

Financial Results for the Fiscal Year Ended October 31, 2008

Date: December 10, 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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 Date of Annual Shareholders Meeting: January 29, 2009
 Date of Dividend Payment: January 30, 2009
 Date of Financial Statement: January 30, 2009

1. Consolidated Financial Results for the year ending October 31, 2008

(1) Results of Operation (Consolidated)

* Any fractional sums less than one million (or one thousand) yen are disregarded.

(%: Change from the previous year)

	Sales		Operating income		Recurring income	
	(Millions of yen)	(Percent)	(Millions of yen)	(Percent)	(Millions of yen)	(Percent)
Years ended October 31, 2008	47,542	(6.4)	2,456	0.5	2,613	2.3
Years ended October 31, 2007	50,795	7.3	2,444	15.8	2,554	14.9

	Net income		Net income per share	Diluted net income per share	Return on equity	Return on assets	Return on sales
	(Millions of yen)	(Percent)	(Yen)	(Yen)	(Percent)	(Percent)	(Percent)
Years ended October 31, 2008	1,365	0.6	136. ⁸⁰	-	8.1	8.5	5.2
Years ended October 31, 2007	1,357	7.1	136. ⁰⁰	-	8.4	8.4	4.8

(Reference)

Equity in earnings (loss) of unconsolidated subsidiaries and affiliates during fiscal years ended October 31, 2008 and 2007 were none.

(2) Financial Condition (Consolidated)

	Total assets (A) (Millions of yen)	Net assets (B) (Millions of yen)	Net assets ratio (B / A) (Percent)	Net assets per share (Yen)
Years ended October 31, 2008	29,159	17,465	58.8	1,719. ¹⁵
Years ended October 31, 2007	32,338	16,951	51.8	1,678. ⁸⁷

(Reference)

Net assets for the years ended October 31, 2008 and 2007 were 17,155 million yen and 16,753 million yen respectively.

(3) Cash Flows (Consolidated)

(Millions of yen)

	Net cash provided (used) by operating activities	Net cash provided (used) by investing activities	Net cash provided (used) by financing activities	Consolidated cash and cash equivalent, October 31, 2008
Years ended October 31, 2008	3,965	(644)	(3,419)	1,711
Years ended October 31, 2007	(578)	(623)	1,844	1,873

2. Dividend Status

	Dividend per share		Total dividend (Annual) (Millions of yen)	Dividend payout ratio (Consolidated) (Percent)	Dividend on equity ratio (Consolidated) (Percent)
	Fiscal year end (Yen)	Annual (Yen)			
Years ended October 31, 2007	35. ⁰⁰	35. ⁰⁰	349	25.7	2.2
Years ended October 31, 2008	35. ⁰⁰	35. ⁰⁰	349	25.6	2.1
Years ended October 31, 2009 (Forecast)	35. ⁰⁰	35. ⁰⁰	-	28.9	-

3. Forecast for the Year ending October 31, 2009

(%: Change from the previous year for the full year and 6-month period)

	Sales		Operating income		Recurring income	
	(Millions of yen)	(Percent)	(Millions of yen)	(Percent)	(Millions of yen)	(Percent)
6-month Period	24,400	1.6	1,420	(10.2)	1,490	(9.9)
Full business year	46,400	(2.4)	2,190	(10.8)	2,300	(12.0)

	Net income		Net income per share
	(Millions of yen)	(Percent)	(Yen)
6-month Period	750	(13.2)	75. ¹⁵
Full business year	1,210	(11.4)	121. ²⁵

4. Others

(1) Changes in important subsidiaries during the term (Changes in specific subsidiaries accompanied by changes in scope of consolidation): Yes

[New: 1 company (Stella Tech Engineering Plastics (Shenzhen))

(Note) For details, refer to "Tomoe Engineering and Companies" on page 11.]

(2) Change of the principle, procedure and representation of the accounting policies concerning the preparation of consolidated financial statements (Changes to be described in "Change in the Basis of Presenting the Consolidated Financial Statements")

1) Change due to revision of accounting standard: None

2) Other changes: None

(3) Number of Outstanding Shares (Ordinary Shares)

1) Number of Outstanding Shares at Year-end (including treasury stocks)

At October 31, 2008: 10,533,200 shares At October 31, 2007: 10,533,200 shares

2) Number of Treasury Stocks at Year-end

At October 31, 2008: 554,248 shares

At October 31, 2007: 554,083 shares

(Reference)

1. Outline of Non-Consolidated Results of Operations for the year ending October 31, 2008

(1) Results of Operation (Non-consolidated)

(%: Change from the previous year)

	Sales		Operating income		Recurring income	
	(Millions of yen)	(Percent)	(Millions of yen)	(Percent)	(Millions of yen)	(Percent)
Years ended October 31, 2008	43,297	(5.8)	1,947	(0.3)	2,241	5.9
Years ended October 31, 2007	45,941	11.2	1,953	21.4	2,117	18.2

