

Interim Financial Results
Six-Month Period Ended April 30, 2008
(November 1, 2007 - April 30, 2008)

Date: June 11, 2008
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, 2008

(1) Results of Operation (Consolidated)

	Sales (Millions of yen)	Operating income (Millions of yen)	Recurring income (Millions of yen)
6-month period ended Apr. 30, 2008	24,022	1,581	1,652
6-month period ended Apr. 30, 2007	24,127	1,256	1,325
Year ended Oct. 31, 2007	50,795	2,444	2,554

	Net income (Millions of yen)	Net income per share (Yen)	Fully diluted quarterly earnings per share (Yen)
6-month period ended Apr. 30, 2008	864	86. ⁶¹	0
6-month period ended Apr. 30, 2007	673	67. ⁵²	0
Year ended Oct. 31, 2007	1,357	136. ⁰⁰	0

Notes: The equity in net earnings of affiliated companies for the 6-month periods ended April 30, 2008 and April 30, 2007 and the year ended October 31, 2007 were none.

(2) Assets and Shareholders' Equity (Consolidated)

	Total Assets (A) (Millions of yen)	Net assets (B) (Millions of yen)	Shareholders' equity ratio (B) / (A) (Percent)	Shareholders' equity per share (Yen)
6-month period ended Apr. 30, 2008	30,558	17,153	55.3	1,692. ¹⁷
6-month period ended Apr. 30, 2007	31,849	16,268	50.5	1,612. ⁹⁹
Year ended Oct. 31, 2007	32,338	16,951	51.8	1,678. ⁸⁷

Note: Shareholders' equity for the 6-month periods ended April 30, 2008, April 30, 2007 and the year ended October 31, 2007 were 16,886 million yen, 16,096 million yen and 16,753 million yen, respectively.

(3) Cash Flows (Consolidated)

	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)
6-month period ended Apr. 30, 2008	2,416	(255)	(1,743)	2,219
6-month period ended Apr. 30, 2007	(1,708)	(350)	1,997	1,206
Year ended Oct. 31, 2007	(578)	(623)	1,844	1,873

2. Dividend Status

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

3. Forecast for the Year ending October 31, 2008 (Consolidated)

	Sales (Millions of yen)	Operating income (Millions of yen)	Recurring income (Millions of yen)	Net income (Millions of yen)
Full business year	49,570	2,580	2,650	1,450
	Net income per share (yen)			
Full business year	145. ³¹			

4. Others

- (1) Significant changes in subsidiaries during the semiannual year under review (changes in specific subsidiaries involving changes in the scope of consolidation): Yes
One new subsidiary: Stella Tech Engineering Plastics (Shenzhen) Co., Ltd.
Note: For details, refer to the section *Schematic diagram of Tomoe's Operation*.
- (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.: None
 - 2) Changes other than 1): None
- (3) Number of shares outstanding (common stock)
 - 1) Number of shares outstanding at the end of the semiannual period (including treasury stock):
April 30, 2008: 10,533,200 shares April 30, 2007: 10,533,200 shares
October 31, 2007: 10,533,200 shares
 - 2) Number of shares of treasury stock at the end of the semiannual period:
April 30, 2008: 554,248 shares April 30, 2007: 554,008 shares
October 31, 2007: 554,083 sharesNote: Please refer to the section *Per share information* for the number of shares that forms the basis for calculating earnings per share.

(Reference)

1. Non-consolidated Financial Data for the 6-month Period Results ended Apr. 30, 2008

(1) Non-consolidated Financial Results

	Sales (Millions of yen)	Operating income (Millions of yen)	Recurring income (Millions of yen)
6-month period ended Apr. 30, 2008	21,838	1,264	1,407
6-month period ended Apr. 30, 2007	21,913	1,029	1,154
Yr. ended Oct. 31, 2007	45,941	1,953	2,117

	Net income (Millions of yen)	Net income per share (Yen)
6-month period ended Apr. 30, 2008	759	76. ¹⁴
6-month period ended Apr. 30, 2007	583	58. ⁴⁶
Yr. ended Oct. 31, 2007	1,088	109. ⁰⁶

(2) Assets and Shareholders' equity (Non-consolidated)

	Total Assets (A) (Millions of yen)	Net assets (B) (Millions of yen)	Shareholders' equity ratio (B) / (A) (Percent)	Shareholders' equity per share (Yen)
6-month period ended Apr. 30, 2008	26,877	15,732	58.5	1,576. ⁶⁰
6-month period ended Apr. 30, 2007	28,588	15,138	53.0	1,516. ⁹⁸
Yr. ended Oct. 31, 2007	28,311	15,632	55.2	1,566. ⁵⁴

2. Forecast for the Year ending October 31, 2008 (Non-Consolidated)

	Sales (Millions of yen)	Operating income (Millions of yen)	Recurring income (Millions of yen)	Net income (Millions of yen)
Full business year	44,710	2,070	2,300	1,260
	Net income per share (Yen)			
Full business year	126. ²⁷			

Note:

With regard to the forecasts of consolidated and non-consolidated financial results, the business results forecast issued on December 10, 2007 for the year ending October 31, 2008, has been revised as above in light of the recent business trend. 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."

1. Operating Results

(1) Analysis of operating results

Operating Results during the interim period under review

During this interim period under review, fears of a slowdown in the Japanese economy have grown driven by yen appreciation, higher energy and raw materials prices, slowing personal consumption, etc.

In this operating environment, the Machinery & Equipment Business had lower sales in the public sector than the previous interim period, affected by a cut in the spending on sewerage and low-price bidding by main contractors due to the change in the bidding system, etc., but in the overseas sector saw solid performance helped by increased revenues from abrasive grain recycle units for China and large parts for chemical plants in the Asian region. As a result, the sales of the Machinery & Equipment Business increased 2.9% year on year to 6,313 million yen and the operating income increased 29.0% year on year to 706 million yen.

In the Chemical Products Business, industrial materials related and electronic materials related businesses performed well, but fine chemicals related business did not have the benefit of the one-off sale as in the previous period that ensued following the suspension of production by the maker of the products, and advanced materials related business saw weaker sales of semiconductor manufacturing equipment parts, etc. As a result, the sales of the Chemical Products Business decreased 1.6% year on year to 17,709 million yen, and the operating income increased 23.5% year on year to 875 million yen due to the growth of relatively higher-margin industrial materials and electronic materials related businesses.

Consequently, the sales in the consolidated interim period under review decreased by 0.4% year on year to 24,022 million yen, operating income increased by 25.9% year on year to 1,581 million yen, and recurring income also increased by 24.7% year on year to 1,652 million yen. Net income increased by 28.3% year on year to 864 million yen.

Looking at sales by geographic segment, domestic sales decreased by 0.7% year on year to 21,601 million yen, but operating income increased by 39.2% year on year to 1,510 million yen due to the growth of relatively higher-margin parts and repair business in the Machinery & Equipment Business and the benefit of yen appreciation on imported products in the Chemical Products Business. In the Asian region, sales increased 4.6% year on year to 2,663 million yen, but operating income decreased by 54.9% year on year to 80 million yen, partly because sales of certain low-return item in the Korean market were recorded.

Outlook for the full year

With respect to the outlook for the full year ending October 31, 2008, we expect that the sales in the Machinery & Equipment Business will be lower than the previous year, affected by a substantial decline in the equipment and installation in the public sector, although the sales in the overseas sector are expected to increase substantially from the previous year helped by abrasive grain recycle units for China, equipment for PVC, etc. The operating income is expected to be higher than the previous year due to continued growth of relatively higher-margin parts and repair business and improved profitability with the decrease in the number of less profitable low-margined projects such as equipment for India in the previous year.

In the Chemical Products Business, we expect that the full year sales will be lower than the previous year, because there is no benefit of the one-off sale of items in the fine chemicals related business as in the previous year and sales of ceramic parts for semiconductor manufacturing equipment, ceramic parts, etc. in advanced materials related business are expected to be weaker. The operating income is expected to be the same level

as the previous year helped by continued strength of relatively higher-margin industrial materials related business and appreciation of yen, although domestic sales of imported products are expected to decrease.

Overall, we expect that the full year consolidated sales of the Company will decrease by 2.4% year on year to 49,570 million yen and recurring income will increase 3.7% year on year to 2,650 million yen. Net profit will be 1,450 million yen, an increase of 6.8% year on year.

(2) Analysis of financial condition

Total assets at the end of this consolidated interim period decreased 1,779 million yen (5.5%) compared with the previous consolidated fiscal year, due to a decrease in current assets of 1,300 million yen by a decrease in account receivables and a decrease in fixed assets of 479 million yen as a result of the revaluation of investments in securities and financial derivatives. Total liabilities decreased 1,982 million yen (12.9%) compared with the previous consolidated fiscal year due to a decrease in short-term debt, etc. Net assets increased 202 million yen (1.2%) compared with the previous consolidated fiscal year due to an increase in retained earnings, etc. As a result, shareholders' equity ratio at the end of this consolidated interim period increased 3.5% to 55.3% compared with the previous consolidated fiscal year.

Cash and cash equivalent increased 345 million yen (18.4%) to 2,219 million yen at the end of this consolidated interim period as a result of 1,660 million yen net income before income taxes and others and a decrease in account receivables, etc.

(Cash flow from business activities)

Net cash provided by operating activities was 2,416 million yen as a result of 1,660 million net income before income taxes and others and a decrease in account receivables, etc., despite an increase in inventories. As a result, cash flow from operating activities increased by 4,125 million yen compared with the previous consolidated interim period.

(Cash flow from investment activities)

Net cash used in investing activities was 255 million yen due to acquisition of tangible fixed assets, etc. As a result, cash flow from investing activities increased by 94 million yen compared with the previous consolidated interim period.

