

Summary of Consolidated Financial Statements

For Second Quarter of Fiscal Year Ending March 31, 2010

November 6, 2009

Listed Exchanges: TSE, OSE

Name of Listed Company: Ishihara Sangyo Kaisha, Ltd.

Code: 4028 URL <http://www.iskweb.co.jp>

Representative: (Title) President (Name) Kenzo Oda

Contact: (Title) Director (Name) Yoshinari Terakawa Tel +81-6-6444-1850

Scheduled date of securities report submission: November 12, 2009

Scheduled date of dividend payment commencement: —

(Any amount less than one million yen is rounded down to the nearest million yen or nil.)

1. Consolidated Financial Results for 1st half of Fiscal Year Ended March 31, 2010 (April 1, 2009 to September 30, 2009)

(1) Consolidated Operating 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	%
1 st half 2009	47,376	-21.8	-1,211	—	-3,247	—	-2,388	—
1 st half 2008	60,572	—	1,730	—	122	—	-722	—

	Net income per share	Net income per share after full dilution
	Yen	Yen
1 st half 2009	-5.96	—
1 st half 2008	-1.87	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	millions of yen	millions of yen	%	Yen
As of September 30 2009	175,066	43,847	25.0	109.46
As of March 31 2008	163,805	45,372	27.7	113.25

(Reference) Equity capital - as of September 30, 2009: 43,815 million yen, as of March 31, 2009: 45,339 million yen

2. Dividends

(Record date)	Dividends per share				
	June 30 (Q1-end)	September 30 (Q2-end)	December 31 (Q3-end)	March 31 (Year-end)	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2009	—	0.00	—	0.00	0.00
Year ended March 31, 2010	—	0.00	—	—	—
Year ending March 31, 2010 (Forecast)	—	—	—	0.00	0.00

(Note) Modification in the dividend forecast for current quarter: No modification

3. Forecast for Consolidated Results for the Full Year Ending March 31, 2010 (April 1, 2009 - March 31, 2010)

(Percentages represent forecasted changes from the previous year for the full year results, and forecasted changes from the same period in the previous year for the interim results.)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	Yen
Full year	105,000	0.3	4,300	-20.1	1,200	-59.1	-700	—	-1.74

(Note) Modification in forecasts of consolidated operating results for current quarter: Modified

4. Other information

- (1) Significant changes in subsidiaries during the period
(changes in specified subsidiaries resulting in the change in consolidation scope): No change
New inclusion to consolidation ___ companies (specifically, _____)
Exclusion from consolidation ___ companies (specifically, _____)
- (2) Adoption of simplified accounting treatment and special accounting treatment for quarterly consolidated financial statements: Not adopted
- (3) Changes in accounting principles, procedures, and the method of presentation associated with the preparation of consolidated financial statements (matters to be included in the section, Changes in Basic Important Matters for Preparation of Consolidated Financial Statements)
 - 1) Changes due to revisions of accounting standards etc. : Adopted
 - 2) Changes other than those defined in 1) above : Not adopted
- (4) Issued shares (common shares)
 - 1) Issued shares as of period-end (including repurchased treasury shares)

As of September 30, 2009: 403,839,431 shares	As of March 31, 2009: 403,839,431 shares
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 - 2) Number of shares of treasury stock as of period-end

As of September 30, 2009: 3,546,700 shares	As of March 31, 2009: 3,515,620 shares
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 - 3) Average number of outstanding shares during period

1 st half of 2009: 400,295,531 shares	1 st half of 2008: 386,735,976 shares
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Notes on proper use of forecast and other matters

The forecast of financial results presented in this document is the result of management's assessment based upon currently available assumptions, prospects and plans for the future. Actual results and dividend payments may differ from these forecasts, due to risks and uncertain factors, such as the global economy, competition, and foreign currency fluctuations.

5. Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Unit: millions of yen)

Account Category	Notes	As of September,2009	As of March,2009 (summary)
ASSETS			
Current Assets			
Cash and deposits		17,058	12,681
Notes and accounts receivable – trade		27,721	23,332
Inventories		—	—
Merchandise and finished goods		19,527	22,714
Work in process		14,602	7,699
Raw materials and supplies		10,945	11,173
Deferred tax assets		2,991	3,302
Other		4,513	5,827
Allowance for doubtful accounts		-290	-289
Total current assets		97,069	86,441
Noncurrent Assets			
Property, plant and equipment			
Machinery, equipment net		22,263	21,596
Other, net		32,681	34,132
Total property, plant and equipment		54,945	55,729
Intangible assets			
Goodwill		58	70
Other		243	193
Total intangible assets		301	264
Investments and other assets			
Investments securities		5,301	5,473
Deferred tax assets		16,898	15,323
Other		633	662
Allowance for doubtful accounts		-64	-69
Allowance for investments and other assets		-19	-19
Total investments and other assets		22,749	21,370
Total noncurrent assets		77,996	77,363
Total Assets		175,066	163,805