	Net income		Net income per share	Diluted net income per share
	(Millions of yen)	(Percent)	(Yen)	(Yen)
Years ended October 31, 2008	1,207	10.9	121. ⁰⁰	-
Years ended October 31, 2007	1,088	14.3	109. ⁰⁶	-

(2) Financial Condition (Non-consolidated)

	Total assets (A)	Net assets (B)	Net assets ratio (B) / (A)	Net assets per share
	(Millions of yen)	(Millions of yen)	(Percent)	(Yen)
Years ended October 31, 2008	25,344	15,874	62.6	1,590. ⁷⁵
Years ended October 31, 2007	28,311	15,632	55.2	1,566. ⁵⁴

(Reference)

Net assets for the years ended October 31, 2008 and 2007 were 15,874 million yen and 15,632 million yen respectively.

3. Forecast of the Year ending October 31, 2009

(%: Change from the previous year for the full year and 6-month period.)

	Sales		Operating income		Recurring income	
	(Millions of yen)	(Percent)	(Millions of yen)	(Percent)	(Millions of yen)	(Percent)
6-month Period	22,300	2.1	1,180	(6.7)	1,370	(2.6)
Full business year	42,400	(2.1)	1,710	(12.2)	1,950	(13.0)

	Net income		Net income per share
	(Millions of yen)	(Percent)	(Yen)
6-month Period	710	(6.6)	71. ¹⁴
Full business year	1,030	(14.7)	103. ²¹

The forward-looking statements such as a forecast of our financial results described herein 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 and Financial Condition (1) Analysis of Results of Operation" on page 5.

1. Operating Results and Financial Condition

(1) Analysis of Results of Operation

(General condition of the current consolidated fiscal year)

During the first half of the current consolidated fiscal year, fears of a slowdown in the Japanese economy have grown driven by the strong yen, skyrocketing prices of the energy and raw materials, and the worldwide slowdown of business has actualized starting from the subprime loan in the last half of the year. Our country has also seen tendency of reduction in various aspects of the economy such as corporate performance, plant and equipment investment, exports, and employment.

In this operating environment, the sales for the current fiscal year were 47,542 million yen, 6.4% down from the previous year, and the recurring income was 2,613 million yen, 2.3% up from the previous year. The net income for the current fiscal year was 1,365 million yen, 0.6% up from the previous year.

Machinery & Equipment Business

The sales for the current fiscal year were 12,547 million yen, 13.7% down from the previous year caused by the inactive performance of the public sector due to the reduction of budget for the sewage business and low bidding prices and also caused by postponement of the Poland project whose export had been expected for this fiscal year. The operating income was 973 million yen, 5.2% up from the previous year, because of the sales activities thinking profitability as important in addition to the firm sales of parts and repairs whose profitability was comparatively high.

Chemical Products Business

The sales for the current fiscal year were 34,995 million yen, 3.5% down from the previous year and the operating income was 1,482 million yen, 2.4% down from the previous year because of no one-off sale for fine chemicals business we experienced in the previous year and the reduction of sales of the Hong Kong affiliate related to plastics business affected by the foreign exchange rate while the industrial materials-related and electronic materials-related businesses performed well.

All in all, Tomoe Engineering and its group companies had operating income of 2,456 million yen, 0.5% up from the previous fiscal year. With a positive non-operating income due to foreign exchange gain, etc., and recurring income of 2,613 million yen as described above. The net income for the current year was as described above because we recorded unrealized loss on investment securities, etc. as extraordinary loss.

(Outlook for the next fiscal year (November 1, 2008~October 31, 2009))

Machinery & Equipment Business

We expect businesses for both public and private sectors in Japan will be weak, but the sales and operating income will be higher than the previous year because sales of the Poland project that was carried over from the previous year in addition to sales of the abrasive grain recycle unit for China will be appropriated.

Chemical Products Business

We expect lackluster performance in plastic-related business, fine chemicals business, electronic materials business, and industrial materials business affected by depression of automobile industry and semi-conductor manufacturers, general price decline of the plastic resin materials, and reduction of demand due to the economic slump. We,

therefore, expect both sales and operating income will be slightly lower than the previous year.

All in all, we expect our consolidated sales to decrease by 2.4% to 46,400 million yen, recurring income to decrease by 12.0% to 2,300 million yen, and net income to decrease by 11.4% to 1,210 million yen from the previous year.

(2) Analysis of Financial Condition

(Total assets, liabilities, and net assets)

Total assets at the end of the consolidated fiscal year under review decreased by 3,179 million yen (9.8%) from the previous consolidated year as a result of a decrease in the current assets by 2,314 million yen (mainly due to a decrease in the accounts receivables) and a decrease in the fixed assets by 864 million yen (due to a decrease as a result of valuation of investment securities). Total liabilities decreased by 3,693 million yen (24.0%) from the previous consolidated fiscal year mainly due to a decrease in the short-term debt. Net assets increased by 514 million yen (3.0%) from the previous consolidated fiscal year due to an increase in the retained earnings, etc. As a result, the net assets ratio as of the end of the consolidated fiscal year under review increased by 7.0 percentage points to 58.8%.

