

# Summary of Consolidated Financial Results

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## 1. Summary

### 1.1 Review

Profit of 2nd quarter was higher than 1st quarter. But, in spite of recovery of demands for electronics and benefits of yen undervaluation, it didn't reach initial forecast due to delay of price revision corresponding to higher cost in raw materials and electricity, temporary factor, upfront-expenditure of implementing the growth strategy, and other increasing costs. We estimate financial results is in line with fiscal year although there are differences in demand by segment.

### 1.2 The result of First Half and the forecast of fiscal year by segment

**Elastomers & Performance Plastics** : Since sales of acetylene black and styrene resins increased, sales were higher year-on-year (YOY). On the other hand, profit was lower YOY due to shutdown maintenance of styrene monomer plant and delay of price revision corresponding to higher cost in raw materials and electricity.

In fiscal year, we estimate profit will be higher than initial forecast because we would ensure the margin and there is no styrene monomer shutdown maintenance since 3rd quarter.

**Infrastructure & Inorganic Materials** : Although shipment of special cement additives increased, sales and profits were lower YOY because sales of cement and fertilizers are decreased.

We estimate earnings will be under initial forecast although shipment of special cement additives and cement will increase.

**Electronics & Innovative Products** : Both sales and profits were higher YOY because of expanded shipment of functional films, ALONBRIGHT (SiAlON Phosphor) and thermally conductive substrate owing to overall recovery of demands for electronics. We estimate sales of these products continue in succession to 1st half.

**Life Science & Environment Products** : Because shipment of healthcare products reduced temporarily such as macromolecular sodium hyaluronate and diagnostic reagents, both sales and profits at this segment were below YOY. However, we keep our forecasts of sales and profits since the demand increase for vaccine and diagnostic reagents related with influenza.

## 1. Consolidated Financial Results and Forecast

Billions of Yen

	FY2014 1st Half Apr to Sep	FY2013 1st Half Apr to Sep	Incr. △Decr.
Net Sales	186.9	181.4	5.5
Operating Income	9.4	10.5	△ 1.1
Ordinary Income	9.4	10.7	△ 1.2
Net Income	7.5	7.5	0.1

FY2014 Forecast Apr to Mar	FY2013 Actual Apr to Mar
400.0	376.8
25.0	21.2
23.5	20.6
18.0	13.6

## 2. Net Sales and Operating Income by segments

Billions of Yen

		FY2014 1st Half Apr to Sep	FY2013 1st Half Apr to Sep	Incr. △Decr.
Elastomers & Performance Plastics	Sales	84.1	79.7	4.4
	Operating Income	2.2	2.9	△ 0.7
Infrastructure & Inorganic Materials	Sales	23.3	23.7	△ 0.4
	Operating Income	1.4	2.2	△ 0.7
Electronics & Innovative Products	Sales	23.5	21.4	2.0
	Operating Income	2.5	1.3	1.2
Life Science & Environment Products	Sales	36.3	36.4	△ 0.1
	Operating Income	2.8	3.7	△ 0.9
Others	Sales	19.8	20.2	△ 0.4
	Operating Income	0.5	0.4	0.1
Companywide	Sales	-	-	-
	Operating Income	0.0	0.0	0.0
Total	Sales	186.9	181.4	5.5
	Operating Income	9.4	10.5	△ 1.1

FY2014 Forecast Apr to Mar	FY2013 Actual Apr to Mar
174.0	166.5
4.5	4.0
50.0	49.6
3.5	4.0
50.0	42.1
5.5	2.7
84.0	78.0
10.5	9.5
42.0	40.6
1.0	1.0
-	-
-	0.1
400.0	376.8
25.0	21.2

### 3. Key operating factors

Billions of Yen

	FY2014 1st Half Apr to Sep	FY2013 1st Half Apr to Sep	Incr. △Decr.	FY2014 Forecast Apr to Mar	FY2013 Actual Apr to Mar
	Capital expenditure	8.0	10.3	△ 2.3	28.0
Depreciation	11.4	10.9	0.5	23.0	22.3
Research and Development	5.6	5.5	0.2	11.4	10.8
Interest-bearing debt	130.1	127.5	2.6	1,250.0	120.7

  

	FY2014 1st Half Apr to Sep	FY2013 1st Half Apr to Sep	FY2014 Forecast Apr to Mar	FY2013 Actual Apr to Mar
	Yen / USD exchange rate	103.0	98.9	104.0
Naphtha price (yen/ KI)	70,350	64,950	67,000	67,300

### 4. Sales by segments

Billions of Yen

	Sales				
	FY2014 1st Half Apr to Sep	FY2013 1st Half Apr to Sep	Incr. △Decr.	Sales price	Sales volume
Elastomers & Performance Plastics	84.1	79.7	4.4	3.2	1.2
Infrastructure & Inorganic Materials	23.3	23.7	△ 0.4	0.2	△ 0.6
Electronics & Innovative Products	23.5	21.4	2.0	△ 0.3	2.3
Life Science & Environment Products	36.3	36.4	△ 0.1	0.2	△ 0.3
Others	19.8	20.2	△ 0.4	-	△ 0.4
Total	186.9	181.4	5.5	3.3	2.2

### 4. Operating income by segments

Billions of Yen

	Operating income					
	FY2014 1st Half Apr to Sep	FY2013 1st Half Apr to Sep	Incr. △Decr.	Sales price	Sales volume	Operating cost and others
Elastomers & Performance Plastics	2.2	2.9	△ 0.7	3.2	0.2	△ 4.1
Infrastructure & Inorganic Materials	1.4	2.2	△ 0.7	0.2	△ 0.2	△ 0.7
Electronics & Innovative Products	2.5	1.3	1.2	△ 0.3	2.3	△ 0.9
Life Science & Environment Products	2.8	3.7	△ 0.9	0.2	△ 0.4	△ 0.8
Others	0.5	0.4	0.1	-	0.1	△ 0.0
Companywide	0.0	0.0	0.0	-	-	0.0
Total	9.4	10.5	△ 1.1	3.3	2.1	△ 6.5