	12,839,980
4. Issued shares reacquired	-	(362,697)	(362,697)
Total shareholder's capital	-	15,396,283	15,021,902
II. Revaluation and translation adjustments			
1. Unrealized gains and losses on marketable securities and investments	-	389,148	301,319
2. Financial derivative gains and losses	-	276,315	205,427
3. Foreign currency translation adjustment	-	34,628	30,480
Total revaluation and translation adjustments	-	700,092	537,226
III. Minority interest			
	-	171,999	158,595
Total net assts	-	16,268,376	15,717,725
Total liabilities and net assets	-	31,849,667	28,808,500

(2) Statements of Consolidated Income

		Thousands of yen		
6-month period ended Apr. 30		2006	2007	Year ended Oct. 31, 2006
I.	Sales	25,095,346	24,127,323	47,331,192
II.	Cost of sales	20,507,402	19,573,555	39,009,228
	Gross profit	4,587,943	4,553,768	8,321,963
III.	Selling, general and administrative	*1 3,050,391	3,297,391	6,211,249
	Operating income	1,537,552	1,256,377	2,110,713
IV.	Other income			
	1. Interests	2,153	3,930	5,632
	2. Dividends	41,463	44,753	56,058
	3. Rents	22,179	9,206	34,921
	4. Foreign exchange gains	39,786	42,818	77,302
	5. Sundry	19,513	26,508	46,300
	Other income total	125,096	127,217	220,215
V.	Other expenses			
	1. Interests	32,102	41,131	65,749
	2. Discounts on bills of exchange	1,894	3,795	5,155
	3. Commitment fee	0	0	10,023
	4. Sundry	14,114	13,514	27,220
	Other expense total	48,111	58,440	108,148
	Recurring profit	1,614,537	1,325,153	2,222,780
VI.	Extraordinary gains			
	1. Realized gains on property and equipment	*2 17,659	0	18,489
	2. Reversal of allowance for doubtful receivables	41,446	565	95,368
	Extraordinary gains total	59,105	565	113,857
VII.	Extraordinary losses			
	1. Realized losses on property and equipment	*3 0	0	1,574
	2. Written-off losses on property and equipment	*4 5,625	15,789	23,120
	3. Realized losses on investment securities	0	0	47,835
	4. Unrealized losses on investment securities	10,000	50,000	12,000
	5. Removal expenses	*5 0	39,410	0
	Extraordinary losses total	15,625	105,199	84,530
	Income before income taxes	1,658,018	1,220,518	2,252,108
	Income taxes			
	Current	583,089	375,978	797,600
	Deferred	71,358	157,170	150,962
	Income taxes total	654,448	533,148	948,562
	Gains and losses in on minority interests	16,316	13,613	35,947
	Income from consolidated operations	987,253	673,756	1,267,597

**(3) Consolidated Retained Earnings &
Consolidated Statements of Changes in Shareholder's Equity**

Consolidated retained earnings:

Thousands of yen

	6-month period ended Apr. 30, 2006
I. Surplus at opening of the period	1,483,410
Balance, beginning of year	
I. Retained earnings	11,863,794
II. Net income (loss)	987,253
Total	<u>12,851,047</u>
III. Deduct:	
1. Cash dividend paid	249,482
2. Officer's bonuses	41,930
<Including Corporate Auditor's bonuses>	<11,250>
Total	<u>291,412</u>
IV. Balance, end of the 6-month period & the year	<u><u>12,559,635</u></u>

Consolidated Statements of Changes in Shareholder's Equity

6-month period ended April 30, 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 6-month period					
Cash dividend paid *Note	0	0	(299,375)	0	(299,375)
Net income (loss)	0	0	673,756	0	673,756
Total amount changed	0	0	374,380	0	374,380
Balance, end of the 6-month period	1,061,210	1,483,410	13,214,360	(362,697)	15,396,283

6-month period ended April 30, 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 6-month period						
Cash dividend paid	0	0	0	0	0	(299,375)
Net income (loss)	0	0	0	0	0	673,756
Total (net) amount changed (except shareholder's equity)	87,829	70,888	4,148	162,866	13,404	176,270
Total amount changed	87,829	70,888	4,148	162,866	13,404	550,650
Balance, end of the 6-month period	389,148	276,315	34,628	700,092	171,999	16,268,376

***Note:** This item is the appropriation of earnings approved at the annual shareholders meeting held in January 2007.

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 Oct. 31, 2005	1,061,210	1,483,410	11,863,794	(362,462)	14,045,952
Changes during this fiscal year					
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 Oct. 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 Oct. 31, 2005	295,905	0	(5,744)	290,160	114,324	14,450,437
Changes during this fiscal year						
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 Oct. 31, 2006	301,319	205,427	30,480	537,226	158,595	15,717,725

(4) Statements of Consolidated Cash Flows

Thousands of yen

	6-month period ended Apr. 30	2006	2007	Year ended Oct 31, 2006
I. Operating activities				
1. Net income before income taxes		1,658,018	1,220,518	2,252,108
2. Depreciation and amortization		170,087	145,446	364,442
3. Increase in accrued employees' bonuses		675,999	(300,546)	1,085,750
4. Increase or decrease in accrued Officer's bonuses		23,000	(22,759)	50,789
5. Increase or decrease in allowance for product warranty		0	19,436	119,700
6. Increase or decrease in accrued pension & severance liabilities		(69)	4,499	2,385
7. Increase or decrease in officer's retirement allowance		18,105	(53,880)	35,730
8. Provision for doubtful receivables		(41,971)	99,539	(95,762)
9. Unrealized losses on investment securities		10,000	50,000	12,000
10. Interest and dividend income		(43,616)	(48,684)	(61,914)
11. Interest expense		32,102	41,131	65,749
12. Losses or gains on foreign exchanges		(2,307)	(31,468)	(7,039)
13. Realized losses or gains on property and equipment		(17,659)	0	(16,914)
14. Write-off loss of property and equipment		5,625	15,789	23,120
15. Increase or decrease in trade receivables		(2,799,812)	(1,341,934)	(404,797)
16. Increase or decrease in inventories		231,950	(1,459,080)	(915,988)
17. Increase or decrease in trade payables		811,611	493,207	226,350
18. Increase or decrease in account payable-others		(56,955)	(80,042)	(159,893)
19. Increase or decrease in advances from customers		(3,215)	231,902	(96,208)
20. Increase or decrease in accrued consumption tax		65,067	(49,320)	(1,013)
21. Officers' bonuses		(41,930)	0	(41,930)
22. Others		(1,185,163)	(82,258)	(913,455)
Sub total		(491,133)	(1,148,503)	1,523,430
23. Interests and dividends received		43,697	48,118	61,664
24. Interests paid		(35,104)	(39,336)	(65,536)
25. Income taxes paid		(296,461)	(569,197)	(635,951)
Net cash provided (used) by operating activities		(779,000)	(1,708,919)	883,606
II. Investing activities				
1. Increase in time deposits		0	0	(100,000)
2. Decrease in time deposits		0	0	100,000
3. Expenditures for properties and equipment		(94,155)	(244,205)	(404,912)
4. Proceeds from sales of properties and equipment		43,045	0	44,949
5. Expenditures for intangible fixed assets		0	(6,489)	0
6. Acquisition of investments		(13,902)	(14,157)	(86,099)
7. Collection of loans receivable		20,850	20,493	42,982
8. Increase in loans receivable		(1,230)	(1,010)	(5,768)
9. Decrease in guarantee deposits		(1,466)	(111,968)	67,455
10. Decrease in other investments		(244)	6,943	5,287
Net cash provided (used) in investing activities		(47,102)	(350,392)	(336,105)
III. Financing activities				
1. Increase or decrease in short-term debt		528,783	2,386,464	(468,968)
2. Increase in long-term debt		0	0	60,045
3. Repayment of long-term debt		(90,000)	(90,000)	(180,000)
4. Reacquisition of issued shares of stocks		(228)	0	(235)
5. Cash dividends paid		(249,482)	(299,375)	(249,482)
Net cash provided (used) in financing activities		189,072	1,997,088	(838,639)

Cash and cash equivalents			
IV. Effect of exchange rate changes	7,201	33,361	15,334
V. Increase (decrease) in cash and cash equivalents	(629,829)	(28,861)	(275,803)
VI. Cash and cash equivalents at the beginning of year	1,511,339	1,235,536	1,511,339
VII. Cash and cash equivalents at end of the 6-month period and year ended	881,510	1,206,674	1,235,536

