

## Consolidated and Non-Consolidated Financial Results for the Three Month Period Ended January 31, 2008 (First Quarter)

Date: March 3, 2008  
 Company: Tomoe Engineering Co., Ltd. and Subsidiaries  
 (Web Site: [http://www.tomo-e.co.jp/index\\_e.html](http://www.tomo-e.co.jp/index_e.html))  
 Stock exchange listing: 1<sup>st</sup> Section, Tokyo Stock Exchange  
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Financial Highlights for the First 3-Month Period Ended January 31, 2008:

### 1. Consolidated Financial Data for the First 3-Month Period Ended Jan. 31, 2008

#### (1) Results of Operation (Consolidated)

	Sales (Millions of yen)	Operating income (Millions of yen)	Recurring income (Millions of yen)
<b>3-month period ended Jan. 31, 2008</b>	10,733	365	384
<b>3-month period ended Jan. 31, 2007</b>	10,313	199	226
<b>Year ended Oct. 31, 2007</b>	50,795	2,444	2,554

	Net income (Millions of yen)	Net income (loss) per share (Yen)	Fully diluted quarterly earnings per share (Yen)
<b>3-month period ended Jan. 31, 2008</b>	15	1. <sup>60</sup>	
<b>3-month period ended Jan. 31, 2007</b>	(223)	(22. <sup>37</sup> )	
<b>Year ended Oct. 31, 2007</b>	1,357	136. <sup>00</sup>	

#### (2) Financial Condition (Consolidated)

	Assets (A) (Millions of yen)	Net assets (B) (Millions of yen)	Shareholders' equity ratio (B) / (A) (Percent)	Shareholders' equity per share (Yen)
<b>3-month period ended Jan. 31, 2008</b>	30,150	16,322	53.4	1,614. <sup>86</sup>
<b>3-month period ended Jan. 31, 2007</b>	29,708	15,374	51.2	1,524. <sup>16</sup>
<b>Year ended Oct. 31, 2007</b>	32,338	16,951	51.8	1,678. <sup>87</sup>

**(3) [Cash Flows]**

	Net cash provided (used) by operating activities (Millions of yen)	Net cash provided (used) by investing activities (Millions of yen)	Net cash provided (used) by financing activities (Millions of yen)	Consolidated cash and cash equivalent (period-end) (Millions of yen)
<b>3-month period ended Jan. 31, 2008</b>	371	(216)	(683)	1,329
<b>3-month period ended Jan. 31, 2007</b>	(1,634)	(389)	1,856	1,097
<b>Year ended Oct. 31, 2007</b>	(578)	(623)	1,844	1,873

**2. Dividend Status**

<b>(Record date)</b>	Dividend per share	
	End of the year (Yen)	Full year (Yen)
<b>Year ended Oct. 31, 2007</b>	35.00	35.00
<b>Year ended Oct. 31, 2008 (Prospect)</b>	35.00	35.00

**3. Forecast for the Year ending Oct. 31, 2008 (Consolidated)** (Millions of yen)

	Sales (Millions of yen)	Operating income (Millions of yen)	Recurring income (Millions of yen)	Net income (Millions of yen)
Semiannual	25,220	1,490	1,520	830
Full business year	50,130	2,570	2,600	1,460
	Net income per share (yen)			
Semiannual	83. <sup>17</sup>			
Full business year	146. <sup>30</sup>			

**4. Notes to Financial Information**

- (1) Significant changes in subsidiaries during this term (changes in specific subsidiaries involving changes in the scope of consolidation): None
- (2) Adoption of simplified accounting method: None
- (3) Changes in accounting policies: None

(Reference) Non-Consolidated Data

1. Non-consolidated Financial Data for the First 3-Month Period Ended Jan. 31, 2008

(1) Results of Operation (Non-consolidated)

	Sales (Millions of yen)	Operating income (Millions of yen)	Recurring income (Millions of yen)
3-month period ended Jan. 31, 2008	9,505	232	292
3-month period ended Jan. 31, 2007	9,222	121	184
Yr. ended Oct. 31, 2007	45,941	1,953	2,117

	Net income (Millions of yen)	Net income (loss) per share (Yen)
3-month period ended Jan. 31, 2008	(26)	(2. <sup>66</sup> )
3-month period ended Jan. 31, 2007	(184)	(18. <sup>54</sup> )
Yr. ended Oct. 31, 2007	1,088	109. <sup>06</sup>

(2) Financial Condition (Non-consolidated)

	Assets (A) (Millions of yen)	Net assets (B) (Millions of yen)	Shareholders' equity ratio (B) / (A) (Percent)	Shareholders' equity per share (Yen)
3-month period ended Jan. 31, 2008	26,422	14,964	56.6%	1,499. <sup>61</sup>
3-month period ended Jan. 31, 2007	26,444	14,370	54.3%	1,440. <sup>06</sup>
Yr. ended Oct. 31, 2007	28,311	15,632	55.2%	1,566. <sup>54</sup>

2. Forecast for the Year ending Oct. 31, 2008 (Non-consolidated)

	Sales (Millions of yen)	Operating income (Millions of yen)	Recurring income (Millions of yen)	Net income (Millions of yen)
Semiannual	22,660	1,190	1,280	700
Full business year	45,370	2,090	2,200	1,210
	Net income per share (Yen)			
Semiannual	70. <sup>14</sup>			
Full business year	121. <sup>25</sup>			

There is no change to the consolidated financial forecast results announced on December 10, 2007. Forward-looking statements contained in this material, such as consolidated financial results forecast, are based upon information currently available and certain assumptions that we believe are reasonable. Actual results could differ materially due to various factors. For the underlying assumptions of the forecast results and necessary precautions when using them, please refer to [Qualitative Information and Financial Statements, etc.] (3) Qualitative information on consolidated earnings forecast" below.

