

Financial Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2014

November 8, 2013

Listed stock exchanges: Tokyo Stock Exchange

Company name: Unitika Ltd.

Code number: 3103 URL: <http://www.unitika.co.jp/e/home.htm>

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Expected submission of quarterly report: November 13, 2013

Expected commencement date for paying dividend: –

Preparation of supplementary explanation documents for quarterly financial results: Yes

Holding of an analyst meeting for quarterly financial results: Yes (for securities analysts and institutional investors)

(Figures rounded to nearest million yen.)

1. Consolidated performance for 2nd quarter of fiscal year ending March 31, 2014 (April 1, 2013 to September 30, 2013)

(1) Consolidated performance (accumulation) (Percentages represent changes from same period in previous year.)

	Net sales		Operating income		Ordinary income		Quarterly net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q2 of FY ending March 31, 2014	78,307	2.8	3,119	34.6	2,255	362.2	1,648	—
Q2 of FY ended March 31, 2013	76,152	(12.5)	2,317	(52.6)	487	(81.2)	(931)	—

(Note) Comprehensive income Q2 of FY ending March 31, 2014: 2,690 million yen [—%]
Q2 of FY ended March 31, 2013: (625) million yen [—%]

	Quarterly net income per share	Quarterly net income per share after full dilution
	Yen	Yen
Q2 of FY ending March 31, 2014	2.86	—
Q2 of FY ended March 31, 2013	(1.62)	—

(2) Consolidated financial situation

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
Q2 of FY ending March 31, 2014	260,956	24,007	7.8
FY ended March 31, 2013	255,054	21,317	7.0

(Reference) Shareholders' equity 2nd quarter of fiscal year ending March 31, 2014: 20,283million yen
Fiscal year ended March 31, 2013: 17,809 million yen

2. Dividend payment

	Dividends per share				
	End of Q1	End of Q2	End of Q3	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2013	—	0.00	—	0.00	0.00
FY ending March 31, 2014	—	0.00	—	—	—
FY ending March 31, 2014 (forecast)	—	—	—	0.00	0.00

(Note) Revision of the latest dividend forecast: None

3. Forecast of consolidated performance for fiscal year ending March 31, 2014 (April 1, 2013 to March 31, 2014)

(% figures 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	%	Millions of yen
FY ending March 31, 2014	165,000	3.0	7,500	35.9	4,000	3.8	2,000	—	3.47

(Note) Revision of the latest forecasts of operational results: None

* Notes

- (1) Changes in significant subsidiaries during the period: No
- (2) Adoption of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- ① Changes in accounting policies due to revisions of accounting standards: No
 - ② Changes of accounting policies other than the above: No
 - ③ Changes in accounting estimates: No
 - ④ Retrospective restatement: No
- (4) Number of shares outstanding (Common stock)
- ① Number of shares outstanding at end of term (including treasury stock):
 - 2nd quarter of the fiscal year ending March 31, 2014: 577,523,433 shares
 - Fiscal year ended March 31, 2013: 577,523,433 shares
 - ② Number of treasury stocks at end of term
 - 2nd quarter of the fiscal year ending March 31, 2014: 775,023 shares
 - Fiscal year ended March 31, 2013: 766,802 shares
 - ③ Average number of shares outstanding during the term (quarterly consolidated accumulated period)
 - 2nd quarter of the fiscal year ending March 31, 2014: 576,753,182 shares
 - 2nd quarter of the fiscal year ended March 31, 2013: 576,153,196 shares

* Information on implementation of quarterly review procedures

The summary of financial statements is not subject to quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosing the summary of financial statements, the quarterly financial statement review procedures have been implemented.

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

The forward-looking statements in this document concerning forecasting of performance etc. are based on currently available information and assumptions considered by the company to be reasonable. Such statements are neither promises nor guarantees of future performance. The actual performance may be significantly different from forecasts due to various factors. Concerning assumptions used as a basis for forecasting business performance and precautionary statements when using the forecast of performance, please refer to *1. Qualitative Information on Quarterly Results (3) Explanation of future forecast information including forecast of consolidated performance* on page 4 of the attachment.

