



February 7, 2008

Consolidated Financial Results for the Nine Months Fiscal Year Ending March 31, 2008

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 Stock exchange listing : Tokyo Stock Exchange-First Section
 Code number : 6481
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1. Consolidated Financial Results for the Nine Months Ended December 31, 2007

(April 1, 2007 to December 31, 2007) – Unaudited

Note: Amounts below one million are rounded down.

(1) Consolidated Operation Results (Millions of Yen)

Period	Net Sales		Operating Income		Ordinary Income		Net Income	
Nine months ended Dec.31, 2007	¥155,833	18.3%	¥21,836	(13.6)%	¥23,688	(13.9)%	¥16,726	4.9%
Nine months ended Dec.31, 2006	131,766	13.9	25,268	25.6	27,514	24.8	15,941	23.5
Fiscal year ended Mar.31, 2007	174,710	—	31,815	—	34,955	—	21,038	—

(Yen)

Period	Net income per share	Diluted net income per share
Nine months ended Dec.31, 2007	¥126.60	¥125.81
Nine months ended Dec.31, 2006	120.02	119.13
Fiscal year ended Mar.31, 2007	158.36	157.22

Note: Percentage for net sales, operating income, ordinary income, and net income in the above tables represents changes compared to the corresponding previous periods.

(2) Consolidated Financial Condition

Period	Total Assets (millions of yen)	Net Assets (millions of yen)	Equity ratio	Shareholders' Equity per Share (yen)
As of Dec.31, 2007	¥267,876	¥191,251	70.7 %	¥1,470.08
As of Dec.31, 2006	254,142	183,081	71.3	1,363.79
As of Mar.31, 2007	263,280	189,039	71.1	1,407.84

(3) Consolidated Cash Flows (Millions of Yen)

Period	Cash Flow from Operating Activity	Cash Flow from Investing Activity	Cash Flow from Financing Activity	Cash and Cash Equivalents
Nine months ended Dec.31, 2007	¥14,462	¥(26,430)	¥(27,951)	¥52,232
Nine months ended Dec.31, 2006	17,327	(6,454)	(13,821)	83,396
Fiscal year ended Mar. 31, 2007	29,933	(10,884)	(13,839)	91,953

2. Forecast of Consolidated Financial Results (April 1, 2007 to March 31, 2008)

Fiscal Year	Net sales (millions of yen)	Operating income (millions of yen)	Ordinary income (millions of yen)	Net income (millions of yen)	Net income per share(yen)	
Fiscal year ended Mar. 31, 2008	¥214,000	22.5%	¥31,000 (2.6)%	¥33,400 (4.4)%	¥20,000 (4.9)%	¥155.31

(By forecasted average number of shares of common stock year of period)

3. Other

(1) Significant change in scope of consolidation (Changes in reporting entity corresponding with specified subsidiaries [tokutei kogaisha]): No

(2) Adoption of simplified accounting method: Yes

(3) Changes in accounting policies from most recent consolidated financial reports: No

*Forward-Looking Statements:

This release contains forward-looking statements that are based on management's estimates, assumptions and projections at the time of release. Some factors, which include, but are not limited to, the risks and uncertainty associated with the worldwide economy, competitive activity and currency fluctuation could cause actual results to differ materially from expectations.

【Reference】 Non-Consolidated Operating Result

1. Non-Consolidated financial highlights for the Nine Months Ended December 31, 2007

(April 1, 2007 to December 31, 2007) – Unaudited

Note: Amounts below one million are rounded down.

(1) Non-Consolidated Operation Results

(Millions of Yen)

Period	Net Sales		Operating Income		Ordinary Income		Net Income	
Nine months ended Dec. 31, 2007	¥104,106	(4.0)%	¥17,133	(21.8)%	¥18,379	(21.4)%	¥13,702	3.0 %
Nine months ended Dec. 31, 2006	108,401	13.9	21,915	27.1	23,383	26.5	13,299	23.6
Fiscal year ended Mar. 31, 2007	143,870	—	28,681	—	30,642	—	17,993	—

(Yen)

Period	Net income per share	Diluted net income per share
Nine months ended Dec. 31, 2007	¥103.71	¥103.07
Nine months ended Dec. 31, 2006	100.13	99.39
Fiscal year ended Mar. 31, 2007	135.45	134.47

Note: Percentage for net sales, operating income, ordinary income, and net income in the above tables represents changes compared to the corresponding previous periods.