(Cash flow status)

Although the cash flow from operating activities became positive mainly due to a decrease in the accounts receivables, cash and cash equivalent as of the end of the consolidated fiscal year under review decreased by 162 million yen (8.7%) to 1,711 million yen from the previous consolidated fiscal year because of a decrease in the short-term debt, etc.

(Cash flow from operating activities)

Net cash from operating activities were 3,965 million yen because net income before income taxes amounted to 2,587 million yen and trade receivables in connection with a large overseas project in the Machinery & Equipment Business decreased. As a result, it increased by 4,544 million yen from the previous consolidated fiscal year.

(Cash flow from investing activities)

Net cash from investing activities was 644 million yen decreased by 21 million yen from the previous consolidated fiscal year as a result of acquisition of tangible fixed assets in connection with establishment of the affiliate, etc.

(Cash flow from financing activities)

Net cash from financing activities was 3,419 million yen decreased by 5,264 million yen from the previous consolidated fiscal year due to an increase in short-term debt, etc.

Trends in cash flow indices are as follows:

	Years ended October 31, 2004	Years ended October 31, 2005	Years ended October 31, 2006	Years ended October 31, 2007	Years ended October 31, 2008
Equity ratio (Percent)	46.2	52.7	54.0	51.8	58.8
Equity ratio based on market value (Percent)	34.1	63.9	53.8	47.4	30.9
Debt-repayment period (years)	-	5.9	2.5	-	0.3
Interest coverage ratio (Percent)	-	9.4	13.5	-	86.9

Equity ratio: Net assets / 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 payment

(Note)

1. All indices are calculated on the basis of consolidated financial figures.
2. 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).
3. Operating cash flow refers to the net cash provided by operating activities in the Statements of Consolidated Cash Flows. Interest-bearing debt refers to all debt for which interest is payable declared in the Consolidated Balance Sheet. Interest expense refers to the interest paid as shown in the Statements of Consolidated Cash Flows.
4. The debt-repayment period and interest coverage ratio are not recorded for the year ended on October 31, 2004 and the year ended on October 31, 2007, as operating cash flow was negative in those periods.

(3) Basic policy for profit sharing and dividends for fiscal 2008 and 2009

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 for the fiscal year ended on October 31, 2008 as profit distribution to the valued shareholders, which will be submitted to the 79th General Meeting of Shareholders to be held in January 2009.

The dividend for the fiscal year ending on October 31, 2009 will be the same in order to return our profit to the shareholders, though our forecast for the business for this year will be severe.

(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 judgments are made at the end of the current consolidated fiscal year, although some forward-looking statements are contained.

[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 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 Machinery & Equipment Business sales are concentrated in the second quarter.

[2] Influence of Foreign Exchange Fluctuation

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

[3] Potential Risk of Overseas Activities

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

[4] Risk 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 might be required 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] Risks of New Investment

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

2. Tomoe Engineering and Companies

Tomoe Group consists of Tomoe Engineering and its nine subsidiaries. The group is mainly engaged in manufacture and 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. Its subsidiary Tomoe Machinery Service provides centrifuge users with after-sales services as well as parts. Its subsidiary Tomoe Machinery undertakes machining and sheet-metal processing of centrifuge. Tomoe Engineering consigns manufacture of the centrifuges and the after-sales service to its subsidiary Tomoe Engineering (Shanghai).

Chemical Products Business:

