

November 05, 2009
Kuraray Co., Ltd.

Consolidated Financial Results for the Interim Period of the Fiscal Year Ending March 31, 2010

Name of listed company: Kuraray Co., Ltd.

Stock code: 3405

Stock exchange listings: Tokyo Stock Exchange, First Section

URL: <http://www.kuraray.co.jp>

Representative

Title: Representative Director and President

Name: Fumio Ito

Contact

Title: Corporate Communications Department

Name: Satoru Fujinami

Tel: +81-3-6701-1070

(Millions of yen rounded down unless otherwise stated)

1. Consolidated Financial Results for the Interim Period of the Fiscal Year Ending March 31, 2010 (April 1, 2009 to September 30, 2009)

(1) Consolidated Operating Results (Cumulative)

(Percentages displayed for net sales, operating income, ordinary income and net income are comparisons with the corresponding period of the previous fiscal year)

(Millions of Yen)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	(Change)		(Change)		(Change)		(Change)	
Fiscal 2009 Interim	157,065	(25.0)%	9,758	(58.1)%	9,409	(57.7)%	5,221	(61.1)%
Fiscal 2008 Interim	209,319	—	23,273	—	22,251	—	13,407	—

(Yen)

	Net Income per Share	Fully Diluted Net Income per Share
Fiscal 2009 Interim	15.00	14.98
Fiscal 2008 Interim	38.50	38.44

(2) Financial Position (Consolidated)

(Millions of Yen)

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
As of September 30, 2009	489,536	332,038	67.2	944.38
As of March 31, 2009	471,874	325,016	68.2	924.48

(Reference)

Shareholders' equity: As of September 30, 2009 ¥328,851 million
As of March 31, 2009 ¥321,918 million

2. Dividends

(Yen)

Record Date	Cash Dividends per Share				
	June 30, 2009	Sept. 30, 2009	Dec. 31, 2009	Mar. 31, 2010	Annual
Fiscal 2008	—	12.00	—	10.00	22.00
Fiscal 2009	—	8.00			
Fiscal 2009 (Forecast)			—	8.00	16.00

Note: Revision of cash dividend forecast during this period: No

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2010 (April 1, 2009 to March 31, 2010)

(Percentages displayed for net sales, operating income, ordinary income and net income are comparisons with the corresponding period of the previous fiscal year)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Full Fiscal Year	330,000 (12.4)%	23,000 (21.4)%	21,000 (21.6)%	12,500 (3.7)%	35.90

Note: Revisions of consolidated financial results forecasts during this period: Yes
For details, please refer to “3. Qualitative Information Regarding Consolidated Performance Forecast” of “Qualitative Information and Financial Statements”

4. Others in Qualitative Information and Financial Statements

- (1) **Changes in Important Subsidiaries during the Period (Changes in Special Subsidiaries Involving Changes in the Scope of Consolidation)**

No

- (2) **Adoption of the Simplified Accounting Method and Special Accounting Practices for presenting Quarterly Consolidated Financial Statements**

Applied

(Note: Please refer to “4. Others” of “Qualitative Information and Financial Statements”)

- (3) **Changes in Accounting Principles, Procedures and Presentation Methods for the Preparation of Quarterly Consolidated Financial Statements**

(Recorded under “Changes in Important Items Considered Fundamental to the Preparation of Quarterly Consolidated Financial Statements”)

1. Changes in accordance with revisions of accounting standards and related practices: Not applied
2. Changes in items other than 1., above: No

- (4) **The Number of Shares Issues and Outstanding (Common Shares)**

1. The Number of shares issued and outstanding (including treasury stock) as of the period-end:

As of September 30, 2009 382,863,603 shares

As of March 31, 2009 382,863,603 shares

2. The Number of treasury stock as of the period-end:

As of September 30, 2009 34,644,719 shares

As of March 31, 2009 34,647,544 shares

3. Average number of shares for the period:

As of September 30, 2009 348,212,265 shares

As of September 30, 2008 348,242,804 shares

Cautionary Statement with respect to Forecasts of Consolidated Business Results

The forecasts presented in this document are based on management's assumptions and beliefs in light of currently available information. Kuraray Co., Ltd. cautions readers that a variety of factors could cause actual results to differ materially from forecasts. For information on cautionary statements with regard to the assumptions these results are based upon as well as the use of these results, together with concrete revisions to the results, please see page 8, "3. Qualitative Information Regarding Consolidated Performance Forecast."

