



April 13, 2009

Consolidated Financial Results for the Nine Months ended February 28, 2009

Listed company name:	Toyo Tanso Co., Ltd.
Stock exchange listing:	Tokyo Stock Exchange, 1st Section
Stock code:	5310
Location of headquarters:	Osaka, Japan
Website:	http://www.toyotanso.co.jp
Representative:	Junko Kondo, President & Chief Operating Officer
Contact:	Toshimi Boki, Executive Officer, General Manager, Accounting Department
TEL:	81-6-6451-2114 (from overseas)
Scheduled date for submission of quarterly report:	April 14, 2009
Scheduled date for beginning of dividend payments:	-

1. Consolidated financial results for the nine months ended February 28, 2009

(From June 1, 2008 to February 28, 2009)

(1) Operating results (cumulative total)

(Millions of yen, rounded down)

Percentages indicate changes from the same period in the previous fiscal year.

	Net sales		Operating profit		Recurring profit		Net income	
		%		%		%		%
Nine months ended February 28, 2009	24,554	-	4,478	-	4,106	-	2,416	-
Nine months ended February 29, 2008	25,676	13.2	6,029	22.1	5,680	11.8	3,516	18.3

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended February 28, 2009	116.55	-
Nine months ended February 29, 2008	168.96	-

(2) Financial position

(Millions of yen, rounded down)

Percentages indicate changes from the same period in the previous fiscal year.

	Total assets	Equity	Equity ratio	Equity per share
			%	yen
As of February 28, 2009	57,215	47,829	81.7	2,253.38
As of May 31, 2008	57,706	46,523	79.0	2,198.73

Reference: Shareholders' equity

February 28, 2009

46,723 million yen

May 31, 2008

45,606 million yen

2. Dividends

(Record date)	Dividends per share (yen)					Total (Full year)
	First quarter end	Interim-end	Third quarter end	Year-end		
Year ended May 31, 2008	-	0.00	-	15.00		15.00
Year ending May 31, 2009 (Actual)	-	0.00	-	-	-	-
Year ending May 31, 2009 (Forecast)	-	-	-	20.00		20.00

Note: Revision of projected dividends in the quarter under review: None

3. Consolidated results forecast for the fiscal year ending May 31, 2009

(From June 1, 2008 to May 31, 2009)

						(Millions of yen)			
						Percentages indicate changes on a year-on-year basis.			
	Net sales		Operating profit		Recurring profit		Net income		Net income per share
	%		%		%		%		yen
Full year	30,500	(11.7)	4,600	(42.7)	4,300	(44.8)	2,400	(53.3)	115.75

Note: Revision of consolidated results forecast in the quarter under review: Yes

4. Others

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries accompanying changes in scope of consolidation): None

(2) Adoption of simple accounting methods and accounting methods specific to the preparation of quarterly consolidated financial statements: Yes

Note: For details, please refer to '4. Others' in Qualitative Information and Financial Statements on page 6.

(3) Changes in accounting policies, procedures, and methods of presentation for preparing the consolidated quarterly financial statements

(those to be described in the section Changes in Significant Items That Form the Basis of Preparations for Consolidated Quarterly Financial Statements)

i. Changes due to amendment of accounting standards: Yes

ii. Changes due to other reasons: Yes

Note: For details, please refer to '4. Others' in Qualitative Information and Financial Statements on page 6.