*1

Basis of Financial Statements and Summary of Significant Accounting Policies

6-month period ended April 30, 2006	6-month period ended April 30, 2007	Year ended October 31, 2006
<p>1. Scope of consolidation:</p> <p>(1) Number of consolidated subsidiaries: 6</p> <p>Names of consolidated subsidiaries are:</p> <p>Tomoe Machinery Co., Ltd. Tomoe Machinery Service Co., Ltd. Interstella Co., Ltd. Interstella Plastics (Shenzhen) Co., Ltd. Tomoe Engineering (Suzhou) Co., Ltd. Tomoe Engineering (Hong Kong) Co., Ltd.</p> <p>(2) Names of main unconsolidated subsidiaries: Tomoe Butsuryu Co., Ltd. Tomoe Wine & Spirits Co., Ltd.</p> <p>Reason for excluding from scope of consolidation: Above two unconsolidated subsidiaries are excluded from scope of consolidation because they are small-scale companies and their total assets, sales, net income and loss for this consolidated 6-month period (in amount appropriate for equity) and retained earnings (in amount appropriate for equity) have no significant effects on this 6-month consolidated financial statements.</p>	<p>1. Scope of consolidation:</p> <p>(1) Number of consolidated subsidiaries: 6</p> <p>Names of consolidated subsidiaries are:</p> <p>Tomoe Machinery Co., Ltd. Tomoe Machinery Service Co., Ltd. Interstella Co., Ltd. Interstella Plastics (Shenzhen) Co., Ltd. Tomoe Engineering (Hong Kong) Co., Ltd. Tomoe Engineering (Shanghai) Co., Ltd.</p> <p>(2) Names of main unconsolidated subsidiaries: Tomoe Butsuryu Co., Ltd. Tomoe Wine & Spirits Co., Ltd.</p> <p>Reason for excluding from scope of consolidation: Same as left</p>	<p>1. Scope of consolidation:</p> <p>(1) Number of consolidated subsidiaries: 6</p> <p>Names of consolidated subsidiaries are:</p> <p>Tomoe Machinery Co., Ltd. Tomoe Machinery Service Co., Ltd. Interstella Co., Ltd. Interstella Plastics (Shenzhen) Co., Ltd. Tomoe Engineering (Hong Kong) Co., Ltd. Tomoe Engineering (Shanghai) Co., Ltd.</p> <p>Tomoe Engineering (Shanghai) Co., Ltd. is the 100% owned subsidiary founded in this consolidated fiscal year and we include it in the scope of consolidation from this consolidated fiscal year. Tomoe Engineering (Suzhou) Co., Ltd. has been sold off this consolidated financial year.</p> <p>(2) Names of main unconsolidated subsidiaries: Tomoe Butsuryu Co., Ltd. Tomoe Wine & Spirits Co., Ltd.</p> <p>Reason for excluding from scope of consolidation: Above two unconsolidated subsidiaries are excluded from scope of consolidation because they are small-scale companies and their total assets, sales, net income and loss for the current fiscal year (in amount appropriate for equity) and retained earnings (in amount appropriate for equity) have no significant effects on consolidated financial statements.</p>

