# Financial Report for Fiscal Year ended March 31, 2009

May 15, 2009

**Company name: Unitika Ltd.**
Code number: 3103
Listed stock exchange: Tokyo Stock Exchange, Osaka Securities Exchange
URL: http://www.unitika.co.jp/e/home.htm
Representative: Otofumi Onishi, President and Chief Executive Officer
Contact: Kazuo Otsuki, General Manager of Accounting Department TEL +81-6-6281-5721
Expected date for holding a regular shareholders meeting: June 26, 2009
Expected date for submitting securities report: June 26, 2009
Expected commencement date for paying dividend

(Figures less than one million yen were omitted.)

## 1. Consolidated performance for fiscal year ended March 31, 2009 (April 1, 2008 to March 31, 2009)

(1) Consolidated business results (Percentages represent changes from same period in previous year.)

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|---|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Fiscal year ended March 31, 2009 | 209,584 | (10.7) | 7,766 | (32.8) | 3,337 | (58.3) | (13,983) | — |
| Fiscal year ended March 31, 2008 | 234,744 | 6.4 | 11,553 | 3.4 | 8,013 | (5.3) | 1,550 | (39.5) |

| | Net income per share | Net income per share after full dilution | Return on equity | Return on asset | Ratio of operating income to sales |
|---|---|---|---|---|---|
| | Yen | Yen | % | % | % |
| Fiscal year ended March 31, 2009 | (29.41) | — | (56.2) | 1.1 | 3.7 |
| Fiscal year ended March 31, 2008 | 3.26 | — | 4.5 | 2.5 | 4.9 |

(Reference) Equity in earnings/losses of affiliates Fiscal year ended March 31, 2009: 176 million yen
Fiscal year ended March 31, 2008: 562 million yen

(2) Consolidated financial situation

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|---|---|---|---|---|
| | Millions of yen | Millions of yen | % | Yen |
| Fiscal year ended March 31, 2009 | 282,843 | 19,746 | 5.7 | 33.88 |
| Fiscal year ended March 31, 2008 | 309,043 | 38,378 | 10.9 | 70.67 |

(Reference) Shareholders' equity: Fiscal year ended March 31, 2009: 16,109 million yen
Fiscal year ended March 31, 2008: 33,611 million yen

(3) Consolidated cash flows situation

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Balance of cash and cash equivalents at period end |
|---|---|---|---|---|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Fiscal year ended March 31, 2009 | 4,977 | (7,419) | (505) | 9,275 |
| Fiscal year ended March 31, 2008 | 8,129 | (5,500) | (5,113) | 13,209 |

## 2. Dividend payment

| | Dividend per share | | | | | Total dividends paid (annual) | Dividend payout ratio (consoli-dated) | Dividend ratio of net assets (consoli-dated) |
|---|---|---|---|---|---|---|---|---|
| (Base date) | End of Q1 | End of Q2 | End of Q3 | Year end | Annual | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Fiscal year ended March 31, 2008 | — | 0.00 | — | 2.00 | 2.00 | 951 | 61.3 | 2.8 |
| Fiscal year ended March 31, 2009 | — | 0.00 | — | 0.00 | 0.00 | — | — | — |
| Fiscal year ending March 31, 2010 (forecast) | — | 0.00 | — | 0.00 | 0.00 | | — | |

**3. Forecast of consolidated performance for fiscal year ending March 31, 2010 (April 1, 2009 to March 31, 2010)**

(Percentages represent changes from same period in previous year.)

| | 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 |
| First six-month period | 87,000 | (19.3) | 3,500 | 36.7 | 1,500 | 21.3 | 500 | (4.2) | 1.05 |
| Full year | 182,000 | (13.2) | 8,500 | 9.4 | 4,000 | 19.8 | 3,500 | — | 7.36 |

**4. Others**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying change of scope of consolidation): No

(2) Changes in accounting principles, procedures and method of presentations for preparation of consolidated financial statements (those included in Changes in Important Matters for Preparation of Consolidated Financial Statements)

(i) Changes associated with revision in accounting standards: Yes

(ii) Other changes: No

(Note) For details, please refer to *Changes in Basic Important Matters for Preparation of Consolidated Financial Statements* on page 16.

(3) Number of shares outstanding (Common stock)

(i) Number of shares outstanding at end of period (including treasury stock):

Fiscal year ended March 31, 2009: 475,969,000 shares

Fiscal year ended March 31, 2008: 475,969,000 shares

(ii) Number of treasury stocks at end of period

Fiscal year ended March 31, 2009: 430,885 shares

Fiscal year ended March 31, 2008: 393,124 shares

(Note) Regarding the number of shares outstanding used as a basis for calculation of net income per share (consolidated), please refer to *Per Share Data* on page 19.

(Reference) Summary of non-consolidated performance

1. Non-consolidated performance for fiscal year ended March 31, 2009 (April 1, 2008 to March 31, 2009)

(1) Non-consolidated business results (Percentages represent changes from same period in previous year.)

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|---|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Fiscal year ended March 31, 2009 | 93,163 | (10.3) | 6,834 | (5.6) | 3,448 | (31.4) | (19,157) | — |
| Fiscal year ended March 31, 2008 | 103,825 | 7.1 | 7,237 | 0.3 | 5,025 | (3.8) | 417 | (82.3) |

| | Net income per share | Net income per share after full dilution |
|---|---|---|
| | Yen | Yen |
| Fiscal year ended March 31, 2009 | (40.28) | — |
| Fiscal year ended March 31, 2008 | 0.88 | — |

(2) Non-consolidated financial situation

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|---|---|---|---|---|
| | Millions of yen | Millions of yen | % | Yen |
| Fiscal year ended March 31, 2009 | 237,682 | 18,799 | 7.9 | 39.53 |
| Fiscal year ended March 31, 2008 | 257,038 | 39,287 | 15.3 | 82.61 |

(Reference) Shareholders' equity: Fiscal year ended March 31, 2009: 18,799 million yen
Fiscal year ended March 31, 2008: 39,287 million yen

<u>* Explanation on appropriate use of forecasts of performance and other special items</u>

The forward-looking statements in this document concerning forecasting of performance and etc. are based on currently available information and assumptions considered by the company to be reasonable. The actual performance may be significantly different from the forecast due to various factors. For the assumptions used as a basis for forecast of performance and important matters when using the forecast of performance, please refer to *1. Business results (1) Analysis of business results Forecast of business performance for fiscal year ending March 31, 2010* on page 5.

