

## Consolidated and Non-Consolidated Financial Results for the Second Quarter Ended April 30, 2009

Date: June 5, 2009  
 Company: Tomoe Engineering Co., Ltd. and Subsidiaries  
 (Web Site: [http://www.tomo-e.co.jp/index\\_e.html](http://www.tomo-e.co.jp/index_e.html))  
 Stock Exchange Listing: 1<sup>st</sup> Section, Tokyo Stock Exchange  
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\* Any fractional sums less than one million (or one thousand) yen are disregarded.

### 1. Consolidated Financial Data for the Second Quarter Ended April 30, 2009

(1) Results of Operation (Consolidated) (Percent: Change from the second quarter of the previous year)

	Net Sales		Operating Income		Ordinary Income	
	Millions of Yen	Percent	Millions of Yen	Percent	Millions of Yen	Percent
Quarter Ended April 30, 2009	19,818	-	1,371	-	1,500	-
Quarter Ended April 30, 2008	24,022	(0.4)	1,581	25.9	1,652	24.7

	Net Income		Net Income per Share	Fully Diluted Quarterly Net Income per Share
	Millions of Yen	Percent	Yen	Yen
Quarter Ended April 30, 2009	837	-	83. <sup>95</sup>	-
Quarter Ended April 30, 2008	864	28.3	86. <sup>61</sup>	-

(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)
Quarter Ended April 30, 2009	26,929	17,886	65.3	1,762. <sup>52</sup>
Year Ended October 31, 2008	29,159	17,465	58.8	1,719. <sup>15</sup>

(Reference) Net assets (not including minority interests):

Second Quarter ended April 30, 2009: 17,588 million yen

Year ended October 31, 2008: 17,155 million yen

### 2. Dividend Status

(Record Date)	Dividend per Share (Yen)				
	First Quarter	Interim Term	Third Quarter	End of Fiscal Year	Annual
Year Ended October 31, 2008	-	-	-	35. <sup>00</sup>	35. <sup>00</sup>
Year Ending October 31, 2009	-	-	-	35. <sup>00</sup>	35. <sup>00</sup>
Year Ending October 31, 2009 (Prospect)	-	-	-	30. <sup>00</sup>	30. <sup>00</sup>

(Note) Correction of the prospected dividend for this quarter: None

### 3. Forecast for Earnings for the Year Ending Oct. 31, 2009 (Consolidated)

(Percent: Change from the previous quarter)

	Net Sales		Operating Income		Ordinary Income	
	(Millions of Yen)	(Percent)	(Millions of Yen)	(Percent)	(Millions of Yen)	(Percent)
Full Business Year	37,500	(21.1)	1,410	(42.6)	1,500	(42.6)

	Net Income		Net Income per Share
	(Millions of Yen)	(Percent)	Yen
Full Business Year	800	(41.4)	80. <sup>17</sup>

(Note) Correction of the prospected earnings for this quarter: None

### 4. Others

(1) Significant changes in subsidiaries during this quarter (changes in specific subsidiaries involving changes in the scope of consolidation): None

(2) Adoption of simplified accounting method and the specific accounting method in preparing the consolidated quarterly financial statements: Yes

(Note) For details, refer to 4. Other Information, [Qualitative Information and Financial Statements, etc.] on p.5.

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

1) Change due to revision of accounting standard: Yes

2) Other changes: None

(Note) For details, refer to 4. Other Information, [Qualitative Information and Financial Statements, etc.] on p.5.

(4) Number of outstanding shares (Ordinary shares)

1) Number of outstanding shares as of quarter-end and year-end (including treasury stocks)

At April 30, 2009: 10,533,200 shares At October 31, 2008: 10,533,200 shares

2) Number of treasury stocks as of quarter-end and year-end

At April 30, 2009: 554,298 shares At October 31, 2008: 554,248 shares

3) Number of average shares during consolidated second quarters

At April 30, 2009: 9,978,940 shares At April 30, 2008: 9,979,050 shares

\*Explanations for appropriate use of the earnings forecast and other special instructions

From this consolidated fiscal year we have applied "Accounting Standard for Quarterly Financial Reporting" (ASBJ (The Accounting Standards Board of Japan) Statement No. 12) and its Implementation Guidance (ASBJ Guidance No. 14). And we have prepared the consolidated quarterly financial statements in accordance with "Rules for Quarterly Consolidated Financial Reporting." In addition, we have applied the rules for amended quarterly financial statements in an early stage according to Supplementary Provision 7.1.5 of "the Cabinet Office Regulation to partly modify the rules of words, types, and presenting method of financial statements" (Cabinet Office Regulation No. 50, August 7, 2008).

