Financial Report for Fiscal Year ended March 31, 2012 [Japanese GAAP] (Consolidated)

May 15, 2012

Company name: Unitika Ltd.
Code number: 3103
URL: http://www.unitika.co.jp/e/home.htm
Listed stock exchange: Tokyo Stock Exchange, Osaka Securities Exchange

Representative: Kenji Yasue, President and Chief Executive Officer
Contact: Shoji Ishikawa, General Manager of Accounting Department TEL +81-6-6281-5721
Expected date for holding a regular shareholders meeting: June 28, 2012
Expected date for submitting securities report: June 28, 2012
Expected commencement date for paying dividend
Preparation of the attachment of Financial Report: Yes
Holding of a results presentation: Yes (for securities analysts and institutional investors)

(Figures less than one million yen were omitted.)

1. Consolidated performance for fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(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	%
FY ended March 31, 2012	174,662	(3.3)	9,579	(8.9)	5,753	(6.0)	1,297	(46.9)
FY ended March 31, 2011	180,706	(0.8)	10,513	23.1	6,119	36.7	2,444	(19.5)

(Note) Comprehensive income FY ended March 31, 2012: 1,205 million yen [(51.0%)]
FY ended March 31, 2011: 2,460 million yen [(35.1%)]

	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	%	%	%
FY ended March 31, 2012	2.35	2.28	5.1	2.1	5.5
FY ended March 31, 2011	5.14	—	11.6	2.2	5.8

(Reference) Equity in earnings/losses of affiliates FY ended March 31, 2012: (224 million yen)
FY ended March 31, 2011: 38 million yen

(2) Consolidated financial situation

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY ended March 31, 2012	268,486	32,207	10.6	49.81
FY ended March 31, 2011	268,740	25,977	8.3	46.98

(Reference) Shareholders' equity: FY ended March 31, 2012: 28,511 million yen
FY ended March 31, 2011: 22,336 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
FY ended March 31, 2012	10,798	(7,449)	(4,393)	15,339
FY ended March 31, 2011	10,416	(2,959)	(10,844)	16,589

2. Dividend payment

	Annual dividend per share					Annual dividends paid (Total)	Dividend payout ratio (consolidated)	Dividend ratio of net assets (consolidated)
	End of Q1	End of Q2	End of Q3	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY ended March 31, 2011	—	0.00	—	0.00	0.00	—	—	—
FY ended March 31, 2012	—	0.00	—	0.00	0.00	—	—	—
FY ending March 31, 2013 (forecast)	—	0.00	—	0.00	0.00		—	

3. Forecast of consolidated performance for fiscal year ending March 31, 2013 (April 1, 2012 to March 31, 2013)

(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	83,500	(4.1)	3,500	(28.4)	2,000	(22.9)	300	(71.1)	0.52
Full year	175,000	0.2	9,000	(6.1)	6,000	4.3	2,000	54.1	3.47

* Notes

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

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

(i) Changes in accounting policies due to revisions of accounting standards: No

(ii) Changes of accounting policies other than the above: No

(iii) Changes in accounting estimates: No

(iv) Retrospective restatement: No

(3) Number of shares outstanding (Common stock)

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

Fiscal year ended March 31, 2012: 572,960,324 shares

Fiscal year ended March 31, 2011: 475,969,000 shares

(ii) Number of treasury stocks at end of period

Fiscal year ended March 31, 2012: 570,138 shares

Fiscal year ended March 31, 2011: 561,784 shares

(iii) Average number of shares outstanding during the term

Fiscal year ended March 31, 2012: 552,192,961 shares

Fiscal year ended March 31, 2011: 475,415,759 shares

(Reference) Summary of non-consolidated performance

1. Non-consolidated performance for fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(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	%
FY ended March 31, 2012	98,159	(4.4)	7,774	(21.2)	4,911	(22.8)	286	(92.0)
FY ended March 31, 2011	102,663	13.0	9,863	23.6	6,362	42.3	3,570	21.6

	Net income per share	Net income per share after full dilution
	Yen	Yen
FY ended March 31, 2012	0.52	0.50
FY ended March 31, 2011	7.51	—

(2) Non-consolidated financial situation

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY ended March 31, 2012	224,739	31,187	13.9	54.49
FY ended March 31, 2011	226,857	25,706	11.3	54.07

(Reference) Shareholders' equity: FY ended March 31, 2012: 31,187 million yen
FY ended March 31, 2011: 25,706 million yen

* Presentation of situation of audit procedures

This financial report is not subject to audit procedures under the Financial Instruments and Exchange Law of Japan. Audit procedures concerning financial statements have not been completed at the date of disclosure of this financial report.

* Explanation on appropriate use of forecasts of performance and other special items

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, 2013* on page 4.

1. Business results

(1) Analysis of Business results

(i) Business results for fiscal year ended March 31, 2012

In the current fiscal year, the Japanese economy gradually recovered from a sharp contraction after the Great East Japan Earthquake, but it stagnated after summer 2011 because of several adverse factors, such as the sovereign debt crisis in Europe, unprecedented appreciation of the yen (the yen at one point rose to the 75-yen level against the dollar) and devastating flooding in Thailand. Plunging exports and disruption of global supply chains affected corporate business performance. Since then, there were some visible signs that the economy had bottomed out, since the yen hit a plateau; supply chains returned to normal; and quake-hit areas were restored. However, the Japanese economy remained in an unpredictable situation, due to the fragility of the global economic recovery and various uncertain factors, such as soaring crude oil prices and concerns over the shortage of electricity.

