

Financial Results for the First Quarter Ended January 31, 2011 [Japan GAAP] (Consolidated)

Date: March 7, 2011
 Company Name and Code: Tomoe Engineering Co., Ltd. and Subsidiaries - 6309
 (Website: http://www.tomo-e.co.jp/index_e.html)
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 Date to report Consolidated Quarterly Financial Statement: March 15, 2011
 Date for Dividend Payment: Not applicable to financial quarters.
 Preparation of Supplementary Explanatory Materials for Quarterly Operating Results: Not prepared for financial quarters.
 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 First Quarter Ended January 31, 2011

(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 January 31, 2011	10,993	38.2	751	343.2	819	370.6
Quarter Ended January 31, 2010	7,955	(16.7)	169	(16.0)	174	159.2

	Net Income		Net Income per Share	Fully Diluted Quarterly Net Income per Share
	Millions of Yen	Percent	Yen	Yen
Quarter Ended January 31, 2011	477	134.8	47. ⁸⁷	-
Quarter Ended January 31, 2010	203	-	20. ³⁹	-

(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 January 31, 2011	28,433	19,016	65.9	1,878. ²⁰
Year Ended October 31, 2010	29,779	18,852	62.4	1,862. ³⁰

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

First Quarter ended January 31 2011: 18,742 million yen

Year Ended October 31, 2010: 18,583 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, 2010	-	0.00	-	35. ⁰⁰	35. ⁰⁰
Year Ending October 31, 2011	-				
Year Ending October 31, 2011 (Prospect)		0.00	-	40. ⁰⁰	-

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

3. Forecast for Earnings for the Year Ending October 31, 2011 (Consolidated)

(Percent: 2nd Quarter YTD - change from the same quarter of the previous year;
Full Business Year - change from the previous Full Business Year)

	Net Sales		Operating Income		Ordinary Income	
	(Millions of Yen)	(Percent)	(Millions of Yen)	(Percent)	(Millions of Yen)	(Percent)
2 nd Quarter YTD	22,500	15.0	1,700	3.2	1,750	(0.3)
Full Business Year	43,000	10.8	2,270	4.5	2,320	6.5

	Net Income		Net Income per Share
	(Millions of Yen)	(Percent)	Yen
2 nd Quarter YTD	980	(14.0)	98. ²¹
Full Business Year	1,320	(2.6)	132. 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 January 31, 2011: 10,533,200 shares At October 31, 2010: 10,533,200 shares

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

At January 31, 2011: 554,418 shares At October 31, 2010: 554,418 shares

3) Number of average shares (accumulated quarterly total)

At January 31, 2011: 9,978,782 shares At January 31, 2010: 9,978,866 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 Financial Results for the Quarter (Attachments) on Page 4, "1. Qualitative Information and Financial Statements, etc., (3) Qualitative Information on Consolidated Earnings Forecast" 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 first quarter, Japan's economy fluctuated much as it did in the prior consolidated fiscal year (ended October 31, 2010), as it searched for possibilities for an independent economic recovery. As the effects from economic stimulus measures wore off, production levels exhibited weakness and the difficult employment situation and deflationary trend continued as well. One bright spot, however, was the generally brisk results for exports, including shipments headed for newly developing countries.

Given these circumstances, net sales in the Machinery & Equipment Business during the first quarter were supported by progress on heavy machinery installation works for domestic public sector demand and growth in machinery and equipment sales to China, which produced a substantial increase in earnings. Net sales in the Chemical Products Business also maintained a positive trend, particularly in the industrial materials sector and the plastics sector, reflecting a gradual improvement in the supply and demand picture for commercial products, including residential housing-related demand. As a result, net sales for the Tomoe Engineering Group as a whole from these two businesses combined rose 38.2% from the same period of the previous consolidated fiscal year to 10,993 million yen.

From an earnings perspective, on the other hand, consolidated operating income for the Tomoe Engineering Group for the quarter surged 343.2% year-over-year to 751 million yen. The Machinery & Equipment Business, which incurred an operating loss in the first quarter one year ago, realized a return to profitability by achieving a significant increase in income, while the Chemical Products Business continued to benefit from the effects of the yen's appreciation on all imported materials. Another positive factor was a substantial gain on valuation of derivatives related to currency swap transactions. First quarter ordinary income was 819 million yen, 370.6% higher than in the same period of the previous consolidated fiscal year, and net income for the quarter, including the effect of an extraordinary loss related to accounting for asset retirement obligations, was 477 million yen, 134.8% up from the same period last year.

