

# Financial Results for the Fiscal Year Ended October 31, 2009

Date: December 10, 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  
 Head Office: 2-2, Osaki 1-chome, Shinagawa-ku, Tokyo, Japan  
 President: Noboru Shiono  
 Investor Relations Contacts: Natsuhiko Maeda, Director, General Manager of Accounting Division, Tel: (03) 5435-6512  
 Date of Annual Shareholders Meeting: January 28, 2010  
 Date of Dividend Payment: January 29, 2010  
 Date of Financial Statement: January 28, 2010

## 1. Consolidated Financial Results for the Year Ended October 31, 2009

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

(Percent: Change from the previous year)

	Sales		Operating Income		Ordinary Income	
	(Millions of Yen)	(Percent)	(Millions of Yen)	(Percent)	(Millions of Yen)	(Percent)
<b>Year Ended October 31, 2009</b>	36,304	(23.6)	1,585	(35.5)	1,686	(35.5)
<b>Year Ended October 31, 2008</b>	47,542	(6.4)	2,456	0.5	2,613	2.3

	Net Income		Net Income per Share (Yen)	Diluted Net Income per Share (Yen)	Return on Equity (Percent)	Return on Assets (Percent)	Return on Sales (Percent)
	(Millions of Yen)	(Percent)					
<b>Year Ended October 31, 2009</b>	993	(27.2)	99. <sup>53</sup>	-	5.7	6.1	4.4
<b>Year Ended October 31, 2008</b>	1,365	0.6	136. <sup>80</sup>	-	8.1	8.5	5.2

(Reference) Equity in earnings (loss) of unconsolidated subsidiaries and affiliates

Fiscal year ended October 31, 2009: None

Fiscal year ended October 31, 2008: 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)
<b>Year Ended October 31, 2009</b>	26,412	17,921	66.8	1,767. <sup>97</sup>
<b>Year Ended October 31, 2008</b>	29,159	17,465	58.8	1,719. <sup>15</sup>

(Reference) Net assets

Fiscal year ended October 31, 2009: 17,642 million yen

Fiscal year ended October 31, 2008: 17,155 million yen

**(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 as of Year-end
<b>Year Ended October 31, 2009</b>	3,644	(88)	(750)	4,447
<b>Year Ended October 31, 2008</b>	3,965	(644)	(3,419)	1,711

**2. Dividend Status**

	Dividend per Share (Yen)				
	First Quarter	Second Quarter	Third Quarter	End of Fiscal Year	Total
<b>Year Ended October 31, 2009</b>	-	-	-	35. <sup>00</sup>	35. <sup>00</sup>
<b>Year Ended October 31, 2008</b>	-	-	-	30. <sup>00</sup>	30. <sup>00</sup>
<b>Year Ending October 31, 2010 (Prospect)</b>	-	-	-	30. <sup>00</sup>	30. <sup>00</sup>

	Total Dividend (Millions of Yen)	Dividend Payout Ratio (Consolidated) (Percent)	Dividend on Equity Ratio (Consolidated) (Percent)
<b>Year Ended October 31, 2008</b>	349	25.6	2.1
<b>Year Ending October 31, 2009</b>	299	30.1	1.7
<b>Year Ending October 31, 2010 (Prospect)</b>	-	27.2	-

**3. Forecast for the Year Ending October 31, 2010 (Consolidated)**

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

	Sales		Operating Income		Ordinary income	
	(Millions of Yen)	(Percent)	(Millions of Yen)	(Percent)	(Millions of Yen)	(Percent)
<b>6-month Period</b>	20,500	3.4	1,130	(17.6)	1,130	(24.7)
<b>Full Business Year</b>	39,500	8.8	1,730	9.1	1,750	3.7

	Net Income		Net Income per Share
	(Millions of Yen)	(Percent)	(Yen)
<b>6-month Period</b>	730	(12.9)	73. <sup>15</sup>
<b>Full Business Year</b>	1,100	10.7	110. <sup>23</sup>

**4. Others**

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

(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 Consolidated Quarterly Financial Statements")

1) Change due to revision of accounting standard: Yes

2) Other changes: None

(Note) For details, refer to (6) Changes of Important Items to be Basis for Making Consolidated Financial Statements, 4. Consolidated Financial Statements, on p.21.

(3) Number of outstanding shares (Common stock)

1) Number of outstanding shares at year-end (including treasury stocks)

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

2) Number of treasury stocks at year-end

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

(Note) For number of shares to be basis to calculate net income per share (consolidated), refer to (Per Share Information) on p.27.

**(Reference)**

**1. Outline of Non-Consolidated Results of Operations for the Year Ended October 31, 2009**

**(1) Results of Operation (Non-consolidated)**

(Percent: Change from the previous year)

	Sales		Operating Income		Ordinary income	
	(Millions of Yen)	(Percent)	(Millions of Yen)	(Percent)	(Millions of Yen)	(Percent)
<b>Year Ended October 31, 2009</b>	33,925	(21.6)	1,340	(31.2)	1,616	(27.9)
<b>Year Ended October 31, 2008</b>	43,297	(5.8)	1,947	(0.3)	2,241	5.9

	Net Income		Net Income per Share	Diluted Net Income per Share
	(Millions of Yen)	(Percent)	(Yen)	(Yen)
<b>Year Ended October 31, 2009</b>	971	(19.5)	97. <sup>36</sup>	-
<b>Year Ended October 31, 2008</b>	1,207	10.9	121. <sup>00</sup>	-

**(2) Financial Condition (Non-consolidated)**

	Total Assets (A) (Millions of Yen)	Net Assets (B) (Millions of Yen)	Net Assets Ratio (B) / (A) (Percent)	Net Assets per Share (Yen)
<b>Year Ended October 31, 2009</b>	23,597	16,534	70.1	1,656. <sup>99</sup>
<b>Year Ended October 31, 2008</b>	25,344	15,874	62.6	1,590. <sup>75</sup>

(Reference) Net assets

Fiscal year ended October 31, 2009: 16,534 million yen

Fiscal year ended October 31, 2008: 15,874 million yen

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

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 (1) Analysis of Results of Operation, 1. Operating Results and Financial Condition, on p.4.

## 1. Operating Results and Financial Condition

### (1) Analysis of Results of Operation

#### [1] General condition of the current consolidated fiscal year

##### General operating results

During the current consolidated fiscal year, the Japanese economy has been forced to experience unprecedented slow down in the increasing worldwide financial and economic crises and has been stagnating in various aspects including the production level. Though signs of trying possibilities for self-sustained economic recovery were seen after the spring of 2009 due to improved inventory adjustment and recovery of export, stagnation of individual consumption continued, and equipment investment, which should have played a leading force in the recovery, did not climb out of the contractional situation.

In this operating environment, the net sales for the current fiscal year were 36,304 million yen, 23.6% down from the previous year, and the ordinary income was 1,686 million yen, 35.5% down from the previous year. The net income for the current fiscal year was 993 million yen, 27.2% down from the previous year.

##### Machinery & Equipment Business

Shipment of large machines for the chemical industry in Poland and machines for slurry recycle system in China and sales of parts and repairs in Japan and foreign countries make a strong showing. However, as the domestic machine sales, mainly for public sectors fell into the doldrums, the entire consolidated net sales were 11,950 million yen, 4.8% down from the previous year. The operating income was 836 million yen, 14.1% down from the previous year because of decrease of the sales that is the biggest cause although we tried to reduce costs and expenditures.

