

Summary of Consolidated Financial Statements for Fiscal Year Ending March 31, 2009

May 15, 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: June 26, 2009 Scheduled date of securities report submission: June 29, 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 Fiscal Year Ended March 31, 2009 (April 1, 2008 to March 31, 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	%
FY ended March 31, 2009	104,661	-10.8	5,384	-66.4	2,933	-77.8	-422	—
FY ended March 31, 2008	117,278	10.5	16,012	26.0	13,206	19.4	2,642	—

	Net income per share	Net income per share after full dilution	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY ended March 31, 2009	-1.07	—	-0.9	1.7	5.1
FY ended March 31, 2008	6.87	—	5.7	7.1	13.7

(Reference) Equity in earnings (losses) of affiliates:

FY ended March 31, 2009: 364 million yen, FY ended March 31, 2008: 439 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	millions of yen	millions of yen	%	Yen
FY ended March 31, 2009	163,805	45,372	27.7	113.25
FY ended March 31, 2008	177,407	46,813	26.4	121.65

(Reference) Equity capital: FY ended March 31, 2009: 45,339 million yen, FY ended March 31, 2008: 46,775 million yen

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow 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, 2009	-7,325	-8,265	745	12,648
FY ended March 31, 2008	-2,203	-2,745	-8,788	28,373

2. Dividends

(Record date)	Dividends per share					Total dividends paid (annual)	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	June 30 (Q1-end)	September 30 (Q2-end)	December 31 (Q3-end)	March 31 (Year-end)	Annual			
	Yen	Yen	Yen	Yen	Yen	millions of yen	%	%
Year ended March 31, 2008	—	—	—	—	0.00	—	—	—
Year ended March 31, 2009	—	—	—	—	0.00	—	—	—
Year ending March 31, 2010 (Forecast)	—	—	—	—	0.00	—	—	—

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
Interim (First 2Qs)	52,000	-14.2	200	-88.4	-1,600	—	-1,100	—	-2.75
Full year	112,000	7.0	6,800	26.3	3,800	29.5	1,400	—	3.50

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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) 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

(3) Issued shares (common shares)

1) Issued shares as of period-end (including repurchased treasury shares)

FY ended March 31, 2009: 403,839,431 shares FY ended March 31, 2008: 387,839,431 shares

2) Number of shares of treasury stock as of period-end

FY ended March 31, 2009: 3,515,620 shares FY ended March 31, 2008: 3,345,349 shares

(Note) Regarding the number of shares, the basis for calculation of consolidated net income per share, please refer to *Per Share Information* on page 43.

(Reference) Summary of Non-Consolidated Operating Results

1. Non-Consolidated Financial Results for Fiscal Year Ended March 31, 2009 (April 1, 2008 to March 31, 2009)

(1) Non-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	%
FY ended March 31, 2009	78,595	-11.4	5,792	-57.1	3,464	-69.6	1,977	461.2
FY ended March 31, 2008	88,708	7.7	13,514	25.2	11,407	21.5	352	—

	Net income per share		Net income per share after full dilution	
	Yen	Yen	Yen	Yen
FY ended March 31, 2009	5.02	—	—	—
FY ended March 31, 2008	0.91	—	—	—

(2) Non-Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	Net assets per share
	millions of yen	millions of yen	millions of yen	millions of yen	%	Yen
FY ended March 31, 2009	151,393	44,596	44,596	29.5	29.5	111.39
FY ended March 31, 2008	156,322	40,221	40,221	25.7	25.7	103.79

(Reference) Equity capital: FY ended March 31, 2009: 44,596 million yen, FY ended March 31, 2008: 40,221 million yen

2. Forecast for Non-Consolidated Financial Results for Fiscal Year Ending March 31, 2010 (April 1, 2009 to 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
Interim (First 2Qs)	34,000	-12.1	0	-100.0	-1,600	—	-1,100	—	-2.75
Full year	83,000	5.6	5,600	-3.3	2,700	-22.1	1,500	-24.1	3.75

