



April 13, 2010

Consolidated Financial Results for the Nine Months ended February 28, 2010

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:	Naotaka Kondo, President & Chief Operating Officer
Contact:	Toshimi Boki, Executive Officer, General Manager, Finance and Accounting Department
TEL:	81-6-6451-2114 (from overseas)
Scheduled date for submission of quarterly report:	April 14, 2010
Scheduled date for dividend payment:	-

1. Consolidated financial results for the nine months ended February 28, 2010

(From June 1, 2009 to February 28, 2010)

(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, 2010	19,370	(21.1)	1,154	(74.2)	991	(75.8)	589	(75.6)
Nine months ended February 28, 2009	24,554	-	4,478	-	4,106	-	2,416	-

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended February 28, 2010	28.41	28.41
Nine months ended February 28, 2009	116.55	-

(2) Financial position

(Millions of yen, rounded down).

	Total assets	Equity	Equity ratio	Equity per share
			%	yen
As of February 28, 2010	62,239	48,047	75.4	2,264.65
As of May 31, 2009	58,821	48,606	80.6	2,286.27

Reference: Shareholders' equity

February 28, 2010

46,956 million yen

May 31, 2009

47,404 million yen

2. Dividends

(Record date)	Dividends per share (yen)				
	First quarter end	Second quarter end	Third quarter end	Year-end	Total (Full year)
Year ended May 31, 2009	-	0.00	-	20.00	20.00
Year ending May 31, 2010 (Actual)	-	0.00	-	-	-
Year ending May 31, 2010 (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, 2010

(From June 1, 2009 to May 31, 2010)

						(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	28,000	(9.6)	2,500	(47.3)	2,500	(44.2)	1,500	(41.6)	72.34

Note: Revision of consolidated results forecast in the quarter under review: None

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 5.

(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: None
- ii. Changes due to other reasons: None

(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, 2010	20,750,688 shares
As of May 31, 2009	20,750,688 shares
- ii. Number of treasury stock at the end of period

As of February 28, 2010	16,215 shares
As of May 31, 2009	16,115 shares
- iii. Average number of shares during the period (quarter; cumulative period)

Third quarter ended February 28, 2010	20,734,507 shares
Third quarter ended February 28, 2009	20,734,894 shares

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

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.

[Qualitative Information and Financial Statements]

1. Qualitative Information Regarding Consolidated Operating Results

During the nine months ended February 28, 2010, the effects of the global recession have continued to drag on, limiting the global economy overall to mild recovery. This was despite a recovery in economic conditions centered on Asian countries such as China, brought about partly thanks to economic stimulus measures in each country. Economic conditions continued to recover in Japan, due to the bottoming out of exports and production, and progress in stock inventory adjustments. However, the economy continues to hover at low levels without achieving sustainable recovery entailing facility investment and employment.

Under these difficult circumstances, the Toyo Tanso Group has focused its efforts on stimulating demand, particularly in the environment and energy fields where growth is expected. At the same time, Toyo Tanso Group is promoting self-supporting efforts such as cost and expense reductions and limiting investments.

As a result of the above performance, despite reductions in costs and expenses, the impact of stock inventory adjustments in mainstay fields led to consolidated sales in the third quarter under review falling 21.1% year on year to 19,370 million yen. Operating profit fell 74.2% to 1,154 million yen, recurring profit fell 75.8% to 991 million yen, and net income dropped 75.6% to 589 million yen.

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

Products	Nine months ended February 28, 2009 (thousand yen)	Nine months ended February 28, 2010 (thousand yen)	Year on year (%)
Special graphite products	12,941,025	9,998,045	(22.7)
Carbon products for general industries (for mechanical applications)	2,136,619	1,606,774	(24.8)
Carbon products for general industries (for electrical applications)	3,186,421	2,885,106	(9.5)
Compound materials and other products	5,666,274	4,217,041	(25.6)
Related goods	624,077	663,033	6.2
Total	24,554,417	19,370,002	(21.1)

Special graphite products

In the electronics sector, the company performed weakly overall due to the effect on products used in the processing of single crystal silicon of customers' inventory adjustments, and falling demand in mainstay Chinese and European markets for products used in the production of solar cells. However, orders in both areas quickened from the New Year on and demand is continuing to rise. Furthermore, demand for products used in compound semiconductors, mainly LED products, continues to strengthen and a recovery phase can be seen overall.

