# Summary of Financial Results
# for the Fiscal Year Ended March 31, 2009

# Mitsui Chemicals, Inc. (4183)

## I. Consolidated Financial Results (April 1, 2008 — March 31, 2009)

### 1. Consolidated Financial Results

### (1) Results of Operations

| | Millions of Yen — Except per Share Data and Percentages | | | |
|---|---|---|---|---|
| | Fiscal Year Ended March 31, | | | |
| | 2009 | % | 2008 | % |
| Net Sales | 1,487,615 | (16.7) | 1,786,680 | 5.8 |
| Operating Income (Loss) | (45,493) | — | 77,176 | (15.8) |
| Ordinary Income (Loss) | (50,768) | — | 66,146 | (30.7) |
| Net Income (Loss) | (95,237) | — | 24,831 | (52.5) |
| Net Income (Loss) per Share (yen) | (125.46) | | 32.22 | |
| Net Income per Share, Diluted (yen) | — | | — | |
| Ratio of Net Income to Shareholders' Equity (ROE) | (22.4%) | | 4.9% | |
| Ratio of Ordinary Income (Loss) to Total Assets (ROA) | (3.8%) | | 4.5% | |
| Ratio of Operating Income (Loss) to Net Sales (ROS) | (3.1%) | | 4.3% | |

Note: Equity in earnings of affiliates:

Fiscal year ended March 31, 2009 ................ 2,992 million yen

Fiscal year ended March 31, 2008 ................ 5,947 million yen

### (2) Financial Position

| | Millions of Yen — Except per Share Data and Percentages | |
|---|---|---|
| | As of March 31, 2009 | As of March 31, 2008 |
| Total Assets | 1,188,939 | 1,469,248 |
| Net Assets | 398,131 | 564,227 |
| Shareholders' Equity Ratio | 29.4% | 34.0% |
| Shareholders' Equity per Share (yen) | 465.56 | 649.63 |

Note: Equity Fiscal year ended March 31, 2009 ................ 349,908 million yen

Fiscal year ended March 31, 2008 ................ 500,044 million yen

## (3) Cash Flows

| | Millions of Yen | |
|---|---|---|
| | Fiscal Year Ended March 31, | |
| | 2009 | 2008 |
| Cash Flows from Operating Activities | 54,882 | 92,423 |
| Cash Flows from Investing Activities | (76,253) | (78,206) |
| Cash Flows from Financing Activities | 48,335 | (28,734) |
| Cash and Cash Equivalents at End of Period | 47,949 | 25,502 |

## 2. Dividends

| | Fiscal Year Ended/Ending March 31, | | |
|---|---|---|---|
| | 2009 | 2008 | 2010 (*forecast) |
| Annual Dividends per Share | | | |
| Interim (yen) | 6.00 | 6.00 | — |
| End of Term (yen) | 3.00 | 6.00 | — |
| Annual Dividends (yen) | 9.00 | 12.00 | — |
| Total Dividends (millions of yen) | 6,764 | 9,244 | — |
| Payout Ratio (consolidated) | — | 37.2% | — |
| Net Assets Dividend Yield (consolidated) | 1.6% | 1.8% | — |

## 3. Forecast of Operating Results for the Fiscal Year Ending March 31, 2010 (April 1, 2009 — March 31, 2010)

| | Millions of Yen — Except per Share Data and Percentages | | | |
|---|---|---|---|---|
| | First Half | % | Full Fiscal Year | % |
| Net Sales | 520,000 | (42.6) | 1,150,000 | (22.7) |
| Operating Loss | (42,000) | — | (38,000) | — |
| Ordinary Loss | (46,000) | — | (47,000) | — |
| Net Loss | (48,000) | — | (56,000) | — |
| Net Loss per Share (yen) | (62.11) | | (72.46) | |

* Figures in the percentage column for net sales, operating loss, ordinary loss and net loss indicate the percentage increase/(decrease) for each item compared with the previous period.