## 1. Business results

### (1) Analysis of Business results

(i) Business results for fiscal year ended March 31, 2009

In the current fiscal year, on the back of the global economic contraction triggered by the U.S. financial turmoil in the second half of the period, demand for automobiles, electronics appliances and construction, etc. evaporated in Japan, although crude oil and raw material prices headed for decline. The business environment surrounding the Japanese economy, such as capital expenditures, consumer spending, corporate earnings and the employment situation, has been severely affected, to an extent not seen before.

Under these conditions, the Company saw its earnings drastically decrease, mainly in fibers & textiles and environmental divisions, in the current fiscal year—the final year of *New Progress (NP)-8*, the Unitika Group's medium-term (three-year) plan. This was due to negative effects on profitability from soaring raw material and fuel prices in the first half of the period and a sharp decline in sales quantity caused by the global economic downturn in the second half of the period. Consequently, the Company posted dismal results for the current fiscal year. The sales and income fell short of those in the previous fiscal year: net sales of 209,584 million yen (25,159 million yen decrease over the previous fiscal year), operating income of 7,766 million yen (3,787 million yen decrease over the previous fiscal year) and ordinary income of 3,337 million yen (4,675 million yen decrease over the previous fiscal year). The Company recorded net loss of 13,983 million yen (net income of 1,550 million yen in the previous fiscal year), since it posted an extraordinary loss of around 10,000 million yen associated with implementation of a structural reform program.

Under these circumstances, management regrets to report that it has been decided to cancel the dividend payment for the current fiscal year. The Company would appreciate your understanding.

Here is a summary of business by segment.

[Polymers]

In the film business, earnings improved in the first half of the period thanks to progress in acceptance of the price revision in the package field, but shipment of nylon and polyester film decreased in the second half of the period due to inventory adjustments and sluggish demand. In the industrial field, sales remained steady in the first half of the period, but sales for the automobile, electronics and electronic component industries decreased substantially in the second half of the period. As a result, in the film business, sales decreased but profitability improved, thanks to cost reduction efforts including material procurements.

In the resin business, shipment of nylon and *U-Polymer*, the Company's original polylactide resin, stagnated due to a substantial decline in demand from the automobile, electronics and electronic component fields, their major uses. Shipment of polyester resin remained the same as the previous fiscal year, thanks to expansion of demand in medical and sheet uses, despite a decline in shipment for the electronics and electronic component fields. As a result, in the resin business, sales and income decreased slightly.

In the nonwoven fabrics business, sales of spunbond for the carpet and interior material fields and export markets decreased, due to a sharp decline in demand from the automobile use and weak overseas demand. Shipment of cotton-spun lace for sanitary material and cosmetic sundry goods uses remained steady, but shipment for the industrial wiper use decreased. The cotton-spun lace business suffered from rising cotton prices. As a result, in the nonwoven fabrics business, sales and income decreased.

Shipment of *Terramac*, a nonwoven biomass plastic, increased for electronics, electronic components and sundry uses, thanks to continuous efforts to promote the use of biomass plastic in four fields: film, resin, nonwoven and textile. Sales volume slightly increased amid the global economic slowdown.

Consequently, the Polymers division posted sales of 68,534 million yen (2,385 million yen decrease over the previous fiscal year) and operating income of 8,249 million yen (1,170 million yen increase over the previous fiscal year).

[Environmental Business/Advanced Materials]

The environmental business, as a whole, fell into a difficult situation, with orders remaining weak in the public work market, demand for strict construction supervision becoming stronger, price competition intensifying and private sector decreasing capital expenditures in environmental facilities. Sales in the maintenance and water treatment agents fields remained almost the same as the previous fiscal year, but sales in the incinerator field decreased due to the shrinkage of operations by focusing on profitable projects, while sales in the water treatment field also declined due to flagging demand. The Company strived to improve cost competitiveness by downsizing the organization, but income fell drastically. As a result, in the environmental business, sales and income decreased.

In the advanced materials business, sales of glass fibers for construction, automobiles and bug filter uses decreased. Earnings of the IC cloth business deteriorated due to a sharp decline in sales for the electronic component industry. Meanwhile, shipment of glass beads for reflective materials use remained sluggish due to weak demand and the appreciation of the yen, but the shipment for industrial use grew. Shipment of activated carbon fibers increased steadily for home water purifier and deodorization filter uses. As a result, in the advance material business, sales and income decreased.

Consequently, the Environmental Business/Advanced Materials division posted net sales of 30,408 million yen (4,787 million yen decrease over the previous fiscal year) and operating income of 1,859 million yen (1,359 million yen decrease over the previous fiscal year).

[Fibers and Textiles]

In the synthetic fiber business, with demand weakening due to the global economic slowdown, shipment declined for various industrial material uses, whose demand had been relatively firm, including construction, engineering works and automobile in addition to clothing use. Demand for nylon fibers and long staple and short-fiber polyester also remained very weak. In the vinylon fiber business, sales of vinylon fiber for reinforced concrete use, which replaces asbestos, remained strong and the expanded facilities ran at full capacity. With sales of civil engineering and building construction material falling sharply and depreciation costs related to the expanded facilities increasing, income declined in the synthetic fiber business.

In the natural fiber business, business in all fields contracted. Shipment of *working apparel, which is stored for replenishment,* declined substantially, with demand for uniforms from corporate customers decreasing and their prices dropping due to slowing economy. The general clothing market was depressed and shipment for bed and bedding uses remained sluggish.

Consequently, Fibers and Textiles division posted net sale of 90,595 million yen (13,981 million yen decrease over the previous fiscal year) and operating loss of 217 million yen (operating income of 1,710 million yen in the previous fiscal year).

[Health & Amenity, Others]

In the health & amenity business, sales of *Hanabiratake* (cauliflower fungus) health supplement and other supplements decreased amid stagnation in the health food market. In the segment as a whole, sales slightly declined but profitability improved due to solid shipment of functional dietary materials such as *Ceramide* and *Arabinose*, which large users continued to adopt for their main products. In the medical business, shipment of clinical diagnostic reagents increased. Meanwhile, sales of anti-thrombogenic catheters, one of the Company’s main products, grew steadily thanks to efforts for strengthening circulatory system-related products, but their profitability deteriorated due to the revision in pharmaceutical prices for medical materials. Export of enzymes was sluggish. As a result, in medical business, sales remained almost the same as the previous fiscal year, but income decreased. In other business, earnings decreased from the real estate business including sales of condominiums.

