

Consolidated Financial Results

for the first 9 months of Fiscal Year ending November 30, 2009

October 8, 2009

Listed Company Name : **UNION TOOL CO.**

Shares Listed : Tokyo Stock Exchange 1st section (Code No. 6278)

Head Office Address : 4-15-8, Minami-Ohi, Shinagawa-ku, Tokyo 140-0013 URL <http://www.uniontool.co.jp>

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Date of the Q3 financial reports to be presented to Ministry of Finance Japan : October 13, 2009

1. Financial results for the first 9 months of FY2009 (December 1, 2008 - August 31, 2009)

(1) Consolidated performance (Amounts less than one million yen have been omitted.)

| | Net sales | | YonY | Operating income | | YonY | Ordinary income | | YonY |
|------------------------|-----------|---------------|-------------|------------------|--------------|-------------|-----------------|--------------|-------------|
| 9 months of FY 11/2009 | ¥m | 11,467 | - | ¥m | - 45 | - | ¥m | -118 | - |
| 9 months of FY 11/2008 | | 22,516 | -1.3 | | 5,534 | -2.8 | | 6,037 | -1.4 |

| | Net income | | YonY | Net income per share | | Net income per share After dilution | |
|------------------------|------------|--------------|-------------|----------------------|---------------|--|--|
| 9 months of FY 11/2009 | ¥m | -351 | - | ¥ | -15.82 | - | |
| 9 months of FY 11/2008 | | 4,015 | -4.9 | | 178.18 | ¥ 178.17 | |

(2) Consolidated financial position (Amounts less than one million yen have been omitted.)

| | Total assets | | Net assets | | Net assets to total assets | | Net assets per share | |
|------------------------|--------------|---------------|------------|---------------|----------------------------|--|----------------------|--|
| 9 months of FY 11/2009 | ¥m | 49,616 | ¥m | 47,528 | 95.8 % | | ¥ 2,126.50 | |
| FY 11/2008 | | 53,245 | | 49,675 | 93.3 | | 2,222.59 | |

2. Cash dividends

| | | Per share | | |
|------------|--------|------------------------|-------------------------|-----------------------|
| | | Interim cash dividends | Year-end cash dividends | Annual cash dividends |
| FY 11/2008 | actual | ¥ 25.00 | ¥ 25.00 | ¥ 50.00 |
| FY 11/2009 | actual | ¥ 15.00 | - | - |
| | plan | - | ¥ 15.00 | ¥ 30.00 |

Note : Revision of forecast for dividends in the second quarter None

3. Forecasts for the year ending November 30, 2009 (December 1, 2008 - November 30, 2009)

| | Net sales | Operating income | Ordinary income | Net income | EPS |
|-------------|------------------|------------------|-----------------|-----------------|-----------------|
| Full year | ¥m 18,941 | ¥m 786 | ¥m 752 | ¥m 572 | ¥ 25.80 |
| YonY change | - 35.5 % | - 89.4 % | - 90.3 % | - 88.2 % | - 88.0 % |

Note : Revision of forecasted consolidated financial results for FY2009 in the third quarter ... Yes Refer to P.3

4. Others

- (1) Significant change in subsidiaries during the first half (change in designated subsidiaries resulting in adjustment to the scope of consolidation) None
- (2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements Yes For details, refer to “ 4. Others ” on P.4
- (3) Changes in the principles, procedures and presentation method for accounting treatment in the preparation of quarterly consolidated financial statements
1. Changes associated with revisions in accounting standards Yes For details, refer to “ 4. Others ” on P.4
 2. Other Changes None
- (4) Shares outstanding
1. Number of shares outstanding (including treasury stocks) : 8/31/2009 ... 23,098,490, 11/30/2008 ... 23,098,490
 2. Number of treasury stocks : 8/31/2009 ... 748,104, 11/30/2008 ... 748,366
 3. Number of average shares outstanding (cumulative, consolidated at the end of the third quarter)
8/31/2009 ... 22,246,568, 8/31/2008 ... 22,535,629

Request for appropriate use of the business outlook and other special remarks

1. The forecasts are based on information available to the management at the time of an announcement. Due to variable factors, actual results may be different from the forecast figures.
2. We are applying “Accounting Standards for Quarterly Financial Statements” (Corporate Accounting Standards No. 12) and “Guidelines for Accounting Standards for Quarterly Financial Statements” (Corporate Accounting Standard Application Guidelines No. 14) for the current fiscal year. In addition, we are preparing the quarterly consolidated financial statements in accordance with “Quarterly Consolidated Financial Statement Rules.”