Qualitative Information and Financial Statements

1. Qualitative Information and Overview of Consolidated Business Results

In the interim period (April 1, 2009 to September 30, 2009) of the current fiscal year, although we began to emerge from the worst period since the September 2008 Lehman Brothers collapse, recovery remained elusive. With respect to demand for Kuraray products, while businesses such as LCDs and LED materials that are based on the Asian market, including China, have recovered, demand in Japan, Europe and the United States—especially for automobiles, building materials and materials for general-use items such as daily necessities—is stuck at 70–80% of the level in the corresponding period of the previous fiscal year. As a result, in April 2009, Kuraray initiated its "GS-Twins" action plan for growing into a company with a strong presence in specialty chemicals—its 10-year corporate vision—by restoring its substantially impaired profit structure in three years time, creating and expanding new businesses and accelerating its global strategy for core businesses. Having positioned profit structure improvement as its most pressing issue and highest priority, the entire Group has worked to reduce capital investments, slash fixed costs and cut back inventories.

As a result, profits rebounded (operating income was up 62.5%) despite a 6.2% decline in revenues compared to the second half of the previous fiscal year. Net sales decreased 25.0% year on year to ¥157,065 million. Operating income declined 58.1% to ¥9,758 million, ordinary income decreased 57.7% to ¥9,409 million and net income dropped 61.1% to ¥5,221 million. The following section provides explanations of results by business segment and performance by geographical segment.

The consolidated interim accounting period of Kuraray's overseas subsidiaries is from January 1, 2009 to June 30, 2009.

Results by Business Segment

Chemicals and Resins

In the Chemicals and Resins segment, each businesses rebounded relatively smoothly in Asian markets, including China, but recovery lagged in Japan, Europe and the United States. Sales amounted to ¥95,058 million, down 25.5% year on year, and operating income totaled ¥16,772 million, down 36.6% from the same period of the previous fiscal year.

1. The poval business experienced an overall decline in revenues and earnings. Poval resins rebounded from April in Asian markets, including China, for adhesive agents, fiber and textiles processing agents and other products, but economic recovery in Europe lagged and adverse conditions persisted. Sales of optical-use poval films rallied, achieving a level of demand on par with that of the previous period thanks to a pickup in demand for LCD panels. Demand for polyvinyl butyral (PVB) film was weak owing to a continued slump in the European construction market.
2. Revenues and earnings for *EVVAL*, an ethylene vinyl alcohol polymer resin, declined. Demand in Asia increased, especially for automotive applications in China, while that for food packaging applications in Japan was firm. However, food packaging and automotive applications in the United States and Europe did not fully recover and sluggish demand persisted.
3. Revenue and earnings in the methacrylic resin business declined. Although sales of molding materials for light-guide plates for PCs rebounded, and monomers for export to China were headed toward recovery, demand for sheets remained sluggish in the general-use field including signage and display applications in Japan.
4. In the isoprene business, revenues and earnings declined. Sales of *SEPTON* thermoplastic elastomers improved in Asia, especially for automotive applications in China. However, recovery was slow in the United States and Europe, and an uphill battle continued. Chemical products and fine chemicals rallied in Asian markets, but on the whole, did not fully recover.

Fibers and Textiles

The adverse effects of sluggish demand for mainstay products *KURALON* and man-made leather *CLARINO* in the Fibers and Textiles segment resulted in sales of ¥38,574 million, a 24.5% year-on-year decline, and an operating loss of ¥1,263 million (compared with ¥2,801 million in the previous period).