*Cautionary Statement and Other Explanatory Notes*

*The aforementioned forecasts are based on management's assumptions and beliefs in light of currently available information and, accordingly, entail risks and uncertainties. Actual results may differ materially from forecasts due to a variety of factors. Please refer to "Outlook for the Fiscal Year Ending March 31, 2010," on pages 6 to 8 for more information.*

# II. Operating Results and Financial Position

## 1. Operating Results

### (1) Overview

In the fiscal year ended March 31, 2009, the Japanese economy experienced a precipitous slowdown. From the first half of the fiscal year under review, the prices of such raw materials as crude oil and iron ore surged markedly. In addition to the drop in corporate-sector earnings, repercussions from the U.S. subprime mortgage problem, which triggered a global financial crisis, significantly impacted the real economy. As a result, domestic conditions deteriorated rapidly from the third quarter ended December 31, 2008.

In the chemical industry, companies took steps to revise product prices in the wake of sharp upswings in material and fuel costs. Despite these endeavors, conditions remained harsh, with substantial downward pressure placed on earnings. After hitting historic highs, the prices of raw materials and fuels dropped rapidly from early autumn. Demand also plummeted sharply on the back of the global recession. Impacted by unprecedented volatility and change, the chemical industry confronted an extremely difficult business environment.

Amid a climate of abrupt and dramatic fluctuation in operating conditions, the Mitsui Chemicals Group reported a significant drop in earnings. This was mainly attributable to the substantial decline in demand from the Group's mainstay business partners in the automotive and electronic information material fields that resulted in lower sales volume and an unavoidable reduction in production facility and equipment utilization. Faced with this downturn in its overall performance, the Group took steps to implement emergency measures, reexamining every facet of its business activities. In the fiscal year under review, the Mitsui Chemicals Group reduced compensation paid to directors and management personnel, drastically cut back operating overheads, undertook a comprehensive zero-based review of all investment projects and thoroughly rationalized inventories.

Despite the aforementioned endeavors, the Group suffered an across-the-board decline in its operating results. In addition to the drop in operating income, the Mitsui Chemicals Group recorded a loss on valuation of inventories reflecting the overall decrease in market prices and undertook to reverse a portion of its deferred tax assets. The following summary of operating results for the fiscal year ended March 31, 2009 takes into account these and other factors.

(Billions of Yen)

| | Net Sales | Operating Income (Loss) | Ordinary Income (Loss) | Net Income (Loss) |
|---|---|---|---|---|
| Current Fiscal Year | 1,487.6 | (45.5) | (50.8) | (95.2) |
| Previous Fiscal Year | 1,786.7 | 77.2 | 66.1 | 24.8 |
| Change | (299.1) | (122.7) | (116.9) | (120.0) |
| Change (%) | (16.7) | — | — | — |

**Net sales** fell 16.7% compared with the previous fiscal year to 1,487.6 billion yen, a decrease of 299.1 billion yen. This was mainly attributable to a drop in sales volume across all business segments that reflected the slump in demand. Overseas sales amounted to 527.9 billion yen, accounting for 35.5% of the Group's consolidated net sales.

**Operating loss** for the fiscal year under review was 45.5 billion yen, plummeting 122.7 billion yen year on year. Despite the positive effects of the Mitsui Chemicals Group's emergency measures, including efforts to curtail fixed expenses, Mitsui Chemicals was unable to adequately preserve its profit margins due to the drop in sales volume and volatility in the prices of raw materials and fuels. Contributing to the operating loss was a loss on valuation of inventories of 19.2 billion yen that reflected the downturn in market conditions and prices.

**Ordinary loss** was 50.8 billion yen, a decrease of 116.9 billion yen compared with the previous fiscal year. In addition to a decline in equity in earnings of affiliates, the Mitsui Chemicals Group recorded foreign exchange losses. These and other factors contributed to a net non-operating expense of 5.3 billion yen for the fiscal year.