[Qualitative Information and Financial Statements, etc.]

(1) Qualitative information on consolidated operating results:

In the **Machinery & Equipment Business**, the private sector remained firm, but sales of machinery and equipment in the public sector and the overseas sector were weak. As a result in the first quarter the business posted sales of 1,498 million yen, lower than the same period last year, and operating loss of 107 million yen.

In the **Chemical Products Business**, although the fine chemicals business and advanced materials business were weak, this was more than offset by the performance of the plastic materials business, whose China business performed well, and the industrial materials business, which enjoyed growth in sales of non-combustible construction materials etc., and the electronic materials business. As a result the Chemical Products Business posted sales of 9,235 million yen, higher than the same period last year, and operating income of 472 million yen in the first quarter.

As a result, the Company's consolidated business results for the three months period ended January 31, 2008 were 10,733 million yen in sales, 365 million yen in operating income, 384 million yen in Recurring income, and 15 million yen in net income, all higher than the same period last year.

(2) Qualitative information on consolidated financial position:

Total assets at the end of the first quarter decreased by 2,187 million yen (6.8%) compared with the end of the previous fiscal year, because the current assets decreased by 1,827 million yen due to a decrease in account receivables, etc. and the fixed assets decreased by 359 million yen due to revaluation of investment securities, etc.

Total liabilities decreased 1,558 million yen (10.1%) compared with the end of the previous fiscal year due to a decrease in short-term debt etc. Net assets decreased 629 million yen (3.7%) compared with the end of the previous fiscal year due to a decrease in retained earnings, unrealized gains and losses on marketable securities and investments, etc. As a result, shareholders' equity ratio at the end of this first quarter increased 1.6 percentage points to 53.4%.

(3) Qualitative information on consolidated earnings forecast:

In the **Machinery & Equipment Business**, the outlook is far from reassuring because the public sector turned out severer than expected and raw material prices are expected to continue to increase, but the sales of abrasive grain recycle unit for China are expected to increase substantially in the overseas sector. Therefore, the earnings should be around the same level as those in the budget plan at the beginning of the financial year.

In the **Chemical Products Business**, there are some concerns, such as the delay in starting up some products in the advanced materials business, etc., but other products are expected to perform well. Therefore, at the moment, the Chemical Products Business is expected to achieve the planned budget at the beginning of the financial year.

**Consolidated Financial Statement**  
**1-(1) Balance Sheets (Consolidated)**

(Thousands of yen)

Assets	3-month period ended Jan. 31, 2007	3-month period ended Jan. 31, 2008	Increase & decrease	Year ended Oct. 31, 2007
<b>I. Current assets</b>				
1. Cash and deposits	1,097,180	1,329,792	232,612	1,873,895
2. Trade receivables	14,930,641	16,156,958	1,226,317	18,897,626
3. Inventories	6,673,429	5,891,714	(781,714)	4,351,317
4. Deferred tax assets	224,127	278,174	54,046	582,629
5. Other current assets	623,247	712,981	89,734	495,752
Allowance for doubtful accounts	(19,163)	(26,487)	(7,323)	(30,276)
<b>Total current assets</b>	<b>23,529,460</b>	<b>24,343,133</b>	<b>813,672</b>	<b>26,170,945</b>
<b>II. Fixed assets</b>				
1. Tangible fixed assets				
1) Buildings	2,306,804	2,490,892		2,332,224
Accumulated depreciation	(1,320,333)	(1,278,011)		(1,254,587)
Net	986,471	1,212,880	226,409	1,077,636
2) Machinery, equipment & vehicles	3,179,793	3,158,967		3,087,055
Accumulated depreciation	(2,244,677)	(2,251,539)		(2,238,012)
Net	935,116	907,428	(27,688)	849,042
3) Land	975,451	970,253	(5,197)	970,253
4) Other fixed assets	964,436	968,835		1,128,064
Accumulated depreciation	(816,412)	(830,056)		(844,855)
Net	148,023	138,779	(9,244)	283,209
<b>Total tangible fixed assets</b>	<b>3,045,063</b>	<b>3,229,341</b>	<b>184,278</b>	<b>3,180,142</b>
2. Intangible fixed assets	11,202	14,593	3,390	15,223
3. Investments and others				
1) Investments in securities	1,527,350	1,272,397	(254,953)	1,580,268
2) Guarantee deposits	512,242	411,365	(100,877)	409,762
3) Deferred tax assets	22,480	25,115	2,634	21,857
4) Financial derivatives	495,642	211,156	(284,485)	314,683
5) Other investments	650,574	781,717	131,142	782,159
Allowance for doubtful accounts	(85,193)	(137,870)	(52,676)	(136,592)
<b>Total investment and others</b>	<b>3,123,097</b>	<b>2,563,881</b>	<b>(559,215)</b>	<b>2,972,140</b>
<b>Total fixed assets</b>	<b>6,179,363</b>	<b>5,807,817</b>	<b>(371,546)</b>	<b>6,167,506</b>
<b>Total assets</b>	<b>29,708,824</b>	<b>30,150,950</b>	<b>442,126</b>	<b>32,338,451</b>

