

February 5, 2010  
Kuraray Co., Ltd.

## Consolidated Earnings Report for the Third Quarter of the Fiscal Year Ending March 31, 2010

Name of listed company: Kuraray Co., Ltd.  
Stock code: 3405  
Stock exchange listings: Tokyo and Osaka, first sections  
URL: <http://www.kuraray.co.jp>

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Scheduled date for submitting quarterly report: February 10, 2010

(Millions of yen rounded down unless otherwise stated)

### 1. Consolidated Financial Results for Third Quarter of the Fiscal Year Ending March 31, 2010 (April 1, 2009 to December 31, 2009)

#### (1) Business Performance (Cumulative)

(Percentages displayed for net sales, operating income, ordinary income and net income are comparisons with the corresponding period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
		(Change)		(Change)		(Change)		(Change)
Fiscal 2009 3Q	242,653	(19.6)%	19,576	(30.0)%	18,649	(27.7)%	12,145	(24.6)%
Fiscal 2008 3Q	301,847	—	27,956	—	25,794	—	16,113	—

	Net Income per Share (¥)	Fully Diluted Net Income per Share (¥)
Fiscal 2009 3Q	34.88	34.85
Fiscal 2008 3Q	46.27	46.22

**(2) Financial Position (Consolidated)**

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
As of December 31, 2009	498,984	332,380	66.0	945.24
As of March 31, 2009	471,874	325,016	68.2	924.48

(Reference)

Shareholders' equity: As of December 31, 2009      ¥329,146 million  
As of March 31, 2009                                      ¥321,918 million

**2. Dividends**

(Yen)

Record Date	Cash Dividends per Share				
	Jun. 30, 2009	Sept. 30, 2009	Dec. 31, 2009	Mar. 31, 2010	Annual
Fiscal 2008	—	12.00	—	10.00	22.00
Fiscal 2009	—	8.00	—		
Fiscal 2009 (Forecast)				8.00	16.00

Note: Revision to quarterly cash dividend forecast: No

**3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2010 (April 1, 2009 to March 31, 2010)**

(Percentages displayed for net sales, operating income, ordinary income and net income are comparisons with the corresponding period of the previous fiscal year)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Full Fiscal Year	330,000 (12.4)	28,000 (4.4)	26,500 (1.1)	14,000 (7.8)	40.21

Note: Revisions to quarterly forecasts of consolidated financial results: Yes

For details, please refer to “3. Qualitative Information Regarding Consolidated Performance Forecasts” on page 5 under “Qualitative Information and Financial Statements.”

**4. Other in Qualitative Information and Financial Statements****(1) Changes in Important Subsidiaries during the Period (Changes in Special Subsidiaries Involving Changes in the Scope of Consolidation)**

No

**(2) Adoption of the Simplified Accounting Method and Special Accounting Practices in the Preparation of Quarterly Consolidated Financial Statements**

Applied

(Note: Please refer to “4. Others” on page 6 under “Qualitative Information and Financial Statements.”)

**(3) Changes in Accounting Principles, Procedures and Presentation**

**Methods in Connection with the Preparation of Quarterly Consolidated Financial Statements**

(Recorded under “Changes in Important Items Considered Fundamental to the Preparation of Quarterly Consolidated Financial Statements”)

1. Changes in accordance with revisions to accounting standards and related practices: No
2. Changes in items other than 1. above: No

**(4) Number of Shares Issues and Outstanding (Common Shares)**

1. Number of shares issued and outstanding (including treasury stock) as of the period-end:

As of December 31, 2009	382,863,603 shares
As of March 31, 2009	382,863,603 shares
2. Number of treasury stock as of the period-end:

As of December 31, 2009	34,647,533 shares
As of March 31, 2009	34,647,544 shares
3. Average number of shares for the period:

As of December 31, 2009	348,214,099 shares
As of December 31, 2008	348,241,255 shares

## Qualitative Information and Financial Statements

### 1. Qualitative Information and Overview of Consolidated Business Results

#### [1] Overview

The operating environment in the cumulative nine-month period (April 1, 2009 to December 31, 2009) under review remains unpredictable, even though after the “Lehman shock,” the worst is behind us, and we are heading toward recovery. While Kuraray product demand is on a recovery track as a whole, the degree of recovery varies depending on the business. Despite the fact that LCD- and LED-related materials fared well in Asian markets, especially China, recovery of the fibers and textiles business have lagged behind.