(4) Number of shares outstanding (common stock)

i. Number of shares outstanding and issued at the end of period (including treasury stock)

As of February 28, 2009 20,750,688 shares

As of May 31, 2008 20,750,688 shares

ii. Number of treasury stock at the end of period

As of February 28, 2009 16,065 shares

As of May 31, 2008 15,430 shares

iii. Average number of shares during the period (quarter; cumulative period)

Third quarter ended February 28, 2009 20,734,894 shares

Third quarter ended February 29, 2008 20,736,150 shares

* Disclaimer regarding appropriate use of forecasts and related points of note

1. Commencing the current fiscal year, the Company is applying the Accounting Standard for Quarterly Financial Reporting (Accounting Standards Board of Japan Statement No. 12 issued on March 14, 2007) and the Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14 issued on March 14, 2007). Quarterly consolidated financial statements are prepared according to the Rules for Quarterly Consolidated Financial Statements.
2. The results forecast has been prepared based on information that was available on the date of release of this document. Actual results may differ from the forecast depending on various factors. For further information on the results forecast, please refer to '3. Qualitative Information Regarding Consolidated Results Forecast' in Qualitative Information and Financial Statements on page 5.

(Reference)

Non-consolidated results forecast for the fiscal year ending May 31, 2009

(From June 1, 2008 to May 31, 2009)

(Millions of yen)

Percentages indicate changes on a year-on-year basis.

	Net sales		Operating profit		Recurring profit		Net income		Net income per share
		%		%		%		%	yen
Full year	22,500	(14.2)	1,100	(75.3)	1,600	(62.8)	1,000	(65.5)	48.23

(Note) Revision of non-consolidated results forecast in the quarter under review: Yes

[Qualitative Information and Financial Statements]

1. Qualitative Information Regarding Consolidated Operating Results

During the nine months ended February 28, 2009, in addition to dramatic exchange rate fluctuations, the Japanese economy saw the impact of the increased effects of the financial crisis (originally triggered by the US economy) on the real economy, leading to a rapid deterioration of economic conditions towards the latter half of the period, including a sharp decline in capital expenditure and exports. The downward trend in economic conditions in emerging countries such as China strengthened; this expresses the picture in terms of the global recession as a whole.

In these circumstances, the Toyo Tanso group has focused its efforts on initiatives to encourage domestic and foreign demand, such as promoting a shift towards fast-growing sectors/regions with a focus on environmental and energy-related products including the priority field of solar cells; however, the third quarter in particular saw the impact of a trend developing at all companies towards dramatic production and inventory adjustments.

With regard to special graphite products, in addition to requiring a certain level of adjustments for products used in the processing of single crystal silicon (including 300-mm wafers) due to the slowdown in the semiconductor market, mainstay Chinese demand for products used in manufacturing solar cells, which had driven the market as a whole up until the first half of the year, entered a major adjustment phase, leading to the beginning of a deceleration in demand in the electronics sector, with the exception of some products such as polysilicon. The general industries sector as a whole saw a decline, with the slowdown continuing in products used for electrical discharge machining (EDM) electrodes and metallurgical products due to the effects of the sluggish auto and construction industries.

In the field of carbon products for general industries, carbon products for mechanical applications showed signs of declining from what had been a period of steady growth, including products used as bearings and sealing materials. Sales of carbon products for electrical applications saw further declines in demand as a result of the worsening slump in the US and European economies.

In the field of compound materials and other products, despite a good showing by solar cells, particularly C/C composites, sales of all products weakened due to the impact of falling demand in semiconductors, especially from the third quarter onwards.

As a result of the above performance, consolidated sales for the nine months ended February 28, 2009 fell 4.4% year on year to 24,554 million yen due to the effect of rising raw material prices in addition to declining sales volumes, along with the rapidly falling demand that emerged in all sectors, particularly in the third quarter. Operating profit fell 25.7% to 4,478 million yen, recurring profit declined 27.7% to 4,106 million yen, and quarterly net income slipped 31.3% to 2,416 million yen.

The table below shows sales by product category in the nine months under review.