Consequently, the Health & Amenity, Others division posted net sales of 20,046 million yen (4,004 million yen decrease over the previous fiscal year) and operating income of 1,332 million yen (1,530 million yen decrease over the previous fiscal year).

(ii) Forecast of business performance for fiscal year ending March 31, 2010

In the fiscal year ending March 31, 2010, with business being expected to continue to suffer from the global recession for a while, Unitika will implement a structural reform program stated in *Reform 2011*, its medium-term management plan step by step. Under this program, the Company will wrestle with the reduction of fixed costs and recovery of earnings of divisions subject to business structure improvement and promote the improvement of earnings of divisions subject to competitiveness buildup, such as the polymers and functional material businesses. Management will also strive to ensure financial strength further. The Company forecasts net sales of 182,000 million yen, operating income of 8,500 million yen, ordinary income of 4,000 million yen and net income of 3,500 million yen for fiscal year ending March 31, 2010.

(2) Analysis on financial situation

Total assets decreased by 26,199 million yen from the end of the previous fiscal year to 282,843 million yen. This is mainly due to decrease in notes and accounts receivable-trade and property, plant and equipment. Liabilities decreased by 7,567 million yen from the end of the previous fiscal year to 263,097 million yen. This is mainly due to decrease in notes and accounts payable-trade. Net assets decreased by 18,632 million yen from the end of the previous fiscal year to 19,746 million yen. This is mainly due to decrease in retained earnings caused by the posting of net loss.

Here is a summary of the cash flows situation.

(Net cash provided by [used in] operating activities)
Net cash provided by operating activities amounted to 4,977 million yen due to an increase in depreciation and provision for business structure improvement and a decrease in notes and accounts payable-trade during the current fiscal year, despite the posting of net loss before income taxes.

(Net cash provided by [used in] investment activities)
Net cash used in investment activities amounted to 7,419 million yen due to capital expenditures of 8,224 million yen during the current fiscal year.

(Net cash provided by [used in] financing activities)
Net cash used in financing activities amounted to 505 million yen due to payment of dividends, etc. during the current fiscal year.

As a result, cash and cash equivalents at the end of the current fiscal year decreased by 3,934 million yen from the end of the previous fiscal year to 9,275 million yen.

The table below shows trends in cash flow indicators.

| | Year ended March 31, 2009 | Year ended March 31, 2008 | Year ended March 31, 2007 |
|---|---|---|---|
| (i) Shareholders' equity ratio (%) | 5.7 | 10.9 | 10.8 |
| (ii) Shareholders' equity ratio on market value basis (%) | 11.3 | 15.1 | 23.8 |
| (iii) Ratio of interest-bearing liabilities to cash flow | 39.8 | 24.4 | 17.1 |
| (iv) Interest coverage ratio | 1.3 | 2.0 | 3.1 |

(Notes) Shareholders' equity ratio: Shareholders' equity/Total assets
Shareholders' equity ratio on market value basis: Market capitalization/Total assets
Ratio of interest-bearing debt to cash flow: Interest-bearing debt/Cash flow
Interest coverage ratio: Cash flow/Interest expense
*1. Each indicator is calculated based on consolidated financial results.
*2. Cash flow is net cash provided by operating activities.
*3. Interest-bearing debt includes all liabilities, reported on the consolidated balance sheet, on which interest is paid.

(3) Basic policy for profit distribution and dividends for the fiscal year ended March 31, 2009 and the fiscal year ending March 31, 2010

The Unitika Group considers that the profit distribution to its shareholders is an important aspect of its business, but management intends to cancel dividend payment for the fiscal year ended March 31, 2009, with consideration on the business results and financial situation at the end of the fiscal year.

For the future, Unitika's basic dividend policy is to conduct profit distribution to shareholders that is appropriate to the Company's financial results. At the same time, the Company intends to decide dividend payment after considering the improvement of financial position and enhancing of internal reserve for securing profit for shareholders from a long-term perspective.

(4) Critical events, etc. regarding assumption of a going concern

In the current consolidated fiscal year, the Unitika Group posted net loss of 13,983 million yen. As a result, its net assets decreased to 19,746 million yen and the Company now violates a restrictive financial covenant regarding the long-term loans of around 20,000 million yen. However, management does not consider that there will be critical uncertainties regarding assumption of a going concern, since the Company will implement the following measures in accordance with *Reform 2011*, its new medium-term management plan, which was approved by a meeting of the board of directors held on March 19, 2009.

- In order to bring about radical change in earnings, the Company will promote a *structural reform,* which consists of measures for improving business structure of money-losing and unprofitable businesses and reducing fixed costs.
- Management will concentrate the Company's resources on the growth areas and promote the growth strategy to improve and strengthen its business by placing *functional material* such as polymers and functional materials as a core business.

The Company aims to post ordinary income of around 10,000 million yen at the final year of the medium-term plan by implementing the above measures.

Meanwhile, regarding the above restrictive financial covenant, as results of each financial institution's decision, an agreement is established to refrain from exercising the right of claim to accelerate the loan maturity on the basis of the end of the current consolidated fiscal year.

## 2. Situation of Corporate Group

The disclosure is omitted, since there are no significant changes from *Business chart (contents of business)* and *Situation of affiliated companies* stated in the most recent Securities Report (submitted on June 27, 2008).

## 3. Management Policies

(1) Basic management policies

Having the corporate mission of connecting daily life with technologies, the Unitika Group has been aiming to become a company that contributes to improvement of people's lives and preservation of environment, with social recognition. Management believes that the contribution to the society will enhance its corporate value, which in turn will reward shareholders, while the Company promotes its basic management policies: implementation of structural reform, establishment of a foundation as a functional materials manufacturer and strengthening of its corporate structure and shareholders' equity.

(2) Targeted management index

The Unitika Group places greater importance on amount of sales, operating income and ordinary income that represent the results of its business activities. The Group considers enhancing its shareholders' equity ratio and reducing interest-bearing debts to strengthen its financial position and places emphasis on and manages cash flows with great care.

(3) Medium- to long-term business strategies and issues to be addressed

The Unitika Group will draw up *Reform 2011*, its new medium-term (three-year) management plan, which starts from fiscal year 2009, in consideration of dismal business results for the fiscal year ended March 31, 2009. Under the plan, the Group will promote a *structural reform*, which consists of measures for improving business structure of money-losing and unprofitable businesses and reducing fixed costs in order to bring about radical change in profitability. Management will implement these measures step by step to provide a profitable basis for the Company as soon as possible. Unitika will concentrate the Company's resources on the growth areas and promote its growth strategy for improvement of its business by placing *functional material* such as polymers and functional materials as a core business. Management aims to post ordinary income of around 10,000 million yen at the final year of the medium-term plan.