In the general industries sector, despite weak conditions in products used for electrical discharge machining (EDM) electrodes (a mainstay field) and metallurgical products, economic conditions bottomed out and demand began to increase, mostly in the newly emerging economies.

Carbon products for general industries

In carbon products for mechanical applications, despite a positive performance in products used as sliders for pantographs, which are generally less affected by economic conditions, poor domestic performance continued overall as a result of restricted capital expenditure, particularly

in products used as bearings and sealing materials.

In carbon products for electrical applications, there was an early recovery in mainstay products for use in small motors, particularly in the China market, and with the improving trend also continuing after that, results were steady overall.

Compound materials and other products

In SiC (silicon carbide)-coated graphite products, signs of recovery began to appear in semi-conductor-related products, which had been sluggish, and LED-related products continued to grow, particularly in South Korea and Taiwan, led by products used in backlight LCD, and increases in demand continued to stand out. In C/C composite products, mainstay products used in the production of single crystal silicon continued to perform poorly as a result of customers' inventory adjustments, and products for use in solar cells and industrial furnaces also failed to pick up, leading to a poor performance overall. However, orders turned towards expansion and demand is now on a trend towards recovery. Graphite sheet products also did well, mainly thanks to the recovery in products for use in automobiles and glass.

2. Qualitative Information Regarding Consolidated Financial Position

Total assets as of February 28, 2010 were increased by 3,418 million yen from the end of the previous fiscal year. This was caused by an increase in inventory assets of 1,170 million yen resulting from the planned accumulation of semi-finished goods stock. There was also an increase in tangible fixed assets of 5,318 million yen. This was mainly due to manufacturing investments in expanded manufacturing facilities at the Takuma Division. The acquisition new land in Shanghai, China (land lease rights) increased intangible fixed assets by 558 million yen. All of these acquisitions contributed to a decrease of cash on hand and in the banks of 4,125 million yen.

Total liabilities rose 3,977 million yen from the end of the previous fiscal year. This came largely as a result of an increase in notes and account payable-equipment of 1,519 million yen. There was also an increase in the accrued amount payable through the purchase of tangible fixed assets of 1,980 million yen resulting from investments in expanded manufacturing facilities.

Equity fell 559 million yen from the end of the previous fiscal year. This was caused largely by a decrease in foreign currency translation adjustments of 622 million yen.

3. Qualitative Information Regarding Consolidated Results Forecast

We have made no changes to the consolidated results forecast for the full year ending May 31, 2010 announced on July 15, 2009.

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

None

5. Consolidated Quarterly Financial Statements

(1) Consolidated balance sheets

(Thousands of yen, rounded down)

	As of February 28, 2010	As of May 31, 2009
	Amount	Amount
Assets		
Current assets		
Cash on hand and in banks	9,910,466	14,035,952
Trade notes and accounts receivable	9,224,984	8,257,709
Merchandise and finished goods	4,515,174	4,747,244
Work in process	4,921,931	3,476,873
Raw materials and stores	1,253,672	1,296,308
Other	1,447,837	1,980,337
Allowance for doubtful accounts	(107,942)	(185,780)
Total current assets	31,166,124	33,608,646
Fixed assets		
Tangible fixed assets		
Buildings and structures (Net)	6,249,433	6,126,730
Machinery, equipment, and vehicles (Net)	8,797,845	8,589,139
Land	5,313,524	5,353,520
Construction in progress	7,772,007	2,699,487
Other (Net)	393,669	439,463
Total tangible fixed assets	28,526,481	23,208,341
Intangible fixed assets	938,094	379,167
Investments and other assets	1,608,599	1,624,906
Total fixed assets	31,073,175	25,212,415
Total assets	62,239,300	58,821,061