<p>2. Matters related to applying equity method:</p> <p>(1) Number of unconsolidated subsidiaries equity method is applied: None</p> <p>(2) Number of consolidated subsidiaries equity method is applied: None</p> <p>(3) Names of main unconsolidated subsidiaries and affiliated companies equity method is not applied: Tomoe Butsuryu Co., Ltd. Tomoe Wines & Spirits Co., Ltd.</p> <p>Reason for not applying equity method: Investments in the above two unconsolidated subsidiaries are appraised by cost method instead of equity method as they have no major effects on net income or loss, retained earnings, etc. for this 6-month consolidated period and are not important in totality.</p> <p>3. Business year, etc. of consolidated subsidiaries:</p> <p>As the 6-month fiscal term of Interstella Co., Ltd., Interstella Plastics (Shenzhen) Co., Ltd., and Tomoe Engineering (Suzhou) Co., Ltd. ends on June 30, their accounts are provisionally closed on March 31 of the respective fiscal term and Tomoe Engineering (Hong Kong) Co., Ltd. ends on March 31. Therefore, as for 4 companies including Tomoe Hong Kong, necessary adjustments required for consolidation are made on important transactions among consolidated companies from April 1 to the closing date.</p>	<p>2. Matters related to applying equity method:</p> <p>(1) Number of unconsolidated subsidiaries equity method is applied: None</p> <p>(2) Number of consolidated subsidiaries equity method is applied: None</p> <p>(3) Names of main unconsolidated subsidiaries and affiliated companies equity method is not applied: Tomoe Butsuryu Co., Ltd. Tomoe Wines & Spirits Co., Ltd.</p> <p>Reason for not applying equity method: Same as left</p> <p>3. Business year, etc. of consolidated subsidiaries:</p> <p>As the 6-month fiscal term of Interstella Co., Ltd., Interstella Plastics (Shenzhen) Co., Ltd., and Tomoe Engineering (Shanghai) Co., Ltd. ends on June 30, their accounts are provisionally closed on March 31 of the respective fiscal term and Tomoe Engineering (Hong Kong) Co., Ltd. ends on March 31. Therefore, as for 4 companies including Tomoe Hong Kong, necessary adjustments required for consolidation are made on important transactions among consolidated companies from April 1 to the closing date.</p>	<p>2. Matters related to applying equity method:</p> <p>(1) Number of unconsolidated subsidiaries equity method is applied: None</p> <p>(2) Number of consolidated subsidiaries equity method is applied: None</p> <p>(3) Names of main unconsolidated subsidiaries and affiliated companies equity method is not applied: Tomoe Butsuryu Co., Ltd. Tomoe Wines & Spirits Co., Ltd.</p> <p>Reason for not applying equity method: Investments in the above two unconsolidated subsidiaries are appraised by cost method instead of equity method as they have no major effects on consolidated net income or loss, consolidated retained earnings, etc. and are not important in totality.</p> <p>3. Business year, etc. of consolidated subsidiaries:</p> <p>As fiscal year of Interstella Co., Ltd., Interstella Plastics (Shenzhen) Co., Ltd., and Tomoe Engineering (Shanghai) Co., Ltd. end on December 31, their accounts are provisionally closed on September 30 of the respective fiscal year and Tomoe Engineering (Hong Kong) Co., Ltd. ends on September 30. Therefore, as for 4 companies, necessary adjustments required for consolidation are made on important transactions among consolidated companies from October 1 to the closing dates.</p>
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<p>4. Accounting procedure standard:</p> <p>(1) Appraisal standard and appraisal method for important assets:</p> <p>1) Appraisal standard and appraisal method for securities:</p> <p>Other securities</p> <p>Assets with market value: Market value method based on market value, etc. on the closing date (All of appraisal differences are processed by capital infusion method and cost of sales is calculated by moving average method.)</p> <p>Assets without market value: Cost method by moving average method</p> <p>2) Appraisal standard and appraisal method for inventories:</p> <p>Goods: Cost method based on moving average method (cost method based on individual method for certain specific goods)</p> <p>Finished products and products in process: Mainly cost method based on individual method</p> <p>Raw materials: Mainly cost method based on first-in first-out method</p> <p>Supplies: Last cost method</p> <p>(2) Depreciation method for important depreciation assets:</p> <p>1) Tangible fixed assets: Fixed rate method is mainly applied for depreciation, while fixed amount method is applied for the buildings excluding accessory</p>	<p>4. Accounting procedure standard:</p> <p>(1) Appraisal standard and appraisal method for important assets:</p> <p>1) Appraisal standard and appraisal method for securities:</p> <p>Other securities</p> <p>Assets with market value: Market value method based on market value, etc. on the closing date (All of appraisal differences are processed by capital infusion method and cost of sales is calculated by moving average method.)</p> <p>Assets without market value: Same as left</p> <p>2) Appraisal standard and appraisal method for inventories:</p> <p>Goods: Same as left</p> <p>Finished products and products in process: Same as left</p> <p>Raw materials: Same as left</p> <p>Supplies: Same as left</p> <p>(2) Depreciation method for important depreciation assets:</p> <p>1) Tangible fixed assets: Same as left</p>	<p>4. Accounting procedure standard:</p> <p>(1) Appraisal standard and appraisal method for important assets:</p> <p>1) Appraisal standard and appraisal method for securities:</p> <p>Other securities</p> <p>Assets with market value: Market value method based on market value, etc. on the closing date (All of appraisal differences are processed by capital infusion method and cost of sales is calculated by moving average method.)</p> <p>Assets without market value: Same as left</p> <p>2) Appraisal standard and appraisal method for inventories:</p> <p>Goods: Same as left</p> <p>Finished products and products in process: Same as left</p> <p>Raw materials: Same as left</p> <p>Supplies: Same as left</p> <p>(2) Depreciation method for important depreciation assets:</p> <p>(1) Tangible fixed assets: Same as left</p>
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<p>equipment acquired on or after April 1, 1998. Meanwhile, service lives of the main assets are as follows: Buildings and structures: 5~47 years Machinery and vehicles: 2~15 years</p> <p>(Depreciation assets of small amount) Assets with acquisition price of ¥100,000 - less than ¥200,000 will be accounted for as assets, and straight-line method in three years is adopted for depreciation.</p> <p>2) Intangible fixed assets: Software: Straight-line method based on estimated utilizable period (5 years) is adopted.</p> <p>(3) Allocation standard of important reserves:</p> <p>1) Allowance for doubtful receivables: Mainly preparing for bad debts, estimated non-recoverable amount is accounted for by loss ratio for general debts and collectability of specific debts such as doubtful debt is taken into consideration individually.</p> <p>2) Accrued employees' bonuses: To appropriate for bonuses in accordance with our pay regulation for employees, accrued bonuses are accounted based on estimated amount to be supplied.</p>	<p>(Depreciation assets of small amount) Same as left</p> <p>2) Intangible fixed assets: Same as left</p> <p>(3) Allocation standard of important reserves:</p> <p>1) Allowance for doubtful receivables: Same as left</p> <p>2) Accrued employees' bonuses: Allowance is provided in provisions for payment of bonuses to employees in the amount of estimated bonuses, which are attributable to the current consolidated interim period.</p>	<p>(Depreciation assets of small amount) Same as left</p> <p>2) Intangible fixed assets: Same as left</p> <p>(3) Allocation standard of important reserves:</p> <p>1) Allowance for doubtful receivables: Same as left</p> <p>2) Accrued employees' bonuses: Allowance is provided in provisions for payment of bonuses to employees in the amount of estimated bonuses, which are attributable to the current consolidated fiscal year.</p> <p>(Additional information)Accrued bonuses for employees had been shown in "other current liabilities"; however, in conjunction with the review of bonus system, amount of bonuses payable to employees cannot be decided at the time of</p>
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<p>3) Accrued officers' bonuses: Allowance is provided in provisions for payment of bonuses to officers in the amount of estimated bonuses.</p> <p>(Change of accounting method) Officers' bonus had been recorded as decrease of unappropriated retained earnings by appropriation of earnings, however, from the current consolidated interim period, it is recorded as expense when incurred based on the "Accounting Standard for Directors' Bonuses" (The 4th Accounting Standards on November 29, 2005 by ASBJ). As a result, operating income, recurring profit, and income before income tax each decreased by 23,000 thousand yen compared to the case when previous method is applied. The impact on segment information is described in the corresponding section.</p> <p>4) Allowance for product warranty: N/A</p>	<p>3) Accrued officers' bonuses: Allowance is provided in provisions for payment of bonuses to officers in the amount of estimated bonuses.</p> <p>4) Allowance for product warranty: In order to account for product-related loss and warranty expenses to be</p>	<p>preparing the consolidated financial statements. Therefore, from the current consolidated financial year, they will be shown as "accrued employees' bonuses" in the current liabilities based on the Research Center Review Information No.15 "Concerning Financial Statement Titles to Be Used for Accrued Bonuses for Employees" issued by the JICPA. The amount of accrued bonuses for employees included in the "other current liabilities" in the previous consolidated financial year was 814,289 thousand yen.</p> <p>3) Accrued officers' bonuses: Allowance is provided in provisions for payment of bonuses to officers in the amount of estimated bonuses.</p> <p>(Change of accounting method) Officers' bonus had been recorded as decrease of unappropriated retained earnings by appropriation of earnings, however, from the current consolidated fiscal year, it is recorded as expense when incurred based on the "Accounting Standard for Directors' Bonuses" (The 4th Accounting Standards on November 29, 2005 by ASBJ). As a result, operating income, recurring profit, and income before income tax each decreased by 50,789 thousand yen compared to the case when previous method is applied. The impact on segment information is described in the corresponding section.</p> <p>4) Allowance for product warranty: Same as left</p>
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<p>5) Accrued pension and severance liabilities: Preparing for employee's accrued pension, the amount acknowledged being incurred as of the end of the this consolidated interim period is accounted for based on estimated amount of accrued pension debts and pension assets as of the end of the current consolidated fiscal year. Meanwhile, mathematical calculation difference is processed proportionately as cost in each consolidated fiscal year of its occurrence by equal installment method based on certain number of years (10 years) within employees' average remaining work period.</p> <p>6) Officer's retirement allowance: Interim Term-end payable allowances based on the bylaw are appropriated to prepare for payment of officer's retirement allowances.</p> <p>(4) Process method of important lease transaction: Finance lease transactions other than those in which ownership of leased objects is acknowledged being transferred to lessee are processed in accordance with the method for ordinary rental transactions.</p> <p>(5) Method of important hedge accounting:</p> <p>1) Method of hedge accounting: Deferred hedge accounting is adopted.</p>	<p>warranty expenses to be incurred after delivery of products, the possibility of incurring such expenses is individually estimated, and the amount is provided for as warranty provision.</p> <p>5) Accrued pension and severance liabilities: Same as left</p> <p>6) Officer's retirement allowance: Same as left</p> <p>(4) Process method of important lease transaction: Same as left</p> <p>(5) Method of important hedge accounting:</p> <p>1) Method of hedge accounting: Same as left</p>	<p>5) Accrued pension and severance liabilities: Preparing for employee's accrued pension, the amount acknowledged being incurred as of the end of the current consolidated fiscal year is accounted for based on estimated amount of accrued pension debts and pension assets as of the end of the current consolidated fiscal year. Meanwhile, mathematical calculation difference is processed proportionately as cost in each consolidated fiscal year of its occurrence by straight-line method based on certain number of years (10 years) within employees' average remaining work period.</p> <p>6) Officers' retirement allowance: Term-end payable allowances based on the bylaw are appropriated to prepare for payment of officer's retirement allowances.</p> <p>(4) Process method of important lease transaction: Same as left</p> <p>(5) Method of important hedge accounting:</p> <p>1) Method of hedge accounting: Same as left</p>
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<p>For exchange contracts and currency swaps, appropriated process is adopted if requirements for appropriated process are satisfied. Special process is adopted for interest swaps if requirements for special process are satisfied.</p> <p>2) Means for hedging and objects for hedging: <u>Means for hedging</u> <u>Objects for hedging</u> Interest swaps Interest rate fluctuation on borrowings Exchange contracts and currency swaps Exchange rate and fluctuation for debts and credits in foreign currencies</p> <p>3) Hedge policy: We hedge risks against fluctuation of exchange rate, interest rate, etc. In principle, we hedge risks based on actual demand and no derivative transactions are made for speculation purpose.</p> <p>4) Appraisal method of hedge effectiveness: We make our hedge transactions in accordance with our risk management method and acknowledge that the correlation between means for hedging against fluctuation of exchange rate, interest rate, etc. and objects for hedging are completely justified.</p> <p>(6) Other important matters in preparing consolidated interim financial statement:</p> <p>1) Accounting procedure for consumption tax, etc.: Accounting procedure for consumption tax and local consumption tax is in accordance with net of tax method.</p>	<p>2) Means for hedging and objects for hedging: Same as left</p> <p>3) Hedge policy: Same as left</p> <p>4) Appraisal method of hedge effectiveness: Same as left</p> <p>(6) Other important matters in preparing consolidated interim financial statement:</p> <p>1) Accounting procedure for consumption tax, etc.: Same as left</p>	<p>2) Means for hedging and objects for hedging: Same as left</p> <p>3) Hedge policy: Same as left</p> <p>4) Appraisal method of hedge effectiveness: Same as left</p> <p>(6) Other important matters in preparing consolidated financial statements:</p> <p>1) Accounting procedure for consumption tax, etc.: Same as left</p>
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<p>2) Handling of various reserves, etc. for calculation of tax amount, etc.:</p> <p>Income taxes such as current and deferred for this consolidated interim period are calculated on the premise of accumulation and disposition of reserves projected for this consolidated accounting period in accordance with the rules and regulations of corporate tax law, etc.</p> <p>5. Range of funds in consolidated interim cash flow statement:</p> <p>Funds (cash, cash equivalent, etc.) in consolidated interim period cash flow statement consist of cash on hand, deposits derivable as needed and easily convertible and yet short-term investments with maturity date within 3 months from acquisition date bearing small risks only in price fluctuation.</p>	<p>2) Handling of various reserves, etc. Same as left</p> <p>5. Range of funds in consolidated interim cash flow statement:</p> <p>Same as left</p>	<p>2) Handling of various reserves, etc. : N/A</p> <p>5. Range of funds in consolidated cash flow statement:</p> <p>Funds (cash, cash equivalent, etc.) in consolidated cash flow statement consist of cash on hand, deposits derivable as needed and easily convertible and yet short-term investments with maturity date within 3 months from acquisition date bearing small risks only in price fluctuation.</p>
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Change in accounting procedure

6-month period ended April 30, 2006	6-month period ended April 30, 2007	Year ended October 31, 2006
N/A	<p>(Accounting standard for presentation of net assets in balance sheet)</p> <p>From the previous consolidated financial year, the Company adopted the "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board Statement No. 5, December 9, 2005 by ASBJ) and "Implementation Guidance on Accounting Standards for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board Implementation Guidance No. 8, December 9, 2005 by ASBJ). The total amount of "Stockholders' Equity" in accordance with the old standard would be 15,820,060 thousand yen.</p> <p>Also, net assets in the balance sheet for the current consolidated interim financial period is presented according to the revised rules for consolidated interim financial statements.</p>	<p>(Accounting standard for presentation of net assets in balance sheet)</p> <p>From the current consolidated financial year, the Company adopted the "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board Statement No. 5, December 9, 2005 by ASBJ) and "Implementation Guidance on Accounting Standards for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board Implementation Guidance No. 8, December 9, 2005 by ASBJ). The total amount of "Stockholders' Equity" in accordance with the old standard would be 15,353,702 thousand yen.</p> <p>Also, net assets in the balance sheet for the current consolidated financial year is presented according to the revised rules for consolidated financial statements.</p>

Notes to Consolidated Financial Statements

(Consolidated balance sheets)

