

# Half-Year Consolidated Financial Summary

For the Six Months Ended September 30, 2005

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November 8, 2005



Forecasts contained in this report are based on management's assumption and beliefs in light of the information currently available. But they may be subject to change due to a wide range of factors, and no warranty is made regarding their attainability.

## Results of Operations

Unit: Millions of yen

	2005/3						2006/3							
	1st Half Result	Change from Previous Year		Full Year Result	Change from Previous Year		1st Half Projected	1st Half Result	Change from Previous Year		Full Year Projected at start of this FY	Full Year Revised Projection	Change from Previous Year	
		Amount	Percentage		Amount	Percentage			Amount	Percentage			Amount	Percentage
Orders	84,651	+6,454	+8.3%	171,334	+21,599	+14.4%	93,400	90,407	+5,756	+6.8%	185,000	186,500	+15,166	+8.9%
Water treatment Chemicals	26,246	+2,033	+8.4%	52,120	+4,604	+9.7%	27,500	27,213	+967	+3.7%	54,500	54,800	+2,680	+5.1%
Water treatment Facilities	58,404	+4,420	+8.2%	119,213	+16,995	+16.6%	65,900	63,194	+4,790	+8.2%	130,500	131,700	+12,487	+10.5%
Net Sales	71,170	+6,589	+10.2%	160,896	+14,077	+9.6%	73,000	72,499	+1,329	+1.9%	175,000	175,000	+14,104	+8.8%
Water treatment Chemicals	24,760	+1,115	+4.7%	50,637	+3,195	+6.7%	26,800	26,521	+1,761	+7.1%	54,500	54,500	+3,863	+7.6%
Water treatment Facilities	46,409	+5,473	+13.4%	110,259	+10,882	+11.0%	46,200	45,978	-431	-0.9%	120,500	120,500	+10,241	+9.3%
( Cost of Sales Ratio)	(67.5%)	(-0.1)		(69.7%)	(+0.6)		(67.4%)	(69.6%)	(+2.1)		(68.7%)	(70.2%)	(+0.5)	
Gross Profit	23,130	+2,187	+10.4%	48,819	+3,433	+7.6%	23,800	22,035	-1,095	-4.7%	54,700	52,200	+3,381	+6.9%
SG & A Expenses	16,692	-28	-0.2%	32,867	+972	+3.0%	17,600	17,227	+535	+3.2%	34,700	34,200	+1,333	+4.1%
( % of Net Sales)	(23.5%)	(-2.4)		(20.4%)	(-1.3)		(24.1%)	(23.8%)	(+0.3)		(19.8%)	(19.5%)	(-0.9)	
Operating Income	6,438	+2,215	+52.5%	15,951	+2,461	+18.2%	6,200	4,807	-1,631	-25.3%	20,000	18,000	+2,049	+12.8%
( % of Net Sales)	(9.0%)	(+2.5)		(9.9%)	(+0.7)		(8.5%)	(6.6%)	(-2.4)		(11.4%)	(10.3%)	(+0.4)	
Net of non-operating income and expenses	321	+118	+58.1%	773	+325	+72.5%	300	660	+339	+105.6%	500	1,000	+227	+29.4%
Ordinary Income	6,759	+2,333	+52.7%	16,725	+2,787	+20.0%	6,500	5,466	-1,293	-19.1%	20,500	19,000	+2,275	+13.6%
( % of Net Sales)	(9.5%)	(+2.7)		(10.4%)	(+0.9)		(8.9%)	(7.5%)	(-2.0)		(11.7%)	(10.9%)	(+0.5)	
Net Income	3,834	+1,420	+58.8%	9,383	+939	+11.1%	3,700	2,855	-979	-25.5%	11,500	10,800	+1,417	+15.1%
( % of Net Sales)	(5.4%)	(+1.6)		(5.8%)	(0.0)		(5.1%)	(3.9%)	(-1.5)		(6.6%)	(6.2%)	(+0.4)	
Net income per share (yen)	29.82	+11.05	+58.9%	71.76	+7.16	+11.1%	28.80	22.20	-7.62	-25.6%	89.40	83.96	+12.20	+17.0%

