



January 13, 2010

Consolidated Financial Results for the Six Months ended November 30, 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:	Naotaka Kondo, President & Chief Operating Officer
Contact:	Toshimi Boki, Executive Officer, General Manager, Finance and Accounting Department
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Scheduled date for submission of quarterly report:	January 14, 2010
Scheduled date for dividend payment	-

1. Consolidated financial results for the six months ended November 30, 2009

(From June 1, 2009 to November 30, 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	
		%		%		%		%
Six months ended November 30, 2009	12,646	(29.7)	817	(80.3)	661	(82.4)	369	(84.5)
Six months ended November 30, 2008	17,979	-	4,154	-	3,754	-	2,379	-

	Net income per share	Diluted net income per share
	yen	yen
Six months ended November 30, 2009	17.84	-
Six months ended November 30, 2008	114.76	-

(2) Financial position

(Millions of yen, rounded down)

	Total assets	Equity	Equity ratio	Equity per share
			%	yen
As of November 30, 2009	59,624	47,726	78.2	2,249.70
As of May 31, 2009	58,821	48,606	80.6	2,286.27

Reference: Shareholders' equity	
November 30, 2009	46,646 million yen
May 31, 2009	47,404 million yen

2. Dividends

	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 4.

(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 November 30, 2009	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 November 30, 2009	16,215 shares
As of May 31, 2009	16,115 shares
- iii. Average number of shares during the period (quarter; cumulative period)

Second quarter ended November 30, 2009	20,734,523 shares
Second quarter ended November 30, 2008	20,734,980 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 4.

[Qualitative Information and Financial Statements]

1. Qualitative Information Regarding Consolidated Operating Results

During the six months ended November 30, 2009, despite signs of a recovery in global economic conditions in some areas, particularly in Asian countries such as China, brought about partly thanks to economic stimulus measures in each country, the effects of the global recession have continued to drag on, with a poor performance continuing overall. In the Japanese economy, despite a gradual recovery from the worst conditions thanks to an end to falling exports and production and progress in stock inventory adjustments, difficult conditions have continued.

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 as promoting self-supporting efforts such as reductions in costs and expenses and investment restrictions.

As a result of the above performance, despite reductions in costs and expenses, the impact of falling demand in mainstay fields led to consolidated sales in the second quarter under review fell 29.7% year on year to 12,646 million yen. Operating profit fell 80.3% to 817 million yen, recurring profit fell 82.4% to 661 million yen, and net income dropped 84.5% to 369 million yen

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

Products	Six months ended November 30, 2008 (thousand yen)	Six months ended November 30, 2009 (thousand yen)	Year on year (%)
Special graphite products	9,451,205	6,472,381	(31.5)
Carbon products for general industries (for mechanical applications)	1,502,467	1,041,615	(30.7)
Carbon products for general industries (for electrical applications)	2,377,008	1,915,010	(19.4)
Compound materials and other products	4,198,950	2,761,013	(34.2)
Related goods	450,211	456,045	1.3
Total	17,979,844	12,646,065	(29.7)

Special graphite products

In the electronics sector, a poor performance was inevitable as a result of a continued slump in products used in the processing of single crystal silicon, brought about by customers' inventory adjustments, in addition to falling demand in mainstay Chinese and European markets for products used in the production of solar cells. However, a gradual recovery phase can be seen overall, with demand beginning to rise in all product areas during the latter half of the period and a rapid expansion in demand for products used in compound semiconductors, mainly LED products.

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, particularly during the latter half of the period, 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, a poor 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, underlying strength was seen overall despite poor conditions caused by the global recession, with a rapid recovery in mainstay products for use in small motors during the latter half of the period, particularly in the China market, in addition to an improvement in the performance of products used in automobiles.

Compound materials and other products

In SiC (silicon carbide)-coated graphite products, despite a sluggish performance in

semi-conductor-related products, LED-related products saw major growth, particularly in South Korea and Taiwan, led by products used in backlight LCD, leading to underlying strength overall. In C/C composite products, mainstay products used in the production of single crystals 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, signs could be seen of a recovery towards the second half of the year. In graphite sheet products, demand became positive, mainly thanks to a rapid recovery in products for use in automobiles.

