

**Supplementary Information for the Six Months of Financial Results**  
**(Apr.1<sup>st</sup>, 2008—Sept.30, 2008)**

**I. Six Months Consolidated Business Results**

	2 <sup>nd</sup> Quarter-		2 <sup>nd</sup> Quarter		(Billions of yen,%)	
	Last	This	Variance		2 <sup>nd</sup>	Variance
	Fiscal Year	Fiscal Year	Amount	%	Quarter	Amount
Net Sales	71.2	<b>77.0</b>	5.8	8.2	76.0	1.0
Domestic	61.8	<b>64.6</b>	2.8	4.4	63.6	1.0
Overseas	9.4	<b>12.4</b>	3.0	32.9	12.4	—
Gross Profit on Sales	21.7	<b>23.4</b>	1.7	7.6	22.8	0.6
Gross Profit Margin	30.5%	<b>30.4%</b>	(0.1%)	—	30.0%	0.4%
Selling, General and Administrative Expenses	22.0	<b>22.2</b>	0.2	0.5	22.3	(0.1)
Operating Income	(0.3)	<b>1.2</b>	1.5	—	0.5	0.7
Balance of Financial Income	(0.6)	<b>(0.6)</b>			(0.7)	0.1
Other Non-operating Income	0.5	<b>0.5</b>			0.4	0.1
Ordinary Income	(0.4)	<b>1.1</b>	1.5	—	0.2	0.9
Extraordinary Gains	1.0	<b>0.2</b>	(0.8)		0.1	0.1
Extraordinary Losses	(1.6)	<b>(0.3)</b>	1.3		(0.4)	0.1
Income Before Income Taxes and Minority Interests	(1.0)	<b>1.0</b>	2.0	—	(0.1)	1.1
Income taxes	(1.2)	<b>(0.3)</b>	0.9		(0.5)	0.2
Net Income	(2.2)	<b>0.7</b>	2.9	—	(0.6)	1.3

1) Comparison with the same period of the previous year

A. Net Sales: Net sales increased by ¥5.8 billion (up8.2%) compared to the same period last year.

- Domestic sales increased ¥2.8 billion from the same period last year (up 4.4%) centering on agricultural machinery, mainly reflecting increased demand before the raise in retail price the company implemented from August 1, 2008.
- Overseas sales largely developed solidly in spite of some differences between countries. The sales increased ¥3.0 billion (up 32.9%), mostly contributed by the recovery in demand following the termination of the inventory adjustment of our OEM partner in North America.

B. Operating Income: Operating income increased ¥1.5 billion compared to the same period last year.

Ordinary income: Ordinary income increased ¥1.5 billion compared to the same period last year.

- Operating income increased ¥1.5 billion compared to the same period last year, to ¥1.2 billion by

increased gross income through increased revenue and the effect of restructuring, which more than compensated factors to deteriorate profits such as the effect of foreign exchange fluctuations and a hike in the raw material price.

- Ordinary income increased ¥1.5 billion compared to the same period last year, to ¥1.1 billion as non-operating income and loss stayed almost in a similar level as last year.

C. Quarterly Net Income : Net Income increased ¥2.9 billion compared to the same period last year.

- Quarterly net income increased ¥2.9 billion compared to the same period last year to ¥0.7 billion mostly contributed by the absence of special factors such as retirement allowances which were incurred last year in the stage of income before tax and reduced tax burdens.

2) Comparison with the plan

A. Net sales

While domestic sales increased ¥1.0 billion compared to the forecast, overseas sales remained almost in line with the forecast.

B. Operating Income and Ordinary Income

- Operating income improved by ¥0.7 billion mainly by increased gross income.
- Ordinary income improved by ¥0.9 billion by an improved financial account balance and increased revenue from the disposal of waste products.

C. Net income

- Quarterly net income improved ¥1.3 billion by improved extraordinary income and decreased loss.