**Extraordinary income** amounted to 2.4 billion yen, which mainly reflected gain on sales of investment securities totaling 1.6 billion.

**Extraordinary loss**, on the other hand, was 17.0 billion yen and comprised such factors as losses on disposal and sales of noncurrent assets of 7.1 billion yen, an impairment loss of 3.9 billion yen and losses on restructuring of subsidiaries and affiliates and sales of investment securities of 2.7 billion yen, which were attributable to structural business reforms.

As a result of the aforementioned factors, the Mitsui Chemicals Group reported a net extraordinary loss of 14.6 billion yen, an improvement of 6.9 billion yen compared with the previous fiscal year.

**Net loss before income taxes and minority interests** amounted to 65.4 billion yen, down 110.0 billion yen year on year.

**Net loss** after accounting for corporate income taxes and minority interests was 95.2 billion yen, a fall of 120.0 billion yen compared with the previous year, and translated into a net loss per share for the period of 125.46 yen.

After careful consideration of the Group's consolidated performance and harsh operating conditions prevailing throughout the fiscal year as well as the potential to recover deferred tax assets, Mitsui Chemicals and certain of its consolidated subsidiaries decided to reverse a portion of deferred tax assets as of the end of the fiscal year under review. The impact on income taxes—deferred was 44.7 billion yen.

## (2) Results by Business Segment

### Performance Materials

**Automotive and industrial material** sales decreased 6% year on year. In the first half of the fiscal year, domestic demand increased. In this sector, steps were taken to cultivate new customers, focusing mainly on Asian markets. These factors were offset, however, by the sharp decline in automotive market demand from early autumn, which contributed to weak results.

**Industrial material** sales decreased 7% compared with the previous fiscal year. This was again attributable to the abrupt drop in demand from early autumn and countered growth in demand in the first half of the fiscal year for base resins for paint and polyolefin-based waxes.

**Hygiene material** sales increased 8% compared with the previous fiscal year as demand for non-woven fabrics expanded in East and Southeast Asia, particularly in the Thai and Chinese markets.

**Special polyolefin and engineering plastics** saw a drop in demand mainly for IT-related uses. This led to a year-on-year decline in sales of 19%.

**Semiconductor material** sales were weak falling 24% compared with the previous fiscal year. This was attributable to the downturn in market demand as well as falling prices.

**Energy material** sales surged 47% year on year on the back of robust demand for solar cell encapsulent materials.

**Polyurethane** sales decreased 27%. In addition to the sudden slowdown in demand for TDI/MDI, this downturn was caused by deterioration in market conditions overseas and appreciation in the value of the yen.

Reflecting the aforementioned factors, segment sales declined 72.3 billion yen compared with the previous fiscal year to 431.8 billion yen, comprising 29% of total sales. The segment recorded an operating loss of 16.0 billion yen, down 51.9 billion yen year on year. Despite efforts to curtail costs, this was attributable to a variety of factors, including hikes in raw material and fuel prices during the first half of the fiscal year, a slump in demand from early autumn and deterioration in market conditions and prices, which resulted in a loss on valuation of inventories.

## Advanced Chemicals

**Optical lens materials as well as healthcare materials** such as pharmaceutical intermediates showed steady growth. In the fiscal year under review, sales climbed 8% year on year.

**Chemical products** including polymerization inhibitors and adhesive materials for tires and lumber experienced difficult conditions. Despite efforts to revise product prices in the wake of sharp hikes in the prices of raw materials and fuels during the first half of the fiscal year, sales decreased 26% due to a sluggish economy resulting in low demand.

**Agrochemical product** sales edged up 2% compared with the previous fiscal year. This was mainly attributable to firm sales of insecticides.

As a result, segment sales fell 3.4 billion yen to 118.7 billion yen, accounting for 8% of total sales. Despite growth in sales of insecticides, operating income contracted 3.5 billion yen year on year to 7.3 billion yen. Results were impacted by the sudden slump in demand mainly for chemical products from early autumn and the sharp rise in raw material and fuel prices during the first half of the fiscal year under review.