(Cash flow from financing activities)

Net cash used in financing activities was 1,743 million yen due to a decrease in short-term debt, etc. As a result, cash flow from financing activities decreased by 3,740 million yen compared with the previous consolidated interim period.

Trends in cash flow indices are as follows:

Years ended Oct. 31	2004	2005	2006	2007	6-months ended Apr 30, 2008
Equity ratio (%)	46.2	52.7	54.0	51.8	55.3
Equity ratio based on market value (%)	34.1	63.9	53.8	47.4	35.7
Debt-repayment period (years)	-	5.9	2.5	-	1.2
Interest coverage ratio (%)	-	9.4	13.5	-	78

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 debts 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 the year ended October 31st, 2007 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 2008

The Company considers the return of profits to shareholders as one of important management goals. To publicly state the stance, our basic policy regarding dividends is changed to "maintain a stable level of dividends with a target consolidated payout ratio of 25% or more, after considering earnings level, reinforcement of our corporate strength, etc. in a comprehensive manner." This policy will be applied from the distribution of the retained earnings for this year (ending October 31st, 2008). Basically, retained earnings will be distributed once a year in the form of a final dividend, and the general meeting of shareholders makes the decision.

Based on the above policy, we plan to pay out a final dividend of 35 yen per share this year as profit distribution to the valued shareholders.

In addition, the Company intends to appropriate internal reserves to improve financial position and strengthen the foundation of the Company for future business expansion.

(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.

The following discussion contains forward-looking statements that represent the judgments of the Company as of the end of this interim period.

1) Seasonal fluctuation of operating results

Currently there is a seasonal bias in our business toward the second quarter. Public sector sales, which account for relatively a high percentage in the sales of the Machinery & Equipment Business, tend to be concentrated in the second quarter due to public sector's budget implementation, etc., although this tendency has become less marked following the change in public sector's ordering process. 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, the operating income of our entire group tends to be biased toward the second quarter as the fixed costs in selling, general and administrative 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 fluctuations 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. We 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 investments, acquisitions 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 9 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 three 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:

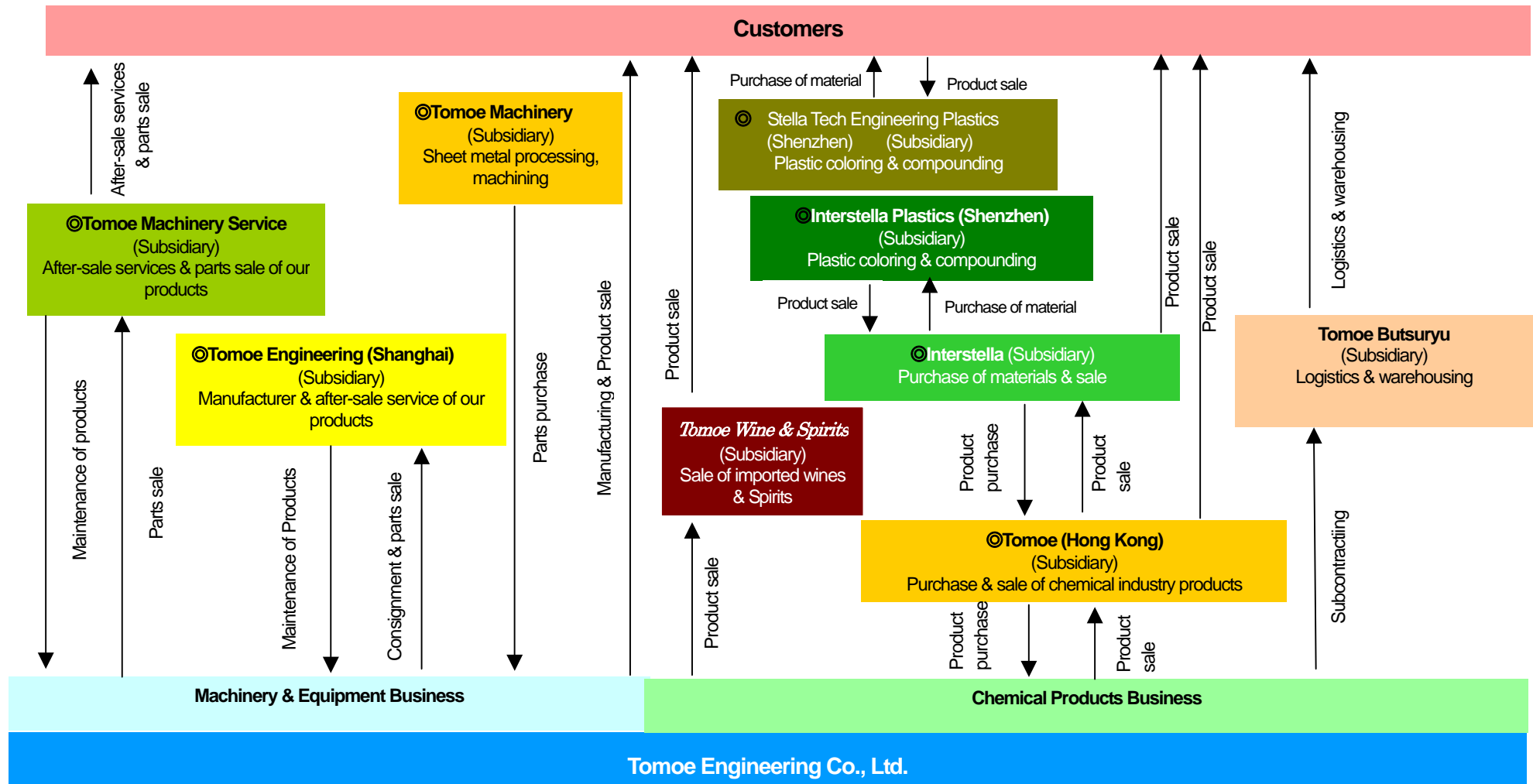
Interstella Plastics (Shenzhen) is engaged in coloring and compounding of plastic materials. Interstella is the investing company and also serves a contact for purchasing and sales. Tomoe Engineering (Hong Kong) Co., Ltd. functions as a hub in relation to marketing and sales activities in China for the Group. Tomoe Wine & Spirits distributes wines and spirits imported by Tomoe Engineering. Stella Tech Engineering Plastics (Shenzhen) established on March 26, 2008 is engaged in coloring and compounding of plastics (raw materials).

Other Businesses:

Tomoe Butsuryu subcontracts with Tomoe Engineering for transportation and warehousing.

Schematic diagram of Tomoe's operation is on the next page.

(◎: Consolidated subsidiaries)



3. Management Policy

(1) Basic management philosophy

Our basic management philosophy is to contribute to society and bring good life to all the people involved through growth and development of the Company with the spirit of creation and entrepreneurship and to provide our customers with high level of technologies and excellent products. Guided by this policy, we have been engaged in the manufacture and sale of machinery based primarily on solid-liquid separation technology and importation and sale of specialty chemicals.

(2) Targeted management indices

There are two distinctive parts in our business: the Machinery & Equipment Business for manufacture and sale of separation devices centering on centrifuges and the Chemical Products Business as a specialized trading company selling unique products, centering on imported raw materials. Instead of blindly seeking higher sales, we try to develop and deal in unique value-added products requiring specific technology and expertise, even if the market size is limited. Enhancement of profitability is our primary management goal. We give the highest priority to recurring income that directly expresses the absolute value and change of profitability as the management indices for achieving this goal.

(3) Long- and medium- term strategy

Our basic long and medium-term strategy in the Machinery & Equipment Business is development of new products, reduction of manufacturing cost, and cultivation of overseas markets; those in the Chemical Products Business are introduction of unique new commercial products and expansion of Chinese business. To promote this strategy, this February we have formulated our Eighth Mid-term Management Plan "TIP10" (starting from the year ending October 31st, 2008 to the year ending October 31st, 2010). The main objectives of the plan are to steadily promote the above-mentioned basic strategy, start-up new business to make a major leap in the future from a long-term perspective, and establish a system within the corporate group to achieve this strategy. We will do our best to enhance our profitability and strengthen our management foundation through the steady realization of the plan.

(4) Challenges to be addressed

We will continue to seek to achieve improved profitability of the Machinery & Equipment Business and the Chemical Products Business as if they are two wheels of a cart, and improved and strengthened corporate governance and compliance.

In the Machinery & Equipment Business, we will continue to improve the performance and energy conservation of centrifuges, our core product, pursue development of new products including low-price models, and develop a demand in the environment, recycle, and energy areas. Regarding the overseas markets, we will make further efforts to develop the US market as well as the Chinese and other Asian markets.

With respect to the development on a long-term perspective, we will be engaging in the establishment of technique for converting sludge and industrial wastes into fuels for reducing CO2 emissions and manufacture of necessary equipment as a new business.

In the Chemical Products Business, we will strengthen our core business, increase our exposure to high-tech area, continue to develop high-value added products, and accelerate their penetration into markets to improve our financial position. In the Southern China market, we will smoothly set up our newly-built compounding company and lay a foundation for increasing profitability.

With respect to the development on a long-term perspective, we will be engaging in the development of products utilizing

or related to nanotechnology as a new business.

To improve compliance management and corporate ethics, we have made efforts to strengthen our corporate governance and compliance, including the formation of the Corporate Ethics Committee. As regards internal control, preparations are being made to ensure correct implementation of the system under a guideline. Also, as an environmental friendly company, we will continue to make further efforts for the operation and management of ISO14001.