(2) Non-Consolidated Financial Condition

Period	Total Assets (millions of yen)	Net Assets (millions of yen)	Equity ratio	Shareholders' Equity per Share (yen)
As of Dec. 31, 2007	¥230,338	¥173,429	75.3 %	¥1,346.76
As of Dec. 31, 2006	230,446	169,489	73.5	1,275.53
As of Mar. 31, 2007	237,209	174,245	73.4	1,310.26

2. Forecast of Non-Consolidated Results for the Fiscal Year ending March 31, 2008

Fiscal Year	Net sales (millions of yen)		Operating income (millions of yen)		Ordinary income (millions of yen)		Net income (millions of yen)		Net income per share(yen)
Fiscal year ended Mar.31,2008	¥144,000	0.1%	¥25,900	(9.7)%	¥27,000	(11.9)%	¥16,200	(10.0)%	¥125.80

(By forecasted average number of shares of common stock year of period)

*Forward-Looking Statements:

This release contains forward-looking statements that are based on management's estimates, assumptions and projections at the time of release. Some factors, which include, but are not limited to, the risks and uncertainty associated with the worldwide economy, competitive activity and currency fluctuation could cause actual results to differ materially from expectations.

Consolidated Operation and Financial Results

1. Consolidated Operation Results

Total net sales for the third quarter (from April 1 through December 31, 2007) increased by ¥24,066 million (or 18.3%) to ¥155,833 million from the same quarter in the previous year.

Domestic sales to the electronics industry started recovering from the second half, although it decreased from the same period a year earlier due to the adjustments that had continued from the second half of the previous year. Domestic sales to the machine tool industry remained strong, reflecting the rising machinery demand in China and other emerging countries, and those to the transportation equipment industry rose due to an increase in the number of consolidated subsidiaries. As a result, overall domestic sales increased from the same period in the previous year.

In the overseas markets, sales to the United States, Europe, Asia, and others areas each increased from the same period in the previous year.

In the United States, while adjustments continued in sales to the electronics industry, sales to the machine tools and general machinery industries increased due to increased business with existing customers, and an increase in the number of consolidated subsidiaries.

In Europe, overall sales increased, centering on sales to the general machinery and machine tools industries, reflecting the combined efforts made by both the sales and production divisions under favorable external conditions such as the increasing machinery demand in Eastern Europe.

In Asia and other regions, sales to China centering on sales to the general machinery and machine tools industries increased as a result of marketing efforts, such as the expansion of sales networks under the country's continued strong economic growth and increasing capital investments. Sales to Taiwan increased in the machine tools industry, due to efforts to expand business with existing customers under increasing machinery demand in China.

The cost of sales ratio rose by 4.3 percentage points to 66.3%, due to increased amortization expenses from the full-fledged operation of newly established production facilities in Japan and other countries, and investments anticipating future business growth. Selling, general and administrative expenses increased by ¥5,980 million (or 24.2%) to ¥30,722 million, due to the increased number of consolidated subsidiaries and amortization of goodwill. Such expenses as a percentage of sales increased by 0.9 percentage points to 19.7% from the same quarter in the previous year. As a result, operating income decreased by ¥3,431 million (or 13.6%) to ¥21,836 million. The ratio of operating income to sales declined by 5.2 percentage points to 14.0%.

Non-operating profits and losses resulted in a profit of ¥1,852 million due to the recognition of interest and dividend income and earnings from investments based on the equity method. This has led to a decrease in ordinary income of ¥3,825 million (or 13.9%) from the same period in the previous year to ¥23,688 million.

Quarterly net income for the period increased by ¥785 million (or 4.9%) to ¥16,726 million, due to the decrease in corporate taxes due to the recognition of deferred tax assets following a subsidiary company's resolution for capital reduction and dividend distribution.

2. Analysis of Financial Positions

(1) Analysis of the Balance Sheet

Total assets for the third quarter ended December 31, 2007 increased by ¥4,595 million to ¥267,876 million from the previous consolidated fiscal year-end. Although cash and cash equivalents decreased due to the acquisition of the consolidated subsidiary and the repayment of long-term debt, this was mainly due to the increase in tangible fixed assets and goodwill from the addition of a new consolidated subsidiary.