(Thousands of yen)

	3-month period ended Jan. 31, 2007	3-month period ended Jan. 31, 2008	Increase & decrease	Year ended Oct. 31, 2007
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
<b>I. Current liabilities</b>				
1. Trade-payables	7,816,829	7,677,401	(139,428)	7,349,341
2. Short-term debt	4,058,427	3,893,967	(164,460)	4,264,912
3. Account payable-others	696,832	530,283	(166,549)	743,189
4. Accrued income tax	30,471	49,022	18,550	613,263
5. Advance from customers	74,915	189,205	114,289	148,967
6. Accrued employee's bonuses	398,768	412,705	13,936	1,102,255
7. Accrued officer's bonuses	14,014	19,917	5,902	68,100
8. Allowance for product warranty	118,900	221,332	102,432	236,625
9. Other current liabilities	235,140	281,314	46,173	187,345
<b>Total current liabilities</b>	<b>13,444,300</b>	<b>13,275,148</b>	<b>(169,151)</b>	<b>14,714,001</b>
<b>II. Long-term liabilities</b>				
1. Long-term debt	330,000	115,000	(215,000)	90,000
2. Accrued pension and severance liabilities	26,328	31,217	4,889	32,437
3. Officer's retirement allowance	165,735	225,290	59,555	214,460
4. Deferred tax liabilities	367,882	182,122	(185,760)	336,296
<b>Total long-term liabilities</b>	<b>889,946</b>	<b>553,630</b>	<b>(336,315)</b>	<b>673,194</b>
<b>Total liabilities</b>	<b>14,334,246</b>	<b>13,828,779</b>	<b>(505,467)</b>	<b>15,387,196</b>
<b>Net assets</b>				
<b>I. Shareholders' capital</b>				
1. Common stock	1,061,210	1,061,210	0	1,061,210
2. Capital surplus	1,483,410	1,483,410	0	1,483,410
3. Retained earnings	12,317,328	13,564,393	1,247,064	13,897,737
4. Issued shares reacquired	(362,697)	(362,934)	(237)	(362,815)
<b>Total Shareholders' capital</b>	<b>14,499,251</b>	<b>15,746,078</b>	<b>1,246,826</b>	<b>16,079,542</b>
<b>II. Revaluation and translation adjustments</b>				
1. Unrealized gains and losses on marketable securities and investments	372,278	242,259	(130,019)	436,288
2. Financial derivative gains and losses	293,916	120,570	(173,345)	218,722
3. Foreign currency translation adjustment	44,438	5,848	(38,590)	19,084
<b>Total revaluation and translation adjustments</b>	<b>710,633</b>	<b>368,677</b>	<b>(341,955)</b>	<b>674,095</b>
<b>III. Minority interests</b>				
	164,693	207,415	42,721	197,617
<b>Total net assets</b>	<b>15,374,577</b>	<b>16,322,171</b>	<b>947,593</b>	<b>16,951,254</b>
<b>Total liabilities, minority interests and net assets</b>	<b>29,708,824</b>	<b>30,150,950</b>	<b>442,126</b>	<b>32,338,451</b>

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

(Thousands of yen)

	3-month period ended Jan. 31, 2007	3-month period ended Jan. 31, 2008	Increase & decrease	Year ended Oct. 31, 2007
<b>I. Sales</b>	10,313,268	10,733,863	420,594	50,795,204
<b>II. Cost of sales</b>	8,499,726	8,727,826	228,100	41,791,074
<b><i>Gross profit</i></b>	1,813,542	2,006,036	192,493	9,004,130
<b>III. Selling, general and administrative</b>	1,613,575	1,641,019	27,444	6,559,190
<b><i>Operating income</i></b>	199,967	365,016	165,049	2,444,939
<b>IV. Other income</b>				
1. Interests	1,574	9,068		6,110
2. Dividends	4,241	6,308		61,301
3. Rents	4,483	6,068		21,101
4. Foreign exchange gains	29,223	24,820		106,272
5. Sundry	14,422	13,128		71,232
<b><i>Other income total</i></b>	53,946	59,394	5,448	266,018
<b>V. Other expenses</b>				
1. Interests	18,328	19,557		85,409
2. Discounts on bills of exchange	1,895	2,697		8,269
3. Commitment fee	0	0		9,992
4. Sundry	7,483	17,475		53,054
<b><i>Other expense total</i></b>	27,707	39,731	12,023	156,725
<b><i>Recurring income</i></b>	226,206	384,680	158,474	2,554,232
<b>VI. Extraordinary gains</b>				
1. Realized gains on property and equipment	0	0		3,184
2. Realized gain on investment securities	0	3,627		0
3. Reversal of allowance for doubtful accounts	19,381	14,665		8,226
<b><i>Extraordinary gains total</i></b>	19,381	18,293	(1,088)	11,411
<b>VII. Extraordinary losses</b>				
1. Realized loss on property and equipment	0	0		6,726
2. Written-off losses on property and equipment	5,756	3,231		19,654
3. Provision for allowance for doubtful receivables	0	13,000		0
4. Unrealized losses on investment securities	0	0		50,000
5. Removal expenses	37,800	0		39,410
6. Impairment losses	0	0		5,197
<b><i>Extraordinary losses total</i></b>	43,557	16,231	(27,325)	120,989
<b><i>Income before income taxes</i></b>	202,030	386,742	184,711	2,444,654