(b) Machinery & Equipment Business

In the Machinery & Equipment Business, consolidated net sales for the quarter were 3,574 million yen, 168.3% up from the same period last year. This reflected progress on installation works involving large-scale, centrifuge equipment for domestic public sector demand, and the growth in sales of centrifuge equipment for a vinyl chloride plant in China and sales of abrasive grain slurry recycling equipment for use in photovoltaic cell manufacturing. Despite a lower proportion of net sales for parts and repairs with relatively high gross profit margins, this business achieved a return to profitability and reported operating income of 370 million yen, compared with an operating loss of 129 million yen in the same period one year-ago, reflecting the effect of the remarkable growth in income of the entire business.

(c) Chemical Products Business

In the Chemical Products Business, net sales were affected by the loss of part of the commercial distribution activities related to the plastic compounding business in Shenzhen, China. Nevertheless, with the exception of semiconductor-related materials, the domestic supply and demand situation generally remained brisk and net sales rose, centered mainly on the industrial materials and plastics sectors, which were supported by demand for residential housing and automobiles in particular. As a result, consolidated net sales for this business domestically and overseas were 7,418 million yen, 12.0% up from last year. Added to this were the continuing effect of the appreciating yen on imported materials as a whole and the impact from certain new commercial product introductions, which increased operating income to 380 million yen, 27.2% up from the same period last year, a stronger improvement than in net sales.

(2) Qualitative Information on Consolidated Financial Position:

(a) Assets, Liabilities, and Net Assets

Assets at the end of the consolidated first quarter under review were 28,433 million yen, 1,346 million yen or 4.5% down from the balance at the end of the previous consolidated fiscal year (October 31, 2010). This mainly reflected a decrease in notes and accounts receivable-trade because of payment of receivables that had matured at the end of the prior consolidated fiscal year (which was a financial institution holiday), and a decrease in cash and deposits that reflected payments of taxes, bonuses, dividends and other amounts.

On the other hand, liabilities totaled 9,416 million yen, 1,510 million yen or 13.8% down from the balance at the end of the previous consolidated fiscal year because of an increase in notes and accounts payable-trade, and large decreases in the balances of income taxes payable and provision for bonuses. Net assets were 19,016 million yen, 163 million yen or 0.9% up from the balance at the end of the previous consolidated fiscal year, reflecting the fact net income exceeded the amount of dividends paid.

Because of the increase in net assets and decrease in total assets as discussed above, the equity ratio at the end of the consolidated first quarter under review increased by 3.5 points compared with the end of the previous consolidated fiscal year to 65.9%.

(b) Cash Flow Status

Cash and cash equivalents as of the end of the consolidated first quarter under review decreased by 3,204 million yen to 2,904 million yen from the end of the previous consolidated fiscal year. The status of each cash flow and their factors during the first quarter are as follows:

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

Net cash used in operating activities was 262 million yen. This mainly reflected a decrease in notes and accounts receivable-trade of 787 million yen, an increase in provision for bonuses of 747 million yen and income taxes paid of 930 million yen.

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

Cash used in investing activities was 2,570 million yen, because net purchases of time deposits of 2,520 million yen in addition of purchases of tangible fixed assets of 55 million yen exceeded the proceeds from sales of investment securities of 14 million yen.

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

Net cash used in financing activities was 355 million yen, mainly because of cash dividends of 349 million yen.

(3) Qualitative Information on Consolidated Earnings Forecast:

Because of several considerations, including the downward trend in sales as a result of changes to commercial distribution in the plastics compounding business in Shenzhen, China related to Tomoe's Chemical Products Business and, from an earnings perspective, the low cost to sales ratio and expense ratio in the Machinery & Equipment Business together with the continuing effect of the yen's appreciation on all imported materials in the Chemical Products Business, we have revised our projected consolidated operating results for the second quarter year-to-date period for the fiscal year ending in October 2011 announced in the "Notice Concerning Revision of Earnings Forecast" released on March 1, 2011. Compared with our initial forecast (released on December 10, 2010), for the consolidated second quarter year-to-date period we have lowered net sales by 100 million and increased operating income by 320 million yen, ordinary income by 380 million yen and net income by 220 million yen, respectively.

There are no revisions to the initial forecast concerning full-year consolidated net sales or operating income, ordinary income and net income for the fiscal year ending October 2011, because we expect the growth in sales of equipment for oil wells in North America projected in our Machinery & Equipment Business to supplement any shortfall in net sales for the second quarter year-to-date period, and from the third quarter onward we project the cost to sales ratio and the expense ratio related to our Machinery & Equipment Business to rise gradually, and earnings at our representative office in China related to the Chemical Products Business to weaken and the domestic effect of the yen's appreciation to fade.

