

Financial Results for the Third Quarter Ended July 31, 2010 [Japan GAAP] (Consolidated)

Date: September 3, 2010
 Company Name and Code: Tomoe Engineering Co., Ltd. and Subsidiaries - 6309
 (Website: http://www.tomo-e.co.jp/index_e.html)
 Stock Exchange Listing: 1st Section, Tokyo Stock Exchange
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 Date to report Consolidated Quarterly Financial Statement: September 10, 2010
 Date for Dividend Payment:
 Preparation of Supplementary Explanatory Materials for Quarterly Operating Results: No
 Briefing Session for Quarterly Operating Results: Not planned.

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

1. Consolidated Financial Data for the Third Quarter Ended July 31, 2010

(1) Results of Operation (Consolidated) (Percent: Change from the same 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, 2010	28,843	4.4	1,778	34.6	1,823	24.7
Quarter Ended July 31, 2009	27,624	-	1,321	-	1,462	-

	Net Income		Net Income per Share	Fully Diluted Quarterly Net Income per Share
	Millions of Yen	Percent	Yen	Yen
Quarter Ended July 31, 2010	1,088	31.8	109. ⁰⁹	-
Quarter Ended July 31, 2009	825	-	82. ⁷⁴	-

(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, 2010	28,619	18,695	64.3	1,845. ²⁹
Year Ended October 31, 2009	26,412	17,921	66.8	1,767. ⁹⁷

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

Third Quarter ended July 31, 2010: 18,413 million yen

Year ended October 31, 2009: 17,642 million yen

2. Dividend Status

(Record Date)	Annual Dividend (Yen)				
	First Quarter	Interim Term	Third Quarter	End of Fiscal Year	Annual
Year Ended October 31, 2009	-	0.00	-	30. ⁰⁰	30. ⁰⁰
Year Ending October 31, 2010	-	0.00	-		
Year Ending October 31, 2010 (Prospect)				35. ⁰⁰	35. ⁰⁰

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

3. Forecast for Earnings for the Year Ending October 31, 2010 (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	39,100	7.7	2,030	28.1	2,100	24.5

	Net Income		Net Income per Share
	(Millions of Yen)	(Percent)	Yen
Full Business Year	1,300	30.9	130. ²⁸

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

4. Others (For details, refer to “2. Other Information” of [Attachments] on page 4.)

(1) Significant changes in subsidiaries during this quarter: None

(Note) Changes in specific subsidiaries in conjunction with a change in the scope of consolidation during the quarterly accounting period.

(2) Adoption of simplified accounting method and the specific accounting method: Yes

(Note) Application of simplified accounting method and special accounting method in the preparation of quarterly consolidated financial statements.

(3) Changes of the principles, procedures, and representation of the accounting policies

1) Change due to revision of accounting standard: Yes

2) Other changes: None

(Note) Changes in accounting principles, procedures and reporting methods pertaining to the preparation of consolidated quarterly financial statements as stipulated in “Change in the Basis of Presenting Consolidated Quarterly Financial Statements”).

(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, 2010: 10,533,200 shares At October 31, 2009: 10,533,200 shares

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

At July 31, 2010: 554,418 shares At October 31, 2009: 554,298 shares

3) Number of average shares (accumulated quarterly total)

At July 31, 2010: 9,978,835 shares At July 31, 2009: 9,978,927 shares

*Disclosure concerning status of implementation of quarterly review procedure

This quarterly earnings report is exempt from the quarterly review procedure based on the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly earnings report, the Company has not completed a quarterly review procedure based on the Financial Instruments and Exchange Act.

*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. Please refer to the Qualitative Information on Quarterly Consolidated Earnings Forecast on Page 4 of the Financial Results for the Quarter (Attachments) to this quarterly earnings report for the conditions used as assumptions for the operating results forecast and matters to note when using forward-looking statements.

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[Qualitative Information and Financial Statements, etc.]