1. Applications for *KURALON* as an asbestos substitute in FRC (fiber reinforced cement), for which Europe is the primary market, continued to experience slack demand due to weakness in the construction field.
2. Sales of *CLARINO* dropped substantially for interior applications in the United States, clothing in Europe and footwear in Asia, and conditions

remained adverse.

3. In nonwoven fabrics, demand for hygienic materials including masks to protect against new strains of influenza increased, and earnings have rebounded. Demand for hook and loop fasteners was weak owing to adjustments of distributor's inventories and other factors.
4. Demand for *VECTRAN*, a high-strength polyarylate fiber, was poor in the United States for such applications as search rope for use in offshore oilfields, and sales declined. Demand for polyester remained sluggish for both clothing and industrial applications.

High-Performance Materials, Medical Products and Others

Despite many relatively strong businesses, in the wake of the economic slump, sales in this segment fell 23.5% year on year to ¥23,432 million, and operating income decreased 40.5% to ¥1,533 million.

1. In the Medical Products Business, revenues and earnings declined. Due to deteriorating business conditions, sales of dental materials were slow, especially in Japan.
2. Sales of *GENESTAR* heat-resistant polyamide resin were in line with those of the previous period. Kuraray exploited new demand for LED reflective plate applications used in LCD TVs, which have LEDs mounted in the backlight.
3. Others, including the activated carbon business, were relatively stable.

Unallocatable operating expenses included in elimination or corporate decreased ¥1,244 million, to ¥7,452 million.

Performance by Geographic Segment

Japan

Sales in Japan decreased to ¥112,903 million. Although sales of optical-use Poval film rebounded, they were sluggish overall including for methacrylic resin and fibers.

North America

Reflecting the slow economic recovery, revenues for *EVVAL*, *SEPTON*, *CLARINO* and *VECTRAN* declined, and sales fell to ¥10,579 million.

Europe

Reflecting the impact of the European construction market downturn, Poval resins, PVB film *EVVAL* and *KURALON* were slow to recover, and as a result, sales declined to ¥26,149 million.

Asia

Although Poval resins were on an upswing, sales declined to ¥7,432 million due to difficult economic circumstances from January through March.

2. Qualitative Information Regarding Changes in Consolidated Financial Position

Assets, Liabilities and Net Assets

Total assets increased ¥17,661 million compared to the end of the previous fiscal year to ¥489,536 million, owing primarily to an increase in current assets. Liabilities increased ¥10,639 million, to ¥157,497 million, due primarily to an increase in loans payable. Net assets increased ¥7,022 million to ¥332,038 million. Shareholders' equity stood at ¥328,851 million, for an equity ratio of 67.2%.

Cash Flows

Cash Flows from Operating Activities

Net cash provided by operating activities increased ¥15,370 million, compared with the same period of the previous fiscal year, to ¥38,327 million. Major components included proceeds from income before income taxes of ¥8,142 million, depreciation and amortization of ¥16,976, a decrease in inventories of ¥13,787 million and an increase in notes and accounts receivable-trade of ¥5,396 million.

Cash Flows from Investing Activities

Net cash used in investing activities amounted to ¥73,884 million. Major components included payments of ¥13,016 million for the acquisition of property, plant, equipment and intangible assets and a net increase in marketable securities of ¥51,988 million.

Cash Flows from Financing Activities

Net cash provided by financing activities totaled ¥2,665 million. Major components included proceeds of ¥12,000 million in long-term loans payable and payments including dividends paid of ¥3,482 million, ¥3,000 from the redemption of commercial paper and ¥2,584 million from the repayment of short-term loans.

Consequently, as a result of payments totaling ¥32,892 million, cash and cash equivalents at the end of the consolidated fiscal period amounted to ¥13,459 million, a ¥32,698 million year-on-year decrease.

