

# Financial Results for the Fiscal Year Ended October 31, 2010

Date: December 10, 2010  
 Company: Tomoe Engineering Co., Ltd. and Subsidiaries  
 (Web Site: [http://www.tomo-e.co.jp/index\\_e.html](http://www.tomo-e.co.jp/index_e.html))  
 Stock exchange listing: 1<sup>st</sup> Section, Tokyo Stock Exchange  
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 Date of Annual Shareholders Meeting: January 28, 2011  
 Date of Dividend Payment: January 31 2011  
 Date of Financial Statement: January 28, 2011

## 1. Consolidated Financial Results for the Year Ended October 31, 2010

### (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, 2010</b>	38,816	6.9	2,173	37.1	2,179	29.2
<b>Year Ended October 31, 2009</b>	36,304	(23.6)	1,585	(35.5)	1,686	(35.5)

	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, 2010</b>	1,354	36.4	135. <sup>27</sup>	-	7.5	7.8	5.6
<b>Year Ended October 31, 2009</b>	993	(27.2)	99. <sup>53</sup>	-	5.7	6.1	4.4

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

Fiscal year ended October 31, 2010: None

Fiscal year ended October 31, 2009: None

### (2) Financial Condition (Consolidated)

	Total Assets (A)	Net Assets (B)	Net Assets Ratio (B / A)	Net Assets per Share
	(Millions of Yen)	(Millions of Yen)	(Percent)	(Yen)
<b>Year Ended October 31, 2010</b>	29,799	18,852	62.4	1,862. <sup>30</sup>
<b>Year Ended October 31, 2009</b>	26,412	17,921	66.8	1,767. <sup>97</sup>

(Reference) Net assets

Fiscal year ended October 31, 2010: 18,583 million yen

Fiscal year ended October 31, 2009: 17,642 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, 2010</b>	2,182	(51)	(394)	6,109
<b>Year Ended October 31, 2009</b>	3,644	(88)	(750)	4,447

**2. Dividend Status**

	Dividend per Share (Yen)				
	First Quarter	Second Quarter	Third Quarter	End of Fiscal Year	Total
<b>Year Ending October 31, 2009</b>	-	0.00	-	30. <sup>00</sup>	30. <sup>00</sup>
<b>Year Ending October 31, 2010</b>	-	0.00	-	35. <sup>00</sup>	35. <sup>00</sup>
<b>Year Ending October 31, 2011 (Prospect)</b>	-	0.00	-	40. <sup>00</sup>	40. <sup>00</sup>

	Total Dividend (Millions of Yen)	Dividend Payout Ratio (Consolidated) (Percent)	Dividend on Equity Ratio (Consolidated) (Percent)
<b>Year Ending October 31, 2009</b>	299	30.1	1.7
<b>Year Ending October 31, 2010</b>	349	25.8	1.9
<b>Year Ending October 31, 2011 (Prospect)</b>	-	30.2	-

**3. Forecast for the Year Ending October 31, 2011 (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>	22,600	15.5	1,380	(16.2)	1,370	(21.9)
<b>Full Business Year</b>	43,000	10.8	2,270	4.5	2,320	6.5

	Net Income		Net Income per Share
	(Millions of Yen)	(Percent)	(Yen)
<b>6-month Period</b>	760	(33.3)	76. <sup>16</sup>
<b>Full Business Year</b>	1,320	(2.6)	132. <sup>28</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] of 4. [Consolidated Financial Statements], on page 21.

(3) Number of outstanding shares (Common stock)

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

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

2) Number of treasury stocks at year-end

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

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

**(Reference)**

**1. Outline of Non-Consolidated Results of Operations for the Year Ended October 31, 2010**

**(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, 2010</b>	35,992	6.1	1,813	35.3	1,905	17.9
<b>Year Ended October 31, 2009</b>	33,925	(21.6)	1,340	(31.2)	1,616	(27.9)

	Net Income		Net Income per Share	Diluted Net Income per Share
	(Millions of Yen)	(Percent)	(Yen)	(Yen)
<b>Year Ended October 31, 2010</b>	1,177	21.2	117. <sup>98</sup>	-
<b>Year Ended October 31, 2009</b>	971	(19.5)	97. <sup>36</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, 2010</b>	26,688	17,384	65.1	1,742. <sup>15</sup>
<b>Year Ended October 31, 2009</b>	23,597	16,534	70.1	1,656. <sup>99</sup>

(Reference) Net assets

Fiscal year ended October 31, 2010: 17,384 million yen

Fiscal year ended October 31, 2009: 16,534 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] of 1. [Operating Results and Financial Condition], on page 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, Japan's economy was supported by several factors, including growth in exports and the effects of economic stimulus measures. Production levels generally improved steadily, and a positive trend in capital investment, which had long remained mired in a slump, was noted as well. Nevertheless, 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, the mixture of factors that would accelerate activity to produce a self-sustained economic recovery failed to ignite.

Under this operating environment, lower sales were inevitable in the Machinery & Equipment Business because of stagnant domestic private sector demand and the reaction to large-scale projects for overseas customers in the previous year. Net sales in the Chemical Products Business, on the other hand, showed positive growth because of the improved supply and demand situation in both the electronic materials sector and plastics sector. Because higher sales in the Chemical Products Business exceeded the net sales drop in the Machinery & Equipment Business, total net sales for the current consolidated fiscal year were 38,816 million yen, 6.9% up compared with the previous year. Profits were higher, even in the Machinery & Equipment Business where sales fell, as earnings rose because of an increase in sales of comparatively high margin parts and repairs in the second quarter, and consolidated operating income for both businesses expanded faster than the growth in net sales to reach 2,173 million yen, 37.1% up over the previous year. Although the loss on valuation of derivatives swelled somewhat, driven by the appreciation of the yen, consolidated ordinary income reached 2,179 million yen, 29.2% up compared with the previous year. With the addition of extraordinary income, including gains on sales of investment securities, net income for the current consolidated fiscal year was 1,354 million yen, 36.4% up compared with the previous year.

#### Machinery & Equipment Business

In the Machinery & Equipment Business, consolidated net sales were 11,522 million yen, 3.6% down from the previous 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. Consolidated operating income, however, exhibited growth 14.8% up from the previous year to 960 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 second quarter, and the effect of lower costs.

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 movement was somewhat more notable during the current consolidated fiscal year.

#### 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,

consolidated net sales for this business as a whole were 27,294 million yen, 12.1% up compared with the previous year. In particular, the growth rate of the electronics materials sector against the backdrop of a recovery in semiconductor-related demand was conspicuous, and the increase in sales in a sector with such a high percentage of value added helped boost profits. From an earnings perspective, the appreciation of the yen also continued to affect all imported commercial products. Consolidated operating income for this business increased more rapidly than the growth in net sales and totaled 1,212 million yen, 61.9% up compared with the previous year.

