Financial Results for the Term Ended March 2011
(Japanese GAAP, Consolidated)

April 28, 2011

Name of Listed Company: **Kaneka Corporation** Stock Exchange Listings: Tokyo, Osaka, Nagoya

Code Number: 4118 URL http://www.kaneka.co.jp

Representative: Kimikazu Sugawara Title: President, Representative Director

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Scheduled date for Ordinary General Meeting of Shareholders : June 29, 2011 Scheduled date of dividend distribution : June 10, 2011

Scheduled date for submitting financial statements : June 29, 2011

Supplementary materials available on financial results: Yes

Financial results briefing: Yes (For Analysts)

Note: Figures have been rounded down to the nearest million yen.

1. Consolidated Business Performance for the Term Ended March 2011 (from April 1, 2010 to March 31, 2011)

(1) Consolidated business performance (% indicates year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Apr. 2010 – Mar. 2011	453,826	10.0	21,235	21.3	20,983	28.4	11,625	38.3
Apr. 2009 – Mar. 2010	412,490	(8.3)	17,505	130.2	16,341	179.6	8,406	—

(Reference) Comprehensive Income: ¥9,247 million (-25.8%) as of March 31, 2011, ¥12,472 million (—%) as of March 31, 2010

	Net income per share	Fully diluted net income per share	Return on equity	Ordinary Income – total assets ratio	Operating Income – sales ratio
	¥	¥	%	%	%
Apr. 2010 – Mar. 2011	34.28	34.26	4.6	4.7	4.7
Apr. 2009 – Mar. 2010	24.78	24.77	3.4	3.8	4.2

(Reference) Profit based on equity-method investment balance: ¥1,117 million as of March 31, 2011,
¥168 million as of March 31, 2010

Note1: No percentage change in net income is indicated, as the Company posted a net loss for the fiscal year ended March 31, 2009.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
Apr. 2010 – Mar. 2011	455,140	261,828	55.4	743.88
Apr. 2009 – Mar. 2010	432,879	257,174	57.6	735.17

(Reference) Shareholders' equity: ¥252,114 million as of March 31, 2011, ¥249,392 million as of March 31, 2010

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Outstanding balance of cash and cash equivalents as of the end of term
	¥ million	¥ million	¥ million	¥ million
Apr. 2010 – Mar. 2011	34,932	(34,933)	(4,342)	36,978
Apr. 2009 – Mar. 2010	57,412	(25,621)	(16,825)	40,513

2. Dividends

	Annual dividends					Total cash dividends (Annual)	Payout ratio (Consolidated)	Net asset payout ratio (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual			
	¥	¥	¥	¥	¥	¥ million	%	%
Apr. 2009 – Mar. 2010	—	8.00	—	8.00	16.00	5,428	64.6	2.2
Apr. 2010 – Mar. 2011	—	8.00	—	8.00	16.00	5,424	46.7	2.2
Apr. 2011 – Mar. 2012 (Forecasts)	—	8.00	—	8.00	16.00		41.7	

3. Forecast for consolidated business performance in the term ending March 31, 2012 (from April 1, 2011 to March 31, 2012)

(Percentage figures represent changes from the corresponding periods of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
First half	230,000	2.5	9,000	(13.9)	8,500	(21.3)	4,500	(28.4)	13.28
Full year	500,000	10.2	25,000	17.7	23,500	12.0	13,000	11.8	38.36

4. Other

(1) Changes in principal subsidiaries during the term
(Changes in the scope of consolidation of specific subsidiaries): No

(2) Changes in accounting principles, processes, presentation methods, etc.
1. Changes owing to revisions in accounting standards: Yes
2. Changes other than 1. above: No

(3) Number of shares outstanding (common stock)

1. Number of shares issued at the end of the period (including treasury stock):	March 31, 2011	350,000,000 shares	March 31, 2010	350,000,000 shares
2. Shares of treasury stock at the end of the period:	March 31, 2011	11,082,130 Shares	March 31, 2010	10,771,253 shares
3. Average number of shares during the period (calculated cumulatively from the beginning of the fiscal year)	March 31, 2011	339,103,298 shares	March 31, 2010	339,255,600 shares

(Reference): Overview of Non-Consolidated Operating Performance
For the Term Ended March 2011 (from April 1, 2010 to March 31, 2011)

(1) Non-consolidated business performance (% indicates year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Apr. 2010 – Mar. 2011	257,720	7.1	2,564	(32.6)	3,255	(48.3)	1,913	(43.3)
Apr. 2009 – Mar. 2010	240,724	(11.6)	3,802	72.2	6,293	105.9	3,374	—

	Net income per share	Fully diluted net income per share
	¥	¥
Apr. 2010 – Mar. 2011	5.64	5.64
Apr. 2009 – Mar. 2010	9.95	9.94

Note: Although the potential for stock dilution exists, fully diluted net income per share is not indicated here, as the Company posted a net loss for the fiscal year ended March 31, 2009.

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
Apr. 2010 – Mar. 2011	359,887	208,509	57.9	614.79
Apr. 2009 – Mar. 2010	353,596	213,658	60.4	629.46

(Reference) Shareholders' equity: ¥208,382 million as of March 31, 2011, and ¥213,548 million as of March 31, 2010

(Disclosure of Implementation Status of Review Procedures)
This report of financial results is outside the scope of the review procedures prescribed in the Financial Instruments and Exchange Act. As of the date of this report, the review procedures prescribed in the Financial Instruments and Exchange Act were not complete.

(Explanations or other items pertaining to appropriate use of operating results forecasts)
The operating results forecasts and certain other statements contained in this document are forward-looking statements, which are rationally determined based on information currently available to the company. For a variety of reasons, actual performance may differ substantially from these projections. For cautionary items used in operating results forecasts, please refer to the section entitled 1. Business Performance (1) Analysis of Business Performance 3) Performance Forecasts on page 5.