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

(Thousands of yen)

	6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Increase & decrease	Year ended Oct. 31, 2007
Assets				
I. Current assets				
1. Cash and deposits	1,206,674	2,219,431	1,012,757	1,873,895
2. Trade receivables *3	17,270,738	16,653,286	(617,451)	18,897,626
3. Inventories	6,473,793	5,079,399	(1,394,393)	4,351,317
4. Deferred tax assets	449,562	436,776	(12,786)	582,629
5. Other current assets	451,150	508,834	57,683	495,752
Allowance for doubtful accounts	(42,422)	(27,224)	15,197	(30,276)
Total current assets	25,809,498	24,870,504	(938,993)	26,170,945
II. Fixed assets				
1. Tangible fixed assets				
1) Buildings	2,334,101	2,499,944		2,332,224
Accumulated depreciation	(1,335,461)	(1,306,094)	195,209	(1,254,587)
Net	998,640	1,193,849		1,077,636
2) Machinery, equipment & vehicles	3,166,334	3,162,168		3,087,055
Accumulated depreciation	(2,273,346)	(2,286,704)	(17,525)	(2,238,012)
Net	892,988	875,463		849,042
3) Land	975,451	970,253	(5,197)	970,253
4) Other fixed assets	984,460	932,563		1,128,064
Accumulated depreciation	(822,551)	(814,013)	(43,359)	(844,855)
Net	161,909	118,549		283,209
Total tangible fixed assets	3,028,989	3,158,116	129,127	3,180,142
2. Intangible fixed assets	16,494	17,883	1,389	15,223
3. Investments and others				
1) Investments in securities *1	1,487,917	1,284,529	(203,388)	1,580,268
2) Guarantee deposits	404,918	410,331	5,413	409,762
3) Deferred tax assets	22,152	29,191	7,038	21,857
4) Financial derivatives	465,946	168,846	(297,099)	314,683
5) Other investments	794,412	752,664	(41,747)	782,159
Allowance for doubtful accounts	(180,661)	(133,609)	47,052	(136,592)
Total investment and others	2,994,685	2,511,954	(482,731)	2,972,140
Total fixed assets	6,040,169	5,687,954	(352,215)	6,167,506
Total assets	31,849,667	30,558,459	(1,291,208)	32,338,451

(Thousands of yen)

	6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Increase & decrease	Year ended Oct. 31, 2007
Liabilities and Net Assets				
Liabilities				
I. Current liabilities				
1. Trade-payables *1,3	8,108,171	7,403,443	(704,728)	7,349,341
2. Short-term debt	4,281,381	2,760,189	(1,521,191)	4,264,912
3. Account payable-others	568,730	591,374	22,644	743,189
4. Accrued income tax	390,747	534,278	143,531	613,263
5. Advances from customers	270,428	263,951	(6,477)	148,967
6. Accrued employees' bonuses	796,688	822,666	25,978	1,102,255
7. Accrued officers' bonuses	28,029	35,693	7,663	68,100
8. Allowance for product warranty	139,136	165,266	26,130	236,625
9. Other current liabilities	203,173	282,450	79,276	187,345
Total current liabilities	14,786,485	12,859,313	(1,927,172)	14,714,001
II. Long-term liabilities				
1. Long-term debt	240,000	25,000	(215,000)	90,000
2. Accrued pension and severance liabilities	29,673	32,935	3,261	32,437
3. Officers' retirement allowance	175,760	236,120	60,360	214,460
4. Deferred tax liabilities	349,371	251,373	(97,998)	336,296
Total long-term liabilities	794,805	545,428	(249,376)	673,194
Total liabilities	15,581,291	13,404,741	(2,176,549)	15,387,196
Net assets				
I. Shareholders' capital				
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	13,214,360	14,412,780	1,198,419	13,897,737
4. Issued shares reacquired	(362,697)	(363,003)	(306)	(362,815)
Total Shareholders' capital	15,396,283	16,594,396	1,198,112	16,079,542
II. Revaluation and translation adjustments				
1. Unrealized gains and losses on marketable securities and investments	389,148	251,377	(137,770)	436,288
2. Financial derivative gains and losses	276,315	93,442	(182,873)	218,722
3. Foreign currency translation adjustment	34,628	(53,165)	(87,793)	19,084
Total revaluation and translation adjustments	700,092	291,654	(408,438)	674,095
III. Minority interests				
	171,999	267,665	95,666	197,617
Total net assets	16,268,376	17,153,717	885,340	16,951,254
Total liabilities, minority interests and net assets	31,849,667	30,558,459	(1,291,208)	32,338,451

4-(2) Statements of Income (Consolidated)

(Thousands of yen)

	6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Increase & decrease	Year ended Oct. 31, 2007
I. Sales	24,127,323	24,022,695	(104,627)	50,795,204
II. Cost of sales	19,573,555	19,172,959	(400,595)	41,791,074
Gross profit	4,553,768	4,849,736	295,967	9,004,130
III. Selling, general and administrative *1	3,297,391	3,268,340	(29,050)	6,559,190
Operating income	1,256,377	1,581,395	325,018	2,444,939
IV. Other income				
1. Interests	3,930	10,416		6,110
2. Dividends	44,753	38,108		61,301
3. Rents	9,206	12,457		21,101
4. Foreign exchange gains	42,818	42,197		106,272
5. Sundries	26,508	33,617		71,232
Other income total	127,217	136,798	9,581	266,018
V. Other expenses				
1. Interests	41,131	36,870		85,409
2. Discounts on bills of exchange	3,795	5,608		8,269
3. Commitment fees	0	15,283		9,992
4. Sundries	13,514	7,440		53,054
Other expense total	58,440	65,203	6,762	156,725
Recurring income	1,325,153	1,652,991	327,837	2,554,232
VI. Extraordinary gains				
1. Realized gains on property and equipment *2	0	0		3,184
2. Realized gains on investment securities	0	5,627		0
3. Reversal of allowance for doubtful accounts	565	18,787		8,226
Extraordinary gains total	565	24,414	23,849	11,411
VII. Extraordinary losses				
1. Realized loss on property and equipment *3	0	0		6,726
2. Written-off losses on property and equipment *4	15,789	3,729		19,654
3. Unrealized losses on investment securities	50,000	0		50,000
4. Provision for allowance for doubtful receivables	0	13,597		0
5. Impairment losses *5	0	0		5,197
6. Removal expenses *6	39410	0		39,410
Extraordinary losses total	105,199	17,326	(87,873)	120,989
Net income before income taxes and others	1,220,518	1,660,079	439,560	2,444,654

(Thousands of yen)

	6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Increase & decrease	Year ended Oct. 31, 2007
Income taxes				
Current	375,978	508,563		1,032,094
Deferred	157,170	265,023		13,783
<i>Income taxes total</i>	533,148	773,587	240,438	1,045,878
Gains on minority interests	13,613	22,180	8,566	41,643
Net income from consolidated operations	673,756	864,311	190,555	1,357,132

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

6-month period ended Apr. 30, 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 interim period					
Cash dividend paid (*Note)	0	0	(299,375)	0	(299,375)
Net income	0	0	673,756	0	673,756
Total amount changed	0	0	374,380	0	374,380
Balance, end of interim period ended Apr. 30, 2007	1,061,210	1,483,410	13,214,360	(362,697)	15,396,283

6-month period ended Apr. 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 Oct. 31, 2006	301,319	205,427	30,480	537,226	158,595	15,717,725
Changes during this interim period						
Cash dividend paid	0	0	0	0	0	(299,375)
Net income	0	0	0	0	0	673,756
Total (net) amount changed (except shareholders' 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 interim period ended Apr. 30, 2007	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.

6-month period ended Apr. 30, 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 interim period					
Cash dividend paid (*Note)	0	0	(349,269)	0	(349,269)
Net income	0	0	864,311	0	864,311
Issued shares reacquired	0	0	0	(188)	(188)
Total amount changed	0	0	515,042	(188)	514,854
Balance, end of interim period ended Apr. 30, 2008	1,061,210	1,483,410	14,412,780	(363,003)	16,594,396

6-month period ended Apr. 30, 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 interim period						
Cash dividend paid	0	0	0	0	0	(349,269)
Net income	0	0	0	0	0	864,311
Issued shares reacquired	0	0	0	0	0	(188)
Total (net) amount changed (except shareholders' equity)	(184,910)	(125,279)	(72,249)	(382,440)	70,048	(312,392)
Total amount changed	(184,910)	(125,279)	(72,249)	(382,440)	70,048	202,462
Balance, end of interim period ended Apr. 30, 2008	251,377	93,442	(53,165)	291,654	267,665	17,153,717

(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	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 fiscal year					
Cash dividend paid (*Note)	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 fiscal year						
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)	134,969	13,294	(11,395)	136,868	39,021	175,890
Total amount changed	134,969	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

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

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

(Thousands of yen)

	6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Increase & decrease	Year ended Oct 31, 2007
I. Operating activities				
1. Net income before income taxes and others	1,220,518	1,660,079	439,560	2,444,654
2. Depreciation and amortization	145,446	185,813	40,367	317,259
3. Accrued employees' bonuses (increase/decrease)	(300,546)	(279,588)	20,957	5,021
4. Accrued officers' bonuses (increase/decrease)	(22,759)	(32,407)	(9,647)	17,311
5. Allowance for product warranty (increase/decrease)	19,436	(71,359)	(90,795)	116,925
6. Accrued pension and severance liabilities (increase)	4,499	497	(4,001)	7,263
7. Officer's retirement allowance (increase/decrease)	(53,880)	21,660	75,540	(15,180)
8. Allowance for doubtful accounts (increase/decrease)	99,539	(6,034)	(105,574)	43,324
9. Interest and dividend income	(48,684)	(48,525)	158	(67,412)
10. Interest expense	41,131	36,870	(4,260)	85,409
11. Foreign exchange loss/profit	(31,468)	14,566	46,035	2,232
12. Unrealized losses/gains on investment securities	50,000	0	(50,000)	50,000
13. Realized gains on investment securities	0	(5,627)	(5,627)	0
14. Realized losses on property and equipment	0	0	0	3,541
15. Written-off losses on investment securities	15,789	3,729	(12,060)	19,654
16. Impairment losses	0	0	0	5,197
17. Trade receivables (increase/decrease)	(1,341,934)	1,897,747	3,239,682	(3,018,088)
18. Inventories (increase/decrease)	(1,459,080)	(880,905)	578,175	662,103
19. Purchase liabilities (increase/decrease)	493,207	423,437	(69,770)	(226,369)
20. Trade payables (increase/decrease)	(80,042)	(40,252)	39,789	26,237
21. Advances from customers (increase/decrease)	231,902	114,983	(116,918)	110,441
22. Consumption tax, etc. (increase/decrease)	(49,320)	(21,636)	70,957	(64,525)
23. Others	(82,258)	(39,041)	43,216	(165,820)
Sub total	(1,148,503)	2,977,280	4,125,784	359,182
24. Interests and dividends received	48,118	41,968	(6,149)	67,101
25. Interests paid	(39,336)	(30,971)	8,365	(82,927)
26. Income taxes paid	(569,197)	(571,961)	(2,764)	(922,054)
Net cash provided (used) in operating activities	(1,708,919)	2,416,315	4,125,235	(578,697)