In such an environment, the Unitika Group continued promoting structural reform in accordance with policies under its medium-term, three-year management plan, Reform 2011, which ended this fiscal year. In the meantime, the Group strived to establish a revenue base for the Fibers and Textiles business and strengthen business areas such as Polymers as an advanced materials manufacturer. Despite its efforts, the Group saw its earnings decrease, mainly because demand for polymers stagnated due to the global economic slowdown and contraction of the market. As a result, the Group reported net sales of 174,662 million yen (down 6,043 million yen year-on-year), operating income of 9,579 million yen (down 934 million yen year-on-year), ordinary income of 5,753 million yen (down 365 million yen year-on-year), and net income of 1,297 million yen (down 1,146 million yen year-on-year).

The Unitika Group has decided it will pay no dividend for the current fiscal year. The management sincerely appreciates your understanding in this matter.

Here is a summary of business by segment.

[Polymers]

In the Films business, the Company saw sales to the packaging sector increase significantly, because demand for mainly nylon films grew sharply due to concerns over the supply of food packaging materials after the earthquake, though it entered into an adjustment phase from fall 2011. Meanwhile, sales to the industrial sector decreased, because demand for polyester films remained sluggish due to poor sales of electric and electronics equipment in the second half of the current fiscal year, in addition to weaker demand due to a fall in the capacity utilization of manufacturers after the earthquake. As a result, overall sales remained flat but income grew.

In the Resins business, shipments of nylon for the automobile sector, a major sector, stagnated in the first half of the fiscal year due to production cutbacks, however, they recovered due to an increase in production in the second half of the fiscal year. Meanwhile, earnings of polyester deteriorated because of weaker demand from the electric and electronics equipment sectors as well as declining sales for bottle applications. In addition, demand for U-Polymer, the Company's original polyarylate resin, for office machinery electric and electronics equipment applications plunged sharply, due to the recession in Europe in the second half of the current fiscal year. As a result, overall sales and income decreased.

In the Non-woven Fabrics business, the Company saw sales of polyester spunbond fabrics grow due to steady shipments for the construction and civil engineering sectors and exports for day-to-day product applications, but profit decreased because the Company failed to fully absorb cost increases caused by rising raw material and fuel prices despite price revisions. In the cotton spunlace business, earnings increased because of solid shipments for wet sheet applications due to the effects of power saving efforts during summer. As a result, sales increased but income decreased in the Non-woven Fabrics business as a whole.

The Company continued to strongly promote the use of the biomass plastic "Terramac" in four fields (films, resins, non-woven and textiles). Although adoption of the material by new customers steadily increased for mainly sundry product applications, total shipments stagnated because of falling demand from some existing customers due to the effects of the earthquake.

Consequently, the Polymers business posted operating income of 9,615 million yen (down 934 million yen year-on-year) on sales of 67,294 million yen (up 278 million yen year-on-year).

[Advanced Materials]

In the Advanced Materials business, sales of glass fibers as a whole remained robust because of steady shipments, especially for building and civil engineering refurbishment use, though shipments for interior material use among the construction and civil engineering fields stagnated. Demand for IC cloth headed for recovery in the first half of the current fiscal year. However, domestic demand plunged and export profitability deteriorated due to the strong yen in the second half of the current fiscal year. Despite its efforts to expand sales of high-value added products, the Company struggled to remain profitable. Shipments of glass beads for road marking use were sluggish and those for industrial use lost momentum, due to falling capacity utilization for some customers and declining orders of high-value added products after the earthquake. Meanwhile, sales for reflective materials use, such as signs and protective clothing (mainly for export), dropped due to appreciation of the yen. In addition, shipments of activated carbon fiber, mainly for water purifiers including those built into faucets in Japan, were strong.

Consequently, the Advanced Materials business posted operating income of 1,731 million yen (down 39 million yen year-on-year) on net sales of 15,020 million yen (up 88 million yen year-on-year).

[Fibers and Textiles]

In the Industrial Materials business, shipments of ultra-high-strength polyester filament yarn for construction and civil engineering uses were solid in the first half of the current fiscal year, but lost steam due to sluggish demand in the second half of the current fiscal year. Although sales of short-fiber polyester grew, the department saw its profitability deteriorate because of declining export profitability due to the strong yen, fierce price competition with overseas products, and failure to fully absorb cost increases caused by soaring raw material and fuel prices with price revisions. In addition, the Company tried to expand sales of vinylon fiber by cultivating new customers in emerging countries, while demand from reinforced concrete applications, a replacement for asbestos, remained weak. Despite its efforts, the Company saw profitability deteriorate as a result of a decrease in shipments, especially in the second half of the current fiscal year, due to price competition with overseas products, the appreciation of the yen, and rising raw material and fuel prices.

In the Garments, Lifestyle Materials, and Bedding business, demand from both the public and private sectors remained robust in the uniform field, while sales of high-value added products, such as heat-retaining materials, moisture absorption and desorption and heat-shielding materials, were steady in the sporting and women’s clothing fields due to the rise in power saving awareness nationwide. Though overall sales remained flat because of the withdrawal from money-losing businesses and falling exports caused by the strong yen, profitability improved further due to efforts to promote differentiation and reduce costs thoroughly.

Consequently, the Fibers and Textiles business posted operating income of 744 million yen (down 96 million yen year-on-year) on net sales of 76,701 million yen (down 394 million yen year-on-year).

[Others]

In the Healthcare & Amenity business, sales of health food, such as Hanabiratake-related goods, and functional feed materials remained relatively strong, while sales of functional dietary materials stagnated due to weak domestic demand in the first half of the current fiscal year. In the Medical business, in addition to increasing sales of catheters for the treatment of circulatory system diseases, sales of catheters for drainage purposes grew due to the launch of new products in the medical product field. Overall sales were also steady in the biochemical field due to solid demand including through the attainment of new customers.