Given these circumstances, in April, Kuraray initiated its “GS-Twins” action plan for venturing out into new growth as it seeks to become a specialty chemical company with a global presence, which is the aim of its 10-year corporate vision. We view the improvement of our profit structure as the most urgent and high-priority issue and are making an all-out Group effort to reduce capital expenditure, lower fixed costs and slash inventories.

As a result of the sluggish economy in the first half of the fiscal year, business performance in the period under review included a decline in net sales of 19.6% compared with the same period of the previous fiscal year to ¥242,653 million, operating income was down by 30.0% to ¥19,576 million, a drop in ordinary income of 27.7% to ¥18,649 million and net income that slumped by 24.6% to ¥12,145 million, marking declines in both revenue and earnings.

Nonetheless, while net sales did fall in the period under review, in terms of profit, results in each individual category more than doubled as measures now being taken to improve the profit structure bear fruit.

The cumulative nine-month period for the Company’s overseas subsidiaries runs from January 1, 2009 to September 30, 2009.

#### Consolidated Business Results (by quarter)

(¥million)

	Fiscal Year Ended March 31, 2009				Fiscal Year Ending March 31, 2010		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Sales	99,950	109,368	92,528	74,929	71,910	84,154	85,588
Operating Income	11,666	11,606	4,627	1,319	1,730	8,025	9,787
Ordinary Income	11,228	11,023	3,542	1,003	1,512	7,896	9,240
Net Income	6,535	6,872	2,705	(3,128)	138	5,082	6,923

#### [2] Results by Business Segment

## Chemicals and Resins

All businesses in the Chemicals and Resins segment rebounded steadily in Asian markets, including China. Although Europe and the United States remained sluggish during the first part of the period under review, they have recently been on a distinct recovery trend. As a result, sales were ¥147,688 million, down 19.4% year on year, and operating income totaled ¥29,188 million, down 13.8%.

- (1) In the poval business, revenue and earnings declined. Sales of poval resins for Asia including China rebounded for fiber and textile processing agents and adhesive applications and demand headed toward recovery in Europe in the latter part of the period under review. Demand for optical-use poval film rebounded to a level exceeding that of first half thanks to a recovery in demand for LCD panels. Sales of polyvinyl butyral (PVB) film remained sluggish in the construction market in Europe, but recently are on the road to recovery.
- (2) The EVOH resin business saw decreases in revenues and earnings. Demand in Asia grew, especially for automotive applications in China, and was brisk for food packaging applications in Japan. Demand continued to be sluggish for food packaging and automotive applications in the United States and Europe, but rebounded in the latter part of the period.
- (3) In the methacrylic resin business, revenues and earnings were also down. Demand for molding materials for PC light-guide plates rebounded and the export of monomers to China also recovered. Methacrylic resin sheet sales grew in such new applications as light-guide plates for LCD TVs equipped with LEDs in the backlighting device, but continued to be slack for commodity usage such as signboard applications in Japan.
- (4) In the isoprene business, revenue and earnings declined. Sales of *SEPTON* thermoplastic elastomers were firm in Japan and Asian markets, but did not fully rebound in the United States and Europe. Chemicals and fine chemicals staged a recovery in Japan and Asia.

## Fibers and Textiles

In the Fibers and Textiles segment, slack demand for *KURALON*, a mainstay product, and man-made leather had a profound impact, causing sales to decline 21.5% year on year to ¥58,745 million and an operating loss of ¥1,312 million (¥2,489 million in the same period of the previous year).

- (1) Although demand for *KURALON* for use in automotive brake hose applications was on a recovery track, demand for use as an asbestos substitute in FRC (fiber reinforced cement) was slow due to a slump in the construction field.
- (2) *CLARINO* man-made leather faced a continued severe slowdown for

interior applications in the United States and apparel in Europe. However, use for school bag applications remained stable, while new environment-friendly man-made leather made advances in footwear and other applications. This business segment is undergoing a drastic restructuring, while the Okayama Plant is migrating over to new environment-friendly processes, and production is being expanded at the joint-venture company in China.