(Thousands of yen)

	6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Increase & decrease	Year ended Oct. 31, 2007
II. Investing activities				
1. Expenditures for properties and equipment	(244,205)	(275,938)	(31,732)	(536,038)
2. Proceeds from sales of properties and equipment	0	0	0	8,412
3. Acquisition of intangible assets	(6,489)	(4,096)	2,392	(6,491)
4. Acquisition of investment securities	(14,157)	(7,995)	6,161	(22,024)
5. Collection of loans receivable	20,493	16,562	(3,930)	36,754
6. Loans receivable (increase)	(1,010)	(1,760)	(750)	(4,153)
7. Guarantee deposits (increase/decrease)	(111,968)	(3,599)	108,368	(117,117)
8. Other investments (increase/decrease)	6,943	20,919	13,975	17,271
Net cash provided (used) in investing activities	(350,392)	(255,906)	94,485	(623,386)
III. Financing activities				
1. Borrowing of short-term loan (increase/decrease)	2,386,464	(1,371,392)	(3,757,857)	2,323,769
2. Borrowing of long-term debt (increase)	0	25,000	25,000	0
3. Repayment of long-term debt	(90,000)	(90,000)	0	(180,000)
4. Paid-in capital from investments from minority shareholders	0	50,080	(50,080)	0
5. Reacquisition of issued shares of stocks	0	(188)	(188)	(118)
6. Cash dividends paid	(299,375)	(349,269)	(49,893)	(299,375)
7. Dividends payments to minority shareholders	0	(7,398)	(7,398)	0
Net cash provided (used) in financing activities	1,997,088	(1,743,168)	(3,740,257)	1,844,275
IV. Effect of exchange rate changes	33,361	(71,703)	(105,065)	(3,831)
V. Cash and cash equivalents (increase/decrease)	(28,861)	345,536	374,397	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 the end of fiscal yr (Note)	1,206,674	2,219,431	1,012,757	1,873,895

Basis of Financial Statements and Summary of Significant Accounting Policies

6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Year ended Oct. 31, 2007
<p>1. Scope of consolidation:</p> <p>(1) Number of consolidated subsidiaries: 6</p> <p>Names of consolidated subsidiaries are: 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: The 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>2. Matters related to applying equity method:</p> <p>(1) Number of unconsolidated subsidiaries equity method is applied: None</p>	<p>1. Scope of consolidation:</p> <p>(1) Number of consolidated subsidiaries: 7</p> <p>Names of consolidated subsidiaries are: 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. Stella Tech Engineering Plastics (Shenzhen) Co., Ltd. Stella Tech Engineering Plastics (Shenzhen) Co., Ltd. is the 80% owned subsidiary founded during the current interim period, and is thus included in the scope of consolidation from the current interim period.</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>2. Matters related to applying equity method:</p> <p>(1) Number of unconsolidated subsidiaries equity method is applied: None</p>	<p>1. Scope of consolidation:</p> <p>(1) Number of consolidated subsidiaries: 6</p> <p>Names of consolidated subsidiaries are: 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: The 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 Wine & 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. Matters related to interim accounting period 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>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>(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 Wine & Spirits Co., Ltd.</p> <p>Reason for not applying equity method: Same as left.</p> <p>3. Matters related to interim accounting period of consolidated subsidiaries:</p> <p>As the 6-month fiscal term of Interstella Co., Ltd., Interstella Plastics (Shenzhen) Co., Ltd., Tomoe Engineering (Shanghai) Co., Ltd. and Stella Tech Engineering Plastics (Shenzhen) 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 5 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>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>(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 Wine & 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. Matters related to accounting period 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> <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>
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<p>Other securities</p> <p>Assets with market value: Market value method based on market value, etc. on the interim 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: Decline balance method is mainly applied for depreciation, while straight-line method is applied for the buildings excluding accessory 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>Other securities</p> <p>Assets with market value: Same as left.</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>(Additional information) According to the revision of the Corporate Tax Law, tangible fixed assets acquired prior to March 31, 2007 fall under the depreciation method based upon the Corporate Tax Law before revision. The difference between 5% equivalent of the acquired value and the memorandum value is equally depreciated for five years, and is included in the depreciation cost, starting from a consolidated fiscal year</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>(Petty sum depreciable assets) 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 accounts: 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: 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>3) Accrued officers' bonuses: Allowance for the current interim period is provided in provisions for payment of bonuses to officers in the amount of estimated bonuses during the current consolidated interim period.</p> <p>4) Allowance for product warranty: In order to account for product-related loss and warranty expenses to be incurred after delivery of</p>	<p>following a consolidated fiscal year in which the value has reached 5% of the acquired value.</p> <p>(Petty sum depreciable assets) 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 accounts: Same as left.</p> <p>2) Accrued employees' bonuses: Same as left.</p> <p>3) Accrued officers' bonuses: Same as left.</p> <p>4) Allowance for product warranty: Same as left.</p>	<p>(Petty sum depreciable assets) 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 accounts: 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>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: Same as left.</p>
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<p>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: 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) Officers' retirement allowance: Interim term-end payable allowances based on the bylaw are appropriated to prepare for payment of officers' 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. For exchange contracts and currency swaps,</p>	<p>5) Accrued pension and severance liabilities: Same as left.</p> <p>6) Officers' 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 officers' 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>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.: 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. for calculation of tax amount, 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. for calculation of tax amount, 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 Apr. 30, 2007	6-month period ended Apr. 30, 2008	Year ended Oct. 31, 2007
<p>(Change in depreciation method)</p> <p>Effective from the current interim period, under review, we have changed the depreciation method in terms of the tangible assets acquired after April 1, 2007, in accordance with the amendment of the corporate tax law. The effect of this change on operating income, recurring income, and net income before income taxes was immaterial.</p>	<p>(Change in depreciation method)</p> <p>N/A</p>	<p>(Change in depreciation method)</p> <p>Effective from the current interim period, under review, we have changed the depreciation method in terms of the tangible assets acquired after April 1, 2007, in accordance with the amendment of the corporate tax law. The effect of this change on operating income, recurring income, and net income before income taxes was immaterial. The effect of this change on segment information is mentioned in the applicable note.</p>

Additional Information

6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Year ended Oct. 31, 2007
<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). There is no impact on profit and loss. 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>N/A</p>	<p>(Accounting standard for presentation of net assets in balance sheet)</p> <p>N/A</p>

Notes to Consolidated Financial Statements

(Consolidated balance sheets)

(Thousands of yen)

6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Year ended Oct. 31, 2007
<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: 277,798 <u>Secured liabilities amount</u> Accounts payable: 155,016</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: 420,890 <u>Secured liabilities amount</u> Accounts payable: 147,356</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): 9,035</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): 10,290</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>*3 N/A</p>
<p>4 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: 6,550,000 Balance of executed borrowings: <u>3,305,000</u> Balance: 3,245,000</p>	<p>4 Same as left. Limit of overdraft and amount of loan commitment in total: 6,500,000 Balance of executed borrowings: <u>1,920,000</u> Balance: 4,580,000</p>	<p>4 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: 6,550,000 Balance of executed borrowings: <u>3,022,000</u> Balance: 3,528,000</p>

(Statements of consolidated income)

(Thousands of yen)

