

Consolidated Business Results for 1st Quarter, FY2010

August 6, 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 : August 13, 2009

(Figures are rounded down to the nearest million)

1. Consolidated Business Results for 1st Quarter, FY2010 (April 1, 2009 to June 30, 2009)

(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-June 2009	63,578	△ 37.2	1,184	△ 85.3	1,275	△ 84.8	613	△ 87.1
April-June 2008	101,217	-	8,032	-	8,386	-	4,753	-

	Net income per share		Net income per share after latent share adjustment	
	Yen		Yen	
April-June 2009	1.72		-	
April-June 2008	13.22		-	

(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
June 30, 2009	440,104	218,037	44.4	549.02
March 31, 2009	445,911	211,487	42.3	530.43

(Note) Equity capital : 195,420 millions of yen as of June 30, 2009, 188,807 millions of yen as of March 31, 2009

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
FY2009	-	4.00	-	4.00	8.00
FY2010	-	-	-	-	-
FY2010 (forecasts)	-	4.00	-	4.00	8.00

(Note) Revise of dividends forecast: NA

3. Forecast results for FY2010 (April 1, 2009 to March 31, 2010)

(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
1st half, FY2010	142,000	△ 32.1	2,500	△ 85.2	2,000	△ 88.0	1,200	△ 86.5	3.37
Full FY2010	305,000	△ 19.3	11,000	3.9	9,000	9.6	4,500	247.2	12.64

(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 : NA

ii Change other than A: NA

(4) Number of shares issued (common share)

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

June 30, 2009 364,942,682shares March 31, 2009 364,942,682shares

ii The number of own shares

June 30, 2009 9,000,075shares March 31, 2009 8,987,467shares

iii The average number of shares (during the term)

April-June 2009 355,949,084shares April-June 2008 359,435,699shares

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

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.

5. Financial Statement for 1st quarter of FY2010
(1) Consolidated Balance Sheet for 1st quarter of FY2010

(Unit: Millions of Yen)

	1st Quarter of FY2010 (As of June 30, 2009)	Full FY2009 (As of March 31, 2009)
Assets		
Current assets		
Cash and deposits	29,129	30,522
Notes and accounts receivable-trade	52,156	59,733
Short-term investment securities	25	25
Inventories	74,691	75,984
Other	16,894	19,420
Allowance for doubtful accounts	(164)	(141)
Total current assets	172,732	185,546
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	52,717	52,512
Machinery, equipment and vehicles, net	96,959	102,269
Land	26,530	26,486
Construction in progress	16,080	11,706
Other, net	3,268	3,364
Total property, plant and equipment	195,556	196,340
Intangible assets	4,372	3,899
Investments and other assets		
Investment securities	51,626	43,211
Other	16,063	17,154
Allowance for doubtful accounts	(246)	(240)
Total investments and other assets	67,442	60,125
Total noncurrent assets	267,371	260,365
Total assets	440,104	445,911

	1st Quarter of FY2010 (As of June 30, 2009)	Full FY2009 (As of March 31, 2009)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	24,609	33,471
Current portion of bonds	10,000	10,000
Short-term loans payable	53,243	56,683
Current portion of long-term loans payable	27,265	26,450
Income taxes payable	606	1,199
Provision for repairs	779	2,705
Other	20,099	20,647
Total current liabilities	136,604	151,157
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	58,968	59,468
Provision for retirement benefits	8,374	8,705
Provision for directors' retirement benefits	68	116
Provision for repairs	-	46
Other	8,052	4,928
Total noncurrent liabilities	85,462	83,266
Total liabilities	222,066	234,424
Net assets		
Shareholders' equity		
Capitalstock	36,275	36,275
Capital surplus	31,576	31,576
Retained earnings	121,537	122,347
Treasury stock	(4,083)	(4,077)
Total shareholders' equity	185,306	186,122
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	14,732	9,150
Deferred gains or losses on hedges	(224)	(193)
Foreign currency translation adjustment	(4,393)	(6,270)
Total valuation and translation adjustments	10,114	2,685
Minority interests	22,617	22,679
Total net assets	218,037	211,487
Total liabilities and net assets	440,104	445,911

(2) Consolidated Income Statement for 1st Quarter FY2009

(Unit: Millions of Yen)

	1st Quarter of FY2009 (April 1 to June 30, 2008)	1st Quarter of FY2010 (April 1 to June 30, 2009)
Net Sales	101,217	63,578
Cost of sales	79,328	51,191
Gross profit	21,889	12,386
Selling, general and administrative expenses	13,856	11,202
Operating Income	8,032	1,184
Non-operating income		
Interest income	113	45
Dividends income	527	379
Equity in earnings of affiliates	-	205
Foreign exchange gains	599	149
Other	210	245
Total non-operating income	1,450	1,025
Non-operating expenses		
Interest expenses	716	625
Equity in losses of affiliates	50	-
Other	330	308
Total non-operating expenses	1,097	933
Ordinary income	8,386	1,275
Extraordinary gain		
Gain on disposal of noncurrent assets	14	1
Gain on sales of investment securities	0	1
Subsidies from municipal governments	233	-
Total extraordinary gain	248	3
Extraordinary loss		
Loss on retirement of noncurrent assets	85	240
Impairment loss	79	-
Loss on reduction of noncurrent assets	220	-
Total extraordinary loss	385	240
Income before income taxes	8,248	1,038
Income tax -current	1,840	350
Income tax-deferred	815	434
Total income taxes	2,655	784
Minority interests in income(loss)	840	(359)
Net income	4,753	613