1. Qualitative Information on Quarterly Consolidated Operating Results

(1) Qualitative Information on Consolidated Operating Results

(a) General operating results

During the third quarter consolidated year-to-date period, Japan's economy was supported by several factors including growth in exports and the effects of economic stimulus measures. Indications that production levels in general were improving steadily, and that capital investment was emerging from a prolonged slump, could be noted as well. Hampered by the fragile employment situation and slow improvement in the deflationary trend, however, as well as by appreciation of the yen that was triggered by worries about fiscal and monetary policies in Europe and concerns of a US economic slowdown, this failed to produce an accelerating level of activity that would result in a self-sustaining economic recovery. Under such circumstances, net sales for the Chemical Products Business exhibited growth resulting from improvements in the supply and demand situation, including both the electronics materials sector and plastics sector, but in the Machinery & Equipment Business, lower sales proved inevitable in the face of conditions that ranged from lackluster domestic private sector demand to an anticipated drop following completion of several large-scale projects for overseas customers in the prior year. Because higher sales for the Chemical Products Business exceeded the sales decline in the Machinery & Equipment Business, for the Tomoe Engineering Group as a whole, consolidated net sales through the end of the third quarter were 28,843 million yen, 4.4% up from the same period one year earlier. From an earnings perspective, total consolidated operating income for both businesses improved more rapidly than the growth in net sales, especially because of higher sales of parts and repairs in high margin sectors, even in the Machinery & Equipment Business where sales declined, rising 34.6% year-on-year to 1,778 million yen. Cumulative ordinary income was 1,823 million yen, 24.7% up from the same period last year because of a small increase in the loss on valuation of derivatives, and consolidated third quarter year-to-date net income, including the contribution from the gain on sale of investment securities, rose to 1,088 million yen, 31.8% up from the same period last year.

(b) Machinery & Equipment Business

In the Machinery & Equipment Business, year-to-date consolidated net sales were 8,482 million yen, 8.6% down from the same period last year. Although net sales from domestic public sector demand were higher for equipment and systems as well as for parts and repairs, net sales resulting from domestic private sector demand remained slack and were lower than in the prior year, when sales were boosted by the shipment of large-scale centrifuges for the chemical industry in Poland. Cumulative operating income, however, exhibited growth 5.0% up from the same period one year earlier to 857 million yen, boosted by a greater tendency than in most years for projects with relatively high profit margins centered on net sales of parts and repairs to be concentrated in the first three quarters, and the effect of cutbacks in expenses.

While the decline in net sales from domestic private sector demand was centered on the postponement or loss of some business projects, compared with prior years such movements were somewhat more notable during the consolidated third quarter year-to-date period.

(c) Chemical Products Business

With regard to the Chemical Products Business, a rising sales trend primarily in the electronics materials sector, plastics sector and fine chemicals sector and driven by a general improvement in supply and demand was clearly evident, while overseas, sales at Tomoe Engineering (Hong Kong) Co., Ltd. expanded steadily.

As a result, cumulative consolidated net sales for this business as a whole were 20,360 million yen, 11.0% up compared with the same period last year. In particular, the growth rate of the electronics materials sector against the backdrop of a recovery in semiconductor-related demand was conspicuous, and served as one factor supporting the growth rate of total net sales for this business. Because net sales of commercial products with relatively high added value in the electronics materials, industrial materials and performance materials sectors increased as a percentage of total net sales, and the improvement trend resulting from appreciation of the yen continued to affect all imported commercial products, total consolidated operating income for this business increased more rapidly than the growth in net sales and totaled 921 million yen, 82.5% up compared with the same period last year.

(2) Qualitative Information on Consolidated Financial Position:

(a) Assets, Liabilities, and Net Assets

Assets at the end of the consolidated third quarter under review were 28,619 million yen, 2,207 million yen or 8.4% up from up the end of the previous consolidated fiscal year (October 31, 2009), mainly due to increases in current assets including cash and deposits, notes and accounts receivable-trade, and inventories.