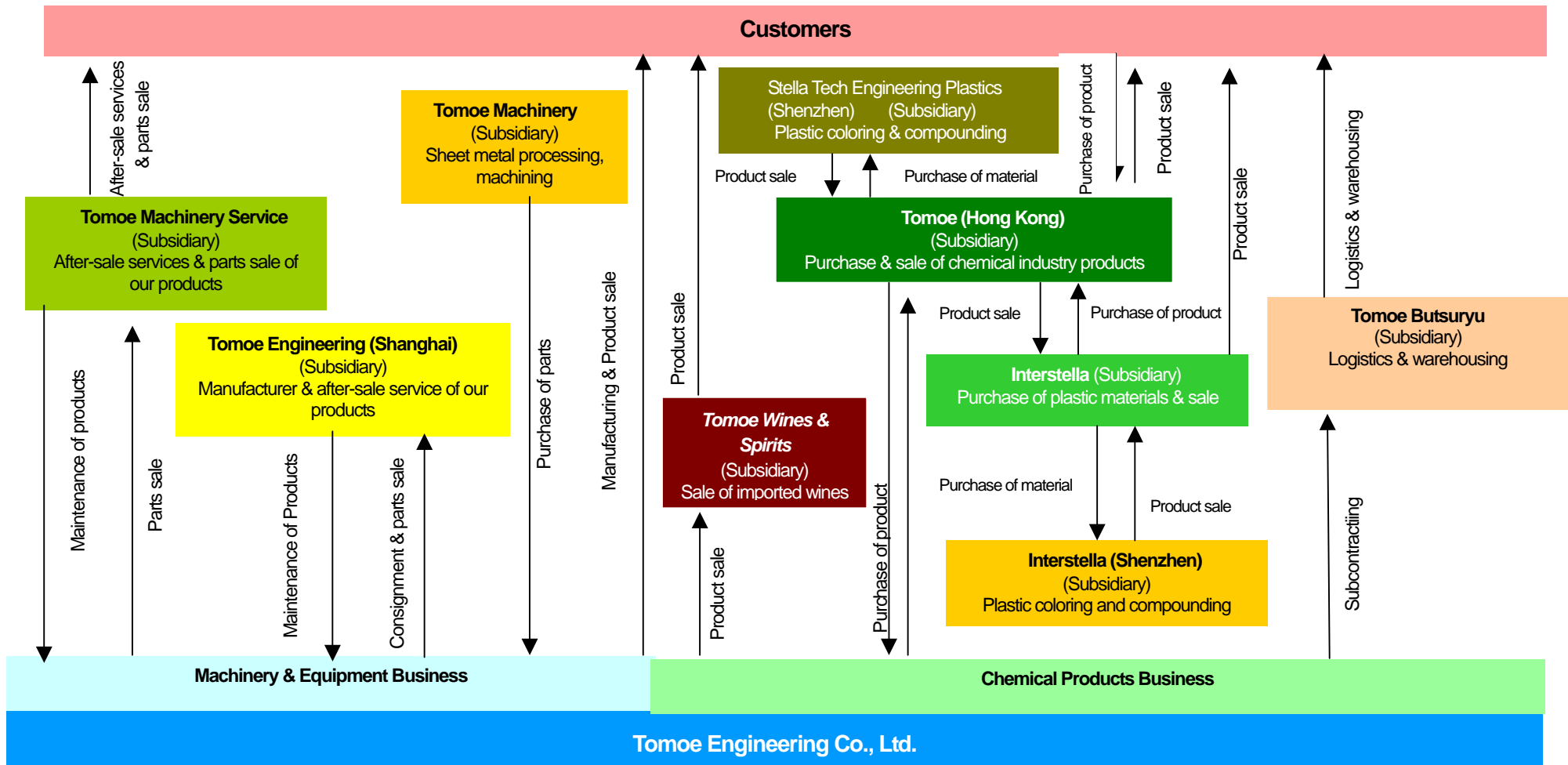
Interstella Plastics (Shenzhen) are engaged in coloring and compounding of plastic materials. Interstella is an investing company and also serves as a contact for purchasing and sales. Tomoe (Hong Kong) is functioning as central core for sales activity in China in Tomoe Group. Tomoe Wines & Spirits distributes wines and spirits imported by Tomoe Engineering. Stella Tech Engineering Plastics (Shenzhen), which were established on March 26, 2008 as an affiliate, are engaged in coloring and compounding of plastic (raw materials).

Other Businesses:

Tomoe Butsuryu subcontracts with the Company 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 provide a good quality of life to all people involved through growth and development of the Company with spirit of creation and entrepreneurship and to provide our customers with high level of technologies and excellent products. Guided by this policy, we have been engaged in the manufacture and sale of machinery based primarily on solid-liquid separation techniques and importation of unique and specialty raw materials for chemical industry.

(2) Target management indicators

Tomoe consists of two business divisions, each of which has its unique characteristics: Machinery & Equipment Business that manufactures and sells mainly centrifuges and other separation equipment and Chemical Products Business that sells commercial products, mainly imported raw materials, as a specialized trading company. Rather than just aiming for a volume growth, we always try to develop and deal in unique value-added products that require specialized technology and expertise, even if their market is not so big. To achieve these, we regard improvement of profitability as our primary management goal. As a management indicator for meeting this goal, we give highest priority to recurring income, which directly expresses the absolute value and change of profitability.

(3) Mid- and long-term management strategy

The basic strategy of Machinery & Equipment Business is to develop new products and reduce manufacturing cost and develop overseas markets; and that of Chemical Products Business is to introduce unique new commercial products and expand Chinese business. To newly develop the basic strategies we formulated the Eighth Mid-term Management Plan "TIP10" (from year ending October 31, 2008 to year ending October 31, 2010), in which set the theme in two dimensions, "succession" aiming to further develop core business and "innovation" aiming to build new businesses so that Tomoe Group can keep progressing, and officially announced in February this year. Under the current condition presenting the worldwide simultaneous recession, the economic environment is worsening day by day, and therefore, it is unclear to see how the target figure for the final year ending October 31, 2010 will be affected. If necessary, we will correct this plan when this aspect is settled down to some extent.

