

# Condensed Consolidated Financial Information

for the Six Months  
Ended Sept. 30, 2011

(April 1, 2011 through Sept. 30, 2011)

SANYO CHEMICAL INDUSTRIES, LTD.

URL <http://www.sanyo-chemical.co.jp>

## **Cautionary Statement with Respect to Forward-Looking Statement**

This financial information contains forward-looking statements that are based on Sanyo Chemical Group's current plans, strategies and results. These forward-looking statements were formulated by managers based on currently-available information, however actual results may vary significantly depending on the economic environment where Sanyo Chemical Group conduct its business, competitive conditions, changes in the states of product development, relevant laws and regulations, and fluctuations in the currency exchange rate. Moreover, the factors that can affect these forward-looking statements are not limited to those listed here.

The following summary of the business results that Sanyo Chemical Group submitted Tokyo & Osaka Stock Exchange is unaudited and for reference only.

Ticker code: 4471

## Consolidated Financial Highlights (Japanese Standard)

### 1-1. Results of Operations

	Six months ended Sept. 30,			
	2011		2010	
	Millions of Yen	Change	Millions of Yen	Change
Net sales	71,031	5.6%	67,282	21.5%
Operating income	3,375	(35.2%)	5,210	131.9%
Ordinary income	4,191	(24.6%)	5,557	157.1%
Net income	2,468	(23.1%)	3,209	268.4%
Comprehensive income	2,013	(16.1%)	2,401	-

	Six months ended Sept. 30,	
	2011	2010
	Yen	Yen
Net income per share	22.38	29.09
Net income per share, diluted	-	26.93

### 1-2. Financial Conditions

	As of Sept. 30,	As of March 31,
	2011	2011
	Millions of Yen	Millions of Yen
Total assets	142,885	140,817
Net assets	89,246	88,392
Shareholders' equity ratio	60.1%	60.6%
Shareholders' equity	85,924	85,272

### 2. Cash Dividend

	Year ended March 31,		
	2011	2012	2012 (Forecast)
	Yen	Yen	Yen
Cash dividend per share			
1Q (as of June 30)	-	-	
2Q (as of Sept. 30)	7.50	7.50	
3Q (as of Dec. 31)	-		-
4Q (as of March 31)	7.50		7.50
Total	15.00		15.00

### 3. Earnings Forecasts

	Year ended March 31,	
	2012	
	Millions of Yen	Change
Net sales	148,000	8.8%
Operating income	8,000	(16.8%)
Ordinary income	9,600	(8.8%)
Net income	5,900	13.3%

  

	Year ended March 31,	
	2012	
	Yen	
Net income per share	53.49	

#### Notes:

1. Amounts are rounded down to the nearest million.
2. The percentage change is year-on-year change compared with the same period of the previous fiscal year.
3. The computations of net income per share of common stock are based on the weighted average number of shares outstanding during each period.

#### 4. Other

**(1) Significant changes in subsidiaries during the period under review (changes in specific subsidiaries causing a change in the scope of consolidation):** None.

New companies (company name): None, Companies removed (company name): None

**(2) Application of special accounting methods for the preparation of consolidated quarterly financial statements:** Yes

(Note) See Page 8, “2. Matters related to Summary Information (Other), (2) Application of special accounting methods for the preparation of consolidated quarterly financial statements” for more information.

**(3) Changes in accounting policies, changes in accounting estimates, and restatements**

- a. Changes in accounting policies associated with revised accounting standards, etc.: None
- b. Changes in accounting policies other than a. above: None
- c. Changes in accounting estimates: None
- d. Restatements: None

**(4) Number of shares issued (common stock)**

- a. Number of shares issued at the end of the period (including treasury shares)
  - End of six months (Sept. 30, 2011): 117,673,760 shares
  - End of previous period (March 31, 2011): 117,673,760 shares
- b. Treasury shares at the end of the period
  - End of six months (Sept. 30, 2011): 7,372,605 shares
  - End of previous period (March 31, 2011): 7,368,901 shares
- c. Average number of shares (cumulative for the quarter)
  - Reporting six months (ended Sept. 30, 2011): 110,302,806 shares
  - Previous six months (ended Sept. 30, 2010): 110,322,069 shares

\*Disclosure of Implementation Status of Quarterly Review Procedures

This quarterly financial report is not subject to quarterly review procedures under Japan’s Financial Instruments and Exchange Law.