Thousands of yen

6-month period ended Apr. 30, 2006	6-month period ended Apr. 30, 2007	Year ended October 31, 2006
<p>*1 (Collateral assets) A portion of the assets is pledged as collateral. Details are as follows: <u>Pledged assets amount</u> Investment securities: 223,081 <u>Secured liabilities amount</u> Bills payable & accounts payable: 162,684</p>	<p>*1 (Collateral assets) A portion of the assets is pledged as collateral. Details are as follows: <u>Pledged assets amount</u> Investment securities: 349,281 <u>Secured liabilities amount</u> Accounts payable: 175,877</p>	<p>*1 (Collateral assets) A portion of the assets is pledged as collateral. Details are as follows: <u>Pledged assets amount</u> Investment securities: 237,238 <u>Secured liabilities amount</u> Accounts payable: 193,325</p>
<p>2 Contingent liabilities: *Liabilities for guarantee: Liabilities for guarantee on bank borrowings for home ownership financing of employees: Employees (home ownership financing for employees): 16,837</p>	<p>2 Contingent liabilities: *Liabilities for guarantee: Liabilities for guarantee on bank borrowings for home ownership financing of employees: Employees (home ownership financing for employees): 11,907</p>	<p>2 Contingent liabilities: *Liabilities for guarantee: Liabilities for guarantee on bank borrowings for home ownership financing of employees: Employees (home ownership financing for employees): 14,063</p>
<p>*3 Term-end maturing bills are cleared on bill clearing date. Since the last day of the current consolidated interim period was holiday for banking institutions, bills maturing on the last day of the succeeding fiscal term are included in term-end balance. Bills receivable: 359,751 Bills payable: 154,707</p>	<p>*3 Term-end maturing bills are cleared on bill clearing date. Since the last day of the current consolidated interim period was holiday for banking institutions, bills maturing on the last day of the succeeding fiscal term are included in term-end balance. Bills receivable: 454,855 Bills payable: 191,359</p>	<p>*3 N/A</p>
<p>*4 Total number of issued stocks: Common stocks: 10,533,200 shares</p>	<p>*4 N/A</p>	<p>*4 N/A</p>
<p>*5 Own shares: The shares owned by consolidated companies who submitted consolidated financial statement: Common stocks: 554,004 shares</p>	<p>*5 N/A</p>	<p>*5 N/A</p>
<p>6 Our group concluded overdraft contract and loan commitment contract with main correspondent financial institutions for enabling efficient operating funds raising. Unrealized borrowing balance as of the end of the current consolidated interim period based on the contract is as follows: Limit of overdraft and amount of loan commitment in total: 6,350,000 Balance of executed borrowings: <u>2,015,000</u> Balance: 4,335,000</p>	<p>6 Same as left Limit of overdraft and amount of loan commitment in total: 6,550,000 Balance of executed borrowings: <u>3,305,000</u> Balance: 3,245,000</p>	<p>6 Our group concluded overdraft contract and loan commitment contract with main correspondent financial institutions for enabling efficient operating funds raising. Unrealized borrowing balance as of the end of the current consolidated fiscal year based on the contract is as follows: Limit of overdraft and amount of loan commitment in total: 6,050,000 Balance of executed borrowings: <u>1,022,000</u> Balance: 5,028,000</p>

(Statements of consolidated income)

Thousands of yen

6-month period ended Apr. 30, 2006	6-month period ended Apr. 30, 2007	Year ended October 31, 2006																																																												
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<p>*4 Written-off losses on property and equipment:</p> <table> <tr><td>Machinery and vehicle</td><td>4,427</td></tr> <tr><td>Others</td><td>1,198</td></tr> <tr><td>Total</td><td>5,625</td></tr> </table>	Machinery and vehicle	4,427	Others	1,198	Total	5,625	<p>*4 Written-off losses on property and equipment:</p> <table> <tr><td>Machinery and vehicle</td><td>9,879</td></tr> <tr><td>Tools and equipment</td><td>5,909</td></tr> <tr><td>Total</td><td>15,789</td></tr> </table>	Machinery and vehicle	9,879	Tools and equipment	5,909	Total	15,789	<p>*4 Written-off losses on property and equipment:</p> <table> <tr><td>Machinery and vehicle</td><td>20,935</td></tr> <tr><td>Others</td><td>2,184</td></tr> <tr><td>Total</td><td>23,120</td></tr> </table>	Machinery and vehicle	20,935	Others	2,184	Total	23,120																																										
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(Statements of Changes in Consolidated Shareholder's Equity)

6-month period ended April 30, 2007

1. Matters concerning the types and total number of shares outstanding Thousands of yen

Type of share	Number of shares as of Oct. 31, 2006	Increase (shares)	Decrease (shares)	Number of shares as of April 30, 2007
Common stock	10,533,200	-	-	10,533,200

2. Matters concerning treasury stock Thousands of yen

Type of share	Number of shares as of Oct. 31, 2006	Increase (shares)	Decrease (shares)	Number of shares as of April 30, 2007
Common stock	554,008	-	-	554,008

3. Matters related to stock acquisition rights There are no relevant matters.

4. Matters concerning dividends

(1) Dividend payment amount

Thousands of yen

Resolution	Type of stock	Total amount of dividends	Dividend per share (yen)	Record date	Effective date
Annual shareholder's meeting on Jan. 30, 2007	Common shares	299,375	30	Oct. 31, 2006	Jan. 31, 2007

(2) Of the dividends whose record date belongs to this consolidated interim period, those dividends whose effective dates belong to the subsequent consolidated financial period: There are no relevant matters.

Year ended Oct. 31, 2006

1. Matters concerning the types and total number of shares outstanding Thousands of yen

Type of share	Number of shares as of Oct. 31, 2005	Increase (shares)	Decrease (shares)	Number of shares as of April 30, 2006
Common stock	10,533,200	-	-	10,533,200

2. Matters concerning treasury stock Thousands of yen

Type of share	Number of shares as of Oct. 31, 2005	Increase (shares)	Decrease (shares)	Number of shares as of April 30, 2006
Common stock	553,915	93	-	554,008

Note: The 93 shares increase in the number of common shares is due to the purchase of odd-lot shares.

3. Matters related to stock acquisition rights There are no relevant matters.

4. Matters concerning dividends

(1) Dividend payment amount

Thousands of yen

Resolution	Type of stock	Total amount of dividends	Dividend per share (yen)	Record date	Effective date
Annual shareholder's meeting on Jan. 27, 2006	Common shares	249,482	25	Oct. 31, 2005	Jan. 30, 2006

(2) Of the dividends whose record date belongs to this consolidated fiscal term, those dividends whose effective dates belong to the next consolidated financial period

Thousands of yen						
Resolution	Type of stock	Source of dividend payment	Total amount of dividends	Dividend per share (yen)	Record date	Effective date
Annual shareholder's meeting on Jan. 30, 2007	Common shares	Retained earnings	299,375	30	Oct. 31, 2006	Jan. 31, 2007

(Consolidated cash flow statement)

Thousands of yen

6-month period ended Apr. 30, 2006	6-month period ended Apr. 30, 2007	Year ended October 31, 2006
<p>*1 Interim term-end balance of cash and cash equivalent and relation with the amount of the accounts listed in the consolidated balance sheet:</p> <p>Cash & deposit account 981,510 Time deposits over 3 (100,000) months Cash & cash equivalent <u>881,510</u></p>	<p>*1 Interim term-end balance of cash and cash equivalent and relation with the amount of the accounts listed in the consolidated balance sheet:</p> <p>Cash & deposit account <u>1,206,674</u> Cash & cash equivalent <u>1,206,674</u></p>	<p>*1 Fiscal year-end balance of cash and cash equivalent and relation with the amount of the accounts listed in the consolidated balance sheet:</p> <p>Cash & deposit account <u>1,235,536</u> Cash & cash equivalent <u>1,235,536</u></p>

(Lease)

Thousands of yen

6-month period ended Apr. 30, 2006	6-month period ended Apr. 30, 2007	Year ended October 31, 2006																																																				
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<table border="0" style="width: 100%;"> <tbody> <tr> <td style="width: 60%;">Within 1 year</td> <td style="text-align: right;">39,016</td> </tr> <tr> <td>Exceeding 1 year</td> <td style="text-align: right;">52,865</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">91,881</td> </tr> </tbody> </table>	Within 1 year	39,016	Exceeding 1 year	52,865	Total	91,881	<table border="0" style="width: 100%;"> <tbody> <tr> <td style="width: 60%;">Within 1 year</td> <td style="text-align: right;">43,802</td> </tr> <tr> <td>Exceeding 1 year</td> <td style="text-align: right;">58,253</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">102,055</td> </tr> </tbody> </table>	Within 1 year	43,802	Exceeding 1 year	58,253	Total	102,055	<table border="0" style="width: 100%;"> <tbody> <tr> <td style="width: 60%;">Within 1 year</td> <td style="text-align: right;">42,610</td> </tr> <tr> <td>Exceeding 1 year</td> <td style="text-align: right;">57,036</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">99,647</td> </tr> </tbody> </table>	Within 1 year	42,610	Exceeding 1 year	57,036	Total	99,647																																		
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By fixed amount method with service life being lease period and residual value being zero.	Same as left.	Same as left.																																																				
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(Securities)**6-month period ended Apr. 30, 2006**

1. Other securities with market value:

Thousands of yen

Classification	Acquisition cost	Interim consolidated balance sheet amount	Difference
(1) Stocks	384,931	922,746	537,814
(2) Others	11,368	11,940	571
Total	396,300	934,686	538,386

2. Main securities not being appraised on market price:

Thousands of yen

Classification	Interim consolidated balance sheet amount
Other securities:	
Unlisted stocks (excluding over-the-counter stocks)	348,077
Total	348,077
Stocks of subsidiary companies and affiliated companies:	
Stocks of subsidiary companies	51,500
Total	51,500

Note: The "consolidated balance sheet amount" in the above table represents the book value after impairment losses. An impairment loss of 10,000 thousand yen was recorded with respect to unlisted securities in the current financial year.