[Supplementary Materials]

Contents

1. Business Performance

(1) Analysis of Business Performance

1) Overview of Results for the Term Ended March 31, 2011

During the year under review, the global economy generally remained on a recovery track, supported by various countries' economic stimulus measures and economic growth in China and the rest of the Asia region, as well as in other emerging nations. This was despite uncertainties such as financial instability in Europe and recessionary concerns over the U.S. economy. The recovery gathered pace particularly in the second half of the fiscal year, driven by sustained growth in emerging nations and the improving European and U.S. economies. On the other hand, the risk of structural financial instability in Europe and the U.S. has yet to be dispelled. New sources of instability have appeared, such as geopolitical uncertainty in the Middle East and soaring resource prices. Consequently, the outlook for the global economy remains uncertain.

The Japanese economy showed a measure of improvement in domestic consumption, production and capital investment on the back of government economic stimulus measures and growth in exports primarily to Asia. However, employment conditions and income levels remain challenging. Combined with the persistently strong yen and surging resource prices, Japan's economy recovered only at a gradual pace. Furthermore, the Great East Japan Earthquake that struck on March 11, 2011 caused catastrophic damage mainly in the Tohoku and Kanto regions. The nuclear power station disaster, electricity shortages and supply chain disruptions also caused major problems. As a result, Japan's economy has been hit hard by the earthquake. Looking ahead, there are concerns over the risk of economic deterioration due to such factors as overseas economic developments and high resource prices, in addition to the effects of the earthquake. Consequently, the Japanese economy must be watched carefully going forward.

In this difficult environment, the Kaneka Group is investing management resources in key strategic fields, seeking to establish operations in the new areas of business we expect to drive growth and reinforcing their global development. We are also focusing on restructuring our businesses. Simultaneously, in existing business areas we are working to boost sales volumes and striving to enhance competitiveness by lowering manufacturing and overhead costs in a bid to recover profitability. In response to the Great East Japan Earthquake, the Kaneka Group set up an Earthquake Disaster Task Force within the company immediately after the disaster occurred. The Kaneka Group has worked to ensure the safety of all Group employees and related parties, while focusing on restoring operations at damaged production facilities, such as the Kashima Plant, as quickly as possible, in addition to ensuring the stable procurement of materials, supplies and other resources and rescheduling production and shipments. In this manner, the Kaneka Group is doing its utmost to minimize the effects of the earthquake on its business operations.

During the fiscal year ended March 31, 2011, the Kaneka Group reported higher consolidated sales and earnings. Net sales were ¥453,826 million (up 10.0% year on year), operating income was ¥21,235 million (up 21.3%) and ordinary income was ¥20,983 million (up 28.4%).

The Kaneka Group recorded net income of ¥11,625 million (up 38.3%). This was despite booking extraordinary losses such as a ¥1,220 million earthquake-related loss, comprising damages to production facilities caused by the Great East Japan Earthquake along with provisions to the allowance for doubtful accounts. Another extraordinary loss was a ¥518 million loss on revaluation of investment securities.

By segment, net sales increased year on year in every business segment. Operating income rose in the Chemicals, Expandable Plastics and Products, Life Science Products and Electronic Products segments. However, operating income declined in the Functional Plastics, Foodstuffs Products, Synthetic Fibers and Others segments.

2) Segment Trends

(Chemicals)

Supported by a recovery in demand from Japan and Asian markets, sales volumes for PVC resins were firm, and the Group also strove to adjust selling prices in line with rising raw materials costs, in addition to improving export prices. Meanwhile, domestic and overseas caustic soda prices were both low. Higher sales volume and price rises as well as cost reductions contributed to the performance in specialty PVC resins.

As a result of the abovementioned factors, segment sales increased ¥5,916 million (up 7.4%) compared with the preceding fiscal year, resulting in net sales of ¥85,467 million. The segment posted operating income of ¥2,763 million, increasing ¥840 million (up 43.7%) from the preceding fiscal year.

(Functional Plastics)

Market demand for modifiers recovered in Asia, Europe and the U.S., lifting sales volumes year on year. Meanwhile, the Group strove to differentiate its products and reduce costs, but was strongly impacted by higher raw materials costs and the strong yen, which led to lower earnings despite higher sales. Modified silicone polymers saw increased sales volumes as a result of recovering demand in Japan, and growing demand in Europe and the U.S., but were also impacted by rising raw materials costs and the strong yen, resulting in reduced earnings on higher sales.

As a result of the abovementioned factors, segment sales increased ¥8,856 million (up 14.5%) to ¥69,992 million. The segment posted operating income of ¥8,296 million, decreasing ¥743 million (down 8.2%) from the preceding fiscal year.

(Expandable Plastics and Products)

Sales of expandable polystyrene saw lackluster demand for agricultural and fishing industry applications. With raw materials costs increasing, the Group made a thoroughgoing effort to lower production costs and overheads, while adjusting selling prices. Sales volumes of extruded polystyrene foam boards increased due to growing demand in the domestic market for use as insulation material in construction, in turn driven by a recovery in housing starts and the introduction of a residential version of the “eco-point” system. Sales volumes for polyolefin foam by beads method increased in Asia and Europe.

As a result of the abovementioned factors, segment sales increased ¥4,265 million (up 7.8%) compared with the preceding fiscal year, resulting in net sales of ¥58,630 million. The segment posted operating income of ¥6,229 million, improving ¥1,080 million (up 21.0%) from the preceding fiscal year.

(Foodstuffs Products)

Reflecting consumer belt-tightening and increased preference for lower-priced items, demand for foodstuffs was lackluster. However, the Group recorded a year-on-year increase in sales volumes due to expansion of new product offerings and other efforts, and focused on generating earnings by reducing costs and through other means. However, the Group was affected by downward pressure on sales prices from intensifying competition and by rising raw materials costs.

As a result of the abovementioned factors, segment sales increased ¥4,000 million (up 3.3%) compared with the preceding fiscal year, resulting in net sales of ¥123,781 million. The segment posted operating income of ¥7,960 million, decreasing ¥923 million (down 10.4%) from the preceding fiscal year.

(Life Science Products)

Medical device sales and income increased, owing to steadily expanding sales from our intervention business. Sales and income from bulk and intermediate pharmaceuticals increased, due to higher sales volumes in overseas markets. In functional foodstuffs, the segment posted higher sales and income, despite a drop in the sales volume of pre-existing products. This result mainly reflected a steady increase in the sales volume of high-performance products primarily in the U.S. market, combined with the positive impact of cost reductions.

