

## Internal Combustion Engine and Machinery

Internal Combustion Engine and Machinery revenues were ¥754.4 billion (US\$7,698 million), 4.9% lower than the prior fiscal year, comprising 68.1% of consolidated revenues. Domestic revenues decreased 5.3%, to ¥235.2 billion (US\$2,400 million), and overseas revenues declined 4.8%, to ¥519.3 billion (US\$5,299 million). This segment consists of farm equipment and engines and construction machinery.

In the domestic market, versus the previous fiscal year, sales of farm equipment and engines slipped ¥39.1 billion (1.8%) and those of construction machinery were down ¥9.2 billion (31.3%). The operating environment continued to be challenging due to stagnant demand for farm equipment reflecting the economic slowdown, price hikes for agricultural materials, and a decrease in construction investment. Under these circumstances, the Company actively introduced new products and implemented promotional sales activities, and sales of combine harvesters and rice transplanters increased. However, tractor and engine sales declined and construction machinery sales decreased substantially.

In overseas markets, sales of farm equipment and engines declined ¥1.9 billion (0.4%) from the prior fiscal year. Overall sales of tractors were down slightly. In Asia outside Japan, sales of tractors in Thailand sustained a sharp increase and sales in Europe also increased steadily due to new product launches. However, sales of tractors in North America dropped substantially due to market stagnation and yen appreciation. Sales of engines decreased due to inventory adjustment by European and North American clients. On the other hand, sales of combine harvesters and rice transplanters were up sharply in China. Sales of construction machinery were down a substantial ¥24.2 billion (27.8%) from the previous fiscal year due to the rapid economic slowdown in Europe.

Foreign currency fluctuation had a significant influence on revenues in this segment, which in turn was largely responsible for the overall unfavorable impact on the Company's revenues.

Billions of Yen

		2009	2008	2007	2006	2005
Revenues		<b>¥1,107.5</b>	¥1,154.6	¥1,127.5	¥1,065.7	¥994.5
Internal Combustion Engine and Machinery Revenues		<b>754.4</b>	793.7	746.8	674.1	594.3
Revenues by Sector	Farm Equipment and Engines	<b>671.3</b>	677.1	643.2	593.5	531.0
	Construction Machinery	<b>83.1</b>	116.6	103.6	80.6	63.2
Revenues in Japan and Overseas	Japan	<b>235.2</b>	248.3	258.3	269.2	258.8
	Overseas	<b>519.3</b>	545.3	488.5	404.9	335.4



Combine Harvester (Conventional Type)



Tractor



Rice Transplanter



Lawn Mower



Utility Vehicle (Four-Seater Type)



Vertical Water-Cooled Diesel Engine



Excavator (8-ton Type)

## Pipes, Valves, and Industrial Castings



Ductile Iron Pipes



Valve

Revenues in Pipes, Valves, and Industrial Castings increased 3.1%, to ¥207.9 billion (US\$2,121 million), from the prior fiscal year, comprising 18.8% of consolidated revenues. Domestic revenues increased 2.9%, to ¥176.1 billion (US\$1,797 million), and overseas revenues were up 4.2%, to ¥31.8 billion (US\$324 million). This segment encompasses pipes, valves, and industrial castings.

In the domestic market, sales of pipes and valves increased ¥8.2 billion (5.7%) and those of industrial castings dropped ¥3.2 billion (12.4%) from the previous fiscal year. Sales of ductile iron pipes and spiral welded steel pipes were up largely on the back of price increases. However, sales of plastic pipes were down due to declining demand. Sales of industrial castings decreased due to lower sales of tunnel-support materials (ductile tunnel segments).

In overseas markets, sales of pipes and valves surged ¥4.7 billion (68.3%), but those of industrial castings slid ¥3.4 billion (14.6%) from the prior fiscal year, affected by a slowdown in private-sector capital expenditure. On the other hand, export sales of ductile iron pipes to the Middle East showed a favorable increase and compensated for the lower sales of industrial castings.



