

Financial Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2015

November 11, 2014

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 12, 2014

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, 2015 (April 1, 2014 to September 30, 2014)

(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, 2015	77,623	(0.9)	3,123	0.1	2,120	(6.0)	(21,613)	—
Q2 of FY ended March 31, 2014	78,307	2.8	3,119	34.6	2,255	362.2	1,648	—

(Note) Comprehensive income Q2 of FY ending March 31, 2015: (22,015) million yen [—%]

Q2 of FY ended March 31, 2014: 2,690 million yen [—%]

	Quarterly net income per share	Quarterly net income per share after full dilution
	Yen	Yen
Q2 of FY ending March 31, 2015	(37.69)	—
Q2 of FY ended March 31, 2014	2.86	—

(2) Consolidated financial situation

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
Q2 of FY ending March 31, 2015	241,046	36,278	13.5
FY ended March 31, 2014	254,181	19,368	6.1

(Reference) Shareholders' equity 2nd quarter of fiscal year ending March 31, 2015: 32,586 million yen

Fiscal year ended March 31, 2014: 15,540 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, 2014	—	0.00	—	0.00	0.00
FY ending March 31, 2015	—	0.00	—	—	—
FY ending March 31, 2015 (forecast)	—	—	—	0.00	0.00

(Note) Revision of the latest dividend forecast: None

(Note) The above *Dividend payment* refers to dividends paid to the holders of common stock. For details of dividend payment to the holders of class shares (unlisted), the rights of which are different from those of common stock, please refer to *Dividend payment to the holders of class shares* mentioned below.

3. Forecast of consolidated performance for fiscal year ending March 31, 2015 (April 1, 2014 to March 31, 2015)

(% 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	%	yen
FY ending March 31, 2015	165,000	1.4	8,000	17.7	6,000	27.3	(37,000)	—	(64.15)

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

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying change of scope of consolidation): 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: Yes
 - 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, 2015: 577,523,433 shares
 - Fiscal year ended March 31, 2014: 577,523,433 shares
 - ② Number of treasury stocks at end of term
 - 2nd quarter of the fiscal year ending March 31, 2015: 789,597 shares
 - Fiscal year ended March 31, 2014: 782,356 shares
 - ③ Average number of shares outstanding during the term (quarterly consolidated accumulated period)
 - 2nd quarter of the fiscal year ending March 31, 2015: 576,738,174 shares
 - 2nd quarter of the fiscal year ended March 31, 2014: 576,753,182 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 completed.

* 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.

Dividend payment to the holders of class shares

The breakdown of dividends per share related to class shares, the rights of which are different from those of common stock, is as follows:

	Annual dividends				
	End of Q1	End of Q2	End of Q3	Year end	Total
Class A share	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2014	—	—	—	—	—
FY ending March 31, 2015	—	0.00			
FY ending March 31, 2015 (forecast)			—	—	—
Class B share	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2014	—	—	—	—	—
FY ending March 31, 2015	—	0.00			
FY ending March 31, 2015 (forecast)			—	—	—
Class C share	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2014	—	—	—	—	—
FY ending March 31, 2015	—	0.00			
FY ending March 31, 2015 (forecast)			—	—	—

(Note) Dividends per share for fiscal year ending March 31, 2015 have not yet been decided.

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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, 2015 (April 1, 2014 to September 30, 2014), the Japanese economy gradually recovered due to the continuation of the monetary easing policy by the Bank of Japan and flexible fiscal expenditure by the government, but suffered from sluggish consumer spending caused by a backlash from robust sales induced by the last-minute demand prior to the consumption tax rate increase and unfavorable weather. Meanwhile, the outlook of overseas economies remained uncertain because the economies of emerging countries including China have continued to slow down.

In this environment, the Unitika Group tried to strengthen the foundation as a functional materials manufacturer centering on the Polymers business and reform the structure of low-profit businesses with the aim of achieving targets at an early stage under the growth strategy stated in its new medium-term management plan, which started in the current fiscal year. In addition, the Group finished recapitalization to drastically reduce interest-bearing debts and invest towards its future growth, since it completed payment procedures for class shares, worth around 37,500 million yen, through a private placement at the end of July 2014. In the meantime, as part of its business portfolio restructuring, the Unitika Group posted extraordinary loss, including an impairment loss for noncurrent assets of the Company and the Group's Toyohashi Plant and business structure improvement expenses associated with the downsizing by Unitika Spinning Co., Ltd., a consolidated subsidiary.