On the other hand, total liabilities were 9,924 million yen, 1,433 million yen or 16.9% up from the balance at the end of the previous consolidated fiscal year. This mainly reflected an increase in current liabilities such as notes and accounts payable-trade and income taxes payable. Net assets rose 774 million yen (4.3%) compared with the end of the previous consolidated fiscal year to 18,695 million yen, mainly because of an increase in retained earnings.

As a result, the net assets ratio at the end of the consolidated third quarter under review decreased by 2.5 points to 64.3% from the end of the previous consolidated fiscal year.

(b) Cash Flow Status

Cash and cash equivalents as of the end of the consolidated third quarter under review decreased by 5 million yen to 3,667 million yen from the end of the previous consolidated fiscal year. The status of each cash flow and their factors during the third quarter are as follows:

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

Net cash provided by operating activities was 976 million yen, mainly because of income before income taxes and minority interests of 1,877 million yen and increases in notes and accounts receivable-trade of 1,355 million, inventory of 733 million, and notes and accounts payable-trade of 896 million yen.

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

Cash used in investing activities was 1,355 million yen, mainly because net purchases of time deposits of 1,378 million yen exceeded the proceeds from sales of investment securities of 218 million yen.

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

Net cash used in financing activities was 387 million yen. Uses of cash included cash dividends paid of 299 million yen and the repayment of long-term loans payable totaling 60 million yen by group companies.

(3) Qualitative Information on Consolidated Earnings Forecast:

Because growth in sales in the Chemical Products Business will contribute to higher net sales, consolidated net sales for the full year are expected to be 39,100 million yen, 7.7% up from the previous consolidated fiscal year, and full year consolidated operating income is projected to be 2,030 million yen, 28.1% up from the previous year, reflecting the growth in net sales in relatively high added value sectors and across-the-board reductions in spending in both the Chemical Products Business and the Machinery & Equipment Business, and appreciation of the yen. As a result, consolidated ordinary income is projected to increase to 2,100 million yen, 24.5% up year-over-year, and net income is projected to be 306 million yen higher or 1,300 million yen, 30.9% up over the last year. The full year projected consolidated operating results described above are unchanged from the forecast announced in the "Notice Concerning Revision of Earnings Forecast and Dividend Projection" released on May 28, 2010.

The operating results forecasts described above are based on information available to the Company at the time the forecasts were prepared and assumptions judged to be reasonable. Actual operating results might differ from these forecasts depending upon changes in the domestic and international economic trends, the balance of supply and demand and various other circumstances.

2. Other Information

(1) Summary of Changes in Material Subsidiaries: None

(2) Summary of Simplified Accounting Treatment and Special Accounting Treatment

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.

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

Change of accounting policy for reporting balance of completed contracts and cost of completed contracts:

We have traditionally reported revenues and costs of construction contracts by applying the completed-contract method. Beginning from the first quarter consolidated accounting period, we will apply the Accounting Standard for Construction Contracts (Accounting Standards Board of Japan Statement No. 15, December 27, 2007) and the Guidance on Accounting Standard for Construction Contracts (Accounting Standards Board of Japan Implementation Guidance No. 18, December 27, 2007). Beginning from works contracts for which construction activity was begun during the consolidated first quarter period under review, we will apply the percentage of completion method for works for which the outcome of the construction activity is deemed certain by the end of the consolidated third quarter period, and will apply the completed-contract method for all other works.

For the consolidated third quarter under review, this change did not have a material effect on our earning and business segment information, because we did not have any contracts that fulfilled the requirements for application of the percentage of completion method.