(4) Challenges to be addressed

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

Machinery & Equipment Business:

We will continue to improve the performance and energy conservation of our core product (centrifuges) and pursue the development of new products and their marketing at the same time. Regarding the overseas market, we will continue to develop the Chinese and other Asian markets and US market. We will also concentrate on the business to make fuel from sludge and industrial wastes for CO₂ reduction, which is the theme for "Innovation" of the Eighth Mid-term Management Plan.

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 start up a compounding company to be newly set up and build up a foundation for increasing the profitability. Also, we will smoothly set up a new local compounding maker (affiliate) and build a foundation to expand profit. We will concentrate on the nano-related business that is the theme for “Innovation” of the Eighth Mid-term Management Plan.

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. We have built and fixed the internal control regarding financial report based on Financial Instruments and Exchange Law, we have built and maintained its structure. In November this year we will start Internal Control Activities and make efforts in operating and continuously improving the internal control system.

4. Consolidated Financial Statements

(1) Balance Sheets

(Thousands of yen)

Assets	Years ended October 31, 2007	Years ended October 31, 2008	Increase & Decrease
I. Current assets			
1. Cash and deposits	1,873,895	1,811,434	(62,461)
2. Trade receivables	18,897,626	15,651,542	(3,246,084)
3. Inventories	4,351,317	5,472,066	1,120,749
4. Deferred tax assets	582,629	628,526	45,897
5. Other current assets	495,752	426,276	(69,475)
Allowance for doubtful accounts	(30,276)	(133,061)	(102,785)
Total current assets	26,170,945	23,856,785	(2,314,159)
II. Fixed assets			
1. Tangible fixed assets			
(1) Buildings	2,332,224	2,508,379	
Accumulated depreciation	(1,254,587)	(1,355,419)	
Net	1,077,636	1,152,960	75,324
(2) Machinery, equipment & vehicles	3,087,055	3,388,940	
Accumulated depreciation	(2,238,012)	(2,331,611)	
Net	849,042	1,057,328	208,285
(3) Land	970,253	970,253	0
(4) Other fixed assets	1,128,064	1,015,170	
Accumulated depreciation	(844,855)	(822,301)	
Net	283,209	192,869	(90,340)
Total tangible fixed assets	3,180,142	3,373,412	193,269
2. Intangible fixed assets	15,223	22,064	6,840
3. Investments and others			
(1) Investments in securities	1,580,268	880,003	(700,264)
(2) Guarantee deposits	409,762	476,639	66,876
(3) Deferred tax assets	21,857	34,023	12,166
(4) Financial derivative	314,683	22,522	(292,161)
(5) Other investments	782,159	563,610	(218,548)
Allowance for doubtful accounts	(136,592)	(69,729)	66,863
Total investment and others	2,972,140	1,907,070	(1,065,069)
Total fixed assets	6,167,506	5,302,547	(864,958)
Total assets	32,338,451	29,159,333	(3,179,118)

(Thousands of yen)

	Years ended October 31, 2007	Years ended October 31, 2008	Increase & Decrease
(Liabilities)			
I. Current liabilities			
1.Trade-payables	7,349,341	7,177,796	(171,544)
2.Short-term debt	4,264,912	1,054,069	(3,210,843)
3.Account payable-others	743,189	550,233	(192,956)
4.Accrued income tax	613,263	647,878	34,614
5.Advances from customers	148,967	291,376	142,409
6.Accrued employees' bonuses	1,102,255	1,135,803	33,548
7.Accrued officers' bonuses	68,100	64,806	(3,293)
8.Allowance for product warranty	236,625	175,261	(61,364)
9.Other current liabilities	187,345	217,108	29,763
Total current liabilities	14,714,001	11,314,334	(3,399,666)
II. Long-term liabilities			
1.Long-term debt	90,000	85,000	(5,000)
2.Accrued pension and severance liabilities	32,437	31,958	(479)
3.Officers' retirement allowance	214,460	257,780	43,320
4.Deferred tax liabilities	336,296	4,514	(331,782)
Total long-term liabilities	673,194	379,253	(293,941)
Total liabilities	15,387,196	11,693,588	(3,693,608)
(Net assets)			
I. Shareholders' equity			
1.Common stock	1,061,210	1,061,210	0
2.Capital surplus	1,483,410	1,483,410	0
3.Retained earnings	13,897,737	14,913,596	1,015,859
4.Issued shares reacquired	(362,815)	(363,003)	(188)
Total shareholders' equity	16,079,542	17,095,213	1,015,671
II. Revaluation and translation adjustments			
1.Valuation difference on available-for-sale securities	436,288	12,188	(424,100)
2.Financial derivative gains or losses	218,722	26,115	(192,606)
3.Foreign currency translation adjustment	19,084	21,748	2,664
Total Revaluation and translation adjustments	674,095	60,052	(614,042)
III. Minority interests			
	197,617	310,478	112,861
Total net assets	16,951,254	17,465,744	514,489
Total liabilities and net assets	32,338,451	29,159,333	(3,179,118)

(2) Statements of Consolidated Income

(Thousands of yen)