(Thousands of yen)

Products	Nine months ended February 28, 2009 (thousand yen)	Nine months ended February 29, 2008 (thousand yen)	Year on year (%)
Special graphite products	12,941,025	13,292,404	(2.6)
Carbon products for general industries (for mechanical applications)	2,136,619	2,150,521	(0.6)
Carbon products for general industries (for electrical applications)	3,186,421	3,657,873	(12.9)
Compound materials and other products	5,666,274	5,722,286	(1.0)
Related goods	624,077	853,821	(26.9)
Total	24,554,417	25,676,907	(4.4)

2. Qualitative Information Regarding Consolidated Financial Position

Total assets as of February 28, 2009 decreased by 490 million yen from the end of the previous fiscal year. This was mainly because of a fall in trade notes and accounts receivable of 1,996 million yen as a result of falling sales, a fall of 452 million yen in the life insurance fund and a 143 million yen appraisal loss on investment securities, despite an increase of 2,165 million yen in inventory due to customers' stock adjustment and the restoration of a shortage in intermediate stock.

Total liabilities fell 1,797 million yen from the end of the previous fiscal year. This was caused by a fall of 680 million yen in income taxes payable, a fall of 599 million yen in borrowings and a fall of 514 million yen in other fixed liabilities as a result of factors such as the payment of retirement benefits for directors after the death of the company's representative chairman.

Equity increased by 1,306 million yen from the end of the previous fiscal year following a rise in retained earnings as a result of a quarterly net income of 2,416 million yen.

3. Qualitative Information Regarding Consolidated Results Forecast

For the future economic environment, it is expected that the difficult economic conditions will continue both in Japan and globally for the foreseeable future as a result of the economic slowdown in the newly emerging economies combined with the large-scale economic downturn being seen in Japan and the West. Although a trend towards improvements can be seen in some sectors, it would appear that time is still required for a real bottoming out to occur.

With regard to the environment surrounding the Toyo Tanso group, there was a much larger impact than expected from declining demand because of production and inventory adjustments for all products as a result of the worsening global recession, and tough underlying conditions are expected to continue. In the medium and long term, it is expected that demand will start expanding for high-performance carbon products in the environment and energy-related sector, including expectations for an expansion in the nuclear power sector and solar cells, for which global growth is expected, and the progress that has been made with inventory adjustments for certain products. Under these market conditions, the Toyo Tanso Group will seek to improve underlying results through measures such as thorough cuts in costs and expenses and the promotion of improvements to operational efficiency; at the same time, we intend to promote investments in high-growth and high-added value sectors and strengthen the organization with a view to the future, and are making steady preparations for a recovery in economic conditions.

Based on the above situation, we have altered as follows the forecast for the full fiscal year ending May 31, 2009, as announced on January 13, 2009.

Revision of consolidated results forecast

(Millions of yen)

	Net sales	Operating profit	Recurring profit	Net income	Net income per share (yen)
Forecast previously announced (A)	33,000	6,400	6,000	3,700	178.44
Forecast newly revised (B)	30,500	4,600	4,300	2,400	115.75
Change (B-A)	(2,500)	(1,800)	(1,700)	(1,300)	-
Ratio of Change (%)	(7.6)	(28.1)	(28.3)	(35.1)	-
(Reference) Fiscal year ended May 31, 2008	34,531	8,031	7,795	5,143	247.33

4. Others

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries accompanying changes in scope of consolidation)

None

(2) Adoption of simple accounting methods and accounting methods specific to the preparation of quarterly consolidated financial statements

(i) Evaluation methods for inventory assets

Inventory assets for the end of the third quarter under review are calculated by omitting a physical inspection and using a rational method based upon the physical inspection amount calculated at the end of the second quarter.

(ii) Tax expense calculation

Tax expenses are calculated by multiplying profit before income taxes by the effective tax rate, which is reasonably estimated by applying tax-effect accounting to the estimated profit before income taxes for the fiscal year, including the third quarter under review.

The income taxes-deferred is included in income taxes.

(3) Changes in accounting policies, procedures, and methods of presentation for preparing the consolidated quarterly financial statements

(i) Commencing the current fiscal year, the Company is applying the Accounting Standard for Quarterly Financial Reporting (Accounting Standards Board of Japan Statement No. 12 issued on March 14, 2007) and the Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14 issued on March 14, 2007). Quarterly consolidated financial statements are prepared according to the Rules for Quarterly Consolidated Financial Statements.