As a result of the abovementioned factors, segment sales rose ¥8,330 million (up 21.3%) compared with the preceding fiscal year, resulting in net sales of ¥47,517 million. The segment posted operating income of ¥9,279 million, representing a substantial ¥4,734 million increase (up 104.2%) from the preceding fiscal year.

(Electronic Products)

Although optical films experienced lackluster sales volume growth, sales volumes increased for ultra heat-resistant polyimide film in line with growing demand for use in smartphones and other applications. Solar cell sales volumes steadily increased in the Japanese market, along with growing exports to Asia. In the European market, however, sales volume fell owing to downward pressure on prices due to intensified competition.

As a result of the abovementioned factors, segment sales increased ¥4,750 million (up 13.0%) compared with the preceding fiscal year, resulting in net sales of ¥41,225 million. However, the segment posted an operating loss of ¥5,815 million, ¥883 million less than in the preceding fiscal year.

(Synthetic Fibers and Others)

Bolstered by growth in overseas demand, synthetic fiber sales volumes increased. At the same time, the Kaneka Group strove to generate profits by augmenting our high-value-added product lineup and curtailing costs. However, the segment was heavily affected by the yen's appreciation and increased raw materials costs. In other products, sales decreased, but profits increased.

As a result of the abovementioned factors, segment sales increased ¥5,217 million (up 23.7%) compared with the preceding fiscal year, resulting in net sales of ¥27,211 million. The segment posted operating income of ¥787 million, decreasing ¥657 million (down 45.5%) from the preceding fiscal year.

(International Sales)

During the year under review, total exports rose and overseas subsidiaries posted higher sales on the back of economic recovery in Asia, Europe and North America. As a result, international sales increased 17.9% year on year to ¥160,824 million. As a percentage of net sales, international sales came to 35.4%, compared with 33.1% in the preceding year.

3) Performance Forecasts for the Year Ending March 31, 2012

The outlook for the world economy is highly uncertain, particularly with regard to economic trends in the U.S., European nations and other developed countries as well as in China and other emerging nations. The effects of the major earthquake in Japan are also clouding the outlook. This uncertainty makes it difficult to accurately forecast future shifts in the business environment. Under these circumstances, the Kaneka Group is redoubling its efforts to shore up its sales and income generation capacity and accelerating its initiatives targeting business structure reform.

Our performance forecasts for the year ending March 31, 2012 are as follows.

〔Consolidated Forecasts〕

Net sales ¥500 billion (10.2% increase from the Term ended March 31, 2011)

Operating income ¥25 billion (17.7% increase from the Term ended March 31, 2011)

Ordinary income ¥23.5 billion (12.0% increase from the Term ended March 31, 2011)

Net income ¥13 billion (11.8% increase from the Term ended March 31, 2011)

The above performance forecasts for the Kaneka Group are regarded as reasonable based on information available at the time of announcement. Readers should be aware that actual results might vary from these forecasts because of various uncertainties. The forecasts are based on exchange rates of ¥85 to the U.S. dollar, ¥115 to the euro and a domestic naphtha price of ¥60,000 per kiloliter.

(2) Analysis of Financial Position

1) Status of Assets, Liabilities and Equity

As of March 31, 2011, total assets came to ¥455,140 million, up ¥22,261 million from March 31, 2010, mainly because of an increase in working capital such as notes and accounts receivable—trade, and higher goodwill following the consolidation of subsidiaries. Also, the ratio of ordinary income to total assets (ROA) was 4.7%, up from 3.8% in the previous fiscal year.

Interest-bearing debt stood at ¥66,594 million as of March 31, 2011, up ¥3,020 million from a year earlier. Net assets increased ¥4,654 million from the end of the preceding year, to ¥261,828 million, mainly reflecting higher retained earnings and a lower foreign currency translation adjustment. As a result, the equity ratio came to 55.4%. The D/E ratio (ratio of interest-bearing debt to equity capital), was 0.26.

2) Analysis of Consolidated Cash Flows

Cash and cash equivalents on March 31, 2011, came to ¥36,978 million, ¥3,535 million less than at the end of the preceding year.

The following is an overview of cash flows by category.

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities was ¥34,932 million, or ¥22,480 million less than in the preceding fiscal year.

Major sources of cash were income before income taxes and minority interests of ¥19,436 million, depreciation and amortization of ¥28,891 million. Major uses of cash were an ¥8,923 million increase in notes and accounts receivable–trade.

(Net cash provided by (used in) investing activities)

Net cash used in investing activities amounted to ¥34,933 million, or ¥9,311 million more than in the preceding fiscal year.

The principal factors in this category were the purchase of property, plant and equipment, which used cash of ¥26,385 million, and the purchase of stock of subsidiaries, which used cash of ¥4,019 million.

(Net cash provided by (used in) financing activities)

Net cash used in financing activities was ¥4,342 million, or ¥12,483 million less than in the preceding fiscal year.

The principal factor in this category was cash dividends paid, which used cash of ¥5,426 million.

3) Trends in Cash Flow Related Indicators

	Term ended March 31, 2007	Term ended March 31, 2008	Term ended March 31, 2009	Term ended March 31, 2010	Term ended March 31, 2011
Shareholders' equity ratio	56.8%	57.7%	58.1%	57.6%	55.4%
Shareholders' equity ratio based on market value	82.4%	46.8%	39.2%	47.5%	43.1%
Interest-bearing debt coverage ratio	1.6	1.4	2.7	1.1	1.9
Interest coverage ratio	19.9	24.9	19.7	61.6	39.5

Shareholders' equity ratio: Equity capital/total assets

Shareholders' equity ratio based on market value: Total market value of stock/total assets

Interest-bearing debt coverage ratio: interest-bearing debt / cash flows

Interest coverage ratio: Operating cash flows/interest paid

Notes:

1. All calculated according to financial figures on a consolidated basis
2. The calculation of the total market value of stock is based on the total number of shares outstanding, excluding treasury stock.
3. "Cash flows" refers to cash flows from operations.
4. The scope of interest-bearing debt is all liabilities in the Consolidated Balance Sheets for which interest is payable.
5. Paid interest is based on the amount of interest paid shown in the Consolidated Statements of Cash Flows.

