



April 7, 2008

Consolidated Financial Results for the Nine Months Ended February 29, 2008

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)
E-mail:	ir@toyotanso.co.jp

1. Consolidated financial results for the nine months ended February 29, 2008

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

(1) Operating results

(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 29, 2008	25,676	13.2	6,029	22.1	5,680	11.8	3,516	18.3
Nine months ended February 28, 2007	22,686	23.6	4,937	41.1	5,083	39.1	2,971	49.9
Year ended May 31, 2007	31,381		6,925		7,123		4,439	

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended February 29, 2008	168.96	-
Nine months ended February 28, 2007	222.99	-
Year ended May 31, 2007	329.65	-

Note: The Company made a 1.5-for-1 split of its common stock on June 1, 2007.

(2) Financial position

(Millions of yen, rounded down)

	Total assets	Equity	Equity ratio	Equity per share
			%	yen
As of February 29, 2008	56,195	45,099	78.8	2,133.84
As of February 28, 2007	48,645	34,472	70.1	2,558.69
As of May 31, 2007	54,830	41,386	74.8	2,964.32

Note: The Company made a 1.5-for-1 split of its common stock on June 1, 2007.

(3) Cash flows

(Millions of yen, rounded down)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Nine months ended February 29, 2008	4,123	(8,082)	(1,206)	6,471
Nine months ended February 28, 2007	2,659	(2,679)	(976)	3,907
Year ended May 31, 2007	4,993	(1,635)	3,292	11,558

2. Consolidated results forecast for the fiscal year ending May 31, 2008 [Reference]

(Millions of yen)

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

	Net sales		Operating profit		Recurring profit		Net income		Net income per share
	%		%		%		%		yen
Year ending May 31, 2008	33,800	7.7	8,000	15.5	7,700	8.1	4,700	5.9	226.06

Note: Consolidated results forecast for the fiscal year has been revised from these announced on July 17, 2007. Please refer to 3. Qualitative information regarding results forecast, [Qualitative information and financial statements] on page 5.

3. Others**(1) Changes in significant subsidiaries during the period**

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

(2) Adoption of simple methods in accounting procedures: Yes**(3) Changes in accounting procedures from the most recent fiscal year:** None

Note: For details, please refer to 4. Others, [Qualitative information and financial statements] on page 5.

Reference: SUMMARY OF NON-CONSOLIDATED FINANCIAL STATEMENTS

1. Non-consolidated financial results for the nine months ended February 29, 2008

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

(1) Operating results

(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 29, 2008	19,169	10.7	3,563	(3.2)	3,358	(13.1)	2,100	(9.7)
Nine months ended February 28, 2007	17,316	17.3	3,682	41.5	3,863	35.8	2,327	55.0
Year ended May 31, 2007	23,807		4,960		5,191		3,408	

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended February 29, 2008	101.29	-
Nine months ended February 28, 2007	174.63	-
Year ended May 31, 2007	254.17	-

Note: The Company made a 1.5-for-1 split of its common stock on June 1, 2007.

(2) Financial position

(Millions of yen, rounded down)

	Total assets	Equity	Equity ratio	Equity per share
			%	yen
As of February 29, 2008	47,174	39,026	82.7	1,882.14
As of February 28, 2007	41,234	30,689	74.4	2,302.86
As of May 31, 2007	47,213	37,153	78.7	2,687.12

Note: The Company made a 1.5-for-1 split of its common stock on June 1, 2007.

2. Non-consolidated results forecast for the fiscal year ending May 31, 2008

(Millions of yen)

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

	Net sales		Operating profit		Recurring profit		Net income		Net income per share
		%		%		%		%	yen
Year ending May 31, 2008	26,000	9.2	4,900	(1.2)	4,700	(9.5)	2,900	(14.9)	139.85

Note: Consolidated results forecast for the fiscal year has been revised from these announced on July 17, 2007. Please refer to 3. Qualitative information regarding results forecast, [Qualitative information and financial statements] on page 5.

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

The above forecasts are based on information available at the time of the release of this report. Actual results may differ from the projected figures due to a variety of factors.