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

Application of the "Accounting Standard for Asset Retirement Obligations"

Beginning from the first quarter of the current consolidated fiscal year, the Company has adopted the "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan Statement No. 18 dated March 31, 2008 and the "Guidance on Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan Guidance No. 21 dated March 31, 2008).

As a result of this change, operating income and ordinary income were 2,013,000 yen lower, and income before income taxes and minority interests was 34,699,000 yen lower, than what they otherwise would have been had the accounting standard used in previous consolidated fiscal years been applied.

3. Consolidated Financial Statement

(1) Consolidated Quarterly Balance Sheets

(Thousands of Yen)

Assets	End of First Quarter (January 31, 2011)	Summarized Balance Sheet for End of Previous Year (October 31, 2010)
Current Assets		
Cash and Deposits	5,424,890	6,109,100
Notes and Accounts Receivable-Trade	12,510,809	13,324,042
Merchandise and Finished Goods	3,452,898	3,055,662
Work in Process	1,134,679	1,400,107
Raw Materials and Supplies	718,728	404,117
Deferred Tax Assets	338,925	618,454
Others	172,542	164,937
Allowance for Doubtful Accounts	(8,140)	(29,006)
Total Current Assets	23,745,334	25,047,414
Noncurrent Assets		
Property, Plant and Equipment		
Buildings and Structures	2,528,212	2,527,155
Accumulated Depreciation	(1,525,506)	(1,505,179)
Buildings and Structures, Net	1,002,705	1,021,976
Machinery, Equipment and Vehicles	3,455,611	3,435,773
Accumulated Depreciation	(2,667,467)	(2,623,977)
Machinery, Equipment and Vehicles, Net	788,144	811,796
Land	970,253	970,253
Lease Assets	76,962	76,962
Accumulated Depreciation	(44,106)	(39,169)
Lease Assets, Net	32,856	37,793
Others	990,012	986,860
Accumulated Depreciation	(908,956)	(895,734)
Others, Net	81,056	91,126
Total Property, Plant and Equipment	2,875,015	2,932,946
Intangible Assets	76,790	80,245
Investments and Other Assets		
Investment Securities	764,768	697,362
Guarantee Deposits	382,538	412,798
Deferred Tax Assets	70,377	87,043
Others	597,707	602,102
Allowance for Doubtful Accounts	(79,349)	(80,377)
Total Investments and Other Assets	1,736,042	1,718,929
Total Noncurrent Assets	4,687,848	4,732,121
Total Assets	28,433,183	29,779,536

(Thousands of Yen)

Liabilities and Net Assets	End of First Quarter (January 31, 2011)	Summarized Balance Sheet for End of Previous Year (October 31, 2010)
Liabilities		
Current Liabilities		
Notes and Accounts Payable-Trade	6,629,441	6,477,307
Short-Term Loans Payable	570,696	585,923
Lease Obligations	22,116	24,132
Accounts Payable-Others	461,854	551,681
Income Taxes Payable	36,221	961,213
Advances Received	396,532	417,875
Provision for Bonuses	362,855	1,111,306
Provision for Directors' Bonuses	14,179	85,555
Allowance for Product Warranty	409,296	186,442
Others	382,664	327,562
Total Current Liabilities	9,285,857	10,729,000
Noncurrent Liabilities		
Lease Obligations	17,875	22,553
Provision for Retirement Benefits	34,865	32,538
Provision for Directors' Retirement Benefits	31,760	142,760
Deferred Tax Liabilities	46,310	108
Total Noncurrent Liabilities	130,810	197,960
Total Liabilities	9,416,668	10,926,961
Net Assets		
Shareholders' Equity		
Capital Stock	1,061,210	1,061,210
Capital Surplus	1,483,410	1,483,410
Retained Earnings	16,741,542	16,613,067
Treasury Stock	(363,194)	(363,194)
Total Shareholders' Equity	18,922,967	18,794,492
Valuation and Translation Adjustments		
Valuation Difference on Available-for-Sale Securities	98,284	53,585
Deferred Gains or Losses on Hedges	(4,456)	(7,411)
Foreign Currency Translation Adjustment	(274,666)	(257,190)
Total Valuation and Translation Adjustments	(180,837)	(211,016)
Minority Interests	274,384	269,098
Total Net Assets	19,016,514	18,852,575
Total Liabilities and Net Assets	28,433,183	29,779,536