##### Chemical Products Business

Though Electronic Materials Business and Advanced Materials Business, mainly semiconductor- and automobile-related businesses, suffered a slump in the beginning of the fiscal year, demand for such businesses started to have a tendency to bottom out in the latter half of the year. However, because such sales recovery did not have enough strength to gain momentum, and because Synthetic Resin Business continued to have sales stagnation all the time domestically and overseas, the consolidated net sales for the entire business were 24,353 million yen, 30.4% down from the previous year. The overall operating income was 748 million yen, 49.5% down from the previous year because of decrease of the net sales although we tried reduction of expenditures.

#### [2] Outlook for the next fiscal year (November 1, 2009~October 31, 2010)

The Japanese economy during our 81st term (the year ending October 31, 2010) is expected to continuously seek the way of self-sustained economic recovery. On the other hand, it is difficult to forecast its future due to concerns such as sluggish growth in number of employees and income and strong yen influences.

Under such circumstances Machinery & Equipment Business expects that the net sales for the entire business will be 12,560 million yen (5.1% increase from the previous year) and the operating income 850 million yen (1.6% increase from the previous year) because of expected increase of machine sales such as slurry recycle system and machines for vinyl chloride plants in China though the domestic sales of machine, parts and repairs will be forced to slow down.

Chemical Products Business expects that the net sales for the entire business will be 26,940 million yen (10.6% increase from the previous year) and the operating income 880 million yen (17.5% increase from the previous year), anticipating increased sales and profits in Electronic Materials Business, Industrial Materials Business, and Fine Chemicals Business on the premise of a gradual recovery of demand worldwide.

All in all, we expect our consolidated net sales of our 81<sup>st</sup> term to increase by 8.8% to 39,500 million yen, operating income to increase by 9.1% to 1,730 million yen, and ordinary income to increase by 3.7% to 1,750 million yen from the previous year.

Note that the above outlook for the next fiscal year is based on the business information at present; therefore, the actual performance may change because of unexpected changes of conditions such as both domestic and foreign economic trends and balance of demand and supply.

## **(2) Analysis of Financial Condition**

### **[1] Total Assets, Liabilities, and Net Assets**

Assets at the end of the current consolidated fiscal year were 26,412 million yen, 2,746 million yen (9.4%) down from the previous consolidated fiscal year as a result of decrease in the current assets by 2,399 million yen (mainly due to decrease in notes and accounts receivable-trade and inventories) and decrease in the noncurrent assets by 347 million yen (due to return of the guarantee deposits and decrease in other assets).

On the other hand, liabilities marked 8,490 million yen decreasing by 3,202 million yen (27.4%) from the previous consolidated fiscal year mainly due to decrease in notes and accounts payable-trade, short-term loans payable, provision for bonuses, and income taxes payable. Net assets increased by 455 million yen (2.6%) from the previous consolidated fiscal year due to increase of retained earnings etc. and became 17,921 million yen.

As a result, the capital adequacy ratio as of the end of the current consolidated fiscal year increased by 8.0 percentage points to 66.8% from the end of previous consolidated fiscal year.

### **[2] Cash Flow Status**

Balance of cash and cash equivalent as of the end of the current consolidated fiscal year increased by 2,736 million yen to 4,447 million yen from the previous consolidated fiscal year. Status of each cash flow and their factors during the current consolidated fiscal year are as follows:

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

Income before income taxes and minority interests amounted to 1,642 million yen. In addition, notes and accounts receivable-trade and inventories decreased due to decrease of net sales, and net cash provided by operating activities was 3,644 million yen.

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

Net cash used in investment activities was 88 million yen because purchase of property, plant and equipment was 246 million yen and exceeded withdrawal of time deposits and refund of guarantee deposits.

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

Net cash used in financing activities was 750 million yen due to cash dividends paid and repayment of long-term and short-term loans payable etc.

Trends in cash flow indices are as follows:

	Year Ended October 31, 2005	Year Ended October 31, 2006	Year Ended October 31, 2007	Year Ended October 31, 2008	Year Ended October 31, 2009
Equity Ratio (Percent)	52.7	54.0	51.8	58.8	66.8
Equity Ratio Based on Market Value (Percent)	63.9	53.8	47.4	30.9	51.8
Debt-repayment Ratio (Years)	5.9	2.5	-	0.3	0.2
Interest Coverage Ratio (Percent)	9.4	13.5	-	86.9	88.8

Equity ratio: Net assets / Total assets

Equity ratio based on market value: Market capitalization of shares / Total assets

Debt-repayment ratio : 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 fiscal year by the number of outstanding shares at the end of the fiscal year (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 ratio and interest coverage ratio are not recorded for 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 2009 and 2010

Our 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 to "maintain stability in dividends payment with a target consolidated payout ratio of 25% or more, by considering earnings, reinforcement of our corporate strength, etc. in a comprehensive manner."

Based on the above policy, we plan to submit to the 80<sup>th</sup> General Meeting of Shareholders to be held in January 2010 to pay out dividends of 30 yen per share for the fiscal year ended on October 31, 2009, which is 5 yen decrease from the previous fiscal year.

Dividends for the fiscal year ending on October 31, 2010 will be 30 yen per share, the same as dividends for the fiscal year ended on October 31, 2009, considering the business outlook for the whole fiscal year.

#### **(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 account for relatively a high percentage in the sales of Machinery & Equipment Business and tend to be concentrated in the second quarter due to public sector's budget implementation. 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 are almost evenly borne through the year and Machinery & Equipment Business sales are concentrated in the second quarter.

##### **[2] Influence of Foreign Exchange Fluctuation**

Businesses of our group include exports and import in foreign currencies, and exchange rate fluctuations may affect the values 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 forward exchange contracts. Since our group has overseas subsidiaries, we prepare 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 situations with the greatest care and take appropriate actions on a timely basis. However, our group's operating results and financial condition might be affected by unforeseen circumstances arising from local political conditions, governments, legal restrictions, taxation systems, 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**

Our group is in a quest to pursue high-value-added business all the time. To do this, we must take measures such as aggressive investment and acquisition of trade rights in some situations; however, these measures may involve higher potential risks than conventional business risks. Though we will appropriately take actions to such new risks by sufficient preparations, it might affect operating results and financial condition of our group as a result.