Here is a summary of business strategies and issues to be addressed for each business.

Polymers: In the film business, the Company will take regional strategies to expand the sales of *Emblem*, nylon film, globally, and strengthen development and sales of high-barrier films to boost the business. In the resins business, Management will expand the sales of *U-Polymer* by seeking new sales opportunities in existing fields and developing new applications. Further, the Group will focus on expansion of uses of nano-composite nylon resin in automobiles and its upgraded version in portable information terminals and also try to increase sales of copolymerized polyester resin in the electrical and electronic fields. In the nonwoven fabrics business, the Company will strengthen the sales of *Eleves*, a bi-component composite supunbonded nonwoven fabric, and expand sales of spunbond for sanitary and carpet uses in cooperation with its subsidiary in Thailand. Management will try to increase sales of spunlace fabrics for sanitary and cosmetic uses in overseas markets. In addition, the Company will enhance durability and incombustibility of *TERRAMAC*, biomass plastic, to boost the sales of its improved resins and seek new business opportunities for civil engineering and sanitary uses in the unwoven fabric field.

Environmental Business and Advanced Materials: In the environmental business, the Company will review operation system of its incinerator business and concentrate on repair, reconstruction and maintenance of the existing incinerators. In the water treatment business, management will focus on the *fiber filter* and *granulation dephosphorizing* fields by placing water supply, sewage and leachate treatment facilities at the center of the operation. In addition, the Company will seek new business opportunities for water treatment agents to stabilize earnings. In the advanced materials business, management will strengthen product development and increase overseas sales of glass fibers and high added-value IC cloth for industrial uses in domestic and overseas markets. At the same time, the Company will expand the market share of its high grade glass beads in the domestic and overseas market and increase sales of activated carbon fibers used in various types of filters.

Fibers and Textiles: In the fibers and textiles business, management will implement the business structure improvement measures step by step to restructure the businesses. With implementation of the measures, the Company will accelerate the shift to high-performance materials, and strengthen industrial textile products such as short-fiber polyester and of vinylon fiber for reinforced concrete use. Meanwhile management will examine restructure of the Group's businesses and organizations in the clothing textile field.

Healthcare & Amenity and Others: In the healthcare & amenity business, the Company will promote the sales of dietary ingredients and livestock feeds in overseas as well as functional dietary materials such as *Ceramide*. In the medical business, management will strengthen sales of anti-thrombotic catheters for the circulatory system by marketing new products and focus on developing new uses of enzymes and clinical diagnostic reagents.

Regarding overseas business development, the Company will extend its operations of the resin, nonwoven fabric and advanced material businesses throughout the Asian region and strengthen business in the European market in addition to a global expansion of nylon film sales.

Management will steadily implement measures for reducing fixed costs as a part of the structural reform and cut back variable costs thoroughly. The Company will also efficiently manage funds to reduce interest-bearing debts.

## 4. Consolidated financial statements

### (1) Consolidated balance sheets

(Unit: Millions of yen)

| | Previous consolidated fiscal year (March 31, 2008) | Current consolidated fiscal year (March 31, 2009) |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 13,045 | 9,331 |
| Notes and accounts receivable-trade | 50,039 | 36,981 |
| Inventories | 62,222 | — |
| Merchandise and finished goods | — | 38,592 |
| Work in process | — | 18,306 |
| Raw materials and supplies | — | 4,427 |
| Deferred tax assets | 1,449 | 1,667 |
| Other | 7,087 | 5,906 |
| Allowance for doubtful accounts | (65) | (142) |
| Total current assets | 133,779 | 115,070 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures (net) | 25,161 | 23,780 |
| Machinery, equipment and vehicles (net) | 27,600 | 25,625 |
| Tools, furniture and fixtures (net) | 1,332 | 1,445 |
| Land | 107,382 | 104,683 |
| Lease assets (net) | — | 892 |
| Construction in progress | 2,535 | 1,909 |
| Total property, plant and equipment | 164,012 | 158,337 |
| Intangible assets | | |
| Goodwill | 554 | 177 |
| Other | 944 | 682 |
| Total intangible assets | 1,498 | 859 |
| Investments and other assets | | |
| Investment securities | 7,053 | 5,805 |
| Investments in capital | 35 | 30 |
| Long-term loans receivable | 528 | 780 |
| Deferred tax assets | 431 | 564 |
| Other | 2,531 | 2,974 |
| Allowance for doubtful accounts | (826) | (1,579) |
| Total investments and other assets | 9,753 | 8,576 |
| Total noncurrent assets | 175,264 | 167,773 |
| Total assets | 309,043 | 282,843 |

(Unit: Millions of yen)

| | Previous consolidated fiscal year (March 31, 2008) | Current consolidated fiscal year (March 31, 2009) |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 38,385 | 26,520 |
| Short-term loans payable | 72,273 | 80,811 |
| Current portion of long-term loans payable | 56,489 | 32,714 |
| Current portion of bonds | 400 | 400 |
| Lease obligations | — | 293 |
| Income taxes payable | 952 | 592 |
| Provision for bonuses | 2,265 | 712 |
| Provision for warranties for completed construction | 116 | 53 |
| Provision for business structure improvement | — | 3,675 |
| Other | 15,290 | 12,596 |
| Total current liabilities | 186,172 | 158,370 |
| Noncurrent liabilities | | |
| Bonds payable | 800 | 400 |
| Long-term loans payable | 62,823 | 80,418 |
| Lease obligations | — | 630 |
| Deferred tax liabilities | 11,278 | 12,735 |
| Deferred tax liabilities for land revaluation | 2,851 | 2,796 |
| Provision for retirement benefits | 3,483 | 4,742 |
| Provision for directors' retirement benefits | 408 | 342 |
| Other | 2,847 | 2,661 |
| Total noncurrent liabilities | 84,492 | 104,727 |
| Total liabilities | 270,665 | 263,097 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 23,798 | 23,798 |
| Capital surplus | 1,661 | 1,661 |
| Retained earnings | 7,196 | (7,783) |
| Treasury stock | (43) | (46) |
| Total shareholders' equity | 32,612 | 17,629 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | (120) | (498) |
| Deferred gains or losses on hedges | (11) | 12 |
| Revaluation reserve for land | 3,484 | 2,875 |
| Foreign currency translation adjustment | (2,354) | (3,909) |
| Total valuation and translation adjustments | 998 | (1,520) |
| Minority interests | 4,767 | 3,636 |
| Total net assets | 38,378 | 19,746 |
| Total liabilities and net assets | 309,043 | 282,843 |