* 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	Previous consolidated FY (March 31, 2008)	Current consolidated FY (March 31, 2009)
ASSETS			
Current Assets			
Cash and deposits		28,393	12,681
Notes and accounts receivable – trade		30,320	23,332
Inventories		34,307	–
Merchandise and finished goods		–	22,714
Work in process		–	7,699
Raw materials and supplies		–	11,173
Deferred tax assets		7,103	3,302
Other		3,377	5,827
Allowance for doubtful accounts		–437	–289
Total current assets		103,065	86,441
Noncurrent Assets			
Property, plant and equipment			
Buildings and structures		49,364	49,159
Accumulated depreciation	*1	–29,325	–29,610
Buildings and structures (net)		20,038	19,549
Machinery, equipment and vehicles		121,763	117,815
Accumulated depreciation	*1	–98,265	–96,187
Machinery, equipment and vehicles (net)		23,497	21,627
Land		6,411	6,326
Leased assets		–	3,438
Accumulated depreciation	*1	–	–784
Leased assets (net)		–	2,654
Construction in progress		3,711	4,564
Other		5,226	4,986
Accumulated depreciation	*1	–4,420	–3,979
Other (net)		806	1,007
Total property, plant and equipment	*2, 3	54,465	55,729
Intangible asset			
Goodwill		437	70
Leased assets		–	14
Other		149	179
Total intangible assets		587	264
Investments and other assets			
Investment securities	*2, 4	4,764	5,473
Long-term loans receivable		296	108
Deferred tax assets		13,651	15,323
Other		645	553
Allowance for doubtful accounts		–69	–69
Allowance for investment loss		–	–19
Total investments and other assets		19,289	21,370
Total noncurrent assets		74,341	77,363
Total Assets		177,407	163,805

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Account Category	Notes	Previous consolidated FY (March 31, 2008)	Current consolidated FY (March 31, 2009)
LIABILITIES			
Current Liabilities			
Notes and accounts payable – trade		18,415	14,481
Short-term loans payable	*2	29,240	25,665
Current portion of long-term loans payable	*2	9,593	12,651
Lease obligations		—	500
Income taxes payable		573	516
Accrued expenses		5,054	4,043
Provision for bonuses		584	566
Provision for repairs		176	—
Provision for sales returns		—	95
Provision for loss on construction contracts		—	18
Reserve for loss from Ferosilt removal		14,019	4,926
Reserve for implementation of environmental and safety arrangements		180	62
Other	*3	4,459	8,769
Total current liabilities		82,298	72,297
Noncurrent Liabilities			
Long-term loans payable	*2	24,709	16,971
Lease obligations		—	1,237
Deferred tax liabilities		318	299
Long-term deposits received	*3	—	6,793
Provision for retirement benefits		6,894	7,185
Provision for directors' retirement benefits		90	89
Reserve for loss from Ferosilt removal		12,990	12,316
Reserve for implementation of environmental and safety arrangements		400	400
Other		2,890	842
Total noncurrent liabilities		48,294	46,135
Total Liabilities		130,593	118,433
NET ASSETS			
Shareholder's equity			
Capital stock		42,028	43,420
Capital surplus		9,231	10,625
Retained earnings		-4,672	-4,998
Treasury stock		-632	-656
Total shareholder's equity		45,955	48,391
Valuation and translation adjustments			
Valuation difference on available-for-sale securities		289	-42
Deferred gains or losses on hedges		—	-1
Foreign currency translation adjustment		495	-3,038
Pension liabilities adjustment for overseas subsidiaries		35	29
Total valuation and translation adjustments		820	-3,051
Minority interests		38	32
Total net assets		46,813	45,372
Total Liabilities and Net Assets		177,407	163,805

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(2) Consolidated Statements of Income

(Unit: millions of yen)

