



October 13, 2011

Consolidated Financial Results for the Three Months Ended August 31, 2011 [Japanese GAAP]

Listed company name:	Toyo Tanso Co., Ltd.
Stock exchange listing:	Tokyo Stock Exchange, 1st Section
Stock code:	5310
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Scheduled date for submission of quarterly report:	October 14, 2011
Scheduled date for dividend payment:	-
Supplementary materials for quarterly financial summaries:	No
Quarterly financial results briefing:	No

1. Consolidated financial results for the three months ended August 31, 2011

(From June 1, 2011 to August 31, 2011)

(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	
		%		%		%		%
Three months ended August 31, 2011	10,976	21.2	2,583	56.0	2,493	74.8	1,712	59.5
Three months ended August 31, 2010	9,054	51.3	1,656	244.0	1,426	231.8	1,073	611.2

Note: Comprehensive income:
 Three months ended August 31, 2011 1,573 million yen (up 160.4 %)
 Three months ended August 31, 2010 604 million yen (-%)

	Net income per share	Diluted net income per share
	yen	yen
Three months ended August 31, 2011	82.60	-
Three months ended August 31, 2010	51.78	-

(2) Financial position

(Millions of yen, rounded down)

	Total assets	Equity	Equity ratio
			%
As of August 31, 2011	64,924	52,869	79.3
As of May 31, 2011	65,191	51,748	77.5

Reference: Shareholders' equity
August 31, 2011 51,506 million yen
May 31, 2011 50,510 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, 2011	-	-	-	22.00	22.00
Year ending May 31, 2012 (Actual)	-	-	-	-	-
Year ending May 31, 2012 (Forecast)	-	-	-	25.00	25.00

(Note) Revisions of projected dividends most recently announced: None

3. Consolidated results forecast for the fiscal year ending May 31, 2012

(From June 1, 2011 to May 31, 2012)

(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		Net income per share
		%		%		%		%	yen
Interim period (cumulative)	21,000	14.0	4,000	32.5	4,000	43.0	2,500	30.4	120.57
Full year	40,000	6.5	6,300	7.4	6,300	12.2	4,000	8.1	192.92

(Note) Revisions of consolidated forecasts most recently announced: Yes

The consolidated forecasts for the second quarter (cumulative) and for the full financial year have been revised on October 13, 2011. For details, please refer to the "Notice Concerning the Revision of Consolidated Forecast," issued on October 13, 2011.

4. Others

**(1) Changes in significant subsidiaries during the quarter under review: None
(Changes in specified subsidiaries accompanying changes in scope of consolidation)**

New subsidiaries: ___ (name of company(ies))

Excluded subsidiaries: ___ (name of company(ies))

(2) Adoption of specific accounting methods for the preparation of quarterly consolidated financial statements: Yes

(Note) For details, please refer to “Adoption of specific accounting methods for the preparation of quarterly consolidated financial statements” on Page 3 (attached materials)

(3) Changes in accounting policies and accounting estimates and restatements

1) Changes in accounting policies due to revisions of accounting standards, etc.: Yes

2) Changes in accounting policies other than 1): None

3) Changes in accounting estimates: None

4) Restatements: None

(Note) For details, please refer to “Adoption of specific accounting methods for the preparation of quarterly consolidated financial statements” on Page 3 (attached materials)

(4) Number of shares outstanding (common stock)

i. Number of shares outstanding and issued at the end of period (including treasury stock)

As of August 31, 2011 20,750,688 shares

As of May 31, 2011 20,750,688 shares

ii. Number of treasury stock at the end of period

As of August 31, 2011 16,265 shares

As of May 31, 2011 16,265 shares

iii. Average number of shares during the period (quarterly cumulative total)

First quarter ended August 31, 2011 20,734,423 shares

First quarter ended August 31, 2010 20,734,473 shares

*** Implementation status of quarterly review procedures**

This quarterly financial results report is not subject to the quarterly review procedures stipulated by the Financial Instruments and Exchange Act. The review of quarterly consolidated financial statements has been completed at the time of release of this report.