The forward-looking statements such as a forecast of our financial results described herein are based on the 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, refer to 3. Qualitative Information on Consolidated Earnings Forecast, [Qualitative Information and Financial Statements, etc.] on p.5.

## **[Qualitative Information and Financial Statements, etc.]**

### **1. Qualitative Information on Consolidated Operating Results:**

#### (1) General operating results

Japan's economy during this second quarter partly showed signs suggesting progress of inventory adjustment. However, decline of capital investment and export that should be the leaders of economy is still noticeable, and the severe economic downturn is still continuing.

Under such circumstances, the consolidated net sales at the end of this quarter were 19,818 million yen, 17.5% down from the same period last year mainly due to decline of Chemical Products sales. For income, the consolidated operating income was 1,371 million yen, 13.3% down from the same period last year, the ordinary income was 1,500 million yen, 9.2% down from the same period last year, and the consolidated quarterly net income became 837 million yen, 3.1% down from the same period last year. Main reason for this result was decrease of the net sales.

#### (2) Machinery & Equipment Business

Though the domestic machine sales mainly for governmental offices were sluggish, parts sales and repair services in Japan and abroad and shipment of the centrifuges for Chinese abrasive grain recycle units remained firm. As a result, net sales for the second quarter were 7,554 million yen, 19.7% up from the same period last year, and the operating income was 1,084 million yen, 53.5% up from the same period last year.

#### (3) Chemical Products Business

Industrial Materials Business that was supported by demand for public projects and Fine Chemicals Business for which materials were temporarily demanded due to makers' plans for production stoppage remained relatively firm. On the other hand, Electronic Materials Business that used to be a pillar of our business, particularly in semiconductor business, showed poor sales, and Plastics Business experienced continuation of a big drop in unit prices and quantities both in Japan and abroad. As a result, the consolidated net sales marked 12,263 million yen, 30.7% down from the same period last year. For this reason, the consolidated operating income for this business went down to 287 million yen, 67.2% down from the same period last year.

### **2. Qualitative Information on Consolidated Financial Position:**

#### (1) Assets, Liabilities, and Net Assets

Assets at the end of the consolidated second quarter under review were 2,230 million yen, 7.6% down from the previous consolidated year as a result of a decrease in the current assets by 2,126 million yen (mainly due to a decrease in the notes and accounts receivable-trade and inventories) and a decrease in the noncurrent assets by 103 million yen (due to a return of the guarantee deposits and decrease in other assets).

On the other hand, liabilities marked 9,042 million yen decreasing 2,650 million yen from the previous consolidated fiscal year mainly due to a decrease in notes and accounts payable-trade, the provision for bonuses, and income taxes payable. Net assets increased by 420 million yen (2.4%) from the previous consolidated fiscal year due to an increase of retained earnings and became 17,886 million yen.

As a result, the net assets ratio as of the end of the second consolidated quarter under review increased by 6.5 percentage points to 65.3% from the end of previous fiscal year (end October 2008).

## (2) Cash Flow Status

Net cash for this second quarter and their factors are as follows:

### (Net Cash Provided by (Used in) Operating Activities)

Income before income taxes and minority interests amounted to 1,451 million yen and net cash provided by (used in) operating activities was 3,317 million yen because of a decrease in notes and accounts receivable-trade and inventories.

### (Net Cash Provided by (Used in) Investing Activities)

Net cash provided by (used in) investing activities was 22 million yen because purchase of property, plant and equipment was 202 million yen and exceeded repayment of time deposit and decrease of guarantee deposit etc.