(ii) Changes in evaluation criteria and evaluation method for inventories

Commencing the first quarter under review, the Company is applying the Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9 issued on July 5, 2006). The evaluation method has been changed from the cost method to the cost method where the book value (balance sheet value) is reduced in accordance with decreases in profitability.

The effect of the changes on operating profit, recurring profit, and profit before income taxes is minor.

(iii) Commencing the first quarter under review, the Company is applying the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (Practical Issues Task Force No. 18 issued on May 17, 2006) and is making the necessary adjustments for consolidated accounting.

In association with this, retained earnings at the beginning of the quarter increased by 42 million yen. The impact on operating profit, recurring profit, and profit before income taxes is minor.

(iv) Change in the method of converting the revenue and expenditure of foreign subsidiaries

The revenue and expenditure of foreign subsidiaries were previously converted into yen based on the spot exchange rate on the closing date. However, commencing the first quarter under review, they are converted into yen based on the average exchange rate for the period.

The change was made to eliminate the influence of short-term exchange rate fluctuations, and to calculate earnings for the quarter more appropriately in line with the increasing importance of foreign subsidiaries' production and sales transactions.

Accordingly, sales increased by 1,088 million yen, operating profit by 264 million yen, recurring profit by 266 million yen and net income before taxes and other adjustments by 266 million yen compared to those under the traditional method.

The effects of the change are described in '(5) Segment information' under Consolidated Quarterly Financial Statements on page 12.

(v) Application of Accounting Standard for Lease Transactions

Finance lease transactions that do not transfer ownership were previously accounted for in a manner similar to accounting for ordinary operating lease transactions. Commencing the first quarter under review, however, finance lease transactions are accounted for in a manner similar to the accounting treatment for ordinary sale and purchase transactions under the Accounting Standard for Lease Transactions (ASBJ Statement No. 13 issued by the First Subcommittee of the Business Accounting Council on June 17, 1993 and revised on March 30, 2007) and the Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No. 16 issued by the Accounting Committee of the Japanese Institute of Certified Public Accountants on January 18, 1994 and revised on March 30, 2007). This is because the accounting standard and guidance are now applicable to quarterly consolidated financial statements related to consolidated accounting periods commencing on or after April 1, 2008.

In depreciating the leased assets related to finance lease transactions that do not transfer ownership, we consider the lease period to be durable years and use the straight-line method, setting the residual value to zero.

The change has no effect on operating profit, recurring profit, or profit before income taxes.

Finance lease transactions that do not transfer ownership, which commenced prior to the beginning of the first fiscal year in which the standard and guidance are applied, continue to be accounted for in a manner similar to accounting for ordinary lease transactions.

(4) Additional information

Changes in the durable years of tangible fixed assets

Commencing the first quarter under review, the Company and its domestic consolidated subsidiaries reviewed and shortened the durable years of tangible fixed assets in the wake of the revision of the legal durable years of machinery and equipment in the tax system revision for fiscal 2008.

Accordingly, operating profit, recurring profit and net income before taxes and other adjustments decreased by 274 million yen respectively.

The effects of the changes are also described in '(5) Segment information' under Consolidated Quarterly Financial Statements on page 12.

5. Consolidated Quarterly Financial Statements

(1) Consolidated balance sheets

(Thousands of yen, rounded down)

	As of February 28, 2009	As of May 31, 2008
	Amount	Amount
Assets		
Current assets		
Cash on hand and in banks	13,595,056	13,642,899
Trade notes and accounts receivable	8,995,668	10,992,382
Merchandise and finished goods	4,134,890	2,915,957
Work in process	4,088,255	3,276,681
Raw materials and stores	1,167,026	1,031,929
Other	1,811,269	1,261,971
Allowance for doubtful accounts	(115,014)	(139,261)
Total current assets	33,677,152	32,982,561
Fixed assets		
Tangible fixed assets		
Buildings and structures	6,133,452	6,176,874
Machinery, equipment, and vehicles	8,422,882	8,755,666
Land	5,343,390	5,380,948
Construction in progress	794,483	475,397
Other	495,643	480,917
Total tangible fixed assets	21,189,851	21,269,806
Intangible fixed assets	357,806	376,647
Investments and other assets	1,990,865	3,077,541
Total fixed assets	23,538,523	24,723,995
Total assets	57,215,675	57,706,556