6-month period ended Apr. 30, 2007

1. Other securities with market value:

Thousands of yen

Classification	Acquisition cost	Interim consolidated balance sheet amount	Difference
(1) Stocks	403,005	1,012,807	609,802
(2) Others	11,368	11,738	369
Total	414,373	1,024,545	610,171

2. Main securities not being appraised on market price:

Thousands of yen

Classification	Interim consolidated balance sheet amount
Other securities:	
(1) Unlisted stocks (excluding over-the-counter stocks)	351,967
(2) Others	59,905
Total	411,872
Stocks of subsidiary companies and affiliated companies:	
Stocks of subsidiary companies	51,500
Total	51,500

Year ended Oct. 31, 20061. Other securities with market value: Thousands of yen

Classification	Acquisition cost	Consolidated balance sheet amount	Difference
(1) Stocks	395,963	856,992	461,028
(2) Others	11,368	11,426	57
Total	407,332	868,418	461,085

2. Principal marketable securities that were not given mark-to-market valuation: Thousands of yen

Classification	Consolidated balance sheet amount
Other securities:	
(1) Unlisted stocks (excluding over-the-counter stocks)	350,786
(2) Others	125,850
Total	476,636
Stocks of subsidiary companies and affiliated companies:	
Stocks of subsidiary companies	51,500
Total	51,500

Note: The "consolidated balance sheet amount" in the above table represents the book value after impairment losses. An impairment loss of 12,000 thousand yen was recorded with respect to unlisted securities in the current financial year.

(Derivative transactions)**6-month period ended Apr. 30, 2006**

There are no relevant matters.

Although exchange contract transactions and currency swaps are executed, they are excluded from the "Notes" since hedge accounting is adopted.

6-month period ended Apr. 30, 2007

There are no relevant matters.

Although exchange contract transactions and currency swaps are executed, they are excluded from the "Notes" since hedge accounting is adopted.

Year ended Oct. 31, 2006

There are no relevant matters.

Although exchange contract transactions and currency swaps are executed, they are excluded from the "Notes" since hedge accounting is adopted.

(Stock option plan)

There are not relevant matters.

(Segment information)

1. Segment by type of business:

6-month period ended Apr. 30, 2006

Thousands of yen

	Machinery mfg & sales	Chemical products sales	Total	Deletion or total company	Consolidated
I. Sales and operating income:					
Sales					
(1) Sales to unaffiliated customers	7,172,164	17,923,181	25,095,346	0	25,095,346
(2) Internal sales among segments or amount transferred	0	0	0	0	0
Total	7,172,164	17,923,181	25,095,346	0	25,095,346
Operating costs	6,287,796	17,269,998	23,557,794	0	23,557,794
Operating income	884,368	653,183	1,537,552	0	1,537,552

6-month period ended Apr. 30, 2007

Thousands of yen

	Machinery mfg & sales	Chemical products sales	Total	Deletion or total company	Consolidated
I. Sales and operating income:					
Sales					
(1) Sales to unaffiliated customers	6,137,810	17,989,513	24,127,323	0	24,127,323
(2) Internal sales among segments or amount transferred	0	0	0	0	0
Total	6,137,810	17,989,513	24,127,323	0	24,127,323
Operating costs	5,590,290	17,280,656	22,870,946	0	22,870,946
Operating income	574,519	708,857	1,256,377	0	1,256,377

Year ended Oct. 31, 2006

Thousands of yen

	Machinery mfg & sales	Chemical products sales	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 manufacturing & sales: Various type of centrifuges and other machinery
 - (2) Chemical products sales: Synthetic resin, inorganic materials and other chemical products

2. Segment by location:

6-month period ended Apr. 30, 2006

	Thousands of yen				
	Japan	Asia	Total	Deletion or total company	Consolidated
I. Sales and operating income:					
Sales					
(1) Sales to unaffiliated customers	21,317,551	3,777,794	25,095,346	0	25,095,346
(2) Internal sales among segments or amount transferred	148,242	242	148,484	(148,484)	0
Total	21,465,794	3,778,036	25,243,830	(148,484)	25,095,346
Operating costs	20,078,076	3,628,604	23,706,681	(148,886)	23,557,794
Operating income	1,387,717	149,432	1,537,149	402	1,537,552

6-month period ended Apr. 30, 2007

	Thousands of yen				
	Japan	Asia	Total	Deletion or total company	Consolidated
I. Sales and operating income:					
Sales					
(1) Sales to unaffiliated customers	21,582,119	2,545,204	24,127,323	0	24,127,323
(2) Internal sales among segments or amount transferred	176,337	191	176,528	(176,528)	0
Total	21,758,456	2,545,395	24,303,852	(176,528)	24,127,323
Operating costs	20,673,279	2,367,823	23,041,103	(170,157)	22,870,946
Operating income	1,085,176	177,571	1,262,748	(6,371)	1,256,377

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. Classification of countries and regions is based on geographical proximity.
2. Main countries or regions included in each classification except Japan:
Asia: China, Korea, Taiwan, and Indonesia

3. Overseas sales:

6-month period ended Apr. 30, 2006

Thousands of yen

	Asia	Other regions	Total
I. Overseas sales	4,305,862	231,923	4,537,786
II. Consolidated sales	0	0	25,095,346
III. Percentage of overseas sales for consolidated sales	17.2%	0.9%	18.1%

6-month period ended Apr. 30, 2007

Thousands of yen

	Asia	Other regions	Total
I. Overseas sales	3,313,610	347,891	3,661,501
II. Consolidated sales	0	0	24,127,323
III. Percentage of overseas sales for consolidated sales	13.7%	1.5%	15.2%

Year ended Oct. 31, 2006

Thousands of yen

	Asia	Other regions	Total
I. Overseas sales	8,797,154	681,931	9,479,086
II. Consolidated sales	0	0	47,331,192
III. Percentage of overseas sales for consolidated sales	18.6%	1.4%	20.0%

(Notes)

1. Classification of countries and regions is based on geographical proximity.
2. Main countries or regions included in each classification:
 - (1) Asia: China, Korea, Taiwan, and Indonesia
 - (2) Other regions: USA and Europe
3. Overseas sales are the sales for countries or regions other than Japan by our company or consolidated subsidiary companies.

(Per share information)

6-month period ended Apr. 30, 2006		6-month period ended Apr. 30, 2007		Year ended October 31, 2006	
Net assets per share	¥1,512. ²⁵	Net assets per share	¥1,612. ⁹⁹	Net assets per share	¥1,559. ¹⁶
Net income per share	¥98. ⁹³	Net income per share	¥67. ⁵²	Net income per share	¥127. ⁰²
Diluted net income per share of this interim period is not presented because there are currently no potentially dilutive rights to acquire our common shares outstanding.		Diluted net income per share of this interim period is not presented because there are currently no potentially dilutive rights to acquire our common shares outstanding.		Diluted net income per share of this fiscal term is not presented because there are currently no potentially dilutive rights to acquire our common shares outstanding.	

Note: The basis for calculating diluted net (interim) income per share is as follows:

Item	Thousands of yen		
	6-month period ended Apr. 30, 2006	6-month period ended Apr. 30, 2007	6-month period ended Oct. 31, 2006
Net (interim) income	987,253	673,756	1,267,597
Net income not attributed to common stocks	0	0	0
Of which, directors bonuses by appropriation of retained earnings	[0]	[0]	[0]
Net income attributed to common stocks	987,253	673,756	1,267,597
Average number of common shares out-standing	9,979,241 shares	9,979,192 shares	9,979,218 shares

(Important post-balance sheet events)

There are not relevant matters.

5. Non-Consolidated Financial Statements

(1) Balance Sheets

Assets	Thousands of yen		
	6-month period ended Apr. 30, 2006	6-month period ended Apr. 30, 2007	Year ended Oct. 31, 2006
I. Current assets			
1. Cash and deposits	469,836	746,317	555,011
2. Trade notes receivable	*4 4,896,404	4,883,440	4,310,258
3. Trade receivables	11,806,731	10,937,632	10,358,057
4. Inventories	2,901,406	5,115,211	3,879,488
5. Deferred tax assets	387,394	394,681	503,026
6. Other current assets	819,406	482,559	558,512
Allowance for doubtful receivables	(89,648)	(42,310)	(37,903)
Total current assets	21,191,532	22,517,532	20,126,451
II. Fixed assets			
1. Tangible fixed assets			
1) Buildings	767,459	873,654	790,714
2) Machinery, equipment & vehicles	560,444	531,304	574,647
3) Land	931,080	931,080	931,080
4) Other fixed assets	130,073	154,697	108,582
Total tangible fixed assets	*1 2,389,057	2,490,737	2,405,025
2. Intangible fixed assets	12,059	15,471	10,735
3. Investments and others			
1) Investments in securities	*2 1,282,764	1,436,417	1,278,055
2) Investments in capital of affiliated companies	104,363	171,075	171,075
3) Guarantee deposits	345,617	384,025	273,821
4) Deferred tax assets	117,408	0	0
5) Financial derivatives	155,437	465,946	346,420
6) Other investments	760,305	1,287,775	1,211,773
Allowance doubtful receivable	(87,779)	(180,661)	(85,809)
Total investment and others	2,678,117	3,564,578	3,195,336
Total fixed assets	5,079,234	6,070,787	5,611,096
Total assets	26,270,766	28,588,320	25,737,548