[Qualitative information and financial statements]

1. Qualitative information regarding consolidated operating results

During the nine months ended February 29, 2008, the Japanese economy remained on a path of moderate growth supported by strong capital expenditures and exports in spite of negative factors such as the record-setting surge in the prices of crude oil and raw fuels and the worldwide turmoil in the financial markets stemming from the subprime mortgage loan crisis. Meanwhile, the economies of other countries generally remained robust thanks to favorable economic conditions in Asia.

Under these circumstances, the Toyo Tanso group met strong demand from Asia as well as from domestic and other foreign customers by expanding its production capacity to 11,000 tons annually by the end of the first six months of the fiscal year for isotropic graphite, its mainstay product, and accelerating its global advance. In addition, the Toyo Tanso group made progress in its continued shift to growth sectors and its quest for high added value and worked towards the further business expansion and higher profits. Special graphite, another main product, sold well on the whole thanks to its use in the electronics sector. Its application in the manufacture of 300 mm wafers and other single crystal silicon continued to increase and its demand as part of the solar cell manufacturing process in particular grew sharply both in Japan and overseas. Further, demand for special graphite products, mainly EDM (electrical discharge machining) electrodes also expanded in general industries sector. Carbon products for general industries demonstrated favorable growth for mechanical and electrical applications, and compound materials and other important products such as SiC (silicon carbide)-coated graphite and C/C composite fared well.

As a result, the Toyo Tanso group continued to achieve increases in sales and profits in the nine months ended February 29, 2008, in spite of negative factors such as a sharp appreciation of the yen and a significant increase in depreciation cost. Specifically, net sales grew 13.2% from the same period in the previous year to 25,676 million yen, operating profit increased 22.1% to 6,029 million yen, recurring profit rose 11.8% to 5,680 million yen and net income increased 18.3% to 3,516 million yen.

(Thousands of yen)

Products	Nine months ended February 29, 2008	Nine months ended February 28, 2007	Year ended May 31, 2007
Special graphite products	13,292,404	11,369,827	15,916,373
Carbon products for general industries (for mechanical applications)	2,150,521	1,938,151	2,682,927
Carbon products for general industries (for electrical applications)	3,657,873	3,147,718	4,257,378
Compound materials and other products	5,722,286	5,555,431	7,555,069
Related goods	853,821	675,612	969,511
Total	25,676,907	22,686,738	31,381,259

2. Qualitative information regarding the consolidated financial position

Total assets as of February 29, 2008 increased 1,364 million yen from the end of the previous fiscal year thanks mainly to a hike of 877 million yen in inventory and of 1,145 million yen in tangible fixed assets, attributable to an increase in production equipment.

Total liabilities decreased 2,348 million yen from the end of the previous fiscal year due to a decrease of 1,210 million yen in income taxes payable and of 1,115 million yen in long-term borrowings. Also, equity increased 3,713 million yen from the end of the previous fiscal year due to an increase of 3,407 million yen in retained earnings.

3. Qualitative information regarding results forecast

Business results for the nine months ended February 29, 2008 were favorable according to plan, however, forecast for the entire fiscal year announced on July 17, 2007 has been revised as shown below due to a revision of assumed currency exchange rates brought upon by their recent sharp fluctuation.

(Assumed currency exchange rates: ¥110/US\$ → ¥100/US\$; ¥148/EUR → ¥155/EUR)

(Millions of yen)

	Net sales	Operating profit	Recurring profit	Net income
Forecast for Year ending May 31, 2008(Announced on July 17, 2007)	34,300	8,200	8,100	5,000
Forecast for Year ending May 31, 2008(Revised)	33,800	8,000	7,700	4,700
Change amount	(500)	(200)	(400)	(300)
Change rate (%)	(1.5)	(2.4)	(4.9)	(6.0)

[Reference] Non-consolidated results forecast for the fiscal year ending May 31, 2008

(Millions of yen)

	Net sales	Operating profit	Recurring profit	Net income
Forecast for Year ending May 31, 2008(Announced on July 17, 2007)	26,000	5,200	5,200	3,200
Forecast for Year ending May 31, 2008(Revised)	26,000	4,900	4,700	2,900
Change amount	-	(300)	(500)	(300)
Change rate (%)	-	(5.8)	(9.6)	(9.4)

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 methods in accounting procedures: Yes

Simple methods in accounting procedures are partially adopted in calculation standards of income taxes and others which effect slightly.