### (Net Cash Provided by (Used in) Financing Activities)

Net cash provided by (used in) financing activities was 732 million yen due to cash dividends paid, repayment of long-term and short-term loans payable, etc.

As a result of the effect of exchange rate changes on cash and cash equivalents, the balance of cash and cash equivalent for this second quarter increased by 2,536 million yen from the last fiscal year and became 4,247 million yen.

## 3. Qualitative Information on Consolidated Earnings Forecast:

Due to **Machinery & Equipment Business's** support, even though **Chemical Products Business** is still sluggish, the consolidated net sales and income for the second quarter are expected to exceed the previous earnings forecast announced on March 2, 2009. These results during the first half of fiscal year can affect the whole fiscal year result; therefore, we also announced on May 29, 2009 to revise up the consolidated earnings for the year ending October 31, 2009.

However, for the third and fourth quarters, we expect stagnation of sales and declining profit margins of **Machinery & Equipment Business**, mainly for Environmental Business. Also for **Chemical Products Business**, though we see signs of bottoming up in Electronic Materials Business etc., we cannot expect a firm recovery of the overall demand. For these reasons, the consolidated net sales for the year ending October 31, 2009 are expected to be 37,500 million yen, decreasing 1,500 million yen from the previous forecast, the ordinary income will be 1,500 million yen though it will exceed the previous forecast. And the net income will be 800 million yen.

## 4. Other Information

(1) Changes in important subsidiaries during this quarter (Changes in specific subsidiaries involving changes in the scope of consolidation): None

(2) Adoption of simplified accounting method and the specific accounting method in presenting the consolidated quarterly financial statements

(Simplified accounting method)

Calculation method of depreciation of noncurrent assets:

For the assets adopting the declining-balance method, we adopt the method to calculate the amount of depreciation for the consolidated fiscal year by dividing the period proportionally.

(Additional information)

Change of durable year of property, plant and equipment

As a result of our review on usage of the assets etc. at the time of the income tax modification, we have changed durable years of the machinery & equipment. The effects that this change gives to the gain and loss for the second quarter are minor. The effects to the segment information are written in the pertinent sections.

(3) Change of the principle, procedure, and representation of the accounting policies concerning the preparation of consolidated financial statements

① From this consolidated fiscal year we have applied “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and its Implementation Guidance (ASBJ Guidance No. 14). And we have prepared the consolidated quarterly financial statements in accordance with “Rules for Quarterly Consolidated Financial Reporting.” In addition, we have early adopted the rules for amended quarterly financial statements in an early stage according to Supplementary Provision 7.1.5 of “the Cabinet Office Regulation to partly modify the rules of words, types, and presenting method of financial statements” (Cabinet Office Regulation No. 50, August 7, 2008).

② From the consolidated first quarter we have applied “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9) and changed to a cost accounting method (book price devaluation based on decrease in profitability). The effects that this change gives to the gain and loss for the second quarter are minor. The effects to the segment information are written in the pertinent sections.

③ We used to adopt the accounting processing for the lease transaction for the non-transfer-ownership finance lease; however, we have early adopted “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16) from the first consolidated quarter, whose accounting processing for sales transaction. The effects that this change gives to the gain and loss for the second quarter are minor. The effects to the segment information are written in the pertinent sections.

④ From the first consolidated quarter, we have applied “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ PITF No. 18). The effects that this change gives to the gain and loss for the second quarter are minor. The effects to the segment information are written in the pertinent sections.

## 5. Consolidated Financial Statement

### (1) Consolidated Quarterly Balance Sheets

(Thousands of Yen)