## **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:***

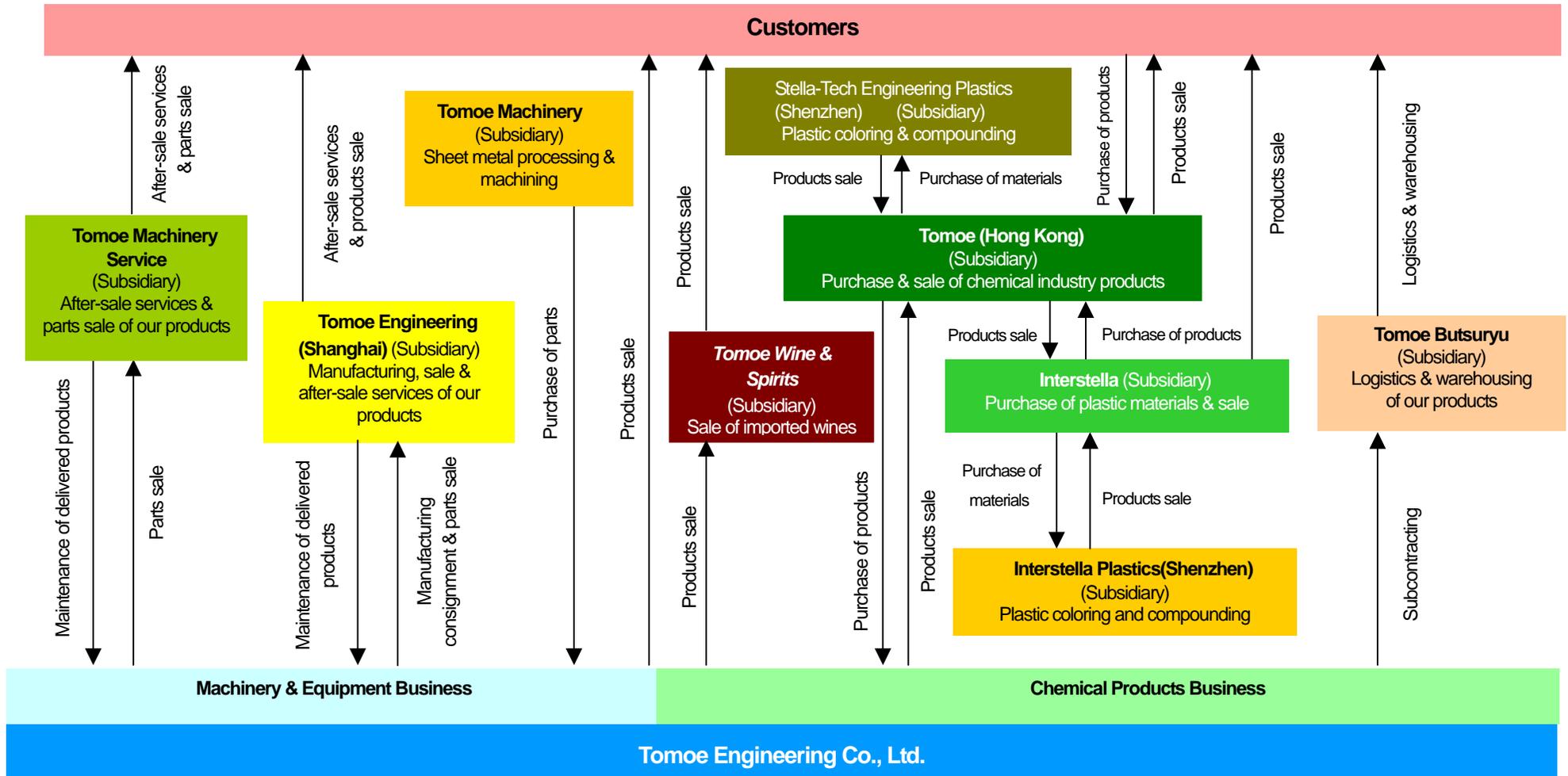
Interstella Plastics (Shenzhen) and Stella Tech Engineering Plastics (Shenzhen) are engaged in coloring and compounding of plastic materials. Our affiliate, Interstella is an investing company of Stella Tech Engineering Plastics (Shenzhen) and also serves as a contact for purchasing and sales. Tomoe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

### ***Other Businesses:***

Tomoe Butsuryu subcontracts with our company for products' 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 our 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 shall be 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 Indices

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 ordinary income, which directly expresses the absolute value and change of profitability.

#### (3) Mid- and Long-term Management Strategy

The mid- and long-term management strategy of Machinery & Equipment Business is to develop new products, reduce manufacturing cost, and develop overseas markets, and that of Chemical Products Business is to discover unique new commercial products to expand business in China.

To further develop the above strategy we formulated the Eighth Mid-term Management Plan "TIP10" (from year ended October 31, 2008 to year ending October 31, 2010) in February 2008 by setting the themes, "Succession" to strengthen core business and "Innovation" to make a great leap toward the further.

Since we experienced unprecedented changes in economic situation and business environment, we strengthened "TIP10" by adding measures to "attack specific businesses," which was marketing strategy from different views and to strengthen earning capacity, and decided to concentrate on continual implementation. Though the outlook for the fiscal year ending on October 31, 2010, which will be the final year for the mid-term management plan "TIP10," will be different from the initial plan standards because of radical changes of economic situations, we will try to build an unshakable performance base by performing specific sales plans advocated in the plan "TIP10" and its reinforcement plans.

#### (4) Challenges to be Addressed

We shall continue to seek to improve stable profitability of Machinery & Equipment Business and Chemical Products Business as two wheels of a cart and improve and strengthen the corporate governance and compliance as a major issue.

##### 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 making fuel from sludge and industrial wastes for CO<sub>2</sub> reduction, which is the theme, "Innovation," of the Eighth

Mid-term Management Plan, "TIP10."

Chemical Products Business:

We shall strengthen our core business, make a commitment in high-tech area, and continue to develop high-value-added products and introduce them to markets to improve our financial position. Regarding Huanan market, we will further strengthen cooperation between the head office and overseas subsidiaries in Hong Kong and Shenzhen and build a foundation to expand profit. We will continue working on the nano-related business that is the theme, "Innovation," of the Eighth Mid-term Management Plan, "TIP10."

To insure compliance management and to improve corporate ethics, we have made efforts to enhance our corporate governance and compliance, including formation of the Corporate Ethics Committee, and we shall continue our efforts. As for internal control regarding financial report based on Financial Instruments and Exchange Law, we shall also continue our efforts and focus on making improvements.

## 4. Consolidated Financial Statements

### (1) Balance Sheets

	Year Ended October 31, 2008	Year Ended October 31, 2009
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Deposits	1,811,434	4,447,793
Notes and Accounts Receivable-Trade	15,651,542	11,995,465
Inventories	5,472,066	0
Merchandise and Finished Goods	0	2,591,153
Work in Process	0	914,572
Raw Materials and Supplies	0	787,926
Deferred Tax Assets	628,526	398,437
Others	426,276	356,812
Allowance for Doubtful Accounts	(133,061)	(34,896)
<b>Total Current Assets</b>	<b>23,856,785</b>	<b>21,457,266</b>
<b>Noncurrent Assets</b>		
Property, Plant and Equipment		
Buildings and Structures	2,508,379	2,522,652
Accumulated Depreciation	(1,355,419)	(1,433,070)
Buildings and Structures, Net	1,152,960	1,089,581
Machinery, Equipment and Vehicles	3,388,940	3,400,759
Accumulated Depreciation	(2,331,611)	(2,482,626)
Machinery, Equipment and Vehicles, Net	1,057,328	918,132
Land	970,253	970,253
Lease Assets	0	88,451
Accumulated Depreciation	0	(29,614)
Lease Assets, Net	0	58,837
Others	1,015,170	956,862
Accumulated Depreciation	(822,301)	(869,884)
Others, Net	192,869	86,978
<b>Total Property, Plant and Equipment</b>	<b>3,373,412</b>	<b>3,123,783</b>
Intangible Assets	22,064	48,713
Investments and Other Assets		
Investment Securities	880,003	903,416
Guarantee Deposits	476,639	410,359
Deferred Tax Assets	34,023	53,522
Derivatives	22,522	0
Others	563,610	506,668
Allowance for Doubtful Accounts	(69,729)	(91,282)
<b>Total Investments and Other Assets</b>	<b>1,907,070</b>	<b>1,782,685</b>
<b>Total Noncurrent Assets</b>	<b>5,302,547</b>	<b>4,955,182</b>
<b>Total Assets</b>	<b>29,159,333</b>	<b>26,412,448</b>