- (3) The performance of nonwoven fabrics rallied with higher demand for hygienic materials including masks for protecting against new strains of influenza and resurging automotive applications. Hook and loop fasteners experienced weak demand on the back of distributor's inventory adjustments.
- (4) *VECTRAN* high-strength polyarylate fibers and textiles are showing signs of recovery in optical cable applications, but were weak overall. Demand for polyester materials remained slack in industrial applications.

### **High-Performance Materials, Medical Products and Others**

Although there are many comparatively stable businesses in this segment, due to the lackluster economy, sales in this segment declined 17.2% year on year to ¥36,218 million, and operating income slipped 8.4% to ¥2,441 million.

- (1) In the medical products business, dental materials sales volumes rallied thanks to brisk demand for new composite resins
- (2) Demand for *GENESTAR* heat-resistant polyamide resin grew in LED reflector applications used in TVs equipped with LEDs in the backlighting device.
- (3) The activated carbon business and other businesses remained steady.

Unallocatable operating expenses included in elimination or corporate decreased ¥335 million to ¥11,044 million.

### **[3] Performance by Geographic Segment**

#### **Japan**

Sales in Japan of optical-use poval film and *GENESTAR* LCD-related materials resurged, but the recovery of methacrylic resin for general-use goods, along with *KURALON* and *CLARINO* lagged behind. As a result, sales fell to ¥173,312 million.

#### **North America**

While sales of *EVAL* are on the road to recovery, *SEPTON* and *CLARINO* lacked momentum and the strength of the yen caused sales to slide to ¥16,318 million.

## Europe

Although PVA resin and *EVVAL* were on a recovery track, in the earlier part of the period under review, on the whole, there was a pronounced slump and the effects of a strong yen resulted in a fall in sales to ¥41,172 million.

## Asia

There was an upswing in poval resin sales, but sales dropped to ¥11,850 million, reflecting the slack earlier part of the period.

## 2. Qualitative Information Regarding Changes in Consolidated Financial Position

### Assets, Liabilities and Net Assets

Total assets increased ¥27,110 million from the end of the previous fiscal year to ¥498,984 million, owing to an increase in current assets. Total liabilities increased ¥19,745 million to ¥166,604 million owing to increases in debt. Net assets increased ¥7,364 million compared to the previous year, to ¥332,380 million. Shareholders' equity stood at ¥329,146 million, for an equity ratio of 66.0%.

### Cash Flows from Operating Activities

Net cash provided by operating activities increased ¥24,275 million to ¥57,599 million compared with the same period of the previous fiscal year. Major components included proceeds of income before income taxes and minority interests of ¥17,395 million, depreciation and amortization of ¥26,698 million and a decrease in inventories of ¥13,503 million. Net cash used in operating activities included an increase in notes and accounts receivable-trade of ¥8,049 million.

### Cash Flows from Investing Activities

Net cash used in investing activities amounted to ¥93,784 million. Major components included purchase of intangible and tangible fixed assets worth ¥17,414 million and a net increase in securities of ¥62,963 million.

### Cash Flows from Financing Activities

Net cash provided by financing activities amounted to ¥4,908. Major components included proceeds of ¥12,000 million for long-term debt and ¥6,267 million in dividends paid.

Consequently, as a result of a total of ¥31,276 in expenditures, cash and cash equivalents in the third quarter decreased ¥31,309 million from the end of the previous fiscal year to ¥14,848.

### 3. Qualitative Information Regarding Consolidated Performance Forecasts

With respect to forecasts for full-year earnings, compared to the forecast previously announced on November 5, 2009, we announced a favorable forecast for the poval resins and films, *EVVAL* and other businesses in the Chemicals and Resins segment. We also saw increased earnings, owing to the whole company's effect of measures taken to improve profit structure. Consequently, we are revising our forecasts as follows.

As for Revised net income, we take some possible special losses into account, which will occur along with other measures for improving profit structure.