2. Qualitative Information Regarding Consolidated Financial Position

Total assets as of November 30, 2009 increased by 803 million yen from the end of the previous fiscal year. This was caused by an increase in inventory assets of 769 million yen resulting from systematic transshipments of intermediate stock, an increase in tangible fixed assets of 2,599 million yen due to manufacturing investments in expanded manufacturing facilities at the Takuma Division, and an increase in intangible fixed assets of 481 million yen resulting from new land acquisition in Shanghai, China (land lease rights), despite a decrease in cash on hand and in banks of 2,739 million yen due to expenditures, such as the acquisition of tangible and intangible fixed assets.

Total liabilities rose 1,684 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 243 million yen, an increase in the accrued amount payable through the purchase of tangible fixed assets of 503 million yen resulting from investments in expanded manufacturing facilities, and an increase in interest-bearing liabilities of 517 million yen.

Equity fell 880 million yen from the end of the previous fiscal year. This was caused largely by a decrease in foreign currency translation adjustments of 713 million yen.

3. Qualitative Information Regarding Consolidated Results Forecast

Regarding the future economic environment, despite signs of a recovery in underlying conditions in both Japan and overseas, we have not seen a real recovery backed up by capital expenditure and personal consumption, and uncertain factors still persist, such as employment conditions, crude oil prices and exchange rates, as well as fears that the effects of economic stimulus measures are beginning to run out of steam.

Regarding the environment surrounding the Toyo Tanso Group, despite uncertain future conditions, including exchange rates, there has been a gradual improvement in underlying demand as expected in the forecast, particularly in the environment and energy sector and the electronics sector, and accordingly we have made no change to the consolidated full year results forecast announced on July 15, 2009. The assumed exchange rates used from the third quarter are as follows: 90 yen/US\$ (initially 93 yen/US\$), 130 yen/EUR → (no change).

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

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 second 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 quarterly balance sheets

(Thousands of yen, rounded down)

	As of November 30, 2009	As of May 31, 2009
	Amount	Amount
Assets		
Current assets		
Cash on hand and in banks	11,296,831	14,035,952
Trade notes and accounts receivable	8,519,001	8,257,709
Merchandise and finished goods	4,706,032	4,747,244
Work in process	4,326,723	3,476,873
Raw materials and stores	1,257,114	1,296,308
Other	1,386,612	1,980,337
Allowance for doubtful accounts	(140,248)	(185,780)
Total current assets	31,352,067	33,608,646
Fixed assets		
Tangible fixed assets		
Buildings and structures (Net)	6,358,201	6,126,730
Machinery, equipment, and vehicles (Net)	9,012,396	8,589,139
Land	5,317,175	5,353,520
Construction in progress	4,702,043	2,699,487
Other (Net)	417,724	439,463
Total tangible fixed assets	25,807,541	23,208,341
Intangible fixed assets	860,755	379,167
Investments and other assets	1,604,424	1,624,906
Total fixed assets	28,272,721	25,212,415
Total assets	59,624,788	58,821,061

(Thousands of yen, rounded down)

	As of November 30, 2009	As of May 31, 2009
	Amount	Amount
Liabilities		
Current liabilities		
Trade notes and accounts payable	1,988,959	1,725,878
Short-term borrowings	1,350,128	1,323,950
Accrued amount payable	3,923,562	3,420,334
Income taxes payable	204,999	290,192
Reserve for employees' bonuses	720,443	756,470
Reserve for directors' and corporate auditors' bonuses	-	35,840
Other	1,772,046	1,595,887
Total current liabilities	9,960,140	9,148,554
Long-term liabilities		
Long-term borrowings	561,795	70,740
Reserve for employees' retirement benefits	479,141	329,736
Other	897,258	665,184
Total long-term liabilities	1,938,195	1,065,661
Total liabilities	11,898,336	10,214,216
Equity		
Sareholders' Equity		
Common stock	7,692,575	7,692,575
Capital surplus	9,534,686	9,534,686
Retained earnings	30,812,011	30,856,790
Treasury stock - at cost	(57,408)	(56,997)
Unrealized gains (losses) on available-for-sale securities	1,091	984
Foreign currency translation adjustments	(1,336,561)	(623,226)
Total Sareholders' Equity	46,646,395	47,404,814
Minority interests	1,080,056	1,202,030
Total equity	47,726,452	48,606,845
Total liabilities and equity	59,624,788	58,821,061