Account Category	Notes	Previous consolidated FY (April 1, 2007 to March 31, 2008)	Current consolidated FY (April 1, 2008 to March 31, 2009)
Net sales		117,278	104,661
Cost of sales	*1, 3	78,945	77,698
Gross profit		38,333	26,963
Selling, general and administrative expenses	*2, 3	22,320	21,578
Operating income		16,012	5,384
Non-operating income			
Interest income		243	161
Dividends income		79	91
Equity in earnings of affiliates		439	364
Other		359	339
Total non-operating income		1,121	957
Non-operating expenses			
Interest expenses		1,938	1,775
Loss on disposal of inventories		62	—
Retirement benefit expenses		430	430
Foreign exchange losses		948	408
Other		548	794
Total non-operating expenses		3,928	3,408
Ordinary income		13,206	2,933
Extraordinary income			
Gain from prior period adjustment		54	101
Gain on sale of investment securities		1,336	0
Reversal of allowance for loss from Ferosilt removal		27	14
Gain on insurance adjustment		826	134
Gain from withdrawal from reserve for litigation liabilities	*4	—	427
Gain from reversal of provision for repairs		—	186
Insurance coverage of legal fees		—	112
Other		10	55
Total extraordinary income		2,255	1,031
Extraordinary loss			
Loss on disposal of non-current assets		352	389
Impairment loss		30	172
Loss on valuation of investment securities		352	134
Provision of allowance for loss from Ferosilt removal		8,739	—
Provision of allowance for implementation of environmental and safety arrangements		580	—
Loss due to charges at disposal site	*5	—	352
Other		166	134
Total extraordinary loss		10,222	1,182
Income before income taxes		5,240	2,782
Income taxes		866	993
Income taxes for prior periods	*6	—	142
Income taxes – deferred		1,726	2,065
Total income taxes		2,592	3,201
Minority interests in income		4	3
Net income or net loss (-)		2,642	-422

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(3) Statement of Changes in Net Assets

(Unit: millions of yen)

Account Category	Previous consolidated FY (April 1, 2007 to March 31, 2008)	Current consolidated FY (April 1, 2008 to March 31, 2009)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	42,028	42,028
Changes of items during period		
Issuance of new shares	—	1,392
Total changes of items during period	—	1,392
Balance at period end	42,028	43,420
Capital surplus		
Balance at the end of previous period	8,594	9,231
Changes of items during period		
Issuance of new shares	—	1,392
Disposal of treasury stock	—	1
Increase by merger	637	—
Total changes of items during period	637	1,393
Balance at period end	9,231	10,625
Retained earnings		
Balance at the end of previous period	-7,314	-4,672
Changes of items during period		
Net income or net loss (-)	2,642	-422
Disposal of treasury stock	-0	—
Increase by merger	—	96
Total changes of items during period	2,642	-325
Balance at period end	-4,672	-4,998
Treasury stock		
Balance at the end of previous period	-32	-632
Changes of items during period		
Purchase of treasury stock	-38	-25
Disposal of treasury stock	1	1
Increase by merger	-563	—
Total changes of items during period	-600	-23
Balance at period end	-632	-656
Total shareholders' equity		
Balance at the end of previous period	43,275	45,955
Changes of items during period		
Issuance of new shares	—	2,784
Net income or net loss (-)	2,642	-422
Purchase of treasury stock	-38	-25
Disposal of treasury stock	1	3
Increase by merger	73	96
Total changes of items during period	2,680	2,435
Balance at period end	45,955	48,391

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Account Category	Previous consolidated FY (April 1, 2007 to March 31, 2008)	Current consolidated FY (April 1, 2008 to March 31, 2009)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	1,973	289
Changes of items during period		
Net changes of items other than shareholders' equity	-1,683	-331
Total changes of items during period	-1,683	-331
Balance at period end	289	-42
Deferred gains or losses on hedges		
Balance at the end of previous period	3	—
Changes of items during period		
Net changes of items other than shareholders' equity	-3	-1
Total changes of items during period	-3	-1
Balance at period end	—	-1
Foreign currency translation adjustment		
Balance at the end of previous period	192	495
Changes of items during period		
Net changes of items other than shareholders' equity	303	-3,533
Total changes of items during period	303	-3,533
Balance at period end	495	-3,038
Adjustment for projected benefit obligation of an overseas subsidiary		
Balance at the end of previous period	—	35
Changes of items during period		
Net changes of items other than shareholders' equity	35	-5
Total changes of items during period	35	-5
Balance at period end	35	29
Total valuation and translation adjustments		
Balance at the end of previous period	2,168	820
Changes of items during period		
Net changes of items other than shareholders' equity	-1,348	-3,871
Total changes of items during period	-1,348	-3,871
Balance at period end	820	-3,051
Minority interests		
Balance at the end of previous period	248	38
Changes of items during period		
Net changes of items other than shareholders' equity	-210	-5
Total changes of items during period	-210	-5
Balance at period end	38	32

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Account Category	Previous consolidated FY (April 1, 2007 to March 31, 2008)	Current consolidated FY (April 1, 2008 to March 31, 2009)
Total net assets		
Balance at the end of previous period	45,692	46,813
Changes of items during period		
Issuance of new shares	—	2,784
Net income or Net loss (-)	2,642	-422
Purchase of treasury stock	-38	-25
Disposal of treasury stock	1	3
Increase by merger	73	96
Net changes of items other than shareholders' equity	-1,558	-3,877
Total changes of items during period	1,121	-1,441
Balance at period end	46,813	45,372