## Basic Chemicals

**Ethylene and propylene** production declined 13% and 18%, respectively, year on year due to production adjustments from August 2008 in response to weak derivative demand.

**Phenol** sales decreased 30% compared with the previous fiscal year. In addition to the drop in demand from early autumn forcing a downward adjustment in production, poor results were attributable to weak sales prices due mainly to the decline in raw material and fuel prices.

**Bisphenol A** sales decreased 21%. Mirroring conditions for phenol, production was adjusted downward owing to falling demand for polycarbonate and epoxy resins, the principal uses for bisphenol A, from early autumn and the drop in sales prices due to lower raw material and fuel prices.

**Purified terephthalic acid (PTA)** sales decreased 26% compared with the previous fiscal year owing to stagnant demand and the decline in sales prices, which reflected weak raw material and fuel prices.

**Polyethylene terephthalate (PET) resin** sales declined 16% year on year due mainly to the drop in demand in Japan for bottled drinks.

**Ethylene, glycol, ethylene oxide and derivative** sales were impacted by the slump in demand. Sales of these products fell 23% year on year.

**Polyethylene and polypropylene** sales decreased 8% and 11%, respectively. Despite product price revisions to accommodate sharp hikes in raw material and fuel prices during the first half of the fiscal year under review, this was attributable to the sudden drop in demand from early autumn.

Taking into consideration the aforementioned factors, segment sales totaled 912.8 billion yen, down 198.4 billion yen year on year. This represented 61% of total sales. In the fiscal year under review, the Mitsui Chemicals Group reported an operating loss of 32.0 billion yen in this segment, down 65.4 billion yen compared with the previous fiscal year. This substantial negative turnaround was the result of lower sales due to the across-the-board drop in demand and the loss on valuation of inventories owing to weak market conditions and prices.

## Others

Segment sales contracted 25.0 billion yen to 24.3 billion yen, accounting for 2% of total sales. Operating income dropped 3.3 billion yen year on year to 0.1 billion yen.

## 2. Outlook for the Fiscal Year Ending March 31, 2010

### (1) Overall Outlook for Operating Results

In the fiscal year ending March 31, 2010, the global economy is expected to confront substantial change. As a nation historically dependent on export activity, Japan is forecast to experience extremely harsh operating conditions. This is mainly due to the persistent and significant decline in overall demand. Moreover, the planned commencement of operations at large-scale ethylene production facilities in the Middle East and Asia will further increase competition, and the Mitsui Chemicals Group foresees a prolonged downturn in the business environment.

Working to lay the foundation for profit recovery, the Group has positioned the fiscal year ending March 31, 2010 as a critical period in which to improve earnings. Commensurate with changes in its business environment, the Company will endeavor to overcome its difficulties through the implementation of emergency measures. With the aim of bolstering its earning capacity and capabilities, the Mitsui Chemicals Group is conducting a thorough review of its existing business strategies. Supported by basic policies aimed at cementing its foothold in the domestic market while expanding activities overseas, the Group is dedicated to securing a return to profitability from the fiscal year ending March 31, 2011 and beyond.

Based on the aforementioned efforts, Mitsui Chemicals' forecasts for the fiscal year ending March 31, 2010 are as follows.

(Billions of Yen)

| | Net Sales | Operating Income (Loss) | Ordinary Income (Loss) | Net Income (Loss) |
|---|---|---|---|---|
| FY2009 | 1,150.0 | (38.0) | (47.0) | (56.0) |
| FY2008 | 1,487.6 | (45.5) | (50.8) | (95.2) |
| Change | (337.6) | 7.5 | 3.8 | 39.2 |
| Change (%) | (22.7) | — | — | — |

The underlying exchange rate assumption is ¥95/US$1.00 for the fiscal year; the assumption for the domestic standard naphtha price is ¥38,000/kl.