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

The forecasts and forward-looking statements contained in this report are based on information currently available and on certain assumptions deemed rational as of the date of release. Accordingly, actual results may differ significantly from these forecasts due to various factors. For more information on the preconditions of the forecasts and on precautionary notes concerning the usage of these forecasts, please refer to “Qualitative Information Regarding Consolidated Results Forecast” on page 3 of the Attached Documents.

○Attached Documents

1. Qualitative Information Regarding Consolidated Results for the Quarter under Review	2
(1) Qualitative Information Regarding Consolidated Operating Results	2
(2) Qualitative Information Regarding Consolidated Financial Position.....	2
(3) Qualitative Information Regarding Consolidated Results Forecast	3
2. Items regarding summary information (Others)	3
(1) Changes in significant subsidiaries during the quarter period under review	3
(2) Adoption of specific accounting methods for the preparation of quarterly consolidated financial statements.....	3
(3) Changes in accounting policies and accounting estimates and restatements	3
3. Key event regarding the premise of a going concern	3
4. Quarterly Consolidated Financial Statements	4
(1) Quarterly consolidated balance sheets	4
(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income	6
Quarterly consolidated statements of income	6
Quarterly consolidated statement of comprehensive income	7
(3) Notes regarding the premise of a going concern	8
(4) Segment information	8
(5) Notes if the amount of shareholders' equity has changed significantly.....	9
5. Supplementary Information	10
(1) Orders and sales by product category.....	10
(2) Overview	11

1. Qualitative Information Regarding Consolidated Results for the Quarter under Review

(1) Qualitative Information Regarding Consolidated Operating Results

During the first quarter under review, the global economy on the whole gradually continued on its road to recovery, buttressed by economic growth in Asia and other emerging countries. Despite concerns over the direct and indirect impact of the Great East Japan Earthquake disaster, the Japanese economy also turned upward, thanks to the gradual restoration of supply chains. However, concerns over an economic downturn both in Japan and abroad are arising owing to such factors as anxiety over financial instability, the deterioration in employment conditions in Europe and the United States, and, regarding Japan, a further appreciation of the yen.

Amid these circumstances, the Toyo Tanso Group concentrated its efforts on improving and expanding its earnings by trying to actively absorb sharply increasing demand mainly in the environment- and energy-related sectors and increasing sales prices, such as through the shift to high value-added goods.

As a result, the Group's business performance improved during the first quarter under review, despite the impact of the rising yen or the heavy burden of depreciation expenses. Net sales totaled 10,976 million yen (up 21.2% from the same term in the previous year), operating profit 2,583 million yen (up 56.0%), and recurring profit 2,493 million yen (up 74.8%). Net income for the quarter was 1,712 million yen (up 59.5%).

The overall performance of each business segment was as follows. (Please refer to "Supplementary Information" for an overview of each product category.)

Japan

Despite some impact from the earthquake disaster, our earnings in Japan on the whole expanded, underpinned by the gradual progress of reconstruction efforts and our absorption of reconstruction-related demand thanks to the economic upturn. As a result, net sales for the quarter in Japan were 5,301 million yen (up 6.1%) and operating profit was 1,268 million yen (up 48.1%).

United States

Business performance in the United States was sluggish due partly to the stronger yen, despite the continued recovery trend mainly of products for semiconductor and solar cell applications. As a result, sales totaled 744 million yen (down 1.0%) while operating profit came to 31 million yen (compared with a loss of 13 million yen in the same term last year).

Europe

Sales of chiefly solar cell-, industrial furnace- and brush-related products fared better than expected, boosted by the upturn in the European economy. As a result, net sales for the quarter in Europe were 804 million yen (up 16.7 %) and operating profit was 132 million yen (up 63.6%).