(3) Changes in accounting procedures from the most recent fiscal year: None

(Summary of consolidated balance sheets)

(Thousands of yen, rounded down)

	As of February 29, 2008 (A)		As of February 28, 2007		As of May 31, 2007 (B)		Change (A)-(B)
	Amount	%	Amount	%	Amount	%	Amount
Assets							
I. Current assets							
1. Cash on hand and in banks	12,821,767		9,073,920		14,775,343		(1,953,575)
2. Trade notes and accounts receivable	10,343,456		9,151,100		9,942,492		400,963
3. Inventory	7,450,784		6,397,817		6,573,737		877,046
4. Other	1,367,660		1,783,554		1,719,083		(351,423)
Allowance for doubtful accounts	(159,128)		(135,532)		(157,729)		(1,399)
Total current assets	31,824,540	56.6	26,270,859	54.0	32,852,928	59.9	(1,028,388)
II. Fixed assets							
1. Tangible fixed assets							
(1) Buildings and structures	5,522,094		5,242,014		5,417,130		104,964
(2) Machinery, equipment, and vehicles	8,647,148		5,628,208		7,161,900		1,485,248
(3) Land	5,272,759		5,333,381		5,282,468		(9,709)
(4) Construction in progress	830,404		2,677,912		1,164,853		(334,449)
(5) Other	506,369		396,036		606,658		(100,289)
Total tangible fixed assets	20,778,775	37.0	19,277,552	39.6	19,633,011	35.8	1,145,764
2. Intangible fixed assets	364,633	0.6	281,724	0.6	287,026	0.5	77,606
3. Investments and other assets							
(1) Investments in securities	849,433		413,544		405,341		444,091
(2) Deferred tax assets	466,328		464,751		560,908		(94,579)
(3) Other	1,915,617		1,940,232		1,094,971		820,645
Allowance for doubtful accounts	(4,272)		(3,623)		(3,543)		(729)
Total investments and other assets	3,227,107	5.8	2,814,905	5.8	2,057,678	3.8	1,169,428
Total fixed assets	24,370,516	43.4	22,374,182	46.0	21,977,717	40.1	2,392,799
Total assets	56,195,057	100.0	48,645,041	100.0	54,830,645	100.0	1,364,411

(Thousands of yen, rounded down)

	As of February 29, 2008 (A)		As of February 28, 2007		As of May 31, 2007 (B)		Change (A)-(B)
	Amount	%	Amount	%	Amount	%	Amount
Liabilities							
I. Current liabilities							
1. Trade notes and accounts payable	2,879,228		2,740,417		2,338,453		540,774
2. Short-term borrowings	1,759,308		2,903,123		2,064,995		(305,687)
3. Reserve for employees' bonuses	514,954		414,665		813,835		(298,881)
4. Reserve for directors' and corporate auditors' bonuses	40,914		-		54,552		(13,638)
5. Other	4,018,159		5,394,106		5,589,952		(1,571,792)
Total current liabilities	9,212,564	16.4	11,452,313	23.5	10,861,789	19.8	(1,649,224)
II. Long-term liabilities							
1. Long-term borrowings	506,579		1,426,948		1,231,020		(724,441)
2. Reserve for employees' retirement benefits	197,376		250,702		195,069		2,307
3. Reserve for directors' retirement allowances	-		2,000		2,300		(2,300)
4. Other	1,178,568		1,040,831		1,153,872		24,696
Total long-term liabilities	1,882,525	3.3	2,720,482	5.6	2,582,262	4.7	(699,737)
Total liabilities	11,095,090	19.7	14,172,796	29.1	13,444,052	24.5	(2,348,961)
Equity							
1. Common Stock	7,692,575	13.7	5,000,075	10.3	7,692,575	14.0	-
2. Capital surplus	9,534,686	17.0	6,842,786	14.1	9,534,686	17.4	-
3. Retained earnings	26,930,653	47.9	22,055,064	45.3	23,522,911	42.9	3,407,741
4. Treasury stock - at cost	(52,738)	(0.1)	(9,205)	(0.0)	(9,314)	(0.0)	(43,423)
5. Unrealized gains (losses) on available-for-sale securities	7,254	0.0	26,751	0.0	25,309	0.1	(18,054)
6. Foreign currency translation adjustments	133,655	0.3	183,171	0.4	220,200	0.4	(86,545)
Total	44,246,088	78.8	34,098,645	70.1	40,986,368	74.8	3,259,719
Minority interests	853,879	1.5	373,600	0.8	400,224	0.7	453,654
Total equity	45,099,967	80.3	34,472,245	70.9	41,386,593	75.5	3,713,373
Total liabilities and equity	56,195,057	100.0	48,645,041	100.0	54,830,645	100.0	1,364,411