Qualitative Information and Financial Statements

1. Qualitative information regarding consolidated business results

Current world economy is in a bottoming-out process, with increased electronics goods and auto productions. After the worst plunge since our foundation, sales volume of PCB drills is recovering gradually, probably hitting trough in the first quarter. But this doesn't mean the outlook rosy. In this situation, UNION TOL CO. endeavored to develop a new products and to increase our sales. At the same time, we strengthened the cost reduction activities and the constant fruits were produced. Our nine-months cumulative sales decreased 49.1 percent from a previous same period to ¥ 11,467 million. Although profits for the same period was in the red - negative ¥ 45 million -, operating income for this third quarter got into the black for the first time in this fiscal year.

2. Qualitative information regarding consolidated financial position

Total assets as of the end of the third quarter of FY2009 amounted ¥ 49,616 million, a decrease of ¥ 3,628 million from the end of the previous fiscal year. The major components of this change were a decrease of ¥ 3,028 million in “ Notes and accounts receivable – trade. ” Total liabilities amounted ¥ 2,088 million, a decrease of ¥ 1,481 million due to a decrease of ¥ 301 million in “ Notes and accounts payable - trade ” and a decrease of ¥ 870 million in “ Income taxes payable. ” Total net assets decreased by ¥ 2,147 to ¥ 47,528 million. The major components of this change were a decrease of ¥ 1,251 million in “ Retained earnings ” and a decrease of ¥ 1,336 million in “Foreign currency translation adjustments.” Cash inflows from operating activities were ¥ 4,707 million. The major factor of cash inflows was ¥ 2,459 million from “Decrease in notes and accounts receivable – trade,” ¥ 1,831 million from “ Depreciation and amortization ” and ¥ 1,656 from “ Decrease in inventories. ” The major factors of cash outflows were ¥ 911 million from “ Income taxes paid. ” Cash outflows from investing activities were ¥ 2,722 million. The major factors of cash out flows were ¥ 1,187 million from “ Purchase of property, plant and equipment ” and ¥ 1,536 million from “ Purchase of short-term investment securities.” Cash outflows from financing operation were ¥ 852 million due to “ Cash dividends paid. ”

3. Qualitative information regarding forecasts for the year ending November 30, 2009

In September, demand has not been picking up against our initial forecasts. Although our fourth quarter will be better than third quarter, the fourth quarter sales will not be beyond our initial expectation. At the same time, the strong yen against the dollar will press on our FY2009 annual results.

We lowered our consolidated targets for the FY2009 annual forecasts. The current forecasts are as follows.

| | Net sales | | Operating income | | Ordinary income | | Net income | | EPS |
|-------------------|-----------|-------|------------------|-------|-----------------|-------|------------|-------|--------|
| | Amount | YonY | Amount | YonY | Amount | YonY | Amount | YonY | Amount |
| Initial forecasts | ¥million | % | ¥million | % | ¥million | % | ¥million | % | yen |
| Initial forecasts | 18,941 | -35.5 | 786 | -89.4 | 752 | -90.3 | 572 | -88.2 | 25.80 |
| Current forecasts | 16,019 | -45.5 | 464 | -93.7 | 437 | -94.4 | 185 | -96.2 | 8.33 |
| Change amounts | -2,921 | | -322 | | -315 | | -387 | | - |
| Change ratio (%) | -15.4 | | -41.0 | | -41.9 | | -67.6 | | - |
| FY11/2008 | 29,366 | -3.3 | 7,413 | -6.3 | 7,755 | -6.8 | 4,849 | -14.2 | 215.42 |

Note: “Initial” means the forecasts which were disclosed on June 29, 2009.