## (2) Outlook by Business Segment

(Billions of Yen)

| | Net Sales | | | | | |
|---|---|---|---|---|---|---|
| | Performance Materials | Advanced Chemicals | Basic Chemicals | Others | Elimination and Corporate | Total |
| FY2009 | 380.0 | 120.0 | 620.0 | 30.0 | — | 1,150.0 |
| FY2008 | 431.8 | 118.7 | 912.8 | 24.3 | — | 1,487.6 |
| Change | (51.8) | 1.3 | (292.8) | 5.7 | — | (337.6) |
| Change (%) | (12.0) | 1.1 | (32.1) | 23.5 | — | (22.7) |

(Billions of Yen)

| Operating Income (Loss) | | | | | | |
|---|---|---|---|---|---|---|
| | Performance Materials | Advanced Chemicals | Basic Chemicals | Others | Elimination and Corporate | Total |
| FY2009 | (21.0) | 8.0 | (20.0) | — | (5.0) | (38.0) |
| FY2008 | (16.0) | 7.3 | (32.0) | 0.1 | (4.9) | (45.5) |
| Change | (5.0) | 0.7 | 12.0 | (0.1) | (0.1) | 7.5 |
| Change (%) | — | 9.6 | — | — | — | — |

## 3. Financial Position

### (1) Status of Assets, Liabilities and Net Assets

**Total assets** as of March 31, 2009 stood at 1,188.9 billion yen, down 280.3 billion yen compared with the end of the previous fiscal year (March 31, 2008).

**Total liabilities** decreased 114.2 billion yen year on year to 790.8 billion yen. **Interest-bearing debt** amounted to 535.4 billion yen, an increase of 49.4 billion yen compared with March 31, 2008. As a result, the interest-bearing debt ratio was 45.0%, up 11.9 percentage points.

**Net assets** stood at 398.1 billion yen as of March 31, 2009, a decrease of 166.1 billion yen compared with the previous fiscal year-end. In addition to the net loss for the period, this contraction in net assets was attributable to declines in net unrealized holding gain on securities and foreign currency translation adjustments. The **ratio of shareholders' equity to total assets** fell 4.6 percentage points to 29.4%. A share buyback program was initiated in September 2008 to provide the Mitsui Chemicals Group with additional flexibility in pursuit of its capital policies. This program was undertaken in response to changes in the Group's business environment. The aggregate total of the share buyback program was 10.0 billion yen.

Accounting for the aforementioned factors, the **debt-equity ratio** was 1.53 as of the end of the fiscal year under review, up 0.56 of a point year on year.

### (2) Cash Flow Status

Cash and cash equivalents (hereafter called "cash") increased 22.4 billion yen to 47.9 billion yen as of the fiscal year-end.

#### Cash Flow from Operating Activities

Net cash provided by operating activities was 54.9 billion yen, a decrease of 37.5 billion yen compared with the previous fiscal year. Despite a decline in income taxes paid and the implementation of various emergency measures including efforts to curtail inventories, which resulted in working capital savings, cash flow from operating activities decreased due mainly to the net loss before income taxes and minority interests for the period.

#### Cash Flow from Investing Activities

Net cash used in investing activities decreased 1.9 billion yen compared with the previous fiscal year to 76.3 billion yen. Despite the acquisition of U.S.-based SDC Technologies, which produces and sells such products as coating material for glass lenses, this decrease was attributable to lower payments for the purchase of property, plant and equipment.

### Cash Flow from Financing Activities

Net cash provided by financing activities amounted to 48.3 billion yen. Major cash outflows comprised the acquisition of treasury stock and payment of cash dividends. This was offset by the increase in interest-bearing debt amid financial instability.

Net cash used in financing activities in the fiscal year ended March 31, 2008 totaled 28.7 billion yen. This was reflected the repayment of interest-bearing debt and the payment of cash dividends.