3. Qualitative Information Regarding Consolidated Performance Forecast

In the consolidated interim period, while the Kuraray Group did not achieve its net sales forecast, it surpassed its earnings forecast thanks to a rebound in material for LCDs and internal cost-cutting efforts.

With respect to performance forecasts for the full year, although some businesses were slow to recover and the effects of a strong yen and soaring fuel prices are anticipated, because the earnings of the first half are expected to continue to recover into the second half, we have revised our forecast as follows.

Revised Consolidated Forecast for the Fiscal Year Ending March 31, 2010
(April 1, 2009 to March 31, 2010) (Millions of Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Prior Announced Forecast (A)	340,000	20,000	17,000	10,500	30.15
Forecast Revision (B)	330,000	23,000	21,000	12,500	35.90
Amount changed (B-A)	(10,000)	3,000	4,000	2,000	5.75
Change Ratio (%)	(2.9)	15.0	23.5	19.0	19.1
Results for the previous fiscal year (fiscal year ended March 31, 2009)	376,777	29,280	26,797	12,984	37.29

Assumptions for each business in the second half are as follows.

Although demand for Poval resins in Asia is on the rebound, the outlook in Europe is expected to remain adverse. Demand for optical-use Poval film should stay stable. A new line (annual production: 15 million m²) to increase production capacity of Poval film at the Kurashiki Plant is scheduled to become operational. Demand for *EVVAL* should continue to rebound in Asia and Japan, but the pace of recovery in Europe and the United States is expected to lag. Look for methacrylic resins to rally on the back of molding materials light guide plates. Isoprene, along with elastomers, chemicals and fine chemicals, should continue their market rally in Asia, but recovery in Europe and the United States will lag behind.

KURALON is expected to make a turn toward recovery behind FRC

applications, but a full-fledged recovery may take time. Conditions for *CLARINO* will remain adverse as demand for footwear and clothing will fail to rebound. Kuraray will begin to operate a mass-production facility for a next-generation, environmentally responsive man-made leather and will develop the market.

The medical products segment is expected to be strong and *GENESTAR* for LED reflective plate applications should continue to increase and for electric and electronic materials should rebound. Periodic maintenance and repair of Kuraray's plants are performed primarily during the interim period (April 1, 2009 to September 30, 2009), but their impact will decrease in the second half (October 1, 2009 to March 31, 2010). Fuel prices in the second half are expected to hit ¥43,000 per kiloliter for domestically produced naphtha. Kuraray is expected to aggressively revise prices in response to soaring fuel prices, but the impact this will have on earnings is unavoidable. The assumed average exchange rate is \$1.00 to ¥90 and the Euro 1.00 to ¥135.

Consolidated Performance Forecast for the Fiscal Year Ending March 31, 2010 (Segment breakdown by business)

Sales

(Millions of Yen)

	Chemicals and Resins	Fibers and Textiles	High-Performance Materials, Medical Products and Others	Total
Interim performance	95,058	38,574	23,432	157,065
Full-year forecast	200,000	80,000	50,000	330,000

Operating Income

(Millions of Yen)

	Chemicals and Resins	Fibers and Textiles	High-Performance Materials, Medical Products and Others	Eliminated on consolidation and corporate	Total
Interim performance	16,772	(1,263)	1,533	(7,283)	9,758
Full-year forecast	36,000	(2,500)	3,500	(14,000)	23,000

4. Others

(1) Changes in Important Subsidiaries during the Period (Changes in Special Subsidiaries Involving Changes in the Scope of Consolidation:

No

(2) Adoption of the Simplified Accounting Method and Special Accounting Practices for presenting Quarterly Consolidated Financial Statements:

Yes

(i) Simplified accounting method

Tax expenses related to certain consolidated subsidiaries that have no significant impact on Kuraray's quarterly consolidated financial statements are calculated by multiplying income before income taxes and minority interests for the period under review by the effective income tax rate after the application of the tax effect accounting in the consolidated statements of income for the previous fiscal year.