(Summary of consolidated statements of income)

(Thousands of yen, rounded down)

	Nine months ended February 29, 2008 (A)		Nine months ended February 28, 2007 (B)		Change (A)-(B) Amount	Year ended May 31, 2007	
	Amount	%	Amount	%		Amount	%
I. Net sales	25,676,907	100.0	22,686,738	100.0	2,990,169	31,381,259	100.0
II. Cost of goods sold	15,054,465	58.6	13,737,149	60.6	1,317,315	18,853,152	60.1
Gross profit	10,622,442	41.4	8,949,588	39.4	1,672,853	12,528,106	39.9
III. Selling, general and administrative expenses	4,593,146	17.9	4,011,872	17.7	581,274	5,602,463	17.8
Operating profit	6,029,295	23.5	4,937,716	21.7	1,091,579	6,925,643	22.1
IV. Non-operating income							
1. Interest income	63,000		31,510		31,490	48,503	
2. Net realized gain on crude oil swap contracts	79,996		60,475		19,520	72,326	
3. Foreign exchange gains	-		150,790		(150,790)	220,951	
4. Other	45,682		67,904		(22,222)	83,615	
Total non-operating income	188,679	0.7	310,680	1.4	(122,001)	425,397	1.3
V. Non-operating expenses							
1. Interest expenses	58,082		82,964		(24,882)	111,956	
2. Net realized loss on crude oil swap contracts	52,396		67,243		(14,847)	72,152	
3. Foreign exchange loss	315,680		-		315,680	-	
4. Stock issuing expenses	-		-		-	32,923	
5. Valuation loss on investment securities based on method in which valuation losses are recognized as net loss	86,502		-		86,502	7,686	
6. Other	24,451		14,978		9,473	2,495	
Total non-operating expenses	537,113	2.1	165,186	0.7	371,926	227,212	0.7
Recurring profit	5,680,861	22.1	5,083,210	22.4	597,650	7,123,828	22.7
VI. Extraordinary profit							
1. Gain on sale of fixed assets	1,305		1,263		41	28,236	
2. Gain on transfer to defined contribution pension plan	-		405,906		(405,906)	405,906	
3. Gain on sale of investment securities	13,500		987		12,512	987	
4. Subsidies received	95,164		46,607		48,557	151,426	
Total extraordinary profit	109,970	0.4	454,765	2.0	(344,795)	586,556	1.8
VII. Extraordinary losses							
1. Loss on disposal of fixed assets	55,147		31,603		23,543	76,592	
2. Loss on sale of fixed assets	4,262		367		3,895	3,975	
3. Loss on sale of investment securities	-		1,081		(1,081)	1,127	
4. Valuation loss on investment securities	779		-		779	-	
5. Special retirement benefit expenses	-		-		-	113,698	
Total extraordinary losses	60,188	0.2	33,052	0.1	27,136	195,394	0.6
Profit before income taxes	5,730,642	22.3	5,504,923	24.3	225,718	7,514,989	23.9
Income taxes	1,965,962	7.6	2,476,260	10.9	(510,297)	2,989,167	9.5
Minority interests	248,675	1.0	56,927	0.3	191,747	86,238	0.3
Net income	3,516,004	13.7	2,971,735	13.1	544,268	4,439,582	14.1

(Consolidated statement of changes in equity)**Nine months ended February 29, 2008 (From June 1, 2007 to February 29, 2008)**