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1. Qualitative Information on Quarterly Results

(1) Explanation of operational results

In the first six months of the fiscal year ending March 31, 2014 (April 1, 2013 to September 30, 2013), Japan's economic outlook remained unclear, due to concerns over soaring energy costs and the slowing down of the Chinese economy, although the Japanese economy gradually recovered against the backdrop of positive effects of the government's economic policies and the Bank of Japan's monetary policy, the improvement of the export environment supported by the robust U.S. economy and depreciation of the yen, and some signs of an upturn in consumer spending.

Under these circumstances, the Unitika Group promptly implemented measures under its medium-term, three-year management plan, "Change & Challenge 2014," such as the growth strategy and measures to respond to changes in business environment, including a price revision, to strengthen its operating foundations as a manufacturer of functional materials, centering on the Polymers business, and to improve profitability of low-margined businesses. Consequently, the Group reported net sales of 78,307 million yen (up 2.8% year-on-year), operating income of 3,119 million yen (up 34.6% year-on-year), ordinary income of 2,255 million yen (up 362.2% year-on-year) and net income of 1,648 million yen (a net loss of 931 million yen in the previous year).

The Unitika Group has decided it will continue to pay no interim dividend for the fiscal year ending March 31, 2014. The management sincerely appreciates shareholders' understanding in this matter. Here is an overview of the business results by segment.

[Polymers]

In the Films business, demand gradually recovered in the packaging sector, leading to a rise in sales volumes and amounts, while sales volumes and amounts decreased in the industrial sector due to a slow recovery of demand for electrical and electronics equipment applications. Net sales increased but profits fell in the Films business, since it took time before the effect of the price revision to cope with rising raw material and fuel prices was fully seen.

In the Resins business, shipments of nylon for the automobile sector increased steadily, and shipments of "U-Polymer," the Company's original polyarylate resin, and "Elitel," copolymeric polyester resin, for information terminal device applications, such as smartphones, grew solidly. In addition, sales of "Arrow Base," an environmentally-friendly water-based polyolefin cationic emulsion, which the Company had started marketing at full scale in the previous term, expanded steadily. As a result, net sales and profits grew in the Resins business.

In the Non-woven Fabrics business, earnings of polyester spunbond fabrics increased, because orders for "Eleves Capping Sheet," a product used for disposal of decontamination waste, grew and the profitability of the export business improved, despite sluggish shipments for building material applications. Earnings of cotton spunlace decreased because of soaring manufacturing costs, etc., although its sales grew steadily because sales volumes for wet sheet applications recovered due to the record-breaking hot summer. Finally, net sales and profits grew in the Non-woven Fabrics business.

The Company strived to promote the use of "Terramac," a biomass plastic, in the field of films, resins, non-woven fabric and textiles. Although sales volumes slightly decreased in the field of films and resins, there were some signs that the entire shipments figures turned around because demand recovered in the field of non-woven fabric and textiles.

Consequently, the Polymers business posted operating income of 3,205 million yen (down 6.9% year-on-year) on net sales of 32,487 million yen (up 6.3% year-on-year).

[Advanced Materials]

In the Glass Fibers business, shipments for building and civil engineering refurbishment remained solid in the industrial material sector and sales in other applications increased due to a gradual recovery of demand. In the electronic material sector, the profitability of IC cloth improved because our efforts to expand sales for information terminal device applications paid off. In the Glass Beads business, sales volumes for industrial use expanded due to recovery of the market and sales for road marking applications grew because of a recovery of demand, while sales for reflective materials applications remained weak, since demand continued to be sluggish in the European market. Meanwhile, in the Activated Carbon Fibers business, shipments for water purifiers including those built into faucets, automobiles, and waste water treatment applications were strong.

Consequently, the Advanced Materials business posted operating income of 875 million yen (up 86.3% year-on-year) on net sales of 7,171 million yen (up 2.1% year-on-year).

[Fibers and Textiles]

In the Industrial Materials business, earnings of ultra-high strength polyester filament yarn remained sluggish because of slow progress of reconstruction in the areas devastated by the March 11 earthquake and tsunami and intensifying competition in the field of construction and civil engineering, its main applications, while the profitability of short-fiber polyester improved because of an increase in demand for special binder fiber products, centering on exports. Sales volumes of vinylon fiber for reinforced concrete applications, a replacement for asbestos, did not recover, since market conditions in Europe, a main market, remained difficult, although orders in emerging countries increased thanks to our efforts to expand sales. Meanwhile, exports of vinylon filaments to North America were strong, but those to Europe remained sluggish.