## **[2] Outlook for the next fiscal year (November 1, 2010 ~ October 31, 2011)**

During the consolidated fiscal year ending October 2011, Japan's economy is expected to continue being supported by the expansion of exports, particularly to newly developing countries, and make a transition as it gropes for the road to a sustained recovery. On the other hand, however, there are numerous causes for concern, including the lack of growth in the number of individuals finding employment, the influence of the strong yen and deflation and a falloff of policy effects, and the future remains unpredictable.

Given such conditions, in the Machinery & Equipment Business we will concentrate particularly on the development of foreign demand, and as the result of increasing machinery orders for oil wells and the chemical industry and projects to supply devices for the photovoltaic cell manufacturing process, we project fiscal year consolidated net sales of 13,000 million yen (12.8% up compared with the previous year) and operating income of 1,090 million yen (13.5% up compared with the previous year). In the Chemical Products Business as well, we will work to strengthen sales of new commercial products in the fine chemicals sector and imported products in the plastics sector, and take steps to bolster sales of our existing leading commercial products in the industrial materials sector and electronics materials sectors, and we project fiscal year consolidated net sales of 30,000 million yen (9.9% up compared with the previous year) and operating income of 1,180 million yen (2.7% down compared with the previous year).

As a result of these efforts, for the entire Tomoe Engineering Group in the consolidated fiscal year ending October 2011 we project net sales to increase by 10.8% to 43,000 million yen, operating income to increase by 4.5% to 2,270 million yen and ordinary income, including the effects of cost controls, to increase by 6.5% to 2,320 million yen.

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**

Total assets at the end of the consolidated fiscal year were 29,779 million yen, 3,367 million yen (12.7%) up from the balance at the end of the previous consolidated fiscal year (October 31, 2009), reflecting the increase in current assets in the form of cash and deposits, notes and accounts receivable-trade and inventories, which accompanied the growth in net sales and greatly exceeded the decrease in fixed assets from depreciation and the asset impairment write-off of investment securities.

On the other hand, liabilities totaled 10,926 million yen, 2,436 million yen (28.7%) up from the balance at the end of the previous consolidated fiscal year. The main factor was the increase in current liabilities, including notes and accounts payable-trade and income taxes payable, as the result of the increase in net sales and earnings. Net assets increased by 931 million yen (5.2%) from the end of the previous consolidated fiscal year to 18,852 million yen, mainly because of the increase in retained earnings.

As a result, the equity ratio at the end of the consolidated fiscal year fell by 4.4 percentage points from the end of

the previous consolidated fiscal year to 62.4%.

## [2] Cash Flow Status

Balance of cash and cash equivalent as of the end of the current consolidated fiscal year increased by 1,661 million yen to 6,109 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)

Net Cash provided by operating activities was 2,182 million yen, mainly reflecting income before income taxes and minority interests of 2,225 million yen, an increase in notes and accounts payable-trade of 1,151 million yen and increases in notes and accounts receivable-trade and inventories of 1,446 million yen and 619 million yen, respectively.

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

Net cash used in investing activities was 51 million yen, mainly because funds used for the purchase of tangible and the intangible fixed assets exceeded the proceeds from sale of investment securities.

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

Net cash used in financing activities was 394 million yen. The main factors were cash dividends paid of 299 million yen and the repayment of long-term loans payable by group businesses of 60 million yen.

Trends in cash flow indices are as follows:

	Year Ended October 31, 2006	Year Ended October 31, 2007	Year Ended October 31, 2008	Year Ended October 31, 2009	Year Ended October 31, 2010
Equity Ratio (Percent)	54.0	51.8	58.8	66.8	62.4
Equity Ratio Based on Market Value (Percent)	53.8	47.4	30.9	51.8	38.6
Debt-repayment Ratio (Years)	2.5	-	0.3	0.2	0.3
Interest Coverage Ratio (Percent)	13.5	-	86.9	88.8	151.7

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 2010 and 2011**

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 81<sup>st</sup> General Meeting of Shareholders to be held in January 2011 to pay out dividends of 35 yen per share for the fiscal year ended on October 31, 2010, which is 5 yen increase from the previous fiscal year.

Dividends for the fiscal year ending on October 31, 2011 will be 40 yen per share. The ordinary dividend per share will be 35 yen, identical to the dividend for the fiscal year ended on October 31, 2010, considering the business outlook for the entire fiscal year. In addition to the regular dividend, we plan to separately pay a commemorative dividend of 5 yen per share in recognition of the 70th anniversary of the Company's founding.

### **(4) Risk Factors in Business**

The key areas of business risks of our group that might have significant influence on investors' decision are as follows. The following judgments are made based on the business information 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 sales and profits of our group toward the second quarter. This is because that 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.

#### **[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, and therefore, we will appropriately take actions to such new risks by sufficient preparations. Even though we take such sufficient preparations and measures, some unexpected events 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:***