(Thousands of yen)

	3-month period ended Jan. 31, 2007	3-month period ended Jan. 31, 2008	Increase & decrease	Year ended Oct. 31, 2007
Income taxes				
Current	17,777	17,555		1,032,094
Deferred	403,633	340,140		13,783
<b><i>Income taxes total</i></b>	421,411	357,696	(63,714)	1,045,878
Gains on minority interests	3,895	13,121	9,225	41,643
<b>Income from consolidated operations</b>	(223,275)	15,925	239,201	1,357,132

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

3-month period ended Jan. 31, 2007

(Thousands of yen)

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

3-month period ended Jan. 31, 2007

(Thousands of yen)

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

**3-month period ended Jan. 31, 2008**

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Issued shares reacquired	Total Shareholders' equity
Surplus as of Oct. 31, 2007	1,061,210	1,483,410	13,897,737	(362,815)	16,079,542
Changes during this quarter					
Cash dividend paid	0	0	(349,269)	0	(349,269)
Net income (loss)	0	0	15,925	0	15,925
Issued shares reacquired	0	0	0	(119)	(119)
Total amount changed	0	0	(333,344)	(119)	(333,463)
Balance, end of the 3-month period	1,061,210	1,483,410	13,564,393	(362,934)	15,746,078

**3-month period ended Jan. 31, 2008**

(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, 2007	436,288	218,722	19,084	674,095	197,617	16,951,254
Changes during this quarter						
Cash dividend paid	0	0	0	0	0	(349,269)
Net income (loss)	0	0	0	0	0	15,925
Issued shares reacquired	0	0	0	0	0	(119)
Total (net) amount changed (except shareholders' equity)	(194,029)	(98,151)	(13,236)	(305,417)	9,797	(295,619)
Total amount changed	(194,029)	(98,151)	(13,236)	(305,417)	9,797	(629,083)
Balance, end of the 3-month period	242,259	120,570	5,848	368,677	207,415	16,322,171

**Year ended Oct. 31, 2007**

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Issued shares reacquired	Total Shareholders' equity
Surplus as of Oct. 31, 2006	1,061,210	1,483,410	12,839,980	(362,697)	15,021,902
Changes during this quarter					
Cash dividend paid	0	0	(299,375)	0	(299,375)
Net income	0	0	1,357,132	0	1,357,132
Issued shares reacquired	0	0	0	(118)	(118)
Total amount changed	0	0	1,057,757	(118)	1,057,639
Balance, end of fiscal year ended Oct. 31, 2007	1,061,210	1,483,410	13,897,737	(362,815)	16,079,542

**Year ended Oct. 31, 2007**

(Thousands of yen)

	Revaluation and translation adjustments				Minority interests	Total net assets
	Unrealized gains and losses on marketable securities and investments	Financial derivative loss or gain	Foreign currency translation adjustment	Total revaluation and translation adjustments		
Surplus as of Oct. 31, 2006	301,319	205,427	30,480	537,226	158,595	15,717,725
Changes during this quarter						
Cash dividend paid	0	0	0	0	0	(299,375)
Net income	0	0	0	0	0	1,357,132
Issued shares reacquired	0	0	0	0	0	(118)
Total (net) amount changed (except shareholders' equity)	134,169	13,294	(11,395)	136,868	39,021	175,890
Total amount changed	134,169	13,294	(11,395)	136,868	39,021	1,233,529
Balance, end of fiscal year ended Oct. 31, 2007	436,288	218,722	19,084	674,095	197,617	16,951,254

**1-(4) Statements of Cash Flows (Consolidated)**

(Thousands of yen)