	End of Second Quarter (April 30, 2009)	Summarized Balance Sheet for End of Previous Year (October 31, 2008)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Deposits	4,247,835	1,811,434
Notes and Accounts Receivable-Trade	12,196,274	15,651,542
Merchandise and Finished Goods	2,863,626	3,285,810
Work in Process	1,131,684	1,527,473
Raw Materials and Supplies	697,502	658,782
Deferred Tax Assets	405,383	628,526
Others	226,211	426,276
Allowance for Doubtful Accounts	(38,551)	(133,061)
<b>Total Current Assets</b>	<b>21,729,966</b>	<b>23,856,785</b>
<b>Noncurrent Assets</b>		
<b>Property, Plant and Equipment</b>		
Buildings and Structures	2,547,177	2,508,379
Accumulated Depreciation	(1,406,262)	(1,355,419)
Buildings and Structures, Net	1,140,914	1,152,960
Machinery, Equipment and Vehicles	3,465,802	3,388,940
Accumulated Depreciation	(2,413,499)	(2,331,611)
Machinery, Equipment and Vehicles, Net	1,052,303	1,057,328
Land	970,253	970,253
Lease Assets	89,996	-
Accumulated Depreciation	(17,314)	-
Lease Assets, Net	72,681	-
Others	951,560	1,015,170
Accumulated Depreciation	(840,049)	(822,301)
Others, Net	111,510	192,869
<b>Total Property, Plant and Equipment</b>	<b>3,347,663</b>	<b>3,373,412</b>
Intangible Assets	39,170	22,064
<b>Investments and Other Assets</b>		
Investment Securities	875,562	880,003
Guarantee Deposits	409,020	476,639
Deferred Tax Assets	53,580	34,023
Derivatives	54,225	22,522
Others	520,011	563,610
Allowance for Doubtful Accounts	(99,945)	(69,729)
<b>Total Investments and Other Assets</b>	<b>1,812,455</b>	<b>1,907,070</b>
<b>Total Noncurrent Assets</b>	<b>5,199,289</b>	<b>5,302,547</b>
<b>Total Assets</b>	<b>26,929,256</b>	<b>29,159,333</b>

(Thousands of Yen)

<b>Liabilities and Net Assets</b>	<b>End of Second Quarter (April 30, 2009)</b>	<b>Summarized Balance Sheet for End of Previous Year (October 31, 2008)</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Notes and Accounts Payable-Trade	5,832,999	7,177,796
Short-Term Loans Payable	688,712	1,054,069
Lease Obligations	30,939	-
Accounts Payable-Others	404,190	550,233
Income Taxes Payable	363,225	647,878
Advances Received	306,286	291,376
Deferred Tax Liabilities	1,484	-
Provision for Bonuses	613,169	1,135,803
Provision for Directors' Bonuses	19,941	64,806
Allowance for Product Warranty	134,831	175,261
Others	292,573	217,108
<b>Total Current Liabilities</b>	<b>8,688,354</b>	<b>11,314,334</b>
<b>Noncurrent Liabilities</b>		
Long-Term Loans Payable	60,000	85,000
Lease Obligations	61,035	0
Provision for Retirement Benefits	38,476	31,958
Provision for Directors' Retirement Benefits	142,760	257,780
Deferred Tax Liabilities	52,064	4,514
<b>Total Noncurrent Liabilities</b>	<b>354,336</b>	<b>379,253</b>
<b>Total Liabilities</b>	<b>9,042,690</b>	<b>11,693,588</b>
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Capital Stock	1,061,210	1,061,210
Capital Surplus	1,483,410	1,483,410
Retained Earnings	15,402,087	14,913,596
Treasury Stock	(363,045)	(363,003)
<b>Total Shareholders' Equity</b>	<b>17,583,661</b>	<b>17,095,213</b>
<b>Valuation and Translation Adjustments</b>		
Valuation Difference on Available-for-Sale Securities	63,411	12,188
Deferred Gains or Losses on Hedges	1,058	26,115
Foreign Currency Translation Adjustment	(60,118)	21,748
<b>Total Valuation and Translation Adjustments</b>	<b>4,351</b>	<b>60,052</b>
<b>Minority Interests</b>	<b>298,552</b>	<b>310,478</b>
<b>Total Net Assets</b>	<b>17,886,566</b>	<b>17,465,744</b>
<b>Total Liabilities and Net Assets</b>	<b>26,929,256</b>	<b>29,159,333</b>

## (2) Consolidated Quarterly Statements of Income (Second Quarter)

(Thousands of Yen)