#### Consolidated Revised Forecast for Fiscal Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (¥)
Previously announced forecast (A) (on Nov. 5.2009)	330,000	23,000	21,000	12,500	35.90
Revised forecast (B)	330,000	28,000	26,500	14,000	40.21
Difference (B – A)	0	+5,000	+5,500	+1,500	–
Change (%)	0.0	+21.7	+26.2	+12.0	–
Results of FY08, ended Mar.2009	376,777	29,280	26,797	12,984	37.29

Assumptions for the consolidated fourth quarter (January 1, 2010 to March 31, 2010) are as follows:

- Domestic naphtha price of ¥47,000/kl
- Average exchange rate of \$1.00/¥87, Euro/¥130

#### Nonconsolidated Revised Forecast for Fiscal Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (¥)
Previously	175,000	15,500	15,500	9,400	26.99



announced forecast (A) (on Nov. 5.2009)					
Revised forecast (B)	175,000	18,000	18,500	9,500	27.28
Difference (B – A)	0	+2,500	+3,000	+100	–
Change (%)	0.0	+16.1	+19.4	+1.1	–
Results of FY08, ended Mar.2009	182,242	15,270	16,423	6,719	19.29

#### 4. Others

**(1) Changes in Important Subsidiaries during the Period (Changes in Special Subsidiaries Involving Changes in the Scope of Consolidation):**

No

**(2) Adoption of the Simplified Accounting Method and Special Accounting Practices for Presenting Quarterly Consolidated Financial Statements:**

Yes

(i) Simplified accounting method

Tax expenses related to certain consolidated subsidiaries that have no significant impact on Kuraray's quarterly consolidated financial statements are calculated by multiplying income before income taxes and minority interests for the period under review by the effective income tax rate after the application of the tax effect accounting in the consolidated statements of income for the previous fiscal year.

(ii) Special accounting practices used in the preparation of quarterly consolidated financial statements

No

**(3) Changes in Accounting Principles, Procedures and Presentation Methods for the Preparation of Quarterly Consolidated Financial Statements**

No

## 5. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	December 31, 2009	March 31, 2009
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	28,600	37,527
Notes and accounts receivable	74,811	66,551
Marketable securities	62,972	9,499
Merchandise and finished goods	41,101	51,294
Work in process	9,243	10,145
Raw materials and supplies	9,882	12,112
Deferred tax assets	4,549	5,493
Others	6,681	9,248
Allowance for doubtful accounts	(511)	(514)
Total current assets	237,331	201,358
<b>Fixed Assets</b>		
Tangible fixed assets		
Buildings and structures (net)	34,508	34,832
Machinery and equipment (net)	99,235	102,536
Land	18,731	18,918
Construction in progress	15,939	21,188
Others (net)	3,083	3,544
Total tangible fixed assets	171,497	181,020
Intangible fixed assets		
Goodwill	18,539	19,684
Others	4,019	3,835
Total intangible fixed assets	22,558	23,520
Investments and other assets		
Investment securities	48,241	47,505
Long-term loans	1,376	983
Deferred tax assets	6,979	5,616
Prepaid pension expenses	6,752	7,128
Others	4,808	5,230
Allowance for doubtful accounts	(561)	(490)
Total investments and other assets	67,596	65,974
Total fixed assets	262,652	270,515
Total	498,984	471,874

(Millions of yen)

	December 31, 2009	March 31, 2009
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Notes and accounts payable	27,724	23,438
Short-term bank loans	17,753	18,464
Commercial paper	8,000	3,000
Accrued income taxes	4,600	684
Reserve for bonuses	3,412	5,753
Other reserves	220	377
Others	18,943	17,323
Total current liabilities	80,654	69,041
<b>Long-term liabilities</b>		
Corporate bonds	10,000	10,000
Long-term debt	46,654	39,280
Deferred tax liabilities	5,344	5,318
Accrued retirement benefits	14,591	13,933
Accrued retirement benefits for directors and auditors	168	171
Others	9,189	9,112
Total long-term liabilities	85,949	77,816
Total liabilities	166,604	146,858
<b>NET ASSETS</b>		
Shareholders' equity		
Capital	88,955	88,955
Additional paid-in capital	87,205	87,215
Retained earnings	199,854	193,977
Treasury stock	(40,897)	(40,903)
Total shareholders' equity	335,118	329,244
<b>Valuation and translation adjustments</b>		
Unrealized gain on revaluation of securities	3,045	2,825
Deferred gain on hedges	(64)	(156)
Foreign currency translation adjustments	(8,952)	(9,995)
Total valuation and translation adjustments	(5,971)	(7,326)
Stock subscription rights	186	109
Minority interests	3,047	2,988
Total net assets	332,380	325,016
Total liabilities and net assets	498,984	471,874