6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Year ended Oct. 31, 2007																																																														
<p>*1 Main expense items and amount in selling, general and administrative costs are as follows:</p> <table> <tr><td>Packing and freight costs</td><td>495,141</td></tr> <tr><td>Pension and severance costs</td><td>29,646</td></tr> <tr><td>Provision for officers' retirement allowance</td><td>23,170</td></tr> <tr><td>Employee's salary costs</td><td>775,162</td></tr> <tr><td>Provision for accrued employees' bonuses</td><td>476,006</td></tr> <tr><td>Provision for accrued officers' bonuses</td><td>27,480</td></tr> <tr><td>Welfare costs</td><td>188,375</td></tr> <tr><td>Traveling and transportation costs</td><td>164,464</td></tr> <tr><td>Depreciation costs</td><td>36,687</td></tr> <tr><td>Rent</td><td>194,610</td></tr> </table>	Packing and freight costs	495,141	Pension and severance costs	29,646	Provision for officers' retirement allowance	23,170	Employee's salary costs	775,162	Provision for accrued employees' bonuses	476,006	Provision for accrued officers' bonuses	27,480	Welfare costs	188,375	Traveling and transportation costs	164,464	Depreciation costs	36,687	Rent	194,610	<p>*1 Main expense items and amount in selling, general and administrative costs are as follows:</p> <table> <tr><td>Packing and freight costs</td><td>503,313</td></tr> <tr><td>Pension and severance costs</td><td>25,615</td></tr> <tr><td>Provision for officers' retirement allowance</td><td>21,660</td></tr> <tr><td>Employee's salary costs</td><td>838,503</td></tr> <tr><td>Welfare costs</td><td>208,533</td></tr> <tr><td>Provision for accrued employees' bonuses</td><td>482,819</td></tr> <tr><td>Provision for accrued officers' bonuses</td><td>33,822</td></tr> <tr><td>Traveling and transportation costs</td><td>175,793</td></tr> <tr><td>Depreciation costs</td><td>46,975</td></tr> <tr><td>Rent</td><td>217,118</td></tr> </table>	Packing and freight costs	503,313	Pension and severance costs	25,615	Provision for officers' retirement allowance	21,660	Employee's salary costs	838,503	Welfare costs	208,533	Provision for accrued employees' bonuses	482,819	Provision for accrued officers' bonuses	33,822	Traveling and transportation costs	175,793	Depreciation costs	46,975	Rent	217,118	<p>*1 Main expense items and amount in selling, general and administrative costs are as follows:</p> <table> <tr><td>Packing and freight costs</td><td>969,968</td></tr> <tr><td>Pension and severance costs</td><td>61,708</td></tr> <tr><td>Provision for officers' retirement allowance</td><td>61,870</td></tr> <tr><td>Employee's salary costs</td><td>1,786,076</td></tr> <tr><td>Welfare costs</td><td>393,899</td></tr> <tr><td>Provision for accrued employees' bonuses</td><td>751,714</td></tr> <tr><td>Provision for accrued officers' bonuses</td><td>68,100</td></tr> <tr><td>Provision for doubtful accounts</td><td>54,284</td></tr> <tr><td>Traveling and transportation costs</td><td>346,438</td></tr> <tr><td>Depreciation costs</td><td>89,837</td></tr> <tr><td>Rent</td><td>403,784</td></tr> </table>	Packing and freight costs	969,968	Pension and severance costs	61,708	Provision for officers' retirement allowance	61,870	Employee's salary costs	1,786,076	Welfare costs	393,899	Provision for accrued employees' bonuses	751,714	Provision for accrued officers' bonuses	68,100	Provision for doubtful accounts	54,284	Traveling and transportation costs	346,438	Depreciation costs	89,837	Rent	403,784
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<p>*4 Written-off losses on property and equipment:</p> <table> <tr><td>Machinery and vehicle</td><td>9,879</td></tr> <tr><td>Others</td><td>5,909</td></tr> <tr><td>Total</td><td>15,789</td></tr> </table>	Machinery and vehicle	9,879	Others	5,909	Total	15,789	<p>*4 Written-off losses on property and equipment:</p> <table> <tr><td>Machinery and vehicle</td><td>2,225</td></tr> <tr><td>Others</td><td>1,503</td></tr> <tr><td>Total</td><td>3,729</td></tr> </table>	Machinery and vehicle	2,225	Others	1,503	Total	3,729	<p>*4 Written-off losses on property and equipment:</p> <table> <tr><td>Machinery and vehicle</td><td>11,631</td></tr> <tr><td>Tools and equipment</td><td>6,495</td></tr> <tr><td>Others</td><td>1,527</td></tr> <tr><td>Total</td><td>19,654</td></tr> </table>	Machinery and vehicle	11,631	Tools and equipment	6,495	Others	1,527	Total	19,654																																										
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(Statements of Changes in Consolidated Shareholders' 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 Apr. 30, 2007	Increase (shares)	Decrease (shares)	Number of shares as of Apr. 30, 2008
Common stock	10,533,200	-	-	10,533,200

2. Matters concerning treasury stock (Thousands of yen)

Type of share	Number of shares as of Apr. 30, 2007	Increase (shares)	Decrease (shares)	Number of shares as of Apr. 30, 2008
Common stock	554,008	-	-	554,008

3. Matters related 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 shareholders' 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 interims period, those dividends whose effective dates belong to the subsequent consolidated financial period: There are no relevant matters.

6-month period ended April 30, 2008

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

Type of share	Number of shares as of Apr. 30, 2007	Increase (shares)	Decrease (shares)	Number of shares as of Apr. 30, 2008
Common stock	10,533,200	-	-	10,533,200

2. Matters concerning treasury stock (Thousands of yen)

Type of share	Number of shares as of Apr. 30, 2007	Increase (shares)	Decrease (shares)	Number of shares as of Apr. 30, 2008
Common stock	554,083	165	-	554,248

Note: The 165 shares increase in the number of common shares is due to the purchase of odd-lot shares.

3. Matters related 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 shareholders' meeting on Jan. 30, 2008	Common shares	349,269	35	Oct. 31, 2007	Jan. 31, 2008

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

Year ended October 31, 2007

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

Type of share	Number of shares as of Apr. 30, 2007	Increase (shares)	Decrease (shares)	Number of shares as of Apr. 30, 2008
Common stock	10,533,200	-	-	10,533,200

2. Matters concerning treasury stock (Thousands of yen)

Type of share	Number of shares as of Apr. 30, 2007	Increase (shares)	Decrease (shares)	Number of shares as of Apr. 30, 2008
Common stock	554,008	75	-	554,083

Note: The 75 shares increase in the number of common shares is due to the purchase of odd-lot shares.

3. Matters related 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 shareholders' 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 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 shareholders' meeting on Jan. 30, 2008	Common shares	Retained earnings	349,269	35	Oct. 31, 2007	Jan. 31, 2008

(Consolidated cash flow statement)

(Thousands of yen)

6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Year ended Oct. 31, 2007
Note: Interim term-end balance of cash and cash equivalent and relation with the amount of the accounts listed in the consolidated balance sheet:	Note: Interim term-end balance of cash and cash equivalent and relation with the amount of the accounts listed in the consolidated balance sheet:	Note: Fiscal year-end balance of cash and cash equivalent and relation with the amount of the accounts listed in the consolidated balance sheet:
Cash & deposit account 1,206,674	Cash & deposit account 2,219,431	Cash & deposit account 1,873,895
Cash & cash equivalent 1,206,674	Cash & cash equivalent 2,219,431	Cash & cash equivalent 1,873,895

(Lease)

(Thousands of yen)

6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Year ended Oct. 31, 2007																																																																																																																
<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 interim term-end outstanding balance equivalent:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 10%; text-align: center;">(a)</th> <th style="width: 10%; text-align: center;">(b)</th> <th style="width: 10%; text-align: center;">(c)</th> </tr> </thead> <tbody> <tr> <td>Machinery & vehicles</td> <td style="text-align: right;">21,500</td> <td style="text-align: right;">20,783</td> <td style="text-align: right;">716</td> </tr> <tr> <td>Tools & equipment</td> <td style="text-align: right;">219,396</td> <td style="text-align: right;">120,601</td> <td style="text-align: right;">98,795</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black;">240,896</td> <td style="text-align: right; border-top: 1px solid black;">141,384</td> <td style="text-align: right; border-top: 1px solid black;">99,511</td> </tr> </tbody> </table> <p>(a) Acquisition price equivalent (b) Accumulated depreciation equivalent (c) Interim term-end outstanding balance</p> <p>2. 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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: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">25,357</td> </tr> <tr> <td>Depreciation cost equivalent</td> <td></td> <td></td> <td style="text-align: right;">23,531</td> </tr> <tr> <td>Interests paid equivalent</td> <td></td> <td></td> <td style="text-align: right;">849</td> </tr> </tbody> </table> <p>4. Calculation method of depreciation cost equivalent:</p> <p>By straight-line method with service life being lease period and residual value being zero.</p> <p>5. Calculation method of interests equivalent:</p> <p>Allocation for each term is by interest method with the difference between the total amount of lease fee and acquisition price equivalent of leased items being interests equivalent. (Impairment loss) There is no impairment loss allocated to lease assets.</p>		(a)	(b)	(c)	Machinery & vehicles	21,500	20,783	716	Tools & equipment	219,396	120,601	98,795	Total	240,896	141,384	99,511	Within 1 year			43,802	Exceeding 1 year			58,253	Total			102,055	Lease fee paid			25,357	Depreciation cost equivalent			23,531	Interests paid equivalent			849	<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 & interim term-end outstanding balance equivalent:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 10%; text-align: center;">(a)</th> <th style="width: 10%; text-align: center;">(b)</th> <th style="width: 10%; text-align: center;">(c)</th> </tr> </thead> <tbody> <tr> <td>Tools & equipment</td> <td style="text-align: right;">214,106</td> <td style="text-align: right;">119,751</td> <td style="text-align: right;">94,354</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black;">214,106</td> <td style="text-align: right; border-top: 1px solid black;">119,751</td> <td style="text-align: right; border-top: 1px solid black;">94,354</td> </tr> </tbody> </table> <p>(a) Acquisition price equivalent (b) Accumulated depreciation equivalent (c) Interim term-end outstanding balance</p> <p>2. 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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: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">24,297</td> </tr> <tr> <td>Depreciation cost equivalent</td> <td></td> <td></td> <td style="text-align: right;">22,967</td> </tr> <tr> <td>Interests paid equivalent</td> <td></td> <td></td> <td style="text-align: right;">798</td> </tr> </tbody> </table> <p>4. Calculation method of depreciation cost equivalent:</p> <p>Same as left.</p> <p>5. Calculation method of interests equivalent:</p> <p>Same as left. (Impairment loss) Same as left.</p>		(a)	(b)	(c)	Tools & equipment	214,106	119,751	94,354	Total	214,106	119,751	94,354	Within 1 year			38,791	Exceeding 1 year			57,464	Total			96,256	Lease fee paid			24,297	Depreciation cost equivalent			22,967	Interests paid equivalent			798	<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 & term-end outstanding balance equivalent:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 10%; text-align: center;">(a)</th> <th style="width: 10%; text-align: center;">(b)</th> <th style="width: 10%; text-align: center;">(c)</th> </tr> </thead> <tbody> <tr> <td>Tools & equipment</td> <td style="text-align: right;">227,206</td> <td style="text-align: right;">127,880</td> <td style="text-align: right;">99,326</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black;">227,206</td> <td style="text-align: right; border-top: 1px solid black;">127,880</td> <td style="text-align: right; border-top: 1px solid black;">99,326</td> </tr> </tbody> </table> <p>(a) Acquisition price equivalent (b) Accumulated depreciation equivalent (c) 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: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">41,350</td> </tr> <tr> <td>Exceeding 1 year</td> <td></td> <td></td> <td style="text-align: right;">60,196</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">101,547</td> </tr> </tbody> </table> <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: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">47,369</td> </tr> <tr> <td>Depreciation cost equivalent</td> <td></td> <td></td> <td style="text-align: right;">45,200</td> </tr> <tr> <td>Interests paid equivalent</td> <td></td> <td></td> <td style="text-align: right;">1,686</td> </tr> </tbody> </table> <p>4. Calculation method of depreciation cost equivalent:</p> <p>Same as left.</p> <p>5. Calculation method of interests equivalent:</p> <p>Same as left. (Impairment loss) Same as left.</p>		(a)	(b)	(c)	Tools & equipment	227,206	127,880	99,326	Total	227,206	127,880	99,326	Within 1 year			41,350	Exceeding 1 year			60,196	Total			101,547	Lease fee paid			47,369	Depreciation cost equivalent			45,200	Interests paid equivalent			1,686
	(a)	(b)	(c)																																																																																																															
Machinery & vehicles	21,500	20,783	716																																																																																																															
Tools & equipment	219,396	120,601	98,795																																																																																																															
Total	240,896	141,384	99,511																																																																																																															
Within 1 year			43,802																																																																																																															
Exceeding 1 year			58,253																																																																																																															
Total			102,055																																																																																																															
Lease fee paid			25,357																																																																																																															
Depreciation cost equivalent			23,531																																																																																																															
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(Securities)**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:	51,500
Total	51,500