Second Quarter Ended	
April 30, 2009	
<b>Net Sales</b>	19,818,148
<b>Cost of Sales</b>	15,454,767
<b>Gross Profit</b>	4,363,381
<b>Selling, General and Administrative Expenses</b>	2,991,825
<b>Operating Income</b>	1,371,556
<b>Non-Operating Income</b>	
Interest income	1,194
Dividend Income	7,507
Rent Income	12,605
Foreign Exchange Gains	43,245
Gain on Valuation of Derivatives	69,138
Others	29,429
<b>Total Non-Operating Income</b>	163,121
<b>Non-Operating Expenses</b>	
Interest Expenses	14,231
Loss on Sales of Notes Payable	3,848
Commission Fee	8,463
Others	7,493
<b>Total Non-Operating Expenses</b>	34,035
<b>Ordinary Income</b>	1,500,642
<b>Extraordinary Income</b>	
Reversal of Allowance for Doubtful Accounts	44,878
<b>Total Extraordinary Income</b>	44,878
<b>Extraordinary Losses</b>	
Loss on Retirement of Noncurrent Assets	2,890
Loss on Sales of Noncurrent Assets	113
Loss on Sales of Investment Securities	5,948
Loss on Valuation of Investment Securities	84,818
Provision of Allowance for Doubtful Accounts	304
<b>Total Extraordinary Losses</b>	94,075
Income before Income Taxes and Minority Interests	1,451,445
Income Taxes-Current	365,484
Income Taxes-Deferred	237,106
<b>Total Income Taxes</b>	602,591
Minority Interests in Income	11,100
<b>Net Income</b>	837,753

**(3) Consolidated Quarterly Statements of Cash Flows**

(Thousands of Yen)

**Second Quarter Ended****April 30, 2009**

<b>Net Cash Provided by (Used in) Operating Activities</b>	
Income before Income Taxes and Minority Interests	1,451,445
Depreciation and Amortization	264,793
Increase (Decrease) in Provision for Bonuses	(522,633)
Increase (Decrease) in Provision for Directors' Bonuses	(44,865)
Increase (Decrease) in Allowance for Product Warranty	(40,430)
Increase (Decrease) in Provision for Retirement Benefits	6,517
Increase (Decrease) in Provision for Directors' Retirement Benefits	(115,020)
Increase (Decrease) in Allowance for Doubtful Accounts	(64,294)
Loss (Gain) on Valuation of Investment Securities	84,818
Interest and Dividends Income	(8,701)
Interest Expenses	14,231
Foreign Exchange Losses (Gains)	1,657
Loss on Retirement of Noncurrent Assets	2,890
Loss (Gain) on Sales of Noncurrent Assets	113
Loss (Gain) on Sales of Investment Securities	5,948
Loss (Gain) on Valuation of Derivatives	(69,138)
Decrease (Increase) in Notes and Accounts Receivable-Trade	3,342,750
Decrease (Increase) in Inventories	716,080
Increase (Decrease) in Notes and Accounts Payable-Trade	(1,259,372)
Increase (Decrease) in Accounts Payable-Others	(107,782)
Increase (Decrease) in Advances Received	14,909
Increase (Decrease) in Accrued Consumption Taxes	117,546
Others, Net	201,697
Sub total	3,993,161
Interests and Dividends Income Received	8,535
Interest Expenses Paid	(36,605)
Income Taxes Paid	(647,761)
Net Cash Provided by (Used in) Operating Activities	3,317,330
<b>Net Cash Provided by (Used in) Investment Activities</b>	
Proceeds from Withdrawal of Time Deposit	100,000
Proceeds from Sales of Property, Plant and Equipment	238
Purchase of Property, Plant and Equipment	(202,877)
Proceeds from Sales of Investment Securities	5,339
Purchase of Investment Securities	(7,937)
Collection of Loans Receivable	7,862
Payments of Loans Receivable	(800)
Guarantee Deposits (Increase)	63,251
Others, Net	12,290
Net Cash Provided by (Used in) Investment Activities	(22,633)

(Thousands of Yen)