(ii) Special accounting practices used in the preparation of quarterly consolidated financial statements

No

(3) Changes in Accounting Principles, Procedures and Presentation Methods for the Preparation of Quarterly Consolidated Financial Statements:

No

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	September 30, 2009	March 31, 2009
ASSETS		
Current Assets		
Cash and cash deposits	20,002	37,527
Notes and accounts receivable-trade	72,752	66,551
Short-term investment securities	53,995	9,499
Merchandise and finished goods	43,194	51,294
Work in process	8,415	10,145
Raw materials and supplies	9,434	12,112
Deferred tax assets	5,304	5,493
Others	7,039	9,248
Allowance for doubtful accounts	(571)	(514)
Total current assets	219,568	201,358
Noncurrent Assets		
Tangible fixed assets		
Buildings and structures (net)	34,302	34,832
Machinery and equipment (net)	98,589	102,536
Land	18,922	18,918
Construction in progress	24,350	21,188
Others (net)	3,357	3,544
Total tangible fixed assets	179,523	181,020
Intangible fixed assets		
Goodwill	19,708	19,684
Others	3,761	3,835
Total intangible fixed assets	23,470	23,520
Investments and other assets		
Investment securities	48,890	47,505
Long-term loans	1,380	983
Deferred tax assets	5,507	5,616
Prepaid pension cost	6,938	7,128
Others	4,803	5,230
Allowance for doubtful accounts	(546)	(490)
Total investments and other assets	66,974	65,974
Total fixed assets	269,967	270,515
Total Assets	489,536	471,874

(Millions of yen)

	September 30, 2009	March 31, 2009
LIABILITIES		
Current Liabilities		
Notes and accounts payable-trade	24,177	23,438
Short-term loans payable	20,112	18,464
Commercial paper	—	3,000
Income taxes payable	3,268	684
Reserve for bonuses	5,574	5,753
Other provision	281	377
Other	16,565	17,323
Total current liabilities	69,980	69,041
Noncurrent liabilities		
Corporate bonds payable	10,000	10,000
Long-term loans payable	47,329	39,280
Deferred tax liabilities	5,595	5,318
Provision for retirement benefits	14,255	13,933
Provision for director's retirement benefits	162	171
Others	10,173	9,112
Total noncurrent liabilities	87,517	77,816
Total liabilities	157,497	146,858
NET ASSETS		
Shareholders' equity		
Capital stock	88,955	88,955
Capital surplus	87,208	87,215
Retained earnings	195,716	193,977
Treasury stock	(40,895)	(40,903)
Total shareholders' equity	330,984	329,244
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,689	2,825
Deferred gains or losses on hedges	(85)	(156)
Foreign currency translation adjustments	(5,736)	(9,995)
Total valuation and translation adjustments	(2,133)	(7,326)
Subscription right to shares	186	109
Minority interests	3,000	2,988
Total net assets	332,038	325,016
Total liabilities and net assets	489,536	471,874

(2) Quarterly Consolidated Statement of Income

(Millions of yen)

	Fiscal 2008 1H (April 1, 2008 – September 30, 2008)	Fiscal 2009 1H (April 1, 2009 – September 30 2009)
Net sales	209,319	157,065
Cost of sales	148,504	115,433
Gross profit	60,815	41,632
Selling, general and administrative expenses		
Selling expenses	10,916	8,208
General and administrative expenses	26,625	23,664
Total selling, general and administrative expenses	37,542	31,873
Operating income	23,273	9,758
Non-operating income		
Interest income	204	190
Dividends income	950	961
Equity in gain of affiliates	—	9
Miscellaneous income	482	649
Total non-operating income	1,637	1,810
Non-operating expenses		
Interest expenses	458	706
Equity in loss of affiliates	7	—
Miscellaneous expenses	2,193	1,453
Total non-operating expenses	2,659	2,160
Ordinary income	22,251	9,409
Extraordinary income		
Gain on sales of investment securities	1,264	—
Total extraordinary income	1,264	—
Extraordinary loss		
Business structure improvement losses	—	1,033
Loss on valuation of investment securities	54	173
Impairment loss	153	59
Loss on valuation of inventories	1,153	—
Loss on disposal of property, tangible fixed assets	107	—
Total extraordinary loss	1,469	1,266
Income before income taxes	22,046	8,142
Income taxes-current	6,037	2,864
Deferred income taxes-deferred	2,513	18
Total income taxes	8,550	2,882
Minority interests in income	88	38
Net income	13,407	5,221

