

Consolidated and Non-Consolidated Financial Results for the Third Quarter Ended July 31, 2009

Date: September 4, 2009
 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
 Head Office: 2-2, Osaki 1-chome, Shinagawa-ku, Tokyo, Japan
 President: Noboru Shiono
 Investor Relations Contacts: Natsuhiko Maeda, Director, Accounting and Management Planning Tel: (03) 5435-6512

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

1. Consolidated Financial Data for the Third Quarter Ended July 31, 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 July 31, 2009	27,624	-	1,321	-	1,462	-
Quarter Ended July 31, 2008	35,495	(1.6)	2,024	23.9	2,160	25.3

	Net Income		Net Income per Share	Fully Diluted Quarterly Net Income per Share
	Millions of Yen	Percent	Yen	Yen
Quarter Ended July 31, 2009	825	-	82. ⁷⁴	-
Quarter Ended July 31, 2008	1,150	26.6	115. ²⁵	-

(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 July 31, 2009	26,116	17,872	67.3	1,761. ⁷²
Year Ended October 31, 2008	29,159	17,465	58.8	1,719. ¹⁵

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

Third Quarter ended July 31, 2009: 17,580 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. ⁰⁰	35. ⁰⁰
Year Ending October 31, 2009	-	-	-	30. ⁰⁰	30. ⁰⁰
Year Ending October 31, 2009 (Prospect)	-	-	-	30. ⁰⁰	30. ⁰⁰

(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. ¹⁷

(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.4.

(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.4.

(4) Number of outstanding shares (Ordinary shares)

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

At July 31, 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 July 31, 2009: 554,298 shares At October 31, 2008: 554,248 shares

3) Number of average shares during consolidated third quarters

At July 31, 2009: 9,978,927 shares At July 31, 2008: 9,979,016 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.4.

[Qualitative Information and Financial Statements, etc.]

1. Qualitative Information on Consolidated Operating Results:

Comparisons with the same period last year are stated as reference.

(1) General operating results

Japan's economy during this third quarter partly showed that the production bottomed out and the inventory adjustment was progressed. However, decline of capital investment and personal consumption was still noticeable, and the economic downturn was still continuing.

Under such circumstances, the consolidated net sales at the end of this quarter were 27,624 million yen, 22.2% down from the same period last year mainly due to decline of Chemical Products sales. For income, the consolidated operating income was 1,321 million yen, 34.7% down from the same period last year mainly due to the decrease of the net sales, the ordinary income was 1,462 million yen, 32.3% down from the same period last year, and the consolidated quarterly net income became 825 million yen, 28.2% down from the same period last year.

(2) Machinery & Equipment Business

Though the machine sales for overseas countries and part sales and repair services in Japan that had been firm up to the second quarter declined greatly during this third quarter, the consolidated net sales for this quarter were 9,281 million yen, 4.6% up from the same period last year, and the consolidated operating income was 816 million yen, 8.9% up from the same period last year.

(3) Chemical Products Business

Electronic Materials Business and Advanced Materials Business, which had been mired in a slump, started to show signs of bottoming out in demand. However, these businesses are yet to have momentum to recover business conditions, and Plastics Business still has slow sales in Japan and abroad. As a result, the consolidated net sales marked 18,343 million yen, 31.1% down from the same period last year. For this reason, the consolidated operating income for this business went down to 504 million yen, 60.4% 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 third quarter under review were 26,116 million yen, 3,043 million yen (10.4%) down from the previous consolidated fiscal year (end October 2008) as a result of a decrease in the current assets by 2,846 million yen (mainly due to a decrease in the notes and accounts receivable-trade and inventories) and a decrease in the noncurrent assets by 196 million yen (due to a return of the guarantee deposits and decrease in other assets).

On the other hand, liabilities marked 8,243 million yen decreasing 3,450 million yen (29.5%) 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 406 million yen (2.3%) from the previous consolidated fiscal year due to an increase of retained earnings and became 17,872 million yen.

As a result, the net assets ratio as of the end of the third consolidated quarter under review increased by 8.5 percentage points to 67.3% from the end of previous consolidated fiscal year.

(2) Cash Flow Status

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

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

Income before income taxes and minority interests amounted to 1,424 million yen and net cash provided by (used in) operating activities was 2,772 million yen because of a great decrease in notes and accounts receivable-trade and inventories.