	Year Ended October 31, 2008	Year Ended October 31, 2009
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Notes and Accounts Payable-Trade	7,177,796	5,430,683
Short-Term Loans Payable	1,054,069	692,481
Lease Obligations	0	28,107
Accounts Payable-Others	550,233	427,104
Income Taxes Payable	647,878	53,760
Advances Received	291,376	243,984
Provision for Bonuses	1,135,803	791,939
Provision for Directors' Bonuses	64,806	48,470
Allowance for Product Warranty	175,261	154,997
Others	217,108	294,512
<b>Total Current Liabilities</b>	<b>11,314,334</b>	<b>8,166,042</b>
<b>Noncurrent Liabilities</b>		
Long-Term Loans Payable	85,000	0
Lease Obligations	0	46,686
Provision for Retirement Benefits	31,958	29,034
Provision for Directors' Retirement Benefits	257,780	142,760
Deferred Tax Liabilities	4,514	50,901
Derivatives Liabilities	0	55,478
<b>Total Noncurrent Liabilities</b>	<b>379,253</b>	<b>324,861</b>
<b>Total Liabilities</b>	<b>11,693,588</b>	<b>8,490,904</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	14,913,596	15,557,577
Treasury Stock	(363,003)	(363,045)
<b>Total Shareholders' Equity</b>	<b>17,095,213</b>	<b>17,739,152</b>
<b>Valuation and Translation Adjustments</b>		
Valuation Difference on Available-for-Sale Securities	12,188	77,749
Deferred Gains or Losses on Hedges	26,115	(712)
Foreign Currency Translation Adjustment	21,748	(173,790)
<b>Total Valuation and Translation Adjustments</b>	<b>60,052</b>	<b>(96,753)</b>
<b>Minority Interests</b>	<b>310,478</b>	<b>279,145</b>
<b>Total Net Assets</b>	<b>17,465,744</b>	<b>17,921,544</b>
<b>Total Liabilities and Net Assets</b>	<b>29,159,333</b>	<b>26,412,448</b>

## (2) Statements of Consolidated Income

(Thousands of yen)

	Year Ended October 31, 2008	Year Ended October 31, 2009
<b>Net Sales</b>	47,542,836	36,304,727
<b>Cost of Sales</b>	38,329,506	28,790,924
<b>Gross Profit</b>	9,213,330	7,513,803
<b>Selling, General and Administrative Expenses</b>	6,757,121	5,928,589
<b>Operating Income</b>	2,456,209	1,585,213
<b>Non-Operating Income</b>		
Interest income	11,805	1,817
Dividends Income	55,114	47,221
Rent Income	25,311	25,111
Foreign Exchange Gains	78,849	58,054
Others	102,948	65,292
<b>Total Non-Operating Income</b>	274,030	197,497
<b>Non-Operating Expenses</b>		
Interest Expenses	63,949	20,618
Loss on Sales of Notes Payable	11,843	3,893
Commission Paid	23,024	9,975
Loss on Valuation of Derivatives	0	43,901
Others	17,886	17,488
<b>Total Non-Operating Expenses</b>	116,703	95,878
<b>Ordinary Income</b>	2,613,535	1,686,832
<b>Extraordinary Income</b>		
Gain on Sales of Investment Securities	0	3,225
Gain on Sales of Investments	5,627	0
Reversal of Allowance for Doubtful Accounts	32,254	51,707
<b>Total Extraordinary Income</b>	37,881	54,932
<b>Extraordinary Losses</b>		
Loss on Sales of Noncurrent Assets	2,959	113
Loss on Retirement of Noncurrent Assets	9,768	4,709
Loss on Sales of Investment Securities	116	6,039
Loss on Valuation of Investment Securities	29,331	83,716
Loss on Valuation of Investments	7,115	0
Loss on Valuation of Membership	3,300	2,598
Provision of Allowance for Doubtful Accounts	11,337	1,988
<b>Total Extraordinary Losses</b>	63,929	99,165
Income before Income Taxes and Minority Interests	2,587,487	1,642,599
Income Taxes-Current	1,162,491	401,136
Income Taxes-Deferred	11,219	232,869
<b>Total Income Taxes</b>	1,173,711	634,005
Minority Interests Income	48,647	15,349
<b>Net Income</b>	1,365,128	993,244

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

(Thousands of yen)

	Year Ended October 31, 2008	Year Ended October 31, 2009
Shareholders' Equity		
Common Stock		
Surplus during Previous Fiscal Year	1,061,210	1,061,210
Changes during This Fiscal Year		
Total Amount Changed	0	0
Surplus during This Fiscal Year	1,061,210	1,061,210
Capital Surplus		
Surplus during Previous Fiscal Year	1,483,410	1,483,410
Changes during This Fiscal Year		
Total Amount Changed	0	0
Surplus during This Fiscal Year	1,483,140	1,483,410
Retained Earnings		
Surplus during Previous Fiscal Year	13,897,737	14,913,596
Changes during This Fiscal Year		
Cash Dividend Paid	(349,269)	(349,263)
Net Income	1,365,128	993,244
Total Amount Changed	1,015,859	643,981
Surplus during This Fiscal Year	14,913,596	15,557,577
Issued Shares Reacquired		
Surplus During Previous Fiscal Year	(362,815)	(363,003)
Changes During This Fiscal Year		
Issued Shares Reacquired	(188)	(42)
Total Amount Changed	(188)	(42)
Surplus during This Fiscal Year	(363,003)	(363,045)
Total Shareholders' Equity		
Surplus during Previous Fiscal Year	16,079,542	17,095,213
Changes during This Fiscal Year		
Cash Dividend Paid	(349,269)	(349,263)
Net Income	1,365,128	993,244
Issued Shares Reacquired	(188)	(42)
Total Amount Changed	1,015,671	643,938
Surplus during This Fiscal Year	17,095,213	17,739,152

(Thousands of yen)

	Year Ended October 31, 2008	Year Ended October 31, 2009
<b>Revaluation and Translation Adjustments</b>		
Valuation Difference on Available-for-sale Securities		
Surplus during Previous Fiscal Year	436,288	12,188
Changes during This Fiscal Year		
Total (Net) Amount Changed (Except Shareholders' Equity)	(424,100)	65,561
Changes during This Fiscal Year	(424,100)	65,561
Surplus during This Fiscal Year	12,188	77,749
Deferred Gains or Losses on Hedges		
Surplus during Previous Fiscal Year	218,722	26,115
Changes during This Fiscal Year		
Total (Net) Amount Changed (Except Shareholders' Equity)	(192,606)	(26,828)
Changes during This Fiscal Year	(192,606)	(26,828)
Surplus during This Fiscal Year	26,115	(712)
Foreign Currency Translation Adjustment		
Surplus during Previous Fiscal Year	19,084	21,748
Changes during This Fiscal Year		
Total (Net) Amount Changed (Except Shareholders' Equity)	2,664	(195,539)
Changes during This Fiscal Year	2,664	(195,539)
Surplus during This Fiscal Year	21,748	(173,790)
Total Revaluation and Translation Adjustments		
Surplus during Previous Fiscal Year	674,095	60,052
Changes during This Fiscal Year		
Total (Net) Amount Changed (Except Shareholders' Equity)	(614,042)	(156,806)
Changes during This Fiscal Year	(614,042)	(156,806)
Surplus during This Fiscal Year	60,052	(96,753)
Minority Interests		
Surplus during Previous Fiscal Year	197,617	310,478
Changes during This Fiscal Year		
Total (Net) Amount Changed (Except Shareholders' Equity)	112,861	(31,333)
Changes during This Fiscal Year	112,861	(31,333)
Surplus during This Fiscal Year	310,478	279,145

(Thousands of yen)

	<b>Year Ended October 31, 2008</b>	<b>Year Ended October 31, 2009</b>
Total Net Assets		
Surplus during Previous Fiscal Year	16,951,254	17,465,744
Changes during This Fiscal Year		
Cash Dividend Paid	(349,269)	(349,263)
Net Income	1,365,128	993,244
Issued Shares Reacquired	(188)	(42)
Total (Net) Amount Changed (Except Shareholders' Equity)	(501,181)	(188,139)
Total Amount Changed	514,489	455,799
Surplus during This Fiscal Year	17,465,744	17,921,544

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

(Thousands of Yen)

