

FY2011 1st Quarter Consolidated Financial Results

(All financial information has been prepared in accordance with Generally Accepted Accounting Principles in Japan)

August 5, 2010

Company name : DAICEL CHEMICAL INDUSTRIES, LTD.
 Stock Exchange on which the shares are listed : Tokyo Stock Exchange and Osaka Securities Exchange in Japan
 Code number : 4202
 URL : http://www.daicel.co.jp
 Representative : Misao Fudaba, President and CEO
 Contact person : Yoshifumi Hata, General Manager-Investor Relations & Corporate communications
 Phone +81-3-6711-8121
 Scheduled date for submitting financial statements : August 12, 2010
 The additional materials of the Financial Results :-
 The briefing session of the Financial Results :-
 Scheduled date for dividend payment :-

1. Consolidated Financial Results for FY2011 1st Quarter (April 1, 2010 to June 30, 2010)

(Amounts are rounded down to the nearest million)

(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	%
FY2011 1st Quarter	90,022	41.6	11,069	834.9	10,467	720.9	4,157	578.1
FY2010 1st Quarter	63,578	△ 37.2	1,184	△ 85.3	1,275	△ 84.8	613	△ 87.1

	Net income per share	Net income per share after latent share adjustment
	Yen	Yen
FY2011 1st Quarter	11.68	-
FY2010 1st Quarter	1.72	-

(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
FY2011 1st Quarter	423,531	228,465	48.3	574.61
FY2010	428,376	229,004	48.1	579.18

(Note) Equity capital : 204,504 millions of yen as of June 30, 2010, 206,136 millions of yen as of March 31, 2010

2. Dividends

(Reference data)	Cash dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Full year
	Yen	Yen	Yen	Yen	Yen
FY2010	-	4.00	-	6.00	10.00
FY2011	-	-	-	-	-
FY2011 (forecasts)	-	4.00	-	4.00	8.00

(Note) Revise of dividends forecast: Not applicable

Breakdown of dividend of ¥6.00 per share for FY2010 4th Quarter: Ordinary dividend: ¥4.00, Special dividend ¥2.00

3. Forecast results for FY2011 (April 1, 2010 to March 31, 2011)

(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
FY2011 1st Half	174,000	21.1	16,700	226.5	15,500	227.3	7,500	252.3	21.07
Full FY2011	350,000	9.3	31,000	48.6	29,000	45.1	16,500	49.1	46.36

(Note) Revise of consolidated forecast: Not applicable

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): Not applicable

(Note) The scope change related to specified subsidiaries during the 1st quarter

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

(Note) Adoption of simplified and specified accounting policies for the 1st quarter

(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 : Applicable

ii Change other than A: Not applicable

(Note) Change in significant accounting policies and change in presentation which are stated in change in important matters in preparing quarterly consolidated financial statements

(4) Number of shares issued (common share)

i Number of shares issued (including treasury stocks):

ii Number of treasury stocks:

iii Average number of shares (during the term):

FY2011 1st Quarter	364,942,682 shares	FY2010	364,942,682 shares
FY2011 1st Quarter	9,040,958 shares	FY2010	9,032,862 shares
FY2011 1st Quarter	355,904,762 shares	FY2010 1st Quarter	355,949,084 shares

※Implementation status of quarterly review

This Financial Results report for the 1st quarter was exempt from quarterly review which was based on Financial Instruments and Exchange Law of Japan. As of the 1st quarter disclosing, quarterly review for the quarterly financial statements are under review.

※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 FY2011 1st Quarter
(1) Consolidated Balance Sheet for FY2011 1st Quarter

(Unit: Millions of Yen)

	FY2011 1st Quarter (As of June 30, 2010)	Full FY2010 (As of March 31, 2010)
Assets		
Current assets		
Cash and deposits	30,773	23,792
Notes and accounts receivable-trade	71,237	73,281
Short-term investment securities	6,577	7,126
Inventories	65,951	62,614
Other	12,847	13,551
Allowance for doubtful accounts	(67)	(135)
Total current assets	187,320	180,232
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	50,149	50,336
Machinery, equipment and vehicles, net	85,140	89,094
Land	26,531	26,423
Construction in progress	5,785	6,847
Other, net	2,625	2,647
Total property, plant and equipment	170,233	175,350
Intangible assets	3,476	3,771
Investments and other assets		
Investment securities	45,900	54,154
Other	16,859	15,134
Allowance for doubtful accounts	(259)	(265)
Total investments and other assets	62,500	69,022
Total noncurrent assets	236,210	248,144
Total assets	423,531	428,376