In the Real Estate business, revenue from the sales of condominiums increased, but profitability did not recover completely.

Consequently, the Others category posted operating income of 751 million yen (down 200 million yen year-on-year) on net sales of 15,646 million yen (down 6,016 million yen year-on-year) due to the effects of the transfer of the environmental plant-related business to the Hitachi Zosen Group.

(ii) Forecast of business performance for fiscal year ending March 31, 2013

With the business outlook for the next fiscal year having become uncertain due to concerns over global economic recovery, the Unitika Group will steadily implement measures stated in Change & Challenge 2014, its medium-term, three-year management plan, including measures to strengthen its business foundation as a functional material manufacturer and to improve the profitability of low-profit businesses, with the aim of further enhancing its financial strength and shareholders' equity. The Group forecasts net sales of 175,000 million yen, operating income of 9,000 million yen, ordinary income of 6,000 million yen, and net income of 2,000 million yen for the fiscal year ending March 31, 2013.

(2) Analysis on financial situation

Total assets decreased by 253 million yen from the end of the previous fiscal year to 268,486 million yen, mainly due to a decrease in cash and deposits, and notes and accounts receivable-trade despite an increase in inventories and property, plant and equipment. Liabilities decreased by 6,484 million yen from the end of the previous fiscal year to 236,278 million yen, mainly due to a decrease in loans payable. Net assets increased by 6,230 million yen from the end of the previous fiscal year to 32,207 million yen, mainly due to an increase in capital stock and capital surplus by exercise of subscription rights to shares and retained earnings.

Here is a summary of the cash flow situation.

(Net cash provided by [used in] operating activities)
Net cash provided by operations amounted to 10,798 million yen (up 381 million yen year-on-year), due to a decrease in cash-inflow—the total of net income before income taxes, depreciation and amortization—and notes and accounts receivable-trade during the current fiscal year.

(Net cash provided by [used in] investment activities)
Net cash used in investment activities amounted to 7,449 million yen (net cash of 2,959 million yen used in the previous fiscal year) due to capital expenditures of 7,713 million yen during the current fiscal year.

(Net cash provided by [used in] financing activities)
Net cash used in financing activities amounted to 4,393 million yen (net cash of 10,844 million yen used in the previous fiscal year) due to a reduction in interest-bearing debt during the current fiscal year.

As a result, cash and cash equivalents at the end of the current fiscal year decreased by 1,250 million yen from the end of the previous fiscal year to 15,339 million yen.

The table below shows trends in cash flow indicators.

	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010
(i) Shareholders' equity ratio (%)	10.6	8.3	7.2
(ii) Shareholders' equity ratio on market value basis (%)	11.1	11.9	13.0
(iii) Ratio of interest-bearing debt to cash flow	16.3	17.8	13.7
(iv) Interest coverage ratio	3.3	3.0	3.9

(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, 2012 and the fiscal year ending March 31, 2013

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, 2012, 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.

2. Management Policies

(1) Basic management policies

Having the corporate mission of contributing to society by connecting daily life with technology, the Unitika Group has been aiming to become a company that contributes to the improvement of people's lives and preservation of the environment, and social recognition. Management believes that the Group's contributions to society will enhance its corporate value, which in turn will reward shareholders, while the Company continues to promote 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 has formulated Change & Challenge 2014, its new medium-term, three-year management plan, which will start from the fiscal year beginning April 1, 2012.
Although there are various uncertain factors that will affect the Company's business performance, such as cost pressures due to soaring crude oil prices, concerns over the shortage of electricity due to the suspension of operations at nuclear power plants and foreign currency fluctuations, the Unitika Group will steadily implement measures based on the basic management policies of its new medium-term management plan with the aim of establishing a solid business foundation. The basic management policies include: (1) establishing a foundation as a functional material manufacturer [(i) promoting a strategy to expand mainly the polymer business and (ii) promoting a global strategy centering on the Asian region], (2) improving the profitability of low-profit businesses and (3) strengthening of its corporate structure and shareholders' equity.

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

Polymers:
In the Films business, the Company will strengthen its strategy to increase its market share of the nylon film Emblem in the fast-growing Asian markets and differentiate the product in the Chinese market, and promote cultivation of new applications for industrial-use polyester films through quality improvement and sales expansion of its high-value-added polyester films. In the Resins business, in particular, in the field of nylon resins, the Company will accelerate commercialization of XecoT, a biomass-based high heat-resistant polyamide resin, by focusing on expansion of its use to automobiles and electrical and electronics equipment applications. In regard to polyester resins, the Company will also try to increase sales of ARROWBASE, an environmentally friendly water-based polyolefin cationic emulsion, and develop a new and ultrahigh functional grade of U-Polymer for injection molding applications. With these efforts, the Company will aim to improve its profitability further. In the Non-Woven Fabrics business, the Company will cooperate with its subsidiary in Thailand to promote sales of polyester spunpond in overseas markets and expand sales of cotton spunlace through cultivation of new applications for combined sheets. Concerning TERRAMAC, a biomass plastic, the Company has been improving existing polylactic acids, specifically, its thermal resistance, durability and formability, and will further strengthen the expansion of its use in each field.

Advanced Materials:
The Company will focus on expansion of domestic sales and cultivation of overseas markets for high-functional glass fiber products and aim to immediately improve the profitability of IC cloth by not only raising the composition rate of high-value added products including ultra-thin IC cloth, but also thoroughly reviewing its cost structure. Regarding glass beads, the Company will step up its efforts to expand market share and cultivate new applications for its high-grade glass beads, mainly for industrial applications. In the activated carbon fiber business, the Company will strengthen its overseas expansion of VOC removal sheets for automobile and waste water treatment applications, mainly in the Asian markets, including China, and cultivate potential fields, such as water purifiers built into faucets.