Asia

Earnings in Asia overall were extremely brisk, spurred by the upsurge in sales of products for metallurgical and other general industrial-related applications as well as solar cell-related products due to the vibrant economies in China and other emerging countries. As a result, net sales for the quarter in Asia were 4,125 million yen (up 57.7 %) and operating profit was 1,110 million yen (up 95.4 %).

(2) Qualitative Information Regarding Consolidated Financial Position

Total assets as of August 31, 2011 decreased by 267 million yen from the end of the previous consolidated fiscal year. This decline is mainly attributable to the 1,492 million yen decline in cash on hand and in banks resulting from the payment of income taxes, etc. and the 191 million yen decrease in tangible fixed assets due mainly to the posting of depreciation expenses, etc. These declines eclipsed the 791 million yen increase in trade notes and accounts receivable primarily from higher sales and the 646 million yen rise in inventories through the systematic accumulation of intermediate stock, etc.

Total liabilities decreased by 1,387 million yen from the end of the previous consolidated fiscal year. This was mainly caused by a decrease of 691 million yen in income tax payable, etc. and 486 million yen in interest-bearing debt, etc. This exceeded the increase of 391 million yen in trade notes and accounts payable owing mainly to a rise in the procurement of raw materials, etc.

Total equity increased by 1,120 million yen from the end of the previous consolidated fiscal year. This net

increase chiefly stemmed from such factors as an increase of 1,256 million yen in retained earnings.

(3) Qualitative Information Regarding Consolidated Results Forecast

Regarding domestic and overseas economic conditions going forward, we expect the global economy to remain on a mild recovery path. However, the future is unpredictable given burgeoning concerns over a global economic downturn along with the emergence of risk factors such as issues regarding the exchange rate, employment situation and apprehensions over fiscal conditions.

Although the current demand for our products remains firm primarily in the environment- and energy-related fields in the Asian region, uncertainties regarding the future conditions surrounding our business group are increasing given such factors as the continued strength of the yen and concerns over the downtrend in sales in the solar cell, LED and other markets. We will continue to try to expand sales while assessing market trends and push forward our efforts to shift to high value-added and high-margin products.

Based on the abovementioned situation and the fact that our performance during the first quarter under review has exceeded projections, we have revised the consolidated results forecast for the first half of the fiscal year that were announced on July 15, 2011, to net sales of 21 billion yen, an operating profit of 4 billion yen, a recurring profit of 4 billion yen, and a net income of 2.5 billion yen. We have also revised our results forecast for the full fiscal year. (Assumed exchange rate from the second quarter ending November 30, 2011: 75 yen/US\$, 100 yen/EUR, 11.4 yen/CNY)

2. Items regarding summary information (Others)

(1) Changes in significant subsidiaries during the quarter period under review

None

(2) Adoption of specific accounting methods for the preparation of quarterly consolidated financial statements

Tax expense calculation

Tax expenses are calculated by multiplying profit before income taxes by an effective tax rate, which is reasonably estimated by applying tax effect accounting to estimated profit before income taxes for the fiscal year including the first quarter under review.

The income taxes-deferred is included in income taxes.

(3) Changes in accounting policies and accounting estimates and restatements

Changes in accounting policies

Adoption of the Accounting Standard for Earnings Per Share and others

From the first quarter of the fiscal year under review, the Company has applied the “Accounting Standard for Earnings Per Share” (Accounting Standards Board of Japan (ASBJ) Statement No.2, June 30, 2010); and the “Guidance on Accounting Standard for Earnings Per Share” (ASBJ Guidance No.4, June 30, 2010).

The Company has changed the method by which it calculates quarterly diluted earnings per share as follows. For stock options that vest after a specified service period, the Company now includes the portion of stock options’ fair value attributable to future services provided to our company when calculating the cash proceeds assumed to be receivable upon exercise of the stock options.

However, this revision does not have any impact on quarterly diluted earnings per share.