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal 2008 1H (April 1, 2008 – September 30, 2008)	Fiscal 2009 1H (April 1, 2009 – September 30, 2009)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	22,046	8,142
Depreciation and amortization	17,183	16,976
Impairment loss	153	59
Loss on disposal of tangible fixed assets	107	—
Loss (gain) on sales of investment securities	(1,264)	—
Loss (gain) on valuation of investment securities	54	173
Loss (gain) on valuation of inventories	1,153	—
Decrease (increase) in notes and accounts receivable-trade	1,368	(5,396)
Increase (decrease) in inventories	(4,495)	13,787
Decrease (increase) in notes and accounts payable-trade	(2,456)	257
Other, net	(3,768)	1,701
Sub-total	30,084	35,703
Income taxes paid	(8,751)	—
Income taxes paid or refunded (paid)	—	2,073
Others, net	1,623	551
Net cash provided by operating activities	22,956	38,327
Net cash provided by (used in) investment activities		
Net decrease (increase) in time deposits	—	(7,671)
Net decrease (increase) in short-term investment securities	—	(51,988)
Purchase of fixed of assets tangible fixed assets and intangible fixed assets	20,469)	(13,016)
Purchase of investment securities	(3,643)	(430)
Proceeds from sales and redemption of short-term investment securities and investment securities	,533	—
Other, net	(1,207)	(777)

Net cash provided by (used in) investing activities	(23,786)	(73,884)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,625	(2,584)
Commercial paper	—	(3,000)
Proceeds from long-term loans payable	4,266	12,000
Cash dividends paid	(3,830)	(3,482)
Other, net	(307)	(267)
Net cash provided by (used in) financing activities	1,753	2,665
Effect of exchange rate changes on cash and cash equivalents	(23)	193
Net increase (decrease) in cash and cash equivalents	899	(32,698)
Cash and cash equivalents, beginning of year	12,189	46,157
Increase in cash and cash equivalents from newly consolidated subsidiary	687	—
Cash and cash equivalents, end of year	13,776	13,459

(4) Notes Regarding Going Concern Assumptions

None

(5) Segment Information

(i) Industrial segment information

Fiscal 2008 Interim Period (April 1, 2008 to September 30, 2008) (Millions of yen)

	Chemicals and Resins	Fibers and Textiles	High-Performance Materials, Medical Products and Others	Total	Eliminated on consolidation and corporate	Consolidated total
Net sales						
(1) Outside customers	127,583	51,123	30,612	209,319	—	209,319
(2) Inter-segment sales and transfers	96	301	5,336	5,734	(5,734)	—
Total	127,680	51,425	35,948	215,053	(5,734)	209,319
Operating income	26,458	2,801	2,579	31,815	(8,542)	23,273
Assets	288,397	80,267	68,666	473,331	59,895	497,227
Depreciation and amortization	12,106	2,718	1,285	16,109	1,074	17,183
Capital expenditures	8,853	4,380	5,299	18,533	1,243	19,777

Fiscal 2009 Interim Period (April 1, 2009 to September 30, 2009) (Millions of yen)