\*Appropriate use of earnings forecasts and other matters

The earnings forecasts and other forward-looking statement noted in this document are based on information available at the time and on assumptions deemed rational. Actual earnings may differ significantly due to various factors. See Page 7, “(3) Qualitative Information Concerning Consolidated Earnings Forecasts” for more information regarding the circumstances behind the assumptions used in earnings forecasts and matters to be noted when relying on earnings forecasts.

# Contents

1. Qualitative Information Concerning Quarterly Business Performance for the Six Months Ended September 30, 2011 .....	5
(1) Qualitative Information Concerning Consolidated Business Results .....	5
(2) Qualitative Information Concerning Consolidated Financial Position.....	7
(3) Qualitative Information Concerning Consolidated Earnings Forecasts .....	7
2. Matters Related to Summary Information (Other).....	8
(1) Significant changes in subsidiaries during the period under review.....	8
(2) Application of special accounting methods for the preparation of consolidated quarterly financial statements.....	8
(3) Changes in accounting policies, changes in accounting estimates, and restatements .....	8
3. Quarterly Consolidated Financial Statements.....	9
(1) Consolidated Balance Sheets .....	9
(2) Consolidated Statements of Income and Comprehensive Income .....	11
(2)- (1) Consolidated Statements of Income.....	11
(Cumulative six months of the consolidated fiscal year).....	11
(2)- (2) Consolidated Statements of Comprehensive Income .....	12
(Cumulative six months of the consolidated fiscal year).....	12
(3) Consolidated Statements of Cash Flows.....	13
(4) Notes to Going Concern Assumptions .....	15
(5) Segment Information .....	15
(6) Notes to Significant Changes in Shareholders' Equity .....	17
4. Supplementary Information .....	18
Trend of Each Quarter Results .....	18

# **1. Qualitative Information Concerning Quarterly Business Performance for the Six Months Ended September 30, 2011**

## **(1) Qualitative Information Concerning Consolidated Business Results**

During the first six months of the current fiscal year (April 1 through September 30, 2011) the Japanese economy showed signs of recovery from the abrupt slowdown in overall economic activity following the Great East Japan Earthquake, but prospects remain uncertain due to credit worries in Europe and a sluggish economy in the USA, where the job situation continues to deteriorate, as well as a slowdown in China due to monetary tightening.

In the chemical industry, recovery continues after the collapse in demand following the major earthquake. However, the business environment remains difficult, due to persistent appreciation of the yen and an increase in raw material and fuel costs from the same period of the previous fiscal year.

Under these circumstances, net sales in the first half of the fiscal year increased by 5.6% from the same period of the previous fiscal year to ¥71,031 million, on higher sales volumes and product price revisions in response to rising raw material and fuel costs.

In terms of profit, Sanyo Chemical Group recorded significant profit decreases from the same period of the previous fiscal year. In addition to the increase of raw material and fuel costs from the previous fiscal year, Sanyo Chemical Group faced appreciation of the yen and depreciation and amortization at the Kinuura Factory, which began commercial production in October last year. As a result, operating income was ¥3,375 million (a 35.2% decrease from the same period of the previous fiscal year), and ordinary income was ¥4,191 million (a 24.6% decrease from the same period of the previous fiscal year). Net income was ¥2,468 million (a 23.1% decrease from the same period of the previous fiscal year).

Results by segment were as follows.

### **Toiletries and Health Care**

In Toiletries, sales of surfactants for detergents increased substantially due to the growing popularity of liquid detergents and successful new product launches. Sales of polyethylene glycol also increased substantially due to continuing strong sales both in Japan and overseas and also because we carried out some consignment production on behalf of quake-hit manufacturers.

In Health Care, global demand for superabsorbent polymers used in disposable diapers continued to expand. However, sales volumes were flat, and sales increased only slightly, because we had been operating at full capacity and were unable to meet further demand. In order to overcome this situation, in June this year we built additional superabsorbent polymer production facilities with an annual production capacity of 70,000 tons in China, and they have now commenced operations.

As a result, total net sales in this product group increased by 6.2% from the same period of the previous fiscal year, to ¥25,627 million. Operating income was ¥1,677 million (a 30.4% decrease from the same period of the previous fiscal year), reflecting rising raw material and fuel costs and the appreciation of the yen.