3. Key event regarding the premise of a going concern

None

4. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Thousands of yen, rounded down)

	Previous consolidated fiscal year As of May 31, 2011 Amount	First quarterly consolidated fiscal year As of August 31, 2011 Amount
Assets		
Current assets		
Cash on hand and in banks	9,283,891	7,791,176
Trade notes and accounts receivable	13,047,069	13,838,713
Merchandise and finished goods	4,761,418	5,240,682
Work in process	6,182,218	6,218,405
Raw materials and stores	1,511,288	1,642,658
Other	1,591,422	1,501,768
Allowance for doubtful accounts	(111,741)	(99,475)
Total current assets	36,265,565	36,133,930
Fixed assets		
Tangible fixed assets		
Buildings and structures (Net)	7,373,417	7,186,664
Machinery, equipment, and vehicles (Net)	12,096,129	11,619,800
Land	5,296,473	5,290,396
Construction in progress	655,395	1,109,357
Other (Net)	740,800	764,073
Total tangible fixed assets	26,162,216	25,970,293
Intangible fixed assets	785,261	789,713
Investments and other assets	1,978,597	2,030,497
Total fixed assets	28,926,075	28,790,503
Total assets	65,191,641	64,924,433

(Thousands of yen, rounded down)

	Previous consolidated fiscal year As of May 31, 2011 Amount	First quarterly consolidated fiscal year As of August 31, 2011 Amount
Liabilities		
Current liabilities		
Trade notes and accounts payable	2,950,193	3,341,391
Short-term borrowings	1,406,013	1,070,769
Accrued amount payable	2,538,873	2,544,472
Income taxes payable	1,495,600	803,865
Reserve for employees' bonuses	825,271	480,718
Reserve for directors' and corporate auditors' bonuses	78,480	-
Other	1,788,486	1,614,644
Total current liabilities	11,082,920	9,855,862
Long-term liabilities		
Long-term borrowings	665,014	513,885
Reserve for employees' retirement benefits	658,878	648,490
Asset retirement obligations	278,121	269,222
Other	758,342	767,870
Total long-term liabilities	2,360,356	2,199,469
Total liabilities	13,443,276	12,055,331
Equity		
Shareholders' equity		
Common stock	7,692,575	7,692,575
Capital surplus	9,534,686	9,534,686
Retained earnings	35,169,221	36,425,777
Treasury stock - at cost	(57,630)	(57,630)
Total shareholders' equity	52,338,853	53,595,408
Accumulated other comprehensive income		
Unrealized gains (losses) on available-for-sale securities	2,941	10,672
Foreign currency translation adjustments	(1,831,083)	(2,100,010)
Total accumulated other comprehensive income	(1,828,141)	(2,089,338)
Share warrants	20,088	23,436
Minority interests	1,217,565	1,339,595
Total equity	51,748,364	52,869,101
Total liabilities and equity	65,191,641	64,924,433

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

(Quarterly consolidated statements of income)

Three months ended August 31, 2011

(Thousands of yen, rounded down)

	Three months ended August 31, 2010 Amount	Three months ended August 31, 2011 Amount
Net sales	9,054,523	10,976,093
Cost of goods sold	5,932,104	6,888,301
Gross profit	3,122,418	4,087,792
Selling, general and administrative expenses	1,465,846	1,503,935
Operating profit	1,656,572	2,583,856
Non-operating income		
Interest income	6,336	8,819
Dividends earned	5,184	4,790
Gain on foreign currency option	47,361	97,337
Other	12,986	15,885
Total non-operating income	71,868	126,833
Non-operating expenses		
Interest expenses	12,478	8,153
Foreign exchange losses	259,490	198,429
Valuation loss on investment securities	27,448	4,561
Other	2,359	6,146
Total non-operating expenses	301,777	217,291
Recurring profit	1,426,664	2,493,398
Extraordinary profit		
Gain on sale of fixed assets	-	67,050
Total extraordinary profit	-	67,050
Extraordinary losses		
Loss on sale of fixed assets	-	748
Loss on disposal of fixed assets	8,024	4,818
Effect of application of the Accounting Standard for Asset Retirement Obligations	216,240	-
Total extraordinary losses	224,265	5,566
Profit before income taxes	1,202,399	2,554,882
Income taxes	43,159	703,582
Income before minority interests	1,159,239	1,851,300
Minority interests	85,621	138,588
Net income	1,073,617	1,712,712