4. Others

(1) There is no change in the scope of consolidation.

(2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements

Simplified Accounting Methods

With regard to marking down the book value of inventory assets as August 31, 2009, the lower of cost or market method was applied for the inventories on which values had clearly declined.

(3) Changes in the principles, procedures and presentation method for accounting treatment in the preparation of quarterly consolidated financial statements

A. Application of accounting standards in quarterly financial statements

We are applying “Accounting Standards for Quarterly Financial Statements” (Corporate Accounting Standards No. 12) and “Guidelines for Accounting Standards for Quarterly Financial Statements” (Corporate Accounting Standard Application Guidelines No. 14) for the current fiscal year. In addition, we are preparing the quarterly consolidated financial statements in accordance with “Quarterly Consolidated Financial Statement Rules.”

B. Changes in valuation standards and valuation methods for inventory

Previously, we valued ordinary inventory that was principally held for sale in the balance sheet using the cost accounting method at the acquisition price, but as of the first quarter of the current consolidated accounting period, we are calculating this value using the cost accounting method by reducing the book value based on declining profitability in accordance with application of “ Accounting Standards for Inventory Valuation ” (Corporate Accounting Standards No. 9, July 5, 2006).

Accordingly, operating income, ordinary income and quarterly net income before income taxes for the first 9 months cumulative consolidated accounting period decreased respectively by ¥ 174 million.

C. Application of accounting treatment to foreign subsidiaries for consolidated financial statements

From the beginning of this fiscal year, the “ Practical Solution on Unification of Accounting Policies applied to Foreign Subsidiaries for Consolidated Financial Statements ” (PITF Practical Solution No.18, May 17, 2006) has been applied, and necessary amendments for consolidated financial statements were made. There was no impact of this change on operating income, ordinary income and quarterly net income before income taxes for the first 9 months cumulative consolidated accounting period.

(Additional information)

Change in the lifetime of tangible fixed assets

Based on revisions to legal useful lives in the corporate tax law, we changed part of the useful lives for machinery and equipment, etc, beginning with the first quarter of the consolidated accounting period. There was no impact of this change on operating income, ordinary income and quarterly net income before income taxes for the first 9 months cumulative consolidated accounting period.

Consolidated Balance Sheet

(thousands of yen)