**(2) Quarterly Consolidated Statement of Income**

(Millions of yen)

	Fiscal 2008 3Q (April 1, 2008 – December 31, 2008)	Fiscal 2009 3Q (April 1, 2009 – December 31, 2009)
Net sales	301,847	242,653
Cost of sales	218,583	175,083
Gross profit	83,264	67,569
Selling, general and administrative expenses		
Selling expenses	15,628	12,518
General and administrative expenses	39,679	35,474
Total selling, general and administrative expenses	55,307	47,993
Operating income	27,957	19,576
Non-operating income		
Interest received	344	304
Dividends received	1,119	1,106
Equity gain of affiliates	–	52
Other, net	703	792
Total non-operating income	2,168	2,254
Non-operating expenses		
Interest paid	831	1,052
Equity in loss of affiliates	29	–
Other expenses	3,468	2,128
Total non-operating expenses	4,330	3,181
Ordinary income	25,794	18,649
Extraordinary income		
Gain on business transfer	–	657
Gain on sales of investment securities	1,264	–
Total extraordinary income	1,264	657
Extraordinary expenses		
Extraordinary loss from structural improvements	–	1,115
Write down of investment securities	645	618
Loss on valuation of investment securities	62	177
Write-down of inventories	1,153	–
Loss on disposal of property, plant and equipment	107	–
Total extraordinary expenses	1,968	1,911
Income before income taxes and minority interests	25,089	17,395
Current income taxes	5,260	5,840
Deferred income taxes	3,586	(676)
Total income taxes	8,846	5,164
Minority interests in net income of consolidated subsidiaries	129	86
Net income	16,113	12,145

**(3) Quarterly Consolidated Statement of Cash Flows**

(Millions of yen)

	Fiscal 2008 3Q (April 1, 2008 – December 31, 2008)	Fiscal 2009 3Q (April 1, 2009 – December 31, 2009)
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	25,089	17,395
Depreciation and amortization	27,056	26,698
Loss on disposal of property, plant and equipment	107	–
Impairment loss	645	618
Write-down of investment securities	(1,264)	–
Write-down of inventories	62	177
Decrease in notes and accounts receivable	1,153	–
<u>Gain on business transfer</u>	–	(657)
Decrease (increase) in notes and accounts receivable-trade	12,864	(8,049)
Increase in inventories	(14,847)	13,503
Decrease in notes and accounts payable	(3,759)	4,108
Other, net	(2,641)	2,782
Sub-total	44,466	56,576
Income taxes paid	(13,537)	–
Income taxes paid or refunded	–	589
Others	2,395	433
<b>Net cash provided by operating activities</b>	<b>33,323</b>	<b>57,599</b>
<b>Cash flows from investing activities</b>		
Net decrease (increase) in time deposits	–	(12,882)
Net decrease (increase) in marketable securities	–	(62,963)
Payments for acquisition of property, plant and equipment and intangible assets	(28,745)	(17,414)
Payment for purchase of investment securities	(3,989)	(580)
Proceeds from sales and redemption of marketable securities and investment securities	1,533	–
Other, net	(2,161)	57
<b>Net cash used in investing activities</b>	<b>(33,362)</b>	<b>(93,784)</b>
<b>Cash flows from financing activities</b>		
Increase in short-term bank loans	12,887	(5,443)
Increase in commercial paper	10,000	5,000
Proceeds from long-term debt	24,266	12,000
Dividends paid	(8,009)	(6,267)

Other, net	(453)	(379)
<b>Net cash provided by financing activities</b>	<b>38,691</b>	<b>4,908</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(928)</b>	<b>(33)</b>
<b>Net increase in cash and cash equivalents</b>	<b>37,724</b>	<b>(31,309)</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>12,189</b>	<b>46,157</b>
<b>Effect of changes in reporting entities</b>	<b>687</b>	<b>–</b>
<b>Cash and cash equivalents, end of the period</b>	<b>50,601</b>	<b>14,848</b>

#### **(4) Notes Regarding Going Concern Assumptions**

None

**(5) Segment Information****(i) Industrial segment information**

Third Quarter of Fiscal 2008 (April 1, 2008 to December 31, 2008)

(¥ million)