	3-month period ended Jan. 31, 2007	3-month period ended Jan. 31, 2008	Increase & decrease	Year ended Oct 31, 2007
<b>I. Operating activities</b>				
1. Net income before income taxes	202,030	386,742	184,711	2,444,654
2. Depreciation and amortization	71,599	88,192	16,593	317,259
3. Accrued employees' bonuses (increase/decrease)	(698,466)	(689,550)	8,915	5,021
4. Accrued officers' bonuses (increase/decrease)	(36,774)	(48,182)	(11,408)	17,311
5. Allowance for product warranty (increase/decrease)	(800)	(15,293)	(14,493)	116,925
6. Accrued pension and severance liabilities(increase/decrease)	1,154	(1,220)	(2,374)	7,263
7. Officer's retirement allowance (increase/decrease)	(63,905)	10,830	74,735	(15,180)
8. Allowance for doubtful accounts (increase/decrease)	(19,186)	(2,510)	16,675	43,324
9. Unrealized losses on investment securities	0	0	0	50,000
10. Interest and dividend income	(5,815)	(15,377)	(9,561)	(67,412)
11. Interest expense	18,328	19,557	1,229	85,409
12. Foreign exchange loss/profit	(23,972)	11,418	35,390	2,232
13. Realized gains on investment securities	0	(3,627)	(3,627)	0
14. Realized losses on property and equipment	0	0	0	(3,541)
15. Written-off losses on property and equipment	5,756	3,231	(2,525)	19,654
16. Impairment losses	0	0	0	5,197
17. Trade receivables (increase/decrease)	1,020,102	2,587,005	1,566,903	(3,018,088)
18. Inventories (increase/decrease)	(1,637,834)	(1,558,621)	79,213	662,103
19. Purchase liabilities (increase/decrease)	176,831	418,246	241,414	(226,369)
20. Trade payables (increase/decrease)	46,336	(166,698)	(213,034)	26,237
21. Advances from customers (increase/decrease)	36,389	40,237	3,848	110,441
22. Consumption tax, etc. (increase/decrease)	(108,839)	(36,043)	72,795	(64,525)
23. Others	(28,077)	(83,390)	(55,313)	(165,820)
Sub total	(1,045,141)	944,946	1,990,088	359,182
24. Interests and dividends received	5,670	8,106	2,435	67,101
25. Interests paid	(15,346)	(21,179)	(5,833)	(82,927)
26. Income taxes paid	(579,423)	(560,471)	18,951	(922,054)
Net cash provided (used) by operating activities	(1,634,241)	371,401	2,005,642	(578,697)

(Thousands of yen)

	3-month period ended Jan. 31, 2007	3-month period ended Jan. 31, 2008	Increase & decrease	Year ended Jan. 31, 2007
<b>II. Investing activities</b>				
1. Expenditures for properties and equipment	(177,655)	(237,126)	(59,470)	(536,038)
2. Proceeds from sales of properties and equipment	0	0	0	8,412
3. Acquisition of intangible assets	(537)	0	537	(6,491)
4. Acquisition of investment securities	(11,057)	(4,515)	6,541	(22,024)
5. Collection of loans receivable	10,778	7,877	(2,901)	36,754
6. Loans receivable (increase)	(480)	(1,220)	(740)	(4,153)
7. Guarantee deposits (increase/decrease)	(219,063)	(1,945)	217,117	(117,117)
8. Other investments (increase/decrease)	8,751	20,679	11,928	17,271
Net cash provided (used) in investing activities	(389,263)	(216,251)	173,012	(623,386)
<b>III. Financing activities</b>				
1. Short-term debt (increase/decrease)	2,155,946	(358,833)	(2,514,780)	2,323,769
2. Long-term debt (increase)	0	25,000	25,000	0
3. Repayment of long-term debt	0	0	0	(180,000)
4. Reacquisition of issued shares of stocks	0	(119)	(119)	(118)
5. Cash dividends paid	(299,375)	(349,269)	(49,893)	(299,375)
Net cash provided (used) in financing activities	1,856,570	(683,222)	(2,539,793)	1,844,275
<b>Cash and cash equivalents</b>				
IV. Effect of exchange rate changes	28,578	(16,030)	(44,608)	(3,831)
V. Cash and cash equivalents (increase/decrease)	(138,356)	(544,103)	(405,747)	638,359
VI. Cash and cash equivalents at the beginning of year	1,235,536	1,873,895	638,359	1,235,536
VII. Cash and cash equivalents at then end of 1st qtrs/fiscal yr	1,097,180	1,329,792	232,612	1,873,895

## 2. Segment information (Consolidated)

(Segment by type of business)

3-month period ended Jan. 31, 2007

(Thousands of yen)

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

3-month period ended Jan. 31, 2008

(Thousands of yen)

	Machinery & Equipment Business	Chemical Products Business	Total	Deletion or total company	Consolidated
I. Sales and operating income:					
Sales					
(1) Sales to unaffiliated customers	1,498,744	9,235,118	10,733,863	0	10,733,863
(2) Internal sales among segments or amount transferred	0	0	0	0	0
Total	1,498,744	9,235,118	10,733,863	0	10,733,863
Operating costs	1,606,325	8,762,521	10,368,846	0	10,368,846
Operating income	(107,580)	472,597	365,016	0	365,016

Year ended Oct. 31, 2007

(Thousands of yen)

	Machinery & Equipment Business	Chemical Products Business	Total	Deletion or total company	Consolidated
I. Sales and operating income:					
Sales					
(1) Sales to unaffiliated customers	14,547,785	36,247,419	50,795,204	0	50,795,204
(2) Internal sales among segments or amount transferred	0	0	0	0	0
Total	14,547,785	36,247,419	50,795,204	0	50,795,204
Operating costs	13,622,448	34,727,816	48,350,264	0	48,350,264
Operating income	925,336	1,519,602	2,444,939	0	2,444,939

(Notes)

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

**(Segment by location)****3-month period ended Jan. 31, 2007**

(Thousands of yen)

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

**3-month period ended Jan. 31, 2008**

(Thousands of yen)