Fibers and Textiles:
In the Fibers and Textiles business, the Company will continue to shake up its product lineup and thoroughly reduce costs to establish a stable earnings structure. In the industrial materials business, the Company will try to improve profitability by shifting to high-performance materials made of short-fiber polyester and creating a sales structure to deal with the expansion of overseas markets for vinylon fiber for reinforced concrete applications, including Asia, South America and Africa. In the Garments, Lifestyle Materials, and Bedding business, the Company will strive to expand earnings from its global activities by continuing to streamline its business operations, mainly Unitika Trading Co., Ltd., and enhancing cooperation with its bases in Indonesia, China and Vietnam.

Others and Healthcare & Amenity:
In the Healthcare & Amenity business, the Company will strengthen sales of functional dietary materials, mainly its mainstay product, Konjac Ceramide, and new products, such as β-cryptoxanthin and Lactobionic acid, and also cultivate new customers for its health food products, such as Byakugen Houou, which is in strong demand, and creation of new products. In the Medical business, the Company will continue aiming at raising market share by strengthening sales of anti-thrombogenic catheters mainly for the circulatory system and focusing on sales expansion of new products, and also developing new uses for enzymes and clinical diagnostic reagents, cultivating new customers for these products, and promoting thorough cost reductions.
With the growth of Asian markets including China, the Group will try to expand overseas sales of functional materials mainly in the polymer and advanced materials fields through the following efforts: continuing the installment of the most advanced nylon film manufacturing equipment at its Indonesia subsidiary; setting up a subsidiary in Thailand for the Resins business, to provide sensor parts and small encapsulation molding; and actively using overseas bases including China, Indonesia and Thailand.
The Company will develop biomass plastic, functional resins, and heat-resistant film, which are designed to be used in electrical and electronics equipment and industrial fields, by making full use of both the polymer design and control technologies and manufacturing and processing technologies that the Unitika Group owns, mainly in the Polymer business.
In the fiscal year ending March 31, 2013, the Group will continue to streamline operations by thoroughly reducing fixed and variable costs, and will also promote efficient management of funds including the cutting back of inventories to reduce interest-bearing debt.

3. Consolidated financial statements

(1) Consolidated balance sheets

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2011)	Current consolidated fiscal year (March 31, 2012)
Assets		
Current assets		
Cash and deposits	16,786	15,361
Notes and accounts receivable-trade	41,898	39,884
Inventories	46,615	47,797
Deferred tax assets	1,136	1,775
Other	3,377	3,824
Allowance for doubtful accounts	(233)	(217)
Total current assets	109,580	108,425
Noncurrent assets		
Property, plant and equipment		
Buildings and structures (net)	21,531	21,401
Machinery, equipment and vehicles (net)	22,596	21,944
Tools, furniture and fixtures (net)	1,162	1,218
Land	104,606	104,766
Lease assets (net)	987	748
Construction in progress	784	3,066
Total property, plant and equipment	151,669	153,145
Intangible assets		
Goodwill	3	21
Other	727	751
Total intangible assets	731	773
Investments and other assets		
Investment securities	3,955	3,608
Investments in capital	24	23
Long-term loans receivable	138	218
Deferred tax assets	563	509
Other	2,688	2,297
Allowance for doubtful accounts	(609)	(515)
Total investments and other assets	6,758	6,141
Total noncurrent assets	159,159	160,060
Total assets	268,740	268,486

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2011)	Current consolidated fiscal year (March 31, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	24,952	25,191
Short-term loans payable	73,893	69,993
Current portion of long-term loans payable	37,480	34,613
Lease obligations	408	369
Income taxes payable	325	515
Provision for bonuses	1,160	1,848
Provision for loss on construction contracts	—	23
Provision for business structure improvement	624	142
Other	10,461	11,324
Total current liabilities	149,306	144,022
Noncurrent liabilities		
Long-term loans payable	71,176	68,601
Lease obligations	657	414
Deferred tax liabilities	10,815	11,429
Deferred tax liabilities for land revaluation	2,571	2,204
Provision for retirement benefits	5,651	7,189
Provision for directors' retirement benefits	71	58
Other	2,512	2,356
Total noncurrent liabilities	93,456	92,255
Total liabilities	242,762	236,278
Net assets		
Shareholders' equity		
Capital stock	23,798	26,298
Capital surplus	1,661	4,161
Retained earnings	(1,943)	(646)
Treasury stock	(55)	(55)
Total shareholders' equity	23,460	29,757
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(49)	26
Deferred gains or losses on hedges	43	4
Revaluation reserve for land	2,452	2,764
Foreign currency translation adjustment	(3,569)	(4,041)
Total accumulated other comprehensive income	(1,123)	(1,245)
Minority interests	3,641	3,696
Total net assets	25,977	32,207
Total liabilities and net assets	268,740	268,486

(2) Consolidated income statement and consolidated comprehensive income statement

(Consolidated income statement)

(Unit: Millions of yen)