| account | 9 months of FY2008 (as of Aug. 31, 2008) | | 9 months of FY2009 (as of Aug. 31, 2009) | | FY 2008 (as of Nov. 30, 2008) | |
|---|---|--------------|---|--------------|----------------------------------|--------------|
| | amount | Ratio | amount | ratio | amount | ratio |
| | | % | | % | | % |
| Assets : | | | | | | |
| Current assets : | 26,603,953 | 47.1 | 22,010,080 | 44.4 | 25,093,554 | 47.1 |
| Cash and deposits | 5,624,769 | | 5,486,500 | | 5,442,358 | |
| Notes and accounts receivable-trade | 9,387,748 | | 6,171,328 | | 9,199,542 | |
| Marketable securities | 2,482,789 | | 2,587,225 | | 894,304 | |
| Inventories | 7,965,720 | | 7,026,250 | | 8,899,427 | |
| Other current assets | 1,142,923 | | 738,772 | | 657,923 | |
| Fixed assets : | 29,925,540 | 52.9 | 27,606,628 | 55.6 | 28,151,844 | 52.9 |
| Property, plant and equipment | 21,765,257 | 38.5 | 20,237,356 | 40.8 | 21,654,655 | 40.7 |
| Buildings and structures | 4,876,384 | | 4,368,551 | | 4,714,029 | |
| Machines and vehicles | 9,697,252 | | 8,971,782 | | 9,776,834 | |
| Tools, furniture and fixtures | 421,456 | | 301,592 | | 405,525 | |
| Land | 6,422,877 | | 6,325,193 | | 6,380,848 | |
| Work in process | 347,287 | | 270,237 | | 377,416 | |
| Intangible fixed assets | 112,753 | 0.2 | 79,913 | 0.1 | 109,205 | 0.2 |
| Investments and others | 8,047,529 | 14.2 | 7,289,358 | 14.7 | 6,387,983 | 12.0 |
| Investments in securities | 7,576,572 | | 6,948,118 | | 5,305,512 | |
| Deferred tax assets | 76,526 | | 54,640 | | 689,051 | |
| Other investments | 394,430 | | 286,599 | | 393,420 | |
| Total assets | 8,047,529 | 100.0 | 49,616,708 | 100.0 | 53,245,399 | 100.0 |
| Liabilities : | | | | | | |
| Current liabilities : | 4,541,366 | 8.0 | 1,699,577 | 3.4 | 3,147,830 | 5.9 |
| Notes and accounts payable-trade | 1,209,195 | | 636,266 | | 937,297 | |
| Accounts payable -other | 376,214 | | - | | 399,962 | |
| Short-term loans payable | 570,000 | | - | | - | |
| Income taxes payable | 964,154 | | 32,794 | | 903,572 | |
| Provision for bonuses | 736,842 | | 361,813 | | 199,661 | |
| Accrued expenses | 566,839 | | 502,245 | | 524,655 | |
| Other current liabilities | 118,120 | | 166,457 | | 182,681 | |
| Fixed liabilities : | 815,602 | 1.5 | 388,985 | 0.8 | 422,393 | 0.8 |
| Deferred tax liabilities | 391,769 | | - | | 306 | |
| Long-term account payable -other | 321,108 | | 256,788 | | 321,108 | |
| Other fixed liabilities | 423,833 | | 132,197 | | 100,978 | |
| Total liabilities | 5,356,968 | 9.5 | 2,088,562 | 4.2 | 3,570,223 | 6.7 |
| Net assets : | | | | | | |
| Shareholders' equity : | 49,829,753 | 88.1 | 49,023,219 | 98.8 | 50,274,493 | 94.4 |
| Common stock | 2,998,505 | 5.3 | 2,998,505 | 6.0 | 2,998,505 | 5.6 |
| Additional paid-in capital | 3,039,991 | 5.4 | 3,037,349 | 6.1 | 3,038,118 | 5.7 |
| Retained earnings | 45,853,174 | 81.1 | 45,439,524 | 91.6 | 46,691,387 | 87.7 |
| Treasury stocks | -2,061,917 | -3.7 | -2,452,158 | -4.9 | -2,453,517 | -4.6 |
| Valuation differences or adjustments : | 1,342,770 | 2.4 | -1,495,073 | -3.0 | -599,317 | -1.1 |
| Other valuation differences of securities | 1,215,246 | 2.2 | 407,983 | 0.8 | -32,286 | -0.1 |
| Adjustment on foreign currency statement translation | 127,524 | 0.2 | -1,903,057 | -3.8 | -567,031 | -1.0 |
| Total net assets | 51,172,524 | 90.5 | 47,528,146 | 95.8 | 49,675,175 | 93.3 |
| Total liabilities and net assets | 56,529,493 | 100.0 | 49,616,708 | 100.0 | 53,245,399 | 100.0 |

Note: Negative figures indicate decrease.

Consolidated Statement of Income

(thousands of yen)