6-month period ended Apr. 30, 2008

1. Other securities with market value:

(Thousands of yen)

Classification	Acquisition cost	Interim consolidated balance sheet amount	Difference
(1) Stocks	418,867	826,406	407,538
(2) Others	11,368	9,390	(1,978)
Total	430,236	835,796	405,559

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)	397,233
Total	397,233
Stocks of subsidiary companies and affiliated companies:	51,500
Total	51,500

Year ended Oct. 31, 2007

1. Other securities with market value: (Thousands of yen)

Classification	Acquisition cost	Consolidated balance sheet amount	Difference
(1) Stocks	410,872	1,111,826	700,953
(2) Others	11,368	11,122	(246)
Total	422,240	1,122,948	700,707

2. Main securities not being appraised on market price: (Thousands of yen)

Classification	Consolidated balance sheet amount
Other securities:	
(1) Unlisted stocks (excluding over-the-counter stocks)	348,425
(2) Others	57,395
Total	405,820
Stocks of subsidiary companies and affiliated companies	51,500
Total	51,500

(Derivative transactions)**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.

6-month period ended Apr. 30, 2008

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, 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.

(Stock option plan)**6-month period ended Apr. 30, 2007**

There are no relevant matters.

6-month period ended Apr. 30, 2008

There are no relevant matters.

Year ended Oct. 31, 2007

There are no relevant matters.

(Segment information)

1. Segment by type of business:

6-month period ended Apr. 30, 2007

(Thousands of yen)

	Machinery mfg & sales	Chemical products sales	Total	Deletion or total company	Consolidated
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	547,519	708,857	1,256,377	0	1,256,377

(Notes)

1. Business classification is by aggregate sales classification.

2. Main products and goods in each business:

(1) Machinery manufacturing & sales: Various types of centrifuges and other machinery

(2) Chemical products sales: Synthetic resin, inorganic materials and other chemical products

6-month period ended Apr. 30, 2008

(Thousands of yen)

	Machinery mfg & sales	Chemical products sales	Total	Deletion or total company	Consolidated
Sales					
(1) Sales to unaffiliated customers	6,313,113	17,709,582	24,022,695	0	24,022,695
(2) Internal sales among segments or amount transferred	0	0	0	0	0
Total	6,313,113	17,709,582	24,022,695	0	24,022,695
Operating costs	5,606,875	16,834,424	22,441,300	0	22,441,300
Operating income	706,237	875,157	1,581,395	0	1,581,395

(Notes)

1. Business classification is by aggregate sales classification.

2. Main products and goods in each business:

(1) Machinery manufacturing & sales: Various types of centrifuges and other machinery

(2) Chemical products sales: Synthetic resin, inorganic materials and other chemical products

Year ended Oct. 31, 2007

(Thousands of yen)

	Machinery mfg & sales	Chemical products sales	Total	Deletion or total company	Consolidated
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 manufacturing & sales: Various types of centrifuges and other machinery

(2) Chemical products sales: Synthetic resin, inorganic materials and other chemical products

3. As stated in the "Changes to the Basis of Financial Statements and Summary of Significant Accounting Policies" (changes to the depreciation method for important depreciation assets), the depreciation cost for tangible fixed assets acquired after April 1, 2007 has been recorded in compliance with the depreciation method specified by the revised Corporate Tax Law along with the revision to the Corporate Tax Law effective the current consolidated fiscal year.

The change will have only a slight effect on the segment information.

2. Segment by location:

6-month period ended Apr. 30, 2007

(Thousands of yen)

	Japan	Asia	Total	Deletion or total company	Consolidated
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	3,367,823	23,041,103	(170,157)	22,870,946
Operating income	1,085,176	177,571	1,262,748	(6,371)	1,256,377

(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

6-month period ended Apr. 30, 2008

(Thousands of yen)

	Japan	Asia	Total	Deletion or total company	Consolidated
Sales					
(1) Sales to unaffiliated customers	21,412,810	2,609,885	24,022,695	0	24,022,695
(2) Internal sales among segments or amount transferred	188,648	53,241	241,890	(241,890)	0
Total	21,601,459	2,663,127	24,264,586	(241,890)	24,022,695
Operating costs	20,090,923	2,583,086	22,674,009	(232,709)	22,441,300
Operating income	1,510,536	80,040	1,590,577	(9,181)	1,581,395

(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, and Indonesia

Year ended Oct. 31, 2007

(Thousands of yen)

	Japan	Asia	Total	Deletion or total company	Consolidated
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. Classification of countries and regions is based on geographical proximity.
2. Main countries or regions included in each classification except Japan:
Asia: China, Korea, and Indonesia
3. As stated in the "Changes to the Basis of Financial Statements and Summary of Significant Accounting Policies" (changes to the depreciation method for important depreciation assets), the depreciation cost for tangible fixed assets acquired after April 1, 2007 has been recorded in compliance with the depreciation method specified by the revised Corporate Tax Law along with the revision to the Corporate Tax Law effective the current consolidated fiscal year.
The change will have only a slight effect on the segment information.

3. Overseas sales:

6-month period ended Apr. 30, 2008

(Thousands of yen)

	Asia	Other regions	Total
I. Overseas sales	3,795,906	515,077	4,310,983
II. Consolidated sales	0	0	24,022,695
III. Percentage of overseas sales for consolidated sales	15.8%	2.1%	17.9%

6-month period ended Apr. 30, 2007

(Thousands of yen)

	Asia	Other regions	Total
I. Overseas sales	3,313,610	535,891	3,849,501
II. Consolidated sales	0	0	24,127,323
III. Percentage of overseas sales for consolidated sales	13.7%	2.3%	16.0%

Year ended Oct. 31, 2007

(Thousands of yen)

	Asia	Other regions	Total
I. Overseas sales	10,290,809	990,835	11,281,645
II. Consolidated sales	0	0	50,795,204
III. Percentage of overseas sales for consolidated sales	20.2%	2.0%	22.2%

(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, 2007		6-month period ended Apr. 30, 2008		Year ended Oct. 31, 2007	
Net assets per share	¥1,612. ⁹⁹	Net assets per share	¥1,692. ¹⁷	Net assets per share	¥1,678. ⁹⁷
Interim net income per share	¥67. ⁵²	Interim net income per share	¥86. ⁶¹	Net income per share	¥136. ⁰⁰
Diluted net income per share of the previous 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 the previous fiscal term is not presented because there are currently no potentially dilutive rights to acquire our common shares outstanding.	

Note: The basis for calculating net assets amount per share is as follows:

(Thousands of yen)

Item	6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Year ended Oct. 31, 2007
Total amount of net assets	16,268,376	17,153,717	16,951,254
Amount deducted from total amount of net assets	171,999	267,665	197,617
(Minority shareholders' interest)	(171,999)	(267,665)	(197,617)
Net assets amount as of end of interim period regarding common shares	16,096,376	16,886,051	16,753,637
No. of common shares as of end of interim period used for calculation of net assets amount per share	9,979,192 shares	9,978,952 shares	9,979,171 shares

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

(Thousands of yen)

Item	6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Year ended Oct. 31, 2007
Net (interim) income	673,756	864,311	1,357,132
Net income not attributed to common stocks	0	0	0
Net (interim) income attributed to common stocks	673,756	864,311	1,357,132
Average number of common shares out-standing	9,979,192 shares	9,979,050 shares	9,979,171 shares

(Important post-balance sheet events)

There are no relevant matters.