	Previous consolidated fiscal year (April 1, 2010 to March 31, 2011)	Current consolidated fiscal year (April 1, 2011 to March 31, 2012)
Net sales	180,706	174,662
Cost of sales	146,098	140,843
Gross profit	34,607	33,819
Selling, general and administrative expenses	24,093	24,239
Operating income	10,513	9,579
Non-operating income		
Interest income	180	154
Dividends income	102	104
Rent income	90	70
Equity in earnings of affiliates	38	—
Other	1,013	1,066
Total non-operating income	1,425	1,395
Non-operating expenses		
Interest expenses	3,544	3,265
Equity in losses of affiliates	—	224
Other personal expenses	1,164	970
Other	1,110	760
Total non-operating expenses	5,819	5,220
Ordinary income	6,119	5,753
Extraordinary income		
Gain on sales of noncurrent assets	299	164
Total extraordinary income	299	164
Extraordinary losses		
Loss on disposal of noncurrent assets	424	531
Business structure improvement expenses	698	2,792
Loss on abolishment of retirement benefit plan	13	299
Other	2,761	434
Total extraordinary loss	3,898	4,057
Income before income taxes	2,519	1,861
Income taxes-current	375	533
Income taxes-deferred	(341)	12
Total income taxes	34	545
Income before minority interests	2,485	1,315
Minority interests in income	40	18
Net income	2,444	1,297

(Consolidated comprehensive income statement)

(Unit: Millions of yen)

	Previous consolidated fiscal year (April 1, 2010 to March 31, 2011)	Current consolidated fiscal year (April 1, 2011 to March 31, 2012)
Income before minority interests	2,485	1,315
Other comprehensive income		
Valuation difference on available-for-sale securities	380	76
Deferred gains or losses on hedges	39	(38)
Revaluation reserve for land	—	368
Foreign currency translation adjustment	(430)	(495)
Share of other comprehensive income of associates accounted for using equity method	(14)	(20)
Total other comprehensive income	(25)	(110)
Comprehensive income	2,460	1,205
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	2,513	1,174
Comprehensive income attributable to minority interests	(53)	30

(3) Consolidated statements of changes in net assets

(Unit: Millions of yen)

	Previous consolidated fiscal year (April 1, 2010 to March 31, 2011)	Current consolidated fiscal year (April 1, 2011 to March 31, 2012)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	23,798	23,798
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	—	2,500
Total changes of items during the period	—	2,500
Balance at the end of current period	23,798	26,298
Capital surplus		
Balance at the beginning of current period	1,661	1,661
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	—	2,500
Total changes of items during period	—	2,500
Balance at the end of current period	1,661	4,161
Retained earnings		
Balance at the beginning of current period	(4,734)	(1,943)
Changes of items during the period		
Net income	2,444	1,297
Reversal of revaluation reserve for land	347	(0)
Disposal of treasury stock	(0)	—
Total changes of items during the period	2,791	1,297
Balance at the end of current period	(1,943)	(646)
Treasury stock		
Balance at the beginning of current period	(54)	(55)
Changes of items during the period		
Purchase of treasury stock	(1)	(0)
Disposal of treasury stock	0	—
Total changes of items during the period	(1)	(0)
Balance at the end of current period	(55)	(55)
Total shareholders' equity		
Balance at the beginning of current period	20,670	23,460
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	—	5,000
Net income	2,444	1,297
Reversal of revaluation reserve for land	347	(0)
Purchase of treasury stock	(1)	(0)
Disposal of treasury stock	0	—
Total changes of items during the period	2,790	6,296
Balance at the end of current period	23,460	29,757
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	(429)	(49)
Changes of items during the period		
Net changes of items other than shareholders' equity	380	76
Total changes of items during the period	380	76
Balance at the end of current period	(49)	26

(Unit: Millions of yen)

	Previous consolidated fiscal year (April 1, 2010 to March 31, 2011)	Current consolidated fiscal year (April 1, 2011 to March 31, 2012)
Deferred gains or losses on hedges		
Balance at the beginning of current period	3	43
Changes of items during the period		
Net changes of items other than shareholders' equity	39	(38)
Total changes of items during the period	39	(38)
Balance at the end of current period	43	4
Revaluation reserve for land		
Balance at the beginning of current period	2,799	2,452
Changes of items during the period		
Reversal of revaluation reserve for land	(347)	0
Net changes of items other than shareholders' equity	—	311
Total changes of items during the period	(347)	311
Balance at the end of current period	2,452	2,764
Foreign currency translation adjustment		
Balance at the beginning of current period	(3,219)	(3,569)
Changes of items during the period		
Net changes of items other than shareholders' equity	(350)	(471)
Total changes of items during the period	(350)	(471)
Balance at the end of current period	(3,569)	(4,041)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(846)	(1,123)
Changes of items during the period		
Reversal of revaluation reserve for land	(347)	0
Net changes of items other than shareholders' equity	69	(122)
Total changes of items during the period	(277)	(122)
Balance at the end of current period	(1,123)	(1,245)
Minority interests		
Balance at the beginning of current period	3,695	3,641
Changes of items during the period		
Net changes of items other than shareholders' equity	(54)	55
Total changes of items during the period	(54)	55
Balance at the end of current period	3,641	3,696
Total net assets		
Balance at the beginning of current period	23,519	25,977
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	—	5,000
Net income	2,444	1,297
Purchase of treasury stock	(1)	(0)
Disposal of treasury stock	0	—
Net changes of items other than shareholders' equity	14	(66)
Total changes of items during the period	2,457	6,230
Balance at the end of current period	25,977	32,207

(4) Consolidated statements of cash flow

(Unit: Millions of yen)