Thousands of yen

Liabilities and Shareholder's Equity	6-month period ended Apr. 30, 2006	6-month period ended Apr. 30, 2007	Year ended Oct. 31, 2006
Liabilities			
I. Current liabilities			
1. Notes payable	*4 1,391,438	1,467,953	1,270,445
2. Trade payables	*2 5,465,640	5,623,254	5,439,282
3. Short-term debt	2,010,000	3,300,000	1,020,000
4. Long-term debt to be repaid within 1 year	180,000	180,000	180,000
5. Account payable-others	661,651	516,892	578,761
6. Accrued income tax	506,292	341,918	487,989
7. Advances from customers	115,268	252,898	37,282
8. Accrued employee's bonuses	605,850	708,685	950,766
9. Accrued officers' bonuses	23,000	28,029	50,789
10. Allowance for product warranty	0	139,136	119,700
11. Other current liabilities	222,433	174,392	194,413
Total current liabilities	11,181,544	12,733,161	10,329,430
II. Long-term liabilities			
1. Long-term debt	360,000	180,000	270,000
2. Accrued pension and severance liabilities	9,968	12,201	11,450
3. Officer's retirement allowance	212,015	175,760	229,640
4. Deferred tax liabilities	0	348,934	201,446
5. Financial derivative gain	155,437	0	0
Total long-term liabilities	737,420	716,896	712,536
Total liabilities	11,918,965	13,450,058	11,041,966
Shareholder's equity			
I. Common stock	1,061,210	-	-
II. Capital surplus	1,438,410	-	-
III. Retained earnings			
1. Earned reserve	230,000	-	-
2. Unappropriated reserve	10,583,121	-	-
3. Unappropriated profit	1,029,047	-	-
Total retained earnings	11,842,168	-	-
IV. Unrealized gains and losses on marketable securities and investments	327,702	-	-
V. Issued shares reacquired	(362,690)	-	-
Total shareholder's equity	14,351,800	-	-
Total liabilities and shareholder's equity	26,270,766	-	-
Net assets			
I. Shareholder's capital	-		
1. Common stock	-	1,061,210	1,061,210
2. Capital surplus	-	1,483,410	1,483,410
3. Retained earnings	-	12,290,874	12,006,911
4. Issued shares reacquired	-	(362,697)	(362,697)
Total shareholder's capital	-	14,472,797	14,188,834
II. Revaluation and translation adjustments			
1. Unrealized gains and losses on marketable securities and investments	-	389,148	301,319
2. Financial derivative gains and losses	-	276,315	205,427
Total revaluation and translation adjustment	-	665,464	506,746
Total net assets	-	15,138,261	14,695,581
Total liabilities and net assets	-	28,588,320	25,737,548

(2) Statements of Income

	Thousands of yen		
6-month period ended Apr. 30	2006	2007	Year ended Oct. 31, 2006
I. Sales	21,631,077	21,913,793	41,316,546
II. Cost of sales	17,651,494	17,837,867	34,003,021
Gross profit	3,979,582	4,075,925	7,313,524
III. Selling, general and administrative	2,799,345	3,046,780	5,704,091
Operating income	1,180,237	1,029,145	1,609,432
IV. Other income	*1 158,191	167,980	273,448
V. Other expenses	*2 33,855	43,102	91,274
Recurring profit	1,304,572	1,154,023	1,791,606
VI. Extraordinary gains	*3 59,589	565	113,470
VII. Extraordinary losses	*4 11,811	95,683	87,291
Income before income taxes	1,352,350	1,058,905	1,817,785
Income taxes			
Current	495,717	332,060	685,657
Deferred	68,859	143,506	179,612
Income taxes total	564,576	475,566	865,269
Income from consolidated operations	787,773	583,338	952,516
Net income carried over from the previous period	241,273	0	0
Unappropriated retained earnings	1,029,047	0	0

(3) Statements of Changes in Shareholder's Equity

6-month period ended Apr. 30, 2007

Thousands of yen

	Shareholder's equity				
	Common stock	Capital surplus Capital reserve	Legal reserve	Retained earnings	
				Dividend preparation reserve	Reserve for deferred fixed assets
Surplus as of Oct. 31, 2006	1,061,210	1,483,410	230,000	250,000	31,368
Changes during this interim term					
Cash dividend paid	0	0	0	0	0
Net income	0	0	0	0	0
Transfer of reserve for deferred fix assets	0	0	0	0	(822)
Provision of general reserve	0	0	0	0	0
Total amount changed	0	0	0	0	(822)
Balance as of Apr. 30, 2007	1,061,210	1,483,410	230,000	250,000	30,545

6-month period ended Apr. 30, 2007

Thousands of yen

	Shareholder's equity				
	Retained earnings			Issued shares reacquired	Total shareholder's equity
	Other surplus		Total retained earnings		
General reserve	Surpluses carried over				
Balance as of Oct. 31, 2006	10,300,000	1,195,543	12,006,911	(362,697)	14,188,834
Changes during this interim term					
Cash dividend paid <i>*Note</i>	0	(299,375)	(299,375)	0	(299,375)
Net income	0	583,338	583,338	0	583,338
Transfer of reserve for deferred fix assets	0	822	0	0	0
Provision of general reserve	900,000	(900,000)	0	0	0
Total amount changed	900,000	(615,241)	283,962	0	283,962
Balance as of Apr. 30, 2007	11,200,000	580,328	12,290,874	(362,697)	14,472,797

6-month period ended Apr. 30, 2007

Thousands of yen

	Revaluation and translation adjustments			Total net assets
	Unrealized gains and losses on marketable securities and investments	Financial derivative loss or gain	Total revaluation and translation adjustments	
Surplus as of Oct. 31, 2006	301,319	205,427	506,746	14,695,581
Changes during this interim term				
Cash dividend paid	0	0	0	(299,375)
Net income	0	0	0	583,338
Transfer of reserve for deferred fix assets	0	0	0	0
Provision of general reserve	0	0	0	0
Total (net) amount changed (except shareholder's equity)	87,829	70,888	158,717	158,717
Total amount changed	87,829	70,888	158,717	442,680
Balance as of Apr. 30, 2007	389,148	276,315	665,464	15,138,261

***Note:** This item is the appropriation of earnings approved at the annual shareholders meeting held in January 2007.

Significant Accounting Policies

6-month period ended Apr. 30, 2006	6-month period ended Apr. 30, 2007	Year ended October 31, 2006
<p>1. Valuation standard and method (1) Securities: Stock of subsidiary and affiliates: Stated at cost determined by the moving-average method.</p> <p>Other securities: Securities with fair market value: Stated at fair market value based on the quoted market price, etc. as of the end of the interim term under review. (All of the valuation differences are directly included in Shareholders' equity, and the cost of sales is computed by the moving-average method.) Securities without fair market value: Stated at cost determined by the moving-average method.</p> <p>(2) Inventories: 1) Goods: Cost method based on moving-average method (cost method based on individual method for certain specific goods) 2) Finished products and products in process: Mainly cost method based on individual method 3) Raw materials: Mainly cost method based on first-in first-out method 4) Supplies: Last cost method</p> <p>2. Depreciation method of fixed assets: (1) Tangible fixed assets: Depreciated by declining balance method. However, buildings acquired on and after April 1, 1998 are depreciated by straight-line method, except for building attachments. Meanwhile, service lives of the main assets are as follows: Buildings: 5-47 years Machinery: 2-15 years Others: 2-22 years</p> <p>(Depreciation assets of small amount) Assets acquired at 100,000 yen or more and below 200,000 are</p>	<p>1.Valuation standard and method (1) Securities: Stock of subsidiary and affiliates: Same as left</p> <p>Other securities: Securities with fair market value: Stated at fair market value based on the quoted market price, etc. as of the end of the interim term under review. (All of the valuation differences are directly included in Shareholders' equity, and the cost of sales is computed by the moving-average method.)</p> <p>Securities without fair market value: Same as left</p> <p>(2) Inventories: 1) Goods: Same as left</p> <p>2) Finished products and products in process: Same as left</p> <p>3) Raw materials: Same as left</p> <p>4) Supplies: Same as left</p> <p>2. Depreciation method of fixed assets: (1) Tangible fixed assets: Same as left</p> <p>(Depreciation assets of small amount) Same as left</p>	<p>1.Valuation standard and method (1) Securities: Stock of subsidiary and affiliates: Same as left</p> <p>Other securities: Securities with fair market value: Stated at fair market value based on the quoted market price, etc. as of the closing date of the year under review. (All of the valuation differences are directly included in Shareholders' equity, and the cost of sales is computed by the moving-average method.)</p> <p>Securities without fair market value: Same as left</p> <p>(2) Inventories: 1) Goods: Same as left</p> <p>2) Finished products and products in process: Same as left</p> <p>3) Raw materials: Same as left</p> <p>4) Supplies: Same as left</p> <p>2. Depreciation method of fixed assets: (1) Tangible fixed assets: Same as left</p> <p>(Depreciation assets of small amount) Same as left</p>