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(4) Statement of Consolidated Cash Flows

(Unit: millions of yen)

Account Category	Notes	Previous consolidated FY (April 1, 2007 to March 31, 2008)	Current consolidated FY (April 1, 2008 to March 31, 2009)
Net cash used in operating activities			
Income before income taxes		5,240	2,782
Depreciation and amortization		5,023	5,275
Impairment loss		30	172
Increase (decrease) in allowance for doubtful accounts		6	-128
Increase (decrease) in provisions for retirement benefits and directors' retirement benefits		146	327
Increase (decrease) in reserve for loss from Ferosilt removal		-4,847	-9,765
Increase (decrease) in provision for implementation of environmental and safety arrangements		580	-117
Increase (decrease) in other provisions		—	-114
Interest and dividends income		-322	-253
Interest expenses		1,938	1,775
Foreign exchange losses (gains)		179	273
Equity in (earnings) losses of affiliates	*2	-338	-207
Loss (gain) on disposal of noncurrent assets		116	215
Loss (gain) on sale of investment securities		-1,336	-0
Loss (gain) on valuation of investment securities		352	134
Decrease (increase) in notes and accounts receivable-trade		2,395	4,799
Decrease (increase) in inventories		-3,480	-9,480
Decrease (increase) in other current assets		-302	416
Increase (decrease) in notes and accounts payable-trade		-1,571	-645
Increase (decrease) in other current liabilities		-3,122	-57
Other		-712	-126
Total		-26	-4,726
Interest and dividends income received		321	229
Interest expenses paid		-1,980	-1,749
Proceeds from insurance income		705	134
Income taxes paid		-1,224	-1,213
Net cash used in operating activities		-2,203	-7,325
Net cash used in investment activities			
Payments into time deposits		-20	-20
Proceeds from withdrawal of time deposits		100	20
Purchase of short-term and long term investment securities		-792	-1,313
Proceeds from sale and redemption of short-term and long term investment securities		2,730	0
Purchase of property, plant and equipment		-5,352	-7,542
Proceeds from sales of property, plant and equipment		328	483
Payments of loans receivable		-152	-51
Collection of loans receivable		267	158
Proceeds from distribution of residual property		7	—
Proceeds from capital reduction with compensation		138	—
Net cash used in investment activities		-2,745	-8,265

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Account Category	Notes	Previous consolidated FY (April 1, 2007 to March 31, 2008)	Current consolidated FY (April 1, 2008 to March 31, 2009)
Net cash provided by financing activities			
Net increase (decrease) in short-term loans payable		711	-3,486
Proceeds from long term loans payable		1,260	5,223
Repayment of long-term loans payable		-10,723	-9,840
Proceeds from issuance of common stock		—	2,784
Repayments of lease obligations		—	-453
Proceeds from assignment of private power generation facilities		—	6,927
Repayment of deposits received		—	-386
Net decrease (increase) in treasury stock		-36	-22
Net cash provided by financing activities		-8,788	745
Effect of exchange rate change on cash and cash equivalents		-139	-1,029
Net increase (increase) in cash and cash equivalents		-13,875	-15,873
Cash and cash equivalents at period-beginning		42,249	28,373
Increase in cash and cash equivalents resulting from merger		—	149
Balance of cash and cash equivalents at period end	*1	28,373	12,648

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6. Segment Information

(1) Business Segment Information

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

(Unit: millions of yen)

	Inorganic Chemicals	Organic Chemicals	Construction	Other Businesses	Total	Elimination/Corporate	Consolidated
I. Net sales and operating gain (loss)							
Sales							
(1) Sales to external customers	59,410	48,892	7,763	1,211	117,278	-	117,278
(2) Intersegment sales and transfers	-	-	5,276	3,206	8,482	-8,482	-
Total	59,410	48,892	13,039	4,418	125,760	-8,482	117,278
Operating expenses	56,706	33,769	11,897	4,201	106,573	-5,308	101,265
Operating income	2,703	15,123	1,142	216	19,187	-3,174	16,012
II. Assets, depreciation and amortization, and capital expenditures							
Assets	73,520	43,386	7,847	3,694	128,448	48,958	177,407
Depreciation and amortization	3,815	689	70	35	4,609	165	4,775
Capital expenditures	4,341	1,210	150	31	5,733	-283	5,450