	Years ended October 31, 2007	Years ended October 31, 2008	Increase & Decrease
I. Sales	50,795,204	47,542,836	(3,252,368)
II. Cost of sales	41,791,074	38,329,506	(3,461,568)
Gross profit	9,004,130	9,213,330	209,200
III. Selling, general and administrative expenses	6,559,190	6,757,121	197,931
Operating income	2,444,939	2,456,209	11,269
IV. Other income			
1.Interests	6,110	11,805	
2.Dividends	61,301	55,114	
3.Rents	21,101	25,311	
4.Foreign exchange gains	106,272	78,849	
5.Sundry	71,232	102,948	
Other income total	266,018	274,030	8,011
V. Other expenses			
1.Interests	85,409	63,949	
2.Discounts on bills of exchange	8,269	11,843	
3.Commitment fee	9,992	23,024	
4.Sundry	53,054	17,886	
Other expenses total	156,725	116,703	(40,022)
Recurring income	2,554,232	2,613,535	59,302
VI. Extraordinary gains			
1.Realized gains on property and equipment	3,184	0	
2.Realized gains on investments	0	5,627	
3.Reversal for allowance for doubtful accounts	8,226	32,254	
Extraordinary gains total	11,411	37,881	26,470
VII. Extraordinary losses			
1.Realized losses on property and equipment	6,726	2,959	
2.Written-off losses on property and equipment	19,654	9,768	
3.Realized losses on investment securities	0	116	
4. Unrealized losses on investment securities	0	29,331	
5. Unrealized losses on investments	50,000	7,115	
6. Impairment losses	5,197	0	
7. Removal expense	39,410	0	
8. Unrealized losses on membership title	0	3,300	
9. Provision for doubtful accounts	0	11,337	

	Extraordinary losses total	120,989	63,929	(57,060)
	Income before income taxes	2,444,654	2,587,487	142,833
	Income taxes			
	1.Current	1,032,094	1,162,491	
	2.Deferred	13,783	11,219	
	Income taxes total	1,045,878	1,173,711	127,833
	Gains on minority interests	41,643	48,647	7,004
	Net income from consolidated operations	1,357,132	1,365,128	7,995

(3) Consolidated Statements of Changes in Shareholders' Equity

Year ended October 31, 2007

(Thousands of yen)

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

Year ended October 31, 2007

(Thousands of yen)

	Revaluation and translation adjustments				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Financial derivative loss or gain	Foreign currency translation adjustment	Total revaluation and translation adjustments		
Surplus as of October 31, 2006	301,319	205,427	30,480	537,226	158,595	15,717,725
Changes during this 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 October 31, 2007	436,288	218,722	19,084	674,095	197,617	16,951,254

Year ended October 31, 2008

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Issued shares reacquired	Total shareholders' equity
Surplus as of October 31, 2007	1,061,210	1,483,410	13,897,737	(362,815)	16,079,542
Changes during this fiscal year					
Cash dividend paid	0	0	(349,269)	0	(349,269)
Net income	0	0	1,365,128	0	1,365,128
Issued shares reacquired	0	0	0	(188)	(188)
Total amount changed	0	0	1,015,859	(188)	1,015,671
Balance, end of fiscal year ended October 31, 2008	1,061,210	1,483,410	14,913,596	(363,003)	17,095,213

Year ended October 31, 2008

(Thousands of yen)

	Revaluation and translation adjustments				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Financial derivative loss or gain	Foreign currency translation adjustment	Total revaluation and translation adjustments		
Surplus as of October 31, 2007	436,288	218,722	19,084	674,095	197,617	16,951,254
Changes during this fiscal year						
Cash dividend paid	0	0	0	0	0	(349,269)
Net income	0	0	0	0	0	1,365,128
Issued shares reacquired	0	0	0	0	0	(188)
Total (net) amount changed (except shareholders' equity)	(424,100)	(192,606)	2,664	(614,042)	112,861	(501,181)
Total amount changed	(424,100)	(192,606)	2,664	(614,042)	112,861	514,489
Balance, end of fiscal year ended October 31, 2008	12,188	26,115	21,748	60,052	310,478	17,465,744

(4) Statements of Consolidated Cash Flows

(Thousands of yen)