Second Quarter Ended

April 30, 2009

<b>Net Cash Provided by (Used in) Financing Activities</b>	
Net Increase (Decrease) in Short-Term Loans Payable	(239,533)
Repayments of Lease Obligations	(21,518)
Repayment of Long-Term Loans Payable	(115,000)
Purchase of Treasury Stock	(42)
Cash Dividends Paid	(349,263)
Cash Dividends Paid to Minority Shareholders	(7,315)
Net Cash Provided by (Used in) Financing Activities	(732,672)
<b>Cash and Cash Equivalents</b>	
Effect of Exchange Rate Change on Cash and Cash Equivalents	(25,623)
Net Increase (Decrease) in Cash and Cash Equivalents	2,536,400
Cash and Cash Equivalents at Beginning of Period	1,711,434
Cash and Cash Equivalents at End of Period	4,247,835

From this consolidated fiscal year we have applied “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and its Implementation Guidance (ASBJ Guidance No. 14). And we have prepared the consolidated quarterly financial statements in accordance with “Rules for Quarterly Consolidated Financial Reporting.”

**(4) Note on Going Concern Assumption**

None.

**(5) Segment Information**

**(Segment by type of business)**

**Second Quarter Ended April 30, 2009**

(Thousands of Yen)

	Machinery & Equipment Business	Chemical Products Business	Total	Deletion or Total Company	Consolidated
I. Net Sales and Operating Income:					
Net Sales					
(1) Net Sales to Unaffiliated Customers	7,554,233	12,263,915	19,818,148	-	19,818,148
(2) Internal Net Sales among Segments or Amount Transferred	-	-	-	-	-
Total	7,554,233	12,263,915	19,818,148	-	19,818,148
Operating Costs	6,469,939	11,976,653	18,446,592	-	18,446,592
Operating Income	1,084,294	287,262	1,371,556	-	1,371,556

(Notes)

1. Business classification is by aggregate sales classification.

2. Main products and goods in each business:

(1) Machinery & Equipment Business: Various types of centrifuge and other machinery

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

3. Changes for Accounting Standards

(1) Application of Accounting Standard for Measurement of Inventories

From the consolidated first quarter we have applied “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9) and changed to a cost accounting method (book price devaluation based on decrease in profitability). The effects that this change gives to the gain and loss for the second quarter are minor.

(2) Application of Accounting Standard for Lease Transactions

We used to adopt the accounting processing for the lease transaction for the non-transfer-ownership finance lease; however, we have early adopted “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16) from the first consolidated quarter, whose accounting processing for sales transaction. The effects that this change gives to the gain and loss for the second quarter are minor.

(3) Application of Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

From the first consolidated quarter, we have applied “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ PITF No. 18) and made the necessary adjustments in consolidated financial statements. The effects that this change gives to the gain and loss for the second quarter are minor.

4. As written in 4. Other Information, (2) Adoption of simplified accounting method and the specific accounting method in presenting the consolidated quarterly financial statements, [Qualitative Information and Financial Statements, etc.], we have changed durable years of the machinery and equipment as a result of our review on usage of the assets etc. at the time of the income tax modification. The effects that this change gives to the gain and loss for the second quarter are minor.

**(Segment by Location)**

**Second Quarter Ended April 30, 2009**

(Thousands of Yen)

	Japan	Asia	Total	Deletion or Total Company	Consolidated
I. Net Sales and Operating Income:					
Net Sales					
(1) Net Sales to Unaffiliated Customers	18,131,515	1,686,632	19,818,148	-	19,818,148
(2) Internal Net Sales among Segments or Amount Transferred	173,058	59,427	232,485	(232,485)	-
Total	18,304,574	1,746,060	20,050,634	(232,485)	19,818,148
Operating Costs	16,917,853	1,760,196	18,678,050	(231,457)	18,446,592
Operating Income	1,386,720	(14,136)	1,372,584	1,028	1,371,556

(Notes)

1. Areas included in each country or region are determined based on their degree of geographical proximity.

2. Main countries or regions included in the areas other than Japan:

Asia: China, Korea, and Indonesia (Total 3 countries)

3. Changes for Accounting Standards

(1) Application of Accounting Standard for Measurement of Inventories

From the consolidated first quarter we have applied “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9) and changed to a cost accounting method (book price devaluation based on decrease in profitability). The effects that this change gives to the gain and loss for the second quarter are minor.