3. Consolidated Financial Statement

(1) Consolidated Quarterly Balance Sheets

(Thousands of Yen)

Assets	End of Third Quarter (July 31, 2010)	Summarized Balance Sheet for End of Previous Year (October 31, 2009)
Current Assets		
Cash and Deposits	5,034,639	4,447,793
Notes and Accounts Receivable-Trade	13,321,218	11,995,465
Merchandise and Finished Goods	3,216,636	2,591,153
Work in Process	1,012,415	914,572
Raw Materials and Supplies	787,103	787,926
Deferred Tax Assets	399,581	398,437
Others	125,453	356,812
Allowance for Doubtful Accounts	(28,831)	(34,896)
Total Current Assets	23,868,218	21,457,266
Noncurrent Assets		
Property, Plant and Equipment		
Buildings and Structures	2,521,944	2,522,652
Accumulated Depreciation	(1,484,826)	(1,433,070)
Buildings and Structures, Net	1,037,117	1,089,581
Machinery, Equipment and Vehicles	3,448,529	3,400,759
Accumulated Depreciation	(2,616,592)	(2,482,626)
Machinery, Equipment and Vehicles, Net	831,937	918,132
Land	970,253	970,253
Lease Assets	79,115	88,451
Accumulated Depreciation	(36,115)	(29,614)
Lease Assets, Net	43,000	58,837
Others	978,043	956,862
Accumulated Depreciation	(899,593)	(869,884)
Others, Net	78,450	86,978
Total Property, Plant and Equipment	2,960,759	3,123,783
Intangible Assets	86,832	48,713
Investments and Other Assets		
Investment Securities	739,285	903,416
Guarantee Deposits	413,640	410,359
Deferred Tax Assets	55,594	53,522
Others	577,825	506,668
Allowance for Doubtful Accounts	(82,276)	(91,282)
Total Investments and Other Assets	1,704,068	1,782,685
Total Noncurrent Assets	4,751,660	4,955,182
Total Assets	28,619,878	26,412,448

(Thousands of Yen)

Liabilities and Net Assets	End of Third Quarter (July 31, 2010)	Summarized Balance Sheet for End of Previous Year (October 31, 2009)
Liabilities		
Current Liabilities		
Notes and Accounts Payable-Trade	6,295,235	5,430,683
Short-Term Loans Payable	618,862	692,481
Lease Obligations	25,850	28,107
Accounts Payable-Others	473,798	427,104
Income Taxes Payable	589,852	53,760
Advances Received	435,751	243,984
Provision for Bonuses	652,102	791,939
Provision for Directors' Bonuses	67,524	48,470
Allowance for Product Warranty	147,384	154,997
Others	278,091	294,512
Total Current Liabilities	9,584,453	8,166,042
Noncurrent Liabilities		
Lease Obligations	27,779	46,686
Provision for Retirement Benefits	31,701	29,034
Provision for Directors' Retirement Benefits	142,760	142,760
Deferred Tax Liabilities	48,011	50,901
Derivatives	89,518	55,478
Total Noncurrent Liabilities	339,771	324,861
Total Liabilities	9,924,224	8,490,904
Net Assets		
Shareholders' Equity		
Capital Stock	1,061,210	1,061,210
Capital Surplus	1,483,410	1,483,410
Retained Earnings	16,346,788	15,557,577
Treasury Stock	(363,194)	(363,045)
Total Shareholders' Equity	18,528,213	17,739,152
Valuation and Translation Adjustments		
Valuation Difference on Available-for-Sale Securities	80,995	77,749
Deferred Gains or Losses on Hedges	(3,654)	(712)
Foreign Currency Translation Adjustment	(191,829)	(173,790)
Total Valuation and Translation Adjustments	(114,488)	(96,753)
Minority Interests	281,929	279,145
Total Net Assets	18,695,654	17,921,544
Total Liabilities and Net Assets	28,619,878	26,412,448

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

(Thousands of Yen)