	Previous consolidated fiscal year (April 1, 2010 to March 31, 2011)	Current consolidated fiscal year (April 1, 2011 to March 31, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,519	1,861
Depreciation and amortization	6,275	5,899
Increase (decrease) in allowance for doubtful accounts	127	(102)
Increase (decrease) in provision for retirement benefits	1,352	1,551
Increase (decrease) in provision for business structure improvement	(493)	(482)
Increase (decrease) in other provision	(52)	700
Interest expenses	3,544	3,265
Loss (gain) on disposal of noncurrent assets	424	531
Loss (gain) on sales of noncurrent assets	(299)	(164)
Decrease (increase) in notes and accounts receivable-trade	(2,677)	1,870
Decrease (increase) in inventories	2,112	(1,339)
Increase (decrease) in notes and accounts payable-trade	127	303
Other,net	671	345
Sub-total	13,634	14,239
Interest and dividends income received	532	272
Interest expenses paid	(3,516)	(3,310)
Income taxes paid	(233)	(402)
Net cash provided by (used in) operating activities	10,416	10,798
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	(158)	175
Purchase of investment securities	(20)	(42)
Proceeds from sales of investment securities	744	86
Purchase of property, plant and equipment	(4,176)	(7,713)
Proceeds from sales of property, plant and equipment	857	211
Other,net	(205)	(165)
Net cash provided by (used in) investing activities	(2,959)	(7,449)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(3,444)	(3,558)
Proceeds from long-term loans payable	24,756	31,340
Repayment of long-term loans payable	(31,322)	(36,748)
Proceeds from issuance of convertible bond-type bonds with subscription rights to shares	—	5,000
Redemption of bonds	(400)	—
Other,net	(434)	(425)
Net cash provided by (used in) financing activities	(10,844)	(4,393)
Effect of exchange rate change on cash and cash equivalents	(183)	(205)
Net increase (decrease) in cash and cash equivalents	(3,571)	(1,250)
Cash and cash equivalents at beginning of period	20,160	16,589
Cash and cash equivalents at the end of the current fiscal year	16,589	15,339

(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

The Company has 47 consolidated subsidiaries and two non-consolidated subsidiaries as of the end of the current period under review. Major consolidated subsidiaries are Nippon Ester Co., Ltd. and Unitika Trading Co., Ltd. Total assets, net sales, net income/loss (corresponding to equity interest) and retained earnings (corresponding to equity interest) of the two non-consolidated subsidiaries (Akoh Unitec Service Co., Ltd., etc.) are small in value and do not significantly influence the consolidated financial statements. The number of consolidated subsidiaries decreased by one from the end of the previous period due to the establishment of one company and the liquidation of two companies.

2. Application of the equity method

The Company applies the equity method to the two non-consolidated subsidiaries and three affiliated companies (Ador Co., Ltd. and others) as of the end of the current period under review. The number of non-consolidated subsidiaries decreased by three from the end of the previous period due to liquidation. The number of affiliated companies increased by one from the end of the previous period due to the establishment of a joint-venture company.

3. Account settlement date, etc. of consolidated subsidiaries

Among the 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, Unitika (Beijing) LLC, Unitex Co., Ltd. and Unitika Plastic (Thailand) Ltd. settle their accounts on December 31, and Unitika Hong Kong Ltd. settles its accounts on February 29. For the purpose of preparing the consolidated financial statements, the financial statements for the respective account settlement dates are used, and any necessary adjustments are made with regard to significant transactions conducted during the period between the relevant settlement date and the current consolidation date. It should be noted that TUSCO Co., Ltd. changed its account settlement date to March 31 (the same as the consolidated settlement date) from the current consolidated fiscal year, reporting results for a 15-month period.

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.

(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.

Provision for loss on construction contracts

The Company has provided for reasonably estimated losses to be incurred in the next consolidated fiscal year to prepare for anticipated losses on construction contracts.

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.

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, 2012.

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 13 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 13 years), allocated starting from the year each respective gain or loss is 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) Accounting standards for recognizing revenues and costs of construction contracts

The percentage-of-completion method has been applied to construction contracts if the outcome of the construction activity is deemed certain on March 31, 2012 (the estimated percentage of completion shall be based on the ratio of the cost incurred to the estimated total cost). The completed-contract method has been applied to other construction contracts.

(5) 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.

(6) 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.

(7) 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.

(8) Items relating to amortization of goodwill

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

(9) 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.

(10) Treatment of consumption taxes, etc.

The Company adopts the tax-excluding method.

(7) Additional information

(Adoption of accounting standards concerning accounting changes and error corrections)
Due to accounting changes and corrections of prior period errors that are conducted after the beginning of the fiscal year ending March 31, 2012, the Company has adopted the Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No. 24, issued on December 4, 2009) and Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No. 24, issued on December 4, 2009).

(8) Notes on consolidated financial statements

(Segment information etc.)
Segment information

1. Summary of reportable segment

Unitika's reportable segments are components of the Company for which separate financial information is available. These segments are subject to regular reviews by the Board of Directors to decide the distribution of managerial resources and evaluate business results.
The Company sets up divisions by product and service in its head office. Each division formulates comprehensive domestic and overseas strategies for its products and services and conducts business activities according to the strategies.
Unitika consists of segments by product and service based on divisions. The following three are its reportable segments: Polymers, Advanced Materials, and Fibers & Textiles.
The Polymers segment manufactures and markets films, resins, and non-woven fabrics. The Advanced Materials segment makes and sells glass fibers. The Fibers & Textiles produces and distributes various types of fibers (threads, cotton, textiles and fabrics and the like).

2. Methods to calculate the amount of net sales, profit or loss, assets and other items by reportable segment

Methods of accounting treatment of reported business segments are almost the same as those stated in the Significant items that are the basis for preparation of consolidated financial statements.
Inter-segment earnings and transfers are based on prevailing market prices.