## (3) Outlook for the Fiscal Year Ending March 31, 2010

Confronting a prolonged downturn in its business environment, the Mitsui Chemicals Group has positioned the fiscal year ending March 31, 2010 as a critical period in which to improve earnings. In this context, the Group is committed to improving its cash flow by thoroughly optimizing inventories and reducing assets. Looking ahead, the Mitsui Chemicals Group will work diligently to enhance consolidated asset efficiency.

The Group will adopt a strict selective approach toward investment activities, placing considerable weight on appropriately assessing the urgency and necessity of individual investments. To ensure its capability to address emergency situations, the Mitsui Chemicals Group will also take steps to bolster its fund procurement capabilities with an eye to enhancing flexibility.

## (4) Trends in Cash Flow Indicators

| | FY2004 (As of March 31, 2005) | FY2005 (As of March 31, 2006) | FY2006 (As of March 31, 2007) | FY2007 (As of March 31, 2008) | FY2008 (As of March 31, 2009) |
|---|---|---|---|---|---|
| Shareholders' Equity Ratio (%) | 33.7 | 34.9 | 33.7 | 34.0 | 29.4 |
| Shareholders' Equity Ratio on a Market Value Basis (%) | 39.0 | 51.0 | 53.0 | 34.6 | 15.1 |
| Ratio of Interest-bearing Debt to Cash Flows | 4.4 | 5.3 | 5.0 | 5.3 | 9.8 |
| Interest Coverage Ratio (Times) | 14.7 | 13.4 | 12.8 | 9.7 | 5.9 |

Note:

- Shareholders' Equity Ratio: Shareholders' equity to total assets
- Shareholders' Equity Ratio on a Market Value Basis: Market capitalization to total assets
- Ratio of Interest-bearing Debt to Cash Flows: Interest-bearing debt to cash flows
- Interest Coverage Ratio: Cash flows to interest paid
- Each of the indicators was calculated using consolidated financial figures.
- The market capitalization was calculated by multiplying the closing share price as of the end of the period with the number of shares outstanding (excluding treasury stock).
- Operating cash flow figures have been used for cash flow calculations.
- The operating cash flow figures used are cash flows from operating activities as reported in the consolidated statements of cash flows. Interest-bearing debt is the portion of total debt booked on the consolidated balance sheet on which interest is being paid. Interest paid is the amount of interest paid as reported in the consolidated statements of cash flows.

## 4. Basic Policy on the Appropriation of Profits, Cash Dividends for the Fiscal Years Ended/Ending March 31, 2009 and March 31, 2010

### (1) Basic Policy on the Appropriation of Profits

The Mitsui Chemicals Group believes that the enhancement of corporate value through business growth and expansion is an important management issue and regards the distribution of profits to shareholders as one the Group's most important management policies.

In allocating profits, the Mitsui Chemicals Group considers both the need to return earnings to shareholders as well as the need to maintain a level of internal reserves sufficient to fueling and sustaining future growth.

Taking into consideration the consolidated dividend payout ratio and the dividend on equity (DOE) ratio, the Mitsui Chemicals Group strives to promote a policy of consistent stable dividends that reflect consolidated earnings results over the medium term. In this context, the Group targets a consolidated dividend payout ratio of 25% or more and DOE of 2% or more.

From an internal reserves perspective, the Mitsui Chemicals Group actively engages in investment and financing to further accelerate growth and expansion while swiftly realizing a robust business portfolio as well as research and development expenditure aimed at creating innovative technologies. To this end, the Group constantly endeavors to improve its business performance and results.

### (2) Cash Dividends for the Fiscal Years Ended/Ending March 31, 2009 and March 31, 2010

Regrettably, the Mitsui Chemicals Group reported a net loss for the fiscal year ended March 31, 2009. Looking ahead, there would appear limited prospect for a recovery in the short term due to the forecast of unprecedented harsh business conditions. Nevertheless, recognizing the importance of returning profits to shareholders, the Group plans to pay a fiscal year-end dividend of 3 yen per share. Together with the interim dividend of 6 yen per share paid on December 2, 2008, the Group has declared an annual dividend of 9 yen per share.