Liabilities increased by ¥2,384 million to ¥76,625 million, due to the increase in accounts payable from the increase in the number of consolidated subsidiaries.

Net assets increased by ¥2,211 million to ¥191,251 million, mainly due to the increase in retained earnings despite a decrease from the acquisition of treasury stock.

(2) Analysis of the Statement of Cash Flows

Cash Flows from Operating Activities:

Cash flow from operating activities resulted in total cash income of ¥14,462 million (versus total cash income of ¥17,327 million over the same period last year), due to net income of ¥23,524 million before provision for tax and minority interests, a payment of ¥14,376 million in income taxes.

Cash Flows from Investing Activities:

Cash flow from investment activities resulted in total cash outflow of ¥26,430 (versus total cash outflow of ¥6,454 million over the same period last year), mainly due to ¥12,129 million used to acquire a new consolidated subsidiary, and ¥13,693 million used to acquire fixed assets for the improvement of production facilities.

Cash Flows from Financing Activities:

Net cash used in financing activities was ¥27,951 million (¥13,821 million over the same period last year), mainly due to ¥13,142 million used for the payment of long-term debt, and ¥9,246 million used for the acquisition of treasury stock.

3. Consolidated Earnings Projections for the fiscal year ending March 31, 2008

There are no changes in our consolidated earnings projections for the fiscal year ending March 31, 2008 (from April 1, 2007 through March 31, 2008), which was released on November 15, 2007.

4. Others

- (1) Significant change in scope of consolidation (Changes in reporting entity corresponding with specified subsidiaries [tokutei kogaisha]): None
- (2) Adoption of simplified accounting method: Yes; for the basis of calculation of income taxes and the basis for recognition of allowances
- (3) Changes in accounting policies from most recent consolidated financial reports: None

5. (Summary) Financial Reports

(1) (Summary) Consolidated Balance Sheets (Unaudited)

(Millions of yen)

	As of Dec 31, 2006		As of Dec 31, 2007		Increase (Decrease)		As of Mar 31, 2007	
	Amount	%	Amount	%	Amount	%	Amount	%
[Assets]								
I Current assets :								
Cash on hand and bank deposits	83,350		46,510		(36,840)		91,857	
Account and notes receivable	61,656		65,127		3,471		59,596	
Inventories	26,348		30,598		4,250		25,845	
Other	6,418		12,904		6,485		6,462	
Total current assets	177,773	70.0	155,140	57.9	(22,632)	(12.7)	183,762	69.8
II Fixed assets :								
Tangible fixed assets	64,231		85,432		21,201		66,738	
Intangible fixed assets	967		12,274		11,306		845	
Investments and other	11,169		15,028		3,858		11,934	
Total fixed assets	76,369	30.0	112,735	42.1	36,366	47.6	79,518	30.2
Total assets	254,142	100.0	267,876	100.0	13,733	5.4	263,280	100.0
[Liabilities]								
I Current liabilities :								
Account and notes payable	35,177		39,765		4,588		34,769	
Bonds due within one year	—		5,000		5,000		—	
Convertible Bonds due within one year	—		1,380		1,380		1,380	
Other	23,424		21,192		(2,232)		27,343	
Total current liabilities	58,602	23.1	67,338	25.1	8,735	14.9	63,493	24.1
II Long-term liabilities :								
Bonds	5,000		—		(5,000)		5,000	
Bonds with stock warrant due within one year	1,560		—		(1,560)		—	
Other	5,899		9,287		3,387		5,748	
Total long-term liabilities	12,459	4.9	9,287	3.5	(3,172)	(25.5)	10,748	4.1
Total liabilities	71,061	28.0	76,625	28.6	5,563	7.8	74,241	28.2
[Net assets]								
I Paid-In Capital and Retained Earnings								
Common stock	33,826		33,916		89		33,916	
Additional paid-in capital	43,563		43,653		90		43,653	
Retained earnings	99,178		115,981		16,803		104,275	
Treasury stock	(59)		(9,309)		(9,250)		(63)	
Total Paid-In Capital and Retained Earnings	176,508	69.5	184,241	68.8	7,732	4.4	181,781	69.0
II Valuation and Translation Adjustment								
Valuation adjustment for marketable securities	1,150		784		(366)		1,037	
Foreign currency translation adjustment	3,558		4,283		724		4,403	
Total Valuation and Translation Adjustment	4,709	1.8	5,067	1.9	358	7.6	5,441	2.1
III Minority Interests	1,863	0.7	1,941	0.7	78	4.2	1,816	0.7
Total net assets	183,081	72.0	191,251	71.4	8,170	4.5	189,039	71.8
Total liabilities and net assets	254,142	100.0	267,876	100.0	13,733	5.4	263,280	100.0