In the Garments, Lifestyle Materials, and Bedding business, earnings decreased in the uniform field, because sales of uniforms for factory workers declined due to inventory adjustment by apparel manufacturers and rising overseas production costs caused by the weaker yen, despite strong demand for white gowns and uniforms for workers in the service industry. Meanwhile, sales declined in the field of sportswear and ladies' fashion clothing due to fierce competition with overseas products, but sales of high value-added products remained steady.

Consequently, the Fibers and Textiles business posted operating loss of 142 million yen (operating loss of 348 million yen in the previous year) on net sales of 32,524 million yen (down 1.1% year-on-year).

[Others]

In the Healthcare & Amenity business, sales of health food, especially "Byakugen Houou" (we launched a sales campaign to commemorate its 10th anniversary) and functional dietary materials, such as lactobionic acid and L-arabinose, were solid, while sales of feed materials and food materials centering on Ceramide were sluggish. In the Medical business, earnings increased, because sales of catheters for the treatment of circulatory system diseases (quad lumen catheters, a new product, sold well) and catheters for thoracic drainage grew in the medical product sector; and exports of enzymes to Europe recovered and sales of clinical diagnostic reagents expanded in Japan in the biochemical field.

In the Real Estate business, sales of condominiums remained robust.

Consequently, the Others category posted operating income of 466 million yen (up 135.4% year-on-year) on net sales of 6,124 million yen (up 8.3% year-on-year).

(2) Explanation of financial situation

Total assets increased by 5,902 million yen from the end of the previous consolidated fiscal year to 260,956 million yen. This was mainly due to an increase in cash and deposits and inventory despite a decrease in notes and accounts receivable-trade. Liabilities grew by 3,212 million yen from the end of the previous consolidated fiscal year to 236,948 million yen. This was mainly due to an increase in loans payable despite a decrease in notes and accounts payable-trade. Net assets increased by 2,690 million yen from the end of the previous consolidated fiscal year to 24,007 million yen, mainly as a result of an increase in retained earnings.

Here is a summary of the cash flow situation.

(Net cash provided by [used in] operating activities)

Net cash provided by operating activities during the first six months of the fiscal year ending March 31, 2014 amounted to 1,383 million yen (down by 73.6% from the previous fiscal 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] investing activities)

Net cash used in investing activities during the first six months of the fiscal year ending March 31, 2014 amounted to 1,545 million yen (net cash of 1,734 million yen used in the previous fiscal year) due to capital expenditures of 2,524 million yen during the current fiscal year.

(Net cash provided by [used in] financing activities)

Net cash provided by financing activities during the first six months of the fiscal year ending March 31, 2014 amounted to 6,525 million yen (down 3.6% from the previous fiscal year) due to an increase in loans payable.

Consequently, cash and cash equivalents at the end of the first six months of the fiscal year ending March 31, 2014 increased by 6,520 million yen from the end of the previous fiscal year to 26,157 million yen.

(3) Explanation of future forecast information including forecast of consolidated performance

Though our consolidated performance for the first six-month period of the fiscal year ending March 31, 2014 exceeded the initial forecast, we did not revise the forecast of consolidated performance for the fiscal year ending March 31, 2014, since the business outlook remained uncertain. If we judge that we need to revise the forecast in the future, we will immediately announce this.

2. Matters concerning Summary Information (Notes)

(1) Changes in significant subsidiaries during the period

Not applicable

(2) Adoption of special accounting methods for preparing quarterly consolidated financial statements

Not applicable

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

Not applicable

3. Critical events, etc., regarding the assumption of a going concern

The Unitika Group's shareholders' equity amounted to 18,663 million yen in the previous consolidated fiscal year, because the Group posted a net loss of 10,875 million yen for the previous consolidated fiscal year. Consequently, the Unitika Group was in violation of restrictive financial covenants (criteria for shareholders' equity on the last day of the fiscal year or the second quarter of the fiscal year) on some of the long-term loans (outstanding balance of 4,600 million yen at the end of the previous consolidated fiscal year). However, management does not consider that there will be any critical uncertainties regarding the assumption of a going concern, since the Group fully repaid such long-term loans in the first six-month period of the fiscal year ending March 31, 2014.

In order to bring about a radical change in earnings, the Unitika Group continues promoting the revamping of its business structure and the reduction of fixed costs. The Group also will concentrate its resources on growth areas, mainly the polymers and advanced materials fields, and promote a growth strategy for improving and strengthening its organic growth to turn its business performance around.