Plastic Pipes and Fittings

Billions of Yen

		2009	2008	2007	2006	2005
Revenues		<b>¥1,107.5</b>	¥1,154.6	¥1,127.5	¥1,065.7	¥994.5
Pipes, Valves, and Industrial Castings Revenues		<b>207.9</b>	201.6	194.2	189.7	170.6
Revenues by Sector	Pipes and Valves	<b>164.8</b>	151.8	155.3	150.6	136.6
	Industrial Castings	<b>43.1</b>	49.8	38.9	39.1	34.0
Revenues in Japan and Overseas	Japan	<b>176.1</b>	171.0	163.4	167.2	155.5
	Overseas	<b>31.8</b>	30.6	30.8	22.5	15.2

## Environmental Engineering



High-Capacity Pump System



Sewage Sludge Concentrator (Belt Type)

Revenues in Environmental Engineering increased 5.0%, to ¥74.4 billion (US\$759 million), from the prior fiscal year, comprising 6.7% of consolidated revenues. Domestic revenues were up 6.1%, to ¥68.9 billion (US\$759 million), and overseas revenues were down 7.4%, to ¥5.5 billion (US\$56 million). This segment consists of environmental control plants and pumps.

In the domestic market, operating conditions remained challenging during the year under review. However, due to stepped-up sales efforts, sales of water and sewage engineering products increased smoothly and sales of waste engineering products and pumps also climbed steadily. In overseas markets, sales of pumps increased steadily, while sales of submerged membrane systems decreased substantially from the previous fiscal year.



Submerged Membranes

		Billions of Yen				
		2009	2008	2007	2006	2005
Revenues		<b>¥1,107.5</b>	¥1,154.6	¥1,127.5	¥1,065.7	¥994.5
Environmental Engineering Revenues		<b>74.4</b>	70.9	90.6	109.9	117.3
Revenues by Sector	Environmental Engineering	<b>74.4</b>	70.9	90.6	109.9	117.3
Revenues in Japan and Overseas	Japan	<b>68.9</b>	64.9	86.5	104.9	113.5
	Overseas	<b>5.5</b>	5.9	4.1	5.0	3.8

## Other



Large-Scale Wastewater Treatment Tank



Energy-Saving Vending Machine

Revenues in the Other segment decreased 19.9%, to ¥70.8 billion (US\$722 million), from the prior fiscal year, comprising 6.4% of consolidated revenues. Domestic revenues slid 21.4%, to ¥69.1 billion (US\$705 million), while overseas revenues jumped 237.5%, to ¥1.7 billion (US\$17 million). This segment includes vending machines, electronic-equipped machinery, air-conditioning equipment, construction, septic tanks, and other business.

Sales of vending machines were down substantially in this segment, reflecting decreased demand for cigarette vending machines with an age-identification function, for which temporary demand was very high in the prior year. Sales of construction and electronic-equipped machinery were also down. In addition, sales of condominiums were absent this fiscal year, as the subsidiary responsible for the condominium business became an affiliated company due to the sale of shares in that company in the previous fiscal year. As a result of these factors, overall revenues in the Other segment largely decreased.



Desiccant Air-Handling Unit

Billions of Yen

		2009	2008	2007	2006	2005
Revenues		<b>¥1,107.5</b>	¥1,154.6	¥1,127.5	¥1,065.7	¥994.5
Other Revenues		<b>70.8</b>	88.4	95.8	92.1	112.3
Revenues by Sector	Building Materials & Housing	<b>6.4</b>	9.9	17.2	13.5	24.9
	Other	<b>64.4</b>	78.5	78.6	78.6	87.4
Revenues in Japan and Overseas	Japan	<b>69.1</b>	87.9	95.3	90.8	111.6
	Overseas	<b>1.7</b>	0.5	0.5	1.2	0.7