| account | term | 9 months of FY2008 2007/12/1-2008/8/31 | | 9 months of FY2009 2008/12/1-2009/8/31 | | FY 2008 2007/12/1-2008/11/30 | |
|--|------|---|--------------|---|--------------|---------------------------------|--------------|
| | | amount | ratio | amount | ratio | amount | ratio |
| Net sales | | 22,516,083 | 100.0 | 11,467,030 | 100.0 | 29,366,136 | 100.0 |
| Cost of sales | | 13,601,990 | 60.4 | 8,621,958 | 75.2 | 17,585,895 | 59.9 |
| Gross income | | 8,914,093 | 39.6 | 2,845,071 | 24.8 | 11,780,240 | 40.1 |
| Selling, general and administrative expenses | | 3,379,318 | 15.0 | 2,890,129 | 25.2 | 4,367,108 | 14.9 |
| Operating income | | 5,534,774 | 24.6 | - 45,058 | - | 7,413,132 | 25.2 |
| Non-operating income | | 571,275 | 2.5 | 285,186 | 2.5 | 634,446 | 2.2 |
| Non-operating expenses | | 68,390 | 0.3 | 358,179 | 3.1 | 292,270 | 1.0 |
| Ordinary income | | 6,037,659 | 26.8 | - 118,051 | - | 7,755,308 | 26.4 |
| Extraordinary income | | 110,831 | 0.5 | 106,842 | 0.9 | 139,500 | 0.5 |
| Extraordinary losses | | 81,295 | 0.4 | 76,442 | 0.7 | 478,326 | 1.6 |
| Net income before income taxes | | 6,067,196 | 26.9 | - 87,651 | - | 7,416,482 | 25.3 |
| Income taxes and enterprise taxes - current | | 2,219,957 | 9.9 | 56,514 | 0.5 | 2,294,644 | 7.8 |
| Income taxes and enterprise taxes - deferred | | -168,270 | -0.8 | 207,702 | 1.8 | 272,540 | 1.0 |
| Net income | | 4,015,509 | 17.8 | - 351,868 | - | 4,849,297 | 16.5 |

Note: Negative figures indicate decrease.

Consolidated Statement of Cash flows

(thousands of yen)

| account | term | 9 months of FY2008 from 2007/12/1 to 2008/8/31 | 9 months of FY2009 from 2008/12/1 to 2009/8/31 | FY2008 from 2007/12/1 to 2008/11/30 |
|--|------|---|---|---|
| 1. Cash flows from operating activities | | | | |
| Net income before income taxes | | 6,067,196 | - 87,651 | 7,416,482 |
| Depreciation and amortization | | 1,977,979 | 1,831,279 | 2,653,385 |
| Increase in provision for bonuses | | - | 167,017 | - |
| Increase in allowance for doubtful receivables | | - 57,081 | - | - 104,476 |
| Interest and dividends income | | - 186,619 | - 125,334 | - 439,074 |
| Interest expenses | | 9,185 | 1,859 | 8,652 |
| Gain on valuation of securities | | - | 62,195 | - |
| Gain on foreign currency translation | | - 750 | 50,563 | 76,203 |
| Loss on sales and disposal of P, P and E | | 79,243 | 11,587 | 86,156 |
| Decrease in receivables - trade | | 465,585 | 2,459,447 | 352,214 |
| Increase in inventories | | - 1,332,031 | 1,656,682 | - 2,253,500 |
| Increase in payable - trade | | 187,367 | - 2,455 | 49,978 |
| Decrease in accrued consumption taxes payable | | - 114,201 | 11,440 | - 108,825 |
| Increase in other current liabilities | | - 818,032 | - | - 738,105 |
| Others | | 232,654 | - 541,923 | 313,815 |
| Sub - total | | 6,510,495 | 5,494,709 | 7,312,908 |
| Interest and dividends received | | 186,156 | 126,094 | 438,253 |
| Interest paid | | - 7,446 | - 1,859 | - 8,652 |
| Income and other tax paid | | - 2,394,752 | - 911,211 | - 2,737,815 |
| Net cash provided by operating activities | | 4,294,452 | 4,707,732 | 5,004,693 |
| 2. Cash flows from investing activities | | | | |
| Payments from purchase of P, P and E | | - 4,596,050 | - 1,187,538 | - 5,646,511 |
| Payments from purchase of marketable securities | | - 4,497,613 | - 1,536,946 | - 3,997,613 |
| Proceeds from sales and redemption of marketable securities | | 4,902,162 | 1,456,165 | 5,402,346 |
| Payments from purchase of securities | | - 888,805 | - 1,292,414 | - 921,087 |
| Proceeds from sales and redemption of securities | | 16,145 | - | 227,322 |
| Others | | 24,797 | - 161,745 | 11,781 |
| Net cash provided by investing activities | | - 5,039,363 | - 2,722,479 | - 4,923,761 |
| 3. Cash flows from financing activities | | | | |
| Increase in short-term loans payable | | 570,000 | - | - |
| Dividends paid | | - 1,075,105 | - 852,723 | - 1,136,289 |
| Payments from purchase of its treasury stocks | | - 1,372 | - | -398,155 |
| Proceeds from sales of its treasury stocks | | 116,583 | - | 119,891 |
| Others | | - | 589 | - |
| Net cash provided by financing activities | | - 389,895 | - 852,134 | - 1,414,551 |
| 4. Exchange adjustments for cash and cash equivalents | | - 146,058 | - 217,402 | - 318,162 |
| 5. Increase in cash and cash equivalents | | - 1,280,864 | 915,715 | - 1,651,782 |
| 6. Cash and cash equivalents at the beginning of the period | | 7,194,140 | 5,542,358 | 7,194,140 |
| 7. Cash and cash equivalents at the end of the period | | 5,913,275 | 6,458,073 | 5,542,358 |