	Third Quarter Ended July 31, 2009	Third Quarter Ended July 31, 2010
Net Sales	27,624,345	28,843,057
Cost of Sales	21,847,979	22,540,796
Gross Profit	5,776,365	6,302,261
Selling, General and Administrative Expenses	4,455,354	4,523,673
Operating Income	1,321,011	1,778,588
Non-Operating Income		
Interest income	1,558	4,832
Dividends Income	46,942	14,519
Rent Income	18,858	13,681
Foreign Exchange Gains	56,944	61,257
Gain on Valuation of Derivatives	23,298	-
Others	40,005	30,914
Total Non-Operating Income	187,606	125,204
Non-Operating Expenses		
Interest Expenses	18,304	5,794
Loss on Sales of Notes Payable	3,871	58
Commission Fee	9,219	9,252
Loss on Valuation of Derivatives	-	52,408
Others	14,469	12,415
Total Non-Operating Expenses	45,864	79,930
Ordinary Income	1,462,753	1,823,862
Extraordinary Income		
Gain on Sales of Investment Securities	-	159,344
Reversal of Allowance for Doubtful Accounts	47,989	13,461
Total Extraordinary Income	47,989	172,806
Extraordinary Losses		
Loss on Retirement of Noncurrent Assets	3,307	1,952
Loss on Sales of Noncurrent Assets	113	-
Loss on Sales of Investments Securities	5,948	-
Loss on Valuation of Investments Securities	76,692	117,683
Provision of Allowance for Doubtful Accounts	262	-
Total Extraordinary Losses	86,325	119,636
Income before Income Taxes and Minority Interests	1,424,417	1,877,032
Income Taxes-Current	238,338	778,499
Income Taxes-Deferred	349,064	(2,409)
Total Income Taxes	587,403	776,089
Minority Interests in Losses	11,349	12,365
Net Income (Loss)	825,664	1,088,577

(3) Consolidated Quarterly Statements of Cash Flows

(Thousands of Yen)

	Third Quarter Ended July 31, 2009	Third Quarter Ended July 31, 2010
Net Cash Provided by (Used in) Operating Activities		
Income before Income Taxes and Minority Interests	1,424,417	1,877,032
Depreciation and Amortization	388,572	292,587
Increase (Decrease) in Provision for Bonuses	(686,294)	(139,368)
Increase (Decrease) in Provision for Directors' Bonuses	(35,799)	19,053
Increase (Decrease) in Allowance for Product Warranty	(25,881)	(7,613)
Increase (Decrease) in Provision for Retirement Benefits	(6,201)	2,687
Increase (Decrease) in Provision for Directors' Retirement Benefits	(115,020)	-
Increase (Decrease) in Allowance for Doubtful Accounts	(70,830)	(15,071)
Loss (Gain) on Valuation of Investment Securities	76,692	117,683
Interest and Dividends Income	(48,501)	(19,351)
Interest Expenses	18,304	5,794
Foreign Exchange Losses (Gains)	3,871	8,719
Loss (Gain) on Retirement of Noncurrent Assets	3,307	1,952
Loss (Gain) on Sales of Noncurrent Assets	113	-
Loss (Gain) on Sales of Investment Securities	5,948	(159,344)
Loss (Gain) on Valuation of Derivatives	(23,298)	52,408
Decrease (Increase) in Notes and Accounts Receivable-Trade	3,741,363	(1,355,300)
Decrease (Increase) in Inventories	502,878	(733,219)
Increase (Decrease) in Notes and Accounts Payable-Trade	(1,490,418)	896,777
Increase (Decrease) in Accounts Payable-Others	(119,511)	44,663
Increase (Decrease) in Advances Received	(196)	192,562
Increase (Decrease) in Accrued Consumption Taxes	109,418	(55,548)
Others, Net	320,456	(41,925)
Sub total	3,973,393	985,179
Interests and Dividends Income Received	49,754	16,486
Interest Expenses Paid	(38,642)	(12,717)
Income Taxes Paid (-) or Returned	(1,211,836)	(12,470)
Net Cash Provided by (Used in) Operating Activities	2,772,667	976,476
Net Cash Provided by (Used in) Investing Activities		
Deposit of Time Deposits	-	(2,378,526)
Proceeds from Withdrawal of Time Deposits	100,000	1,000,000
Proceeds from Sales of Property, Plant and Equipment	238	-
Purchase of Property, Plant and Equipment	(207,935)	(129,224)
Purchase of Intangible Assets	-	(48,066)
Proceeds from Sales of Investment Securities	5,339	218,109
Purchase of Investment Securities	(11,648)	(11,509)
Collection of Loans Receivable	10,423	2,357
Payments of Loans Receivable	(980)	(3,435)
Guarantee Deposits (Increase)	60,721	(3,633)
Others, Net	11,379	(1,309)
Net Cash Provided by (Used in) Investment Activities	(32,461)	(1,355,236)