(Net Cash Provided by (Used in) Investment Activities)

Net cash provided by (used in) investment activities was 32 million yen because purchase of property, plant and equipment was 207 million yen and exceeded cancellation money of time deposits and decrease of guarantee deposits etc.

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

Net cash provided by (used in) financing activities was 741 million yen due to cash dividends paid, repayment of long-term and short-term loans payable, etc.

As a result, the balance of cash and cash equivalents for this third quarter increased by 1,961 million yen from the previous consolidated fiscal year and became 3,672 million yen.

3. Qualitative Information on Consolidated Earnings Forecast:

For **Machinery & Equipment Business**, stagnation of product and part sales and repairs are expected to continue during the fourth quarter, backed by the trend of decline of demand in capital investment. For **Chemical Products Business**, we still cannot expect steady growth for the whole demand though their sales seem to have bottomed out. For these reasons, the consolidated net sales for the year ending October 31, 2009 are expected to be 37,500 million yen, decreasing 21.1% from the previous year, the consolidated ordinary income will be 1,500 million yen (42.6% down). And the consolidated net income will be 800 million yen, 41.4% down from the previous year.

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 third

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

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).

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 third quarter are minor. The effects to the segment information are written in the pertinent sections.

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 consolidated first quarter, whose accounting processing for sales transaction. The effects that this change gives to the gain and loss for the third quarter are minor. The effects to the segment information are written in the pertinent sections.

From the consolidated first 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 third 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)

Assets	End of third Quarter (July 31, 2009)	Summarized Balance Sheet for End of Previous Year (October 31, 2008)
Current Assets		
Cash and Deposits	3,672,588	1,811,434
Notes and Accounts Receivable-Trade	11,744,271	15,651,542
Merchandise and Finished Goods	2,997,098	3,285,810
Work in Process	1,066,188	1,527,473
Raw Materials and Supplies	812,346	658,782
Deferred Tax Assets	292,042	628,526
Others	459,390	426,276
Allowance for Doubtful Accounts	(33,977)	(133,061)
Total Current Assets	21,009,948	23,856,785
Noncurrent Assets		
Property, Plant and Equipment		
Buildings and Structures	2,548,726	2,508,379
Accumulated Depreciation	(1,431,616)	(1,355,419)
Buildings and Structures, Net	1,117,109	1,152,960
Machinery, Equipment and Vehicles	3,449,894	3,388,940
Accumulated Depreciation	(2,461,998)	(2,331,611)
Machinery, Equipment and Vehicles, Net	987,895	1,057,328
Land	970,253	970,253
Lease Assets	88,451	-
Accumulated Depreciation	(24,084)	-
Lease Assets, Net	64,367	-
Others	955,494	1,015,170
Accumulated Depreciation	(860,089)	(822,301)
Others, Net	95,404	192,869
Total Property, Plant and Equipment	3,235,030	3,373,412
Intangible Assets	36,290	22,064
Investments and Other Assets		
Investment Securities	945,118	880,003
Guarantee Deposits	409,701	476,639
Deferred Tax Assets	52,641	34,023
Derivatives	20,465	22,522
Others	504,908	563,610
Allowance for Doubtful Accounts	(97,982)	(69,729)
Total Investments and Other Assets	1,834,854	1,907,070
Total Noncurrent Assets	5,106,175	5,302,547
Total Assets	26,116,124	29,159,333

(Thousands of Yen)

