

# Consolidated Business Results for 2nd Quarter, FY2010

November 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 : November 12, 2009

Scheduled date for dividend payment : December 7, 2009

(Figures are rounded down to the nearest million)

## 1. Consolidated Business Results for 2nd Quarter, FY2010 (April 1, 2009 to September 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-September 2009	143,684	△ 31.3	5,115	△ 69.8	4,735	△ 71.7	2,129	△ 76.0
April-September 2008	209,201	-	16,939	-	16,736	-	8,877	-

	Net income per share	Net income per share after latent share adjustment
	Yen	Yen
April-September 2009	5.98	-
April-September 2008	24.70	-

### (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
September 30, 2009	429,201	219,043	45.8	552.26
March 31, 2009	445,911	211,487	42.3	530.43

(Note) Equity capital : 196,565 millions of yen as of September 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	-	4.00	-	-	-
FY2010 (forecasts)	-	-	-	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
Full FY2010	308,000	△ 18.5	15,000	41.7	13,000	58.3	6,000	363.0	16.86

(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 )  
 September 30, 2009 364,942,682shares March 31, 2009 364,942,682shares
- ii The number of own shares  
 September 30, 2009 9,013,851shares March 31, 2009 8,987,467shares
- iii The average number of shares (during the term)  
 April-September 2009 355,941,939 shares April-September 2008 359,421,224 shares

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.

## (Reference)

Forecast non-consolidated 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
Full FY2010	182,000	△ 11.6	8,000	-	8,000	-	3,000	-	8.43

(Note) Revise of non-consolidated forecast: Applied

5. Financial Statement for 2nd quarter of FY2010  
(1) Consolidated Balance Sheet for 2nd quarter of FY2010

(Unit: Millions of Yen)

	2nd Quarter of FY2010 (As of September 30, 2009)	Full FY2009 (As of March 31, 2009)
Assets		
Current assets		
Cash and deposits	24,352	30,522
Notes and accounts receivable-trade	63,770	59,733
Short-term investment securities	26	25
Inventories	66,574	75,984
Other	14,345	19,420
Allowance for doubtful accounts	(161)	(141)
Total current assets	168,908	185,546
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	52,398	52,512
Machinery, equipment and vehicles, net	95,605	102,269
Land	26,548	26,486
Construction in progress	13,192	11,706
Other, net	3,094	3,364
Total property, plant and equipment	190,839	196,340
Intangible assets	4,089	3,899
Investments and other assets		
Investment securities	50,278	43,211
Other	15,324	17,154
Allowance for doubtful accounts	(238)	(240)
Total investments and other assets	65,364	60,125
Total noncurrent assets	260,293	260,365
Total assets	429,201	445,911

	2nd Quarter of FY2010 (As of September 30, 2009)	Full FY2009 (As of March 31, 2009)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	35,432	33,471
Current portion of bonds	10,000	10,000
Short-term loans payable	32,800	56,683
Current portion of long-term loans payable	24,434	26,450
Income taxes payable	1,268	1,199
Provision for repairs	898	2,705
Other	18,108	20,647
Total current liabilities	122,943	151,157
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	61,523	59,468
Provision for retirement benefits	8,548	8,705
Provision for directors' retirement benefits	65	116
Provision for repairs	272	46
Other	6,805	4,928
Total noncurrent liabilities	87,215	83,266
Total liabilities	210,158	234,424
<b>Net assets</b>		
Shareholders' equity		
Capitalstock	36,275	36,275
Capital surplus	31,576	31,576
Retained earnings	123,053	122,347
Treasury stock	(4,091)	(4,077)
Total shareholders' equity	186,814	186,122
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	13,954	9,150
Deferred gains or losses on hedges	(168)	(193)
Foreign currency translation adjustment	(4,034)	(6,270)
Total valuation and translation adjustments	9,751	2,685
Minority interests	22,477	22,679
Total net assets	219,043	211,487
Total liabilities and net assets	429,201	445,911

## (2) Consolidated Income Statement for 2nd Quarter FY2010

(Unit: Millions of Yen)

	2nd Quarter of FY2009 (April 1 to September 30, 2008)	2nd Quarter of FY2010 (April 1 to September 30, 2009)
Net Sales	209,201	143,684
Cost of sales	163,956	115,108
Gross profit	45,244	28,575
Selling, general and administrative expenses	28,305	23,460
Operating Income	16,939	5,115
Non-operating income		
Interest income	220	92
Dividends income	542	387
Equity in earnings of affiliates	225	534
Other	793	765
Total non-operating income	1,780	1,780
Non-operating expenses		
Interest expenses	1,433	1,244
Other	549	915
Total non-operating expenses	1,983	2,160
Ordinary income	16,736	4,735
Extraordinary gain		
Gain on disposal of noncurrent assets	16	2
Gain on sales of investment securities	32	10
Subsidies from municipal governments	233	-
Total extraordinary gain	281	12
Extraordinary loss		
Loss on retirement of noncurrent assets	954	637
Impairment loss	79	-
Loss on reduction of noncurrent assets	220	-
Settlement package	-	398
Total extraordinary loss	1,254	1,036
Income before income taxes	15,763	3,711
Income tax -current	4,894	1,112
Income tax-deferred	535	1,078
Total income taxes	5,430	2,190
Minority interests in income(loss)	1,455	(609)
Net income	8,877	2,129

