

Consolidated Business Results for 3rd Quarter, FY2009

February 5, 2009

Name of listed company : DAICEL CHEMICAL INDUSTRIES, LTD.

Stock Exchange : Tokyo and Osaka

Code number : 4202

(URL <http://www.daicel.co.jp>)

Representative : Name: Daisuke Ogawa Title: President and CEO

Scheduled date for submitting financial statements : February 13, 2009

(Figures are rounded down to the nearest million)

1. Consolidated Business Results for 3rd Quarter, FY2009 (April 1, 2008 to December 31, 2008)

(1) Consolidated Operating Results

(% implies the rate of increase/decrease year-on-year)

	Net Sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
April-December 2008	308,606	-	21,129	-	19,844	-	8,928	-
April-December 2007	308,450	9.6	25,759	(7.4)	23,984	(9.8)	12,099	(9.9)

	Net income per share		Net income per share after latent share adjustment	
	Yen		Yen	
April-December 2008	24.87		-	
April-December 2007	33.45		-	

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholder's equity per total assets	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
December 31, 2008	487,103	227,499	41.5	568.45
March 31, 2008	515,617	239,147	41.4	593.54

(Note) Equity capital : 202,350 millions of yen as of December 31, 2008, 213,340 millions of yen as of March 31, 2008

2. Status of distribution

(Reference data)	Cash dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Full year
	Yen	Yen	Yen	Yen	Yen
FY2008	-	4.00	-	4.00	8.00
FY2009	-	4.00	-	-	-
FY2009 (forecasts)	-	-	-	4.00	8.00

(Note) Revise of dividends forecast: NA

3. Forecast results for FY2009 (April 1, 2008 to March 31, 2009)

(Note: % for full year and interim term implies the rate of increase/decrease year-on-year and term-on-term, respectively)

	Net sales		Operating income		Ordinary income		Net income		Net income per share	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen	
Full FY2009	384,000	(7.9)	17,000	(47.1)	14,000	(49.8)	5,000	(63.4)	14.05	

(Note) Revise of consolidated forecast: Applied

4. Others

(1) Changes to major subsidiaries during the term (changes to subsidiaries during the current fiscal year, accompanied by the scope of the consolidation): NA

(2) Adoption of simplified accounting method and accounting methods specific to the preparation of quarterly consolidated financial statements: Applied

(3) Change to accounting principles, procedures, and presentation when preparing consolidated financial statements

(changes to Fundamental Information for Preparing Consolidated Interim Financial Statement)

i A. Changes accompanying the revision of accounting standards : Applied

ii Change other than A: Applied

(4) Number of shares issued (common share)

i The number of shares issued at the end of the fiscal year (including own shares)

December 31, 2008 364,942,682shares March 31, 2008 364,942,682shares

ii The number of own shares

December 31, 2008 8,972,779 shares March 31, 2008 5,501,956 shares

iii The average number of shares (during the term)

April-December 2008 359,012,748shares April-December 2007 361,696,365shares

Notes: Explanations or other items pertaining to appropriate use of operating result forecast

1. In the current consolidated fiscal year, the Company began applying the "Accounting Standard for Quarterly Financial Reporting"(Financial Accounting Standards No.12) and the "Guidance on Accounting Standards for Quarterly Financial Reporting"(Financial Accounting Standards for Guidance No.14). The quarterly consolidated financial statement were also prepared in accordance with the "Regulations on quarterly Consolidated Financial Statements."

2. The operating results forecasts and certain other statements contained in this document are forward-looking statements, which are rationally determined based on information currently available to the company. For a variety of reasons, actual performance may differ substantially from these projections.

(Reference)

Forecast non-consolidated results for FY2009 (April 1, 2008 to March 31, 2009)

(Note: % for full year and interim term implies the rate of increase/decrease year-on-year and term-on-term, respectively)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full FY2009	212,000	(8.4)	5,000	(65.4)	2,000	(88.2)	(3,000)	-	(8.43)

(Note) Revise of non-consolidated forecast: Applied

5. Financial Statement for 3rd quarter of FY2009
 (1) Consolidated Balance Sheet for 3rd quarter of FY2009

(Unit: Millions of Yen)

	3rd Quarter of FY2009 (As of December 31, 2008)	Full FY2008 (As of March 31, 2008)
Assets		
Current assets		
Cash and deposits	23,522	20,754
Notes and accounts receivable-trade	86,844	90,547
Short-term investment securities	33	25
Inventories	86,112	73,298
Other	17,106	23,422
Allowance for doubtful accounts	(216)	(215)
Total current assets	213,405	207,833
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	54,820	50,775
Machinery, equipment and vehicles, net	113,383	96,552
Land	26,678	26,873
Construction in progress	9,944	44,910
Other, net	3,651	3,790
Total property, plant and equipment	208,479	222,901
Intangible assets	4,168	5,369
Investments and other assets		
Investment securities	43,262	63,148
Other	18,036	16,637
Allowance for doubtful accounts	(248)	(273)
Total investments and other assets	61,050	79,512
Total noncurrent assets	273,698	307,783
Total assets	487,103	515,617