Liabilities and Net Assets	End of Third Quarter (July 31, 2009)	Summarized Balance Sheet for End of Previous Year (October 31, 2008)
Liabilities		
Current Liabilities		
Notes and Accounts Payable-Trade	5,571,247	7,177,796
Short-Term Loans Payable	733,470	1,054,069
Lease Obligations	28,722	-
Accounts Payable-Others	389,405	550,233
Income Taxes Payable	42,427	647,878
Advances Received	288,952	291,376
Provision for Bonuses	448,381	1,135,803
Provision for Directors' Bonuses	29,007	64,806
Allowance for Product Warranty	149,380	175,261
Others	267,749	217,108
Total Current Liabilities	7,948,743	11,314,334
Noncurrent Liabilities		
Long-Term Loans Payable	0	85,000
Lease Obligations	53,629	-
Provision for Retirement Benefits	25,757	31,958
Provision for Directors' Retirement Benefits	142,760	257,780
Deferred Tax Liabilities	72,619	4,514
Total Noncurrent Liabilities	294,766	379,253
Total Liabilities	8,243,510	11,693,588
Net Assets		
Shareholders' Equity		
Capital Stock	1,061,210	1,061,210
Capital Surplus	1,483,410	1,483,410
Retained Earnings	15,389,998	14,913,596
Treasury Stock	(363,045)	(363,003)
Total Shareholders' Equity	17,571,572	17,095,213
Valuation and Translation Adjustments		
Valuation Difference on Available-for-Sale Securities	99,171	12,188
Deferred Gains or Losses on Hedges	103	26,115
Foreign Currency Translation Adjustment	(90,792)	21,748
Total Valuation and Translation Adjustments	8,482	60,052
Minority Interests	292,558	310,478
Total Net Assets	17,872,613	17,465,744
Total Liabilities and Net Assets	26,116,124	29,159,333

(2) Consolidated Quarterly Statements of Income (Third Quarter)

(Thousands of Yen)

		Third Quarter Ended July 31, 2009
Net Sales		27,624,345
Cost of Sales		21,847,979
	Gross Profit	5,776,365
Selling, General and Administrative Expenses		4,455,354
	Operating Income	1,321,011
Non-Operating Income		
Interest income		1,558
Dividends Income		46,942
Rent Income		18,858
Foreign Exchange Gains		56,944
Gain on Valuation of Derivatives		23,298
Others		40,005
	Total Non-Operating Income	187,606
Non-Operating Expenses		
Interest Expenses		18,304
Loss on Sales of Notes Payable		3,871
Commission Fee		9,219
Others		14,469
	Total Non-Operating Expenses	45,864
	Ordinary Income	1,462,753
Extraordinary Income		
Reversal of Allowance for Doubtful Accounts		47,989
	Total Extraordinary Income	47,989
Extraordinary Losses		
Loss on Retirement of Noncurrent Assets		3,307
Loss on Sales of Noncurrent Assets		113
Loss on Sales of Investment Securities		5,948
Loss on Valuation of Investment Securities		76,692
Provision of Allowance for Doubtful Accounts		262
	Total Extraordinary Losses	86,325
	Income before Income Taxes and Minority Interests	1,424,417
Income Taxes-Current		238,338
Income Taxes-Deferred		349,064
	Total Income Taxes	587,403
Minority Interests in Income		11,349
	Net Income	825,664

(3) Consolidated Quarterly Statements of Cash Flows

(Thousands of Yen)

Third Quarter Ended

July 31, 2009

Net Cash Provided by (Used in) Operating Activities	
Income before Income Taxes and Minority Interests	1,424,417
Depreciation and Amortization	388,572
Increase (Decrease) in Provision for Bonuses	(686,294)
Increase (Decrease) in Provision for Directors' Bonuses	(35,799)
Increase (Decrease) in Allowance for Product Warranty	(25,881)
Increase (Decrease) in Provision for Retirement Benefits	(6,201)
Increase (Decrease) in Provision for Directors' Retirement Benefits	(115,020)
Increase (Decrease) in Allowance for Doubtful Accounts	(70,830)
Loss (Gain) on Valuation of Investment Securities	76,692
Interest and Dividends Income	(48,501)
Interest Expenses	18,304
Foreign Exchange Losses (Gains)	3,871
Loss on Retirement of Noncurrent Assets	3,307
Loss (Gain) on Sales of Noncurrent Assets	113
Loss (Gain) on Sales of Investment Securities	5,948
Loss (Gain) on Valuation of Derivatives	(23,298)
Decrease (Increase) in Notes and Accounts Receivable-Trade	3,741,363
Decrease (Increase) in Inventories	502,878
Increase (Decrease) in Notes and Accounts Payable-Trade	(1,490,418)
Increase (Decrease) in Accounts Payable-Others	(119,511)
Increase (Decrease) in Advances Received	(196)
Increase (Decrease) in Accrued Consumption Taxes	109,418
Others, Net	320,456
Sub total	3,973,393
Interests and Dividends Income Received	49,754
Interest Expenses Paid	(38,642)
Income Taxes Paid	(1,211,836)
Net Cash Provided by (Used in) Operating Activities	2,772,667
Net Cash Provided by (Used in) Investment Activities	
Proceeds from Withdrawal of Time Deposits	100,000
Proceeds from Sales of Property, Plant and Equipment	238
Purchase of Property, Plant and Equipment	(207,935)
Proceeds from Sales of Investment Securities	5,339
Purchase of Investment Securities	(11,648)
Collection of Loans Receivable	10,423
Payments of Loans Receivable	(980)
Guarantee Deposits (Increase)	60,721
Others, Net	11,379
Net Cash Provided by (Used in) Investment Activities	(32,461)