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

(Unit: millions of yen)

	Inorganic Chemicals	Organic Chemicals	Construction	Other Businesses	Total	Elimination/Corporate	Consolidated
I. Net sales and operating gain (loss)							
Sales							
(1) Sales to external customers	47,305	50,191	6,153	1,011	104,661	-	104,661
(2) Intersegment sales and transfers	-	-	7,400	1,272	8,673	-8,673	-
Total	47,305	50,191	13,554	2,283	113,335	-8,673	104,661
Operating expenses	52,257	38,343	12,145	2,192	104,939	-5,661	99,277
Operating income or operating loss (-)	-4,951	11,848	1,408	90	8,396	-3,011	5,384
II. Assets, depreciation, impairment loss, and capital expenditure							
Assets	69,751	43,451	10,729	917	124,849	38,956	163,805
Depreciation and amortization	4,021	750	102	5	4,880	153	5,033
Impairment loss	172	-	-	-	172	-	172
Capital expenditures	6,612	1,658	439	2	8,712	-401	8,311

(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. Operating expenses that could not be allocated to specific segments are included in the "Elimination or Corporate" column and amount to 3,121 and 2,769 million yen for the previous and current consolidated fiscal years, respectively. Most of these are expenses related to the administration division at the head office of the parent company.

3. Corporate assets included in the "Elimination or Corporate" column amount to 52,953 and 40,214 million yen for the previous and current consolidated fiscal years, respectively. These consist primarily of the company's cash and time deposits and investments in securities (cash and marketable securities) and long-term investments (investments in securities) at the head office of the parent company and assets related to the administration division.

4. Changes in accounting treatment

(Adoption of Accounting Standards for Valuation of Inventories)

As described in Chapter 4, Section (1) of *Basic Important Matters for Preparation of Consolidated Financial Statements*, from the current consolidated fiscal year, the Company has adopted the *Accounting Standards for Valuation of Inventories* (ASBJ Statement No. 9 issued on July 5, 2006). As a result, operating loss in the *Inorganic Chemical business* increased by 1,276 million yen and operating income in the *Organic Chemicals business* decreased by 213 million yen for the current consolidated fiscal year, compared to those under the previous method.

(Change in useful life of property, plant and equipment)

As described in Chapter 4, Section (2) of *Basic Important Matters for Preparation of Consolidated Financial Statements*, the Company and its domestic consolidated subsidiaries have changed the useful life of property, plant and equipment from mainly nine (9) years to eight (8) years with the revisions of the Corporate Tax Act in FY 2008. As a result, operating loss in the *Inorganic Chemical Business* increased by 222 million yen and operating income in the *Organic Chemicals business* decreased by 4 million yen for the current consolidated fiscal year, compared to those under the previous method.

(2) Geographical Segment Information

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

(Unit: millions of yen)

	Japan	Asia	Americas	Europe	Total	Elimination/ Corporate	Consolidated
I. Net sales and operating gain (loss)							
Sales							
(1) Sales to external customers	75,575	10,679	4,293	26,729	117,278	-	117,278
(2) Intersegment sales and transfers	32,685	5,212	28	150	38,076	-38,076	-
Total	108,261	15,891	4,321	26,880	155,354	-38,076	117,278
Operating expenses	90,463	15,491	4,496	26,511	136,962	-35,696	101,265
Operating income or operating loss (-)	17,797	400	-174	369	18,392	-2,379	16,012
II. Assets	117,281	20,183	3,779	14,488	155,732	21,674	177,407

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

(Unit: millions of yen)

	Japan	Asia	Americas	Europe	Total	Elimination/ Corporate	Consolidated
I. Net sales and operating gain (loss)							
Sales							
(1) Sales to external customers	63,892	8,844	3,922	28,002	104,661	-	104,661
(2) Intersegment sales and transfers	29,609	4,664	24	123	34,422	-34,422	-
Total	93,502	13,508	3,947	28,126	139,084	-34,422	104,661
Operating expenses	84,906	14,433	4,077	27,743	131,161	-31,883	99,277
Operating income or operating loss (-)	8,595	-925	-129	382	7,923	-2,538	5,384
II. Assets	121,930	15,660	2,742	10,326	150,659	13,145	163,805