(3)Notes on the Premise of a Going Concern

No corresponding transactions

2. Management Policy

(1) Basic Management Policies

In September 2009, the Kaneka Group introduced the Declaration of Kaneka United for the future as part of its long-term management vision. The declaration defines Kaneka's corporate philosophy as "With people and technology growing together into creative fusion, we will break fresh ground for the future and tie in to explore New Values. We are also committed to challenge the environmental issues of our planet and contribute to upgrade the quality of life." As a "dreamology company," a phrase we coined to express a "highly perceptive and collaborative value-creating group," we will create future-oriented businesses that leap beyond current market needs, back them up with new product development, in turn, protecting the global environment and contributing to the quality of life, and foster an even greater presence as a global company, including in the markets of emerging countries.

We are moving into a period during which unprecedented changes are taking place in the industrial structure. While responding to the structural changes taking place in global markets, companies must also pay close attention to their social responsibilities. To achieve these goals, the Kaneka Group aims to achieve the creative fusion of people and technology. This process, expressed in our management policies, should enable us to launch competitive businesses in growth fields as we continue to work toward our goals as a global company.

Reform and growth are keywords on which the Kaneka Group will focus to achieve the objectives of its management policy. In the process, we will strive to be an attractive company and create a competitive business structure.

(2) Target Management Indexes

To continue expanding its scope of business and ensure ongoing profit, the Group's long-term management vision earmarks the environment and energy, health care, information and communications and food production support as important strategic domains. We will concentrate management resources on these four fields in a bid to generate robust growth. Ten years hence, we aim to generate annual sales of ¥1 trillion, operating income of ¥1,200 million, and derive 70% of our sales from overseas.

Looking ahead, the business environment is expected to worsen due to changes in global economic conditions, and the negative impact of the Great East Japan Earthquake on Japan's economy. However, the Kaneka Group seeks to achieve new growth and advancement by continuing to press ahead with business portfolio realignment and shift its businesses to growth fields ahead of schedule. Through this process, the Kaneka Group aims to fulfill the expectations of all of the Company's stakeholders, and transform itself into a highly admired enterprise.

ACT2012, the Company's medium-term management plan running from the fiscal year ended March 31, 2011 to the fiscal year ending March 31, 2013, is the roadmap for achieving this goal. Currently, the Kaneka Group is focused on implementing measures set forth in ACT2012.

(3) Medium to Long-Term Management Strategies

The following measures form the major focus of ACT2012, our newly enacted medium-term management plan.

- We will concentrate our investment of management resources on the four important strategic domains defined by our long-term management vision.

- We will focus the Group's full efforts on accelerating innovation in our business structure, including aggressive up-front investment in developing new businesses and cultivating and expanding new markets in important strategic domains.
- Recognizing Asia as key to global development, we will make an aggressive effort to shift our focus toward that region.
- We will reinforce integrated groupwide operational management, with the aims of accelerating specific developments among those management measures that are designed to help us achieve the goals of our long-term management vision.
- We will strive to achieve an early return to profitability in our Electronic Products and Functional Foodstuffs segments.

(4) Management Tasks

In line with our fundamental policies and in addition to fulfilling the measures defined in our long-term management vision and medium-term plan and reaching Group operating performance targets, we are addressing the following issues:

1) Moving toward an "R&D-type" company

We will proceed with innovation in R&D, which involve the creative combination of technologies from within and outside the Company to achieve innovations of value to society. At the same time, innovation in Production will also be pursued through process innovation, whereby all employees create new products and businesses while enhancing the value of their work.

2) Growth in a global market

We will accelerate the shift of operations overseas by actively utilizing overseas alliances while stepping up the development of overseas businesses, including both initiatives in emerging nations along with measures primarily focused on developed countries. At the same time, we will enhance the management capabilities of each overseas business base.

3) Develop group strategy

We will build relationships of equal standing with Group companies for the purpose of expanding business and raising efficiency across the entire value chain, including Group companies. Through this process, we aim to make each Group company self-reliant so as to achieve continuous evolution in group management. In addition, Group-wide synergies will also be harnessed by combining all our respective strengths to generate competitive value-added products and services.

4) Pursue alliances

We will effectively enhance research, development, production, and sales functions needed to develop business, through the strategic use of alliances, with the aim of speedily expanding business.

5) Prioritize CSR

By putting into practice our corporate philosophy through the sincere and positive efforts of each and every employee of the Kaneka Group, we will fulfill our obligations as a corporate citizen.

(5) Other Items of Importance from a Management Perspective

Kaneka received judgment from the Tokyo High Court on a lawsuit seeking the revocation of the Court's earlier decision in regard to Kaneka's modifier business. After considering the details of the judgment, Kaneka has determined that it should seek the judgment of the higher courts. Accordingly, Kaneka has filed an appeal with the Supreme Court.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY2009 Term ended March 31, 2010	FY2010 Term ended March 31, 2011
Assets		
Current assets		
Cash and deposits	41,465	37,685
Notes and accounts receivable-trade	93,993	103,891
Short-term investment securities	422	322
Merchandise and finished goods	34,399	38,023
Work in process	8,404	8,017
Raw materials and supplies	19,190	22,112
Deferred tax assets	5,117	6,142
Other	5,511	6,630
Allowance for doubtful accounts	(368)	(400)
Total current assets	208,135	222,425
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	51,394	53,856
Machinery, equipment and vehicles, net	65,285	64,264
Land	28,726	30,210
Construction in progress	12,702	9,952
Other, net	3,323	4,782
Total property, plant and equipment	161,432	163,065
Intangible assets		
Goodwill	—	4,436
Other	1,859	2,763
Total intangible assets	1,859	7,199
Investments and other assets		
Investment securities	46,957	46,438
Investments in capital	664	931
Long-term loans receivable	1,418	1,775
Long-term prepaid expenses	1,570	2,481
Deferred tax assets	5,031	5,167
Other	6,130	6,225
Allowance for doubtful accounts	(320)	(568)
Total investments and other assets	61,451	62,450
Total noncurrent assets	224,744	232,715
Total assets	432,879	455,140