(2) Consolidated quarterly statements of income

Six months ended November 30, 2009

(Thousands of yen, rounded down)

	Six months ended November 30, 2008	Six months ended November 30, 2009
	Amount	Amount
Net sales	17,979,844	12,646,065
Cost of goods sold	10,683,472	9,079,843
Gross profit	7,296,372	3,566,222
Selling, general and administrative expenses	3,142,243	2,749,186
Operating profit	4,154,128	817,035
Non-operating income		
Dividend income	37,610	28,220
Dividends earned	6,081	15,052
Gain on foreign currency option	103,662	63,637
Other	25,603	47,504
Total non-operating income	172,957	154,415
Non-operating expenses		
Interest expenses	20,524	16,724
Foreign exchange loss	437,350	257,753
Valuation loss on investment securities	106,636	13,479
Other	8,281	22,179
Total non-operating expenses	572,793	310,137
Recurring profit	3,754,292	661,313
Extraordinary profit		
Gain on sale of fixed assets	770	33,727
Reversal of allowance for doubtful accounts	7,240	45,526
Gain on sale of investment securities	100	-
Subsidies received	-	26,735
Returned special severance payments for early retired employees during the past fiscal year	-	21,053
Total extraordinary profit	8,110	127,043
Extraordinary losses		
Loss on sale of fixed assets	1,210	275
Loss on disposal of fixed assets	11,903	5,973
Valuation loss on investment securities	1,703	-
Total extraordinary losses	14,818	6,248
Profit before income taxes	3,747,585	782,107
Income taxes	1,097,866	368,431
Minority interests	270,169	43,763
Net income	2,379,549	369,912

(3) Consolidated quarterly statements of cash flows

(Thousands of yen, rounded down)

	Six months ended November 30, 2008	Six months ended November 30, 2009
	Amount	Amount
Cash flows from operating activities		
Profit before income taxes	3,747,585	782,107
Depreciation	1,561,562	1,615,551
Amortization of goodwill	5,453	5,453
Increase (decrease) in reserve for employees' retirement benefits	94,306	148,577
Returned special severance payments for early retired employees during the past fiscal year	-	(21,053)
Increase (decrease) in reserve for employees' bonuses	(15,433)	(34,904)
Increase (decrease) in reserve for directors' bonuses	25,920	(35,840)
Increase (decrease) in allowance for doubtful accounts	(15,694)	(72,704)
Interest and dividend income	(43,691)	(43,272)
Interest expenses	20,524	16,724
Foreign exchange loss (gain)	437,350	257,753
Valuation loss (gain) on investment securities	108,339	13,479
Gain on sale of tangible fixed assets	(770)	(33,727)
Loss on disposal and sale of tangible fixed assets	13,114	6,248
Decrease (increase) in notes and accounts receivable - trade	225,489	(525,992)
Decrease (Increase) in inventories	(1,388,831)	(1,022,594)
Increase (decrease) in notes and accounts payable - trade	556,163	432,875
Other	191,419	(110,334)
Sub-total	5,522,809	1,378,347
Interest and dividend received	43,556	45,816
Interest paid	(17,774)	(13,574)
Income taxes paid or refunded (Paid)	(1,163,863)	292,554
Net cash provided by operating activities	4,384,727	1,703,142
Cash flows from investing activities		
Payments for time deposits	(4,665,505)	(4,379,156)
Proceeds from time deposits	830,419	5,361,700
Payments for acquisition of tangible fixed assets	(2,834,153)	(3,955,719)
Proceeds from sale of tangible fixed assets	974	134,721
Payments for acquisition of intangible fixed assets	(32,441)	(521,831)
Other	12,969	10,773
Net cash used in investing activities	(6,687,737)	(3,349,511)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	322,646	97,915
Proceeds from long-term borrowings	-	553,350
Repayment of long-term borrowings	(354,710)	(104,214)
Repayment of finance lease payables	(1,177)	(1,517)
Payments for acquisition of treasury stock	(2,577)	(410)
Payments for dividends	(311,028)	(412,996)
Payments for dividends to minority interests	(22,196)	(83,468)
Net cash provided by (used in) financing activities	(369,043)	48,657
Effect of exchange rate changes on cash and cash equivalents	(49,706)	(136,511)
Increase (decrease) in cash and cash equivalents	(2,721,759)	(1,734,222)
Cash and cash equivalents at beginning of period	10,491,890	6,412,364
Cash and cash equivalents at end of period	7,770,130	4,678,142