	Year Ended October 31, 2008	Year Ended October 31, 2009
<b>Net Cash Provided by (Used in) Operating Activities</b>		
Income before Income Taxes and Minority Interests	2,587,487	1,642,599
Depreciation and Amortization	385,220	507,424
Increase (Decrease) in Provision for Bonuses	33,548	(341,878)
Increase (Decrease) in Provision for Directors' Bonuses	(3,293)	(16,335)
Increase (Decrease) in Allowance for Product Warranty	(61,364)	(20,263)
Increase (Decrease) in Provision for Retirement Benefits	(479)	(2,924)
Increase (Decrease) in Provision for Directors' Retirement Benefits	43,320	(115,020)
Increase (Decrease) in Allowance for Doubtful Accounts	35,922	(76,611)
Interests and Dividends Income	(66,920)	(49,039)
Interest Expenses	63,949	20,618
Foreign Exchange Losses (Gains)	23,634	9,361
Loss (Gain) on Valuation of Investment Securities	29,331	83,716
Loss (Gain) on Valuation of Derivatives	0	43,901
Loss on Valuation of Investments	7,115	0
Loss (Gain) on Sales of Investments	(5,627)	0
Loss (Gain) on Sales of Investment Securities	116	2,814
Loss (Gain) on Sales of Noncurrent Assets	2,959	113
Loss on Retirement of Noncurrent Assets	9,768	4,709
Loss on Valuation of Membership	3,300	2,598
Decrease (Increase) in Notes and Accounts Receivable-Trade	3,018,751	3,368,580
Decrease (Increase) in Inventories	(1,237,525)	1,014,662
Increase (Decrease) in Notes and Accounts Payable-Trade	125,327	(1,534,956)
Increase (Decrease) in Accounts Payable-Others	(116,925)	(69,016)
Increase (Decrease) in Advances Received	142,409	(43,463)
Increase (Decrease) in Accrued Consumption Taxes	(8,827)	117,215
Others, Net	31,991	300,261
Sub total	5,043,191	4,849,071
Interests and Dividends Income Received	59,310	50,273
Interest Expenses Paid	(45,661)	(41,028)
Income Taxes Paid	(1,091,032)	(1,214,047)
Net Cash Provided by (Used in) Operating Activities	3,965,808	3,644,268

(Thousands of Yen)

	Year Ended October 31, 2008	Year Ended October 31, 2009
<b>Net Cash Provided by (Used in) Investment Activities</b>		
Proceeds from Withdrawal of Time Deposits	0	100,000
Purchase of Property, Plant and Equipment	(644,223)	(246,733)
Proceeds from Sales of Property, Plant and Equipment	1,580	806
Purchase of Intangible Fixed Assets	(9,796)	(15,323)
Purchase of Investment Securities	(16,531)	(14,170)
Proceeds from Sales of Investment Securities	283	11,795
Collection of Loans Receivable	30,201	10,872
Payments of Loans Receivable	(3,680)	(1,160)
Guarantee Deposits (Increase)	(69,201)	55,119
Others, Net	66,677	10,121
Net Cash Provided by (Used in) Investment Activities	(644,689)	(88,671)
<b>Net Cash Provided by (Used in) Financing Activities</b>		
Net Increase (Decrease) in Short-Term Loans Payable	(2,957,753)	(239,857)
Repayments of Lease Obligations	0	(38,659)
Proceeds from Long-Term Loans Payable	85,000	0
Repayment of Long-Term Loans Payable	(240,000)	(115,000)
Purchase of Treasury Stock	(188)	(42)
Proceeds from Payment from Minority Shareholders	50,080	0
Cash Dividends Paid	(349,269)	(349,263)
Cash Dividends Paid to Minority Shareholders	(7,781)	(7,315)
Net Cash Provided by (Used in) Financing Activities	(3,419,911)	(750,137)
<b>Cash and Cash Equivalents</b>		
<b>Effect of Exchange Rate Change on Cash and Cash Equivalents</b>		
	(63,668)	(69,100)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(162,461)	2,736,358
<b>Cash and Cash Equivalents at Beginning of Period</b>	1,873,895	1,711,434
<b>Cash and Cash Equivalents at End of This Fiscal Year</b>	1,711,434	4,447,793

## (5) Notes for Premise of Going Concern

## (6) Changes of Important Items to be Basis for Making Consolidated Financial Statements

### [Changes of Accounting Policy]

#### Year Ended October 31, 2009

##### (1) Application of Accounting Standards for Inventory Valuation

From the current consolidated fiscal year we have applied "Accounting Standards for Inventory Valuation" (ASBJ Statement No. 9) and changed to historical-cost method (book value devaluation based on decrease in profitability). The effects that this change gives to the gain and loss for the segment information are minor.

##### (2) Application of Accounting Standards for Lease Transactions

With regard to non-transfer-ownership finance lease, it was treated as lease transaction before; however, in conformity with "Accounting Standards for Lease Transactions" (ASBJ Statement No. 13) and "Guidance on Accounting Standards for Lease Transactions" (ASBJ Guidance No. 16), it is treated as ordinary purchase and sale transaction from the current consolidated fiscal year. The effects that this change gives to the gain and loss for the current consolidated fiscal year are minor. The effects to the segment information are written in the pertinent sections.

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

From the current consolidated fiscal year, 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 current consolidated fiscal year are minor. The effects to the segment information are written in the pertinent sections.

### [Changes of Presentation Method]

#### Year Ended October 31, 2009

##### (Consolidated Balance Sheet)

In accordance with the partial modification of financial statements under Cabinet Order (Cabinet Office Regulation No. 50, August 7, 2008), we have classified "Inventories" presented in the statements for the previous consolidated fiscal year into "Merchandise and Finished Goods," "Work in Process," and "Raw Materials and Supplies" from the current consolidated fiscal year. "Merchandise and Finished Goods," "Work in Process," and "Raw Materials and Supplies" that are included in "Inventories" in the statements for the previous consolidated fiscal year are 3,285 million yen, 1,527 million yen, and 658 million yen, respectively.

### [Additional Information]

#### Year Ended October 31, 2009

##### (Depreciation Cost)

As a result of our review on usage of the assets etc. for compliance with modification of Corporate Tax Act, we have changed durable years of machinery and equipment. The effects that this change gives to the gain and loss for the current consolidated fiscal year are minor. The effects to the segment information are written in the pertinent sections.

## (7) Notes for Consolidated Financial Statements

### (Segment Information)

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	26,467,894	2,691,438	29,159,333
Depreciation Costs	297,403	87,816	385,220	0	385,220
Depreciation Loss	0	0	0	0	0
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 the current consolidated fiscal year, depreciation expense of tangible fixed assets acquired before March 31, 2007 is calculated in conformity to modification of Corporate Tax Act; difference between the equivalent of 5% of acquisition price and memorandum price is depreciated using straight-line method over a five years' period starting from the consolidated fiscal year following the consolidated fiscal year when the book value becomes 5% of acquisition price in accordance with the depreciation method based on Corporate Tax Act before modification. The effect of this change on segment information is insignificant.

Year Ended October 31, 2009

(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	11,950,908	24,353,818	36,304,727	0	36,304,727
(2) Internal Sales Among Segments or Amount Transferred	0	0	0	0	0
Total	11,950,908	24,353,818	36,304,727	0	36,304,727
Operating Costs	11,114,614	23,604,899	34,719,513	0	34,719,513
Operating Income	836,294	748,919	1,585,213	0	1,585,213
II. Assets, Depreciation Costs, Impairment Loss and Capital Expenditures					
Assets	7,804,364	13,256,874	21,061,238	5,351,209	26,412,448
Depreciation Costs	329,649	177,774	507,424	0	507,424
Depreciation Loss	0	0	0		0
Capital Expenditures	254,102	91,473	345,575	0	345,575

(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) Of the assets in the current consolidated fiscal year, the amount of the total company assets included in deletion or total company items is 5,351,209 thousand yen. The main items are surplus funds applied (deposits) and long-term investment funds (investment securities) of the parent company.