(Millions of yen)

	FY2009 Term ended March 31, 2010	FY2010 Term ended March 31, 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	53,493	60,771
Short-term loans payable	19,769	21,176
Current portion of bonds	—	5,006
Accounts payable-other	18,360	22,074
Accrued expenses	8,450	8,901
Income taxes payable	3,613	4,145
Accrued consumption taxes	1,031	496
Provision for directors' bonuses	99	117
Administrative fine reserve	604	604
Reserve for loss on disaster	—	381
Other	2,036	2,890
Total current liabilities	107,458	126,566
Noncurrent liabilities		
Bonds payable	20,000	15,143
Long-term loans payable	24,204	26,095
Deferred tax liabilities	333	1,083
Provision for retirement benefits	19,232	19,228
Provision for directors' retirement benefits	283	320
Negative goodwill	847	639
Other	3,344	4,234
Total noncurrent liabilities	68,246	66,745
Total liabilities	175,705	193,311
Net assets		
Shareholders' equity		
Capital stock	33,046	33,046
Capital surplus	34,836	34,836
Retained earnings	191,250	197,462
Treasury stock	(9,599)	(9,760)
Total shareholders' equity	249,534	255,585
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,147	6,677
Foreign currency translation adjustment	(8,289)	(10,148)
Total accumulated other comprehensive income	(142)	(3,471)
Subscription rights to shares	109	127
Minority interests	7,672	9,587
Total net assets	257,174	261,828
Total liabilities and net assets	432,879	455,140

(2) Consolidated Statement of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	FY2009 From April 1, 2009 to March 31, 2010	FY2010 From April 1, 2010 to March 31, 2011
Net sales	412,490	453,826
Cost of sales	310,250	339,381
Gross profit	102,239	114,444
Selling, general and administrative expenses	84,734	93,209
Operating income	17,505	21,235
Non-operating income		
Interest income	146	121
Dividends income	1,034	995
Gain on sales of investment securities	240	3
Foreign exchange gains	205	114
Amortization of negative goodwill	341	249
Equity in earnings of affiliates	168	1,117
Other	768	835
Total non-operating income	2,904	3,437
Non-operating expenses		
Interest expenses	928	892
Loss on retirement of noncurrent assets	1,267	1,080
Other	1,872	1,716
Total non-operating expenses	4,069	3,689
Ordinary income	16,341	20,983
Extraordinary income		
Gain on sales of noncurrent assets	189	—
Gain on negative goodwill	—	192
Total extraordinary income	189	192
Extraordinary loss		
Loss on disaster	—	1,220
Loss on valuation of investment securities	—	518
Non-recurring depreciation on noncurrent assets	671	—
Provision for the administrative fine	604	—
Total extraordinary losses	1,275	1,738
Income before income taxes and minority interests	15,254	19,436
Income taxes-current	4,542	6,817
Income taxes-deferred	1,407	(36)
Total income taxes	5,949	6,781
Income before minority interests	—	12,655
Minority interests in income	899	1,030
Net income	8,406	11,625

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2009 From April 1, 2009 to March 31, 2010	FY2010 From April 1, 2010 to March 31, 2011
Income before minority interests	—	12,655
Other comprehensive income		
Valuation difference on available-for-sale securities	—	(1,450)
Foreign currency translation adjustment	—	(1,948)
Share of other comprehensive income of associates accounted for using equity method	—	(9)
Total other comprehensive income	—	(3,408)
Comprehensive income	—	9,247
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	—	8,295
Comprehensive income attributable to minority interests	—	951

(3) Consolidated Statement of Changes in Shareholders' Equity

(Millions of yen)

	FY2009 From April 1, 2009 to March 31, 2010	FY2010 From April 1, 2010 to March 31, 2011
Shareholders' equity		
Capital stock		
Balance at the end of previous period	33,046	33,046
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	33,046	33,046
Capital surplus		
Balance at the end of previous period	34,836	34,836
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	34,836	34,836
Retained earnings		
Balance at the end of previous period	188,357	191,250
Changes of items during the period		
Dividends from surplus	(5,428)	(5,426)
Net income	8,406	11,625
Change in retained earnings based on generally accepted accounting procedures in the United States used for U.S. subsidiaries	(80)	20
Disposal of treasury stock	(4)	(6)
Total changes of items during the period	2,893	6,212
Balance at the end of current period	191,250	197,462
Treasury stock		
Balance at the end of previous period	(9,583)	(9,599)
Changes of items during the period		
Purchase of treasury stock	(34)	(187)
Disposal of treasury stock	19	26
Total changes of items during the period	(15)	(161)
Balance at the end of current period	(9,599)	(9,760)
Total shareholders' equity		
Balance at the end of previous period	246,656	249,534
Changes of items during the period		
Dividends from surplus	(5,428)	(5,426)
Net income	8,406	11,625
Change in retained earnings based on generally accepted accounting procedures in the United States used for U.S. subsidiaries	(80)	20
Purchase of treasury stock	(34)	(187)
Disposal of treasury stock	14	19
Total changes of items during the period	2,877	6,051
Balance at the end of current period	249,534	255,585

(Millions of yen)

	FY2009 From April 1, 2009 to March 31, 2010	FY2010 From April 1, 2010 to March 31, 2011
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	4,643	8,147
Changes of items during the period		
Net changes of items other than shareholders' equity	3,503	(1,470)
Total changes of items during the period	3,503	(1,470)
Balance at the end of current period	8,147	6,677
Deferred gains or losses on hedges		
Balance at the end of previous period	1	—
Changes of items during the period		
Net changes of items other than shareholders' equity	(1)	—
Total changes of items during the period	(1)	—
Balance at the end of current period	—	—
Foreign currency translation adjustment		
Balance at the end of previous period	(7,996)	(8,289)
Changes of items during the period		
Net changes of items other than shareholders' equity	(292)	(1,859)
Total changes of items during the period	(292)	(1,859)
Balance at the end of current period	(8,289)	(10,148)
Total accumulated other comprehensive income		
Balance at the end of previous period	(3,351)	(142)
Changes of items during the period		
Net changes of items other than shareholders' equity	3,209	(3,329)
Total changes of items during the period	3,209	(3,329)
Balance at the end of current period	(142)	(3,471)
Subscription rights to shares		
Balance at the end of previous period	75	109
Changes of items during the period		
Net changes of items other than shareholders' equity	33	17
Total changes of items during the period	33	17
Balance at the end of current period	109	127
Minority interests		
Balance at the end of previous period	6,148	7,672
Changes of items during the period		
Net changes of items other than shareholders' equity	1,524	1,915
Total changes of items during the period	1,524	1,915
Balance at the end of current period	7,672	9,587