(Quarterly consolidated statement of comprehensive income)

Three months ended August 31, 2011

(Thousands of yen, rounded down)

	Three months ended August 31, 2010	Three months ended August 31, 2011
	Amount	Amount
Income before minority interests	1,159,239	1,851,300
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities	(421)	7,730
Foreign currency translation adjustments	(554,458)	(285,485)
Total other comprehensive income	(554,880)	(277,754)
Comprehensive income	604,359	1,573,546
(Breakdown)		
Comprehensive income attributable to parent company shareholders	(576,996)	1,451,515
Comprehensive income attributable to minority interests	(27,362)	122,030

(3) Notes regarding the premise of a going concern

Not applicable.

(4) Segment information

I. Three months ended August 31, 2010 (From June 1, 2010 to August 31, 2010)

1. Information on net sales and the amount of profits and losses per reportable segment

(Thousands of yen, rounded down)

	Reportable segments					Adjusted amount (Note) 1	Amount recorded in the consolidated quarterly income statement (Note) 2
	Japan	United States	Europe	Asia	Total		
Sales							
(1) Sales to unaffiliated customers	4,997,438	751,703	689,585	2,615,796	9,054,523	-	9,054,523
(2) Intersegment sales or transfers	1,624,433	17,947	10,722	31,356	1,684,460	(1,684,460)	-
Total	6,621,872	769,651	700,308	2,647,152	10,738,984	(1,684,460)	9,054,523
Segment profit (loss)	856,570	(13,050)	81,117	568,473	1,493,110	163,461	1,656,572

(Notes) 1. Adjusted segment profit (loss) mainly takes into account the elimination of inter-segment transactions and unrealized income.

2. Segment profit (loss) has been adjusted to reflect the operating profit recorded in the consolidated quarterly statement of income.

2. Regional information

(Thousands of yen, rounded down)

	Japan	North America	Europe	Asia		Rest of world	Total
				Asia (including China)	China only		
Sales	3,718,791	711,100	801,948	3,768,757	2,466,739	53,925	9,054,523
Composition (%)	41.1	7.8	8.9	41.6	27.2	0.6	100.0

(Notes) 1. Sales are based on the locations of our customers, and are categorized into the relevant country or region segment according to geographical 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, South Korea

II. First quarter under review (from June 1, 2011 to August 31, 2011)

1. Information on net sales and the amount of profits and losses per reportable segment

(Thousands of yen, rounded down)

	Reportable segments					Adjusted amount (Note) 1	Amount recorded in the consolidated quarterly income statement (Note) 2
	Japan	United States	Europe	Asia	Total		
Sales							
(1) Sales to unaffiliated customers	5,301,076	744,218	804,949	4,125,849	10,976,093	-	10,976,093
(2) Intersegment sales or transfers	2,434,864	110,814	489	19,630	2,565,798	(2,565,798)	-
Total	7,735,940	855,032	805,439	4,145,479	13,541,892	(2,565,798)	10,976,093
Segment profit	1,268,915	31,966	132,671	1,110,586	2,544,140	39,716	2,583,856

- (Notes) 1. Adjusted segment profit mainly takes into account the elimination of inter-segment transactions and unrealized income.
 2. Segment profit has been adjusted to reflect the operating profit recorded in the consolidated quarterly statement of income.

2. Regional information

(Thousands of yen, rounded down)

	Japan	North America	Europe	Asia		Rest of world	Total
				Asia (including China)	China only		
Sales	4,009,861	729,865	922,739	5,269,856	3,984,786	43,770	10,976,093
Composition (%)	36.5	6.7	8.4	48.0	36.3	0.4	100.0

- (Notes) 1. Sales are based on the locations of our customers, and are categorized into the relevant country or region segment according to geographical 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, South Korea

(5) Notes if the amount of shareholders' equity has changed significantly

Not applicable.