	Japan	Asia	Total	Deletion or total company	Consolidated
I. Sales and operating income:					
Sales					
(1) Sales to unaffiliated customers	9,395,246	1,338,616	10,733,863	0	10,733,863
(2) Internal sales among segments or amount transferred	99,309	10,298	109,608	[109,608]	0
Total	9,494,556	1,348,915	10,843,471	[109,608]	10,733,863
Operating costs	9,210,321	1,267,192	10,477,514	[108,608]	10,368,846
Operating income	284,234	81,722	365,957	[940]	365,016

**Year ended Oct. 31, 2007**

(Thousands of yen)

	Japan	Asia	Total	Deletion or total company	Consolidated
I. Sales and operating income:					
Sales					
(1) Sales to unaffiliated customers	45,012,413	5,782,791	50,795,204	0	50,795,204
(2) Internal sales among segments or amount transferred	338,135	44,480	382,616	[382,616]	0
Total	45,350,549	5,827,272	51,177,821	[382,616]	50,795,204
Operating costs	43,256,299	5,467,317	48,723,617	[373,352]	48,350,264
Operating income	2,094,249	359,954	2,454,203	[9,263]	2,444,939

**(Notes)**

1. Areas included in each country or region are determined based on their degree of proximity.
2. Main country or regions included in the areas other than Japan:  
Asia: China, Korea, and Indonesia (Total 3 countries)

## Non-consolidated Financial Statement

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

(Thousands of yen)

Assets	3-month period ended Jan. 31, 2007	3-month period ended Jan. 31, 2008	Increase & decrease	Year ended Oct. 31, 2007
<b>I. Current assets</b>				
1. Cash and deposits	551,395	671,021	119,625	962,875
2. Trade notes receivable	4,653,342	4,133,401	(519,940)	4,174,246
3. Trade receivables	8,742,237	10,249,616	1,507,378	12,795,872
4. Inventories	5,421,254	4,573,125	(848,128)	3,141,118
5. Deferred tax assets	217,191	248,300	31,109	525,664
6. Other current assets	677,038	701,301	24,263	533,685
Allowance for doubtful accounts	(19,142)	(26,552)	(7,410)	(30,497)
<b>Total current assets</b>	<b>20,243,316</b>	<b>20,550,214</b>	<b>306,897</b>	<b>22,102,965</b>
<b>II. Fixed assets</b>				
1. Tangible fixed assets				
1) Buildings	881,891	1,095,037	213,145	952,456
2) Machinery, equipment & vehicles	551,989	558,665	6,676	488,017
3) Land	931,080	925,882	(5,197)	925,882
4) Other fixed assets	123,464	144,251	20,786	280,549
<b>Total tangible fixed assets</b>	<b>2,488,425</b>	<b>2,723,835</b>	<b>235,410</b>	<b>2,646,906</b>
2. Intangible fixed assets	10,136	13,643	3,506	14,252
3. Investments and others				
1) Investments in securities	1,401,439	1,220,897	(180,541)	1,528,768
2) Affiliated companies' stock	483,765	483,765	0	483,765
3) Investments in capital of affiliated companies	171,075	171,075	0	171,075
4) Guarantee deposits	493,985	384,951	(109,033)	384,412
5) Financial derivatives	495,642	211,156	(284,485)	314,683
6) Other investments	742,104	800,695	58,591	801,384
Allowance for doubtful accounts	(85,193)	(137,870)	(52,676)	(136,592)
<b>Total investment and others</b>	<b>3,702,817</b>	<b>3,134,671</b>	<b>(568,145)</b>	<b>3,547,497</b>
<b>Total fixed assets</b>	<b>6,201,379</b>	<b>5,872,150</b>	<b>(329,228)</b>	<b>6,208,656</b>
<b>Total assets</b>	<b>26,444,696</b>	<b>26,422,365</b>	<b>(22,330)</b>	<b>28,311,621</b>

(Thousands of yen)

