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**Notice Regarding Impairment Loss on Securities of
 a Consolidated Subsidiary and Financial Forecast Modifications**

Tokki Corp. has decided to post an impairment loss on the capital subscription for its consolidated subsidiary and modify its financial forecast for fiscal year ending June 30, 2009, as summarized below.

1. Impairment Loss on Securities of a Consolidated Subsidiary

Tokki Co. (the “Company”) decided to post an impairment loss on the capital subscription for its NC machine tool sales subsidiary, Tokki Industries Co., Ltd. (the “TIDS”), based on a Company assessment of the TIDS’s merger of its subsidiary, Tokki Tekunica Co., Ltd., FA system integrator and abolishment of NC machine tool sales business. The reason for this accounting decision is that NC machine tool sales business has been greatly affected by the recent global financial crisis and no mid and/or long-term recoverability of the business is in sight. Therefore, the Company will post an impairment loss of 200 million yen on TIDS securities as an extraordinary expense on its “Non-Consolidated Statements of Income” for the fiscal year ended June 30, 2009.

2. Modification of financial forecast for the year ending June 30, 2009 (July 1, 2008 ~ June 30, 2009)

(1) Consolidated financial forecast

(Units: millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A)	10,200	440	490	180
Current forecast (B)	10,200	520	570	230
Change in amount (B-A)	0	+80	+80	+50
Change (B/A)	0.0%	+18.1%	+16.3%	+27.7%
FY2008	6,610	-750	-799	-656

(2) Non-Consolidated financial forecast

(Units: millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A)	8,650	660	710	420
Current forecast (B)	8,650	740	790	300
Change in amount (B-A)	0	+80	+80	-120
Change (B/A)	0.0%	+12.1%	+11.2%	-28.5%
FY2008	2,971	-751	-804	-657

3. Reasons for modifications

As for Net sales, no change is forecasted from the previous estimation on April 27, 2009.

Since the additional cost of vacuum deposition equipments after field acceptance test shall be more reduced than previously forecasted, Operating income and Ordinary income are expected to increase by 80 million yen respectively.

Non-consolidated net profit is expected to decrease by 120 million yen mainly due to the extraordinary loss by the abolishment of NC machine tool sales business.

Disclaimer:

This notice contains forward-looking statements with respect to future results, performance and achievements that are subject to risk and uncertainties and reflect management's views and assumptions formed by available information. All statements other than statements of historical fact are statements that could be considered forward-looking statements. When used in this document, words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "project" or "should" and similar expressions, as they relate to Tokki, are intended to identify forward-looking statements. Many factors could cause the actual results, performance or achievements of Tokki to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.