(Millions of yen)

	FY2009 From April 1, 2009 to March 31, 2010	FY2010 From April 1, 2010 to March 31, 2011
Total net assets		
Balance at the end of previous period	249,529	257,174
Changes of items during the period		
Dividends from surplus	(5,428)	(5,426)
Net income	8,406	11,625
Change in retained earnings based on generally accepted accounting procedures in the United States used for U.S. subsidiaries	(80)	20
Purchase of treasury stock	(34)	(187)
Disposal of treasury stock	14	19
Net changes of items other than shareholders' equity	4,767	(1,396)
Total changes of items during the period	7,645	4,654
Balance at the end of current period	257,174	261,828

(4) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	FY2009 From April 1, 2009 to March 31, 2010	FY2010 From April 1, 2010 to March 31, 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	15,254	19,436
Depreciation and amortization	26,392	28,891
Increase (decrease) in provision for retirement benefits	3,283	(156)
Increase (decrease) in allowance for doubtful accounts	(29)	279
Interest and dividends income	(1,181)	(1,116)
Interest expenses	928	892
Loss (gain) on disposal of noncurrent assets	1,229	855
Loss (gain) on valuation of investment securities	—	518
Non-recurring depreciation on noncurrent assets	671	—
Increase (decrease) in provision for administrative fine	604	—
Equity in (earnings) losses of affiliates	(168)	(1,117)
Decrease (increase) in notes and accounts receivable-trade	(6,354)	(8,923)
Decrease (increase) in inventories	5,860	(5,975)
Increase (decrease) in notes and accounts payable-trade	9,281	6,907
Other, net	2,821	65
Subtotal	58,592	40,557
Interest and dividends income received	1,229	1,179
Interest expenses paid	(932)	(883)
Income taxes paid	(1,477)	(5,921)
Net cash provided by (used in) operating activities	57,412	34,932
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(23,910)	(26,385)
Proceeds from sales of property, plant and equipment	189	—
Purchase of intangible assets	(379)	(1,133)
Purchase of investment securities	(1,645)	(1,552)
Proceeds from sales and distributions of investment securities	946	14
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(4,019)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	219
Purchase of stocks of subsidiaries and affiliates	(462)	(1,424)
Proceeds from sales of stocks of subsidiaries and affiliates	479	108
Payments of loans receivable	(265)	(637)
Collection of loans receivable	205	96
Other, net	(779)	(220)
Net cash provided by (used in) investing activities	(25,621)	(34,933)

(Millions of yen)

	FY2009 From April 1, 2009 to March 31, 2010	FY2010 From April 1, 2010 to March 31, 2011
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(21,459)	825
Proceeds from long-term loans payable	2,942	4,066
Repayment of long-term loans payable	(2,187)	(3,008)
Proceeds from issuance of bonds	15,000	—
Redemption of bonds	(5,000)	—
Repayments of lease obligations	(429)	(536)
Cash dividends paid	(5,428)	(5,426)
Cash dividends paid to minority shareholders	(240)	(158)
Purchase of treasury stock	(25)	(107)
Proceeds from sales of treasury stock	2	3
Net cash provided by (used in) financing activities	(16,825)	(4,342)
Effect of exchange rate change on cash and cash equivalents	200	807
Net increase (decrease) in cash and cash equivalents	15,165	(3,535)
Cash and cash equivalents at beginning of period	24,240	40,513
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	1,106	—
Cash and cash equivalents at end of period	40,513	36,978

(5) Notes on the Premise of a Going Concern

Not applicable

(6) Notes to the Consolidated Financial Statements

(Changes in the Scope of Consolidation)

Number of consolidated subsidiaries: 66

In the fiscal year ended March 31, 2011, Eurogentec S.A. and 10 other companies, as well as Tamai Kasei Co., Ltd., and Shinka Shokuhin Co., Ltd., were included in the scope of consolidation through new share acquisitions. Kaneka Solar Marketing Co., Ltd., and Kaneka Innovative Fibers Sdn Bhd. were newly established and also included in the scope of consolidation. On the other hand, Research Biolabs EGT Pte Ltd. was excluded from the scope of consolidation following the sale of its shares.

(Changes in the Application of the Equity Method)

Number of equity-method affiliates: 3

Shinka Shokuhin Co., Ltd. became an equity-method affiliate in the first quarter of the fiscal year ended March 31, 2011 following a new acquisition of shares. However, due to additional share acquisitions, Shinka Shokuhin Co., Ltd. was made a consolidated subsidiary as of March 31, 2011.

(Changes in the fiscal year-end of consolidated subsidiaries and related matters)

The fiscal year-ends of Kaneka Singapore Co. (Pte.) Ltd., Kaneka Eperan (Suzhou) Co., Ltd., HiHua Fiber Co., Ltd., and Taiyo Yushi Corp. fall on December 31, while the fiscal year-end of Shinka Shokuhin Co., Ltd. falls on February 28. The consolidated financial statements are prepared using the financial statements of these consolidated subsidiaries as of their respective fiscal year-ends. The consolidated financial statements are adjusted as necessary to reflect material transactions occurring between the fiscal year-end of each consolidated subsidiary and March 31.

No information other than the above is reported because there were no material changes to the information shown in the Company's most recent securities report (submitted June 25, 2010).