## Orders, Sales, Operating Income by Segment

Unit: Billions of yen

	2005/3						2006/3							
	1st Half Result	Change from Previous Year		Full Year Result	Change from Previous Year		1st Half Projected	1st Half Result	Change from Previous Year		Full Year Projected at start of this FY	Full Year Revised Projection	Change from Previous Year	
		Amount	Percentage		Amount	Percentage			Amount	Percentage				
													Amount	Percentage
Orders	84.7	+6.5	+8.3%	171.3	+21.6	+14.4%	93.4	90.4	+5.8	+6.8%	185.0	186.5	+15.2	+8.9%
Water treatment Chemicals	26.2	+2.0	+8.4%	52.1	+4.6	+9.7%	27.5	27.2	+1.0	+3.7%	54.5	54.8	+2.7	+5.1%
Water treatment Facilities	58.4	+4.4	+8.2%	119.2	+17.0	+16.6%	65.9	63.2	+4.8	+8.2%	130.5	131.7	+12.5	+10.5%
Electronics industry	28.1	+5.1	+22.2%	56.4	+6.9	+14.0%	28.3	29.9	+1.8	+6.4%	59.3	62.5	+6.1	+10.9%
General industry	15.8	+3.0	+23.2%	37.1	+9.3	+33.5%	22.5	20.9	+5.1	+32.3%	43.7	44.0	+6.9	+18.5%
Environment (Public Sector)	14.5	-3.7	-20.2%	25.7	+0.8	+3.0%	15.1	12.4	-2.1	-14.5%	27.5	25.2	-0.5	-2.0%
Sales	71.2	+6.6	+10.2%	160.9	+14.1	+9.6%	73.0	72.5	+1.3	+1.9%	175.0	175.0	+14.1	+8.8%
Water treatment Chemicals	24.8	+1.1	+4.7%	50.6	+3.2	+6.7%	26.8	26.5	+1.8	+7.1%	54.5	54.5	+3.8	+7.6%
Water treatment Facilities	46.4	+5.5	+13.4%	110.3	+10.9	+10.9%	46.2	46.0	-0.4	-0.9%	120.5	120.5	+10.2	+9.3%
Electronics industry	23.4	+4.8	+25.8%	54.9	+9.8	+21.8%	22.8	23.3	-0.1	-0.4%	57.1	59.4	+4.5	+8.2%
General industry	14.5	-0.8	-5.3%	32.0	+1.8	+6.0%	16.1	15.4	+0.9	+6.1%	37.6	37.0	+5.0	+15.7%
Environment (Public Sector)	8.5	+1.5	+21.3%	23.4	-0.8	-3.1%	7.3	7.3	-1.2	-14.6%	25.8	24.1	+0.7	+3.1%
Operating Income	6.4	+2.2	+52.5%	16.0	+2.5	+18.3%	6.2	4.8	-1.6	-25.3%	20.0	18.0	+2.0	+12.8%
(% of Sales)	(9.0%)	(+2.5)		(9.9%)	(+0.7)		(8.5%)	(6.6%)	(-2.4)		(11.4%)	(10.3%)	(+0.4)	
Water treatment Chemicals	4.0	+0.6	+18.3%	7.4	+0.8	+12.0%	4.3	4.0	+0.1	+1.4%	8.9	8.5	+1.1	+15.0%
(% of Sales)	(16.0%)	(+2.2)		(14.7%)	(+0.7)		(16.0%)	(15.1%)	(-0.9)		(16.4%)	(15.7%)	(+1.0)	
Water treatment Facilities	2.5	+1.6	+182.0%	8.5	+1.7	+24.4%	1.9	0.8	-1.7	-67.9%	11.1	9.5	+0.9	+11.0%
(% of Sales)	(5.4%)	(+3.2)		(7.7%)	(+0.8)		(4.1%)	(1.7%)	(-3.7)		(9.2%)	(7.8%)	(+0.1)	
Electronics industry	2.4	+1.1	+87.8%	6.0	+1.1	+22.2%	2.2	2.0	-0.5	-18.5%	7.2	7.6	+1.6	+27.3%
(% of Sales)	(10.4%)	(+3.3)		(10.9%)	(0.0)		(9.8%)	(8.5%)	(-1.9)		(12.6%)	(12.8%)	(+1.9)	
General industry	0.5	+0.1	+22.1%	1.5	+0.9	+131.0%	0.7	0.1	-0.4	-76.1%	2.7	1.7	+0.2	+14.6%
(% of Sales)	(3.3%)	(+0.7)		(4.7%)	(+2.5)		(4.3%)	(0.7%)	(-2.6)		(7.1%)	(4.7%)	(0.0)	
Environment (Public Sector)	-0.4	+0.4	-	1.0	-0.3	-21.3%	-1.0	-1.3	-0.9	-	1.2	0.1	-0.9	-90.5%
(% of Sales)	(-)	(-)		(4.3%)	(-1.1)		(-)	(-)	(-)		(4.5%)	(0.4%)	(-3.9)	