(Thousands of yen, rounded down)

	As of February 28, 2009	As of May 31, 2008
	Amount	Amount
Liabilities		
Current liabilities		
Trade notes and accounts payable	2,807,060	2,309,322
Short-term borrowings	1,009,707	1,277,401
Accrued amount payable	2,446,840	2,694,254
Income taxes payable	288,801	969,107
Reserve for employees' bonuses	503,225	880,309
Reserve for directors' and corporate auditors' bonuses	38,880	51,842
Other	1,452,966	1,279,782
Total current liabilities	8,547,482	9,462,020
Long-term liabilities		
Long-term borrowings	92,112	423,980
Reserve for employees' retirement benefits	308,072	147,111
Other	438,045	1,149,846
Total long-term liabilities	838,231	1,720,938
Total liabilities	9,385,713	11,182,958
Equity		
Common Stock	7,692,575	7,692,575
Capital surplus	9,534,686	9,534,686
Retained earnings	30,706,482	28,558,305
Treasury stock - at cost	(56,820)	(53,599)
Total Shareholders' Equity	47,876,923	45,731,968
Unrealized gains (losses) on available-for-sale securities	855	29,684
Foreign currency translation adjustments	(1,154,703)	(155,283)
Total	(1,153,848)	(125,598)
Minority interests	1,106,885	917,228
Total equity	47,829,961	46,523,598
Total liabilities and equity	57,215,675	57,706,556

(2) Consolidated quarterly statements of income

Nine months ended February 28, 2009

(Thousands of yen, rounded down)

	Nine months ended February 28, 2009
	Amount
Net sales	24,554,417
Cost of goods sold	15,435,547
Gross profit	9,118,869
Selling, general and administrative expenses	4,640,124
Operating profit	4,478,745
Non-operating income	
Dividend income	74,029
Dividends earned	7,847
Gain on foreign currency option	108,479
Other	30,508
Total non-operating income	220,864
Non-operating expenses	
Interest expenses	26,801
Valuation loss on investment securities	141,872
Foreign exchange loss	412,402
Other	12,489
Total non-operating expenses	593,565
Recurring profit	4,106,044
Extraordinary profit	
Gain on sale of fixed assets	1,033
Gain on sale of investment securities	100
Insurance benefits received	134,001
Subsidies received	5,626
Total extraordinary profit	140,760
Extraordinary losses	
Loss on sale of fixed assets	1,118
Loss on disposal of fixed assets	27,051
Valuation loss on investment securities	1,798
Total extraordinary losses	29,967
Profit before income taxes	4,216,836
Income taxes	1,455,840
Minority interests	344,418
Net income	2,416,577

(3) Consolidated quarterly statements of cash flows

(Thousands of yen, rounded down)