(Thousands of yen, rounded down)

	Common Stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gains (losses) on available- for-sale securities	Foreign currency translation adjustments	Total	Minority interests	Total equity
Balance as of May 31, 2007	7,692,575	9,534,686	23,522,911	(9,314)	25,309	220,200	40,986,368	400,224	41,386,593
Changes during the period									
Increase in consolidated retained earnings due to increase in number of consolidated subsidiaries			74,016				74,016		74,016
Dividends from retained earnings			(165,918)				(165,918)		(165,918)
Employees' bonuses from profit (*)			(16,361)				(16,361)		(16,361)
Net income			3,516,004				3,516,004		3,516,004
Acquisition of treasury stock				(43,423)			(43,423)		(43,423)
Net changes in items other than shareholders' equity during the period					(18,054)	(86,545)	(104,599)	453,654	349,055
Total changes during the period	-	-	3,407,741	(43,423)	(18,054)	(86,545)	3,259,719	453,654	3,713,373
Balance as of February 29, 2008	7,692,575	9,534,686	26,930,653	(52,738)	7,254	133,655	44,246,088	853,879	45,099,967

(*) Employees' bonuses appropriated upon resolution of profit appropriation by the Company's subsidiaries in China and Taiwan.

Nine months ended February 28, 2007 (From June 1, 2006 to February 28, 2007)

(Thousands of yen, rounded down)

	Common Stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gains (losses) on available- for-sale securities	Foreign currency translation adjustments	Total	Minority interests	Total equity
Balance as of May 31, 2006	5,000,075	6,842,786	19,223,421	(9,205)	31,830	(228,547)	30,860,361	317,319	31,177,680
Changes during the period									
Dividends from retained earnings			(133,265)				(133,265)		(133,265)
Employees' bonuses from profit (*)			(6,826)				(6,826)		(6,826)
Net income			2,971,735				2,971,735		2,971,735
Net changes in items other than shareholders' equity during the period					(5,078)	411,719	406,640	56,281	462,921
Total changes during the period	-	-	2,831,643	-	(5,078)	411,719	3,238,283	56,281	3,294,565
Balance as of February 28, 2007	5,000,075	6,842,786	22,055,064	(9,205)	26,751	183,171	34,098,645	373,600	34,472,245

(*) Employees' bonuses appropriated upon resolution of profit appropriation by the Company's subsidiaries in China and Taiwan.

Year ended May 31, 2007 (From June 1, 2006 to May 31, 2007)

(Thousands of yen, rounded down)

	Common Stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gains (losses) on available- for-sale securities	Foreign currency translation adjustments	Total	Minority interests	Total equity
Balance as of May 31, 2006	5,000,075	6,842,786	19,223,421	(9,205)	31,830	(228,547)	30,860,361	317,319	31,177,680
Changes during the period									
Issuance of new stock	2,692,500	2,691,900					5,384,400		5,384,400
Dividends from retained earnings			(133,265)				(133,265)		(133,265)
Employees' bonuses from profit (*)			(6,826)				(6,826)		(6,826)
Net income			4,439,582				4,439,582		4,439,582
Acquisition of treasury stock				(109)			(109)		(109)
Net changes in items other than shareholders' equity during the period					(6,521)	448,748	442,226	82,905	525,132
Total changes during the period	2,692,500	2,691,900	4,299,490	(109)	(6,521)	448,748	10,126,007	82,905	10,208,913
Balance as of May 31, 2007	7,692,575	9,534,686	23,522,911	(9,314)	25,309	220,200	40,986,368	400,224	41,386,593

(*) Employees' bonuses appropriated upon resolution of profit appropriation by the Company's subsidiaries in China and Taiwan.