### **Petroleum and Automotives**

In Petroleum & Automotives, sales of lubricating oil additives increased substantially in response to expanded demand, mainly from overseas, for lubricating oil used in engine oils designed for better fuel efficiency. However, due to the impact of the Great East Japan Earthquake, the number of automobiles produced in Japan decreased, and demand stagnated for raw materials for polyurethane foams used mainly in automobile seats, thermoplastic polyurethane beads for the interior parts of automobiles, and modifiers for automobile paints, so sales remained at the same level.

As a result, segment sales increased by 1.4% from the same period of the previous fiscal year, to ¥15,457 million. Operating income was ¥44 million (a 91.2% decrease from the same period of the previous fiscal year) due to the appreciation of the yen and depreciation and amortization at the Kinuura Factory.

## **Plastics and Textiles**

In Plastics, we carried out some consignment production on behalf of quake-hit manufacturers. In addition, sales of permanent antistatic agents, which are used in the production of packaging materials for electronic components, were steady. Consequently, sales increased.

In Textiles, sales of agents for synthetic fiber production and agents for fiberglass including automobile tire cord yarns increased substantially, mainly overseas. Sales of agents for carbon fibers and polyurethane resins for synthetic leather also increased significantly due to a recovery in demand.

As a result, total net sales in this product group increased by 7.6% from the same period of the previous fiscal year, to ¥9,699 million. Operating income was ¥1,285 million (a 21.4% increase from the same period of the previous fiscal year).

## **Information and Electrics/Electronics**

In Information, demand was steady for both resins for pulverized toners and for polyester beads used as a core component of polymerization toners. However, one of our production sites, the Kashima Factory in Kamisu City, Ibaraki Prefecture, was damaged in the Great East Japan Earthquake, so it was not able to maintain sufficient production and distribution levels in the first half of the first quarter. Consequently, sales were weak.

In Electrics/Electronics, we increased sales volumes for electrolytes for aluminum electrolytic capacitors and silicon wafer processing agents, but were unable to extend sales overall due to a steep drop in demand for flat panel display (FPD) resins.

As a result, total net sales in this segment decreased by 2.6% from the same period of the previous fiscal year, to ¥10,857 million. Operating income was ¥456 million (a 59.4% decrease from the same period of the previous fiscal year).

## **Environmental Protection, Construction and Others**

In Environmental Protection, we were not able to produce and distribute sufficient volumes of cationic polymer flocculants, raw materials for flocculants, in the first half of the first quarter due to the shutdown of production facilities at the Kashima Factory caused by the Great East Japan Earthquake, resulting in a decline in sales volume and consequently weak sales.

In Construction, sales of raw materials for polyurethane foams used in furniture and heat insulating materials expanded both in Japan and overseas, and in addition we carried out some consignment production on behalf of quake-hit manufacturers, so sales increased substantially. Moreover, sales of raw materials for building sealants and cement dispersants increased substantially due to their sales expansion.

As a result, total net sales in this segment increased by 21.4% from the same period of the previous year, to ¥9,389 million. Operating loss was ¥88 million (compared to an operating income of ¥113 million for the same period of the previous year) due to persistently high raw material and fuel costs and depreciation and amortization at the Kinuura Factory.

## (2) Qualitative Information Concerning Consolidated Financial Position

The Group's financial position at the end of the six-month period was as follows:

Total assets increased by ¥2,067 million to ¥142,885 million compared to the previous consolidated fiscal year-end, with a drop in investment securities due to falling stock prices outweighed by an increase in notes and accounts receivable-trade and inventories.

Net assets increased by ¥854 million from the previous consolidated fiscal year-end, to ¥89,246 million. However, our shareholder's equity ratio decreased by 0.5 percentage point from the previous fiscal year-end, to 60.1%.

Cash and cash equivalents ("cash") as of the end of the first six months of the current consolidated fiscal year decreased by ¥3,064 million compared to the balance at the previous fiscal year-end (cash decreased by ¥1,408 million during the same period of the previous fiscal year), bringing the balance at the end of the six months to ¥8,979 million.

The cash flow movements during the period and the factors influencing them were as follows:

### Cash Flows from Operating Activities

Net cash provided by operating activities amounted to ¥3,696 million (¥3,609 million during the same period of the previous fiscal year). This result was mainly due to the cash inflow from income before income taxes and minority interests of ¥4,246 million, depreciation and amortization of ¥4,383 million, and the increase in notes and accounts payable-trade of ¥2,906 million, which outweighed the outflow from the increase in inventories of ¥2,546 million, the increase in notes and accounts receivable-trade of ¥2,511 million and income tax payments of ¥1,776 million.