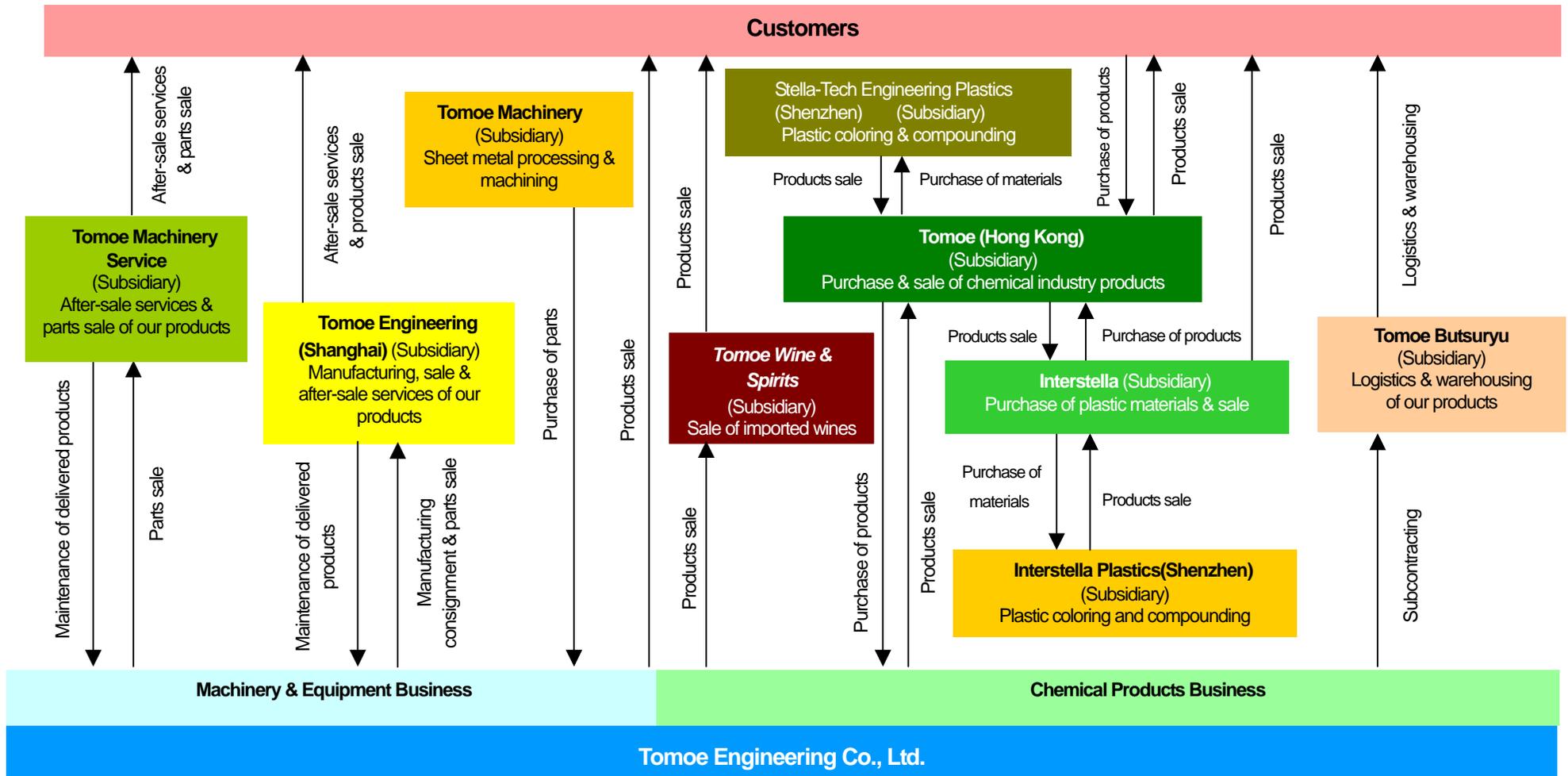
Interstella Plastics (Shenzhen) and Stella Tech Engineering Plastics (Shenzhen) are engaged in coloring and compounding of plastic materials. Our affiliate, Interstella is an investing company of Stella Tech Engineering Plastics (Shenzhen) and also serves as a contact for purchasing and sales. Tomoe (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 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: 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. 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 nature 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 achieve continuous progress on our basic strategy, in September 2010 we formulated the Ninth Mid-term Management Plan "Tomoe 525" (from November 1, 2010 to October 31, 2013). The plan is devoted mainly to implementing measures based on the following policies after newly identifying the ideal approach to allocating management resources and capturing market share. In the Machinery & Equipment Business, we will increase sales of our low-power, energy-saving centrifuge models and expand our share of foreign sales centered primarily on China and the United States, while in the Chemical Products Business we will launch attractive new commercial products in cooperation with new, leading suppliers and strengthen our domestic and overseas plastic business, including our compounds business in southern China. Through these combined efforts we will seek to achieve consolidated net sales of 50,000 million yen and ordinary income of 2,500 million yen in the fiscal year ending October 2013, the final fiscal year of our mid-term management planning period.

#### **(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.

Given factors such as the escalation of competition between countries and region as the newly developing countries that are driving the global economy are transformed into advanced countries, eliminating the supply-demand gap in Japan is expected to require an even longer time. Moreover, as industry-related conditions we cannot afford to ignore the spread of the open bidding system pertaining to public demand in the Machinery & Equipment Business, or the ongoing overseas shift of end users in our Chemical Products Business. Therefore we have formulated our Ninth Mid-term Management Plan aimed at the development of new domestic

markets and the further strengthening of our market competitiveness in other countries. Our policy in the future will remain focused on implementing management measures based on this plan, and achieving sustained growth and increasing stable earning capacity in both of our businesses.

To enhance and strengthen corporate governance and compliance we have established a Corporate Ethics Committee, and in the future this committee will take the lead in efforts to ensure management in full compliance with the letter and spirit of the law and improve corporate ethics. Moreover, from the view point of corporate governance, we plan to maintain our efforts to firmly establish wide-ranging risk management centered on our Risk Management Committee, and to pursue the consolidation of our management environment from an IT perspective by undertaking construction of our next-generation mission-critical systems.

#### 4. Consolidated Financial Statements

##### (1) Balance Sheets

	Year Ended October 31, 2009	Year Ended October 31, 2010
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Deposits	4,447,793	6,109,100
Notes and Accounts Receivable-Trade	11,995,465	13,324,042
Merchandise and Finished Goods	2,591,153	3,055,662
Work in Process	914,572	1,400,107
Raw Materials and Supplies	787,926	404,117
Deferred Tax Assets	398,437	618,454
Others	356,812	164,937
Allowance for Doubtful Accounts	(34,896)	(29,006)
<b>Total Current Assets</b>	<b>21,457,266</b>	<b>25,047,414</b>
<b>Noncurrent Assets</b>		
Property, Plant and Equipment		
Buildings and Structures	2,522,652	2,527,155
Accumulated Depreciation	(1,433,070)	(1,505,179)
Buildings and Structures, Net	1,089,581	1,021,976
Machinery, Equipment and Vehicles	3,400,759	3,435,773
Accumulated Depreciation	(2,482,626)	(2,623,977)
Machinery, Equipment and Vehicles, Net	918,132	811,796
Land	970,253	970,253
Lease Assets	88,451	76,962
Accumulated Depreciation	(29,614)	(39,169)
Lease Assets, Net	58,837	37,793
Others	956,862	986,860
Accumulated Depreciation	(869,884)	(895,734)
Others, Net	86,978	91,126
<b>Total Property, Plant and Equipment</b>	<b>3,123,783</b>	<b>2,932,946</b>
Intangible Assets	48,713	80,245
Investments and Other Assets		
Investment Securities	903,416	697,362
Guarantee Deposits	410,359	412,798
Deferred Tax Assets	53,522	87,043
Others	506,668	602,102
Allowance for Doubtful Accounts	(91,282)	(80,377)
<b>Total Investments and Other Assets</b>	<b>1,782,685</b>	<b>1,718,929</b>
<b>Total Noncurrent Assets</b>	<b>4,955,182</b>	<b>4,732,121</b>
<b>Total Assets</b>	<b>26,412,448</b>	<b>29,779,536</b>