3. Changes for Accounting Standards

(1) Application of Accounting Standards for Inventory Valuation

From the current consolidated fiscal year we have applied "Accounting Standards for Inventory Valuation" (ASBJ Statement No. 9) and changed to historical-cost method (book value devaluation based on decrease in profitability). The effects that this change gives to the gain and loss for the segment information are minor.

(2) Application of Accounting Standards for Lease Transactions

With regard to non-transfer-ownership finance lease, it was treated as lease transaction before; however, in conformity with "Accounting Standards for Lease Transactions" (ASBJ Statement No. 13) and "Guidance on Accounting Standards for Lease Transactions" (ASBJ Guidance No. 16), it is treated as ordinary purchase and sale transaction from the current consolidated fiscal year. The effects that this change gives to the gain and loss for the current consolidated fiscal year are minor. The effects to the segment information are written in the pertinent sections.

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

From the current consolidated fiscal year, 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 segment information are minor.

4. As written in [Additional Information], (6) Changes of Important Items to be Basis for Making Consolidated Financial Statements, we have changed durable years of machinery and equipment as a result of our review on usage of the assets etc. for compliance with modification of Corporate Tax Act. The effects that this change gives to the gain and loss for the segment information are minor.

**(Segment by Location)**

**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 the current consolidated fiscal year, depreciation expense of tangible fixed assets acquired before March 31, 2007 is calculated in conformity to modification of Corporate Tax Act; difference between the equivalent of 5% of acquisition price and memorandum price is depreciated using straight-line method over a five years' period starting from the consolidated fiscal year following the consolidated fiscal year when the book value becomes 5% of acquisition price in accordance with the depreciation method based on Corporate Tax Act before modification. The effect of this change on segment information is insignificant.

**Year Ended October 31, 2009**

(Thousands of yen)

	Japan	Asia	Total	Deletion or Entire Company	Consolidated
I. Sales and Operating Income:					
Sales					
(1) Sales to Unaffiliated Customers	33,547,196	2,757,530	36,304,727	0	36,304,727
(2) Internal Sales Among Segments or Amount Transferred	362,241	151,072	513,313	(513,313)	0
Total	33,909,437	2,908,603	36,818,041	(513,313)	36,304,727
Operating Costs	32,312,927	2,916,644	35,229,571	(510,057)	34,719,513
Operating Income	1,596,510	(8,040)	1,588,469	(3,256)	1,585,213
II. Assets	19,034,683	2,238,833	21,273,516	5,138,932	26,412,448

(Notes)

1. Main countries or regions included in the areas other than Japan:  
     Asia: China, Korea, and Indonesia (Total 3 countries)
2. Of the assets in the current consolidated fiscal year, the amount of the total company assets included in deletion or total company items is 5,351,209 thousand yen. The main items are surplus funds applied (deposits) and long-term investment funds (investment securities) of the parent company.
3. Changes for Accounting Standards
  - (1) Application of Accounting Standards for Inventory Valuation  
 From the current consolidated fiscal year we have applied "Accounting Standards for Inventory Valuation" (ASBJ Statement No. 9) and changed to historical-cost method (book value devaluation based on decrease in profitability). The effects that this change gives to the gain and loss for the segment information are minor.
  - (2) Application of Accounting Standards for Lease Transactions  
 With regard to non-transfer-ownership finance lease, it was treated as lease transaction before; however, in conformity with "Accounting Standards for Lease Transactions" (ASBJ Statement No. 13) and "Guidance on Accounting Standards for Lease Transactions" (ASBJ Guidance No. 16), it is treated as ordinary purchase and sale transaction from the current consolidated fiscal year. The effects that this change gives to the gain and loss for the current consolidated fiscal year are minor. The effects that this change gives to the gain and loss for the segment information are minor.
  - (3) Application of Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements  
 From the current consolidated fiscal year, 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 segment information are minor.
4. As written in [Additional Information], (6) Changes of Important Items to be Basis for Making Consolidated Financial Statements, we have changed durable years of the machinery and equipment as a result of our review on usage of the assets etc. for compliance with modification of Corporate Tax Act. The effects that this change gives to the gain and loss for the segment information are minor.

**(Overseas Sales)****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 (Percent)	19.1	2.8	21.9

(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.

**Year Ended October 31, 2009**

(Thousands of yen)

	Asia	Other Regions	Total
I. Overseas Sales	6,965,307	1,994,390	8,959,698
II. Consolidated Sales	0	0	36,304,727
III. Percentage of Overseas Sales for Consolidated Sales (Percent)	19.2	5.5	24.7

(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.

(Per Share Information)

<b>Year Ended October 31, 2008</b>	<b>Year Ended October 31, 2009</b>
(1) Net asset per share: ¥1,719. <sup>15</sup>	(1) Net asset per share: ¥1,767. <sup>97</sup>
(2) Net income per share: ¥136. <sup>80</sup>	(2) Net income per share: ¥99. <sup>53</sup>
Income per share for this fiscal year after adjustment of the residual securities is not presented as there are no residual securities.	Income per share for this fiscal year after adjustment of the residual securities is not presented as there are no residual securities.

(Note 1) Calculation basis for net asset per share are as follows:

	<b>Year Ended October 31, 2008</b>	<b>Year Ended October 31, 2009</b>
Total for net asset (Thousands of yen)	17,465,744	17,921,544
Amount deducting from total for net asset (Thousands of yen)	310,478	279,145
(Quotient of minority shareholders)	(310,478)	(279,145)
Net asset for common stock (Thousands of yen)	17,155,266	17,642,398
Number of common stock as of the end of the current consolidated fiscal year used for calculation of net assets per share (Share)	9,978,952	9,978,902

(Note 2) Calculation basis for net income per share are as follows:

	<b>Year Ended October 31, 2008</b>	<b>Year Ended October 31, 2009</b>
Net income for this fiscal year (Thousands of yen)	1,365,128	993,244
Net income for common stock (Thousands of yen)	1,365,128	993,244
Average number of common stock during the fiscal year	9,979,000	9,978,921

(Significant subsequent events)

None.

(Omission of disclosure)

We omit disclosure of the notes for the consolidated balance sheets, statements of consolidated income, consolidated statements of changes in shareholders' equity, and consolidated statements of cash flows and notes for business combinations related to lease transactions, transactions with related parties, deferred tax accounting, securities, derivative transactions, retirement benefits, stock options, etc. are omitted, as we do not consider they are in significant need for disclosing in the financial results.