<b>Liabilities and Net Assets</b>	<b>3-month period ended Jan. 31, 2007</b>	<b>3-month period ended Jan. 31, 2008</b>	<b>Increase &amp; decrease</b>	<b>Year ended Oct. 31, 2007</b>
<b><u>Liabilities</u></b>				
<b>I. Current liabilities</b>				
1. Notes-payable	1,233,057	883,589	(349,468)	910,097
2. Trade-payables	5,475,262	5,450,317	(24,945)	5,215,015
3. Short-term debt	3,000,000	3,000,000	0	3,020,000
4. Long-term debt to be repaid within 1 year	180,000	180,000	0	180,000
5. Accrued expense	617,525	465,720	(151,804)	622,921
6. Accrued income tax	7,906	8,567	660	536,690
7. Advances from customers	66,425	128,283	61,858	106,056
8. Accrued employee's bonus	354,466	366,424	11,957	979,406
9. Accrued officers' bonus	14,014	19,275	5,260	65,985
10. Allowance for product warranty	118,900	221,332	102,432	236,625
11. Other current liabilities	191,487	232,725	41,238	151,836
<b>Total current liabilities</b>	<b>11,259,045</b>	<b>10,956,234</b>	<b>(302,810)</b>	<b>12,024,634</b>
<b>II. Long-term liabilities</b>				
1. Long-term debt	270,000	90,000	(180,000)	90,000
2. Accrued pension and severance liabilities	11,859	4,349	(7,509)	13,836
3. Officer's retirement allowance	165,735	225,290	59,555	214,460
4. Deferred tax liabilities	367,385	181,862	(185,522)	335,977
<b>Total long-term liabilities</b>	<b>814,979</b>	<b>501,502</b>	<b>(313,477)</b>	<b>654,274</b>
<b>Total liabilities</b>	<b>12,074,025</b>	<b>11,457,737</b>	<b>(616,288)</b>	<b>12,678,908</b>
<b><u>Net assets</u></b>				
<b>I. Shareholders' capital</b>				
1. Common stock	1,061,210	1,061,210	0	1,061,210
2. Capital surplus				
(1) Capital reserve	1,483,410	1,483,410	0	1,483,410
<b>Total Capital surplus</b>	<b>1,483,410</b>	<b>1,483,410</b>	<b>0</b>	<b>1,483,410</b>
3. Retained earnings				
(1) Earned reserve	230,000	230,000	0	230,000
(2) Other retained earnings				
Dividend preparation reserve	250,000	250,000	0	250,000
Reserve for deferred fixed assets	30,956	29,335	(1,621)	29,722
General reserve	11,200,000	11,500,000	300,000	11,200,000
Surplus carried over	(188,403)	410,777	599,181	1,086,175
<b>Total retained earnings</b>	<b>11,522,553</b>	<b>12,420,113</b>	<b>897,560</b>	<b>12,795,898</b>
4. Issued shares reacquired	(362,697)	(362,934)	(237)	(362,815)
<b>Total Shareholders' capital</b>	<b>13,704,476</b>	<b>14,601,798</b>	<b>897,322</b>	<b>14,977,702</b>

(Thousands of yen)

	3-month period ended Jan. 31, 2007	3-month period ended Jan. 31, 2008	Increase & decrease	Year ended Oct. 31, 2007
<b>Liabilities and Net Assets</b>				
<b>II. Revaluation and translation adjustments</b>				
1. Unrealized gains and losses on marketable securities and investments	372,278	242,259	(130,019)	436,288
2. Financial derivative gains and losses	293,916	120,570	(173,345)	218,722
<b>Total revaluation and translation adjustments</b>	666,194	362,829	(303,365)	655,010
<b>Total net assets</b>	14,370,671	14,964,628	593,957	15,632,713
<b>Total liabilities and net assets</b>	26,444,696	26,422,365	(22,330)	28,311,621

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

(Thousands of yen)

	3-month period ended Jan. 31, 2007	3-month period ended Jan. 31, 2008	Increase & decrease	Year ended Oct. 31, 2007
I. Sales	9,222,847	9,505,170	282,322	45,941,146
II. Cost of sales	7,613,263	7,787,848	174,584	37,923,512
<b>Gross profit</b>	1,609,583	1,717,321	107,737	8,017,634
III. Selling, general and administrative	1,487,679	1,484,740	(2,939)	6,064,409
<b>Operating income</b>	121,904	232,581	110,677	1,953,225
IV. Other income	82,654	92,844	10,190	282,016
V. Other expenses	19,821	32,793	12,971	117,952
<b>Recurring income</b>	184,736	292,633	107,896	2,117,289
VI. Extraordinary gains	19,571	18,449	(1,121)	7,600
VII. Extraordinary losses	43,557	16,231	(27,325)	109,551
<b>Income before income taxes</b>	160,750	294,851	134,100	2,015,338
Income taxes				
Current	3,471	4,957	1,485	924,918
Deferred	342,261	316,409	(25,852)	2,057
<b>Income taxes total</b>	345,733	321,366		926,976
<b>Income from Non-consolidated operations</b>	(184,982)	(26,515)	158,467	1,088,362

## 3-(3) Non-Consolidated Statement of Changes in Shareholders' Equity

3-month period ended Jan. 31, 2007

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings		
		Capital reserve	Legal reserve	Other retained earnings	
			Dividend preparation reserve	Reserve deferred fixed assets	
Surplus as of Oct. 31, 2006	1,061,210	1,483,410	230,000	250,000	31,368
Changes during this quarter					
Cash dividend paid	0	0	0	0	0
Net income	0	0	0	0	0
Transfer of reserve for deferred fixed assets	0	0	0	0	(411)
Provision of general reserve	0	0	0	0	0
Total amount changed	0	0	0	0	(411)
Balance, end of the 3-month period ended Jan. 31, 2007	1,061,210	1,483,410	230,000	250,000	30,956

3-month period ended Jan. 31, 2007

(Thousands of yen)

	Shareholders' equity				
	Retained earnings			Issued shares reacquired	Total Shareholders' capital
	Other retained earnings		Total retained earnings		
General reserve	Surplus carried over				
Surplus as of Oct. 31, 2006	10,300,000	1,195,543	12,006,911	(362,697)	14,188,834
Changes during this quarter					
Cash dividend paid (Note)	0	(299,375)	(299,375)	0	(299,375)
Net income	0	(184,982)	(184,982)	0	(184,982)
Transfer of reserve for deferred fixed assets	0	411	0	0	0
Provision of general reserve (Note)	900,000	(900,000)	0	0	0
Total amount changed	900,000	(1,383,946)	(484,358)	0	(484,358)
Balance, end of the 3-month period ended Jan. 31, 2007	11,200,000	(188,403)	11,522,553	(362,697)	13,704,476

**3-month period ended Jan. 31, 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 quarter				
Cash dividend paid	0	0	0	(299,375)
Net income	0	0	0	(184,982)
Transfer of reserve for deferred fixed assets	0	0	0	0
Provision of general reserve	0	0	0	0
Total (net) amount changed (except shareholders' equity)	70,959	88,488	159,448	159,448
Total amount changed	70,959	88,488	159,448	(324,910)
Balance, end of the 3-month period ended Jan. 31, 2007	372,278	293,916	666,194	14,370,671

(Note) This item is the appropriation of earnings approved at the annual shareholders' meeting held in January 2007.