	Chemicals and Resins	Fibers and Textiles	High-Performance Materials, Medical Products and Others	Total	Eliminated on consolidation and corporate	Consolidated total
Net sales						
(1) Outside customers	95,058	38,574	23,432	157,065	—	157,065
(2) Inter-segment sales and transfers	79	203	3,331	3,614	(3,614)	—
Total	95,138	38,778	26,763	160,680	(3,614)	157,065
Operating income (loss)	16,772	(1,263)	1,533	17,042	(7,283)	9,758
Assets	235,856	72,024	60,477	368,358	121,177	489,536
Depreciation and amortization	10,401	3,131	2,319	15,853	1,123	16,976
Capital expenditures	6,458	3,143	728	10,330	946	11,277

Notes:

1. Industry segments are aggregated into three segments based upon the classification of sales.

2. Principal products by business:

(1) Chemicals and Resins: Poval resin and film; PVB resin and film; ethylene vinyl alcohol polymer resin (*EVVAL*); isoprene; fine chemicals; methacrylate resin; processed resin products; and others

(2) Fibers and Textiles: *KURALON*; man-made leather (*CLARINO*); dry-laid nonwoven fabric (*KURAFLEX*); hook and loop fastener (*MAGIC TAPE*); polyester; textiles; others

(3) High-Performance Materials, Medical Products and Others: medical products; high-performance materials; activated carbon; high-performance membranes; engineering services; others

(ii) Geographical segment information

Fiscal 2008 Interim Period (April 1, 2008 to September 30, 2008) (Millions of yen)

	Japan	North America	Europe	Asia	Total	Elimination on consolidation and corporate	Consolidated Total
Net sales							
(1) Outside customers	140,960	15,088	42,108	11,162	209,319	—	209,319
(2) Inter-segment	14,364	2,899	1,917	1,433	20,615	(20,615)	—
Total	155,324	17,988	44,025	12,596	229,934	(20,615)	209,319
Operating income (loss)	25,859	978	4,029	324	31,191	(7,918)	23,273

Fiscal 2008 Interim Period (April 1, 2009 to September 30, 2009) (Millions of yen)

	Japan	North America	Europe	Asia	Total	Elimination on consolidation and corporate	Consolidated Total
Net sales							
(1) Outside customers	112,903	10,579	26,149	7,432	157,065	—	157,065
(2) Inter-segment	9,910	1,715	1,061	610	13,299	(13,299)	—
Total	122,814	12,295	27,210	8,043	170,364	(13,299)	157,065
Operating income (loss)	16,173	578	561	(71)	17,242	(7,483)	9,758

Notes:

1. The segmentation of country or region is based on the geographical proximity.
2. Major countries and regions included in each category are as follows:
 - (1) North America: United States of America
 - (2) Europe: Germany and Belgium
 - (3) Asia: Singapore, Hong Kong, and China

(iii) Overseas Sales

Fiscal 2008 Interim Period (April 1, 2008 to September 30, 2008) (Millions of yen)

	North America	Europe	Asia	Other	Total
I Overseas sales	14,683	44,220	41,456	5,336	105,696
II Consolidated net sales	—	—	—	—	209,319
III Percentage of consolidated net sales (%)	7.0	21.1	19.8	2.5	50.5

Fiscal 2009 Interim Period (April 1, 2009 to September 30, 2009) (Millions of yen)

	North America	Europe	Asia	Other	Total
I Overseas sales	10,047	27,833	32,890	3,560	74,331
II Consolidated net sales	—	—	—	—	157,065
III Percentage of consolidated net sales (%)	6.4	17.7	20.9	2.3	47.3

Notes:

1. The segmentation of country or region is based on the geographical proximity.

2. Major countries and regions included in each category are as follows:

(1) North America: United States of America and Canada

(2) Europe: Germany and United Kingdom

(3) Asia: South Korea and China

(4) Other: Latin America and Africa

3. Overseas sales represent the total of all the sales achieved outside Japan by the Company and its consolidated subsidiaries.

(6) Notes Regarding Substantial Changes in Shareholders' Equity

None