## 5. Non-Consolidated Financial Statements

### (1) Balance Sheets

(Thousands of yen)

Assets	79 <sup>th</sup> Period (October 31, 2008)	80 <sup>th</sup> Period (October 31, 2009)
<b>Current Assets</b>		
Cash and Deposits	871,788	3,236,812
Notes Receivable-Trade	3,941,182	3,105,418
Accounts Receivable-Trade	10,304,814	8,149,647
Merchandise	1,927,885	0
Finished Goods	149,442	0
Raw Materials	0	1,722,880
Work in Process	553,737	0
Supplies	1,404,235	828,102
Raw Materials and Supplies	23,997	0
Advance Payment	0	732,453
Prepaid Expense	40,008	53,504
Accrued Revenue	92,759	75,068
Short-Term Loans Receivable	270,163	201,813
Deferred Tax Assets	39,802	29,621
Others	611,959	380,761
Allowance for Doubtful Accounts	30,208	19,192
<b>Total Current Assets</b>	<b>(133,771)</b>	<b>(35,093)</b>
<b>Noncurrent Assets</b>	<b>20,128,214</b>	<b>18,500,184</b>
Property, Plant and Equipment		
Buildings	2,076,342	2,081,019
Accumulated Depreciation	(1,037,214)	(1,107,512)
Buildings, Net	1,039,127	973,506
Structures	146,549	146,549
Accumulated Depreciation	(113,911)	(119,605)
Structures, Net	32,638	26,944
Machinery and Equipment	2,287,841	2,328,842
Accumulated Depreciation	(1,786,837)	(1,880,437)
Machinery and Equipment, Net	501,003	448,405
Vehicles	46,937	39,437
Accumulated Depreciation	(45,059)	(38,254)
Vehicles, Net	1,877	1,183
Tools, Instrument and Equipment	810,647	832,858
Accumulated Depreciation	(729,274)	(775,530)
Tools, Instrument and Equipment, Net	81,373	57,328
Land	925,882	925,882
Lease Assets	0	85,463
Accumulated Depreciation	0	(28,717)
Lease Assets, Net	0	56,746

(Thousands of yen)

	79 <sup>th</sup> Period (October 31, 2008)	80 <sup>th</sup> Period (October 31, 2009)
Construction in Progress	0	6,518
<b>Total Property, Plant and Equipment</b>	2,581,902	2,496,514
Intangible Assets		
Software	12,937	10,383
Lease Asset	0	14,630
Software in Progress	0	14,718
Telephone Rights	8,165	8,165
<b>Total Intangible Assets</b>	21,103	47,898
Investments and Other Assets		
Investment Securities	828,503	851,916
Stocks of Affiliated Companies	483,765	483,765
Investments – Affiliated Companies	371,395	371,395
Long-Term Loans Receivable	413	0
Long-Term Loans Receivable to Employees	5,652	4,489
Claims in Bankruptcy	22,605	42,175
Prepaid Pension Expense	479,198	419,892
Guarantee Deposits	386,385	391,156
Derivatives	22,522	0
Others	82,720	79,589
Allowance for Doubtful Accounts	(69,729)	(91,282)
<b>Total Investments and Other Assets</b>	2,613,432	2,553,098
<b>Total Noncurrent Assets</b>	5,216,438	5,097,511
<b>Total Assets</b>	25,344,653	23,597,696

(Thousands of yen)

<b>Liabilities and Net Assets</b>	<b>79<sup>th</sup> Period (October 31, 2008)</b>	<b>80<sup>th</sup> Period (October 31, 2009)</b>
<b><u>Liabilities</u></b>		
<b>Current Liabilities</b>		
Notes Payable-Trade	789,310	714,942
Accounts Payable-Trade	5,263,320	4,194,574
Short-Term Loans Payable	240,000	0
Long-Term Loans Payable to be Repaid within One Year	90,000	0
Lease Obligations	0	27,210
Accounts Payable-Others	540,472	379,869
Income Taxes Payable	570,776	25,542
Accrued Business Tax	8,502	8,083
Accrued Consumption Tax	0	102,063
Provision for Bonuses	1,038,742	707,034
Provision for Directors' Bonuses	63,948	46,091
Allowance for Product Warranty	175,261	154,997
Accrued Expenses	154	15
Advances Received	289,966	240,936
Deposit Payable	58,959	82,798
Guarantee Deposit	74,325	78,388
<b>Total Current Liabilities</b>	<b>9,203,737</b>	<b>6,762,549</b>
<b>Noncurrent Liabilities</b>		
Lease Obligations	0	45,491
Provision for Retirement Benefits	4,863	5,743
Provision for Directors' Retirement Benefits	257,780	142,760
Deferred Tax Liabilities	4,266	50,699
Derivative Liabilities	0	55,478
<b>Total Noncurrent Liabilities</b>	<b>266,909</b>	<b>300,172</b>
<b>Total Liabilities</b>	<b>9,470,647</b>	<b>7,062,721</b>
<b><u>Net Assets</u></b>		
<b>Shareholders' Equity</b>		
Capital Stock	1,061,210	1,061,210
Capital Surplus		
Capital Reserve	1,483,410	1,483,410
<b>Total Capital Surplus</b>	<b>1,483,410</b>	<b>1,483,410</b>
Retained Earnings		
Legal Reserve of Retained Earnings	230,000	230,000
Other Retained Surplus		
Provision for Dividend Reserve	250,000	250,000
Reserve for Deferred Gains on Fixed Assets	28,175	26,720
Other Reserve	11,500,000	12,400,000

(Thousands of yen)

	<b>79<sup>th</sup> Period</b> <b>(October 31, 2008)</b>	<b>80<sup>th</sup> Period</b> <b>(October 31, 2009)</b>
Earned Surplus Carried Forward	1,645,908	1,369,642
<b><i>Total Retained Earnings</i></b>	<b>13,654,084</b>	<b>14,276,362</b>
<b>Treasury Stock</b>	<b>(363,003)</b>	<b>(363,045)</b>
<b><i>Total Shareholders' Equity</i></b>	<b>15,835,700</b>	<b>16,457,936</b>
<b>Valuation and Translation Adjustments</b>		
Valuation Difference on Available-for-Sale Securities	12,188	77,749
Deferred Gains or Losses on Hedges	26,115	(712)
<b>Total Valuation and Translation Adjustments</b>	<b>38,304</b>	<b>77,037</b>
<b><i>Total Net Assets</i></b>	<b>15,874,005</b>	<b>16,534,974</b>
<b>Total Liabilities and Net Assets</b>	<b>25,344,653</b>	<b>23,597,696</b>

## (2) Statements of Consolidated Income

(Thousands of yen)

	79 <sup>th</sup> Period (October 31, 2008)	80 <sup>th</sup> Period (October 31, 2009)
<b>Net Sales</b>		
Sales of Finished Goods	12,030,110	11,382,924
Merchandise Sale	31,267,197	22,542,689
<b>Total Cost of Sales</b>	43,297,308	33,925,613
<b>Cost of Sales</b>		
Cost of Finished Goods Sold		
Beginning Inventory	38,305	149,442
Cost of Manufacture	8,474,503	7,997,336
<b>Total</b>	8,512,808	8,146,778
Ending Inventory	149,442	18,363
Cost of Sales	8,363,366	8,128,415
Cost of Merchandise Sold		
Beginning Inventory	2,084,509	1,927,885
Purchase Amount	26,716,460	18,859,776
<b>Total</b>	28,800,970	20,787,662
Ending Inventory	1,927,885	1,704,516
Cost of Sales	26,873,085	19,083,145
<b>Total Cost of Sales</b>	35,236,451	27,211,560
<b>Gross Profit</b>	8,060,856	6,714,052
<b>Selling, General and Administrative Expenses</b>	6,113,411	5,373,448
<b>Operating Income</b>	1,947,444	1,340,604
<b>Non-Operating Income</b>		
Interest income	10,146	1,583
Dividends Income	184,481	167,382
Rent Income	80,015	78,074
Foreign Exchange Gains	48,107	87,023
Others	75,588	44,777
<b>Total Non-Operating Income</b>	398,340	378,841
<b>Non-Operating Expenses</b>		
Interest Expenses	24,981	2,805
Loss on Sales of Notes Payable	11,843	3,893
Rental Cost	28,892	27,782
Commission Paid	23,024	9,975
Loss on Valuation of Derivatives	0	43,901
Others	15,377	15,045
<b>Total Non-Operating Expenses</b>	104,119	103,404
<b>Ordinary Income</b>	2,241,666	1,616,041

(Thousands of yen)