	Year Ended October 31, 2009	Year Ended October 31, 2010
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Notes and Accounts Payable-Trade	5,430,683	6,477,307
Short-Term Loans Payable	692,481	585,923
Lease Obligations	28,107	24,132
Accounts Payable-Others	427,104	551,681
Income Taxes Payable	53,760	961,213
Advances Received	243,984	417,875
Provision for Bonuses	791,939	1,111,306
Provision for Directors' Bonuses	48,470	85,555
Allowance for Product Warranty	154,997	186,442
Others	294,512	327,562
<b>Total Current Liabilities</b>	<b>8,166,042</b>	<b>10,729,000</b>
<b>Noncurrent Liabilities</b>		
Lease Obligations	46,686	22,553
Provision for Retirement Benefits	29,034	32,538
Provision for Directors' Retirement Benefits	142,760	142,760
Deferred Tax Liabilities	50,901	108
Derivatives Liabilities	55,478	0
<b>Total Noncurrent Liabilities</b>	<b>324,861</b>	<b>197,960</b>
<b>Total Liabilities</b>	<b>8,490,904</b>	<b>10,926,961</b>
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Capital Stock	1,061,210	1,061,210
Capital Surplus	1,483,410	1,483,410
Retained Earnings	15,557,577	16,613,067
Treasury Stock	(363,045)	(363,194)
<b>Total Shareholders' Equity</b>	<b>17,739,152</b>	<b>18,794,492</b>
<b>Valuation and Translation Adjustments</b>		
Valuation Difference on Available-for-Sale Securities	77,749	53,585
Deferred Gains or Losses on Hedges	(712)	(7,411)
Foreign Currency Translation Adjustment	(173,790)	(257,190)
<b>Total Valuation and Translation Adjustments</b>	<b>(96,753)</b>	<b>(211,016)</b>
<b>Minority Interests</b>	<b>279,145</b>	<b>269,098</b>
<b>Total Net Assets</b>	<b>17,921,544</b>	<b>18,852,575</b>
<b>Total Liabilities and Net Assets</b>	<b>26,412,448</b>	<b>29,779,536</b>

## (2) Statements of Consolidated Income

(Thousands of yen)

	Year Ended October 31, 2009	Year Ended October 31, 2010
<b>Net Sales</b>	36,304,727	38,816,975
<b>Cost of Sales</b>	28,790,924	30,479,260
<b>Gross Profit</b>	7,513,803	8,337,714
<b>Selling, General and Administrative Expenses</b>	5,928,589	6,164,689
<b>Operating Income</b>	1,585,213	2,173,024
<b>Non-Operating Income</b>		
Interest income	1,817	6,790
Dividends Income	47,221	15,148
Rent Income	25,111	16,850
Foreign Exchange Gains	58,054	52,542
Others	65,292	42,234
<b>Total Non-Operating Income</b>	197,497	133,566
<b>Non-Operating Expenses</b>		
Interest Expenses	20,618	7,911
Loss on Sales of Notes Payable	3,893	75
Commission Paid	9,975	10,008
Loss on Valuation of Derivatives	43,901	93,496
Others	17,488	15,976
<b>Total Non-Operating Expenses</b>	95,878	127,469
<b>Ordinary Income</b>	1,686,832	2,179,121
<b>Extraordinary Income</b>		
Gain on Sales of Investment Securities	3,225	159,344
Reversal of Allowance for Doubtful Accounts	51,707	13,207
<b>Total Extraordinary Income</b>	54,932	172,552
<b>Extraordinary Losses</b>		
Loss on Sales of Noncurrent Assets	113	0
Loss on Retirement of Noncurrent Assets	4,709	5,229
Loss on Sales of Investment Securities	6,039	466
Loss on Valuation of Investment Securities	83,716	120,049
Loss on Valuation of Membership	2,598	0
Provision of Allowance for Doubtful Accounts	1,988	420
<b>Total Extraordinary Losses</b>	99,165	126,165
Income before Income Taxes and Minority Interests		
Interests	1,642,599	2,225,508
Income Taxes-Current	401,136	1,142,975
Income Taxes-Deferred	232,869	(285,752)
<b>Total Income Taxes</b>	634,005	857,222
Minority Interests Income	15,349	13,428
<b>Net Income</b>	993,244	1,354,856

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

(Thousands of yen)

	Year Ended October 31, 2009	Year Ended October 31, 2010
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	14,913,596	15,557,577
Changes during This Fiscal Year		
Cash Dividend Paid	(349,263)	(299,367)
Net Income	993,244	1,354,856
Total Amount Changed	643,981	1,055,489
Surplus during This Fiscal Year	15,557,577	16,613,067
Issued Shares Reacquired		
Surplus During Previous Fiscal Year	(363,003)	(363,045)
Changes During This Fiscal Year		
Issued Shares Reacquired	(42)	(148)
Total Amount Changed	(42)	(148)
Surplus during This Fiscal Year	(363,045)	(363,194)
Total Shareholders' Equity		
Surplus during Previous Fiscal Year	17,095,213	17,739,152
Changes during This Fiscal Year		
Cash Dividend Paid	(349,263)	(299,367)
Net Income	993,244	1,354,856
Issued Shares Reacquired	(42)	(148)
Total Amount Changed	643,938	1,055,340
Surplus during This Fiscal Year	17,739,152	18,794,492

(Thousands of yen)

	Year Ended October 31, 2009	Year Ended October 31, 2010
Revaluation and Translation Adjustments		
Valuation Difference on Available-for-sale Securities		
Surplus during Previous Fiscal Year	12,188	77,749
Changes during This Fiscal Year		
Total (Net) Amount Changed (Except Shareholders' Equity)	65,561	(24,164)
Changes during This Fiscal Year	65,561	(24,164)
Surplus during This Fiscal Year	77,749	53,585
Deferred Gains or Losses on Hedges		
Surplus during Previous Fiscal Year	26,115	(712)
Changes during This Fiscal Year		
Total (Net) Amount Changed (Except Shareholders' Equity)	(26,828)	(6,699)
Changes during This Fiscal Year	(26,828)	(6,699)
Surplus during This Fiscal Year	(712)	(7,411)
Foreign Currency Translation Adjustment		
Surplus during Previous Fiscal Year	21,748	(173,790)
Changes during This Fiscal Year		
Total (Net) Amount Changed (Except Shareholders' Equity)	(195,539)	(83,399)
Changes during This Fiscal Year	(195,539)	(83,399)
Surplus during This Fiscal Year	(173,790)	(257,190)
Total Revaluation and Translation Adjustments		
Surplus during Previous Fiscal Year	60,052	(96,753)
Changes during This Fiscal Year		
Total (Net) Amount Changed (Except Shareholders' Equity)	(156,806)	(114,262)
Changes during This Fiscal Year	(156,806)	(114,262)
Surplus during This Fiscal Year	(96,753)	(211,016)
Minority Interests		
Surplus during Previous Fiscal Year	310,478	279,145
Changes during This Fiscal Year		
Total (Net) Amount Changed (Except Shareholders' Equity)	(31,333)	(10,046)
Changes during This Fiscal Year	(31,333)	(10,046)
Surplus during This Fiscal Year	279,145	269,098