4. Quarterly Financial Statements

(1) Consolidated quarterly balance sheets

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2013)	Q2 of FY ending March 2014 (September 30, 2013)
Assets		
Current assets		
Cash and deposits	19,668	26,180
Notes and accounts receivable-trade	36,339	31,589
Inventories	39,776	42,865
Other	4,660	4,783
Allowance for doubtful accounts	(170)	(165)
Total current assets	100,274	105,255
Noncurrent assets		
Property, plant and equipment		
Land	103,163	103,187
Other, net	45,265	46,468
Total property, plant and equipment	148,428	149,656
Intangible assets		
Goodwill	14	12
Other	800	895
Total intangible assets	815	908
Investments and other assets		
Other	5,860	5,413
Allowance for doubtful accounts	(325)	(277)
Total investments and other assets	5,535	5,136
Total noncurrent assets	154,779	155,701
Total assets	255,054	260,956

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2013)	Q2 of FY ending March 2014 (September 30, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	22,067	18,483
Short-term loans payable	68,433	69,381
Current portion of long-term loans payable	32,925	32,391
Income taxes payable	756	568
Provision for bonuses	1,567	1,502
Provision for business structure improvement	1,087	513
Other	11,724	11,553
Total current liabilities	138,562	134,394
Noncurrent liabilities		
Long-term loans payable	65,162	71,995
Provision for retirement benefits	7,752	8,288
Provision for directors' retirement benefits	53	26
Other	22,205	22,243
Total noncurrent liabilities	95,173	102,554
Total liabilities	233,736	236,948
Net assets		
Shareholders' equity		
Capital stock	26,298	26,298
Capital surplus	4,385	4,385
Retained earnings	(11,976)	(10,327)
Treasury stock	(44)	(44)
Total shareholders' equity	18,663	20,311
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	114	189
Deferred gains or losses on hedges	6	(3)
Revaluation reserve for land	2,979	2,979
Foreign currency translation adjustment	(3,954)	(3,193)
Total accumulated other comprehensive income	(854)	(28)
Minority interests	3,508	3,724
Total net assets	21,317	24,007
Total liabilities and net assets	255,054	260,956

(2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income
 (Consolidated quarterly statements of income)
 (Six-month period ended September 30, 2013)

(Unit: Millions of yen)

	Six-month period ended September 30, 2012 (April 1, 2012 to September 30, 2012)	Six-month period ended September 30, 2013 (April 1, 2013 to September 30, 2013)
Net sales	76,152	78,307
Cost of sales	61,980	63,714
Gross profit	14,171	14,592
Selling, general and administrative expenses	11,853	11,473
Operating income	2,317	3,119
Non-operating income		
Interest income	67	70
Dividends income	57	53
Foreign exchange gains	–	445
Equity in earnings of affiliates	–	3
Other	450	499
Total non-operating income	575	1,072
Non-operating expenses		
Interest expenses	1,538	1,472
Equity in losses of affiliates	31	–
Other	834	464
Total non-operating expenses	2,405	1,936
Ordinary income	487	2,255
Extraordinary income		
Gain on sales of noncurrent assets	590	–
Gain on sales of investment securities	–	275
Dividends from liquidation of securities	–	186
Gain on bargain purchase	48	–
Total extraordinary income	638	462
Extraordinary loss		
Loss on disposal of noncurrent assets	241	292
Loss on valuation of investment securities	180	–
Other	226	208
Total extraordinary loss	648	501
Income before income taxes and minority interests	478	2,216
Income taxes-current	218	425
Income taxes-deferred	1,196	120
Total income taxes	1,415	546
Income (loss) before minority interests	(936)	1,669
Minority interests in income (loss)	(5)	21
Net income (loss)	(931)	1,648

(Consolidated quarterly statements of comprehensive income)

(Six-month period ended September 30, 2013)

(Unit: Millions of yen)