	Chemicals and resins	Fibers and textiles	High-Performance materials, medical products and others	Total	Eliminated on consolidation and corporate	Consolidated total
Net sales						
(1) Outside customers	183,253	74,827	43,766	301,847	—	301,847
(2) Inter-segment sales and transfers	148	436	7,206	7,791	(7,791)	—
Total	183,401	75,264	50,973	309,639	(7,791)	301,847
Operating income (loss)	33,843	2,489	2,666	38,999	(11,042)	27,956

Third Quarter of Fiscal 2009 (April 1, 2009 to December 31, 2009)

	Chemicals and resins	Fibers and textiles	High-Performance materials, medical products and others	Total	Eliminated on consolidation and corporate	Consolidated total
Net sales						
(1) Outside customers	147,688	58,745	36,218	242,653	—	242,653
(2) Inter-segment sales and transfers	124	362	5,203	5,690	(5,690)	—
Total	147,813	59,108	41,421	248,343	(5,690)	242,653
Operating income (loss)	29,188	(1,312)	2,441	30,317	(10,741)	19,576

Notes:

1. Industry segments are aggregated into three segments based upon the classification of sales.

2. Principal products by business:

(1) Chemicals and Resins: *Ponal* resin and film; PVB resin and film; ethylene vinyl alcohol polymer resin (*EVVAL*); isoprene; fine chemicals; methacrylate resin; processed resin products; and others(2) Fibers and Textiles: *KURALON*; man-made leather (*CLARINO*); dry-laid nonwoven fabric (*KURAFLEX*); hook and loop fastener (*MAGIC TAPE*); polyester; textiles; others

(3) High-Performance Materials, Medical Products and Others: medical products; high-performance materials; activated carbon; high-performance membrane; engineering services; others

**(ii) Geographical segment information**

Third Quarter of Fiscal 2008 (April 1, 2008 to December 31, 2008)

(¥ million)

	Japan	North America	Europe	Asia	Total	Elimination on consolidation and corporate	Consolidated
I Net sales and operating income							
Net sales							
(1) Outside customers	199,076	22,681	63,308	16,780	301,847	—	301,847
(2) Inter-segment	19,515	4,593	2,631	3,235	29,975	(29,975)	—
Total	218,591	27,274	65,940	20,016	331,823	(29,975)	301,847
Operating income (loss)	30,757	1,487	5,496	822	38,564	(10,607)	27,956

## Third Quarter of Fiscal 2009 (April 1, 2009 to December 31, 2009)

	Japan	North America	Europe	Asia	Total	Elimination on consolidation and corporate	Consolidated
I Net sales and operating income							
Net sales							
(1) Outside customers	173,312	16,318	41,172	11,850	242,653	—	242,653
(2) Inter-segment	15,852	2,589	1,877	1,062	21,381	(21,381)	—
Total	189,164	18,907	43,049	12,912	264,034	(21,381)	242,653
Operating income (loss)	27,726	1,080	1,482	51	30,341	(10,765)	19,576

Notes:

- The segmentation of country or region is based on the geographical proximity.
- Major countries and regions included in each category are as follows:
  - North America: United States of America
  - Europe: Germany and Belgium
  - Asia: Singapore and Hong Kong

## (iii) Foreign Sales

## First Quarter of Fiscal 2008 (April 1, 2008 to December 31, 2008)

(¥ million)

	North America	Europe	Asia	Other	Total
I Overseas sales	22,591	66,074	55,206	7,031	150,903
II Consolidated net sales	—	—	—	—	301,847
III Percentage of consolidated net sales (%)	7.5	21.9	18.3	2.3	50.0

## First Quarter of Fiscal 2009 (April 1, 2009 to December 31, 2009)

(¥million)

	North America	Europe	Asia	Other	Total
I Overseas sales	15,373	43,688	50,837	5,629	115,529
II Consolidated net sales	—	—	—	—	242,653
III Percentage of consolidated net sales (%)	6.3	18.0	21.0	2.3	47.6

Notes:

- The segmentation of country or region is based on the geographical proximity.
- Major countries and regions included in each category are as follows:
  - North America: United States of America and Canada



(2) Europe: Germany and United Kingdom

(3) Asia: South Korea and China

(4) Other: Latin America and Africa

3. Overseas sales represent the total of all the sales achieved outside Japan by the Company and its consolidated subsidiaries.

## **(6) Notes Regarding Substantial Changes in Shareholders' Equity**

None