(7) Significant Changes for the Consolidated Financial Statements

(Changes in Accounting Policies)

1) Application of the Accounting Standard for the Equity Method

From the fiscal year under review, the Company began applying the Accounting Standard for Equity Method of Accounting for Investments (Accounting Standards Board of Japan (ASBJ) Statement No. 16, March 10, 2008) and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (ASBJ Practical Issues Task Force (PITF) No. 24, March 10, 2008).

This introduction had no impact on earnings.

2) Application of the Accounting Standard for Asset Retirement Obligations

From the fiscal year under review, the Company began applying the Accounting Standard for Asset Retirement Obligations (ASBJ Statement No. 18, March 31, 2008) and the Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21, March 31, 2008).

The impact of this introduction on earnings was minimal.

3) Application of Accounting Standard for Business Combinations and Other Standards

From the fiscal year under review, the Company began applying the Accounting Standard for Business Combinations (ASBJ Statement No. 21, December 26, 2008), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, December 26, 2008), Partial Amendments to the Accounting Standard for Research and Development Cost (ASBJ Statement No. 23, December 26, 2008), Accounting Standard for Business Divestitures (ASBJ Statement No. 7, December 26, 2008), the Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16, December 26, 2008) and Implementation Guidance on Accounting Standard for Business Combinations and Business Divestitures (ASBJ Guidance No. 10, December 26, 2008).

(Changes in Presentation)

Related to the Consolidated Statements of Income

The line item “income before minority interests” is indicated in accordance with the adoption of the Cabinet Office Ordinance Partially Revising Regulation for Financial Statements, etc. (March 24, 2009, Cabinet Office Ordinance No. 5), based on the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, December 26, 2008).

(8) Notes to the Consolidated Financial Statements

(Consolidated Statements of Comprehensive Income)

For the current fiscal year (From April 1, 2010 to March 31, 2011)

*1 Comprehensive Income in the Previous Fiscal Year

Comprehensive income attributable to Kaneka Corporation	¥11,615 million
Comprehensive income attributable to minority interests	¥856 million
Total Comprehensive Income	¥12,472 million

*2 Other Comprehensive Income in the Previous Fiscal Year

Valuation difference on available-for-sale securities	¥3,508 million
Deferred gains or losses on hedges	(¥1 million)
Foreign currency translation Adjustment	(¥354 million)
Share of other comprehensive income of equity-method affiliates	¥14 million
Total Other Comprehensive Income	¥3,167 million

（Additional Information）

Accounting Standard Concerning Presentation of Comprehensive Income

From the fiscal year ended March 31, 2011, the Company began applying the Accounting Standard for Presentation of Comprehensive Income (Accounting Standards Board of Japan Statement No. 25, June 30, 2010). However, the amounts recorded as “accumulated other comprehensive income and total accumulated other comprehensive income” for the previous fiscal year are the amounts recorded as “valuation and translation adjustments” and “total valuation and translation adjustments,” respectively, for the previous fiscal year.

(Segment Information)

(Additional information)

From the fiscal year under review, the Company began applying the Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17, March 27, 2009) and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20, March 21, 2008).

1) Overview of Reporting Segments

Kaneka's Reporting Segments aim to gather financial information from the Company's separate business units to facilitate decisions by the Board of Directors on the allocation of management resources and allow for its periodic review.

Technology is the common thread running throughout the Company's operations. These operations are divided into segments by product and service type, application and market similarity. Each segment develops its operations in accordance with a global group strategy established to unify subsidiaries in Japan and overseas for the products and services it handles. Accordingly, the Group has categorized its operations by products and services, based on its business divisions. These seven Reporting Segments are Chemicals, Functional Plastics, Expandable Plastics and Products, Foodstuffs Products, Life Science Products, Electronics Products, and Synthetic Fibers and Others. The Reporting Segments, which span all departments, were established to facilitate a swift and flexible response to changes in the business environment.

The Chemicals segment manufactures and sells products with a broad range of applications, from daily-use products to industrial materials, such as high-value-added specialty PVC resins and other PVC resins. The Functional Plastics segment manufactures polymers that have been functionally modified for such qualities as superior heat resistance, weather resistance, flame resistance and elasticity. The resins it produces with these augmented functions are sold to the construction, automotive, home electronics and communication equipment industries. The Expandable Plastics and Products segment manufactures and sells cushioning materials for electrical products, shock-absorbing materials for automotive and fishery applications, and expandable plastics and products used in housing insulation. In the Foodstuffs Products segment, the Group produces bakery yeast and margarine for sale to commercial confectioneries, bakeries and others in the food products industry. In Life Science Products, the Group has parlayed its expertise in fermentation and high-polymer technologies into pharmaceutical intermediates, functional foodstuffs, and catheters and other medical devices, which it manufactures and sells to medical product manufacturers and medical institutions. In the Electronics Products segment, the Group manufactures and sells highly functional films for electronic equipment manufacturers, as well as solar cells. The Synthetic Fibers and Others segment mainly engages in the production and sale of synthetic fibers used in wigs, apparel and other applications.

2) Basis of Calculation of Monetary Amounts for Net Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reporting Segment

Accounting treatment and procedures for reported business segments are the same as those shown in the "Notes to the Consolidated Financial Statements."

3) Segment Information by Business Category

Previous fiscal year (from April 1, 2009 to March 31, 2010)

(Millions of yen)

	Segment Information								Adjustments	Consolidated
	Chemicals	Functional Plastics	Expandable Plastics and Products	Foodstuffs Products	Life Science Products	Electronic Products	Synthetic Fibers and Others	Total		
Sales										
Customers	79,550	61,136	54,365	119,781	39,187	36,475	21,993	412,490	—	412,490
Intersegment	3,151	285	2	10	—	702	1,560	5,712	(5,712)	—
Total	82,701	61,421	54,367	119,791	39,187	37,177	23,553	418,202	(5,712)	412,490
Segment profit / loss	1,923	9,040	5,149	8,883	4,544	(6,698)	1,444	24,287	(6,782)	17,505
Segment assets	70,672	51,971	44,001	62,194	56,138	58,154	18,909	362,043	70,836	432,879
Other Item										
Depreciation	5,134	3,930	2,590	2,642	3,003	5,545	2,557	25,405	805	26,210
Amortization of goodwill	—	—	—	—	—	—	—	—	—	—
Investment in equity method	—	1,530	1,096	—	—	—	—	2,627	—	2,627
Increase in assets	3,611	1,420	1,651	1,368	1,842	11,254	2,171	23,320	1,001	24,321

Note: In the fiscal year ended March 31, 2011, the Company revised certain methods of allocating companywide expenses and other procedures due to the introduction of the management approach to Japanese GAAP. Accordingly, figures for the previous fiscal year have been restated to reflect these changes.