Turning to dividends for the fiscal year ending March 31, 2010, and with an ongoing harsh business environment forecast, the Mitsui Chemicals Group plans to undertake a comprehensive review of its dividend policy after confirming its annual results for the current fiscal year. Because of these factors, dividends for fiscal 2009 are yet to be determined.

# III. Consolidated Financial Statements

## 1. Consolidated Balance Sheet (Summary)

| | Millions of Yen | |
|---|---|---|
| | As of March 31, 2009 | As of March 31, 2008 |
| **Assets** | | |
| **Current Assets ……………………………….** | **529,606** | **726,361** |
| **Fixed Assets …………………………………..** | **659,333** | **742,887** |
| **Total Assets ………………………………......** | **1,188,939** | **1,469,248** |
| **Liabilities** | | |
| **Current Liabilities ……………………………...** | **377,858** | **569,560** |
| **Long-term Liabilities …………………………..** | **412,950** | **335,461** |
| **Total Liabilities ……………………………….** | **790,808** | **905,021** |
| **Net Assets** | | |
| **Shareholders' Equity** | | |
| Common stock ………………………………. | 103,226 | 103,226 |
| Capital surplus ………………………………. | 69,238 | 69,238 |
| Retained earnings …………………………… | 221,721 | 326,932 |
| Treasury stock, at cost ……………………… | (29,827) | (19,826) |
| **Total Shareholders' equity ……………………..** | **364,358** | **479,570** |
| **Valuation and Translation Adjustments** | | |
| Net unrealized holding gain on securities …... | 7,319 | 19,125 |
| Net unrealized holding gain on hedging derivatives …………………………………... | (3) | 39 |
| Foreign currency translation adjustments …… | (21,766) | 1,310 |
| **Total Valuation and Translation Adjustments ..** | **(14,450)** | **20,474** |
| **Minority Interests ………………………………** | **48,223** | **64,183** |
| **Total Net Assets** | **398,131** | **564,227** |
| **Total Liabilities and Net Assets ……………………** | **1,188,939** | **1,469,248** |