<p>depreciated equally for three years as lump sum each year.</p> <p>(2) Intangible fixed assets: Depreciated by Straight-line method. However, Software is depreciated by Straight-line method based on estimated utilizable period (5 years) is adopted.</p> <p>3. Allocation standard of reserves:</p> <p>(1) Allowance of doubtful receivables: Mainly preparing for bad debts, estimated non-recoverable amount is accounted for by loss ratio for general debts and collectability of specific debts such as doubtful debt, claim in bankruptcy, and claim in reorganization is taken into consideration individually.</p> <p>(2) Accrued employees' bonuses: Allowance is provided in provisions for payment of bonuses to employees in the amount of estimated bonuses.</p> <p>(3) Accrued officers' bonuses: Allowance is provided in provisions for payment of bonuses to officers in the amount of estimated bonuses. <i>(Change of accounting method)</i> Officers' bonus had been recorded as decrease of unappropriated retained earnings by appropriation of earnings; however, from the current interim term, it is recorded as expense when incurred based</p>	<p>(2) Intangible fixed assets: Software: Depreciated by Straight-line method based on estimated utilizable period (5 years) is adopted.</p> <p>3. Allocation standard of reserves:</p> <p>(1) Allowance of doubtful receivables: Same as left</p> <p>(2) Accrued employees' bonuses: Allowance is provided in provisions for payment of bonuses to employees in the amount of estimated bonuses, which are attributable to the current interim term.</p> <p>(3) Accrued officers' bonuses: Allowance is provided in provisions for payment of bonuses to officers in the amount of estimated bonuses.</p>	<p>(2) Intangible fixed assets: Same as left</p> <p>3. Allocation standard of reserves:</p> <p>(1) Allowance of doubtful receivables: Same as left</p> <p>(2) Accrued employees' bonuses: Allowance is provided in provisions for payment of bonuses to employees in the amount of estimated bonuses, which are attributable to the current fiscal year. <i>(Additional information)</i> Accrued bonuses for employees had been shown in "other current liabilities"; however, in conjunction with the review of bonus system, amount of bonuses payable to employees cannot be decided at the time of preparing the financial statements. Therefore, from the current financial year, they will be shown as "accrued employees' bonuses" in the current liabilities based on the Research Center Review Information No.15 "Concerning Financial Statement Titles to Be Used for Accrued Bonuses for Employees" issued by the JICPA. The amount of accrued bonuses for employees included in the "other current liabilities" in the previous financial year was 722,812 thousand yen.</p> <p>(3) Accrued officers' bonuses: Allowance is provided in provisions for payment of bonuses to officers in the amount of estimated bonuses. <i>(Change of accounting method)</i> Officers' bonus had been recorded as decrease of unappropriated retained earnings by appropriation of earnings; however, from the current fiscal year, it is recorded as expense when incurred based on the "Accounting Standard for Directors' Bonuses" (The 4th Accounting Standards on November 29, 2005 by</p>
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<p>on the "Accounting Standard for Directors' Bonuses" (The 4th Accounting Standards on November 29, 2005 by ASBJ). As a result, operating income, recurring profit, and income before income tax each decreased by 23,000 thousand yen compared to the case when previous method is applied.</p> <p>(4)Accrued pension and severance liabilities: Preparing for employee's accrued pension, the amount acknowledged being incurred as of the end of the current fiscal term is accounted for based on estimated amount of accrued pension debts and pension assets as of the end of the current fiscal term. Meanwhile, mathematical calculation difference is processed proportionately as cost in each consolidated fiscal term of its occurrence by straight-line method based on certain number of years (10 years) within employees' average remaining work period.</p> <p>(5) Officer's retirement allowance: Interim term-end payable allowances based on the bylaw are appropriated to prepare for payment of officer's retirement allowances.</p> <p>(6) Allowance for product warranty: N/A</p> <p>4. Process method of important lease transaction: Finance lease transactions other than those in which ownership of leased objects is acknowledged being transferred to lessee are processed in accordance with the method for ordinary rental transactions.</p> <p>5. Method of important hedge accounting: (1) Method of hedge accounting: Deferred hedge accounting is adopted. For exchange contracts and</p>	<p>(4) Accrued pension and severance liabilities: Same as left</p> <p>(5) Officer's retirement allowance: Same as left</p> <p>(6) Allowance for product warranty: In order to account for product-related loss and warranty expenses to be incurred after delivery of products, the possibility of incurring such expenses is individually estimated, and the amount is provided for as warranty provision.</p> <p>4. Process method of important lease transaction: Same as left</p> <p>5. Method of important hedge accounting: (1) Method of hedge accounting: Same as left</p>	<p>ASBJ). As a result, operating income, recurring profit, and income before income tax each decreased by 50,789 thousand yen compared to the case when previous method is applied.</p> <p>(4) Accrued pension and severance liabilities: Preparing for employee's accrued pension, the amount acknowledged being incurred as of the end of the current fiscal term is accounted for based on estimated amount of accrued pension debts and pension assets as of the end of the current fiscal term. Meanwhile, mathematical calculation difference is processed proportionately as cost in each consolidated fiscal term of its occurrence by straight-line method based on certain number of years (10 years) within employees' average remaining work period.</p> <p>(5) Officer's retirement allowance: Fiscal year-end payable allowances based on the bylaw are appropriated to prepare for payment of officer's retirement allowances.</p> <p>(6) Allowance for product warranty: Same as left</p> <p>4. Process method of important lease transaction: Same as left</p> <p>5. Method of important hedge accounting: (1) Method of hedge accounting: Same as left</p>
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<p>currency swaps, appropriated process is adopted if requirements for appropriated process are satisfied. Special process is adopted for interest swaps if requirements for special process are satisfied.</p> <p>(2) Means for hedging and objects for hedging: Means for hedging Objects for hedging Interest swaps: Interest rate fluctuation on borrowings</p> <p>Exchange contracts & currency swaps: Exchange rate fluctuation for debts and credits in foreign currencies</p> <p>(3) Hedge policy: We hedge risks against fluctuation of exchange rate, interest rate, etc. In principle, we hedge risks based on actual demand and no derivative transactions are made for speculation purpose.</p> <p>(4) Appraisal method of hedge effectiveness: We make our hedge transactions in accordance with our risk management method and acknowledge that the correlation between means for hedging against fluctuation of exchange rate, interest rate, etc. and objects for hedging are completely justified.</p> <p>6. Other important matters in preparing the current interim financial statements:</p> <p>(1) Accounting treatment of consumption tax: The balance of consumption tax after offsetting suspense receipt of the tax by suspense payment of the tax is included "Others" under current liabilities.</p> <p>(2) Handling of various reserves, etc. for calculation of tax amount, etc.: The amount of current and deferred income taxes for the six months is calculated based on the estimated provision for or reversal of reserves for advanced depreciation of fixed assets planned for the fiscal year ending October 31, 2007.</p>	<p>(2) Means for hedging and objects for hedging: Same as left</p> <p>(3) Hedge policy: Same as left</p> <p>(4) Appraisal method of hedge effectiveness: Same as left</p> <p>6. Other important matters in preparing the current interim financial statements:</p> <p>(1) Accounting treatment of consumption tax: Same as left</p> <p>(2) Handling of various reserves, etc. for calculation of tax amount, etc.: Same as left</p>	<p>(2) Means for hedging and objects for hedging: Same as left</p> <p>(3) Hedge policy: Same as left</p> <p>(4) Appraisal method of hedge effectiveness: Same as left</p> <p>6. Other important matters in preparing the current fiscal financial statements:</p> <p>(1) Accounting treatment of consumption tax: Same as left</p> <p>(2) Handling of various reserves, etc. for calculation of tax amount, etc.: N/A</p>
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Changes in Accounting Procedure

6-month period ended Apr. 30, 2006	6-month period ended Apr. 30, 2007	Year ended October 31, 2006
N/A	<p>(Accounting standard for presentation of net assets in the balance sheet)</p> <p>From the previous financial year, the Company adopted the "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board Statement No. 5, December 9, 2005 by ASBJ) and "Implementation Guidance on Accounting Standards for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board Implementation Guidance No. 8, December 9, 2005 by ASBJ). The effect of this change on Statements of Incomes is insignificant. The total amount of "Stockholders' Equity" in accordance with the old standard would be 14,861,945 thousand yen. Also, net assets in the balance sheet for this interim financial period is presented according to the revised rules for consolidated financial statements.</p>	<p>(Accounting standard for presentation of net assets in the balance sheet)</p> <p>From the current financial year, the Company adopted the "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board Statement No. 5, December 9, 2005 by ASBJ) and "Implementation Guidance on Accounting Standards for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board Implementation Guidance No. 8, December 9, 2005 by ASBJ). The effect of this change on Statements of Incomes is insignificant. The total amount of "Stockholders' Equity" in accordance with the old standard would be 14,490,153 thousand yen. Also, net assets in the balance sheet for the current financial year is presented according to the revised rules for consolidated financial statements.</p>

Notes to Non-Consolidated Financial Statements

(Balance Sheet)