(3) Consolidated Statement of Cash Flow for 1st Quarter FY2009

(Unit: Millions of Yen)

	1st Quarter of FY2009 (April 1 to June 30, 2008)	1st Quarter of FY2010 (April 1 to June 30, 2009)
Net cash provided by (used in) operating activities		
Income before income taxes	8,248	1,038
Depreciation and amortization	7,573	8,858
Impairment loss	79	-
Interest and dividends income	(641)	(424)
Interest expenses	716	625
Equity in (earnings) losses of affiliates	50	(205)
Loss (gain) on sales and retirement of noncurrent assets	70	238
Loss on reduction of noncurrent assets	220	-
Subsidies from municipal governments	(233)	-
Decrease (increase) in notes and accounts receivable-trade	4,180	8,225
Decrease (increase) in inventories	(4,594)	2,048
Increase (decrease) in notes and accounts payable-trade	(560)	(9,262)
Other, net	1,205	(618)
Subtotal	16,316	10,524
Interest and dividends income received	890	497
Interest expenses paid	(668)	(520)
Income taxes paid	(4,066)	(971)
Net cash provided by (used in) operating activities	12,471	9,530
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(9,927)	(5,560)
Proceeds from sales of property, plant and equipment	25	2
Purchase of intangible assets	(50)	(165)
Purchase of investment securities	(46)	(4)
Payments of loans receivable	(857)	(22)
Collection of loans receivable	157	281
Proceeds from sales of plant for expropriation	1,400	-
Subsidies from municipal governments	233	-
Other, net	(457)	118
Net cash provided by (used in) investment activities	(9,524)	(5,351)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	7,042	(4,094)
Proceeds from long-term loans payable	842	5,477
Repayment of long-term loans payable	(5,947)	(5,840)
Purchase of treasury stock	(7)	(5)
Proceeds from sales of treasury stock	1	0
Cash dividends paid	(1,437)	(1,423)
Cash dividends paid to minority shareholders	(457)	(506)
Net cash provided by (used in) financing activities	36	(6,392)
Effect of exchange rate change on cash and cash equivalents	(1,660)	820
Net increase (decrease) in cash and cash equivalents	1,323	(1,393)
Cash and cash equivalents at beginning of period	20,740	30,507
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(32)	-
Cash and cash equivalents at the end of period	22,031	29,114

(4) Segment information

(4)-a. Business segment information

Millions of Yen								
April - June 2008								
	Cellulosic derivatives	Organic chemicals	Plastics and films	Pyrotechnic devices	Functional Products and others	Total	Corporate and eliminations	Consolidated
Sales								
(1) Outside customers	17,685	26,718	39,048	16,337	1,427	101,217	-	101,217
(2) Intersegment sales	676	5,270	1	-	2,963	8,912	(8,912)	-
Total	18,361	31,989	39,050	16,337	4,391	110,130	(8,912)	101,217
Operating income	1,838	3,812	2,511	1,701	116	9,979	(1,946)	8,032

Millions of Yen								
April - June 2009								
	Cellulosic derivatives	Organic chemicals	Plastics and films	Pyrotechnic devices	Functional Products and others	Total	Corporate and eliminations	Consolidated
Sales								
(1) Outside customers	18,252	15,579	19,303	9,368	1,074	63,578	-	63,578
(2) Intersegment sales	389	1,536	0	-	2,119	4,046	(4,046)	-
Total	18,641	17,116	19,303	9,368	3,194	67,624	(4,046)	63,578
Operating income	2,923	685	(660)	29	(10)	2,968	(1,783)	1,184

(4)-b. Geographic segment information

Millions of Yen						
April - June 2008						
	Japan	Asia	Other	Total	Corporate and eliminations	Consolidated
Sales						
(1) Outside customers	75,166	17,394	8,657	101,217	-	101,217
(2) Intersegment sales	10,974	3,432	527	14,934	(14,934)	-
Total	86,140	20,826	9,184	116,152	(14,934)	101,217
Operating income	7,487	2,371	120	9,979	(1,946)	8,032

Millions of Yen						
April - June 2009						
	Japan	Asia	Other	Total	Corporate and eliminations	Consolidated
Sales						
(1) Outside customers	51,201	8,336	4,039	63,578	-	63,578
(2) Intersegment sales	4,583	1,486	239	6,309	(6,309)	-
Total	55,785	9,823	4,278	69,887	(6,309)	63,578
Operating income	3,420	(325)	(126)	2,968	(1,783)	1,184

(4)-c. Overseas sales information

Millions of Yen			
April - June 2008			
	Asia	Other	Total
I Oversea sales	24,636	13,776	38,412
II Consolidated sales			101,217
III Ratio of international sales to consolidated net sales (%)	24.3	13.7	38.0

Millions of Yen			
April - June 2009			
	Asia	Other	Total
I Oversea sales	12,669	8,131	20,801
II Consolidated sales			63,578
III Ratio of international sales to consolidated net sales (%)	19.9	12.8	32.7