**3-month period ended Jan. 31, 2008**

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings		
			Capital reserve	Legal reserve	Other retained earnings
	Dividend preparation reserve	Reserve for deferred fixed assets			
Surplus as of Oct. 31, 2007	1,061,210	1,483,410	230,000	250,000	29,722
Changes during this quarter					
Cash dividend paid	0	0	0	0	0
Net income	0	0	0	0	0
Issued share reacquired	0	0	0	0	0
Transfer of reserve for deferred fixed assets	0	0	0	0	(386)
Provision of general reserve	0	0	0	0	0
Total amount changed	0	0	0	0	(386)
Balance, end of the 3-month period ended Jan. 31, 2008	1,061,210	1,483,410	230,000	250,000	29,335

**3-month period ended Jan. 31, 2008**

(Thousands of yen)

	Shareholders' equity				
	Retained earnings			Issued shares reacquired	Total shareholders' capital
	Other retained earnings		Total retained earnings		
	General reserve	Surplus carried over			
Surplus as of Oct. 31, 2007	11,200,000	1,086,175	12,795,898	(362,815)	14,977,702
Changes during this quarter					
Cash dividend paid (Note)	0	(349,269)	(349,269)	0	(349,269)
Net income	0	(26,515)	(26,515)	0	(26,515)
Issued share reacquired	0	0	0	(119)	(119)
Transfer of reserve for deferred fixed assets	0	386	0	0	0
Provision of general reserve (Note)	300,000	(300,000)	0	0	0
Total amount changed	300,000	(675,397)	(375,784)	(119)	(375,904)
Balance, end of the 3-month period ended Jan. 31, 2008	11,500,000	410,777	12,420,113	(362,934)	14,601,798

3-month period ended Jan. 31, 2008

(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, 2007	436,288	218,722	655,010	15,632,713
Changes during this quarter				
Cash dividend paid	0	0	0	(349,269)
Net income	0	0	0	(26,515)
Issued share reacquired	0	0	0	(119)
Transfer of reserve for deferred fixed assets	0	0	0	0
Provision of general reserve	0	0	0	0
Total (net) amount changed (except shareholders' equity)	(194,029)	(98,151)	(292,180)	(292,180)
Total amount changed	(194,029)	(98,151)	(292,180)	(668,084)
Balance, end of the 3-month period ended Jan. 31, 2008	242,259	120,570	362,829	14,964,628

(Note) This item is the appropriation of earnings approved at the annual shareholders' meeting held in January 2008.

Year ended Oct. 31, 2007

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings		
		Capital reserve	Legal reserve	Other 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 year					
Cash dividend paid	0	0	0	0	0
Net income	0	0	0	0	0
Issued share reacquired	0	0	0	0	0
Transfer of reserve for deferred fixed assets	0	0	0	0	(1,645)
Provision of general reserve	0	0	0	0	0
Total amount changed	0	0	0	0	(1,645)
Balance, end of fiscal year ended Oct. 31, 2007	1,061,210	1,483,410	230,000	250,000	29,722

Year ended Oct. 31, 2007

(Thousands of yen)

	Shareholders' equity				
	Retained earnings			Issued shares reacquired	Total shareholders' capital
	Other retained earnings		Total retained earnings		
	General reserve	Surplus carried over			
Surplus as of Oct. 31, 2006	10,300,000	1,195,543	12,006,911	(362,697)	14,188,834
Changes during this year					
Cash dividend paid	0	(299,375)	(299,375)	0	(299,375)
Net income	0	1,088,362	1,088,362	0	1,088,362
Issued share reacquired	0	0	0	(118)	(118)
Transfer of reserve for deferred fixed assets	0	1,645	0	0	0
Provision of general reserve	900,000	(900,000)	0	0	0
Total amount changed	900,000	(109,367)	788,986	(118)	788,868
Balance, end of fiscal year ended Oct. 31, 2007	11,200,000	1,086,175	12,795,898	(362,815)	14,977,702

Year ended Oct. 31, 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 year				
Cash dividend paid	0	0	0	(299,375)
Net income	0	0	0	1,088,362
Issued share reacquired	0	0	0	(118)
Transfer of reserve for deferred fixed assets	0	0	0	0
Provision of general reserve	0	0	0	0
Total (net) amount changed (except shareholders' equity)	134,969	13,294	148,264	148,264
Total amount changed	134,969	13,294	148,264	937,132
Balance, end of fiscal year ended Oct. 31, 2007	436,288	218,722	655,010	15,632,713