Note: Negative figures indicate decrease of Cash and cash equivalents.

Segment information

(1) Business segment information

thousands of yen

| | 9 months of FY 2008 (From December 1, 2007 to August 31, 2008) | | | | |
|----------------------------|--|-----------|------------|--|--------------|
| | Cutting tools | Others | Total | Elimination and corporate assets or expenses | Consolidated |
| Sales | | | | | |
| (1) Unaffiliated customers | 20,926,504 | 1,589,579 | 22,516,083 | - | 22,516,083 |
| (2) Intersegment | - | 582,914 | 582,914 | (582,914) | - |
| T o t a l | 20,926,504 | 2,172,493 | 23,098,997 | (582,914) | 22,516,083 |
| Operating expenses | 15,557,019 | 1,904,948 | 17,461,968 | (480,659) | 16,981,309 |
| Operating income | 5,369,484 | 267,545 | 5,637,029 | (102,255) | 5,534,774 |

thousands of yen

| | 9 months of FY 2009 (From December 1, 2008 to August 31, 2009) | | | | |
|----------------------------|--|-----------|------------|--|--------------|
| | Cutting tools | Others | Total | Elimination and corporate assets or expenses | Consolidated |
| Sales | | | | | |
| (1) Unaffiliated customers | 10,870,371 | 596,658 | 11,467,030 | - | 11,467,030 |
| (2) Intersegment | - | 414,715 | 414,715 | (414,715) | - |
| T o t a l | 10,870,371 | 1,011,374 | 11,881,745 | (414,715) | 11,467,030 |
| Operating expenses | 10,556,431 | 1,367,264 | 11,923,695 | (411,607) | 11,512,088 |
| Operating income | 313,940 | - 355,890 | - 41,950 | (3,108) | (45,058) |

Note 1. Business segment has been classified in terms of sales.

Main products of each business segment are as follow.

(1) Cutting tools Carbide drills for printed circuit boards

(2) Others Roller guide Specialized production equipment Digital measurement system

2. From FY2009, we are calculating this value using the cost accounting method by reducing the book value based on declining profitability in accordance with application of “ Accounting Standards for Inventory Valuation ” (Corporate Accounting Standards No. 9, July 5, 2006). Operating income decreased ¥ 152 million in Cutting tools Division and operating losses increased ¥ 21 million in Others.

3. Based on revisions to legal useful lives in the corporate tax law, we changed part of the useful lives for machinery and equipment, etc, beginning with the first quarter of the consolidated accounting period. There was no impact.