## 2. Consolidated Statements of Income (Summary)

| | Millions of Yen | |
|---|---|---|
| | April 1, 2008 to March 31, 2009 | April 1, 2007 to March 31, 2008 |
| **Net Sales ……………………………………………** | **1,487,615** | **1,786,680** |
| Cost of Sales …………………………………….. | 1,341,106 | 1,509,308 |
| **Gross Profit ………………………………………** | **146,509** | **277,372** |
| Selling, general and administrative expenses …… | 192,002 | 200,196 |
| **Operating Income (Loss) …………………………** | **(45,493)** | **77,176** |
| **Non-operating Income and Expenses** | | |
| **Non-operating Income** | | |
| Interest income ……………………………… | 400 | 640 |
| Dividends income …………………………… | 3,588 | 3,332 |
| Rent income ………………………………… | 748 | 739 |
| Equity in earnings affiliates ………………..... | 2,992 | 5,947 |
| Other ………………………………………… | 5,601 | 9,075 |
| **Non-operating Income …………………………** | **13,329** | **19,733** |
| **Non-operating Expenses** | | |
| Interest expenses …………………………….. | 8,666 | 9,102 |
| Interest on commercial papers ..…………… | 657 | 410 |
| Loss on disposal of inventories ………...….... | — | 9,185 |
| Foreign exchange losses …………………..... | 4,398 | 6,149 |
| Other …………...……………………………. | 4,883 | 5,917 |
| **Non-operating Expenses ……………….....….....** | **18,604** | **30,763** |
| **Ordinary Income (Loss) ….………………………..** | **(50,768)** | **66,146** |
| **Extraordinary Income and Loss** | | |
| **Extraordinary Income** | | |
| Gain on sales of noncurrent assets ………… | 771 | 2,443 |
| Gain on sales of investment securities ……… | 1,635 | 187 |
| Other ………………………………………… | — | 266 |
| **Extraordinary Income ………………………..** | **2,406** | **2,896** |
| **Extraordinary Loss** | | |
| Loss on disposal of noncurrent assets ……… | 6,615 | 5,280 |
| Loss on sales of noncurrent assets ………… | 478 | 119 |
| Impairment loss ……..……………………… | 3,935 | 719 |
| Loss on restructuring of subsidiaries and affiliates …………………………………….. | 2,243 | 2,871 |
| Loss on sales of investment securities ………. | 464 | 347 |
| Loss on valuation of investment securities ….. | 1,932 | — |
| Environmental expenses …………...……… | 1,400 | 11,746 |
| Loss on business withdrawal ………………... | — | 2,556 |
| Other ………………………….……………... | — | 851 |
| **Extraordinary Loss …………………………..** | **17,067** | **24,489** |
| **Net Income (Loss) before Income Taxes and Minority Interests…………………………………...** | **(65,429)** | **44,553** |
| **Income Taxes-Current ……..………………………** | **5,700** | **20,067** |
| **Income Taxes- Deferred ……………………...…….** | **34,919** | **(637)** |
| **Total Income Taxes** | **40,619** | **19,430** |
| **Minority Interests in Income (Loss) ………………** | **(10,811)** | **292** |
| **Net Income (Loss) ………………………………….** | **(95,237)** | **24,831** |

## 3. Consolidated Statements of Cash Flows (Summary)

| | | Millions of Yen | |
|---|---|---|---|
| | | April 1, 2008 to March 31, 2009 | April 1, 2007 to March 31, 2008 |
| I. | Cash Flows from Operating Activities ………………….. | 54,882 | 92,423 |
| II. | Cash Flows from Investing Activities …………………... | (76,253) | (78,206) |
| III. | Cash Flows from Financing Activities ………………….. | 48,335 | (28,734) |
| IV. | Effect of Exchange Rate Changes on Cash and Cash Equivalents ……………………………………………….. | (4,598) | (139) |
| V. | Net Increase (Decrease) in Cash and Cash Equivalents .. | 22,366 | (14,656) |
| VI. | Cash and Cash Equivalents at Beginning of Period …… | 25,502 | 40,443 |
| VII. | Increase (Decrease) in Cash and Cash Equivalents Resulting from Changes in Scope of Consolidation ……. | 81 | (285) |
| VIII. | Cash and Cash Equivalents at End of Period ………….. | 47,949 | 25,502 |

## IV. Segment Information

### Net Sales and Operating Income (Loss) by Segment

(Billions of Yen)

| | | April 1, 2008 to March 31, 2009 | April 1, 2007 to March 31, 2008 | April 1, 2009 to March 31, 2010 (forecast) |
|---|---|---|---|---|
| Performance Materials | Net sales | 431.8 | 504.1 | 380.0 |
| | Operating income (loss) | (16.0) | 35.9 | (21.0) |
| Advanced Chemicals | Net sales | 118.7 | 122.1 | 120.0 |
| | Operating income (loss) | 7.3 | 10.8 | 8.0 |
| Basic Chemicals | Net sales | 912.8 | 1,111.2 | 620.0 |
| | Operating income (loss) | (32.0) | 33.4 | (20.0) |
| Other | Net sales | 24.3 | 49.3 | 30.0 |
| | Operating income (loss) | 0.1 | 3.4 | — |
| Elimination and Corporate | Net sales | — | — | — |
| | Operating income (loss) | (4.9) | (6.3) | (5.0) |
| Total | Net sales | 1,487.6 | 1,786.7 | 1,150.0 |
| | Operating income (loss) | (45.5) | 77.2 | (38.0) |