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Account Category	Notes	As of September,2009	As of March,2009 (summary)
LIABILITIES			
Current Liabilities			
Notes and accounts payable – trade		19,186	14,481
Short-term loans payable		40,134	38,316
Income taxes payable		310	516
Reserve for loss from Ferosilt removal		4,187	4,926
Reserve for other		853	742
Other		16,593	13,313
Total current liabilities		81,265	72,297
Noncurrent Liabilities			
Long-term loans payable		21,831	16,971
Provision for retirement benefits		7,494	7,185
Reserve for loss from Ferosilt removal		11,076	12,316
Reserve for other		400	489
Long-term deposits received		6,498	6,793
Other		2,652	2,378
Total noncurrent liabilities		49,953	46,135
Total Liabilities		131,219	118,433
NET ASSETS			
Shareholder's equity			
Capital stock		43,420	43,420
Capital surplus		10,625	10,625
Retained earnings		-7,385	-4,998
Treasury stock		-661	-656
Total shareholder's equity		45,998	48,391
Valuation and translation adjustments			
Valuation difference on available-for-sale securities		33	-42
Deferred gains or losses on hedges		10	-1
Foreign currency translation adjustment		-2,260	-3,038
Pension liabilities adjustment for overseas subsidiaries		32	29
Total valuation and translation adjustments		-2,183	-3,051
Minority interests		32	32
Total net assets		43,847	45,372
Total Liabilities and Net Assets		175,066	163,805

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(2) Consolidated Statements of Income

(Unit: millions of yen)

Account Category	Notes	1 st half of 2008 (April 1, 2008 to September 30, 2008)	1 st half of 2009 (April 1, 2009 to September 30, 2009)
Net sales		60,572	47,376
Cost of sales		48,175	39,003
Gross profit		12,396	8,372
Selling, general and administrative expenses		10,666	9,584
Operating income		1,730	-1,211
Non-operating income			
Interest income		87	11
Dividends income		17	31
Rental income		—	—
Foreign exchange gains		—	—
Other		246	149
Total non-operating income		351	193
Non-operating expenses			
Interest expenses		924	818
Equity in losses of affiliates		346	279
Foreign exchange losses		6	539
Other		681	592
Total non-operating expenses		1,959	2,229
Ordinary income		122	-3,247
Extraordinary income			
Gain from prior period adjustment		—	—
Gain from insurance		136	48
Gain from withdrawal from reserve for litigation liabilities		427	—
Gain from reversal of provision for repairs		186	—
Other		141	14
Total extraordinary income		891	149
Extraordinary loss			
Loss on disposal of non-current assets		142	263
Other		4	33
Total extraordinary loss		147	296
Income before income taxes		866	-3,394
Income taxes		440	249
Income taxes – deferred		147	—
Income taxes adjustment		1,002	-1,253
Total income taxes		1,589	-1,004
Minority interests in income		-0	-2
Net income or net loss (-)		-722	-2,388

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(3) Statement of Consolidated Cash Flows

(Unit: millions of yen)

Account Category	Notes	1 st half of 2008 (April 1, 2008 to September 30, 2008)	1 st half of 2009 (April 1, 2009 to September 30, 2009)
Net cash used in operating activities			
Income before income taxes		866	-3,394
Depreciation and amortization		2,602	2,741
Impairment loss		—	23
Increase (decrease) in allowance for doubtful accounts		-42	0
Increase (decrease) in provisions for retirement benefits and directors' retirement benefits		219	240
Increase (decrease) in reserve for loss from Ferosilt removal		-5,695	-1,979
Increase (decrease) in other provisions		-162	110
Interest and dividends income		-105	-43
Interest expenses		924	818
Foreign exchange losses (gains)		-77	89
Equity in (earnings) losses of affiliates		350	279
Loss (gain) on disposal of noncurrent assets		66	78
Decrease (increase) in notes and accounts receivable-trade		-5,775	-3,855
Decrease (increase) in inventories		2,243	-3,073
Decrease (increase) in other current assets		401	701
Increase (decrease) in notes and accounts payable-trade		1,218	4,109
Increase (decrease) in other current liabilities		2,148	3,245
Other		-132	-52
Total		-950	41
Interest and dividends income received		107	43
Interest expenses paid		-943	-795
Gains insurance paid		136	48
Income taxes paid		-455	-296
Net cash used in operating activities		-2,106	-957
Net cash used in investment activities			
Payments into time deposits		-20	-20
Proceeds from withdrawal of time deposits		20	20
Purchase of short-term and long term investment securities		-806	-6
Purchase of property, plant and equipment		-2,620	-1,207
Proceeds from sales of property, plant and equipment		272	167
Payments of loans receivable		-262	-83
Collection of loans receivable		309	128
Proceeds from distribution of residual property		—	21
Others		0	0
Net cash used in investment activities		-3,108	-980