(Thousands of yen)

	Year Ended October 31, 2009	Year Ended October 31, 2010
Total Net Assets		
Surplus during Previous Fiscal Year	17,465,744	17,921,544
Changes during This Fiscal Year		
Cash Dividend Paid	(349,263)	(299,367)
Net Income	993,244	1,354,856
Issued Shares Reacquired	(42)	(148)
Total (Net) Amount Changed (Except Shareholders' Equity)	(188,139)	(124,309)
Total Amount Changed	455,799	931,030
Surplus during This Fiscal Year	17,921,544	18,852,575

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

(Thousands of Yen)

	Year Ended October 31, 2009	Year Ended October 31, 2010
<b>Net Cash Provided by (Used in) Operating Activities</b>		
Income before Income Taxes and Minority Interests	1,642,599	2,225,508
Depreciation and Amortization	507,424	396,574
Increase (Decrease) in Provision for Bonuses	(341,878)	321,002
Increase (Decrease) in Provision for Directors' Bonuses	(16,335)	37,084
Increase (Decrease) in Allowance for Product Warranty	(20,263)	31,444
Increase (Decrease) in Provision for Retirement Benefits	(2,924)	3,578
Increase (Decrease) in Provision for Directors' Retirement Benefits	(115,020)	0
Increase (Decrease) in Allowance for Doubtful Accounts	(76,611)	(16,795)
Interests and Dividends Income	(49,039)	(21,939)
Interest Expenses	20,618	7,911
Foreign Exchange Losses (Gains)	9,361	18,307
Loss (Gain) on Valuation of Investment Securities	83,716	120,049
Loss (Gain) on Valuation of Derivatives	43,901	93,496
Loss (Gain) on Sales of Investment Securities	2,814	(158,878)
Loss (Gain) on Sales of Noncurrent Assets	113	0
Loss on Retirement of Noncurrent Assets	4,709	5,229
Loss on Valuation of Membership	2,598	0
Decrease (Increase) in Notes and Accounts Receivable-Trade	3,368,580	(1,446,405)
Decrease (Increase) in Inventories	1,014,662	(619,322)
Increase (Decrease) in Notes and Accounts Payable-Trade	(1,534,956)	1,151,232
Increase (Decrease) in Accounts Payable-Others	(69,016)	104,518
Increase (Decrease) in Advances Received	(43,463)	176,736
Increase (Decrease) in Accrued Consumption Taxes	117,215	93,512
Others, Net	300,261	148,507
Sub total	4,849,071	2,187,314
Interests and Dividends Income Received	50,273	21,920
Interest Expenses Paid	(41,028)	(14,383)
Income Taxes Paid	(1,214,047)	(12,590)
Net Cash Provided by (Used in) Operating Activities	3,644,268	2,182,261

(Thousands of Yen)

	Year Ended October 31, 2009	Year Ended October 31, 2010
<b>Net Cash Provided by (Used in) Investment Activities</b>		
Disbursement to Time Deposits	0	(2,378,526)
Proceeds from Withdrawal of Time Deposits	100,000	2,378,526
Purchase of Property, Plant and Equipment	(246,733)	(203,405)
Proceeds from Sales of Property, Plant and Equipment	806	25
Purchase of Intangible Fixed Assets	(15,323)	(48,066)
Purchase of Investment Securities	(14,170)	(14,102)
Proceeds from Sales of Investment Securities	11,795	218,683
Collection of Loans Receivable	10,872	2,822
Payments of Loans Receivable	(1,160)	(3,925)
Guarantee Deposits (Increase)	55,119	(3,632)
Others, Net	10,121	(370)
Net Cash Provided by (Used in) Investment Activities	(88,671)	(51,972)
<b>Net Cash Provided by (Used in) Financing Activities</b>		
Net Increase (Decrease) in Short-Term Loans Payable	(239,857)	0
Repayments of Lease Obligations	(38,659)	(28,107)
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	(750,137)	(394,363)
<b>Cash and Cash Equivalents</b>		
<b>Effect of Exchange Rate Change on Cash and Cash Equivalents</b>		
	(69,100)	(74,618)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,736,358</b>	<b>1,661,307</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>1,711,434</b>	<b>4,447,793</b>
<b>Cash and Cash Equivalents at End of This Fiscal Year</b>	<b>4,447,793</b>	<b>6,109,100</b>

## (5) Notes for Premise of Going Concern

None.

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

### [Changes of Accounting Policy]

Current consolidated fiscal year (Year Ended October 31, 2010)
<p>(1) Application of the <i>Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)</i></p> <p>Beginning from the current consolidated fiscal year the Company will apply the <i>Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)</i> (Accounting Standards Board of Japan Accounting Standard Statement No. 19 dated July 31, 2008).</p> <p>The affect of this change on earnings is not material.</p>
<p>(2) Change in reporting standard for completed contract revenues and cost of completed contracts</p> <p>The Company traditionally reported revenues and costs of construction contracts by applying the completed-contract method. Beginning from the current consolidated fiscal year, the Company will apply the <i>Accounting Standard for Construction Contracts</i> (Accounting Standards Board of Japan Statement No. 15, December 27, 2007) and the <i>Guidance on Accounting Standard for Construction Contracts</i> (Accounting Standards Board of Japan Implementation Guidance No. 18, December 27, 2007). Beginning from works contracts for which construction activity was begun during the current consolidated fiscal year, the Company 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 current consolidated fiscal year, and will apply the completed-contract method for all other works. For the current consolidated fiscal year, there is no effect on profit and loss and segment information because the Company had no construction contracts that fulfill the requirements for application of the percentage of completion method.</p>

### [Additional Information]

Current consolidated fiscal year (Year Ended October 31, 2010)
<p>(Provision for Retirement Benefits)</p> <p>In November 2009, the Company and certain of its domestic consolidated subsidiaries changed their retirement allowance system and transferred from a tax qualified pension plan system to a defined-benefit pension plan. In conjunction with this transfer the Company has adopted the <i>Accounting for Transfers between Retirement Benefit Plans</i> (Financial Accounting Standards Implementation Guidance No. 1, January 31, 2002). The effect of this transfer on profit and loss is not material.</p>

## (7) Notes for Consolidated Financial Statements

### (Segment Information)

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
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 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 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. The durable period of machinery and equipment was changed as a result of our review on usage of the assets etc. to comply with modification of Corporate Tax Act. The effects that this change gives to the gain and loss for the segment information are minor.