	Six-month period ended September 30, 2012 (April 1, 2012 to September 30, 2012)	Six-month period ended September 30, 2013 (April 1, 2013 to September 30, 2013)
Income (loss) before minority interests	(936)	1,669
Other comprehensive income		
Valuation difference on available-for-sale securities	(13)	74
Deferred gains or losses on hedges	(20)	(9)
Foreign currency translation adjustment	351	955
Share of other comprehensive income of associates accounted for using equity method	(6)	–
Total other comprehensive income	311	1,020
Quarterly comprehensive income	(625)	2,690
(Comprehensive income attributable to)		
Quarterly comprehensive income attributable to owners of the parent	(679)	2,474
Quarterly comprehensive income attributable to minority interests	54	216

(3) Consolidated quarterly statements of cash flows

(Unit: Millions of yen)

	Six-month period ended September 30, 2012 (April 1, 2012 to September 30, 2012)	Six-month period ended September 30, 2013 (April 1, 2013 to September 30, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	478	2,216
Depreciation and amortization	2,721	2,468
Increase (decrease) in allowance for doubtful accounts	(10)	(56)
Increase (decrease) in provision for retirement benefits	374	500
Increase (decrease) in provision for business structure improvement	(63)	(573)
Increase (decrease) in other provision	(277)	(93)
Interest expenses	1,538	1,472
Loss (gain) on sales of noncurrent assets	(590)	–
Loss (gain) on disposal of noncurrent assets	241	292
Loss (gain) on valuation of investment securities	180	–
Loss (gain) on sales of investment securities	(11)	(275)
Increase (decrease) dividends from liquidation of securities	–	(186)
Decrease (increase) in notes and accounts receivable-trade	4,800	4,972
Decrease (increase) in inventories	1,354	(2,889)
Increase (decrease) in notes and accounts payable-trade	(4,587)	(3,889)
Other, net	842	(619)
Subtotal	6,992	3,338
Interest and dividends income received	124	123
Interest expenses paid	(1,496)	(1,467)
Income taxes paid	(386)	(611)
Net cash provided by (used in) operating activities	5,234	1,383
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	(2)	9
Purchase of investment securities	(11)	(11)
Proceeds from sales of investment securities	139	759
Purchase of property, plant and equipment	(2,689)	(2,524)
Proceeds from sales of property, plant and equipment	910	14
Other, net	(80)	206
Net cash provided by (used in) investing activities	(1,734)	(1,545)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,988)	518
Proceeds from long-term loans payable	25,842	27,431
Repayment of long-term loans payable	(16,881)	(21,240)
Other, net	(202)	(184)
Net cash provided by (used in) financing activities	6,770	6,525
Effect of exchange rate change on cash and cash equivalents	(8)	157
Net increase (decrease) in cash and cash equivalents	10,262	6,520
Cash and cash equivalents at beginning of period	15,339	19,636
Cash and cash equivalents at end of period	25,601	26,157

(4) Notes on quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable

(Notes on significant changes in shareholders' equity)

Not applicable

(Segment information)

Segment Information

I. Six-month period ended September 30, 2012 (April 1, 2012 to September 30, 2012)

Information on net sales, income or loss by reportable segment

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Figure in quarterly consolidated statements of income (Note 3)
	Polymers	Advanced Materials	Fibers & Textiles	Total				
Net sales								
Net sales to outside customers	30,575	7,026	32,897	70,499	5,652	76,152	–	76,152
Inter-segment sales or transfers	11	27	125	164	1,188	1,352	(1,352)	–
Total	30,586	7,054	33,023	70,664	6,840	77,504	(1,352)	76,152
Segment income (loss)	3,442	469	(348)	3,563	198	3,761	(1,443)	2,317

(Notes) 1. *Other* includes the Environmental Business, Medical Business, Health & Amenity Business, and Real Estate-related Business.

2. Adjustment of (1,443) million yen for *Segment income (loss)* includes corporate expenses that are not allocated to each reportable segment.

3. *Segment income (loss)* is adjusted with operating income in quarterly consolidated statements of income.

II. Six-month period ended September 30, 2013 (April 1, 2013 to September 30, 2013)

Information on net sales, income or loss by reportable segment

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Figure in quarterly consolidated statements of income (Note 3)
	Polymers	Advanced Materials	Fibers & Textiles	Total				
Net sales								
Net sales to outside customers	32,487	7,171	32,524	72,183	6,124	78,307	–	78,307
Inter-segment sales or transfers	7	31	136	176	839	1,015	(1,015)	–
Total	32,495	7,202	32,661	72,359	6,963	79,323	(1,015)	78,307
Segment income (loss)	3,205	875	(142)	3,938	466	4,404	(1,285)	3,119

(Notes) 1. *Other* includes the Environmental Business, Medical Business, Health & Amenity Business, and Real Estate-related Business.