(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

2. Operating expenses that could not be allocated to specific segments are included in the “Elimination or Corporate” column and amount to 3,121 and 2,769 million yen for the previous and current consolidated fiscal years, respectively. Most of these are expenses related to the administration division at the head office of the parent company.
3. Corporate assets included in the “Elimination or Corporate” column amount to 52,953 and 40,214 million yen for the previous and current consolidated fiscal years, respectively. These consist primarily of surplus operating funds (cash and marketable securities) and long-term investments (investments in securities) at the head office of the parent company and assets related to the administration division.
4. Changes in accounting treatment
(Adoption of Accounting Standards for Valuation of Inventories)
As described in Chapter 4, Section (1) of *Basic Important Matters for Preparation of Consolidated Financial Statements*, from the current consolidated fiscal year, the Company has adopted the *Accounting Standards for Valuation of Inventories* (ASBJ Statement No. 9 issued on July 5, 2006). As a result, operating income in the *Japan segment* decreased by 1,491 million yen for the current consolidated fiscal year compared to that under the previous method.

(Change in useful life of property, plant and equipment)

As described in Chapter 4, Section (2) of *Basic Important Matters for Preparation of Consolidated Financial Statements*, the Company and its domestic consolidated subsidiaries have changed the useful life of property, plant and equipment from mainly nine (9) years to eight (8) years with the revision of the Corporate Tax Act in FY 2008. As a result, operating income in the *Japan segment* decreased by 226 million yen for the current consolidated fiscal year compared to that under the previous method.

(3) Overseas Sales

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

	Asia	Americas	Europe	Other	Total
I Overseas sales (in millions of yen)	26,994	10,243	28,684	516	66,438
II Consolidated sales (in millions of yen)					117,278
III Ratio of overseas sales to total consolidated sales (%)	23.0	8.7	24.5	0.5	56.7

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

	Asia	Americas	Europe	Other	Total
I Overseas sales (in millions of yen)	21,917	9,813	29,454	423	61,609
II Consolidated sales (in millions of yen)					104,661
III Ratio of overseas sales to total consolidated sales (%)	20.9	9.4	28.2	0.4	58.9

- (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.

7. Per Share Information

Previous consolidated fiscal year (April 1, 2007 to March 31, 2008)	Current consolidated fiscal year (April 1, 2008 to March 31, 2009)
Net assets per share 121.65 yen	Net assets per share 113.25 yen
Earnings per share 6.87 yen	Net loss per share 1.07 yen
Information on diluted earnings per share is not given since there are no potential ordinary shares.	Information on diluted earnings per share is not given since there are no potential ordinary shares.

(Note) Basis for calculation

(1) Net assets per share

	At end of previous consolidated FY (March 31, 2008)	At end of current consolidated FY (March 31, 2009)
Total net assets on consolidated balance sheet (million yen)	46,813	45,372
Amount deducted from total net assets on consolidated balance sheet: Minority interests (million yen)	38	32
Net assets attributable to common stock at the end of consolidated fiscal year (million yen)	46,775	45,339
Number of shares of common stock used as basis for calculation of net assets per share (1,000 shares)	384,494	400,323

(2) Earnings per share or net loss per share

	Previous consolidated fiscal year (April 1, 2007 to March 31, 2008)	Current consolidated fiscal year (April 1, 2008 to March 31, 2009)
Net income or net loss (million yen)	2,642	-422
Amount not attributable to common stock (million yen)	-	-
Net income or net loss attributable to common stock (million yen)	2,642	-422
Average number of shares of common stock during period (1,000 shares)	384,501	393,023

(Stock options, etc.)

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

Not applicable

(Significant events subsequent to balance sheet date)

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

Not applicable

8. Non-Consolidated Financial Statements, etc.
(1) Balance Sheet

(Unit: millions of yen)