	FY2011 1st Quarter (As of June 30, 2010)	Full FY2010 (As of March 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	44,020	42,453
Short-term loans payable	11,840	11,665
Current portion of long-term loans payable	21,508	24,282
Income taxes payable	2,181	4,990
Provision for repairs	1,268	126
Other	15,686	18,648
Total current liabilities	96,505	102,166
Noncurrent liabilities		
Bonds payable	30,000	30,000
Long-term loans payable	51,849	49,873
Provision for retirement benefits	9,114	9,050
Provision for directors' retirement benefits	42	75
Provision for repairs	230	1,043
Assets retirement obligation	1,061	-
Other	6,261	7,161
Total noncurrent liabilities	98,560	97,205
Total liabilities	195,065	199,371
Net assets		
Shareholders' equity		
Capital stock	36,275	36,275
Capital surplus	31,576	31,576
Retained earnings	132,592	130,569
Treasury stock	(4,107)	(4,101)
Total shareholders' equity	196,337	194,319
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	11,918	16,903
Deferred gains or losses on hedges	(195)	(170)
Foreign currency translation adjustment	(3,556)	(4,916)
Total valuation and translation adjustments	8,167	11,816
Minority interests	23,961	22,868
Total net assets	228,465	229,004
Total liabilities and net assets	423,531	428,376

(2) Consolidated Income Statement for FY2011 1st Quarter

(Unit: Millions of Yen)

	FY2010 1st Quarter (From April 1 to June 30, 2009)	FY2011 1st Quarter (From April 1 to June 30, 2010)
Net Sales	63,578	90,022
Cost of sales	51,191	66,433
Gross profit	12,386	23,589
Selling, general and administrative expenses	11,202	12,519
Operating Income	1,184	11,069
Non-operating income		
Interest income	45	41
Dividends income	379	304
Equity in earnings of affiliates	205	360
Foreign exchange gains	149	-
Other	245	282
Total non-operating income	1,025	988
Non-operating expenses		
Interest expenses	625	473
Foreign exchange loss	-	732
Other	308	384
Total non-operating expenses	933	1,590
Ordinary income	1,275	10,467
Extraordinary gain		
Gain on disposal of noncurrent assets	1	2
Gain on sales of investment securities	1	-
Total extraordinary gain	3	2
Extraordinary loss		
Loss on retirement of noncurrent assets	240	44
Impairment loss	-	74
Loss on valuation of investment securities	-	360
Loss on sales of stocks of subsidiaries and affiliates	-	299
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	831
Total extraordinary loss	240	1,610
Income before income taxes and minority interests	1,038	8,860
Income tax -current	350	2,447
Income tax-deferred	434	1,301
Total income taxes	784	3,749
Income before minority interests	-	5,110
Minority interests in income(loss)	(359)	952
Net income	613	4,157

(3) Consolidated Statement of Cash Flow for FY2011 1st Quarter

(Unit: Millions of Yen)

	FY2010 1st Quarter (From April 1 to June 30, 2009)	FY2011 1st Quarter (From April 1 to June 30, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,038	8,860
Depreciation and amortization	8,858	8,281
Impairment loss	-	74
Interest and dividends income	(424)	(345)
Interest expenses	625	473
Equity in (earnings) losses of affiliates	(205)	(360)
Loss (gain) on sales and retirement of noncurrent assets	238	41
Decrease (increase) in notes and accounts receivable-trade	8,225	2,473
Decrease (increase) in inventories	2,048	(2,959)
Increase (decrease) in notes and accounts payable-trade	(9,262)	1,349
Other, net	(618)	679
Subtotal	10,524	18,568
Interest and dividends income received	497	461
Interest expenses paid	(520)	(434)
Income taxes paid	(971)	(5,180)
Net cash provided by (used in) operating activities	9,530	13,414
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(5,560)	(3,575)
Proceeds from sales of property, plant and equipment	2	3
Purchase of intangible assets	(165)	(62)
Purchase of investment securities	(4)	(157)
Payments of loans receivable	(22)	(211)
Collection of loans receivable	281	73
Other, net	118	(394)
Net cash provided by (used in) investing activities	(5,351)	(4,324)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(4,094)	248
Proceeds from long-term loans payable	5,477	5,000
Repayment of long-term loans payable	(5,840)	(5,809)
Purchase of treasury stock	(5)	(5)
Proceeds from sales of treasury stock	0	-
Cash dividends paid	(1,423)	(2,135)
Cash dividends paid to minority shareholders	(506)	(532)
Net cash provided by (used in) financing activities	(6,392)	(3,234)
Effect of exchange rate change on cash and cash equivalents	820	376
Net increase (decrease) in cash and cash equivalents	(1,393)	6,231
Cash and cash equivalents at beginning of period	30,507	30,128
Cash and cash equivalents at the end of period	29,114	36,360

(4) Business Segment information

	Millions of Yen							
	FY2010 1st Quarter (from April to 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

	Millions of Yen							
	FY2011 1st Quarter (from April to June 2010)							
	Cellulosic derivatives	Organic chemicals	Plastics and films	Pyrotechnic devices	Functional Products and others	Total	Corporate and eliminations	Consolidated
Sales								
(1) Outside customers	21,178	20,949	33,541	13,104	1,247	90,022	-	90,022
(2) Intersegment sales	704	3,364	3	-	2,533	6,606	(6,606)	-
Total	21,882	24,314	33,544	13,104	3,781	96,628	(6,606)	90,022
Operating income	4,708	2,082	4,083	1,894	171	12,940	(1,871)	11,069