(2) Consolidated statements of income

(Unit: Millions of yen)

| | Previous consolidated fiscal year (April 1, 2007 to March 31, 2008) | Current consolidated fiscal year (April 1, 2008 to March 31, 2009) |
|---|---|---|
| Net sales | 234,744 | 209,584 |
| Cost of sales | 191,942 | 171,355 |
| Gross profit | 42,801 | 38,228 |
| Selling, general and administrative expenses | 31,247 | 30,462 |
| Operating income | 11,553 | 7,766 |
| Non-operating income | | |
| Interest income | 246 | 270 |
| Dividends income | 136 | 123 |
| Rent income | 133 | 129 |
| Gain on contribution of securities to retirement benefit trust | 498 | — |
| Equity in earnings of affiliates | 562 | 176 |
| Other | 1,604 | 1,734 |
| Total non-operating income | 3,182 | 2,434 |
| Non-operating expenses | | |
| Interest expenses | 4,082 | 3,880 |
| Other personal expenses | 1,266 | 1,242 |
| Other | 1,373 | 1,740 |
| Total non-operating expenses | 6,723 | 6,863 |
| Ordinary income | 8,013 | 3,337 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 825 | 33 |
| Gain on sales of subsidiaries and affiliates' stocks | 512 | — |
| Total extraordinary income | 1,338 | 33 |
| Extraordinary losses | | |
| Loss on disposal of noncurrent assets | 926 | 645 |
| Loss on valuation of inventories | 2,419 | — |
| Loss on disposal of inventories | 743 | — |
| Business structure improvement expenses | 913 | 12,294 |
| Other | 1,559 | 2,355 |
| Total extraordinary loss | 6,562 | 15,295 |
| Income (Loss) before income taxes | 2,788 | (11,924) |
| Income taxes-current | 1,064 | 752 |
| Income taxes-deferred | 182 | 1,283 |
| Total income taxes | 1,247 | 2,036 |
| Minority interests in income (loss) | (9) | 23 |
| Net income (loss) | 1,550 | (13,983) |

## (3) Consolidated Statements of Changes in Net Assets

(Unit: Millions of yen)

| | Previous consolidated fiscal year (April 1, 2007 to March 31, 2008) | Current consolidated fiscal year (April 1, 2008 to March 31, 2009) |
|---|---|---|
| Shareholders' equity | | |
| Capital stock | | |
| Balance at the end of previous period | 23,798 | 23,798 |
| Balance at the end of current period | 23,798 | 23,798 |
| Capital surplus | | |
| Balance at the end of previous period | 1,661 | 1,661 |
| Balance at the end of current period | 1,661 | 1,661 |
| Retained earnings | | |
| Balance at the end of previous period | 6,660 | 7,196 |
| Effect of changes in accounting policies applied to foreign subsidiaries | — | (83) |
| Changes of items during the period | | |
| Dividends from surplus | (951) | (951) |
| Net income (loss) | 1,550 | (13,983) |
| Reversal of revaluation reserve for land | (63) | 38 |
| Disposal of treasury stock | — | (0) |
| Total changes of items during the period | 536 | (14,897) |
| Balance at the end of current period | 7,196 | (7,783) |
| Treasury stock | | |
| Balance at the end of previous period | (37) | (43) |
| Changes of items during the period | | |
| Purchase of treasury stock | (6) | (5) |
| Disposal of treasury stock | — | 2 |
| Total changes of items during the period | (6) | (2) |
| Balance at the end of current period | (43) | (46) |
| Total shareholders' equity | | |
| Balance at the end of previous period | 32,082 | 32,612 |
| Effect of changes in accounting policies applied to foreign subsidiaries | — | (83) |
| Changes of items during the period | | |
| Dividends from surplus | (951) | (951) |
| Net income (loss) | 1,550 | (13,983) |
| Reversal of revaluation reserve for land | (63) | 38 |
| Purchase of treasury stock | (6) | (5) |
| Disposal of treasury stock | — | 1 |
| Total changes of items during the period | 530 | (14,899) |
| Balance at the end of current period | 32,612 | 17,629 |

(Unit: Millions of yen)

| | Previous consolidated fiscal year (April 1, 2007 to March 31, 2008) | Current consolidated fiscal year (April 1, 2008 to March 31, 2009) |
|---|---|---|
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | | |
| Balance at the end of previous period | 1,039 | (120) |
| Changes of items during the period | | |
| Net changes of items other than shareholders' equity | (1,160) | (378) |
| Total changes of items during the period | (1,160) | (378) |
| Balance at the end of current period | (120) | (498) |
| Deferred gains or losses on hedges | | |
| Balance at the end of previous period | 2 | (11) |
| Changes of items during the period | | |
| Net changes of items other than shareholders' equity | (13) | 23 |
| Total changes of items during the period | (13) | 23 |
| Balance at the end of current period | (11) | 12 |
| Revaluation reserve for land | | |
| Balance at the end of previous period | 3,444 | 3,484 |
| Changes of items during the period | | |
| Reversal of revaluation reserve for land | 63 | (38) |
| Net changes of items other than shareholders' equity | (22) | (569) |
| Total changes of items during the period | 40 | (608) |
| Balance at the end of current period | 3,484 | 2,875 |
| Foreign currency translation adjustment | | |
| Balance at the end of previous period | (1,258) | (2,354) |
| Changes of items during the period | | |
| Net changes of items other than shareholders' equity | (1,096) | (1,555) |
| Total changes of items during the period | (1,096) | (1,555) |
| Balance at the end of current period | (2,354) | (3,909) |
| Total valuation and translation adjustments | | |
| Balance at the end of previous period | 3,227 | 998 |
| Changes of items during the period | | |
| Reversal of revaluation reserve for land | 63 | (38) |
| Net changes of items other than shareholders' equity | (2,292) | (2,479) |
| Total changes of items during the period | (2,229) | (2,518) |
| Balance at the end of current period | 998 | (1,520) |
| Minority interests | | |
| Balance at the end of previous period | 4,649 | 4,767 |
| Changes of items during the period | | |
| Net changes of items other than shareholders' equity | 118 | (1,130) |
| Total changes of items during the period | 118 | (1,130) |
| Balance at the end of current period | 4,767 | 3,636 |
| Total net assets | | |
| Balance at the end of previous period | 39,959 | 38,378 |
| Effect of changes in accounting policies applied to foreign subsidiaries | — | (83) |
| Changes of items during the period | | |
| Dividends from surplus | (951) | (951) |
| Net income (loss) | 1,550 | (13,983) |
| Purchase of treasury stock | (6) | (5) |
| Disposal of treasury stock | — | 1 |
| Net changes of items other than shareholders' equity | (2,174) | (3,610) |
| Total changes of items during the period | (1,580) | (18,548) |
| Balance at the end of current period | 38,378 | 19,746 |