Consequently, in the first six months of the fiscal year ending March 31, 2015, the Unitika Group reported net sales of 77,623 million yen (down 0.9% year-on-year), operating income of 3,123 million yen (up 0.1% year-on-year) and ordinary income of 2,120 million yen (down 6.0% year-on-year), and net loss of 21,613 million yen (net income of 1,648 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, 2015. The management sincerely appreciates shareholders' understanding in this matter.

Here is an overview of the business results by segment.

[Polymers]

In the Films business, sales and sales volumes decreased in the packaging sector in Japan due to sluggish sales of foods and miscellaneous daily articles after the consumption tax rate increase, but exports remained robust. Sales and sales volume grew in the industrial sector, supported by a recovery in demand for electrical and electronics equipment applications. As a result, sales increased but profits decreased in the Films business.

In the Resins business, sales of nylon resins for automobile applications grew solidly in the beginning of the period but lost momentum in the latter half of the period. Sales of *U-Polymer*, the Company's original polyarylate resin, for office equipment-related applications were strong, while those for information terminal device applications remained sluggish. Meanwhile, developing the applications of *Arrow Base* and *XecoT*, the Company's strategic products, progressed. As a result, sales increased but profits decreased in the Resins business.

In the Non-woven Fabrics business, exports of polyester spunbond fabrics increased steadily, but their sales in Japan, centering on daily product applications, decreased due to weak demand after the consumption tax rate increase. Meanwhile, sales of cotton spunlace grew due to steady demand including wet sheet applications and other applications including exports. As a result, sales decreased but profits increased in the Non-woven Fabrics business.

Consequently, the Polymers business posted operating income of 3,033 million yen (down 5.4% year-on-year) on net sales of 32,300 million yen (down 0.6% year-on-year).

[Advanced Materials]

In the Glass Fibers business, shipments, mainly waterproof sheets for building and civil engineering applications, remained strong, boosting sales in the industrial materials sector. In the electronic materials sector, shipments of IC cloth, especially ultra thin ones, the Company's differentiated product, for semiconductor and smartphone applications grew steadily, expanding sales. In the Glass Beads business, shipments for industrial applications such as automobile applications increased solidly and sales for reflective materials applications also increased due to the Company's efforts to recover its market share, although sales for road marking applications decreased. Meanwhile, in the Activated Carbon Fibers business, shipments for automobile deodorizing and air purifying equipment applications, etc. remained weak, though those for water purifier applications remained strong.

Consequently, the Advanced Materials business posted operating income of 936 million yen (up 7.0% year-on-year) on net sales of 7,596 million yen (up 5.9% year-on-year).

[Fibers and Textiles]

In the Industrial Materials business, sales of ultra-high strength polyester filament yarn increased due to robust demand in the field of building and civil engineering, its main applications. In the short-fiber polyester business, profitability improved thanks to the implementation of cost reduction measures and the efforts to reduce the sales of low-profit products. Sales of vinylon fiber for reinforced concrete applications, a replacement for asbestos, increased due to the progress of the shift to high-profit products in exports to Europe and emerging countries. In addition, profitability, as a whole, improved in part because of the price revision, including vinylon filaments. The Company will reduce costs to raise profitability further.

In the Garments, Lifestyle Materials, and Bedding business, sales in the uniform field increased, because demand for uniforms for factory workers recovered, despite negative impact of the yen's depreciation, such as a rise in procurement costs of goods produced overseas. Meanwhile, sales in the sports field stagnated in Japan, but sales in women's clothing fields, centering on clothes made of knitted fabric, remained steady.

Consequently, the Fibers and Textiles business posted operating income of 228 million yen (operating loss of 142 million yen in the previous year) on net sales of 32,504 million yen (down 0.1% year-on-year).

[Others]

In the Healthcare & Amenity business, sales of health food, such as *Byakugen Houou*, were sluggish due to the effect of the consumption tax rate hike, but sales of functional dietary materials and feed materials centering on Ceramide were robust. In the Medical business, sales of quad lumen catheters, a new product in the category of catheters for the treatment of circulatory system diseases, and exports of enzymes increased, but sales of clinical diagnostic reagents decreased.

In the Real Estate business, sales decreased because the Company canceled the sale of some real estate for development.

Consequently, the Others category posted operating income of 154 million yen (down 66.9% year-on-year) on net sales of 5,222 million yen (down 14.7% year-on-year).