	Nine months ended February 28, 2009
	Amount
Cash flows from operating activities	
Profit before income taxes	4,216,836
Depreciation	2,402,109
Amortization of goodwill	8,179
Increase (decrease) in reserve for employees' retirement benefits	148,155
Insurance benefits received	(134,001)
Decrease in long-term accrued amount payable (directors' retirement benefits)	(699,000)
Increase (decrease) in reserve for employees' bonuses	(315,118)
Increase (decrease) in reserve for directors' bonuses	(12,962)
Increase (decrease) in allowance for doubtful accounts	(3,342)
Interest and dividend income	(81,877)
Interest expenses	26,801
Foreign exchange loss (gain)	412,402
Valuation loss (gain) on investment securities	143,670
Gain on sale of tangible fixed assets	(1,033)
Loss on disposal and sale of tangible fixed assets	28,169
Decrease (increase) in notes and accounts receivable - trade	1,634,895
Decrease (Increase) in inventories	(2,593,968)
Increase (decrease) in notes and accounts payable - trade	769,471
Other	(140,988)
Sub-total	5,808,399
Interest and dividend received	81,741
Interest paid	(22,728)
Insurance benefits received	603,869
Income taxes paid	(2,300,593)
Net cash provided by operating activities	4,170,688
Cash flows from investing activities	
Payments for time deposits	(5,362,645)
Proceeds from time deposits	2,353,719
Payments for acquisition of tangible fixed assets	(3,313,762)
Proceeds from sale of tangible fixed assets	2,470
Payments for acquisition of intangible fixed assets	(36,682)
Proceeds on redemption of investment securities	500,000
Other	11,599
Net cash used in investing activities	(5,845,300)
Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	(70,945)
Repayment of long-term borrowings	(444,718)
Repayment of finance lease payables	(1,883)
Payments for acquisition of treasury stock	(3,221)
Payments for dividends	(311,028)
Payments for dividends to minority interests	(22,196)
Net cash provided by (used in) financing activities	(853,994)
Effect of exchange rate changes on cash and cash equivalents	(371,838)
Increase (decrease) in cash and cash equivalents	(2,900,444)
Cash and cash equivalents at beginning of period	10,491,890
Cash and cash equivalents at end of period	7,591,445

Starting the current fiscal year, the Company applies the Accounting Standard for Quarterly Financial Reporting (Accounting Standards Board of Japan Statement No. 12 issued on March 14, 2007) and the Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14 issued on March 14, 2007). Quarterly consolidated financial statements are prepared under the Rules for Quarterly Consolidated Financial Statements.

(4) Notes regarding the premise of a going concern

Not applicable.

(5) Segment information

a. Business Segment Information

From June 1, 2008 to February 28, 2009

Business segment information has been omitted because the entire business of the Company and its subsidiaries falls under the single business category of carbon product related business.

b. Geographic Segment Information

(From June 1, 2008 to February 28, 2009)

(Thousands of yen, rounded down)

	Japan	North America	Europe	Asia	Total	Corporate and Elim.	Consolidated
Sales							
(1) Sales to unaffiliated customers	13,173,867	2,645,825	2,226,109	6,508,615	24,554,417	-	24,554,417
(2) Intersegment sales or transfers	4,414,035	89,241	4,268	79,569	4,587,114	(4,587,114)	-
Total	17,587,902	2,735,066	2,230,377	6,588,185	29,141,532	(4,587,114)	24,554,417
Operating Profit	1,773,156	479,223	285,480	1,871,103	4,408,963	69,781	4,478,745

(Notes) 1. Countries or regions are grouped together based on geographic proximity.

2. The major countries or regions included in each geographic segment (except Japan) are listed below.

(1) North America: United States

(2) Europe: France, Germany, Italy

(3) Asia: China, Taiwan

3. Unallocated amounts for operating expenses for the above period are not included in Corporate and Eliminations.

4. Change in the method of converting the revenues and expenditure of foreign subsidiaries:

The revenue and expenditure of foreign subsidiaries were previously converted into yen based on the spot exchange rate on the closing date. However, commencing the first quarter under review, they are converted into yen based on the average exchange rate for the period. In accordance with this change, sales in "North America," "Europe," and "Asia," for the nine months ended February 28, 2009 increased by 65,250 thousand yen, 291,966 thousand yen, and 731,063 thousand yen, respectively, compared to those under the traditional method. Operating profit also increased by 11,121 thousand yen, 36,064 thousand yen, and 216,915 thousand yen, respectively.