Current fiscal year (from April 1, 2010 to March 31, 2011)

(Millions of yen)

	Segment Information								Adjustments	Consolidated
	Chemicals	Functional Plastics	Expandable Plastics and Products	Foodstuffs Products	Life Science Products	Electronic Products	Synthetic Fibers and Others	Total		
Sales										
Customers	85,467	69,992	58,630	123,781	47,517	41,225	27,211	453,826	—	453,826
Intersegment	2,999	512	193	0	107	595	1,433	5,842	(5,842)	—
Total	88,466	70,504	58,824	123,782	47,625	41,821	28,644	459,669	(5,842)	453,826
Segment profit / loss	2,763	8,296	6,229	7,960	9,279	(5,815)	787	29,502	(8,267)	21,235
Segment assets	73,364	54,817	45,996	69,249	63,208	67,510	20,379	394,527	60,613	455,140
Other Item										
Depreciation	4,982	3,525	2,406	2,588	2,966	7,754	3,650	27,875	841	28,716
Amortization of goodwill	—	—	47	—	224	—	—	272	—	272
Investment in equity method	—	1,786	1,142	—	—	—	—	2,929	—	2,929
Increase in assets	5,535	2,022	1,914	2,578	2,028	10,175	1,623	25,879	3,371	29,250

Note: Segment profit is reconciled with operating income on the consolidated financial statements.

4) Reconciliation Between Segment Total and Consolidated Statements of Income (Adjustments)

(Millions of yen)

Income	from April 1, 2009 to March 31, 2010	from April 1, 2010 to March 31, 2011
Segment total	24,287	29,502
Elimination of intersegment transactions	0	(3)
Companywide expenses (Note)	(6,853)	(8,217)
Other adjustments	71	(46)
Operating income in the quarterly consolidated statements of income	17,505	21,235

(Note) Companywide expenses primarily are expenses for basic R&D that are not allocable to any Reporting Segment.

(Millions of yen)

Income	from April 1, 2009 to March 31, 2010	from April 1, 2010 to March 31, 2011
Segment total	362,043	394,527
Elimination of intersegment transactions	(2,739)	(5,244)
Companywide assets (Note)	74,108	66,146
Other adjustments	(532)	(288)
Total assets in the quarterly consolidated statements of income	432,879	455,140

(Note) Companywide assets are Working Capital, Investment securities and land that are not allocable to any Reporting Segment.

(Millions of yen)

Other Items	Segment total		Other (Note)		Adjustments		Consolidated	
	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year
Depreciation	25,405	27,875	805	841	—	—	26,210	28,716
Increase in assets	23,320	25,879	1,001	3,371	—	—	24,321	29,250

(Note) Other primarily is expenses for basic R&D that are not allocable to any Reporting Segment.

(Related Information)

Current fiscal year (from April 1, 2010 to March 31, 2011)

1) Information by Product and Service

No information is reported because product and service classifications are the same as Reporting Segment classifications.

2) Geographic Area

(1) Sales

(Millions of yen)

Japan	Asia	North America	Europe	Other areas	Total
293,001	69,242	29,133	45,044	17,404	453,826

Note: Sales are classified into countries or regions based on the geographic location of customers.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	North America	Europe	Other areas
136,554	6,445	14,180	5,884	163,065

3)Information on Major Customers

No information is reported because no sales to any external customer represented more than 10% of net sales on the consolidated statements of income.

(Information on Impairment Loss on Fixed Assets by Reporting Segment)

Current fiscal year (from April 1, 2010 to March 31, 2011)

Nothing to report

(Information on Amortization of Goodwill and Unamortized Balances by Reporting Segment)

Current fiscal year (from April 1, 2010 to March 31, 2011)

	Segment Information								Adjustments	Consolidated
	Chemicals	Functional Plastics	Expandable Plastics and Products	Foodstuffs Products	Life Science Products	Electronic Products	Synthetic Fibers and Others	Total		
(Goodwill)										
Amortization	—	—	47	—	224	—	—	272	—	272
Balance	—	—	—	—	4,436	—	—	4,436	—	4,436
(Negative goodwill)										
Amortization	—	—	14	83	—	151	—	249	—	249
Balance	—	—	—	184	—	454	—	639	—	639

(Information on Gain on Negative Goodwill by Reporting Segment)

Current fiscal year (from April 1, 2010 to March 31, 2011)

In the Foodstuffs Products segment, the Company recorded negative goodwill of ¥192 million in conjunction with the acquisition of additional shares of an equity-method affiliate and its conversion into a consolidated subsidiary on March 31, 2011.

(Per-Share Information)

Item	Previous fiscal year From April 1, 2009 to March 31, 2010	Current fiscal year From April 1, 2010 to March 31, 2011
Net assets per share	¥735.17	¥743.88
Net income per share	¥24.78	¥34.28
Fully diluted net income per share	¥24.77	¥34.26

Note: The basis for calculating net income per share and fully diluted net income per share is as follows:

	Previous fiscal year From April 1, 2009 to March 31, 2010	Current fiscal year From April 1, 2010 to March 31, 2011
Net income per share		
Net income (Millions of yen)	8,406	11,625
Net income ascribed to common stock (Millions of yen)	8,406	11,625
Average number of shares of common stock during the period (Thousands of shares)	339,255	339,103
Fully diluted net income per share		
Increase in shares of common stock (Thousands of shares)	144	223
(Of which, subscription rights to shares) (Thousands of shares)	(144)	(223)
Overview of dilutive shares not included as the calculation of fully diluted net income per share, as the shares have no dilutive effect	―――	―――

(Subsequent Events)

Nothing to report