(2) Explanation of financial situation

Total assets decreased by 13,135 million yen from the end of the previous consolidated fiscal year to 241,046 million yen. This was mainly due to a decrease in property, plant and equipment despite an increase in cash and deposits. Liabilities decreased by 30,044 million yen from the end of the previous consolidated fiscal year to 204,768 million yen. This was mainly due to a fall in interest-bearing debts. Net assets increased by 16,909 million yen from the end of the previous consolidated fiscal year to 36,278 million yen. This was mainly due to an increase in shareholders' equity by the issuance of common shares.

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, 2015 amounted to 5,348 million yen (up 286.5% from the previous fiscal year), due to cash-inflow (the total of depreciation and amortization and other) despite the recording of loss before income taxes and minority interests 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, 2015 amounted to 2,249 million yen (net cash of 1,545 million yen used in the previous fiscal year) due to capital expenditures of 2,038 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, 2015 amounted to 8,557 million yen (up 31.1% from the previous fiscal year) due to the issuance of common shares and repayment of loans payable.

Consequently, cash and cash equivalents at the end of the first six months of the fiscal year ending March 31, 2015 increased by 11,620 million yen from the end of the previous fiscal year to 31,177 million yen.

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

The Unitika Group will promote its growth strategy and carry out its business portfolio restructuring as targets for the first year of its new medium-term management plan announced on May 26, 2014.

The Company has not changed the forecast of consolidated performance for fiscal year ending March 31, 2015 announced on May 26, 2014 in accordance with the new medium-term management plan.

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
(Changes in accounting policies)

(Application of the Accounting Standard for Retirement Benefits)

Effective from the first quarter of the current consolidated accounting year, the Unitika Group has applied the *Accounting Standard for Retirement Benefits* (ASBJ Statement No.26, issued May 17, 2012; hereinafter, the *Accounting Standard*) and the *Guidance on the Accounting Standard for Retirement Benefits* (ASBJ Guidance No.25, issued May 17, 2012; hereinafter, the *Guidance*). In accordance with the provisions stipulated in the main clause of Article 35 of the Accounting Standards and in the main clause of Article 67 of the Guidance, the Group reviewed the method of calculation for retirement benefit obligations and service costs, and changed the method of attributing expected retirement benefit to periods from the fixed amount per period standard to the benefit formula standard; and changed the method of calculating discount rate from a method based on the number of years close to average remaining service periods for employees to a method using a single weighted average discount rate that reflects the estimated timing of benefit payment and amount of benefit payments by the estimated timing.

The Accounting Standards and Guidance have been applied in a transitional manner as provided in paragraph 37 of the Accounting Standard, and the effects from the changes in calculation method for retirement benefit obligations and service costs have been reflected in retained earnings at the beginning of the first six months of the current consolidated accounting year.

Consequently, net defined benefit liability decreased by 1,426 million yen and retained earnings increased by 1,426 million yen at the beginning of the first six months of the current consolidated accounting year. In addition, operating income, ordinary income, and net income before income taxes decreased by 109 million yen, respectively, in the first six months of the current consolidated accounting year.

3. Quarterly Financial Statements

(1) Consolidated quarterly balance sheets

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2014)	Q2 of FY ending March 2015 (September 30, 2014)
Assets		
Current assets		
Cash and deposits	19,587	31,202
Notes and accounts receivable-trade	35,324	33,791
Inventories	39,891	37,096
Other	4,736	4,666
Allowance for doubtful accounts	(169)	(169)
Total current assets	99,370	106,587
Non-current assets		
Property, plant and equipment		
Land	103,036	85,259
Other, net	45,551	42,666
Total property, plant and equipment	148,588	127,925
Intangible assets		
Goodwill	9	7
Other	1,191	1,271
Total intangible assets	1,201	1,279
Investments and other assets		
Other	5,294	5,527
Allowance for doubtful accounts	(273)	(272)
Total investments and other assets	5,020	5,254
Total non-current assets	154,811	134,459
Total assets	254,181	241,046

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2014)	Q2 of FY ending March 2015 (September 30, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	19,696	17,839
Short-term loans payable	70,125	2,013
Current portion of long-term loans payable	39,240	1,688
Income taxes payable	1,035	613
Provision for bonuses	1,595	1,549
A product repair reserve fund	1,284	1,297
Provision for business structure improvement	566	1,716
Other	11,012	11,820
Total current liabilities	144,555	38,539
Non-current liabilities		
Long-term loans payable	55,187	132,200
Provision for directors' retirement benefits	26	26
Net defined benefit liability	13,034	11,898
Other	22,008	22,103
Total non-current liabilities	90,257	166,229
Total liabilities	234,813	204,768
Net assets		
Shareholders' equity		
Capital stock	26,298	100
Capital surplus	4,385	60,275
Retained earnings	(11,392)	(25,733)
Treasury shares	(44)	(45)
Total shareholders' equity	19,245	34,597
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	265	312
Deferred gains or losses on hedges	(8)	(276)
Revaluation reserve for land	2,918	4,879
Foreign currency translation adjustment	(2,904)	(3,633)
Remeasurements of defined benefit plans	(3,977)	(3,292)
Total accumulated other comprehensive income	(3,705)	(2,010)
Minority interests	3,828	3,692
Total net assets	19,368	36,278
Total liabilities and net assets	254,181	241,046