5. Change in the durable years of tangible fixed assets:

As stated in Additional Information, the Company and its domestic consolidated subsidiaries reviewed and shortened the durable years of tangible fixed assets for the first quarter under review, in the wake of the revision of the legal durable years of machinery and equipment in the tax system revision for fiscal 2008. Accordingly, the operating profit of "Japan" for the nine months ended February 28, 2009 decreased by 274,601 thousand yen.

c. Overseas Sales

Nine months ended February 28, 2009 (From June 1, 2008 to February 28, 2009)

(Thousands of yen, rounded down)

	North America	Europe	Asia	Rest of World	Total
I Overseas Sales	2,461,251	2,680,934	8,375,867	272,603	13,790,656
II Consolidated Sales	-	-	-	-	24,554,417
III Overseas sales as a proportion of consolidated sales (%)	10.0	11.0	34.1	1.1	56.2

(Notes) 1. Countries or regions are grouped together based on geographic proximity.

2. The major countries or regions included in each geographic segment (except Japan) are listed below.

(1) North America: United States

(2) Europe: France, Germany, Italy

(3) Asia: China, Taiwan

3. The overseas sales are the sales of the Company or its consolidated subsidiaries in countries or regions excluding Japan.

(6) Notes if the amount of shareholders' equity has changed significantly

Not applicable.

Reference materials

Financial Statements for the Previous Third Quarter

(1) (Condensed) Third Quarter Consolidated Statements of Income for Previous Fiscal Year

(thousands of yen, rounded down)

Nine months ended February 29, 2008		
	Amount	%
I. Net sales	25,676,907	100.0
II. Cost of goods sold	15,054,465	58.6
Gross profit	10,622,442	41.4
III. Selling, general and administrative expenses	4,593,146	17.9
Operating profit	6,029,295	23.5
IV. Non-operating income		
1. Interest income	63,000	
2. Net realized gain on crude oil swap contracts	79,996	
3. Other	45,682	
	188,679	0.7
V. Non-operating expenses		
1. Interest expenses	58,082	
2. Valuation loss on investment securities based on method in which valuation losses are recognized as net loss	86,502	
3. Net realized loss on crude oil swap contracts	52,396	
4. Foreign exchange loss	315,680	
5. Other	24,451	
	537,113	2.1
Recurring profit	5,680,861	22.1
VI. Extraordinary profit		
1. Gain on sale of fixed assets	1,305	
2. Gain on sale of investment securities	13,500	
3. Subsidies received	95,164	
	109,970	0.4
VII. Extraordinary losses		
1. Loss on disposal of fixed assets	55,147	
2. Loss on sale of fixed assets	4,262	
3. Loss on revaluation of investments in securities	779	
	60,188	0.2
Profit before income taxes	5,730,642	22.3
Income taxes	1,965,962	7.6
Minority interests	248,675	1.0
Net income	3,516,004	13.7

(2) (Condensed) Third Quarter Consolidated Statements of Cash Flows for Previous Fiscal Year

(thousands of yen, rounded down)

Nine months ended February 29, 2008

	Amount
I. Cash flows from operating activities	
1. Net income before taxes and other adjustments	5,730,642
2. Depreciation	1,992,815
3. Amortization of goodwill	7,894
4. Decrease in reserve for employees' retirement benefits	(5,763)
5. Decrease in reserve for retirement benefits for directors and corporate auditors	(2,300)
6. Decrease in reserve for employees' bonuses	(298,707)
7. Decrease in reserve for directors' bonuses	(13,638)
8. Increase in allowance for doubtful accounts	12,592
9. Interest and dividend income	(71,689)
10. Interest expenses	58,082
11. Foreign exchange loss	315,680
12. Loss on revaluation of investments in securities	779
13. Valuation loss on investment securities based on method in which valuation losses are recognized as net loss	86,502
14. Gain on sale of tangible fixed assets	(1,305)
15. Loss on disposal and sale of tangible fixed assets	59,409
16. Gain on sale of investment securities	(13,500)
17. Decrease in notes and accounts receivable-trade	(111,439)
18. Increase in inventories	(834,678)
19. Decrease in notes and accounts payable-trade	689,743
20. Other	(263,472)
Sub-total	7,337,648
21. Interest and dividend received	70,183
22. Interest paid	(54,437)
23. Income taxes paid	(3,229,540)
Net cash provided by operating activities	4,123,854
II. Cash flows from investing activities	
1. Payments for time deposits	(6,578,402)
2. Proceeds from time deposits	2,441,953
3. Proceeds from redemption of mortgage-backed securities	500,000
4. Payments for acquisition of tangible fixed assets	(3,775,562)
5. Proceeds from sale of tangible fixed assets	5,574
6. Payments for acquisition of intangible fixed assets	(20,830)
7. Payments for acquisition of investment securities	(537,152)
8. Proceeds from sale of investment securities	113,500
9. Payments for additional acquisition of subsidiary's stocks	(124,461)
10. Payments for contribution to capital	(10)
11. Other	(107,530)
Net cash used in investing activities	(8,082,924)