	Years ended October 31, 2007	Years ended October 31, 2008	Increase & Decrease
I. Operating activities			
1. Net income before income taxes	2,444,654	2,587,487	142,833
2. Depreciation and amortization	317,259	385,220	67,950
3. Accrued employees' bonuses (increase/decrease)	5,021	33,548	28,527
4. Accrued officers' bonuses (increase/decrease)	17,311	(3,293)	(20,604)
5. Allowance for product warranty (increase/decrease)	116,925	(61,364)	(178,289)
6. Accrued pension and severance liabilities (increase/decrease)	7,263	(479)	(7,742)
7. Officers' retirement allowance (increase/decrease)	(15,180)	43,320	58,500
8. Allowance for doubtful accounts (increase/decrease)	43,324	35,922	(7,401)
9. Interest and dividend income	(67,412)	(66,920)	491
10. Interest expense	85,409	63,949	(21,459)
11. Foreign exchanges (gains/losses)	2,232	23,634	21,401
12. Unrealized losses on investment securities	0	29,331	29,331
13. Unrealized losses on investments	50,000	7,115	(42,884)
14. Realized gains on investments	0	(5,627)	(5,627)
15. Realized losses on Investment securities	0	116	116
16. Property and equipment (gains/losses)	3,541	2,959	(582)
17. Written-off losses on property and equipment	19,654	9,768	(9,886)
18. Impairment losses	5,197	0	(5,197)
19. Unrealized losses on membership title	0	3,300	3,300
20. Trade receivables (increase/decrease)	(3,018,088)	3,018,751	6,036,839
21. Inventories (increase/decrease)	662,103	(1,237,525)	(1,899,629)
22. Purchase liabilities (increase/decrease)	(222,369)	125,327	351,696
23. Trade payables (increase/decrease)	26,237	(116,925)	(143,163)
24. Advances from customers (increase)	110,441	142,409	31,967
25. Consumption tax (decrease)	(64,525)	(8,827)	55,698
26. Others	(165,820)	31,991	197,812
Sub total	359,182	5,043,191	4,684,009
27. Interests and dividends received	67,101	59,310	(7,790)
28. Interests paid	(82,927)	(45,661)	37,266
29. Income taxes paid	(922,054)	(1,091,032)	(168,978)
Net cash provided (used) by operating activities	(578,697)	3,965,808	4,544,506

(Thousands of yen)

	Years ended October 31, 2007	Years ended October 31, 2008	Increase & Decrease
II. Investing activities			
1.Expenditures for properties and equipment	(536,038)	(644,223)	(108,184)
2.Proceeds from sales of properties and equipment	8,412	1,580	(6,832)
3.Acquisition of intangible assets	(6,491)	(9,796)	(3,304)
4.Acquisition of investment securities	(22,024)	(16,531)	5,492
5. Proceeds from sales of investment securities	0	283	283
6.Collection of loans receivable	36,754	30,201	(6,552)
7.Increase in loans receivable	(4,153)	(3,680)	473
8.Guarantee deposits (increase)	(117,117)	(69,201)	47,916
9.Other investments (decrease)	17,271	66,677	49,405
Net cash provided (used) by investing activities	(623,386)	(644,689)	(21,302)
III. Financing activities			
1.Short-term debt (increase/decrease)	2,323,769	(2,957,753)	(5,281,522)
2.Long-term debt (increase)	0	85,000	85,000
3.Repayment of long-term debt	(180,000)	(240,000)	(60,000)
4.Reacquisition of issued shares of stocks	(118)	(188)	(70)
5.Proceeds from payment in investment of minority shareholders	0	50,080	50,080
6.Cash dividends paid	(299,375)	(349,269)	(49,893)
7.Dividends payments to minority shareholders	0	(7,781)	(7,781)
Net cash provided (used) by financing activities	1,844,275	(3,419,911)	(5,264,187)
IV. Effect of exchange rate changes	(3,831)	(63,668)	(59,837)
V. Cash and cash equivalents (increase/decrease)	638,359	(162,461)	(800,820)
VI. Cash and cash equivalents at the beginning of year	1,235,536	1,873,895	638,359
VII. Cash and cash equivalents at the end of year	1,873,895	1,711,434	(162,461)

(Segment information)

1. Segment by type of business:

Year ended October 31, 2007

(Thousands of yen)

	Machinery & Equipment Business	Chemical Products Business	Total	Deletion or total company	Consolidated
I. Sales and operating income:					
Sales					
(1) Sales to unaffiliated customers	14,547,785	36,247,419	50,795,204	0	50,795,204
(2) Internal sales among segments or amount transferred	0	0	0	0	0
Total	14,547,785	36,247,419	50,795,204	0	50,795,204
Operating costs	13,622,448	34,727,816	48,350,264	0	48,350,264
Operating income	925,336	1,519,602	2,444,939	0	2,444,939
II. Assets, depreciation costs, impairment loss and capital expenditures					
Assets	11,223,455	17,712,332	28,935,787	3,402,663	32,338,451
Depreciation costs	221,704	95,554	317,259	0	317,259
Impairment losses	0	0	0	5,197	5,197
Capital expenditures	471,162	143,651	614,813	0	614,813

(Notes)

1. Business classification is by aggregate sales classification.

2. Main products and goods in each business:

(1) Machinery & Equipment Business: Various types of centrifuges, other machinery

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

(3) Of the assets in the current consolidated fiscal year, the amount of the total company assets included in deletion or total company items is 3,402,663 thousand yen. The main items are surplus funds applied (deposits) and long-term investment funds (investment securities) of the parent company.

3. Effective from the fiscal year 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 Corporation Tax Law. The effect of this change on segment information is insignificant.