(2) Application of Accounting Standard for Lease Transactions

We used to adopt the accounting processing for the lease transaction for the non-transfer-ownership finance lease; however, we have early adopted “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16) from the first

consolidated quarter, whose accounting processing for sales transaction. The effects that this change gives to the gain and loss for the second quarter are minor.

(3) Application of Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

From this first consolidated quarter, we have applied “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ PITF No. 18) and made the necessary adjustments in consolidated financial statements. The effects that this change gives to the gain and loss for the second quarter are minor.

4. As written in 4. Other Information, (2) Adoption of simplified accounting method and the specific accounting method in presenting the consolidated quarterly financial statements, [Qualitative Information and Financial Statements, etc.], we have changed durable years of the machinery and equipment as a result of our review on usage of the assets etc. at the time of the income tax modification. The effects that this change gives to the gain and loss for the second quarter are minor.

**(Overseas Net Sales)**

**Second Quarter Ended April 30, 2009**

(Thousands of Yen)

	Asia	Other Areas	Total
I. Overseas Net Sales	4,119,685	1,432,434	5,552,119
II. Consolidated Net Sales	-	-	19,818,148
III. Ratio of Overseas Net Sales to Consolidated Net Sales (%)	20.8	7.2	28.0

(Notes)

Overseas net sales are sales of our company and subsidiaries made in countries and regions other than Japan.

**(6) Notes for significant changes in shareholders' equity**

None.

[Reference]

**Financial Statement etc. for the Second Quarter of the Previous Year**

**(1) Consolidated Interim Statements of Income**

	(Thousands of Yen)	
	November 1, 2007 to April 30, 2008	
I. Net Sales		24,022,695
II. Cost of Sales		<u>19,172,959</u>
<b>Gross Profit</b>		4,849,736
III. Selling, General and Administrative Expenses		<u>3,268,340</u>
<b>Operating Income</b>		1,581,395
IV. Non-Operating Income		
1. Interest Income	10,416	
2. Dividend Income	38,108	
3. Rent Income	12,457	
4. Foreign Exchange Gain	42,197	
5. Others	<u>33,617</u>	136,798
V. Non-Operating Expenses		
1. Interest Expenses	36,870	
2. Loss on Sales of Notes Payable	5,608	
3. Commission Fee	15,283	
4. Others	<u>7,440</u>	65,203
<b>Ordinary Income</b>		1,652,991
VI. Extraordinary Income		
1. Gain on Investments	5,627	
2. Reversal of Allowance for Doubtful Accounts	<u>18,787</u>	24,414
VII. Extraordinary Losses		
1. Loss on Retirement of Noncurrent Assets	3,729	
2. Provision of Allowance for Doubtful Accounts	<u>13,597</u>	17,326
Net income before Income Taxes and Minority Interests		1,660,079
Income Taxes-Current	508,563	
Income Taxes-Deferred	<u>265,023</u>	773,587
Minority Interests in Income		<u>22,180</u>
<b>Net Income</b>		864,311

## (2) Consolidated Interim Statements of Cash Flows

(Thousands of Yen)

November 1, 2007 to April 30, 2008

### I. Net Cash Provided by (Used in) Operating Activities

Net income before income taxes and minority interests	1,660,079
Depreciation and Amortization	185,813
Decrease in Provision for Bonuses	(279,588)
Decrease in Provision for Directors' Bonuses	(32,407)
Decrease in Allowance for Product Warranty	(71,359)
Increase in Provision for Retirement Benefits	497
Increase in Provision for Directors' Retirement Benefits	21,660
Decrease in Allowance for Doubtful Accounts	(6,034)
Interest and Dividends Income	(48,525)
Interest Expenses	36,870
Foreign Exchange Losses	14,566
Gains on Investments	(5,627)
Loss on Retirement of Noncurrent Assets	3,729
Decrease in Notes and Accounts Receivable-Trade	1,897,747
Increase in Inventories	(880,905)
Increase in Notes and Accounts Payable-Trade	423,437
Decrease in Accounts Payable-Others	(40,252)
Increase in Advances Received	114,983
Increase in Accrued Consumption Taxes	21,636
Others, Net	(39,041)
Sub total	2,977,280
Interests and Dividends Income Received	41,968
Interest Expenses Paid	(30,971)
Income Taxes Paid	(571,961)
Net Cash Provided by (Used in) Operating Activities	2,416,315