## (4) Consolidated statements of cash flow

(Unit: Millions of yen)

| | Previous consolidated fiscal year (April 1, 2007 to March 31, 2008) | Current consolidated fiscal year (April 1, 2008 to March 31, 2009) |
|---|---|---|
| Net cash provided by (used in) operating activities | | |
| Income (Loss) before income tax | 2,788 | (11,924) |
| Depreciation and amortization | 6,704 | 7,513 |
| Increase (decrease) in allowance for doubtful accounts | 463 | 900 |
| Increase (decrease) in provision for retirement benefits | (659) | 1,279 |
| Increase (decrease) in provision for business structure improvement | — | 3,675 |
| Increase (decrease) in other provision | (143) | (1,679) |
| Interest expenses | 4,082 | 3,880 |
| Loss (gain) on disposal of noncurrent assets | 926 | 645 |
| Loss (gain) on sales of noncurrent assets | (825) | (33) |
| Loss (gain) on sales of stocks of subsidiaries and affiliates | (512) | — |
| Loss on valuation of inventories | 2,419 | — |
| Decrease (increase) in notes and accounts receivable-trade | 64 | 12,762 |
| Decrease (increase) in inventories | 1,221 | 451 |
| Increase (decrease) in notes and accounts payable-trade | (3,765) | (11,603) |
| Other | 238 | 3,654 |
| Sub-total | 13,005 | 9,521 |
| Interest and dividends income received | 409 | 403 |
| Interest expenses paid | (4,071) | (3,887) |
| Income taxes paid | (1,213) | (1,059) |
| Net cash provided by (used in) operating activities | 8,129 | 4,977 |
| Net cash provided by (used in) investment activities | | |
| Decrease (increase) in time deposits | 176 | 779 |
| Purchase of investment securities | (200) | (25) |
| Proceeds from sales of investment securities | 1,856 | 118 |
| Purchase of property, plant and equipment | (7,538) | (8,224) |
| Proceeds from sales of property, plant and equipment | 1,068 | 287 |
| Other | (862) | (355) |
| Net cash provided by (used in) investment activities | (5,500) | (7,419) |
| Net cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | 5,771 | 7,012 |
| Proceeds from long-term loans payable | 31,995 | 50,897 |
| Repayment of long-term loans payable | (41,539) | (56,640) |
| Redemption of bonds | (400) | (400) |
| Cash dividends paid | (940) | (940) |
| Other | — | (435) |
| Net cash provided by (used in) financing activities | (5,113) | (505) |
| Effect of exchange rate change on cash and cash equivalents | 215 | (986) |
| Net increase (decrease) in cash and cash equivalents | (2,270) | (3,934) |
| Cash and cash equivalents at beginning of period | 15,479 | 13,209 |
| Cash and cash equivalents at the end of the current fiscal year | 13,209 | 9,275 |

## (5) Notes regarding assumption of a going concern

Not applicable

## (6) Significant items that are the basis for preparation of consolidated financial statements

### 1. Scope of consolidation

There are 53 consolidated subsidiaries and 7 non-consolidated subsidiaries as of the end of the current period under review. Major consolidated subsidiaries are Unitika Fibers Co., Ltd., Nippon Ester Co., Ltd., Unitika Textiles Co., Ltd., etc. Total assets, net sales, net income/loss (corresponding to equity interest) and retained earnings (corresponding to equity interest) of 7 non-consolidated subsidiaries (Akoh Unitec Service Co., Ltd., Unitika Uji Kosan Co., Ltd., etc.) are small in value and do not have a significant influence on the consolidated financial statements. Changes in consolidated subsidiaries consisted of an increase of 1 company by additional acquisition of its stocks.

### 2. Application of the equity method

The equity method is applied to 7 non-consolidated subsidiaries and 2 affiliated companies (Ador Co., Ltd. etc.). Changes in affiliated companies include a decrease of 1 company by becoming a consolidated subsidiary by additional acquisition of its stocks, and a decrease of 1 company by liquidation.

### 3. Account settlement date, etc. of consolidated subsidiaries

Among consolidated subsidiaries, Thai Nylon Co., Ltd., Unitika America Corp., Unitika (Shanghai) Ltd., Emblem Asia Co., Ltd., Unitika Emblem China Ltd., Unitika Do Brasil LLC, Brascot LLC, Peking Unitika Garments LLC, Unitex Co., Ltd. and TUSCO Co., Ltd. settle their accounts on December 31, and Unitika Hong Kong Ltd. settles its accounts on February 28. For the purpose of preparing the consolidated financial statements, the financial statements on respective dates are used, and a necessary adjustment is made with regard to significant transactions conducted during the period between the above-mentioned settlement date and the current consolidation date.

### 4. Accounting standards

(1) Evaluation standards and method for significant assets

Marketable securities

Other marketable securities

With market values: Valued at fair value based on market values, etc. on the settlement date (variance from valuation is processed with the method entirely to charge or credit directly to equity, and selling cost is calculated using the moving average method.)

Without market values: Valued at cost using the moving average method

Derivatives

Valued at fair value

Inventories

Valued primarily at cost by using the moving average method (the balance sheet value is calculated by the book value written-down method based on decline in profitability.)

(2) Depreciation method for significant depreciable assets

Tangible fixed assets (excluding lease assets)

The Company and its consolidated subsidiaries primarily use the declining-balance method. However, some consolidated subsidiaries use the straight-line method.

Intangible fixed assets (excluding lease assets)

Straight-line method

Lease assets

Lease assets under finance lease transactions that do not transfer ownership

Lease assets are depreciated using the straight-line method over the lease term, based on the assumption that the residual value is equal to zero.