(Thousands of Yen)

Third Quarter Ended

July 31, 2009

Net Cash Provided by (Used in) Financing Activities	
Net Increase (Decrease) in Short-Term Loans Payable	(239,577)
Repayments of Lease Obligations	(30,079)
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	(741,277)
Cash and Cash Equivalents	
Effect of Exchange Rate Change on Cash and Cash Equivalents	(37,774)
Net Increase (Decrease) in Cash and Cash Equivalents	1,961,154
Cash and Cash Equivalents at Beginning of Period	1,711,434
Cash and Cash Equivalents at End of Period	3,672,588

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)

Third Quarter Ended July 31, 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	9,281,072	18,343,272	27,624,345	-	27,624,345
(2) Internal Net Sales among Segments or Amount Transferred	-	-	-	-	-
Total	9,281,072	18,343,272	27,624,345	-	27,624,345
Operating Costs	8,464,989	17,838,344	26,303,334	-	26,303,334
Operating Income	816,082	504,928	1,321,011	-	1,321,011

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

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

From the consolidated first 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 third 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 third quarter are minor.

(Segment by Location)

Third Quarter Ended July 31, 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	25,453,672	2,170,672	27,624,345	-	27,624,345
(2) Internal Net Sales among Segments or Amount Transferred	259,263	91,596	350,860	(350,860)	-
Total	25,712,936	2,262,269	27,975,205	(350,860)	27,624,345
Operating Costs	24,370,104	2,282,682	26,652,787	(349,452)	26,303,334
Operating Income	1,342,831	(20,413)	1,322,418	(1,407)	1,321,011

(Notes)

1. Areas including countries or regions 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 third 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 consolidated

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

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

From this consolidated first 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 third 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 third quarter are minor.

(Overseas Net Sales)

Third Quarter Ended July 31, 2009

(Thousands of Yen)

	Asia	Other Regions	Total
I. Overseas Net Sales	5,314,397	1,591,703	6,906,100
II. Consolidated Net Sales	-	-	27,624,345
III. Ratio of Overseas Net Sales to Consolidated Net Sales (%)	19.2	5.8	25.0

(Notes)

1. Areas including countries or regions are determined based on their degree of geographical proximity.
2. Main countries or regions included in the areas other than Japan:
 - (1) Asia: China, Korea, Taiwan, and Indonesia (Total 4 countries)
 - (2) Other regions: America and Europe
3. 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 Third Quarter of the Previous Year

(1) Consolidated Quarterly Statements of Income

	(Thousands of Yen)	
	November 1, 2007 to July 31, 2008	
I. Net Sales		35,495,259
II. Cost of Sales		<u>28,516,264</u>
Gross Profit		6,978,994
III. Selling, General and Administrative Expenses		<u>4,954,612</u>
Operating Income		2,024,381
IV. Non-Operating Income		
1. Interest Income	10,721	
2. Dividends Income	50,620	
3. Rent Income	18,932	
4. Foreign Exchange Gains	88,613	
5. Others	<u>63,025</u>	231,913
V. Non-Operating Expenses		
1. Interest Expenses	51,553	
2. Loss on Sales of Notes Payable	8,685	
3. Commission Fee	22,267	
4. Others	<u>13,211</u>	95,717
Ordinary Income		2,160,578
VI. Extraordinary Income		
1. Gain on Investments	5,627	
2. Reversal of Allowance for Doubtful Accounts	<u>22,930</u>	28,558
VII. Extraordinary Losses		
1. Loss on Sales of Noncurrent Assets	724	
2. Loss on Retirement of Noncurrent Assets	5,197	
3. Provision of Allowance for Doubtful Accounts	<u>13,597</u>	19,520
Income before Income Taxes and Minority Interests		2,169,615
Income Taxes-Current	672,784	
Income Taxes-Deferred	<u>310,285</u>	983,070
Minority Interests in Income		<u>36,425</u>
Net Income		1,150,119