### Cash Flows from Investing Activities

Net cash used in investing activities amounted to ¥5,429 million (¥3,410 million during the same period of the previous fiscal year). This result was mainly due to cash outlays of ¥5,262 million for purchases of property, plant and equipment.

### Cash Flows from Financing Activities

Net cash used in financing activities amounted to ¥1,199 million, (¥1,453 million during the same period of the previous fiscal year). This result was mainly due to cash outlays of ¥1,072 million in (net) repayments of long-term debt, and ¥826 million in dividend payments, which more than offset the (net) increase in cash of ¥1,032 million due to short-term loans.

## (3) Qualitative Information Concerning Consolidated Earnings Forecasts

Total consolidated net sales for the six months exceeded initial expectations, due to product price revisions in response to rising raw material and fuel costs, and consignment production on behalf of quake-hit manufacturers.

Profits were down, partly due to the increase of raw material and fuel costs from the same period of the previous fiscal year and appreciation of the yen.

However, raw material and fuel costs began to fall from the second half of the second quarter and the automotive industry began showing signs of recovery. Accordingly we have revised our forecasts for the full fiscal year, as announced in a news release on October 25 2011 (Japanese version only):

(Full year)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share (Yen)
Previous forecast (A)	140,000	8,600	9,600	5,900	53.49
Current forecast (B)	148,000	8,000	9,600	5,900	53.49
Difference (B – A)	8,000	(600)	0	0	
Change (%)	5.7	(7.0)	0.0	0.0	
Previous term's figures	136,026	9,615	10,527	5,209	47.22

\* These earnings forecasts are based on information available at the time. Actual earnings may differ due to various factors occurring in the future.



## **2. Matters Related to Summary Information (Other)**

### **(1) Significant changes in subsidiaries during the period under review**

None

### **(2) Application of special accounting methods for the preparation of consolidated quarterly financial statements**

After applying tax effect accounting to income before income taxes and minority interests for the fiscal year, which includes the six months under review, we make a reasonable estimate of the effective tax rate and multiply income before income taxes and minority interests by that estimated effective tax rate. Furthermore, income tax adjustments are included in the presentation of income taxes.

### **(3) Changes in accounting policies, changes in accounting estimates, and restatements**

None

### 3. Quarterly Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

	Millions of Yen	
	As of Mar. 31, 2011	As of Sept. 30, 2011
<b>ASSETS</b>		
Current assets		
Cash and deposits	12,044	8,992
Notes and accounts receivable-trade	36,145	38,668
Merchandise and finished goods	7,550	9,458
Semi-finished goods	3,718	4,040
Work in process	559	383
Raw materials and supplies	3,167	3,650
Deferred tax assets	1,386	1,375
Other	788	982
Allowance for doubtful accounts	(30)	(32)
Total current assets	65,329	67,517
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	14,498	15,903
Machinery, equipment and vehicles, net	21,453	25,315
Land	8,524	8,513
Construction in progress	5,662	1,381
Other, net	1,387	1,259
Total property, plant and equipment	51,525	52,373
Intangible assets		
Software	561	625
Other	387	395
Total intangible assets	948	1,021
Investments and other assets		
Investment securities	21,629	20,591
Long-term loans receivable	3	3
Deferred tax assets	249	248
Other	1,176	1,174
Allowance for doubtful accounts	(44)	(45)
Total investments and other assets	23,014	21,971
Total fixed assets	75,488	75,367
Total assets	140,817	142,885