(Additional information)

In the revision of ministerial ordinances on useful life, the company and some of its consolidated subsidiaries reviewed use of their assets and shortened useful life of some machines and equipment from 10 years to 7 years in the fiscal year ended March 31, 2009. There was only a minor impact on operating income, ordinary income, and net loss before income taxes for the current fiscal year from the revision.

(3) Accounting standards for important allowances

Allowance for doubtful receivables

In order to cover losses from uncollectible account receivables, the Company provides for estimated uncollectible amount of normal receivables based on historical loss ratios. Specific claims including doubtful receivables, etc. are individually evaluated for the likelihood of recovery and estimated uncollectible amount is provided.

Provision for bonuses

The Company provides for allowance for bonus based on the estimated amount of the payment for employees.

Reserve for compensation for completed works

The amount calculated by multiplying the construction revenue by historical repair ratios is provided to appropriate it for free repairs under the liability of security for completed works. Some consolidated subsidiaries record the reserve for compensation for completed works as an expense when paid out.

Provision for business structure improvement

The Company provides for reasonably estimated amount of loss incurred in the next consolidated fiscal year due to implementation of a business structure improvement program.

(Additional information)

The Unitika Group plans to implement a *business structure improvement* program before drawing up a new medium-term management plan. The business structure improvement program consists of measures for improving business structure in loss-making or unprofitable businesses and reducing fixed costs. With the implementation of the program, the Company records a provision for business structure improvement of 3,675 million yen.

Allowance for retirement benefits

To cover payment of retirement benefits to employees, the Company provides for retirement benefits based on the estimated amount of the retirement benefit obligation and the trust estate related to retirement benefit obligation (regarding some consolidated subsidiaries, the retirement benefit obligation and pension assets) at the end of the fiscal year ended March 31, 2009.

The transition difference due to a change in the accounting standards is equally expensed over 15 years.

The past service liabilities are amortized using the straight-line method over the average remaining years of service of employees (generally 9 years) when the liability is incurred.
Actuarial gains and losses are expensed using the straight-line method over the average remaining years of service of employees (generally 10 years), allocated starting from the year each respective gain or loss is incurred.

(Additional information)

The Company revised its employees’ severance payment plan on of April 1, 2008, shifting part of future payment of pension benefits to the defined contribution plan from the defined benefit plan. With this revision, past service liabilities (reduction of liabilities) of 652 million yen were incurred.

Allowance for directors’ retirement bonuses

In the past, the Company and its consolidated subsidiaries provided for the amount payable at the end of the subject term under the internal rule to cover payment of retirement bonuses to directors (including executive officers). However, the Company and its consolidated subsidiaries abolished the directors’ retirement bonus system in June 2006 and suspended the transfer of such amount to allowance for directors’ retirement bonuses.

(4) Standards for translating important foreign currency assets or liabilities to Japanese currency

Foreign currency monetary assets and liabilities are converted into yen currency at the spot exchange rate of the consolidated settlement date and exchange differences are treated as profit or loss. Meanwhile, the assets and liabilities of overseas subsidiaries are converted into yen currency by the spot exchange rate of the settlement date, and profits and expenses are converted into yen currency at the average market rate during the period with the exchange differences included in the currency exchange translation adjustment and minority interests.

(5) Interest relating to property for sale (inventories)

Interests paid in relation to some real estate for sale in progress among the real estate for sale held by some consolidated subsidiaries are included in the acquisition amount of such real estate.

(6) Important hedge accounting method

The Company adopts deferred hedge accounting, and uses the method for translating foreign currency receivables and payables on the basis of yen value cash flow fixed by forward contract for exchange contracts that may satisfy requirements for the said method, and preferential procedures for interest rate swaps that may satisfy requirements for preferential procedures.

(7) Treatment of consumption taxes, etc.

The Company adopts the tax-excluding method.

5. Items relating to evaluation of assets and liabilities of consolidated subsidiaries

The Company adopts the full fair value method for the evaluation of assets and liabilities of consolidated subsidiaries.

6. Items relating to amortization of goodwill

Goodwill is amortized using the straight-line method over 5 years.

7. Scope of funds in consolidated statements of cash flows

Funds (cash and cash equivalents) stated in the consolidated statements of cash flows consist of cash on hand, demand deposits and short-term investments that are readily convertible into cash, are exposed to insignificant risk of changes in value and are redeemable in 3 months or less from each acquisition date.

(7) Changes in basic important matters for preparation of consolidated financial statements

(Change of accounting policies)

(i) The Company has adopted the *Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements* (ASBJ Practical Issues Task Force No. 18, issued on May 17, 2006) effective from the current consolidated fiscal year and made necessary adjustments for consolidation. Total assets and net assets at the end of the fiscal year decreased by 394 million yen and 454 million yen, respectively, compared to those obtained by the previous method, but the change has no significant impact on operating income, ordinary income and net loss before income tax.

(ii) Previously, Unitika had used the accounting treatment of ordinary rental transactions for finance lease transactions that do not transfer ownership. However, effective from the current consolidated fiscal year, the Company has adopted the *Accounting Standard for Lease Transactions* (ASBJ Statement No. 13; June 17, 1993 [Business Accounting Council, First Committee], revised March 30, 2007) and the *Guidance on Accounting Standard for Lease Transactions* (ASBJ Guidance No. 16; January 18, 1994 [Japanese Institute of Certified Public Accountants, Committee of Accounting Systems], revised March 30, 2007). Following this change, Unitika uses the accounting treatment of ordinary sales transactions. Lease assets related to finance lease transactions that do not transfer ownership are depreciated using the straight-line method over the lease term, based on the assumption that the residual value is equal to zero.

The change has no impact on operating income, ordinary income and net loss before income tax for the current consolidated fiscal year.

(Change of presentation method)

Consolidated Balance Sheets

In accordance with enforcement of the *Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Preparation of Financial Statements* (Cabinet Office Ordinance No. 50 of August 7, 2008), items that were stated as *inventories* in the previous consolidated financial statements are separately classified into *merchandise and finished goods*, *work in process* and *raw materials and supplies*. Accordingly, *inventories* stated in the previous consolidated fiscal year were restated as follows: *merchandise and finished goods* of 39,171 million yen, *work in process* of 18,167 million yen and *raw materials and supplies* of 4,883 million yen.

Consolidated Statements of Income

The *Loss on disposal of inventories* (124 million yen for the current consolidated fiscal year) was stated separately up until the previous consolidated fiscal year. However, since it became less than 10/100 of the extraordinary loss, it is included and indicated in the *Other* of the extraordinary loss.