## Orders and Sales for the Electronics Industry by Market

Unit: Billions of yen

		2005/3						2006/3							
		1st Half Result	Change from Previous Year		Full Year Result	Change from Previous Year		1st Half Projected	1st Half Result	Change from Previous Year		Full Year Projected at start of this FY	Full Year Projection at this time	Change from Previous Year	
			Amount	Percentage		Amount	Percentage			Amount	Percentage				
Domestic		21.7	+3.3	+18%	41.9	+5.0	+14%	19.5	22.4	+0.7	+3%	39.2	43.8	+1.9	+5%
Facilities		9.7	+1.3	+15%	18.1	+2.1	+13%	7.3	9.7	0.0	0%	15.1	18.7	+0.6	+3%
Maintenance		7.8	+0.6	+8%	15.4	+0.9	+6%	7.9	8.0	+0.2	+3%	15.3	15.6	+0.2	+1%
Tool Cleaning		4.2	+1.4	+50%	8.4	+2.0	+31%	4.3	4.7	+0.5	+12%	8.8	9.5	+1.1	+13%
Overseas		6.4	+1.8	+39%	14.5	+2.0	+16%	8.8	7.5	+1.1	+17%	20.1	18.7	+4.2	+29%
Facilities		4.9	+1.5	+44%	10.4	+0.8	+8%	5.0	4.0	-0.9	-18%	13.2	10.7	+0.3	+3%
Maintenance		1.5	+0.3	+25%	4.1	+1.2	+41%	3.8	3.5	+2.0	+133%	6.9	8.0	+3.9	+95%
Total Orders of Electronics		28.1	+5.1	+22%	56.4	+7.0	+14%	28.3	29.9	+1.8	+6%	59.3	62.5	+6.1	+11%
Domestic		15.7	+0.9	+6%	38.5	+4.1	+12%	18.8	18.2	+2.5	+16%	41.8	45.0	+6.5	+17%
Facilities		4.1	-1.4	-25%	14.7	+0.4	+3%	7.0	5.9	+1.8	+44%	17.9	19.9	+5.2	+35%
Maintenance		7.4	+0.9	+14%	15.4	+1.6	+12%	7.5	7.6	+0.2	+3%	15.1	15.6	+0.2	+1%
Tool Cleaning		4.2	+1.4	+50%	8.4	+2.1	+33%	4.3	4.7	+0.5	+12%	8.8	9.5	+1.1	+13%
Overseas		7.7	+3.9	+103%	16.4	+5.7	+53%	4.0	5.1	-2.6	-34%	15.3	14.4	-2.0	-12%
Facilities		6.0	+3.6	+150%	12.6	+4.5	+56%	2.2	2.6	-3.4	-57%	10.2	7.4	-5.2	-41%
Maintenance		1.7	+0.3	+21%	3.8	+1.2	+46%	1.8	2.5	+0.8	+47%	5.1	7.0	+3.2	+84%
Total Sales of Electronics		23.4	+4.8	+26%	54.9	+9.8	+22%	22.8	23.3	-0.1	-0%	57.1	59.4	+4.5	+8%