(Sales Breakdown)

	2 <sup>nd</sup> Quarter		Variance	(Billions of yen)	
	2 <sup>nd</sup> Quarter	2 <sup>nd</sup> Quarter		2 <sup>nd</sup> Quarter	Variance
	Last Fiscal Year	This Fiscal Year		Plan	Amount
Agricultural Machinery	30.5	<b>33.1</b>	2.6	32.2	0.9
Parts & Farming Implements	14.5	<b>15.4</b>	0.9	15.3	0.1
Construction of Facilities	1.8	<b>1.7</b>	(0.1)	1.2	0.5
Others	15.0	<b>14.4</b>	(0.6)	14.9	(0.5)
<b>Domestic Sales Total</b>	<b>61.8</b>	<b>64.6</b>	<b>2.8</b>	<b>63.6</b>	<b>1.0</b>
North America	2.5	<b>4.5</b>	2.0	4.5	—
Europe	4.6	<b>4.4</b>	(0.2)	4.2	0.2
Asia	0.7	<b>0.7</b>	—	0.8	(0.1)
China	0.7	<b>1.0</b>	0.3	1.0	—
Australia and others	0.2	<b>0.6</b>	0.4	0.7	(0.1)
<b>Total Product Sales</b>	<b>8.7</b>	<b>11.2</b>	<b>2.5</b>	<b>11.2</b>	<b>—</b>
Parts	0.5	<b>0.4</b>	(0.1)	0.5	(0.1)
Others	0.2	<b>0.8</b>	0.6	0.7	0.1
<b>Overseas Sales Total</b>	<b>9.4</b>	<b>12.4</b>	<b>3.0</b>	<b>12.4</b>	<b>—</b>
<b>Total</b>	<b>71.2</b>	<b>77.0</b>	<b>5.8</b>	<b>76.0</b>	<b>1.0</b>

## II. Performance forecast for the fiscal year ending March 31, 2009

The business performance forecast of the fiscal year ending March 31, 2009 (April 1, 2008 – March 31, 2009) announced on May 15, 2008 will be revised as follows.

Forecast of annual business performances of the fiscal year ending March 31, 2009.

	(Consolidated)		(Billions of yen, % )			
	Previous forecast	Latest forecast	Variance		Actual results from previous fiscal year	Variance from latest forecast
			Amount	%		
Net Sales	154.5	<b>152.5</b>	(2.0)	(1.3)	144.7	7.8
Operating Income	3.3	<b>2.9</b>	(0.4)	(12.1)	0.7	2.2
Ordinary Income	1.9	<b>1.9</b>	—	—	0.0	1.9
Net Income	0.6	<b>0.8</b>	0.2	33.3	(1.5)	2.3

	(Non-consolidated)		(Billions of yen, % )			
	Previous forecast	Latest forecast	Variance		Actual results from previous fiscal year	Variance from latest forecast
			Amount	%		
Net Sales	91.0	<b>92.0</b>	1.0	1.1	85.0	7.0
Operating Income	0.7	<b>0.2</b>	(0.5)	(71.4)	(0.5)	0.7
Ordinary Income	0.7	<b>0.9</b>	0.2	28.6	(0.2)	1.1
Net Income	0.6	<b>0.5</b>	(0.1)	(16.7)	(1.4)	1.9

### C. Reasons for revision.

We have revised the consolidated and non-consolidated business performance forecast for the fiscal year ending March 31, 2009 announced on May 15, 2008.

#### 1) Net sales (down ¥2.0 billion)

While sales of domestic agricultural machinery and farming implements will continue to be solid, we expect sales to decrease ¥2.0 billion, factoring reduced sales of the facilities construction sector as well as SUM Electro Mechanics Co., LTD. which we sold.

The shipment of products to overseas market will be positive in trend, but factoring the effect of foreign exchange fluctuations, we have maintained the original forecast unchanged.

#### 2) Operating income (down ¥0.4 billion)

We expect a drop in profit of ¥0.4 billion due to the effect of reduced sales and foreign exchange fluctuations. Our forecast of foreign exchange for the second half of the fiscal year is ¥100 against the US dollar and ¥135 against the Euro.

[Special note]

As of October 1, 2008, we transferred shares of SUM Electro Mechanic Co., LTD., which had been our consolidated subsidiary, to A & D Company, Ltd.