## (3) Consolidated Statement of Cash Flow for 2nd Quarter FY2010

(Unit: Millions of Yen)

	2nd Quarter of FY2009 (April 1 to September 30, 2008)	2nd Quarter of FY2010 (April 1 to September 30, 2009)
Net cash provided by (used in) operating activities		
Income before income taxes	15,763	3,711
Depreciation and amortization	17,319	18,484
Impairment loss	79	-
Interest and dividends income	(762)	(479)
Interest expenses	1,433	1,244
Equity in (earnings) losses of affiliates	(225)	(534)
Loss (gain) on sales and retirement of noncurrent assets	938	635
Loss on reduction of noncurrent assets	220	-
Subsidies from municipal governments	(233)	-
Decrease (increase) in notes and accounts receivable-trade	3,777	(3,213)
Decrease (increase) in inventories	(10,929)	10,262
Increase (decrease) in notes and accounts payable-trade	4,441	1,421
Other, net	(776)	65
Subtotal	31,047	31,597
Interest and dividends income received	1,035	697
Interest expenses paid	(1,485)	(1,252)
Income taxes paid	(4,429)	(1,690)
Income taxes refund	-	2,024
Net cash provided by (used in) operating activities	26,168	31,375
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(15,585)	(10,989)
Proceeds from sales of property, plant and equipment	29	3
Purchase of intangible assets	(527)	(199)
Purchase of investment securities	(183)	(10)
Payments of loans receivable	(1,308)	(28)
Collection of loans receivable	341	523
Proceeds from sales of plant for expropriation	5,880	-
Subsidies from municipal governments	233	-
Other, net	(1,420)	(998)
Net cash provided by (used in) investment activities	(12,539)	(11,700)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	2,774	(24,296)
Proceeds from long-term loans payable	1,412	15,093
Repayment of long-term loans payable	(12,731)	(15,523)
Purchase of treasury stock	(34)	(14)
Proceeds from sales of treasury stock	4	0
Cash dividends paid	(1,437)	(1,423)
Cash dividends paid to minority shareholders	(457)	(506)
Net cash provided by (used in) financing activities	(10,468)	(26,670)
Effect of exchange rate change on cash and cash equivalents	(687)	824
Net increase (decrease) in cash and cash equivalents	2,473	(6,170)
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	23,180	24,337

## (4) Segment information

## (4)-a. Business segment information

	Millions of Yen						Corporate and eliminations	Consolidated
	April - September 2008							
	Cellulosic derivatives	Organic chemicals	Plastics and films	Pyrotechnic devices	Functional Products and others	Total		
Sales								
(1) Outside customers	38,935	53,804	79,663	33,447	3,350	209,201	-	209,201
(2) Intersegment sales	1,696	10,673	2	-	6,219	18,592	(18,592)	-
Total	40,631	64,478	79,666	33,447	9,570	227,794	(18,592)	209,201
Operating income	5,699	6,414	5,177	3,123	401	20,816	(3,876)	16,939

	Millions of Yen						Corporate and eliminations	Consolidated
	April - September 2009							
	Cellulosic derivatives	Organic chemicals	Plastics and films	Pyrotechnic devices	Functional Products and others	Total		
Sales								
(1) Outside customers	37,039	34,276	47,777	21,811	2,779	143,684	-	143,684
(2) Intersegment sales	1,174	4,634	1	-	4,475	10,287	(10,287)	-
Total	38,214	38,911	47,779	21,811	7,254	153,972	(10,287)	143,684
Operating income(loss)	5,748	2,153	(64)	1,047	186	9,071	(3,956)	5,115

## (4)-b. Geographic segment information

	Millions of Yen					Corporate and eliminations	Consolidated
	April - September 2008						
	Japan	Asia	Other	Total			
Sales							
(1) Outside customers	155,716	36,264	17,219	209,201	-	209,201	
(2) Intersegment sales	21,959	7,971	1,328	31,259	(31,259)	-	
Total	177,676	44,236	18,547	240,460	(31,259)	209,201	
Operating income	15,928	4,871	16	20,816	(3,876)	16,939	

	Millions of Yen					Corporate and eliminations	Consolidated
	April - September 2009						
	Japan	Asia	Other	Total			
Sales							
(1) Outside customers	112,549	21,997	9,137	143,684	-	143,684	
(2) Intersegment sales	13,607	4,875	588	19,070	(19,070)	-	
Total	126,156	26,872	9,725	162,755	(19,070)	143,684	
Operating income(loss)	8,070	1,273	(272)	9,071	(3,956)	5,115	

## (4)-c. Overseas sales information

	Millions of Yen		
	April - September 2008		
	Asia	Other	Total
I Oversea sales	51,378	27,967	79,345
II. Consolidated sales	-	-	209,201
III. Ratio of international sales to consolidated net sales (%)	24.6	13.3	37.9

	Millions of Yen		
	April - September 2009		
	Asia	Other	Total
I Oversea sales	32,249	17,594	49,844
II. Consolidated sales	-	-	143,684
III. Ratio of international sales to consolidated net sales (%)	22.4	12.3	34.7