**Year Ended October 31, 2010**

(Thousands of yen)

	Machinery & Equipment Business	Chemical Products Business	Total	Deletion or Total Company	Consolidated
<b>I. Sales and Operating Income:</b>					
Sales					
(1) Sales to Unaffiliated Customers	11,522,802	27,294,172	38,816,975	0	38,816,975
(2) Internal Sales Among Segments or Amount Transferred	0	0	0	0	0
Total	11,522,802	27,294,172	38,816,975	0	38,816,975
Operating Costs	10,562,394	26,081,556	36,643,950	0	36,643,950
Operating Income	960,407	1,212,616	2,173,024	0	2,173,024
<b>II. Assets, Depreciation Costs, Impairment Loss and Capital Expenditures</b>					
Assets	8,321,670	14,651,402	22,973,072	6,806,463	29,779,536
Depreciation Costs	271,867	124,707	396,574	0	396,574
Capital Expenditures	191,759	81,508	273,267	0	273,267

(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 6,806,463 thousand yen. The main items are surplus funds applied (deposits) and long-term investment funds (investment securities) of the parent company.

**(Segment by Location)****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 or loss ( )	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. 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 5,351,209 thousand yen. 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. The durable period of machinery and equipment was changed as a result of our review on usage of the assets etc. to comply with modification of Corporate Tax Act. The effects that this change gives to the gain and loss for the segment information are minor.

**Year Ended October 31, 2010**

(Thousands of yen)

	Japan	Asia	Total	Deletion or Entire Company	Consolidated
I. Sales and Operating Income:					
Sales					
(1) Sales to Unaffiliated Customers	35,431,281	3,385,693	38,816,975	0	38,816,975
(2) Internal Sales Among Segments or Amount Transferred	352,789	232,275	585,065	(585,065)	0
Total	35,784,071	3,617,969	39,402,040	(585,065)	38,816,975
Operating Costs	33,707,673	3,521,023	37,228,696	(584,746)	36,643,950
Operating Income	2,076,397	96,946	2,173,343	(319)	2,173,024
II. Assets	20,808,368	2,353,186	23,161,555	6,617,981	29,779,536

## (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 6,806,463 thousand yen. The main items are surplus funds applied (deposits) and long-term investment funds (investment securities) of the parent company.

**(Overseas Sales)****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.

**Year Ended October 31, 2010**

(Thousands of yen)

	Asia	Other Regions	Total
I. Overseas Sales	8,171,648	691,907	8,863,555
II. Consolidated Sales	0	0	38,816,975
III. Percentage of Overseas Sales for Consolidated Sales (Percent)	21.1	1.8	22.8

(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, 2009</b>	<b>Year Ended October 31, 2010</b>
Net asset per share: ¥1,767. <sup>97</sup>	Net asset per share: ¥1,862. <sup>30</sup>
Net income per share: ¥99. <sup>53</sup>	Net income per share: ¥135. <sup>77</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, 2009</b>	<b>Year Ended October 31, 2010</b>
Total for net asset in consolidated balance sheet (thousands of yen)	17,921,544	18,852,575
Net asset for common stock (thousands of yen)	17,642,398	18,583,476
Breakdown of main difference (thousands of yen) Quotient of minority shareholders	279,145	269,098
Number of outstanding common stock (share)	10,553,200	10,533,200
Number of treasury stock (share)	554,298	554,418
Number of common stock used for calculation of net assets per share (share)	9,978,902	9,978,782

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

	<b>Year Ended October 31, 2009</b>	<b>Year Ended October 31, 2010</b>
Net income for this fiscal year (Thousands of yen)	993,244	1,354,856
Net income for common stock (Thousands of yen)	993,244	1,354,856
Average number of common stock during the fiscal year	9,978,921	9,978,821

(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, merger and acquisition, leases and real estate 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	80 <sup>th</sup> Period (October 31, 2009)	81 <sup>st</sup> Period (October 31, 2010)
<b>Current Assets</b>		
Cash and Deposits	3,236,812	4,767,726
Notes Receivable-Trade	3,105,418	3,476,336
Accounts Receivable-Trade	8,149,647	8,953,004
Merchandise and Finished Goods	1,722,880	2,138,637
Work in Process	828,102	1,303,267
Raw Materials and Supplies	732,453	348,167
Advance Payment	53,504	52,812
Prepaid Expense	75,068	72,307
Accrued Revenue	201,813	8,905
Short-Term Loans Receivable	29,621	54,813
Deferred Tax Assets	380,761	591,193
Others	19,192	8,750
Allowance for Doubtful Accounts	(35,093)	(28,793)
<b>Total Current Assets</b>	<b>18,500,184</b>	<b>21,747,128</b>
<b>Noncurrent Assets</b>		
Property, Plant and Equipment		
Buildings	2,081,019	2,081,553
Accumulated Depreciation	(1,107,512)	(1,158,021)
Buildings, Net	973,506	923,531
Structures	146,549	146,549
Accumulated Depreciation	(119,605)	(124,365)
Structures, Net	26,944	22,183
Machinery and Equipment	2,328,842	2,369,370
Accumulated Depreciation	(1,880,437)	(1,947,782)
Machinery and Equipment, Net	448,405	421,587
Vehicles	39,437	39,437
Accumulated Depreciation	(38,254)	(38,648)
Vehicles, Net	1,183	788
Tools, Instrument and Equipment	832,858	860,362
Accumulated Depreciation	(775,530)	(797,918)
Tools, Instrument and Equipment, Net	57,328	62,443
Land	925,882	925,882
Lease Assets	85,463	73,974
Accumulated Depreciation	(28,717)	(37,376)
Lease Assets, Net	56,746	36,598

(Thousands of yen)