(2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income

(Consolidated quarterly statements of income)

(Six-month period ended September 30, 2014)

(Unit: Millions of yen)

	Six-month period ended September 30, 2013 (April 1, 2013 to September 30, 2013)	Six-month period ended September 30, 2014 (April 1, 2014 to September 30, 2014)
Net sales	78,307	77,623
Cost of sales	63,714	62,640
Gross profit	14,592	14,982
Selling, general and administrative expenses	11,473	11,858
Operating income	3,119	3,123
Non-operating income		
Interest income	70	89
Dividend income	53	48
Foreign exchange gains	445	660
Share of profit of entities accounted for using equity method	3	8
Other	499	276
Total non-operating income	1,072	1,083
Non-operating expenses		
Interest expenses	1,472	1,401
Other	464	684
Total non-operating expenses	1,936	2,085
Ordinary income	2,255	2,120
Extraordinary income		
Gain on sales of investment securities	275	–
Dividends from liquidation of securities	186	–
Total extraordinary income	462	–
Extraordinary losses		
Loss on disposal of non-current assets	292	259
Impairment loss	–	2,894
Business structure improvement expenses	84	20,139
Other	123	374
Total extraordinary losses	501	23,667
Income (loss) before income taxes and minority interests	2,216	(21,546)
Income taxes-current	425	451
Income taxes-deferred	120	(385)
Total income taxes	546	65
Income (loss) before minority interests	1,669	(21,612)
Minority interests in income	21	0
Net income (loss)	1,648	(21,613)

(Consolidated quarterly statements of comprehensive income)

(Six-month period ended September 30, 2014)

(Unit: Millions of yen)

	Six-month period ended September 30, 2013 (April 1, 2013 to September 30, 2013)	Six-month period ended September 30, 2014 (April 1, 2014 to September 30, 2014)
Income (loss) before minority interests	1,669	(21,612)
Other comprehensive income		
Valuation difference on available-for-sale securities	74	46
Deferred gains or losses on hedges	(9)	(265)
Foreign currency translation adjustment	955	(868)
Remeasurements of defined benefit plans, net of tax	–	684
Total other comprehensive income	1,020	(402)
Comprehensive income	2,690	(22,015)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,474	(21,879)
Comprehensive income attributable to minority interests	216	(136)

(3) Consolidated quarterly statements of cash flows

(Unit: Millions of yen)

	Six-month period ended September 30, 2013 (April 1, 2013 to September 30, 2013)	Six-month period ended September 30, 2014 (April 1, 2014 to September 30, 2014)
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	2,216	(21,546)
Depreciation	2,468	2,372
Impairment loss	–	2,894
Business structure improvement expenses	–	18,791
Increase (decrease) in allowance for doubtful accounts	(56)	(1)
Increase (decrease) in provision for retirement benefits	500	–
Increase (decrease) in net defined benefit liability	–	986
Increase (decrease) in provision for business structure improvement	(573)	1,150
Increase (decrease) in other provision	(93)	(30)
Interest expenses	1,472	1,401
Loss (gain) on disposal of non-current assets	292	259
Loss (gain) on sales of investment securities	(275)	–
Increase (decrease) in dividends from liquidation of securities	(186)	–
Decrease (increase) in notes and accounts receivable-trade	4,972	1,482
Decrease (increase) in inventories	(2,889)	1,927
Increase (decrease) in notes and accounts payable-trade	(3,889)	(1,726)
Other, net	(619)	(502)
Subtotal	3,338	7,458
Interest and dividend income received	123	138
Interest expenses paid	(1,467)	(1,408)
Income taxes paid	(611)	(840)
Net cash provided by (used in) operating activities	1,383	5,348
Cash flows from investing activities		
Decrease (increase) in time deposits	9	5
Purchase of investment securities	(11)	(11)
Proceeds from sales of investment securities	759	–
Purchase of property, plant and equipment	(2,524)	(2,038)
Proceeds from sales of property, plant and equipment	14	0
Other, net	206	(205)
Net cash provided by (used in) investing activities	(1,545)	(2,249)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	518	(24,582)
Proceeds from long-term loans payable	27,431	50
Repayment of long-term loans payable	(21,240)	(4,054)
Proceeds from issuance of common shares	–	37,218
Other, net	(184)	(74)
Net cash provided by (used in) financing activities	6,525	8,557
Effect of exchange rate change on cash and cash equivalents	157	(35)
Net increase (decrease) in cash and cash equivalents	6,520	11,620
Cash and cash equivalents at beginning of period	19,636	19,557
Cash and cash equivalents at end of period	26,157	31,177