Account Category	Previous fiscal year (March 31, 2008)	Current fiscal year (March 31, 2009)
ASSETS		
Current Assets		
Cash and deposits	21,798	9,650
Notes receivable – trade	648	484
Accounts receivable – trade	29,626	26,730
Merchandise and finished goods	9,341	13,888
Work in process	2,847	3,022
Raw materials and supplies	6,855	6,948
Prepaid expenses	257	216
Deposits paid	1,007	332
Deferred tax assets	6,719	2,883
Short-term loans receivable	1,782	4,609
Other	1,193	1,316
Allowance for doubtful accounts	-472	-444
Total current assets	81,605	69,638
Noncurrent Assets		
Property, plant and equipment		
Buildings (net)	13,062	13,179
Structures (net)	2,220	2,345
Machinery and equipment, net	17,678	18,309
Vehicles (net)	19	22
Tools, furniture and fixtures (net)	495	795
Land	4,385	5,224
Leased assets (net)	–	710
Construction in progress	3,035	3,986
Total property, plant and equipment	40,897	44,574
Intangible assets		
Software	29	76
Leased assets	–	14
Other	76	57
Total intangible assets	105	147
Investments and other assets		
Investment securities	2,491	1,968
Stocks of subsidiaries and affiliates	18,851	20,935
Long-term loans receivable	166	–
Long-term loans receivable from employees	105	92
Long-term loans receivable from subsidiaries and affiliates	44	–
Long-term prepaid expenses	238	251
Deferred tax assets	11,266	13,710
Other	604	127
Allowance for doubtful accounts	-53	-53
Total investments and other assets	33,713	37,032
Total noncurrent assets	74,716	81,754
Total Assets	156,322	151,393

Account Category	Previous fiscal year (March 31, 2008)	Current fiscal year (March 31, 2009)
LIABILITIES		
Current Liabilities		
Notes payable – trade	1,371	1,631
Accounts payable – trade	11,792	8,314
Short-term loans payable	24,650	24,250
Current portion of long-term loans payable	9,414	11,764
Lease obligations	–	182
Accounts payable – other	2,598	4,445
Accrued expenses	3,786	3,097
Income taxes payable	87	58
Deposits received	87	3,166
Provision for bonuses	388	404
Provision for repairs	176	–
Reserve for loss from Ferosilt removal	14,019	4,926
Reserve for implementation of environmental and safety arrangements	180	62
Notes payable – facilities	1,839	1,463
Other	961	865
Total current liabilities	71,354	64,634
Noncurrent Liabilities		
Long-term loans payable	24,469	16,128
Lease obligations	–	581
Long-term deposits received	–	6,124
Provision for retirement benefits	5,690	5,975
Reserve for loss from Ferosilt removal	12,990	12,316
Reserve for implementation of environmental and safety arrangements	400	400
Other	1,196	634
Total noncurrent liabilities	44,746	42,162
Total Liabilities	116,101	106,797
NET ASSETS		
Shareholder's equity		
Capital stock	42,028	43,420
Capital surplus		
Legal capital surplus	7,763	9,155
Other capital surplus	637	639
Total capital surplus	8,400	9,794
Retained earnings		
Legal retained earnings	269	269
Other retained earnings		
Reserve for special depreciation	425	–
Retained earnings brought forward	-11,117	-8,714
Total retained earnings	-10,422	-8,445
Treasury stock	-69	-159
Total shareholder's equity	39,938	44,610
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	283	-14
Total valuation and translation adjustments	283	-14
Total net assets	40,221	44,596
Total Liabilities and Net Assets	156,322	151,393

(2) Statements of Income

(Unit: millions of yen)

Account Category	Previous fiscal year (April 1, 2007 to March 31, 2008)	Current fiscal year (April 1, 2008 to March 31, 2009)
Net sales	88,708	78,595
Cost of sales	59,516	58,061
Gross profit	29,192	20,534
Selling, general and administrative expenses	15,677	14,741
Operating income	13,514	5,792
Non-operating income		
Interest income	148	122
Dividends income	865	464
Rent income	102	191
Other	216	161
Total non-operating income	1,332	939
Non-operating expenses		
Interest expenses	1,758	1,657
Loss on disposal of inventories	51	–
Retirement benefit expenses	426	426
Foreign exchange losses	855	573
Other	347	610
Total non-operating expenses	3,439	3,268
Ordinary income	11,407	3,464
Extraordinary income		
Gain from prior period adjustment	52	21
Gain on sale of investment securities	1,329	–
Gain on extinguishment of tie-in shares	639	249
Gain from withdrawal from reserve for litigation liabilities	–	427
Gain from reversal of provision for repairs	–	186
Compensation for legal fees	–	112
Other	119	–
Total extraordinary income	2,141	997
Extraordinary loss		
Loss on disposal of non-current assets	304	346
Impairment loss	28	–
Loss on valuation of investment securities	352	109
Loss on valuation of stocks of subsidiaries and affiliates	2,010	–
Provision of allowance for loss from Ferosilt removal	8,739	–
Provision of allowance for implementation of environmental and safety arrangements	580	–
Loss from burden charge for former site of disposal facilities	–	352
Expenses of disposing organic residues	–	95
Other	50	2
Total extraordinary loss	12,064	906
Income before income taxes	1,484	3,555
Income taxes	19	18
Income taxes – deferred	1,112	1,559
Total income taxes	1,132	1,578
Net income	352	1,977