Thousands of yen

6-month period ended Apr. 30, 2006	6-month period ended Apr. 30, 2007	Year ended October 31, 2006
*1 Accumulated depreciation of tangible fixed assets: 3,610,465	*1 Accumulated depreciation of tangible fixed assets: 3,661,900	*1 Accumulated depreciation of tangible fixed assets: 3,619,613
*2 Details of pledged asset amount and secured liability amount::	*2 Details of pledged asset amount and secured liability amount::	*2 Details of pledged asset amount and secured liability amount::
(1) Pledged asset amount: Investment and securities 223,081	(1) Pledged asset amount: Investment and securities 349,281	(1) Pledged asset amount: Investment and securities 237,238
(2) Secured liability amount:	(2) Secured liability amount:	(2) Secured liability amount:
Trade payables 162,684	Trade payables 175,877	Trade payables 193,325
Total 162,684	Total 175,877	Total 193,325
3 Contingent liabilities:	3 Contingent liabilities:	3 Contingent liabilities:
(1) Guarantee on bank borrowings of affiliated companies:	(1) Guarantee on bank borrowings of affiliated companies:	(1) Guarantee on bank borrowings of affiliated companies:
<i>Thousands of yen</i>	<i>Thousands of yen</i>	<i>Thousands of yen</i>
<i>Thousands of US dollar</i>	<i>Thousands of US dollar</i>	<i>Thousands of US dollar</i>
<i>Thousands of HK dollar</i>	<i>Thousands of US dollar</i>	<i>Thousands of US dollar</i>
Tomoe ¥5,000	Tomoe ¥5,000	Tomoe ¥2,000
Machinery	Machinery	Machinery
Interstella ¥114,400 [US\$1,000]	Interstella ¥35,943 [US\$300]	Interstella ¥117,700 [US\$1,000]
Plastics (Shenzhen)	Plastics (Shenzhen)	Plastics (Shenzhen)
Interstella ¥157,872 [US\$1,380]	Interstella ¥119,810 [US\$1,000]	Interstella ¥117,700 [US\$1,000]
Tomoe ¥326,040 [US\$2,850]	Tomoe ¥682,917 [US\$5,700]	Tomoe ¥456,676 [US\$3,880]
Eng. (HK) ¥16,247 [HK\$1,100]	Eng. (HK)	Eng. (HK)
(2) Guarantee on home ownership financing of employees: 16,837	(2) Guarantee on home ownership financing of employees: 11,907	(2) Guarantee on home ownership financing of employees: 14,063
*4 With regard to the accounting of notes maturing at the end of the first-half period, settlement is made as of the date of note clearing. Since the end of the current first-half period fell on a holiday of financial institutions, the following notes maturing at the end of the first-half period are included in the half-year end balance:	*4 With regard to the accounting of notes maturing at the end of the first-half period, settlement is made as of the date of note clearing. Since the end of the current first-half period fell on a holiday of financial institutions, the following notes maturing at the end of the first-half period are included in the half-year end balance:	*4 N/A
Bills receivable 633,797	Bills receivable 454,855	
Bills payable 154,707	Bills payable 191,359	
5 We have an overdraft agreement and a commitment line agreement with financial institutions for working capital purpose. The balance of unexecuted borrowings as of the end of this period under these agreements is as follows:	5 We have an overdraft agreement and a commitment line agreement with financial institutions for working capital purpose. The balance of unexecuted borrowings as of the end of this period under these agreements is as follows:	5 We have an overdraft agreement and a commitment line agreement with financial institutions for working capital purpose. The balance of unexecuted borrowings as of the end of this period under these agreements is as follows:

Limit of overdraft and total amount of loan commitment	6,300,000	Limit of overdraft and total amount of loan commitment	6,500,000	Limit of overdraft and total amount of loan commitment	6,000,000
Balance of executed borrowings	2,010,000	Balance of executed borrowings	3,300,000	Balance of executed borrowings	1,020,000
Balance	<u>4,290,000</u>	Balance	<u>3,200,000</u>	Balance	<u>4,980,000</u>

(Statements of Non-consolidated Income)

Thousands of yen

6-month period ended Apr. 30, 2006	6-month period ended Apr. 30, 2007	Year ended October 31, 2006
*1 Main items among other income:	*1 Main items among other income:	*1 Main items among other income:
Interests 1,545	Interests 2,292	Interests 3,267
Dividends 66,463	Dividends 69,753	Dividends 81,058
Foreign exchange gains 33,020	Foreign exchange gains 37,196	Foreign exchange gains 67,584
Rents 45,640	Rents 43,895	Rents 91,280
*2 Main items among other expenses:	*2 Main items among other expenses:	*2 Main items among other expenses:
Interests 10,813	Interests 16,557	Interests 22,335
Discounts on bills of exchange 1,894	Discounts on bills of exchange 3,795	Discounts on bills of exchange 5,155
Cost of rents 10,740	Cost of rents 10,106	Cost of rents 31,188
	Commitment fee 4,944	Commitment fee 10,023
*3 Main items among extraordinary gains:	*3 N/A	*3 Main items among extraordinary gains:
Realized gains on property and equipment 17,659		Realized gains on property and equipment 17,695
Reversal of allowance for doubtful receivables 41,929		Reversal of allowance for doubtful receivables 95,775
*4 Main items among extraordinary losses:	*4 Main items among extraordinary losses:	*4 Main items among extraordinary losses:
Unrealized losses on marketable securities 10,000	Unrealized losses on marketable securities 50,000	Realized losses on investment in affiliates 57,524
Written-off losses on property and equipment 1,811	Removal expense (head office) 39,410	Written-off losses on property and equipment 16,193
	Written-off losses on property and equipment 6,273	
5 Depreciation expenses:	5 Depreciation expenses:	5 Depreciation expenses:
Tangible fixed assets 105,431	Tangible fixed assets 97,937	Tangible fixed assets 220,606
Intangible fixed assets 1,680	Intangible fixed assets 1,213	Intangible fixed assets 3,004

(Statements of Changes in Non-consolidated Shareholder's Equity, etc.)

6-month period ended Apr. 30, 2007

Matters concerning the types and number of shares of treasury stock:

	No. of shares as of October 31, 2006	Increase (shares)	Decrease (shares)	No. of shares as of April 30, 2007
Treasury stock				
Common stock (*Note)	554,008	0	0	554,008
Total	554,008	0	0	554,008

Year ended Oct. 31, 2006

Matters concerning the types and number of shares of treasury stock:

	No. of shares as of October 31, 2005	Increase (shares)	Decrease (shares)	No. of shares as of October 31, 2006
Treasury stock				
Common stock (*Note)	553,915	93	0	554,008
Total	553,915	93	0	554,008

Note: The increase in the number of treasury stocks is due to acquisition of the odd-lot stock (shares of less than one Unit Stock).

(Lease)

Thousands of yen

6-month period ended Apr. 30, 2006	6-month period ended Apr. 30, 2007	Year ended October 31, 2006																																																																																																																																												
<p>Finance lease transactions other than those of which ownership of leased items is acknowledged to be transferred to lessee:</p> <p>1. Acquisition price equivalent, accumulated depreciation equivalent, accumulated impairment loss equivalent of leased items and term-end outstanding balance equivalent:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 15%; text-align: center;">*(a)</th> <th style="width: 15%; text-align: center;">(b)</th> <th style="width: 15%; text-align: center;">(c)</th> <th style="width: 15%; text-align: center;">(d)</th> </tr> </thead> <tbody> <tr> <td>Machinery & vehicles</td> <td style="text-align: right;">21,500</td> <td style="text-align: right;">16,483</td> <td style="text-align: right;">0</td> <td style="text-align: right;">5,016</td> </tr> <tr> <td>Tools & equipment</td> <td style="text-align: right;">176,455</td> <td style="text-align: right;">92,733</td> <td style="text-align: right;">0</td> <td style="text-align: right;">83,722</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black;">197,955</td> <td style="text-align: right; border-top: 1px solid black;">109,216</td> <td style="text-align: right; border-top: 1px solid black;">0</td> <td style="text-align: right; border-top: 1px solid black;">88,738</td> </tr> </tbody> </table> <p>*(a) Acquisition price equivalent (b) Accumulated depreciation equivalent (c) Accumulated impairment loss equivalent (d) Term-end outstanding balance</p> <p>2. Term-end balance equivalent of unexpired lease fee and outstanding balance of lease assets impairment account:</p> <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 10%;">Within 1 year</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%; text-align: right;">39,016</td> </tr> <tr> <td>Exceeding 1 year</td> <td></td> <td></td> <td></td> <td style="text-align: right;">52,865</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">91,881</td> </tr> </tbody> </table> <p>Outstanding balance of lease assets impairment account: 0</p> <p>3. Lease fee paid, amount withdrawn from lease assets impairment account, depreciation cost equivalent, interests paid equivalent and impairment loss:</p> <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 10%;">Lease fee paid</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%; text-align: right;">22,727</td> </tr> <tr> <td>Amount withdrawn from lease assets impairment account</td> <td></td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>Depreciation cost equivalent</td> <td></td> <td></td> <td></td> <td style="text-align: right;">21,521</td> </tr> <tr> <td>Interests paid equivalent</td> <td></td> <td></td> <td></td> <td style="text-align: right;">986</td> </tr> <tr> <td>Impairment loss</td> <td></td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> </tbody> </table> <p>4. Calculation method of depreciation cost equivalent: By fixed amount method with service life being lease period and residual value being zero.</p> <p>5. Calculation method of interest equivalent: Allocation for each term is by interest method with the difference between the total amount of lease fee and acquisition price equivalent of leased terms being interests equivalent.</p>		*(a)	(b)	(c)	(d)	Machinery & vehicles	21,500	16,483	0	5,016	Tools & equipment	176,455	92,733	0	83,722	Total	197,955	109,216	0	88,738	Within 1 year				39,016	Exceeding 1 year				52,865	Total				91,881	Lease fee paid				22,727	Amount withdrawn from lease assets impairment account				0	Depreciation cost equivalent				21,521	Interests paid equivalent				986	Impairment loss				0	<p>Finance lease transactions other than those of which ownership of leased items is acknowledged to be transferred to lessee:</p> <p>1. 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(Securities)

During the previous interim period, the current interim period, and the previous fiscal year, there were no securities of subsidiaries or affiliates with market value.

(Important post-balance sheet events)

There are not relevant matters.