3. Information on the amount of net sales, profit or loss, assets and other items by reportable segment

The previous fiscal year (April 1, 2010 to March 31, 2011)

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount posted in Consoli-dated financial statements (Note 3)
	Polymers	Advanced Materials	Fibers & Textiles	Total				
Net sales								
Net sales to outside customers	67,016	14,931	77,095	159,043	21,662	180,706	—	180,706
Inter-segment sales or transfer	39	20	212	272	1,661	1,933	(1,933)	—
Total	67,055	14,951	77,308	159,315	23,324	182,640	(1,933)	180,706
Segment income	10,550	1,771	840	13,161	952	14,114	(3,600)	10,513
Segment assets	89,712	18,663	75,341	183,717	51,069	234,786	33,953	268,740
Other items								
Depreciation and amortization	2,615	659	1,762	5,037	925	5,963	312	6,275
Increase in property, plant and equipment and intangible assets	1,644	369	804	2,818	1,189	4,008	709	4,717

(Note) 1. The *Other* category comprises business segments that are not included in reportable segments. It includes Environmental business, Medical business, Healthcare & Amenity business, and Real Estate-related business and the like.

2. Adjustment details are as follows.

(1) Adjustment of −3,600 million yen posted in segment income (loss) includes corporate expenses that are not distributed to each reportable segment.

(2) Adjustment of 33,953 million yen posted in segment assets include investment of surplus funds (cash and

deposits) by the parent company, long-term investment funds (investment securities) and assets, etc. related to the Administration and the Research and Development Division of the parent company.
(3) Adjustment of 312 million yen posted in depreciation and amortization is depreciation and amortization of common assets that are not distributed to each reportable segment.
(4) Adjustment of 709 million yen posted in increase in property, plant and equipment and intangible assets is an increase in common assets that are not distributed to each reportable segment.
3. Segment income (loss) is adjusted with operating income presented in consolidated income statement.

Current consolidated fiscal year (April 1, 2011 to March 31, 2012)

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount posted in Consolidated financial statements (Note 3)
	Polymers	Advanced Materials	Fibers & Textiles	Total				
Net sales								
Net sales to outside customers	67,294	15,020	76,701	159,016	15,646	174,662	—	174,662
Inter-segment sales or transfer	18	50	266	334	2,114	2,449	(2,449)	—
Total	67,312	15,070	76,967	159,351	17,760	177,111	(2,449)	174,662
Segment income	9,615	1,731	744	12,091	751	12,843	(3,263)	9,579
Segment assets	89,111	20,758	76,701	186,571	51,222	237,793	30,692	268,486
Other items								
Depreciation and amortization	2,565	641	1,502	4,709	877	5,586	312	5,899
Increase in property, plant and equipment and intangible assets	4,606	588	994	6,189	1,291	7,480	822	8,302

(Note) 1. The *Other* category comprises business segments that are not included in reportable segments. It includes Environmental business, Medical business, Healthcare & Amenity business, and Real Estate-related business and the like.
2. Adjustment details are as follows.
(1) Adjustment of −3,263 million yen posted in segment income (loss) includes corporate expenses that are not distributed to each reportable segment.
(2) Adjustment of 30,692 million yen posted in segment assets include investment of surplus funds (cash and deposits) by the parent company, long-term investment funds (investment securities) and assets, etc. related to the Administration and the Research and Development Division of the parent company.
(3) Adjustment of 312 million yen posted in depreciation and amortization is depreciation and amortization of common assets that are not distributed to each reportable segment.
(4) Adjustment of 822 million yen posted in increase in property, plant and equipment and intangible assets is an increase in common assets that are not distributed to each reportable segment.
3. Segment income (loss) is adjusted with operating income presented in consolidated income statement.

(Per share information)

Previous consolidated fiscal year (April 1, 2010 to March 31, 2011)	Current consolidated fiscal year (April 1, 2011 to March 31, 2012)
Net assets per share: 46.98 yen Net income per share: 5.14 yen Information on net income per share after full dilution is omitted, since there is no potential common stock.	Net assets per share: 49.81 yen Net income per share: 2.35 yen Net income per share after full dilution: 2.28 yen

(Note) The basis for the calculation of net income per share and net income per share after full dilution is as follows:

	Previous consolidated fiscal year (April 1, 2010 to March 31, 2011)	Current consolidated fiscal year (April 1, 2011 to March 31, 2012)
Net income per share		
Net income (million yen)	2,444	1,297
Amount not attributable to common stockholders (million yen)	—	—
Net income attributable to common stock (million yen)	2,444	1,297
Average number of common stock during the fiscal year (thousand shares)	475,415	552,192
Net income per share after full dilution		
Net income adjustment value (million yen)	—	—
Increase in number of outstanding common shares (thousand shares)	—	16,651
Summary of issuable shares not included in the computation of net income per share after full dilution, since these securities are not dilutive.	—	—

(Material subsequent events)

Unitika Ltd. is pleased to announce that the Board of Directors at its meeting held on February 6, 2012 resolved to implement a share exchange (Share Exchange) between the Company as a wholly-owning parent company and Terabo Co., Ltd. (Terabo) as a wholly-owned subsidiary with an effective date of May 1, 2012. On May 1, 2012 the Company implemented the Share Exchange based on the share exchange agreement made between the Company and Terabo on February 6, 2012.

1. Purpose of making Terabo a wholly-owned subsidiary through the Share Exchange
   The purpose is to further enhance the strategic unity and mobility of the Unitika Group, making the best use of the Group's management resources.

2. Share Exchange Method
   Under the Share Exchange agreement, the Company will become a wholly-owning parent company and Terabo will become a wholly-owned subsidiary. The Company implemented the Share Exchange by following the procedures for a simplified share exchange as provided for under paragraph 3 of Article 796 of the Companies Act.