### II. Net Cash Provided by (Used in) Investment Activities

Purchase of Property, Plant and Equipment	(275,938)
Purchase of Intangible Property, Plant and Equipment	(4,096)
Purchase of Investment Securities	(7,995)
Collection of Loans Receivable	16,562
Payments of Loans Receivable	(1,760)
Increase in Guarantee Deposits	(3,599)
Others (Net)	20,919
Net Cash Provided by (Used in) Investment Activities	(255,906)

(Thousands of Yen)

November 1, 2007 to  
April 30, 2008

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**III. Net Cash Provided by (Used In) Financing Activities**

Net Decrease in Short-term Loans Payable	(1,371,392)
Proceeds from Long-term Loans Payable	25,000
Repayment of Long-term Loans Payable	(90,000)
Proceeds from Investments from Minority Shareholders	50,080
Purchase of Treasury Stock	(188)
Cash Dividends Paid	(349,269)
Cash Dividends Paid to Minority Shareholders	(7,398)
Net Cash Provided by (Used in) Financing Activities	<u>(1,743,168)</u>

**Cash and Cash Equivalents**

<b>IV. Effect of Exchange Rate Change on Cash and Cash Equivalents</b>	<u>(71,703)</u>
<b>V. Net Increase in Cash and Cash Equivalents</b>	<u>345,536</u>
<b>VI. Cash and Cash Equivalents at Beginning of Period</b>	<u>1,873,895</u>
<b>VII. Cash and Cash Equivalents at End of Period</b>	<u>2,219,431</u>

**(3) Segment Information****(Segment by Type of Business)****Interim Period Ended April 30, 2008**

(Thousands of Yen)

	Machinery & Equipment Business	Chemical Products Business	Total	Deletion or Total Company	Consolidated
I. Net Sales and Operating Income:					
Net Sales					
(1) Net Sales to Unaffiliated Customers	6,313,113	17,709,582	24,022,695	-	24,022,695
(2) Internal Net Sales among Segments or Amount Transferred	-	-	-	-	-
Total	6,313,113	17,709,582	24,022,695	-	24,022,695
Operating Costs	5,606,875	16,834,424	22,441,300	-	22,441,300
Operating Income	706,237	875,157	1,581,395	-	1,581,395

(Notes)

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

**(Segment by Location)****Interim Period Ended April 30, 2008**

(Thousands of Yen)

	Japan	Asia	Total	Deletion or Total Company	Consolidated
I. Net Sales and Operating Income:					
Net Sales					
(1) Net Sales to Unaffiliated Customers	21,412,810	2,609,885	24,022,695	-	24,022,695
(2) Internal Net Sales among Segments or Amount Transferred	188,648	53,241	241,890	(241,890)	-
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)

- Areas included in each country or region are determined based on their degree of geographical proximity.
- Main countries or regions included in the areas other than Japan:
 

Asia: China, Korea, and Indonesia (Total 3 countries)

**(Overseas Net Sales)**

**Interim Period Ended April 30, 2008**

	Asia	Other Areas	Total
I. Overseas Net Sales (Thousands of Yen)	3,795,906	515,077	4,310,983
II. Consolidated Net Sales (Thousands of Yen)	-	-	24,022,695
III. Ratio of Overseas Net Sales to Consolidated Net Sales (Percent)	15.8	2.1	17.9

(Notes)

1. Areas included in each country or region are determined based on their degree of geographical proximity.
2. Main countries or regions included in the areas other than Japan:  
Asia: China, Korea, Taiwan, and Indonesia (Total 4 countries)  
Other areas: America and Europe
3. Overseas net sales are sales in the countries and areas where our company and affiliates are located except for Japan.