(2) Segment information by geographic area

thousands of yen

| | 9 months of FY 2008 (from December 1, 2007 to August 31, 2008) | | | | | | |
|----------------------------|--|---------------|------------|---------|------------|--|--------------|
| | Japan | North America | Asia | Europe | Total | Elimination and corporate assets or expenses | Consolidated |
| Sales | | | | | | | |
| (1) Unaffiliated customers | 10,371,555 | 1,167,431 | 10,057,866 | 919,231 | 22,516,083 | - | 22,516,083 |
| (2) Inter segment | 6,563,855 | 1,005 | 372,871 | - | 6,937,732 | (6,937,732) | - |
| T o t a l | 16,935,411 | 1,168,436 | 10,430,737 | 919,231 | 29,453,816 | (6,937,732) | 22,516,083 |
| Operating expenses | 12,893,162 | 1,044,511 | 9,049,264 | 890,259 | 23,877,197 | (6,895,888) | 16,981,309 |
| Operating income | 4,042,248 | 123,924 | 1,381,472 | 28,972 | 5,576,618 | (41,843) | 5,534,774 |

thousands of yen

| | 9 months of FY 2009 (from December 1, 2008 to August 31, 2009) | | | | | | |
|----------------------------|--|---------------|-----------|---------|------------|--|--------------|
| | Japan | North America | Asia | Europe | Total | Elimination and corporate assets or expenses | Consolidated |
| Sales | | | | | | | |
| (1) Unaffiliated customers | 5,067,681 | 764,384 | 5,209,529 | 425,434 | 11,467,030 | - | 11,467,030 |
| (2) Inter segment | 2,875,263 | 544 | 148,618 | 48 | 3,024,473 | (3,024,473) | - |
| T o t a l | 7,942,944 | 764,928 | 5,358,147 | 425,482 | 14,491,503 | (3,024,473) | 11,467,030 |
| Operating expenses | 8,318,079 | 725,077 | 5,022,651 | 436,149 | 14,501,958 | (2,989,870) | 11,512,088 |
| Operating income / losses | -375,135 | 39,851 | 335,496 | -10,667 | -10,455 | (34,603) | -45,058 |

- Note
1. Nations or areas has been classified in terms of their geographic closeness.
 2. Main countries or regions that belong to classes other than Japan
 - (1) North America : United States of America
 - (2) Asia : Taiwan China
 - (3) Europe : Switzerland
 3. From FY2009, we are calculating this value using the cost accounting method by reducing the book value based on declining profitability in accordance with application of “ Accounting Standards for Inventory Valuation ” (Corporate Accounting Standards No. 9, July 5, 2006). Operating losses increased ¥ 105 million in Japan and operating income decreased ¥ 68 million in Asia.
 4. Based on revisions to legal useful lives in the corporate tax law, we changed part of the useful lives for machinery and equipment, etc, beginning with the first quarter of the consolidated accounting period. There was no impact.

(3) Overseas sales by geographic area

thousands of yen

| | 9 months of FY 2008 (from December 1, 2007 to August 31, 2008) | | | | |
|--|--|------------|---------|--------|------------|
| | North America | Asia | Europe | Other | Total |
| Overseas sales | 1,102,012 | 11,291,855 | 874,634 | 22,642 | 13,291,145 |
| Consolidated net sales | | | | | 22,516,083 |
| Percentage of overseas sales to consolidated net sales | 4.9 % | 50.2 % | 3.9 % | 0.1 % | 58.1 % |

thousands of yen

| | 9 months of FY 2009 (from December 1, 2008 to August 31, 2009) | | | | |
|--|--|-----------|---------|--------|------------|
| | North America | Asia | Europe | Other | Total |
| Overseas sales | 741,040 | 5,882,692 | 413,309 | 13,551 | 7,050,594 |
| Consolidated net sales | | | | | 11,467,030 |
| Percentage of overseas sales to consolidated net sales | 6.5 % | 51.3 % | 3.6 % | 0.1 % | 61.5 % |

- Note
1. Nations or areas has been classified in terms of their geographic closeness.
 2. Main countries or regions that belong to classes other than Japan
 - (1) North America : United States of America Canada
 - (2) Asia : Korea China (including Hong Kong) Taiwan Singapore
 - (3) Europe : Switzerland Italy United Kingdom France
 3. Overseas sales represents sales of UNION TOOL CO. and its subsidiaries made in countries and regions other than Japan.