	Millions of Yen	
	As of Mar. 31, 2011	As of Sept. 30, 2011
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable - trade	22,289	25,194
Short-term loans	3,318	4,335
Current portion of long-term debt	3,164	3,273
Accrued expenses	2,765	3,062
Income taxes payable	1,592	1,080
Provision for bonuses	1,606	1,453
Provision for directors' and corporate auditors' bonuses	88	40
Notes payable - facilities	1,473	2,197
Other	3,990	2,716
Total current liabilities	40,288	43,353
Long-term liabilities		
Long-term debt	6,612	5,426
Deferred tax liabilities	332	82
Provision for retirement benefits	3,540	3,227
Provision for directors' and corporate auditors' retirement benefits	745	587
Other	905	960
Total long term liabilities	12,136	10,284
Total liabilities	52,425	53,638
<b>NET ASSETS</b>		
Shareholders' equity		
Common stock	13,051	13,051
Capital surplus	12,194	12,194
Retained earnings	62,571	64,213
Treasury stock	(5,694)	(5,696)
Total shareholders' equity	82,122	83,762
Accumulated other comprehensive income		
Unrealized gains on other securities	5,136	4,149
Foreign currency translation adjustment	(1,986)	(1,987)
Total accumulated other comprehensive income	3,149	2,162
Minority interests	3,119	3,322
Total net assets	88,392	89,246
Total liabilities and net assets	140,817	142,885

## (2) Consolidated Statements of Income and Comprehensive Income

### (2)- (1) Consolidated Statements of Income

(Cumulative six months of the consolidated fiscal year)

	Millions of Yen	
	Six months ended Sept. 30,	
	2010	2011
Net sales	67,282	71,031
Cost of sales	52,922	58,343
Gross profit	14,359	12,688
Selling, general and administrative expenses	9,149	9,313
Operating income	5,210	3,375
Non-operating income		
Interest income	23	31
Dividends income	154	210
Equity in earnings of unconsolidated affiliates	246	585
Real estate rent	177	169
Other	125	115
Total non-operating income	728	1,113
Non-operating expenses		
Interest expenses	88	124
Loss on disposal of inventories	26	24
Foreign exchange losses	197	91
Other	68	56
Total non-operating expenses	381	297
Ordinary income	5,557	4,191
Extraordinary income		
Gain on sales of investment securities	1	0
Gain on sales of fixed assets	178	0
Reversal of allowance for doubtful accounts	0	-
Insurance income	-	58
Subsidy	-	157
Total extraordinary income	180	216
Extraordinary loss		
Loss on disposal of fixed assets	131	157
Loss on adjustment for changes of accounting standard for asset retirement	10	-
Loss on valuation of investment securities	2	2
Provision of allowance for doubtful accounts	0	1
Other	0	-
Total extraordinary losses	146	161
Income before income taxes and minority interests	5,592	4,246
Income taxes	1,887	1,279
Income before minority interests	3,704	2,967
Minority interests	494	498
Net income	3,209	2,468

**(2)- (2) Consolidated Statements of Comprehensive Income**  
**(Cumulative six months of the consolidated fiscal year)**

	Millions of Yen	
	Six months ended Sept. 30,	
	2010	2011
Income before minority interests	3,704	2,967
Other comprehensive income		
Unrealized gains on other securities	(1,080)	(986)
Foreign currency translation adjustment	(221)	33
Total other comprehensive income	(1,302)	(953)
Comprehensive income	2,401	2,013
(breakdown)		
Comprehensive income attributable to owners of the parent	1,945	1,481
Comprehensive income attributable to minority interests	455	532

### (3) Consolidated Statements of Cash Flows

	Millions of Yen	
	Six months ended Sept. 30,	
	2010	2011
Operating activities		
Income before income taxes and minority interests	5,592	4,246
Depreciation and amortization	3,586	4,383
Loss on disposal of fixed assets	131	157
Amortization of goodwill	85	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	10	-
Increase (decrease) in allowance for doubtful accounts	2	2
Increase (decrease) in provision for bonuses	(156)	(152)
Increase (decrease) in provision for retirement benefits	(466)	(312)
(Decrease) increase in provision for directors' and corporate auditors' retirement benefits	(229)	(157)
(Decrease) increase in provision for directors' and corporate auditors' bonuses	(27)	(48)
Interest and dividends income	(178)	(242)
Interest expenses	88	124
Equity in (earnings) losses of unconsolidated affiliates	(246)	(585)
Loss (gain) on sales of fixed assets	(178)	(0)
Loss (gain) on sales of investment securities	(1)	(0)
Loss (gain) on valuation of investment securities	2	2
Other non-operating expenses (income)	(36)	(352)
Decrease (increase) in notes and accounts receivable-trade	(2,431)	(2,511)
Decrease (increase) in inventories	(558)	(2,546)
Decrease (increase) in other assets	(400)	(314)
Increase (decrease) in notes and accounts payable-trade	194	2,906
Increase (decrease) in accrued consumption taxes	61	(149)
Decrease (increase) in consumption taxes refund receivable	(1)	28
Increase (decrease) in other liabilities	208	163
Subtotal	5,051	4,640
Interest and dividends income received	349	611
Interest expenses paid	(89)	(124)
Other, net	140	346
Income taxes (paid) refund	(1,842)	(1,776)
Net cash provided by operating activities	3,609	3,696