(8) Notes on consolidated financial statements

a. Segment information by business

The previous consolidated fiscal year (April 1, 2007 to March 31, 2008) (Unit: Millions of yen)

| | Polymers | Environ-mental Business/ Advanced Materials | Fibers & Textiles | Health & Amenity, Others | Total | Elimination or corporate | Consolidated total |
|---|---|---|---|---|---|---|---|
| I Net sales and operating income (loss) | | | | | | | |
| Net sales | | | | | | | |
| (1) Net sales to outside customers | 70,919 | 35,195 | 104,577 | 24,051 | 234,744 | — | 234,744 |
| (2) Inter-segment sales or transfers | 3,960 | 586 | 673 | 3,512 | 8,732 | [8,732] | — |
| Total | 74,880 | 35,781 | 105,250 | 27,564 | 243,477 | [8,732] | 234,744 |
| Operating expenses | 67,802 | 32,562 | 103,540 | 24,701 | 228,607 | [5,416] | 223,190 |
| Operating income | 7,078 | 3,218 | 1,710 | 2,862 | 14,870 | [3,316] | 11,553 |
| II Assets, depreciation and amortization and capital expenditures | | | | | | | |
| Assets | 80,709 | 31,727 | 106,302 | 78,363 | 297,102 | 11,940 | 309,043 |
| Depreciation and amortization | 3,276 | 682 | 1,466 | 804 | 6,230 | 474 | 6,704 |
| Capital expenditures | 1,950 | 2,039 | 1,545 | 979 | 6,515 | 831 | 7,346 |

(Note) 1. Among operating expenses, unallocatable operating expenses that are included in elimination or corporate amounted to 3,454 million yen.

2. Among the Assets, the total company assets that are included in elimination or corporate amounted to 29,005 million yen. The main items are investment of surplus funds (cash and deposits), long-term investment funds (investment securities) and assets, etc. related to the Administration and the Research and Development Division of the parent company. Revaluation reserve for business land of the parent company is not included in the respective business segments.

Current consolidated fiscal year (April 1, 2008 to March 31, 2009) (Unit: Millions of yen)

| | Polymers | Environ-mental Business/ Advanced Materials | Fibers & Textiles | Health & Amenity, Others | Total | Elimination or corporate | Consolidated total |
|---|---|---|---|---|---|---|---|
| I Net sales and operating income (loss) | | | | | | | |
| Net sales | | | | | | | |
| (1) Net sales to outside customers | 68,534 | 30,408 | 90,595 | 20,046 | 209,584 | — | 209,584 |
| (2) Inter-segment sales or transfers | 3,326 | 141 | 479 | 3,747 | 7,695 | [7,695] | —— |
| Total | 71,860 | 30,549 | 91,074 | 23,794 | 217,279 | [7,695] | 209,584 |
| Operating expenses | 63,611 | 28,690 | 91,291 | 22,462 | 206,055 | [4,237] | 201,817 |
| Operating income or operating loss | 8,249 | 1,859 | (217) | 1,332 | 11,224 | [3,457] | 7,766 |
| II Assets, depreciation and amortization and capital expenditures | | | | | | | |
| Assets | 77,216 | 26,256 | 97,506 | 66,342 | 267,322 | 15,521 | 282,843 |
| Depreciation and amortization | 3,180 | 1,066 | 1,719 | 914 | 6,881 | 631 | 7,513 |
| Capital expenditures | 1,870 | 1,477 | 3,074 | 724 | 7,146 | 1,135 | 8,281 |

(Note) 1. Among operating expenses, unallocatable operating expenses that are included in elimination or corporate amounted to 3,593 million yen.
2. Among the Assets, the total company assets that are included in elimination or corporate amounted to 26,601 million yen. The main items are investment of surplus funds (cash and deposits), long-term investment funds (investment securities) and assets, etc. related to the Administration and the Research and Development Division of the parent company. Revaluation reserve for business land of the parent company is not included in the respective business segments.

b. Segment information by geographic area

The previous consolidated fiscal year (April 1, 2007 to March 31, 2008) and the current consolidated fiscal year (April 1, 2008 to March 31, 2009)

Segment information by geographic area is omitted because sales and assets in Japan accounted for more than 90% of total sales (including inter-segment sales) and total assets of all geographic segments.

c. Overseas sales

The previous consolidated fiscal year (April 1, 2007 to March 31, 2008)

| | |
|---|---|
| I. Overseas sales (million yen) | 34,884 |
| II. Consolidated sales (million yen) | 234,744 |
| III. Ratio of overseas sales to consolidated sales (%) | 14.9 |

(Note) There were no segments whose sales (excluding inter-segment sales or transfers) exceeded 10% of consolidated sales.

The current consolidated fiscal year (April 1, 2008 to March 31, 2009)

| | |
|---|---|
| I. Overseas sales (million yen) | 29,017 |
| II. Consolidated sales (million yen) | 209,584 |
| III. Ratio of overseas sales to consolidated sales (%) | 13.8 |

(Note) There were no segments whose sales (excluding inter-segment sales or transfers) exceeded 10% of consolidated sales.

Per Share Data

| Previous consolidated fiscal year (April 1, 2007 to March 31, 2008) | | Current consolidated fiscal year (April 1, 2008 to March 31, 2009) | |
|---|---|---|---|
| Net assets per share | 70.67 yen | Net assets per share | 33.88 yen |
| Net income per share | 3.26 yen | Net loss per share | 29.41 yen |
| Information on net income per share after full dilution is omitted, since there is no potential common stock. | | Information on net income per share after full dilution is omitted, since the Company posts net loss and there is no potential common stock. | |

(Note) The basis for the calculation of net income per share or net loss is as follows:

| | Previous consolidated fiscal year (April 1, 2007 to March 31, 2008) | Current consolidated fiscal year (April 1, 2008 to March 31, 2009) |
|---|---|---|
| Net income (net loss) (million yen) | 1,550 | (13,983) |
| Net income not attributable to common stock (million yen) | — | — |
| Net income on common stocks (million yen) | 1,550 | (13,983) |
| Average number of common stock (thousand shares) | 475,595 | 475,557 |

(Material subsequent events)

None

(Omission of disclosure)

Disclosure of notes regarding lease transactions, transactions with related parties, tax effect accounting, marketable securities, derivative transactions, retirement benefits, stock options, etc. and a business combination is omitted, because the Company considered it less necessary to disclose such information in the consolidated financial statements.