(Summary of consolidated statements of cash flows)

(Thousands of yen, rounded down)

	Nine months ended February 29, 2008 (A)	Nine months ended February 28, 2007 (B)	Change (A)-(B)	Year ended May 31, 2007
	Amount	Amount	Amount	Amount
I. Cash flows from operating activities				
1. Profit before income taxes	5,730,642	5,504,923	225,718	7,514,989
2. Depreciation	1,992,815	1,184,094	808,720	1,709,584
3. Amortization of (negative) goodwill	7,894	(428)	8,322	(571)
4. Decrease in reserve for employees' retirement benefits	(5,763)	(113,105)	107,342	(106,923)
5. Decrease in reserve for directors' retirement allowances	(2,300)	-	(2,300)	(9,227)
6. Gain on transfer to defined contribution pension plan	-	(405,906)	405,906	(405,906)
7. Special retirement benefit expenses	-	-	-	113,698
8. Increase (decrease) in reserve for employees' bonuses	(298,707)	(278,594)	(20,113)	120,503
9. Increase (decrease) in reserve for directors' bonuses	(13,638)	(22,931)	9,293	8,692
10. Increase in allowance for doubtful accounts	12,592	19,835	(7,242)	39,171
11. Interest and dividend income	(71,689)	(36,502)	(35,186)	(54,240)
12. Interest expenses	58,082	82,964	(24,882)	111,956
13. Foreign exchange loss (gain)	315,680	(150,790)	466,470	(220,951)
14. Valuation loss on investment securities	779	-	779	-
15. Valuation loss on investment securities based on method in which valuation losses are recognized as net loss	86,502	1,900	84,602	7,686
16. Gain on sale of tangible fixed assets	(1,305)	(1,263)	(41)	(28,236)
17. Loss on disposal and sale of tangible fixed assets	59,409	31,971	27,438	80,568
18. Loss (gain) on sale of investment securities	(13,500)	93	(13,593)	140
19. Decrease (increase) in notes and accounts receivable - trade	(111,439)	(722,061)	610,622	(1,483,000)
20. Increase in inventories	(834,678)	(191,455)	(643,223)	(365,414)
21. Increase (decrease) in notes and accounts payable - trade	689,743	333,560	356,183	(56,724)
22. Other	(263,472)	(50,445)	(213,027)	447,436
Sub-total	7,337,648	5,185,858	2,151,789	7,423,229
24. Interest and dividend received	70,183	35,169	35,014	53,541
25. Interest paid	(54,437)	(79,020)	24,582	(107,901)
26. Income taxes paid	(3,229,540)	(2,482,584)	(746,956)	(2,375,717)
Net cash provided by operating activities	4,123,854	2,659,423	1,464,431	4,993,152
II. Cash flows from investing activities				
1. Payments for time deposits	(6,578,402)	(2,214,328)	(4,364,073)	(3,216,783)
2. Proceeds from time deposits	2,441,953	3,105,171	(663,218)	6,834,962
3. Payments for acquisition of mortgage-backed securities	-	(500,000)	500,000	(500,000)
4. Proceeds from redemption of mortgage-backed securities	500,000	-	500,000	-
5. Payments for acquisition of tangible fixed assets	(3,775,562)	(2,826,611)	(948,950)	(4,532,248)
6. Proceeds from sale of tangible fixed assets	5,574	30,413	(24,839)	98,172
7. Payments for acquisition of intangible fixed assets	(20,830)	(23,784)	2,953	(35,410)
8. Payments for acquisition of investment securities	(537,152)	(200,325)	(336,827)	(200,325)
9. Proceeds from sale of investment securities	113,500	47,544	65,955	49,968
10. Payments for additional acquisition of subsidiary shares	(124,461)	-	(124,461)	-
11. Payments for investment in capital	(10)	(97,094)	97,084	(133,994)
12. Other	(107,530)	-	(107,530)	-
Net cash used in investing activities	(8,082,924)	(2,679,014)	(5,403,909)	(1,635,659)

(Thousands of yen, rounded down)