	Millions of Yen	
	Six months ended Sept. 30,	
	2010	2011
Investing activities		
Payments into time deposits	-	(12)
Proceeds from withdrawal of time deposits	15	-
Purchase of fixed assets	(3,472)	(5,262)
Proceeds from sale of fixed assets	156	1
Purchase of investment securities	(5)	(23)
Proceeds from sales of investment securities	3	0
Payments of loans receivable	(1)	(0)
Collection of loans receivable	0	0
Other, net	(108)	(132)
Net cash used in investing activities	(3,410)	(5,429)
Financing activities		
Increase (decrease) in short-term loans payable	160	1,032
Proceeds from long-term loans payable	-	608
Repayment of long-term debt	(613)	(1,680)
Proceeds from sales of treasury stock	0	-
Purchase of treasury stock	(3)	(2)
Cash dividends paid	(826)	(826)
Cash dividends paid to minority shareholders	(170)	(330)
Net cash used in financing activities	(1,453)	(1,199)
Effect of exchange rate changes on cash and cash equivalents	(154)	(132)
Net increase (decrease) in cash and cash equivalents	(1,408)	(3,064)
Cash and cash equivalents at beginning of period	15,565	12,044
Cash and cash equivalents at end of period	14,156	8,979

#### (4) Notes to Going Concern Assumptions

None

#### (5) Segment Information

##### Net Sales and Profit by Reporting Segment

[Cumulative Six Months of the Previous Consolidated Fiscal Year (April 1, 2010 through Sept. 30, 2010)]

(Millions of yen)

	Reporting Segment						Adjust- ment	Total
	Toiletries and Health Care	Petroleum and Automotive	Plastics and Textiles	Information and Electrics/ Electronics	Environmental Protection, Construction and Others	Subtotal		
Net Sales								
Sales to Third Parties	24,139	15,245	9,015	11,149	7,732	67,282	-	67,282
Inter- Segment Sales/ Transfers	-	-	11	-	84	96	(96)	-
Subtotal	24,139	15,245	9,027	11,149	7,817	67,378	(96)	67,282
Segment Profits	2,411	501	1,059	1,124	113	5,210	-	5,210

Notes: The total figure is the same as that of operating income in Consolidated Statements of Income.

[Cumulative Six Months of the Current Consolidated Fiscal Year (April 1, 2011 through Sept. 30, 2011)]

(Millions of yen)

	Reporting Segment						Adjust- ment	Total
	Toiletries and Health Care	Petroleum and Automotive	Plastics and Textiles	Information and Electrics/ Electronics	Environmental Protection, Construction and Others	Subtotal		
Net Sales								
Sales to Third Parties	25,627	15,457	9,699	10,857	9,389	71,031	-	71,031
Inter- Segment Sales/ Transfers	-	-	16	-	93	110	(110)	-
Subtotal	25,627	15,457	9,716	10,857	9,483	71,142	(110)	71,031
Segment Profits (loss)	1,677	44	1,285	456	(88)	3,375	-	3,375

Notes: The total figure is the same as that of operating income in Consolidated Statements of Income.



## <Reference>

### [Information by Geographic Segment]

[Cumulative Six Months of the Previous Consolidated Fiscal Year (April 1, 2010 through Sept. 30, 2010)]

(Millions of yen)

	Japan	USA	China	Other	Total
Sales					
(1) Sales to third parties	58,555	2,076	5,632	1,018	67,282
(2) Sales from inter-segment transactions and transfers	1,604	16	303	-	1,924
Total	60,160	2,093	5,935	1,018	69,207
Operating income (loss)	4,646	(88)	581	24	5,163

	Elimination or Common Assets	Consolidated Total
Sales		
(1) Sales to third parties	-	67,282
(2) Sales from inter-segment transactions and transfers	(1,924)	-
Total	(1,924)	67,282
Operating income (loss)	46	5,210

[Cumulative Six Months of the Current Consolidated Fiscal Year (April 1, 2011 through Sept. 30, 2011)]

(Millions of yen)