## Summary of Consolidated Balance Sheets

Unit: Billions of yen

	2004/9	2005/3	2005/9	Amount change	
				2004/9	2005/3
Cash and Deposits	41.9	30.7	30.4	-11.5	-0.3
Notes and accounts receivable, trade	54.9	71.1	60.9	+6.0	-10.2
Plant and equipment	10.0	10.3	10.4	+0.4	+0.1
Construction in progress	1.3	1.7	2.4	+1.1	+0.7
Investments in securities	11.9	20.6	24.3	+12.4	+3.7
Deferred tax assets	4.6	4.0	3.6	-1.0	-0.4
Other	57.1	54.0	60.3	+3.2	+6.3
<b>Total assets</b>	<b>181.7</b>	<b>192.4</b>	<b>192.3</b>	<b>+10.6</b>	<b>-0.1</b>
Notes and accounts payable, trade	23.0	28.2	25.0	+2.0	-3.2
Accrued employees' retirement benefits	9.1	8.7	8.5	-0.6	-0.2
Other	17.3	18.1	18.9	+1.6	+0.8
<b>Total liabilities</b>	<b>49.4</b>	<b>55.0</b>	<b>52.4</b>	<b>+3.0</b>	<b>-2.6</b>
Minority interests	1.1	1.1	1.2	+0.1	+0.1
<b>Total shareholders' equity</b>	<b>131.2</b>	<b>136.4</b>	<b>138.7</b>	<b>+7.5</b>	<b>+2.3</b>
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>181.7</b>	<b>192.4</b>	<b>192.3</b>	<b>+10.6</b>	<b>-0.1</b>

## Capital Expenditure and Depreciation

Unit: Billions of yen

	2005/3		2006/3		
	1st Half Result	Full Year Result	1st Half Result	Projected at start of this FY	Revised Forecast
Capital expenditure (tangibles)	2.8	6.1	5.3	14.2	17.5
Depreciation	1.7	3.6	1.9	4.3	4.4

## Number of Employees

	2004/9	2005/3	2005/9	Amount change	
				2003/9	2005/3
Consolidated	3,493	3,382	3,725	+232	+343
Non-Consolidated	1,644	1,600	1,604	-40	+4

## Selling, General and Administrative (SG&A) Expenses

Unit: Billions of yen

	2005/3		2006/3	Amount change
	1st Half Result	Full Year Result	1st Half Result	2004/3 1st Half Result
Salaries, provision for employee bonuses and employee retirement benefit costs	7.36	14.24	7.35	-0.01
Travel expenses	1.18	2.42	1.25	+0.07
Research and development expenses	2.14	4.23	2.11	-0.03
Other	6.01	11.98	6.52	+0.51
<b>Total selling, general and administrative (SG&amp;A) expenses</b>	<b>16.69</b>	<b>32.87</b>	<b>17.23</b>	<b>+0.54</b>

## Research and Development (R&D) Expenses

Unit: Billions of yen

	2005/3		2006/3	
	1st Half Result	Full Year Result	1st Half Result	Full Year Revised Forecast
Water treatment chemicals	0.8	1.5	0.8	1.6
Water treatment facilities	1.3	2.7	1.3	2.7
<b>Total research and development (R&amp;D) expenses</b>	<b>2.1</b>	<b>4.2</b>	<b>2.1</b>	<b>4.3</b>

## Non-Operating Income and Expenses, Special Gains and Losses

Unit: Billions of yen

	2005/3		2006/3	Amount change	
	1st Half Result	Full Year Result	1st Half Result	2004/3 1st Half Result	
Non-operating income and expenses	Interest and dividend income	0.20	0.36	0.26	+0.06
	Equity in earnings of unconsolidated subsidiaries and affiliates	0.13	0.24	0.12	-0.01
	Foreign exchange Gains	0.05	0.10	0.1	+0.05
	Other	0.19	0.37	0.27	+0.08
	<b>Total non-operating income</b>	<b>0.57</b>	<b>1.07</b>	<b>0.75</b>	<b>+0.18</b>
	Interest expenses	0.02	0.04	0.02	0.00
	Other	0.23	0.26	0.07	-0.16
	<b>Total non-operating expenses</b>	<b>0.25</b>	<b>0.30</b>	<b>0.09</b>	<b>-0.16</b>
Special gains and losses	Gains from sale of investments in securities	-	0.13	-	-
	<b>Total special gains</b>	<b>-</b>	<b>0.13</b>	<b>-</b>	<b>-</b>
	Loss on sale and disposal of fixed assets	-	0.48	0.21	+0.21
	<b>Total special losses</b>	<b>-</b>	<b>0.48</b>	<b>0.21</b>	<b>+0.21</b>