(Thousands of Yen)

	Third Quarter Ended July 31, 2009	Third Quarter Ended July 31, 2010
Net Cash Provided by (Used in) Financing Activities		
Net Increase (Decrease) in Short-Term Loans Payable	(239,577)	-
Repayments of Lease Obligations	(30,079)	(21,164)
Repayment of Long-Term Loans Payable	(115,000)	(60,000)
Purchase of Treasury Stock	(42)	(148)
Cash Dividends Paid	(349,263)	(299,367)
Cash Dividends Paid to Minority Shareholders	(7,315)	(6,740)
Net Cash Provided by (Used in) Financing Activities	(741,277)	(387,420)
Effect of Exchange Rate Change on Cash and Cash Equivalents	(37,774)	14,368
Net Increase (Decrease) in Cash and Cash Equivalents	1,961,154	(780,548)
Cash and Cash Equivalents at Beginning of Period	1,711,434	4,447,793
Cash and Cash Equivalents at End of Period	3,672,588	3,667,244

(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
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 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 first 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 first 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 first quarter are minor.

4. 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 first quarter are minor.

Third Quarter Ended July 31, 2010

(Thousands of Yen)

	Machinery & Equipment Business	Chemical Products Business	Total	Deletion or Total Company	Consolidated
Net Sales					
(1) Net Sales to Unaffiliated Customers	8,482,344	20,360,712	28,843,057	-	28,843,057
(2) Internal Net Sales among Segments or Amount Transferred	-	-	-	-	-
Total	8,482,344	20,360,712	28,843,057	-	28,843,057
Operating Income (Loss)	857,225	921,362	1,778,588	-	1,778,588

(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, 2009**

(Thousands of Yen)

	Japan	Asia	Total	Deletion or Total Company	Consolidated
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 Income (Loss)	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

3. Changes for Accounting Standards

(1) Changes 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 first 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 first 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 first quarter are minor.

4. 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 first quarter are minor.

Third Quarter Ended July 31, 2010

(Thousands of Yen)

	Japan	Asia	Total	Deletion or Total Company	Consolidated
Net Sales					
(1) Net Sales to Unaffiliated Customers	26,371,985	2,471,072	28,843,057	-	28,843,057
(2) Internal Net Sales among Segments or Amount Transferred	309,793	143,679	453,473	(453,473)	-
Total	26,681,779	2,614,752	29,296,531	(453,473)	28,843,057
Operating Income	1,714,380	66,526	1,780,907	(2,319)	1,778,588

(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

(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:
 - (1) Asia: China, Korea, Taiwan and Indonesia
 - (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.

Third Quarter Ended July 31, 2010

(Thousands of Yen)

	Asia	Other Regions	Total
I. Overseas Net Sales	5,411,670	511,398	5,923,068
II. Consolidated Net Sales	-	-	28,843,057
III. Ratio of Overseas Net Sales to Consolidated Net Sales (%)	18.8	1.8	20.5

(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:
 - (1) Asia: China, Korea, Taiwan and Indonesia
 - (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.