	79 <sup>th</sup> Period (October 31, 2008)	80 <sup>th</sup> Period (October 31, 2009)
<b>Extraordinary Income</b>		
Gain on Sales of Investments	5,627	0
Gain on Sales of Investment Securities	0	3,225
Reversal of Allowance for Doubtful Accounts	32,254	52,220
<b>Total Extraordinary Income</b>	<b>37,881</b>	<b>55,446</b>
<b>Extraordinary Losses</b>		
Loss on Sales of Noncurrent Assets	2,959	113
Loss on Retirement of Noncurrent Assets	9,768	3,053
Loss on Sales of Investment Securities	116	6,039
Loss on Valuation of Investment Securities	29,331	83,716
Loss on Valuation of Investments	7,115	0
Loss on Valuation of Membership	3,300	2,598
Bad and Doubtful Debt	11,337	1,988
<b>Total Extraordinary Losses</b>	<b>63,929</b>	<b>97,509</b>
Income before Income Taxes and Minority Interests	2,215,618	1,573,978
Income Taxes-Current	1,024,213	348,400
Income Taxes-Deferred	(16,049)	254,037
<b>Total Income Taxes</b>	<b>1,008,163</b>	<b>602,437</b>
<b>Net Income</b>	<b>1,207,455</b>	<b>971,541</b>

### (3) Statements of Changes in Shareholders' Equity

(Thousands of yen)

	Year Ended October 31, 2008	Year Ended October 31, 2009
Shareholders' Equity		
Common Stock		
Surplus during Previous Fiscal Year	1,061,210	1,061,210
Changes during This Fiscal Year		
Total Amount Changed	0	0
Surplus during This Fiscal Year	1,061,210	1,061,210
Capital Surplus		
Capital Reserve		
Surplus during Previous Fiscal Year	1,483,410	1,483,410
Changes during This Fiscal Year		
Total Amount Changed	0	0
Surplus during This Fiscal Year	1,483,410	1,483,410
Retained Earnings		
Earned Reserve		
Surplus during Previous Fiscal Year	230,000	230,000
Changes during This Fiscal Year		
Total Amount Changed	0	0
Surplus during This Fiscal Year	230,000	230,000
Other Retained Earnings		
Reserve for dividend allowance		
Surplus during Previous Fiscal Year	250,000	250,000
Changes during This Fiscal Year		
Total Amount Changed	0	0
Surplus during This Fiscal Year	250,000	250,000
Reserve for Deferred Gains on Fixed Assets		
Surplus during Previous Fiscal Year	29,722	28,175
Changes during This Fiscal Year		
Reversal of Reserve for Deferred Gains on Fixed Assets	(1,546)	(1,455)
Total Amount Changed	(1,546)	(1,455)
Surplus during This Fiscal Year	28,175	26,720
Other Reserve		
Surplus during Previous Fiscal Year	11,200,000	11,500,000
Changes during This Fiscal Year		
Accumulation of Other Reserve	300,000	900,000
Total Amount Changed	300,000	900,000
Surplus during This Fiscal Year	11,500,000	12,400,000
Earned Surplus Carried Forward		
Surplus during Previous Fiscal Year	1,086,175	1,645,908
Changes during This Fiscal Year		

(Thousands of yen)

	Year Ended October 31, 2008	Year Ended October 31, 2009
Reversal of Reserve for Deferred Gains on Fixed Assets	1,546	1,455
Accumulation of Other Reserve	(300,000)	(900,000)
Cash Dividend Paid	(349,269)	(349,263)
Net Income	1,207,455	971,541
Total Amount Changed	559,733	(276,266)
Surplus during This Fiscal Year	1,645,908	1,369,642
Total Retained Earnings		
Surplus during Previous Fiscal Year	12,795,898	13,654,084
Changes during This Fiscal Year		
Cash Dividend Paid	(349,269)	(349,263)
Net Income	1,207,455	971,541
Total Amount Changed	858,186	622,277
Surplus during This Fiscal Year	13,654,084	14,276,362
Issued Shares Reacquired		
Surplus during Previous Fiscal Year	(362,815)	(363,003)
Changes during This Fiscal Year		
Issued Shares Reacquired	(188)	(42)
Total Amount Changed	(188)	(42)
Surplus during This Fiscal Year	(363,003)	(363,045)
Total Shareholders' Equity		
Surplus during Previous Fiscal Year	14,977,702	15,835,700
Changes during This Fiscal Year		
Cash Dividend Paid	(349,269)	(349,263)
Net Income	1,207,455	971,541
Issued Shares Reacquired	(188)	(42)
Total Amount Changed	857,998	622,235
Surplus during This Fiscal Year	15,835,700	16,457,936
Revaluation and Translation Adjustments		
Valuation Difference on Available-for-sale Securities		
Surplus During Previous Fiscal Year	436,288	12,188
Changes During This Fiscal Year		
Total (Net) Amount Changed (Except Shareholders' Equity)	(424,100)	65,561
Changes during This Fiscal Year	(424,100)	65,561
Surplus during This Fiscal Year	12,188	77,749
Deferred Gains or Losses on Hedges		
Surplus during Previous Fiscal Year	218,722	26,115
Changes during This Fiscal Year		

(Thousands of yen)

	Year Ended October 31, 2008	Year Ended October 31, 2009
Total (Net) Amount Changed (Except Shareholders' Equity)	(192,606)	(26,828)
Changes during This Fiscal Year	(192,606)	(26,828)
Surplus during This Fiscal Year	26,115	(712)
Total Revaluation and Translation Adjustments		
Surplus during Previous Fiscal Year	655,010	38,304
Changes during This Fiscal Year		
Total (Net) Amount Changed (Except Shareholders' Equity)	(616,706)	38,733
Changes during This Fiscal Year	(616,706)	38,733
Surplus during This Fiscal Year	38,304	77,037
Total Net Assets		
Surplus during Previous Fiscal Year	15,632,713	15,874,005
Changes during This Fiscal Year		
Cash Dividend Paid	(349,269)	(349,263)
Net Income	1,207,455	971,541
Issued Shares Reacquired	(188)	(42)
Total (Net) Amount Changed (Except Shareholders' Equity)	(616,706)	38,733
Total Amount Changed	241,291	660,969
Surplus during This Fiscal Year	15,874,005	16,534,974

#### (4) Notes for Premise of Going Concern

None.

#### (5) Notes for Non-Consolidated Financial Statements

(Per Share Information)

Year Ended October 31, 2008	Year Ended October 31, 2009
Net asset per share: ¥1,590. <sup>75</sup>	Net asset per share: ¥1656. <sup>99</sup>
Net income per share: ¥121. <sup>00</sup>	Net income per share: ¥97. <sup>36</sup>
Income per share for this fiscal year after adjustment of the residual securities is not presented as there are no residual securities.	Income per share for this fiscal year after adjustment of the residual securities is not presented as there are no residual securities.

(Note) Calculation basis

##### 1. Net assets per share

	79 <sup>th</sup> Period (Year Ended October 31, 2008)	80 <sup>th</sup> Period (Year Ended October 31, 2009)
Total for net assets in balance sheets (Thousands of yen)	15,874,005	16,534,974
Net assets for common stock (Thousands of yen)	15,874,005	16,534,974
Number of outstanding common stock (Share)	10,533,200	10,533,200
Number of treasury common stock (Share)	554,248	554,298
Number of common stock as of the end of the current consolidated fiscal year used for calculation of net assets per share (Shares)	9,978,952	9,978,902

##### 2. Net income per share

	79 <sup>th</sup> Period (Year Ended October 31, 2008)	80 <sup>th</sup> Period (Year Ended October 31, 2009)
Net income for this fiscal year (Thousands of yen)	1,207,455	971,541
Net income for common stock (Thousands of yen)	1,207,455	971,541
Average number of common stock during the fiscal year (Shares)	9,979,000	9,978,921