5. Non-consolidated Financial Statement

5-(1) Balance Sheets (Non-consolidated)

(Thousands of yen)

Assets	6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Increase & decrease	Year ended Oct. 31, 2007
I. Current assets				
1. Cash and deposits	746,317	1,129,384	383,067	962,875
2. Trade notes receivable*4	4,883,440	4,100,586	(782,853)	4,174,246
3. Trade receivables	10,937,632	10,970,527	32,894	12,795,872
4. Inventories	5,115,211	3,745,703	(1,369,508)	3,141,118
5. Deferred tax assets	394,681	414,853	20,171	525,664
6. Other current assets	482,559	570,093	87,533	533,685
Allowance for doubtful accounts	(42,310)	(27,214)	15,096	(30,497)
Total current assets	22,517,532	20,903,933	(1,613,598)	22,102,965
II. Fixed assets				
1. Tangible fixed assets				
1) Buildings	873,654	1,075,554	201,899	952,456
2) Machinery, equipment & vehicles	531,304	546,134	14,829	488,017
3) Land	931,080	925,882	(5,197)	925,882
4) Other fixed assets	154,697	125,277	(29,420)	280,549
Total tangible fixed assets *1	2,490,737	2,672,848	182,111	2,646,906
2. Intangible fixed assets	15,471	16,993	1,521	14,252
3. Investments and others				
1) Investments in securities *2	1,436,417	1,233,029	(203,388)	1,528,768
2) Affiliated companies' stock	0	483,765	483,765	483,765
3) Investments in capital of affiliated companies	171,075	371,395	200,320	171,075
4) Guarantee deposits	384,025	385,545	1,519	384,412
5) Financial derivatives	465,946	168,846	(297,099)	314,683
6) Other investments	1,287,775	774,343	(513,431)	801,384
Allowance for doubtful accounts	(180,661)	(133,609)	47,052	(136,592)
Total investments and others	3,564,578	3,283,316	(281,262)	3,547,497
Total fixed assets	6,070,787	5,973,158	(97,629)	6,208,656
Total assets	28,588,320	26,877,092	(1,711,227)	28,311,621

(Thousands of yen)

Liabilities and Net Assets	6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Increase & decrease	Year ended Oct. 31, 2007
<u>Liabilities</u>				
I. Current liabilities				
1. Notes-payable *4	1,467,953	816,113	(651,840)	910,097
2. Trade-payables *2	5,623,254	5,342,161	(281,093)	5,215,015
3. Short-term loans	3,300,000	1,920,000	(1,380,000)	3,020,000
4. Long-term debts to be repaid within 1 year	180,000	180,000	0	180,000
5. Accrued expenses	516,892	574,862	57,969	622,921
6. Accrued income tax	341,918	422,539	80,621	536,690
7. Advances from customers	252,898	264,462	11,563	106,056
8. Accrued employees' bonuses	708,685	733,210	24,524	979,406
9. Accrued officers' bonuses	28,029	34,620	6,590	65,985
10. Allowance for product warranty	139,136	165,266	26,130	236,625
11. Other current liabilities	174,392	199,223	24,831	151,836
Total current liabilities	12,733,161	10,652,458	(2,080,703)	12,024,634
II. Long-term liabilities				
1. Long-term debts	180,000	0	(180,000)	90,000
2. Accrued pension and severance liabilities	12,201	4,524	(7,677)	13,836
3. Officers' retirement allowance	175,760	236,120	60,360	214,460
4. Deferred tax liabilities	348,934	251,157	(97,776)	335,977
Total long-term liabilities	716,896	491,802	(225,094)	654,274
Total liabilities	13,450,058	11,144,260	(2,305,797)	12,678,908
<u>Net assets</u>				
I. Shareholders' capital				
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
Total Capital surplus	1,483,410	1,483,410	0	1,483,410
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	30,545	28,949	(1,596)	29,722
General reserve	11,200,000	11,500,000	300,000	11,200,000
Surplus carried over	580,328	1,197,446	617,117	1,086,175
Total retained earnings	12,290,874	13,206,395	915,520	12,795,898
4. Issued shares reacquired	(362,697)	(363,003)	(306)	(362,815)
Total Shareholders' capital	14,472,797	15,388,011	915,214	14,977,702

(Thousands of yen)

Liabilities and Net Assets	6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Increase & decrease	Year ended Oct. 31, 2007
II. Revaluation and translation adjustments				
1. Unrealized gains and losses on marketable securities and investments	389,148	251,377	(137,770)	436,288
2. Financial derivative gains and losses	276,315	93,442	(182,873)	218,722
<i>Total revaluation and translation adjustments</i>	665,464	344,820	(320,644)	655,010
Total net assets	15,138,261	15,732,832	594,570	15,632,713
Total liabilities and net assets	28,588,320	26,877,092	(1,711,227)	28,311,621

5-(2) Statements of Income (Non-consolidated)

(Thousands of yen)

	6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Increase & decrease	Year ended Oct. 31, 2007
I. Sales	21,913,793	21,838,083	(75,709)	45,941,146
II. Cost of sales	17,837,867	17,607,254	(230,612)	37,923,512
Gross profit	4,075,925	4,230,829	154,903	8,017,634
III. Selling, general and administrative	3,046,780	2,966,522	(80,257)	6,064,409
Operating income	1,029,145	1,264,307	235,161	1,953,225
IV. Other income *1	167,980	197,669	29,688	282,016
V. Other expenses *2	43,102	54,927	11,825	117,952
Recurring income	1,154,023	1,407,048	253,024	2,117,289
VI. Extraordinary gains *3	565	24,646	24,081	7,600
VII. Extraordinary losses *4	95,683	17,326	(78,357)	109,551
Net income before income taxes	1,058,905	1,414,369	355,463	2,015,338
Income taxes				
Current	332,060	416,230	84,170	924,918
Deferred	143,506	238,372	94,865	2,057
Income taxes total	475,566	654,602		926,976
Net income from non-consolidated operations	583,338	759,766	176,427	1,088,362

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

6-month period ended Apr. 30, 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 interim term					
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	(822)
Provision of general reserve	0	0	0	0	0
Total amount changed	0	0	0	0	(822)
Balance, end of the 6-month period ended 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)

	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 interim term					
Cash dividend paid (Note)	0	(299,375)	(299,375)	0	(299,375)
Net income	0	583,338	583,338	0	583,338
Transfer of reserve for deferred fixed assets	0	822	0	0	0
Provision of general reserve	900,000	(900,000)	0	0	0
Total amount changed	900,000	(615,214)	283,962	0	283,962
Balance, end of the 6-month period ended 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 fixed assets	0	0	0	0
Provision of general reserve	0	0	0	0
Total (net) amount changed (except shareholders' equity)	87,829	70,888	158,717	158,717
Total amount changed	87,829	70,888	158,717	442,680
Balance, end of the 6-month period ended 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.

6-month period ended Apr. 30, 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 interim term					
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	(773)
Provision of general reserve	0	0	0	0	0
Total amount changed	0	0	0	0	(773)
Balance, end of the 6-month period ended Apr. 30, 2008	1,061,210	1,483,410	230,000	250,000	28,949

6-month period ended Apr. 30, 2008

(Thousands of yen)

	Shareholders' equity				
	Retained earnings			Issued shares reacquired	Total shareholders' capital
	General reserve	Surplus carried over	Total retained earnings		
Surplus as of Oct. 31, 2007	11,200,000	1,086,175	12,795,898	(362,815)	14,977,702
Changes during this interim term					
Cash dividend paid (Note)	0	(349,269)	(349,269)	0	(349,269)
Net income	0	759,766	759,766	0	759,766
Issued share reacquired	0	0	0	(188)	(188)
Transfer of reserve for deferred fixed assets	0	773	0	0	0
Provision of general reserve	300,000	(300,000)	0	0	0
Total amount changed	300,000	111,270	410,497	(188)	410,308
Balance, end of the 6-month period ended Apr. 30, 2008	11,500,000	1,197,446	13,206,395	(363,003)	15,388,011

6-month period ended Apr. 30, 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 interim term				
Cash dividend paid	0	0	0	(349,269)
Net income	0	0	0	759,766
Issued share reacquired	0	0	0	(188)
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)	(184,910)	(125,279)	(310,190)	(310,190)
Total amount changed	(184,910)	(125,279)	(310,190)	100,118
Balance, end of the 6-month period ended Apr. 30, 2008	251,377	93,442	344,820	15,732,832

(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 (Note)	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

(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, 2007	6-month period ended Apr. 30, 2008	Year ended Oct. 31, 2007
<p>1. Valuation standard and method</p> <p>(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:</p> <p>1) Goods: Cost method based on moving-average method (cost method based on individual method for certain specific goods)</p> <p>2) Finished products and products in process: Mainly cost method based on individual method</p> <p>3) Raw materials: Mainly cost method based on first-in first-out method</p> <p>4) Supplies: Last cost method</p> <p>2. Depreciation method of fixed assets:</p> <p>(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>1.Valuation standard and method</p> <p>(1) Securities: Stock of subsidiary and affiliates: Same as left.</p> <p>Other securities: Securities with fair market value: Same as left.</p> <p>Securities without fair market value: Same as left.</p> <p>(2) Inventories:</p> <p>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:</p> <p>(1) Tangible fixed assets: Same as left.</p> <p>(Additional information) According to the revision of the Corporate Tax Law, tangible fixed assets acquired prior to March 31, 2007 fall under the depreciation method based upon the Corporate Tax Law before revision. The difference between 5% equivalent of the acquired value and the memorandum value is equally depreciated for five years, and is included in the depreciation cost, starting from a consolidated fiscal year following a consolidated fiscal year in which the value has reached 5% of the acquired value.</p>	<p>1.Valuation standard and method</p> <p>(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:</p> <p>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:</p> <p>(1) Tangible fixed assets: Same as left.</p>