(2) (Summary) Consolidated Statements of Income (Unaudited)

(Millions of yen)

Account Items	Nine months ended Dec 31, 2006		Nine months ended Dec 31, 2007		Increase (Decrease)		Year ended March 31, 2007	
	Amount	%	Amount	%	Amount	%	Amount	%
I Net sales	131,766	100.0	155,833	100.0	24,066	18.3	174,710	100.0
II Cost of sales	81,756	62.0	103,274	66.3	21,517	26.3	109,568	62.7
Gross profit	50,010	38.0	52,558	33.7	2,548	5.1	65,142	37.3
III Selling, general and administrative expenses	24,742	18.8	30,722	19.7	5,980	24.2	33,326	19.1
Operating income	25,268	19.2	21,836	14.0	(3,431)	(13.6)	31,815	18.2
IV Non-operating income	2,442	1.8	2,167	1.4	(274)	(11.3)	3,397	1.9
V Non-operating expenses	196	0.1	315	0.2	119	60.7	257	0.1
Ordinary income	27,514	20.9	23,688	15.2	(3,825)	(13.9)	34,955	20.0
VI Extraordinary income	40	0.0	70	0.1	30	75.3	50	0.0
VII Extraordinary loss	149	0.1	235	0.2	85	57.0	482	0.3
Net income before provision for tax	27,404	20.8	23,524	15.1	(3,880)	(14.2)	34,524	19.7
Income taxes and other	11,222	8.5	6,678	4.3	(4,544)	(40.5)	13,317	7.6
Minority interest in income of consolidated subsidiaries	240	0.2	119	0.1	(121)	(50.3)	168	0.1
Net income	15,941	12.1	16,726	10.7	785	4.9	21,038	12.0

(3) (Summary) Consolidated Statements of Cash Flows (Unaudited)

(Millions of yen)

	Nine months ended Dec 31, 2006	Nine months ended Dec 31, 2007	Year ended March 31, 2007
	Amount	Amount	Amount
Cash flows from operating activities:			
Net Income before provision for tax and minority interests	27,404	23,524	34,524
Depreciation and amortization	5,099	7,451	7,111
(Increase) in accounts and notes receivable	(2,910)	668	(636)
(Increase) decrease in inventories	(1,121)	(2,916)	(338)
Increase(decrease) in accounts and notes payable	4,556	235	3,835
Other	(1,907)	(124)	(1,279)
Subtotal	31,120	28,838	43,216
Income taxes paid	(13,793)	(14,376)	(13,283)
Net cash provided by operating activities	17,327	14,462	29,933
Cash flows from investing activities :			
Payments for purchases of fixed assets and investment securities	(8,845)	(14,327)	(13,363)
Proceeds from sale of fixed assets and investment securities	87	93	123
Payment for acquisition of newly acquired consolidated subsidiary	—	(12,129)	—
Other	2,303	(66)	2,356
Net cash used in investing activities	(6,454)	(26,430)	(10,884)
Cash flows from financing activities:			
Repayments of short-term debt	—	(500)	—
Repayments of long-term debt	(54)	(13,142)	(72)
Redemption of bonds	(10,000)	—	(10,000)
Cash dividends	(3,757)	(5,063)	(3,752)
Payment for purchase of treasury stock	(11)	(9,246)	(16)
Other	1	0	1
Net cash used in financing activities	(13,821)	(27,951)	(13,839)
Effect of exchange rate change on cash and cash equivalents	38	198	436
Net increase (decrease) in cash and cash equivalents	(2,910)	(39,720)	5,646
Cash and cash equivalents at the beginning of the period	86,307	91,953	86,307
Cash and cash equivalents at the end of the period	83,396	52,232	91,953