	80 <sup>th</sup> Period (October 31, 2009)	81 <sup>st</sup> Period (October 31, 2010)
Construction in Progress	6,518	0
<b>Total Property, Plant and Equipment</b>	2,496,514	2,393,015
Intangible Assets		
Software	10,383	63,717
Lease Asset	14,630	7,612
Software in Progress	14,718	0
Telephone Rights	8,165	8,165
<b>Total Intangible Assets</b>	47,898	79,495
Investments and Other Assets		
Investment Securities	851,916	645,862
Stocks of Affiliated Companies	483,765	483,765
Investments – Affiliated Companies	371,395	371,395
Long-Term Loans Receivable to Employees	4,489	4,848
Claims in Bankruptcy	42,175	33,046
Prepaid Pension Expense	419,892	521,499
Guarantee Deposits	391,156	394,830
Deferred Tax Assets	0	17,675
Others	79,589	76,515
Allowance for Doubtful Accounts	(91,282)	(80,377)
<b>Total Investments and Other Assets</b>	2,553,098	2,469,060
<b>Total Noncurrent Assets</b>	5,097,511	4,941,572
<b>Total Assets</b>	23,597,696	26,688,700

(Thousands of yen)

<b>Liabilities and Net Assets</b>	<b>80<sup>th</sup> Period (October 31, 2009)</b>	<b>81<sup>st</sup> Period (October 31, 2010)</b>
<b><u>Liabilities</u></b>		
<b>Current Liabilities</b>		
Notes Payable-Trade	714,942	1,133,947
Accounts Payable-Trade	4,194,574	4,630,191
Lease Obligations	27,210	23,236
Accounts Payable-Others	379,869	491,309
Income Taxes Payable	25,542	880,921
Accrued Business Tax	8,083	8,748
Accrued Consumption Tax	102,063	5,792
Provision for Bonuses	707,034	1,025,034
Provision for Directors' Bonuses	46,091	84,627
Allowance for Product Warranty	154,997	186,442
Accrued Expenses	15	15
Advances Received	240,936	379,427
Deposit Payable	82,798	81,936
Guarantee Deposit	78,388	57,082
Derivatives Liabilities	0	145,378
<b>Total Current Liabilities</b>	<b>6,762,549</b>	<b>9,134,091</b>
<b>Noncurrent Liabilities</b>		
Lease Obligations	45,491	22,254
Provision for Retirement Benefits	5,743	5,050
Provision for Directors' Retirement Benefits	142,760	142,760
Deferred Tax Liabilities	50,699	0
Derivative Liabilities	55,478	0
<b>Total Noncurrent Liabilities</b>	<b>300,172</b>	<b>170,065</b>
<b>Total Liabilities</b>	<b>7,062,721</b>	<b>9,304,157</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	26,720	25,426
Other Reserve	12,400,000	13,150,000

(Thousands of yen)

	<b>80<sup>th</sup> Period</b> <b>(October 31, 2009)</b>	<b>81<sup>st</sup> Period</b> <b>(October 31, 2010)</b>
Earned Surplus Carried Forward	1,369,642	1,498,838
<b><i>Total Retained Earnings</i></b>	<b>14,276,362</b>	<b>15,154,264</b>
<b>Treasury Stock</b>	<b>(363,045)</b>	<b>(363,194)</b>
<b><i>Total Shareholders' Equity</i></b>	<b>16,457,936</b>	<b>17,335,690</b>
<b>Valuation and Translation Adjustments</b>		
Valuation Difference on Available-for-Sale Securities	77,749	53,585
Deferred Gains or Losses on Hedges	(712)	(4,731)
<b>Total Valuation and Translation Adjustments</b>	<b>77,037</b>	<b>48,853</b>
<b><i>Total Net Assets</i></b>	<b>16,534,974</b>	<b>17,384,543</b>
<b>Total Liabilities and Net Assets</b>	<b>23,597,696</b>	<b>26,688,700</b>

## (2) Statements of Consolidated Income

(Thousands of yen)

	80 <sup>th</sup> Period (October 31, 2009)	81 <sup>st</sup> Period (October 31, 2010)
<b>Net Sales</b>		
Sales of Finished Goods	11,382,924	10,876,403
Merchandise Sale	22,542,689	25,116,175
<b>Total Cost of Sales</b>	33,925,613	35,992,578
<b>Cost of Sales</b>		
Cost of Finished Goods Sold		
Beginning Inventory	149,442	18,363
Cost of Manufacture	7,997,336	7,767,214
<b>Total</b>	8,146,778	7,785,578
Ending Inventory	18,363	253,755
Cost of Sales	8,128,415	7,531,822
Cost of Merchandise Sold		
Beginning Inventory	1,927,885	1,704,516
Purchase Amount	18,859,776	21,159,705
<b>Total</b>	20,787,662	22,864,221
Ending Inventory	1,704,516	1,884,881
Cost of Sales	19,083,145	20,979,340
<b>Total Cost of Sales</b>	27,211,560	28,511,162
<b>Gross Profit</b>	6,714,052	7,481,415
<b>Selling, General and Administrative Expenses</b>	5,373,448	5,667,795
<b>Operating Income</b>	1,340,604	1,813,620
<b>Non-Operating Income</b>		
Interest income	1,583	3,655
Dividends Income	167,382	75,446
Rent Income	78,074	69,766
Foreign Exchange Gains	87,023	58,052
Others	44,777	30,854
<b>Total Non-Operating Income</b>	378,841	237,775
<b>Non-Operating Expenses</b>		
Interest Expenses	2,805	1,475
Loss on Sales of Notes Payable	3,893	75
Rental Cost	27,782	26,937
Commission Paid	9,975	10,008
Loss on Valuation of Derivatives	43,901	93,496
Others	15,045	14,119
<b>Total Non-Operating Expenses</b>	103,404	146,113
<b>Ordinary Income</b>	1,616,041	1,905,282

(Thousands of yen)

	80 <sup>th</sup> Period (October 31, 2009)	81 <sup>st</sup> Period (October 31, 2010)
<b>Extraordinary Income</b>		
Gain on Sales of Investment Securities	3,225	159,344
Reversal of Allowance for Doubtful Accounts	52,220	13,617
<b>Total Extraordinary Income</b>	55,446	172,962
<b>Extraordinary Losses</b>		
Loss on Sales of Noncurrent Assets	113	0
Loss on Retirement of Noncurrent Assets	3,053	4,545
Loss on Sales of Investment Securities	6,039	466
Loss on Valuation of Investment Securities	83,716	120,049
Loss on Valuation of Membership	2,598	0
Bad and Doubtful Debt	1,988	420
<b>Total Extraordinary Losses</b>	97,509	125,481
Income before Income Taxes and Minority Interests	1,573,978	1,952,762
Income Taxes-Current	348,400	1,035,404
Income Taxes-Deferred	254,037	(259,910)
<b>Total Income Taxes</b>	602,437	775,493
<b>Net Income</b>	971,541	1,177,269

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

(Thousands of yen)