(3) Statement of Changes in Net Assets

(Unit: millions of yen)

Account Category	Previous fiscal year (April 1, 2007 to March 31, 2008)	Current fiscal year (April 1, 2008 to March 31, 2009)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	42,028	42,028
Changes of items during period		
Issuance of new shares	–	1,392
Total changes of items during period	–	1,392
Balance at period end	42,028	43,420
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	7,763	7,763
Changes of items during period		
Issuance of new shares	–	1,392
Total changes of items during period	–	1,392
Balance at the end of previous period	7,763	9,155
Other capital surplus		
Balance at the end of previous period	–	637
Changes of items during period		
Disposal of treasury stock	–	1
Increase by merger	637	–
Total changes of items during period	637	1
Balance at period end	637	639
Total capital surplus		
Balance at the end of previous period	7,763	8,400
Changes of items during period		
Issuance of new shares	–	1,392
Disposal of treasury stock	–	1
Increase by merger	637	–
Total changes of items during period	637	1,393
Balance at period end	8,400	9,794
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	269	269
Balance at period end	269	269

Account Category	Previous fiscal year (April 1, 2007 to March 31, 2008)	Current fiscal year (April 1, 2008 to March 31, 2009)
Other retained earnings		
Reserve for special depreciation		
Balance at the end of previous period	510	425
Changes of items during period		
Provision of reserve for special depreciation	0	-
Reversal of reserve for special depreciation	-85	-425
Total changes of items during period	-85	-425
Balance at period end	425	-
Retained earnings brought forward		
Balance at the end of previous period	-11,554	-11,117
Changes of items during period		
Provision of reserve for special depreciation	-0	-
Reversal of reserve for special depreciation	85	425
Net income	352	1,977
Disposal of treasury stock	-0	-
Total changes of items during period	437	2,402
Balance at period end	-11,117	-8,714
Total retained earnings		
Balance at the end of previous period	-10,774	-10,422
Changes of items during period		
Net income	352	1,977
Disposal of treasury stock	-0	-
Total changes of items during period	352	1,977
Balance at period end	-10,422	-8,445
Treasury stock		
Balance at the end of previous period	-32	-69
Changes of items during period		
Purchase of treasury stock	-38	-25
Disposal of treasury stock	1	1
Increase by merger	-	-66
Total changes of items during period	-36	-90
Balance at period end	-69	-159

Account Category	Previous fiscal year (April 1, 2007 to March 31, 2008)	Current fiscal year (April 1, 2008 to March 31, 2009)
Total shareholder's equity		
Balance at the end of previous period	38,985	39,938
Changes of items during period		
Issuance of new shares	-	2,784
Net income	352	1,977
Purchase of treasury stock	-38	-25
Disposal of treasury stock	1	3
Increase by merger	637	-66
Total changes of items during period	952	4,672
Balance at period end	39,938	44,610
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	1,841	283
Changes of items during period		
Changes of items during period (net) other than shareholders' equity	-1,558	-297
Total changes of items during period	-1,558	-297
Balance at period end	283	-14
Total valuation and translation adjustments		
Balance at the end of previous period	1,841	283
Changes of items during period		
Changes of items during period (net) other than shareholders' equity	-1,558	-297
Total changes of items during period	-1,558	-297
Balance at period end	283	-14
Total net assets		
Balance at the end of previous period	40,827	40,221
Changes of items during period		
Issuance of new shares	-	2,784
Net income	352	1,977
Purchase of treasury stock	-38	-25
Disposal of treasury stock	1	3
Increase by merger	637	-66
Changes of items during period (net) other than shareholders' equity	-1,558	-297
Total changes of items during period	-605	4,374
Balance at period end	40,221	44,596

(4) Notes regarding the going concern assumption

Not applicable