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

(Thousands of Yen)

	First Quarter Ended January 31, 2010	First Quarter Ended January 31, 2011
Net Sales	7,955,463	10,993,244
Cost of Sales	6,340,188	8,693,507
Gross Profit	1,615,274	2,299,736
Selling, General and Administrative Expenses	1,445,780	1,548,621
Operating Income	169,494	751,114
Non-Operating Income		
Interest income	390	2,256
Dividends Income	4,804	6,356
Rent Income	6,252	3,168
Foreign Exchange Gains	20,188	12,973
Gain on Valuation of Derivatives	-	42,084
Others	4,582	8,913
Total Non-Operating Income	36,218	75,754
Non-Operating Expenses		
Interest Expenses	2,924	1,833
Loss on Sales of Notes Payable	19	16
Loss on Valuation of Derivatives	23,242	-
Others	5,310	5,236
Total Non-Operating Expenses	31,497	7,086
Ordinary Income	174,215	819,782
Extraordinary Income		
Gain on Sales of Investment Securities	159,212	8,836
Reversal of Allowance for Doubtful Accounts	23,688	20,882
Total Extraordinary Income	182,901	29,719
Extraordinary Losses		
Loss on Retirement of Noncurrent Assets	294	-
Loss on Valuation of Investments Securities	11,654	-
Affect from application of the Accounting Standard for Asset Retirement Obligations	-	32,685
Total Extraordinary Losses	11,948	32,685
Income before Income Taxes and Minority Interests	345,168	816,816
Income Taxes-Current	17,923	17,428
Income Taxes-Deferred	124,104	315,580
Total Income Taxes	142,027	333,008
Income before minority interests	-	483,807
Minority interests in income or loss (-)	(315)	6,075
Net Income (Loss)	203,455	477,732

(3) Consolidated Quarterly Statements of Cash Flows

(Thousands of Yen)

	First Quarter Ended January 31, 2010	First Quarter Ended January 31, 2011
Net Cash Provided by (Used in) Operating Activities		
Income before Income Taxes and Minority Interests	345,168	816,816
Depreciation and Amortization	92,622	97,785
Increase (Decrease) in Provision for Bonuses	(472,656)	(747,922)
Increase (Decrease) in Provision for Directors' Bonuses	(34,594)	(71,375)
Increase (Decrease) in Allowance for Product Warranty	(6,817)	222,853
Increase (Decrease) in Provision for Retirement Benefits	2,359	2,394
Increase (Decrease) in Provision for Directors' Retirement Benefits	-	(111,000)
Increase (Decrease) in Allowance for Doubtful Accounts	(25,299)	(21,893)
Loss (Gain) on Valuation of Investment Securities	11,654	-
Interest and Dividends Income	(5,195)	(8,613)
Interest Expenses	2,924	1,833
Foreign Exchange Losses (Gains)	2,306	(4,524)
Loss (Gain) on Sales of Investment Securities	(159,212)	(8,836)
Loss (Gain) on Retirement of Noncurrent Assets	294	-
Affect from application of the Accounting Standard for Asset	-	32,685
Loss (Gain) on Valuation of Derivatives	23,242	(42,084)
Decrease (Increase) in Notes and Accounts Receivable-Trade	331,722	787,661
Decrease (Increase) in Inventories	(1,391,541)	(459,100)
Increase (Decrease) in Notes and Accounts Payable-Trade	420,331	172,426
Increase (Decrease) in Accounts Payable-Others	57,559	(70,933)
Increase (Decrease) in Advances Received	192,582	(20,239)
Increase (Decrease) in Accrued Consumption Taxes	(118,435)	39,250
Others, Net	101,280	55,900
Sub total	(629,703)	663,082
Interests and Dividends Income Received	5,152	6,718
Interest Expenses Paid	(9,768)	(1,844)
Income Taxes Paid (-) or Returned	(54,957)	(930,674)
Net Cash Provided by (Used in) Operating Activities	(689,278)	(262,717)
Net Cash Provided by (Used in) Investing Activities		
Deposit of Time Deposits	(1,000,000)	(2,520,110)
Purchase of Property, Plant and Equipment	(42,524)	(55,422)
Purchase of Intangible Assets	(5,150)	(2,320)
Proceeds from Sales of Investment Securities	217,345	14,071
Purchase of Investment Securities	(3,258)	(3,431)
Collection of Loans Receivable	1,153	1,783
Payments of Loans Receivable	(575)	(90)
Guarantee Deposits (Increase)	(2,386)	(4,876)
Others, Net	52	52
Net Cash Provided by (Used in) Investment Activities	(835,342)	(2,570,344)