	Year Ended October 31, 2009	Year Ended October 31, 2010
Shareholders' Equity		
Capital 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	28,175	26,720
Changes during This Fiscal Year		
Reversal of Reserve for Deferred Gains on Fixed Assets	(1,455)	(1,293)
Total Amount Changed	(1,455)	(1,293)
Surplus during This Fiscal Year	26,720	25,426
Other Reserve		
Surplus during Previous Fiscal Year	11,500,000	12,400,000
Changes during This Fiscal Year		
Accumulation of Other Reserve	900,000	750,000
Total Amount Changed	900,000	750,000
Surplus during This Fiscal Year	12,400,000	13,150,000
Earned Surplus Carried Forward		
Surplus during Previous Fiscal Year	1,645,908	1,369,642
Changes during This Fiscal Year		

(Thousands of yen)

	Year Ended October 31, 2009	Year Ended October 31, 2010
Reversal of Reserve for Deferred Gains on Fixed Assets	1,455	1,293
Accumulation of Other Reserve	(900,000)	(750,000)
Cash Dividend Paid	(349,263)	(299,367)
Net Income	971,541	1,177,269
Total Amount Changed	(276,266)	129,195
Surplus during This Fiscal Year	1,369,642	1,498,838
Total Retained Earnings		
Surplus during Previous Fiscal Year	13,654,084	14,276,362
Changes during This Fiscal Year		
Reversal of Reserve for Deferred Gains on Fixed Asset	0	0
Accumulation of Other Reserve	0	0
Cash Dividend Paid	(349,263)	(299,367)
Net Income	971,541	1,177,269
Total Amount Changed	622,277	877,901
Surplus during This Fiscal Year	14,276,362	15,154,264
Treasury Stock		
Surplus during Previous Fiscal Year	(363,003)	(363,045)
Changes during This Fiscal Year		
Issued Shares Reacquired	(42)	(148)
Total Amount Changed	(42)	(148)
Surplus during This Fiscal Year	(363,045)	(363,194)
Total Shareholders' Equity		
Surplus during Previous Fiscal Year	15,835,700	16,457,936
Changes during This Fiscal Year		
Cash Dividend Paid	(349,263)	(299,367)
Net Income	971,541	1,177,269
Issued Shares Reacquired	(42)	(148)
Total Amount Changed	622,235	877,753
Surplus during This Fiscal Year	16,457,936	17,335,690
Valuation and Translation Adjustments		
Valuation Difference on Available-for-sale Securities		
Surplus During Previous Fiscal Year	12,188	77,749
Changes During This Fiscal Year		
Total (Net) Amount Changed (Except Shareholders' Equity)	65,561	(24,164)
Changes during This Fiscal Year	65,561	(24,164)
Surplus during This Fiscal Year	77,749	53,585
Deferred Gains or Losses on Hedges		
Surplus during Previous Fiscal Year	26,115	(712)
Changes during This Fiscal Year		

(Thousands of yen)

	Year Ended October 31, 2009	Year Ended October 31, 2010
Total (Net) Amount Changed (Except Shareholders' Equity)	(26,828)	(4,019)
Changes during This Fiscal Year	(26,828)	(4,019)
Surplus during This Fiscal Year	(712)	(4,731)
Total Valuation and Translation Adjustments		
Surplus during Previous Fiscal Year	38,304	77,037
Changes during This Fiscal Year		
Total (Net) Amount Changed (Except Shareholders' Equity)	38,733	(28,184)
Changes during This Fiscal Year	38,733	(28,184)
Surplus during This Fiscal Year	77,037	48,853
Total Net Assets		
Surplus during Previous Fiscal Year	15,874,005	16,534,974
Changes during This Fiscal Year		
Cash Dividend Paid	(349,263)	(299,367)
Net Income	971,541	1,177,269
Issued Shares Reacquired	(42)	(148)
Total (Net) Amount Changed (Except Shareholders' Equity)	38,733	(28,184)
Total Amount Changed	660,969	849,568
Surplus during This Fiscal Year	16,534,974	17,384,543

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

None.

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

(Per Share Information)

<b>80<sup>th</sup> Period</b> <b>Year Ended October 31, 2009</b>	<b>81<sup>st</sup> Period</b> <b>Year Ended October 31, 2010</b>
Net asset per share: ¥1656. <sup>99</sup>	Net asset per share: ¥1742. <sup>15</sup>
Net income per share: ¥97. <sup>36</sup>	Net income per share: ¥117. <sup>98</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

	<b>80<sup>th</sup> Period</b> <b>(Year Ended</b> <b>October 31, 2009)</b>	<b>81<sup>st</sup> Period</b> <b>(Year Ended</b> <b>October 31, 2010)</b>
Total for net assets in balance sheets (Thousands of yen)	16,534,974	17,384,543
Net assets for common stock (Thousands of yen)	16,534,974	17,384,543
Number of outstanding common stock (Share)	10,533,200	10,533,200
Number of treasury common stock (Share)	554,298	554,418
Number of common stock as of the end of the current consolidated fiscal year used for calculation of net assets per share (Shares)	9,978,902	9,978,782

##### 2. Net income per share

	<b>80<sup>th</sup> Period</b> <b>(Year Ended October 31, 2009)</b>	<b>81<sup>st</sup> Period</b> <b>(Year Ended October 31, 2010)</b>
Net income for this fiscal year (Thousands of yen)	971,541	1,177,269
Net income for common stock (Thousands of yen)	971,541	1,177,269
Average number of common stock during the fiscal year (Shares)	9,978,921	9,978,821

## 6. Other Notes

### (1) Appointment of Officers

- 1) Representative Director: No change
- 2) Other Directors: (to be appointed as of January 28, 2011)

#### 1. Candidates for newly appointed Directors

Director of General Affairs Division (General Affairs Division and Business Coordination Division):

Masayoshi Fukazawa (currently General Manager of General Affairs Div.)

Director and General Manager of Chemical Products Division:

Akitomo Tamai (currently Manager of Industrial Materials Dept., Chemical Products Div.) in charge of Plastics Dept., Industrial Materials Dept. and Fine Chemicals Dept.

#### 2. Retiring Directors

Chairman of the Board	Hideaki Fukuma	(to be appointed as Senior Corporate Advisor)
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Director	Kensuke Ikezaki	(to be appointed as Corporate Advisor)
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Director	Keishu Hatakeyama	(to be appointed as Corporate Advisor)
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#### 3. Candidate for newly appointed Corporate Auditor

Auditor	Makoto Nakamura	(currently Attorney at Law)
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#### 4. Retiring Auditor

Auditor	Toshiyuki Shibata
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Mr. Makoto Nakamura, a candidate for Corporate Auditor qualifies as an outside auditor.