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Account Category	Notes	1 st half of 2008 (April 1, 2008 to September 30, 2008)	1 st half of 2009 (April 1, 2009 to September 30, 2009)
Net cash provided by financing activities			
Net increase (decrease) in short-term loans payable		-1,166	767
Proceeds from long term loans payable		2,630	10,373
Repayment of long-term loans payable		-4,756	-4,526
Proceeds from issuance of common stock		2,784	—
Repayments of lease obligations		-205	-312
Proceeds from assignment of private power generation facilities		6,922	—
Repayment of deposits received		-128	-264
Net decrease (increase) in treasury stock		-17	-4
Net cash provided by financing activities		6,061	6,033
Effect of exchange rate change on cash and cash equivalents		-78	86
Net increase (decrease) in cash and cash equivalents		769	4,181
Cash and cash equivalents at period-beginning		28,373	12,648
Increase in cash and cash equivalents resulting from merger		149	—
Balance of cash and cash equivalents at period end		29,291	16,830

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6. Segment Information

(1) Business Segment Information

1st half of Fiscal 2008 (April 1, 2008 to September 30, 2008)

(Unit: millions of yen)

	Inorganic Chemicals	Organic Chemicals	Construction	Other Businesses	Total	Elimination/Corporate	Consolidated
Sale							
(1) Sales to external customers	26,743	29,293	3,999	536	60,572	-	60,572
(2) Intersegment sales and transfers	-	-	2,097	856	2,954	(2,954)	-
Total	26,743	29,293	6,096	1,393	63,526	(2,954)	60,572
Operating income (loss)	-1,705	4,540	203	21	3,060	(1,329)	1,730

1st half of Fiscal 2009 (April 1, 2009 to September 30, 2009)

(Unit: millions of yen)

	Inorganic Chemicals	Organic Chemicals	Construction	Other Businesses	Total	Elimination/Corporate	Consolidated
Sales							
(1) Sales to external customers	21,846	23,421	1,652	454	47,376	-	47,376
(2) Intersegment sales and transfers	-	-	1,358	418	1,777	(1,777)	-
Total	21,846	23,421	3,011	873	49,153	(1,777)	47,376
Operating income (loss)	-1,760	1,777	-112	67	-27	(1,184)	-1,211

(Note) 1. Business segments are defined considering similarity of product types, production methods and markets. Major products and businesses dealt with by each business segment are as follows:

- (1) Inorganic Chemicals Titanium dioxide and functional materials, electronic materials, and other inorganic chemicals
- (2) Organic Chemicals Agrochemicals (weed killers, insecticides, disinfectants, etc.), organic intermediates and active pharmaceutical ingredients
- (3) Construction Construction
- (4) Other Businesses Trading companies, etc.

(2) Geographical Segment Information

1st half of Fiscal x2008 (April 1, 2008 to September 30, 2008)

(Unit: millions of yen)

	Japan	Asia	Americas	Europe	Total	Elimination/Corporate	Consolidated
Sales							
(1) Sales to external customers	32,991	5,110	2,398	20,071	60,572	-	60,572
(2) Intersegment sales and transfers	14,202	2,182	11	89	16,484	(16,484)	-
Total	47,193	7,292	2,410	20,160	77,057	(16,484)	60,572
Operating income (loss)	2,867	-727	2	749	2,892	(1,161)	1,730

1st half of Fiscal 2009 (April 1, 2009 to September 30, 2009)

(Unit: millions of yen)

	Japan	Asia	Americas	Europe	Total	Elimination/Corporate	Consolidated
Sales							
(1) Sales to external customers	27,990	3,472	2,318	13,594	47,376	-	47,376
(2) Intersegment sales and transfers	7,988	2,308	1	59	10,357	(10,357)	-
Total	35,978	5,781	2,320	13,653	57,733	(10,357)	47,376
Operating income(loss)	-632	-5	78	864	305	(1,516)	-1,211

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(Note) 1. Grouping of countries and regions is based on the geographical proximity and relevance of businesses. Countries and regions included in each geographical segment are as follows, excluding Japan:

- (1) Asia : Singapore and Taiwan
- (2) Americas: United States of America
- (3) Europe : Belgium, France and Spain

(3) Overseas Sales

1st half of Fiscal 2008 (April 1, 2008 to September 30, 2008)

	Asia	Americas	Europe	Other	Total
I Overseas sales (in millions of yen)	11,645	6,023	20,951	222	38,842
II Consolidated sales (in millions of yen)					60,572
III Ratio of overseas sales to total consolidated sales (%)	19.2	9.9	34.6	0.4	64.1

1st half of Fiscal 2009 (April 1, 2009 to September 30, 2009)

	Asia	Americas	Europe	Other	Total
I Overseas sales (in millions of yen)	9,180	5,252	14,551	128	29,113
II Consolidated sales (in millions of yen)					47,376
III Ratio of overseas sales to total consolidated sales (%)	19.4	11.1	30.7	0.3	61.5

(Note) 1. Grouping of countries and regions is based on the geographical proximity and relevance of businesses. Countries and regions included in each geographical segment are as follows, excluding Japan:

- (1) Asia : China, Taiwan, South Korea, Thailand, Indonesia, and Singapore
- (2) Americas: United States of America, Canada, Brazil, Argentina, and Mexico
- (3) Europe : Germany, Netherlands, France, the United Kingdom, Belgium, Italy, and East Europe and Middle East regions
- (4) Other : Australia, New Zealand and Africa

- 2. Overseas sales represent sales made by the Company and its consolidated subsidiaries in other countries and regions excluding Japan