(Thousands of Yen)

	First Quarter Ended January 31, 2010	First Quarter Ended January 31, 2011
Net Cash Provided by (Used in) Financing Activities		
Repayments of Lease Obligations	(7,347)	(6,695)
Purchase of Treasury Stock	(35)	-
Cash Dividends Paid	(299,367)	(349,257)
Net Cash Provided by (Used in) Financing Activities	(306,750)	(355,952)
Effect of Exchange Rate Change on Cash and Cash Equivalents	13,783	(15,305)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,817,588)	(3,204,319)
Cash and Cash Equivalents at Beginning of Period	4,447,793	6,109,100
Cash and Cash Equivalents at End of Period	2,630,205	2,904,780

(4) Note on Going Concern Assumption

None.

(5) Segment Information**(Segment by type of business)****First Quarter Ended January 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	1,332,064	6,623,398	7,955,463	-	7,955,463
(2) Internal Net Sales among Segments or Amount Transferred	-	-	-	-	-
Total	1,332,064	6,623,398	7,955,463	-	7,955,463
Operating Income (Loss)	(129,424)	298,918	169,494	-	169,494

(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)**First Quarter Ended January 31, 2010**

(Thousands of Yen)

	Japan	Asia	Total	Deletion or Total Company	Consolidated
Net Sales					
(1) Net Sales to Unaffiliated Customers	7,245,900	709,562	7,955,463	-	7,955,463
(2) Internal Net Sales among Segments or Amount Transferred	96,527	41,915	138,443	(138,443)	-
Total	7,342,428	751,478	8,093,906	(138,443)	7,955,463
Operating Income	170,174	4,444	174,618	(5,124)	169,494

(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

【Segment Information】

(Supplemental information)

Beginning from the first quarter of the current consolidated fiscal year, the Company has adopted the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (Accounting Standards Board of Japan Statement No. 17, revision dated March 27, 2009 and the “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (Accounting Standards Board of Japan Guidance No. 20 dated March 31, 2008).

1 Summary of Reporting Segments

TOMOE Engineering Co., Ltd. has established two operational headquarters. These operational headquarters are developing their business activities by planning comprehensive domestic and overseas strategies for the respective manufactured and commercial products they handle.

We therefore have assumed these two businesses, referred to as the “Machinery & Equipment Business” and the “Chemical Products Business”, as our company reporting segments. The Machinery & Equipment Business mainly manufactures and sells centrifuge decanters, and the Chemical Products Business mainly manufactures, stocks and sells chemical industry products.

The Company’s reporting segments are those units of the Company’s for which discrete financial information is available and for which the Board of Directors regularly conducts a review for the purpose of making decisions about resources to be allocated to the segments and assess the segments’ performance.

2 Information Pertaining to the Amount of Net sales or Net Loss of Each Reporting Segment

First Quarter Ended January 31, 2011

(Thousands of Yen)

	Reported Segment			合計
	Machinery & Equipment Business	Chemical Products Business	Total	
Net Sales				
Net Sales to Unaffiliated Customers	3,574,299	7,418,944	10,993,244	10,993,244
Internal Net Sales among Segments or Amount Transferred	-	-	-	-
Total	3,574,299	7,418,944	10,993,244	10,993,244
Segment Profit	370,937	380,176	751,114	751,114

(Note) The total amount of segment profit is identical to the operating income reported on the Quarter Statements of Consolidated Income.

(6) Notes for Significant Changes in Shareholder’s Equity

First Quarter Ended January 31, 2011

None

4. Overseas Net Sales (reference)

First Quarter Ended January 31, 2010

(Thousands of Yen)

	Asia	Other Regions	Total
I. Overseas Net Sales	1,085,083	82,960	1,168,044
II. Consolidated Net Sales	-	-	7,955,463
III. Ratio of Overseas Net Sales to Consolidated Net Sales (%)	13.6	1.0	14.6

(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.

First Quarter Ended January 31, 2011

(Thousands of Yen)

	Asia	Other Regions	Total
I. Overseas Net Sales	2,040,446	222,025	2,262,472
II. Consolidated Net Sales	-	-	10,993,244
III. Ratio of Overseas Net Sales to Consolidated Net Sales (%)	18.6	2.0	20.6

(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.