2. Adjustment of (1,285) million yen for *Segment income (loss)* includes corporate expenses that are not allocated to each reportable segment.

3. *Segment income (loss)* is adjusted with operating income in quarterly consolidated statements of income.

5. Supplementary Information

1. Results and earnings forecast for fiscal year ending March 2014 (consolidated)

(Millions of yen)

			Net sales	Operating income	Ordinary income	Net income
Consolidated	FY ended March 2012	Full year	174,662	9,579	5,753	1,297
	FY ended March 2013	Q2	76,152	2,317	487	(931)
		Full year	160,190	5,519	3,853	(10,875)
	FY ending March 2014	Q2	78,307	3,119	2,255	1,648
		Full year (forecast)	165,000	7,500	4,000	2,000
	Comparison with prior year	Q2	2,154	801	1,767	2,579
Full year (forecast)		4,810	1,981	147	12,875	

2. Segment information (consolidated)

(Millions of yen)

			Polymers	Advanced Materials	Fibers & Textiles	Other	Elimination or corporate	Consolidated total
Results for prior fiscal year	1st six-month period ended September 2012	Net sales to outside customers	30,575	7,026	32,897	5,652	–	76,152
		Component ratio (%)	40.1	9.2	43.2	7.4	–	100.0
		Operating income	3,442	469	(348)	198	(1,443)	2,317
		Component ratio (%)	148.6	20.2	(15.0)	8.5	(62.3)	100.0
	FY ended March 2013	Net sales to outside customers	61,217	14,081	67,714	17,177	–	160,190
		Component ratio (%)	38.2	8.8	42.3	10.7	–	100.0
		Operating income	6,989	1,163	(370)	1,324	(3,588)	5,519
		Component ratio (%)	126.6	21.1	(6.7)	24.0	(65.0)	100.0
Results for current fiscal year	1st six-month period ended September 2013 (Results)	Net sales to outside customers	32,487	7,171	32,524	6,124	–	78,307
		Component ratio (%)	41.5	9.2	41.5	7.8	–	100.0
		Operating income	3,205	875	(142)	466	(1,285)	3,119
		Component ratio (%)	102.8	28.1	(4.6)	14.9	(41.2)	100.0
	FY ending March 2014 (Forecast)	Net sales to outside customers	67,500	14,500	66,500	16,500	–	165,000
		Component ratio (%)	40.9	8.8	40.3	10.0	–	100.0
		Operating income	7,100	1,600	800	1,100	(3,100)	7,500
		Component ratio (%)	94.7	21.3	10.7	14.7	(41.3)	100.0
Comparison with prior year	1st six-month period ended September 2013 (Results)	Net sales to outside customers	1,911	144	(372)	471	–	2,154
		Increase/decrease from prior year (%)	6.3	2.1	(1.1)	8.3	–	2.8
		Operating income	(237)	405	206	268	158	801
		Increase/decrease from prior year (%)	(6.9)	86.3	–	135.4	(11.0)	34.6
	FY ending March 2014 (Forecast)	Net sales to outside customers	6,283	419	(1,214)	(677)	–	4,810
		Increase/decrease from prior year (%)	10.3	3.0	(1.8)	(3.9)	–	3.0
		Operating income	111	437	1,170	(224)	488	1,981
		Increase/decrease from prior year (%)	1.6	37.6	–	(16.9)	(13.6)	35.9

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 2012	Full year	8,105	5,730	4,012	173,208	(3,006)	4,745
1st six-month period ended September 2012	Q2	2,977	2,625	2,228	180,078	(1,413)	4,797
FY ended March 2013	Full year	6,095	5,480	4,345	166,521	(2,808)	4,534
1st six-month period ended September 2013	Q2	2,623	2,377	1,888	173,768	(1,347)	4,503
FY ending March 2014	Full year (forecast)	6,495	5,226				

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 2012	Full year	10,798	(7,449)	(4,393)	15,339
1st six-month period ended September 2012	Q2	5,234	(1,734)	6,770	25,601
FY ended March 2013	Full year	16,040	(4,404)	(7,432)	19,636
1st six-month period ended September 2013	Q2	1,383	(1,545)	6,525	26,157