(Thousands of yen, rounded down)

	As of February 28, 2010	As of May 31, 2009
	Amount	Amount
Liabilities		
Current liabilities		
Trade notes and accounts payable	2,177,908	1,725,878
Short-term borrowings	842,061	1,323,950
Accrued amount payable	5,400,613	3,420,334
Income taxes payable	137,739	290,192
Reserve for employees' bonuses	447,978	756,470
Reserve for directors' and corporate auditors' bonuses	-	35,840
Other	3,085,668	1,595,887
Total current liabilities	12,091,970	9,148,554
Long-term liabilities		
Long-term borrowings	606,351	70,740
Reserve for employees' retirement benefits	566,770	329,736
Other	926,598	665,184
Total long-term liabilities	2,099,720	1,065,661
Total liabilities	14,191,691	10,214,216
Equity		
Shareholders' Equity		
Common Stock	7,692,575	7,692,575
Capital surplus	9,534,686	9,534,686
Retained earnings	31,031,232	30,856,790
Treasury stock - at cost	(57,408)	(56,997)
Unrealized gains (losses) on available-for-sale securities	1,485	984
Foreign currency translation adjustments	(1,246,200)	(623,226)
Total Shareholders' Equity	46,956,370	47,404,814
Share warrants	3,348	-
Minority interests	1,087,890	1,202,030
Total equity	48,047,609	48,606,845
Total liabilities and equity	62,239,300	58,821,061

(2) Consolidated quarterly statements of income

Nine months ended February 28, 2010

(Thousands of yen, rounded down)

	Nine months ended February 28, 2009	Nine months ended February 28, 2010
	Amount	Amount
Net sales	24,554,417	19,370,002
Cost of goods sold	15,435,547	14,056,401
Gross profit	9,118,869	5,313,600
Selling, general and administrative expenses	4,640,124	4,158,951
Operating profit	4,478,745	1,154,649
Non-operating income		
Dividend income	74,029	37,416
Dividends earned	7,847	53,737
Gain on foreign currency option	108,479	55,964
Other	30,508	59,412
Total non-operating income	220,864	206,530
Non-operating expenses		
Interest expenses	26,801	27,352
Foreign exchange loss	412,402	286,201
Valuation loss on investment securities	141,872	31,600
Other	12,489	24,332
Total non-operating expenses	593,565	369,487
Recurring profit	4,106,044	991,692
Extraordinary profit		
Gain on sale of fixed assets	1,033	33,916
Gain on sale of investment securities	100	-
Reversal of allowance for doubtful accounts	-	63,916
Insurance benefits received	134,001	-
Subsidies received	5,626	27,404
Returned special severance payments for early retired employees during the past fiscal year	-	21,028
Total extraordinary profit	140,760	146,265
Extraordinary losses		
Loss on sale of fixed assets	1,118	273
Loss on disposal of fixed assets	27,051	10,418
Valuation loss on investment securities	1,798	-
Total extraordinary losses	29,967	10,691
Profit before income taxes	4,216,836	1,127,266
Income taxes	1,455,840	539,386
Income taxes for prior fiscal years	-	(28,543)
Minority interests	344,418	27,290
Net income	2,416,577	589,132

(3) Consolidated quarterly statements of cash flows

(Thousands of yen, rounded down)