3. Outline of the Share Exchange

Company name	Unitika Ltd. (Wholly-owning parent company in the Share Exchange)	Terabo Co., Ltd. (Wholly-owned subsidiary company in the Share Exchange)
Allotment ratio in the Share Exchange	1	1.46

Upon implementation of the Share Exchange, the Company allotted a total of 4,963,109 shares of common stock of the Company (400,000 shares from treasury stock it owns and a newly issued 4,563,109 shares) to Terabo's shareholders as of May 1, 2012. Due to the new issuance of common stock of the Company, the Company saw its legal capital surplus increase by 223 million yen. Meanwhile, the stock of Terabo was delisted from the Osaka Securities Exchange as of April 25, 2012.

4. Other

Transfer of directors

As of June 28, 2012

1. Candidates for position of director

   Kenji Yasue (reappointment; current President, Chief Executive Officer)

   Hiroyuki Shime (reappointment; current Director, Senior Executive Officer, Operation Division)

   Shuji Ueno (new appointment; current Executive Officer, Director of Technology Development Division, General Manager of Central Research Laboratory)

2. Candidate for position of auditor

   Toru Hanbayashi (reappointment; current Auditor (part-time)) (Scheduled to work as a part-time auditor)

   (Note) Toru Hanbayashi is a candidate for the position of external auditor.

Career summary of candidate for position of director

Shuji Ueno (Date of birth: December 8, 1957)

Employment history	April 1983	Joined Unitika, Ltd.
	July 2000	Manager of Metallic Fiber Development Division
	April 2003	Manager of Executive Office IR & PR Group
	May 2008	Deputy General Manager of Corporate Planning Department
	January 2009	Deputy General Manager of Corporate Development Department
	June 2011	Executive Officer, Director of Technology Development Division and General Manager of Central Research Laboratory

5. Supplementary materials

(1) Results and earnings forecast for fiscal year ending March 2013 (consolidated)

(Millions of yen)

			Net sales	Operating income	Ordinary income	Net income
Consolidated	FY ended March 2011	Full year	180,706	10,513	6,119	2,444
	FY ended March 2012	Q2	87,075	4,888	2,594	1,039
		Full year	174,662	9,579	5,753	1,297
	FY ending March 2013	Q2 (forecast)	83,500	3,500	2,000	300
		Full year (forecast)	175,000	9,000	6,000	2,000
	Comparison with prior year	Q2 (forecast)	(3,575)	(1,388)	(594)	(739)
		Full year (forecast)	338	(579)	247	703

(2) Segment information (consolidated)

(Millions of yen)

			Polymers	Advanced Materials	Fibers & Textiles	Other	Elimination or corporate	Consolidated total
Results for prior fiscal year	FY ended March 2011	Net sales to outside customers	67,016	14,931	77,095	21,662	—	180,706
		Component ratio (%)	37.1	8.3	42.7	12.0	—	100.0
		Operating income	10,550	1,771	840	952	(3,600)	10,513
		Component ratio (%)	100.4	16.8	8.0	9.1	(34.2)	100.0
Results for current fiscal year	FY ended March 2012	Net sales to outside customers	67,294	15,020	76,701	15,646	—	174,662
		Component ratio (%)	38.5	8.6	43.9	9.0	—	100.0
		Operating income	9,615	1,731	744	751	(3,263)	9,579
		Component ratio (%)	100.4	18.1	7.8	7.8	(34.1)	100.0
Comparison with prior year		Net sales to outside customers	278	89	(394)	(6,016)	—	(6,044)
		Increase/decrease from prior year (%)	0.4	0.6	(0.5)	(27.8)	—	(3.3)
		Operating income	(935)	(40)	(96)	(201)	337	(934)
		Increase/decrease from prior year (%)	(8.9)	(2.3)	(11.4)	(21.1)	(9.4)	(8.9)
FY ending March 2013 (forecast)	(forecast)	Net sales to outside customers	69,000	15,500	74,000	16,500	—	175,000
		Component ratio (%)	39.4	8.9	42.3	9.4	—	100.0
		Operating income	9,500	1,700	900	900	(4,000)	9,000
		Component ratio (%)	105.6	18.9	10.0	10.0	(44.4)	100.0
	Comparison	Net sales to outside customers	1,706	480	(2,701)	854	—	338
		Increase/decrease from prior year (%)	2.5	3.2	(3.5)	5.5	—	0.2
		Operating income	(115)	(31)	156	149	(737)	(579)
		Increase/decrease from prior year (%)	(1.2)	(1.8)	21.0	19.8	22.6	(6.1)

(3) Capital expenditures, Depreciation (Property, plant and equipment), R&D expenditures, Interest-bearing liabilities, Financial account balance, Number of full-time employees (consolidated) (¥ million, persons)

		Capital expenditures	Depreciation (Property, plant and equipment)	R&D expenditures	Interest-bearing liabilities (end of fiscal year)	Financial account balance	Number of full-time employees (persons)
FY ended March 2010	Full year	3,566	6,592	3,866	193,380	(3,438)	5,037
FY ended March 2011	Full year	4,437	6,106	3,615	182,550	(3,261)	4,845
FY ended March 2012	Full year	8,105	5,730	4,012	173,208	(3,006)	4,745
FY ending March 2013	Full year (forecast)	6,031	5,574				

(4) Cash flow (consolidated)

(Millions of yen)

		Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Cash and cash equivalents at end of fiscal year
FY ended March 2010	Full year	14,286	(2,683)	(1,175)	20,160
FY ended March 2011	Full year	10,416	(2,959)	(10,844)	16,589
FY ended March 2012	Full year	10,798	(7,449)	(4,393)	15,339