5. Supplementary Information

(1) Orders and sales by product category

i. Orders

(Unit: millions of yen)

Products	Year ended May 31, 2011					Year ending May 31, 2012
	1Q	2Q	3Q	4Q	Fiscal year total	1Q
Special graphite products	4,900	4,413	5,285	6,158	20,758	6,154
Carbon products for general industries (for mechanical applications)	628	686	699	841	2,856	860
Carbon products for general industries (for electrical applications)	1,190	1,003	1,217	967	4,379	1,085
Compound materials and other products	2,462	2,093	2,144	2,549	9,249	2,121
Total	9,182	8,197	9,347	10,516	37,243	10,221

ii. Outstanding orders

(Unit: millions of yen)

Products	Year ended May 31, 2011				Year ending May 31, 2012
	1Q	2Q	3Q	4Q	1Q
Special graphite products	3,336	3,328	3,834	4,787	4,956
Carbon products for general industries (for mechanical applications)	418	464	512	648	748
Carbon products for general industries (for electrical applications)	679	648	947	1,030	1,128
Compound materials and other products	4,406	3,865	3,799	3,930	3,508
Total	8,840	8,307	9,094	10,397	10,342

iii. Sales performance by product category

(Unit: millions of yen)

Products	Year ended May 31, 2011					Year ending May 31, 2012
	1Q	2Q	3Q	4Q	Fiscal year total	1Q
Special graphite products	4,551	4,681	5,031	5,598	19,863	5,972
[Electronics applications]	2,611	2,630	2,983	3,506	11,731	3,649
[General industries applications]	1,737	1,844	1,810	1,846	7,238	2,035
[Others]	203	206	237	245	893	287
Carbon products for general industries (for mechanical applications)	625	678	684	741	2,728	793
Carbon products for general industries (for electrical applications)	1,128	1,063	955	935	4,082	1,012
Compound materials and other products	2,423	2,648	2,234	2,427	9,734	2,961
[3 major products]	2,124	2,257	1,838	2,070	8,290	2,600
[Other products]	298	391	395	357	1,443	361
Related goods	325	287	270	265	1,149	235
Total	9,054	9,358	9,175	9,968	37,557	10,976

(2) Overview

Special graphite products

As a whole, demand for electronics applications remained firm, thanks to sharply increased sales of special graphite products for the manufacture of solar cells primarily in China and Korea propelled by the growing trend toward environmentally friendly and energy-saving products. Demand was also boosted by such factors as the upturn in orders for products for the manufacture of single crystal silicon stemming from the waning impact of the Great East Japan Earthquake disaster.

Demand for special graphite products for general industries applications remained strong on the whole, primarily due to the increase in domestic and overseas demand for industrial furnaces and metallurgical applications, in line with the domestic economic recovery and economic expansion of emerging countries.

Carbon products for general industries

Sales of carbon products for mechanical applications expanded, thanks largely to increased demand for such products as bearings and seals partly bolstered by the economic upturn as well as our progress in meeting reconstruction-related demand.

Among carbon products for electrical applications, sales of products for small motors intended for vacuum cleaners and electric power tools leveled off owing to intensified competition mainly in China, our core market, and the effect of the stronger yen.

Compound materials and other products

Orders for SiC (silicon carbide)-coated graphite products leveled off as a whole, mainly because they are still undergoing an adjustment phase despite an upturn in demand for LED-related products, which were forced to undergo a correction in reaction to the steep growth in such demand. Orders for C/C composite products remained strong on the whole as a result of the steady increase in demand for products for the manufacture of single crystal silicon as well as the rise in demand for products for the manufacture of solar cells and industrial furnaces particularly in overseas markets. Orders for graphite sheet products remained brisk, bolstered by firm demand for products for the manufacture of semiconductors and solar cells in addition to the recovery in demand for products for automotive applications.