(4) Notes regarding the premise of a going concern

Not applicable.

(5) Segment information

a. Business Segment Information

Six months ended November 30, 2008 (from June 1, 2008 to November 30, 2008) and six months ended November 30, 2009 (from June 1, 2009 to November 30, 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

Six months ended November 30, 2008 (From June 1, 2008 to November 30, 2008)

(Thousands of yen, rounded down)

	Japan	North America	Europe	Asia	Total	Corporate and Elim.	Consolidated
Sales							
(1) Sales to unaffiliated customers	9,641,142	1,846,671	1,696,019	4,796,010	17,979,844	-	17,979,844
(2) Intersegment sales or transfers	3,107,911	63,372	4,548	67,532	3,243,364	(3,243,364)	-
Total	12,749,053	1,910,043	1,700,568	4,863,542	21,223,208	(3,243,364)	17,979,844
Operating Profit	1,806,331	353,064	240,360	1,585,405	3,985,161	168,967	4,154,128

(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 six months ended November 30, 2008 increased by 164,240 thousand yen, 256,562 thousand yen, and 66,743 thousand yen, respectively, compared to those under the traditional method. Operating profit also increased by 30,215 thousand yen, 42,545 thousand yen, and 23,552 thousand yen, respectively.

4. 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 six months ended November 30, 2008 decreased by 177,779 thousand yen.

Six months ended November 30, 2009 (From June 1, 2009 to November 30, 2009)

(Thousands of yen, rounded down)

	Japan	North America	Europe	Asia	Total	Corporate and Elim.	Consolidated
Sales							
(1) Sales to unaffiliated customers	6,764,678	1,211,377	1,197,430	3,472,579	12,646,065	-	12,646,065
(2) Intersegment sales or transfers	2,269,151	10,581	508	42,166	2,322,407	(2,322,407)	-
Total	9,033,829	1,221,958	1,197,938	3,514,745	14,968,473	(2,322,407)	12,646,065
Operating Profit or Loss ()	(102,636)	3,017	35,546	647,634	583,562	233,473	817,035

(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

Six months ended November 30, 2008 (From June 1, 2008 to November 30, 2008)

(Thousands of yen, rounded down)

	North America	Europe	Asia	Rest of World	Total
I Overseas Sales	1,675,316	2,021,439	6,253,531	255,130	10,205,418
II Consolidated Sales	-	-	-	-	17,979,844
III Overseas sales as a proportion of consolidated sales (%)	9.3	11.3	34.8	1.4	56.8

- (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.

Six months ended November 30, 2009 (From June 1, 2009 to November 30, 2009)

(Thousands of yen, rounded down)

	North America	Europe	Asia	Rest of World	Total
I Overseas Sales	1,170,312	1,401,391	4,544,550	81,507	7,197,760
II Consolidated Sales	-	-	-	-	12,646,065
III Overseas sales as a proportion of consolidated sales (%)	9.3	11.1	35.9	0.6	56.9

- (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.