Year ended October 31, 2008

(Thousands of yen)

	Machinery & Equipment Business	Chemical Products Business	Total	Deletion or total company	Consolidated
I. Sales and operating income:					
Sales					
(1) Sales to unaffiliated customers	12,547,664	34,995,172	47,542,836	0	47,542,836
(2) Internal sales among segments or amount transferred	0	0	0	0	0
Total	12,547,664	34,995,172	47,542,836	0	47,542,836
Operating costs	11,574,200	33,512,427	45,086,627	0	45,086,627
Operating income	973,464	1,482,745	2,456,209	0	2,456,209
II. Assets, depreciation costs, impairment loss and capital expenditures					
Assets	10,145,637	16,322,257	26,467,984	2,691,438	29,159,333
Depreciation costs	297,403	87,816	385,220	0	385,220
Capital expenditures	275,064	325,348	600,412	0	600,412

(Notes)

1. Business classification is by aggregate sales classification.
2. Main products and goods in each business:
 - (1) Machinery & Equipment Business: Various types of centrifuges, other machinery
 - (2) Chemical Products Business: Synthetic resin, inorganic materials, and other chemical products
 - (3) Of the assets in the current consolidated fiscal year, the amount of the total company assets included in deletion or total company items is 2,691,438 thousand yen. The main items are surplus funds applied (deposits) and long-term investment funds (investment securities) of the parent company.
3. From this consolidated fiscal year in accordance with the change of Corporation Tax Law, we appreciated the tangible fixed assets acquired before March 31, 2007 by equally depreciating the difference between the amount 5% equivalent to the acquisition price and the memorandum price for five years from the next consolidated fiscal year of the consolidated fiscal year which reaches 5% of the acquisition price, and included in the depreciation allowance. The effect of this change on segment information is insignificant.

2. Segment by location:

Year ended October 31, 2007

(Thousands of yen)

	Japan	Asia	Total	Deletion or entire company	Consolidated
I. Sales and operating income:					
Sales					
(1) Sales to unaffiliated customers	45,012,413	5,782,791	50,795,204	0	50,795,204
(2) Internal sales among segments or amount transferred	338,135	44,480	382,616	(382,616)	0
Total	45,350,549	5,827,272	51,177,821	(382,616)	50,795,204
Operating costs	43,256,299	5,467,317	48,723,617	(373,352)	48,350,264
Operating income	2,094,249	359,954	2,454,203	(9,263)	2,444,939
II. Assets	24,095,932	4,934,260	29,030,192	3,308,258	32,338,451

(Notes)

1. Included in Asia are three countries, China, Korea, and Indonesia.
2. Of the assets in the current consolidated fiscal year, the amount of the total company assets included in deletion or entire company items is 3,402,663 thousand yen. Main items are surplus funds applied (deposits) and long-term investment funds (investment securities) of the parent company.
3. Effective from the fiscal year 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 Corporation Tax Law. The effect of this change on segment information is insignificant.

Year ended October 31, 2008

(Thousands

of yen)

	Japan	Asia	Total	Deletion or entire company	Consolidated
I. Sales and operating income:					
Sales					
(1) Sales to unaffiliated customers	42,465,516	5,077,319	47,542,836	0	47,542,836
(2) Internal sales among segments or amount transferred	398,213	115,939	514,153	(514,153)	0
Total	42,863,730	5,193,259	48,056,990	(514,153)	47,542,836
Operating costs	40,577,370	5,025,452	45,602,822	(516,194)	45,086,627
Operating income	2,286,360	167,807	2,454,167	2,041	2,456,209
II. Assets	23,194,597	3,606,426	26,801,023	2,358,309	29,159,333

(Notes)

1. Included in Asia are three countries, China, Korea, and Indonesia.
2. Of the assets in the current consolidated fiscal year, the amount of the total company assets included in deletion or entire company items is 2,691,438 thousand yen. Main items are surplus funds applied (deposits) and long-term investment funds (investment securities) of the parent company.
3. From this consolidated fiscal year in accordance with the change of Corporation Tax Law, we appreciated the tangible fixed assets acquired before March 31, 2007 by equally depreciating the difference between the amount 5% equivalent to the acquisition price and the memorandum price for five years from the next consolidated fiscal year of the consolidated fiscal year which reaches 5% of the acquisition price, and included in the depreciation

allowance. The effect of this change on segment information is insignificant.

3. Overseas sales:

Year ended October 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, Indonesia
 - (2) Other regions...USA, Europe
3. Overseas sales are the sales for countries or regions other than Japan by our company or consolidated subsidiary companies.

Year ended October 31, 2008		(Thousands of yen)	
	Asia	Other regions	Total
I. Overseas sales	9,091,954	1,325,226	10,417,181
II. Consolidated sales	0	0	47,542,836
III. Percentage of overseas sales for consolidated sales (%)	19.1	2.8	21.9

(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, Indonesia
 - (2) Other regions...USA, Europe
3. Overseas sales are the sales for countries or regions other than Japan by our company or consolidated subsidiary companies.