<p>(Petty sum depreciable assets) Assets acquired at 100,000 yen or more and below 200,000 are depreciated equally for three years as lump sum each year.</p> <p>(2) Intangible fixed assets: Software Depreciated by Straight-line method based on estimated utilizable period (5 years).</p> <p>3. Allocation standard of reserves: (1) Allowance of doubtful accounts: 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, which are attributable to the current interim term.</p> <p>(3) Accrued officers' bonuses: Allowance appropriate to the current interim period is provided for payment of bonuses to officers in the amount of estimated bonuses for the current fiscal year.</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 interim 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</p>	<p>There is only a minor impact on operating income, current profit, and interim net profit before taxes and other adjustments. The effect of this change on segment information is mentioned in the applicable note.</p> <p>(Petty sum depreciable assets) Same as left.</p> <p>(2) Intangible fixed assets: Same as left.</p> <p>3. Allocation standard of reserves: (1) Allowance of doubtful accounts: Same as left.</p> <p>(2) Accrued employees' bonuses: Same as left.</p> <p>(3) Accrued officers' bonuses: Same as left.</p> <p>(4) Accrued pension and severance liabilities: Same as left.</p>	<p>(Petty sum depreciable assets) Same as left.</p> <p>(2) Intangible fixed assets: Same as left.</p> <p>3. Allocation standard of reserves: (1) Allowance of doubtful accounts: 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.</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) 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</p>
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<p>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) Officers' retirement allowance: Interim term-end payable allowances based on the bylaw are appropriated to prepare for payment of officers' retirement allowances.</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: 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 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 Exchange contracts & currency swaps: Exchange rate fluctuation for debts and credits in foreign</p>	<p>(5) Officers' retirement allowance: Same as left.</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> <p>(2) Means for hedging and objects for hedging: Same as left.</p>	<p>occurrence by straight-line method based on certain number of years (10 years) within employees' average remaining work period.</p> <p>(5) Officers' retirement allowance: Fiscal year-end payable allowances based on the bylaw are appropriated to prepare for payment of officers' 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> <p>(2) Means for hedging and objects for hedging: Same as left.</p>
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<p style="text-align: center;">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: Consumption tax is excluded. The balance of consumption tax after offsetting suspense receipt of the tax by suspense payment of the tax offset by the partial tax payment by interim tax return is included in "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 current interim term.</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>(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: Consumption tax is excluded.</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, 2007	6-month period ended Apr. 30, 2008	Year ended Oct. 31, 2007
<p>(Change in depreciation method) Effective from the current interim term under review, we have changed the depreciation method in terms of the tangible assets acquired after April 1, 2007, in accordance with the amendment of the corporate tax law. The effect of this change on operating income, recurring income, and net income before taxes was immaterial.</p>	<p>(Change in depreciation method) N/A</p>	<p>(Change in depreciation method) Effective from the fiscal term under review, we have changed the depreciation method in terms of the tangible assets acquired after April 1, 2007, in accordance with the amendment of the corporate tax law. The effect of this change on operating income, recurring income, and net income before taxes was immaterial.</p>

Additional Information

6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Year ended Oct. 31, 2007
<p>(Accounting standard for presentation of net assets in the balance sheet) 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 non-consolidated financial statements.</p>	<p>(Accounting standard for presentation of net assets in the balance sheet) N/A</p>	<p>(Accounting standard for presentation of net assets in the balance sheet) N/A</p>

Notes to Non-Consolidated Financial Statements

(Balance Sheet)

(Thousands of yen)

6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Year ended Oct. 31, 2007
*1 Accumulated depreciation of tangible fixed assets: 3,661,900	*1 Accumulated depreciation of tangible fixed assets: 3,706,765	*1 Accumulated depreciation of tangible fixed assets: 3,664,882
*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 349,281	(1) Pledged asset amount: Investment and securities 277,798	(1) Pledged asset amount: Investment and securities 420,890
(2) Secured liability amount:	(2) Secured liability amount:	(2) Secured liability amount:
Trade payables 175,877	Trade payables 155,016	Trade payables 147,356
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>
Tomoe ¥5,000	Interstella ¥312,420 [US\$3,000]	Tomoe ¥2,000
Machinery	Plastics	Machinery
Interstella ¥35,943 [US\$300]	(Shenzhen)	Interstella ¥344,370 [US\$3,000]
Plastics	Interstella ¥312,420 [US\$3,000]	Tomoe ¥229,580 [US\$2,000]
(Shenzhen)		Eng. (HK)
Interstella ¥119,810 [US\$1,000]		
Tomoe ¥682,917 [US\$5,700]		
Eng. (HK)		
(2) Guarantee on home ownership financing of employees: 11,907	(2) Guarantee on home ownership financing of employees: 9,035	(2) Guarantee on home ownership financing of employees: 10,290
*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: Bills receivable 454,855 Bills payable 191,359	*4 N/A	*4 N/A

<p>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 interim term under these agreements is as follows:</p> <table border="0"> <tr> <td>Limit of overdraft and total amount of loan commitment</td> <td style="text-align: right;">6,500,000</td> </tr> <tr> <td>Balance of executed borrowings</td> <td style="text-align: right;">3,300,000</td> </tr> <tr> <td>Balance</td> <td style="text-align: right;"><u>3,200,000</u></td> </tr> </table>	Limit of overdraft and total amount of loan commitment	6,500,000	Balance of executed borrowings	3,300,000	Balance	<u>3,200,000</u>	<p>5 Same as left.</p> <table border="0"> <tr> <td>Limit of overdraft and total amount of loan commitment</td> <td style="text-align: right;">6,500,000</td> </tr> <tr> <td>Balance of executed borrowings</td> <td style="text-align: right;">1,920,000</td> </tr> <tr> <td>Balance</td> <td style="text-align: right;"><u>4,580,000</u></td> </tr> </table>	Limit of overdraft and total amount of loan commitment	6,500,000	Balance of executed borrowings	1,920,000	Balance	<u>4,580,000</u>	<p>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 fiscal term under these agreements is as follows:</p> <table border="0"> <tr> <td>Limit of overdraft and total amount of loan commitment</td> <td style="text-align: right;">6,500,000</td> </tr> <tr> <td>Balance of executed borrowings</td> <td style="text-align: right;">3,020,000</td> </tr> <tr> <td>Balance</td> <td style="text-align: right;"><u>3,480,000</u></td> </tr> </table>	Limit of overdraft and total amount of loan commitment	6,500,000	Balance of executed borrowings	3,020,000	Balance	<u>3,480,000</u>
Limit of overdraft and total amount of loan commitment	6,500,000																			
Balance of executed borrowings	3,300,000																			
Balance	<u>3,200,000</u>																			
Limit of overdraft and total amount of loan commitment	6,500,000																			
Balance of executed borrowings	1,920,000																			
Balance	<u>4,580,000</u>																			
Limit of overdraft and total amount of loan commitment	6,500,000																			
Balance of executed borrowings	3,020,000																			
Balance	<u>3,480,000</u>																			

(Statements of Non-consolidated Income)

(Thousands of yen)

6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Year ended Oct. 31, 2007
*1 Main items among other income:	*1 Main items among other income:	*1 Main items among other income:
Interests 2,292	Interests 8,747	Interests 3,563
Dividends 69,753	Dividends 98,027	Dividends 86,301
Foreign exchange gains 37,196	Foreign exchange gains 30,003	Foreign exchange gains 71,657
Rents 43,895	Rents 40,609	Rents 84,889
*2 Main items among other expenses:	*2 Main items among other expenses:	*2 Main items among other expenses:
Interests 16,557	Interests 17,317	Interests 37,789
Discounts on bills of exchange 3,795	Discounts on bills of exchange 5,608	Discounts on bills of exchange 8,269
Cost of rents 10,106	Cost of rents 10,110	Cost of rents 30,365
Commitment fee 4,944	Commitment fee 15,283	Commitment fee 9,992
*3 Main items among extraordinary gains:	*3 Main items among extraordinary gains:	*3 Main items among extraordinary gains:
Reversal of allowance for doubtful accounts 565	Reversal of allowance for doubtful accounts 19,019	Reversal of allowance for doubtful accounts 7,600
	Gain on sales of investment securities 5,627	
*4 Main items among extraordinary losses:	*4 Main items among extraordinary losses:	*4 Main items among extraordinary losses:
Unrealized losses on investment securities 50,000	Written-off losses on property and equipment 3,729	Unrealized losses on investment securities 50,000
Relocation expense (head office) 39,410	Provision for doubtful accounts 13,597	Removal expense (head office) 39,410
Written-off losses on property and equipment 6,273		Written-off losses on property and equipment 12,541
		Realized losses on property and equipment 2,400
		Impairment loss on land 5,197
5 Depreciation expenses:	5 Depreciation expenses:	5 Depreciation expenses:
Tangible fixed assets 97,937	Tangible fixed assets 131,546	Tangible fixed assets 216,108
Intangible fixed assets 1,213	Intangible fixed assets 1,355	Intangible fixed assets 2,432

(Statements of Changes in Non-consolidated Shareholders' 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 Oct. 31, 2006	Increase (shares)	Decrease (shares)	No. of shares as of Apr. 30, 2007
Common stock	554,008	0	0	554,008

6-month period ended Apr. 30, 2008

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

	No. of shares as of Oct. 31, 2006	Increase (shares)	Decrease (shares)	No. of shares as of Apr. 30, 2007
Common stock (*Note)	554,083	165	0	554,248

(Reason for Change)

The breakdown of the increase is as follows:

Acquisition of odd-lot stocks: 165 shares

Year ended Oct. 31, 2007

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

	No. of shares as of Oct. 31, 2005	Increase (shares)	Decrease (shares)	No. of shares as of Oct. 31, 2006
Common stock (*Note)	554,008	75	0	554,083

(Reason for Change)

The breakdown of the increase is as follows:

Acquisition of odd-lot stocks: 75 shares

(Lease)

(Thousands of yen)

6-month period ended Apr. 30, 2007	6-month period ended Apr. 30, 2008	Year ended Oct. 31, 2007																																																																																																																
<p>Finance lease transactions other than those of which ownership of leased items is acknowledged to be transferred to lessee (on the lessee's side):</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 no relevant matters.