(4) Notes on quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable

(Notes on significant changes in shareholders' equity)

In conjunction with the payment of funds related to the issuance of class shares through a private placement on July 31, 2014, a resolution (the amount of capital stock, decrease in the amount of legal capital surplus and legal retained earnings, and disposal of surplus), which was passed at a regular shareholders meeting held on June 27, 2014, took effect. Accordingly, the Company transferred the funds as follows:

(1) Increase in capital stock, etc. by the issuance of class shares

Increase in capital stock: 18,749 million yen

Increase in legal capital surplus: 18,749 million yen

(2) Decrease in capital stock, etc.

Decrease in capital stock: 44,947 million yen

Decrease in legal capital surplus: 23,134 million yen

Increase in other capital surplus: 68,082 million yen

Decrease in legal retained earnings: 1,506 million yen

Increase in retained earnings brought forward: 1,506 million yen

(3) Disposal of surplus

Decrease in other capital surplus: 7,806 million yen

Decrease in general reserve: 1,150 million yen

Increase in retained earnings brought forward: 8,956 million yen

(Segment information)

Segment Information

I. 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.

II. Six-month period ended September 30, 2014 (April 1, 2014 to September 30, 2014)

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	32,300	7,596	32,504	72,400	5,222	77,623	–	77,623
Inter-segment sales or transfers	28	29	102	159	716	876	(876)	–
Total	32,328	7,625	32,606	72,560	5,938	78,499	(876)	77,623
Segment income	3,033	936	228	4,198	154	4,352	(1,229)	3,123

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

2. Adjustment of (1,229) million yen for *Segment income* includes corporate expenses that are not allocated to each reportable segment.

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

4. Supplementary Information

1. Results and earnings forecast for fiscal year ending March 2015 (consolidated)

(Millions of yen)

			Net sales	Operating income	Ordinary income	Net income
Consolidated	FY ended March 2013	Full year	160,190	5,519	3,853	(10,875)
	FY ended March 2014	Q2	78,307	3,119	2,255	1,648
		Full year	162,686	6,799	4,713	583
	FY ending March 2015	Q2	77,623	3,123	2,120	(21,613)
		Full year (forecast)	165,000	8,000	6,000	(37,000)
	Comparison with prior year	Q2		(684)	4	(134)
Full year			2,313	1,200	1,286	(37,583)

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 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 ended March 2014 (Results)	Net sales to outside customers	65,523	14,855	68,170	14,136	–	162,686
		Component ratio (%)	40.3	9.1	41.9	8.7	–	100.0
		Operating income	6,839	1,903	424	798	(3,166)	6,799
		Component ratio (%)	100.6	28.0	6.2	11.7	(46.6)	100.0
Results for current fiscal year	1st six-month period ended September 2014 (Results)	Net sales to outside customers	32,300	7,596	32,504	5,222	–	77,623
		Component ratio (%)	41.6	9.8	41.9	6.7	–	100.0
		Operating income	3,033	936	228	154	(1,229)	3,123
		Component ratio (%)	97.1	30.0	7.3	4.9	(39.4)	100.0
Comparison with prior year	1st six-month period ended September 2014 (Results)	Net sales to outside customers	(187)	425	(20)	(901)	–	(684)
		Increase/decrease from prior year (%)	(0.6)	5.9	(0.1)	(14.7)	–	(0.9)
		Operating income	(172)	61	370	(311)	55	4
		Increase/decrease from prior year (%)	(5.4)	7.0	–	(66.9)	(4.4)	0.1

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 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 ended March 2014	Full year	4,995	4,936	3,881	164,552	(2,768)	4,513
1st six-month period ended September 2014	Q2	2,378	2,267	1,973	135,902	(1,263)	4,571

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 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
FY ended March 2014	Full year	6,839	(4,103)	(3,053)	19,557
1st six-month period ended September 2014	Q2	5,348	(2,249)	8,557	31,177