	Nine months ended February 29, 2008 (A)	Nine months ended February 28, 2007 (B)	Change (A)-(B)	Year ended May 31, 2007
	Amount	Amount	Amount	Amount
III. Cash flows from financing activities				
1. Net increase (decrease) in short-term borrowings	60,749	309,550	(248,800)	(454,459)
2. Proceeds from long-term borrowings	50,000	93,683	(43,683)	131,471
3. Repayment of long-term borrowings	(1,084,279)	(1,227,699)	143,420	(1,616,908)
4. Proceeds from issuance of stock	-	-	-	5,384,400
5. Net expenditure for acquisition and sale of treasury stock	(43,423)	-	(43,423)	(109)
6. Payments for dividends	(165,918)	(133,265)	(32,653)	(133,265)
7. Payments for dividends to minority interests	(23,899)	(19,090)	(4,808)	(19,090)
Net cash provided by (used in) financing activities	(1,206,771)	(976,822)	(229,949)	3,292,037
IV. Effect of exchange rate changes on cash and cash equivalents	1,702	36,778	(35,076)	41,804
V. Increase (decrease) in cash and cash equivalents	(5,164,138)	(959,634)	(4,204,504)	6,691,334
VI. Cash and cash equivalents at beginning of period	11,558,559	4,867,225	6,691,334	4,867,225
VII. Increase in cash and cash equivalents accompanying new consolidation	76,943	-	76,943	-
VIII. Cash and cash equivalents at end of period	6,471,365	3,907,591	2,563,773	11,558,559

(Segment Information)

(1) Business Segment Information

Nine months ended February 29, 2008 (From June 1, 2007 to February 29, 2008), Nine months ended February 28, 2007 (From June 1, 2006 to February 28, 2007), Year ended May 31, 2007 (From June 1, 2006 to May 31, 2007)

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.

(2) Geographic Segment Information

Nine months ended February 29, 2008 (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 Expenses	15,112,498	2,231,277	2,223,028	4,308,236	23,875,041	(4,227,429)	19,647,611
Operating Profit (Loss)	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.

Nine months ended February 28, 2007 (From June 1, 2006 to February 28, 2007)

(Thousands of yen, rounded down)

	Japan	North America	Europe	Asia	Total	Corporate and Elim.	Consolidated
Net sales							
(1) Sales to unaffiliated customers	14,137,898	2,893,370	2,099,666	3,555,803	22,686,738	-	22,686,738
(2) Intersegment sales or transfers	3,124,097	44,085	1,991	121,899	3,292,074	(3,292,074)	-
Total	17,261,996	2,937,456	2,101,657	3,677,702	25,978,812	(3,292,074)	22,686,738
Operating Expenses	13,182,951	2,469,438	2,113,933	2,972,329	20,738,652	(2,989,630)	17,749,021
Operating Profit	4,079,045	468,017	(12,276)	705,373	5,240,160	(302,443)	4,937,716

- (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.

Year ended May 31, 2007 (From June 1, 2006 to May 31, 2007)

(Thousands of yen, rounded down)

	Japan	North America	Europe	Asia	Total	Corporate and Elim.	Consolidated
Net sales							
(1) Sales to unaffiliated customers	19,371,502	3,957,543	3,009,630	5,042,583	31,381,259	-	31,381,259
(2) Intersegment sales or transfers	4,419,424	99,878	5,815	129,432	4,654,551	(4,654,551)	-
Total	23,790,927	4,057,422	3,015,445	5,172,015	36,035,810	(4,654,551)	31,381,259
Operating Expenses	18,332,552	3,444,936	2,975,897	4,136,194	28,889,580	(4,433,964)	24,455,616
Operating Profit	5,458,375	612,485	39,548	1,035,821	7,146,230	(220,587)	6,925,643

- (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.

(3) 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.

Nine months ended February 28, 2007 (From June 1, 2006 to February 28, 2007)

(Thousands of yen, rounded down)

	North America	Europe	Asia	Rest of World	Total
I Overseas Sales	2,822,079	2,700,710	4,981,428	153,013	10,657,232
II Consolidated Sales	-	-	-	-	22,686,738
III Overseas sales as a proportion of consolidated sales (%)	12.4	11.9	22.0	0.7	47.0

- (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.

Year ended May 31, 2007 (From June 1, 2006 to May 31, 2007)

(Thousands of yen, rounded down)

	North America	Europe	Asia	Rest of World	Total
I Overseas Sales	3,864,837	3,826,813	7,146,563	229,843	15,068,058
II Consolidated Sales	-	-	-	-	31,381,259
III Overseas sales as a proportion of consolidated sales (%)	12.3	12.2	22.8	0.7	48.0

- (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.