	Nine months ended February 28, 2009	Nine months ended February 28, 2010
	Amount	Amount
Cash flows from operating activities		
Profit before income taxes	4,216,836	1,127,266
Depreciation	2,402,109	2,503,757
Amortization of goodwill	8,179	8,179
Increase (decrease) in reserve for employees' retirement benefits	148,155	236,214
Returned special severance payments for early retired employees during the past fiscal year	-	(21,028)
Insurance benefits received	(134,001)	-
Decrease in long-term accrued amount payable (directors' retirement benefits)	(699,000)	(2,700)
Increase (decrease) in reserve for employees' bonuses	(315,118)	(307,185)
Increase (decrease) in reserve for directors' bonuses	(12,962)	(35,840)
Increase (decrease) in allowance for doubtful accounts	(3,342)	(103,003)
Interest and dividend income	(81,877)	(91,154)
Interest expenses	26,801	27,352
Foreign exchange loss (gain)	412,402	286,201
Valuation loss (gain) on investment securities	143,670	31,600
Gain on sale of tangible fixed assets	(1,033)	(33,916)
Loss on disposal and sale of tangible fixed assets	28,169	10,691
Decrease (increase) in notes and accounts receivable - trade	1,634,895	(1,171,070)
Decrease (Increase) in inventories	(2,593,968)	(1,406,199)
Increase (decrease) in notes and accounts payable - trade	769,471	623,043
Other	(140,988)	277,825
Sub-total	5,808,399	1,960,036
Interest and dividend received	81,741	101,135
Interest paid	(22,728)	(25,079)
Insurance benefits received	603,869	-
Income taxes paid	(2,300,593)	(22,539)
Net cash provided by operating activities	4,170,688	2,013,551
Cash flows from investing activities		
Payments for time deposits	(5,362,645)	(4,454,774)
Proceeds from time deposits	2,353,719	9,602,234
Payments for acquisition of tangible fixed assets	(3,313,762)	(5,192,799)
Proceeds from sale of tangible fixed assets	2,470	133,728
Payments for acquisition of intangible fixed assets	(36,682)	(517,302)
Proceeds on redemption of investment securities	500,000	-
Other	11,599	8,613
Net cash used in investing activities	(5,845,300)	(420,298)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(70,945)	(328,363)
Proceeds from long-term borrowings	-	559,714
Repayment of long-term borrowings	(444,718)	(150,670)
Repayment of finance lease payables	(1,883)	(3,930)
Payments for acquisition of treasury stock	(3,221)	(410)
Payments for dividends	(311,028)	(413,759)
Payments for dividends to minority interests	(22,196)	(83,468)
Net cash provided by (used in) financing activities	(853,994)	(420,889)
Effect of exchange rate changes on cash and cash equivalents	(371,838)	(135,029)
Increase (decrease) in cash and cash equivalents	(2,900,444)	1,037,334
Cash and cash equivalents at beginning of period	10,491,890	6,412,364
Cash and cash equivalents at end of period	7,591,445	7,449,698

(4) Notes regarding the premise of a going concern

Not applicable.

(5) Segment information**a. Business Segment Information**

Nine months ended February 28, 2009 (from June 1, 2008 to February 28, 2009) and nine months ended February 28, 2010 (from June 1, 2009 to February 28, 2010)

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**Nine months ended February 28, 2009 (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. 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.

4. Change in the durable years of tangible fixed assets

The Company and its domestic consolidated subsidiaries reviewed and shortened the durable years of tangible fixed assets from 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.

Nine months ended February 28, 2010 (From June 1, 2009 to February 28, 2010)

(Thousands of yen, rounded down)

	Japan	North America	Europe	Asia	Total	Corporate and Elim.	Consolidated
Sales							
(1) Sales to unaffiliated customers	10,495,497	1,725,456	1,863,860	5,285,188	19,370,002	-	19,370,002
(2) Intersegment sales or transfers	3,701,055	17,851	1,301	72,614	3,792,823	(3,792,823)	-
Total	14,196,552	1,743,307	1,865,161	5,357,803	23,162,826	(3,792,823)	19,370,002
Operating Profit (Loss)	(64,813)	(34,834)	77,788	855,914	834,055	320,593	1,154,649

(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

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.

Nine months ended February 28, 2010 (From June 1, 2009 to February 28, 2010)

(Thousands of yen, rounded down)

	North America	Europe	Asia	Rest of World	Total
I Overseas Sales	1,651,169	2,151,906	7,025,574	135,572	10,964,223
II Consolidated Sales					19,370,002
III Overseas sales as a proportion of consolidated sales (%)	8.5	11.1	36.3	0.7	56.6

- (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.