	3rd Quarter of FY2009 (As of December 31, 2008)	Full FY2008 (As of March 31, 2008)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	55,290	58,530
Current portion of bonds	10,000	10,000
Short-term loans payable	49,449	32,285
Current portion of long-term loans payable	28,758	25,804
Income taxes payable	1,957	4,537
Provision for repairs	1,788	128
Other	21,605	26,943
Total current liabilities	168,849	158,230
Noncurrent liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	55,937	77,168
Provision for retirement benefits	8,598	8,001
Provision for directors' retirement benefits	110	221
Provision for repairs	532	957
Other	5,576	11,890
Total noncurrent liabilities	90,755	118,239
Total liabilities	259,604	276,469
Net assets		
Shareholders' equity		
Capitalstock	36,275	36,275
Capital surplus	31,576	31,577
Retained earnings	129,979	123,758
Treasury stock	(4,072)	(2,675)
Total shareholders' equity	193,758	188,935
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8,924	20,807
Deferred gains or losses on hedges	(134)	(102)
Foreign currency translation adjustment	(198)	3,699
Total valuation and translation adjustments	8,591	24,404
Minority interests	25,148	25,806
Total net assets	227,499	239,147
Total liabilities and net assets	487,103	515,617

(2) Consolidated Income Statement for 3rd Quarter FY2009

(Unit: Millions of Yen)

	3rd Quarter of FY2009 (April 1 to December 31, 2008)
Net Sales	308,606
Cost of sales	245,558
Gross profit	63,047
Selling, general and administrative expenses	41,918
Operating Income	21,129
Non-operating income	
Interest income	316
Dividends income	1,046
Equity in earnings of affiliates	428
Other	802
Total non-operating income	2,593
Non-operating expenses	
Interest expenses	2,151
Foreign exchange loss	841
Other	886
Total non-operating expenses	3,878
Ordinary income	19,844
Extraordinary gain	
Gain on disposal of noncurrent assets	17
Gain on sales of investment securities	32
Subsidies from municipal governments	233
Total extraordinary gain	282
Extraordinary loss	
Loss on retirement of noncurrent assets	1,157
Impairment loss	79
Loss on reduction of noncurrent assets	220
Loss on valuation of investment securities	218
Total extraordinary loss	1,676
Income before income taxes	18,450
Income tax -current	4,988
Income tax-deferred	2,151
Total income taxes	7,140
Minority interests in income	2,382
Net income	8,928

(3) Consolidated Statement of Cash Flow for 3rd Quarter FY2009

(Unit: Millions of Yen)

	3rd Quarter of FY2009 (April 1 to December 31, 2008)
Net cash provided by (used in) operating activities	
Income before income taxes	18,450
Depreciation and amortization	28,203
Impairment loss	79
Interest and dividends income	(1,362)
Interest expenses	2,151
Equity in (earnings) losses of affiliates	(428)
Loss (gain) on sales and retirement of noncurrent assets	1,140
Loss on reduction of noncurrent assets	220
Subsidies from municipal governments	(233)
Decrease (increase) in notes and accounts receivable-trade	0
Decrease (increase) in inventories	(14,960)
Increase (decrease) in notes and accounts payable-trade	(564)
Other, net	680
Subtotal	<u>33,376</u>
Interest and dividends income received	1,954
Interest expenses paid	(2,100)
Income taxes paid	(7,309)
Net cash provided by (used in) operating activities	<u>25,921</u>
Net cash provided by (used in) investment activities	
Purchase of property, plant and equipment	(20,805)
Proceeds from sales of property, plant and equipment	33
Purchase of intangible assets	(631)
Purchase of investment securities	(188)
Payments of loans receivable	(1,669)
Collection of loans receivable	1,149
Proceeds from sales of plant for expropriation	5,880
Subsidies from municipal governments	233
Other, net	(2,205)
Net cash provided by (used in) investment activities	<u>(18,205)</u>
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	18,706
Proceeds from long-term loans payable	1,420
Repayment of long-term loans payable	(18,690)
Purchase of treasury stock	(1,408)
Proceeds from sales of treasury stock	11
Cash dividends paid	(2,875)
Cash dividends paid to minority shareholders	(457)
Net cash provided by (used in) financing activities	<u>(3,293)</u>
Effect of exchange rate change on cash and cash equivalents	<u>(1,612)</u>
Net increase (decrease) in cash and cash equivalents	<u>2,809</u>
Cash and cash equivalents at beginning of period	<u>20,740</u>
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	<u>(33)</u>
Cash and cash equivalents at the end of period	<u>23,516</u>

(4) Segment information

(4)-a. Business segment information

	Millions of Yen							
	April - December 2008							
	Cellulosic derivatives	Organic chemicals	Plastics and films	Pyrotechnic devices	Functional Products and others	Total	Corporate and eliminations	Consolidated
Sales								
(1) Outside customers	58,077	75,906	120,285	49,545	4,791	308,606	-	308,606
(2) Intersegment sales	2,637	14,777	3	-	8,895	26,314	(26,314)	-
Total	60,714	90,684	120,289	49,545	13,686	334,920	(26,314)	308,606
Operating income	7,402	6,805	8,373	3,912	466	26,960	(5,830)	21,129

(4)-b. Geographic segment information

	Millions of Yen					Corporate and eliminations	Consolidated
	April - December 2008						
	Japan	Asia	Other	Total			
Sales							
(1) Outside customers	226,289	56,632	25,684	308,606	-	308,606	
(2) Intersegment sales	32,370	12,394	1,874	46,640	(46,640)	-	
Total	258,660	69,027	27,559	355,246	(46,640)	308,606	
Operating income	19,310	7,672	(23)	26,960	(5,830)	21,129	

(4)-c. Overseas sales information

	Millions of Yen		
	April - December 2008		
	Asia	Other	Total
I. Oversea sales	77,316	41,458	118,774
II. Consolidated sales			308,606
III. Ratio of international sales to consolidated net sales (%)	25.1	13.4	38.5