(thousands of yen, rounded down)

Nine months ended February 29, 2008

	Amount
III. Cash flows from financing activities	
1. Net increase (decrease) in short-term borrowings	60,749
2. Proceeds from long-term borrowings	50,000
3. Repayment of long-term borrowings	(1,084,279)
4. Payments for acquisition of treasury stock	(43,423)
5. Payments for dividends	(165,918)
6. Payments for dividends to minority interests	(23,899)
Net cash provided by (used in) financing activities	(1,206,771)
IV. Effect of exchange rate changes on cash and cash equivalents	1,702
V. Decrease in cash and cash equivalents	(5,164,138)
VI. Cash and cash equivalents at beginning of period	11,558,559
VII. Increase in cash and cash equivalents accompanying new consolidation	76,943
VIII. Cash and cash equivalents at end of period	6,471,365

(3) Segment Information

a. Business Segment Information

From June 1, 2007 to February 29, 2008

Business segment information has been omitted because the entire business of the Company and its subsidiaries falls under the single business category of carbon-product-related business.

b. Geographic Segment Information

(From June 1, 2007 to February 29, 2008)

(Thousands of yen, rounded down)

	Japan	North America	Europe	Asia	Total	Corporate and Elim.	Consolidated
Sales							
(1) Sales to unaffiliated customers	15,090,483	2,445,985	2,507,593	5,632,845	25,676,907	-	25,676,907
(2) Intersegment sales or transfers	4,075,155	137,651	9,713	72,710	4,295,230	(4,295,230)	-
Total	19,165,638	2,583,637	2,517,306	5,705,555	29,972,138	(4,295,230)	25,676,907
Operating Profit	4,053,140	352,359	294,277	1,397,319	6,097,096	(67,800)	6,029,295

- (Notes) 1. Countries or regions are grouped together based on geographic proximity.
2. The major countries or regions included in each geographic segment (except Japan) are listed below.
(1) North America: United States
(2) Europe: France, Germany, Italy
(3) Asia: China, Taiwan
3. Unallocated amounts for operating expenses for the above period are not included in Corporate and Eliminations.

c. Overseas Sales

Nine months ended February 29, 2008 (From June 1, 2007 to February 29, 2008)

(Thousands of yen, rounded down)

	North America	Europe	Asia	Rest of World	Total
I Overseas Sales	2,378,619	3,001,230	7,540,926	174,993	13,095,770
II Consolidated Sales	-	-	-	-	25,676,907
III Overseas sales as a proportion of consolidated sales (%)	9.2	11.7	29.4	0.7	51.0

- (Notes) 1. Countries or regions are grouped together based on geographic proximity.
2. The major countries or regions included in each geographic segment (except Japan) are listed below.
(1) North America: United States
(2) Europe: France, Germany, Italy
(3) Asia: China, Taiwan
3. The overseas sales are the sales of the Company or its consolidated subsidiaries in countries or regions excluding Japan.