(2) Consolidated Quarterly Statements of Cash Flows

(Thousands of Yen)

November 1, 2007 to July 31, 2008

I. Net Cash Provided by (Used in) Operating Activities	
Income before income taxes and minority interests	2,169,615
Depreciation and Amortization	292,328
Decrease in Provision for Bonuses	(426,098)
Decrease in Provision for Directors' Bonuses	(15,382)
Decrease in Allowance for Product Warranty	(72,751)
Increase in Provision for Retirement Benefits	2,235
Increase in Provision for Directors' Retirement Benefits	32,490
Decrease in Allowance for Doubtful Accounts	(10,177)
Interest and Dividends Income	(61,341)
Interest Expenses	51,553
Foreign Exchange Gains	9,222
Gains on Investments	(5,627)
Losses on Sales of Investment Securities	116
Losses on Sales of Noncurrent Assets	724
Losses on Retirement of Noncurrent Assets	5,197
Decrease in Notes and Accounts Receivable-Trade	2,959,774
Increase in Inventories	(1,430,645)
Increase in Notes and Accounts Payable-Trade	316,959
Decrease in Accounts Payable-Others	(160,432)
Increase in Advances Received	284,170
Increase in Accrued Consumption Taxes	1,945
Others, Net	93,037
Sub total	4,036,914
Interest and Dividends Income Received	53,663
Interest Expenses Paid	(35,025)
Income Taxes Paid	(1,078,742)
Net Cash Provided by (Used in) Operating Activities	2,976,809
II. Net Cash Provided by (Used in) Investment Activities	
Purchase of Property, Plant and Equipment	(410,939)
Proceeds from Sales of Property, Plant and Equipment	380
Purchase of Intangible Property, Plant and Equipment	(3,996)
Purchase of Investment Securities	(13,068)
Proceeds from Sales of Investment Securities	283
Collection of Loans Receivable	24,284
Payments of Loans Receivable	(1,940)
Increase in Guarantee Deposits	(76,211)
Others, Net	20,904
Net Cash Provided by (Used in) Investment Activities	(460,302)

(Thousands of Yen)

November 1, 2007 to
July 31, 2008

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

Net Decrease in Short-term Loans Payable	(2,408,684)
Proceeds from Long-term Loans Payable	85,000
Repayment of Long-term Loans Payable	(150,000)
Proceeds from Investments from Minority Shareholders	50,080
Purchase of Treasury Stock	(188)
Cash Dividends Paid	(349,269)
Cash Dividends Paid to Minority Shareholders	(7,781)
Net Cash Provided by (Used in) Financing Activities	<u>(2,780,843)</u>

Cash and Cash Equivalents

IV. Effect of Exchange Rate Change on Cash and Cash Equivalents	<u>(41,817)</u>
V. Net Decrease in Cash and Cash Equivalents	<u>(306,153)</u>
VI. Cash and Cash Equivalents at Beginning of Period	<u>1,873,895</u>
VII. Cash and Cash Equivalents at End of Quarter	<u>1,567,741</u>

(3) Segment Information
(Segment by Type of Business)

Third Quarter Ended July 31, 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	8,872,205	26,623,053	35,495,259	-	35,495,259
(2) Internal Net Sales among Segments or Amount Transferred	-	-	-	-	-
Total	8,872,205	26,623,053	35,495,259	-	35,495,259
Operating Costs	8,122,801	25,348,076	33,470,877	-	33,470,877
Operating Income	749,404	1,274,977	2,024,381	-	2,024,381

(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

(Segment by Location)

Third Quarter Ended July 31, 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	31,523,281	3,971,978	35,495,259	-	35,495,259
(2) Internal Net Sales among Segments or Amount Transferred	287,883	86,610	374,494	(374,494)	-
Total	31,811,165	4,058,588	35,869,753	(374,494)	35,495,259
Operating Costs	29,999,723	3,827,473	33,827,197	(356,319)	33,470,877
Operating Income	1,811,441	231,115	2,042,556	(18,174)	2,024,381

(Notes)

1. Areas including countries or regions 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)