	Japan	USA	China	Other	Total
Sales					
(1) Sales to third parties	62,117	1,885	5,895	1,133	71,031
(2) Sales from inter-segment transactions and transfers	2,107	41	422	2	2,574
Total	64,224	1,927	6,317	1,136	73,606
Operating income (loss)	2,711	(110)	654	53	3,309

	Elimination or Common Assets	Consolidated Total
Sales		
(1) Sales to third parties	-	71,031
(2) Sales from inter-segment transactions and transfers	(2,574)	-
Total	(2,574)	71,031
Operating income (loss)	65	3,375

**[Overseas Sales]**

[Cumulative Six Months of the Previous Consolidated Fiscal Year (April 1, 2010 through Sept. 30, 2010)]

(Millions of yen)

	Asia	(of which, China)	Americas	Other	Total
I. Overseas sales	13,742	(7,252)	4,919	5,155	23,816
II. Consolidated sales	-	-	-	-	67,282
III. Percentage of overseas sales to consolidated sales (%)	20.4	(10.8)	7.3	7.7	35.4

[Cumulative Six Months of the Current Consolidated Fiscal Year (April 1, 2011 through Sept. 30, 2011)]

(Millions of yen)

	Asia	(of which, China)	Americas	Other	Total
I. Overseas sales	15,517	(8,279)	4,450	5,419	25,387
II. Consolidated sales	-	-	-	-	71,031
III. Percentage of overseas sales to consolidated sales (%)	21.8	(11.7)	6.3	7.6	35.7

## Notes:

1. The term "overseas sales" refers to sales of the parent company and its consolidated subsidiaries registered in countries and regions outside Japan.
2. Areas included in each country or region are determined based on their degree of proximity.
3. Main countries or regions included in each geographic segment
  - (1) Asia: Korea, China, Indonesia, India, and Thailand
  - (2) Americas: USA, Mexico, and Brazil
  - (3) Other: Australia, Europe, Russia, and the Middle East

**(6) Notes to Significant Changes in Shareholders' Equity**

None

## 4. Supplementary Information

### Trend of Each Quarter Results

#### 1. Consolidated

Previous Fiscal Year

(Millions of yen)

	FY 2010				
	1Q	2Q	3Q	4Q	Total
	April 2010 through June 2010	July 2010 through Sept. 2010	Oct. 2010 through Dec. 2010	Jan. 2011 through March 2011	April 2010 through March 2011
Net sales	33,817	33,464	34,875	33,868	136,026
Operating income	2,688	2,522	2,593	1,811	9,615
Ordinary income	3,004	2,553	2,924	2,045	10,527
Net income	1,759	1,450	1,549	450	5,209
Comprehensive income	1,262	1,138	2,531	1,823	6,757

Current Fiscal Year

(Millions of yen)

	FY 2011		Change	
	1Q	2Q	Same term of previous fiscal year	Previous term
	April 2011 through June 2011	July 2011 through Sept. 2011	July 2010 through Sept. 2010	April 2011 through June 2011
Net sales	35,379	35,651	6.5%	0.8%
Operating income	2,335	1,039	(58.8%)	(55.5%)
Ordinary income	2,890	1,301	(49.0%)	(55.0%)
Net income	1,508	960	(33.8%)	(36.3%)
Comprehensive income	1,841	172	(84.8%)	(90.6%)

#### 2. Non-Consolidated

Previous Fiscal Year

(Millions of yen)

	FY 2010				
	1Q	2Q	3Q	4Q	Total
	April 2010 through June 2010	July 2010 through Sept. 2010	Oct. 2010 through Dec. 2010	Jan. 2011 through March 2011	April 2010 through March 2011
Net sales	23,338	23,200	24,146	22,965	93,650
Operating income	1,534	1,190	1,077	337	4,139
Ordinary income	2,063	1,682	1,558	895	6,199
Net income	1,417	1,279	1,000	370	4,067

Current Fiscal Year

(Millions of yen)

	FY 2011		Change	
	1Q	2Q	Same term of previous fiscal year	Previous term
	April 2011 through June 2011	July 2011 through Sept. 2011	July 2010 through Sept. 2010	April 2011 through June 2011
Net sales	24,811	24,855	7.1%	0.2%
Operating income	940	255	(78.6%)	(72.8%)
Ordinary income	1,653	848	(49.6%)	(48.7%)
Net income	1,037	736	(42.5%)	(29.0%)