

Consolidated Results

for the 1st Quarter of the Fiscal Year Ending March 31, 2012

July 28, 2011

 **Hitachi Chemical Co., Ltd.**

FY11 / 1Q Results and 1H Forecasts

Item	FY11 / 1Q (Billion yen)	YoY	FY11 / 1H (Billion yen)	YoY	Based on a comparison of publication in June
Net Sales	118.1	- 6%	246.0	- 3%	0%
Operating Income	9.3	-28%	16.0	-36%	0%
Ordinary Income	9.9	-29%	16.0	-37%	0%
Net Income	5.4	-32%	9.0	-42%	0%

[Overview of 1Q (April-June) and assumptions for 2Q (July-September)]

- Average foreign exchange rate: 11 / 1Q US\$1=¥82, 11 / 2Q US\$1=¥80
- To address electricity shortage, inventories were added in the first quarter and will be withdrawn in the second quarter.
- Recovery of production in the Namie area affected by the nuclear accident has been promoted.
- Materials costs have remained at a higher level, overall.

Functional Materials **¥65.7** billion (YoY: 0%)

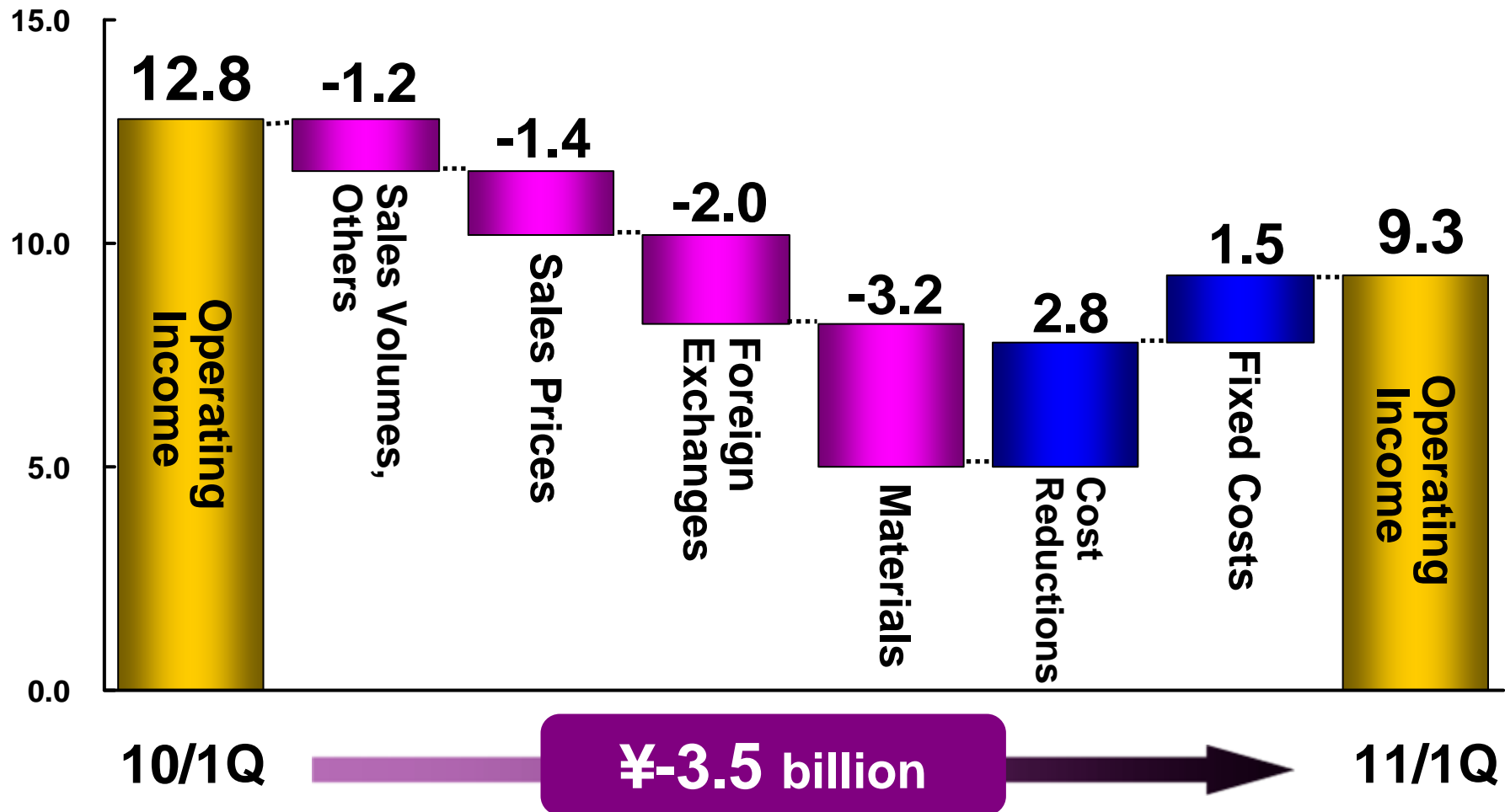
- Special demands of building inventories by some customers following the earthquake were seen (finished at the end of the first quarter).
- Sales of products targeting new fields increased.
- Net sales remained the same as the previous fiscal year due to the impact of fluctuations in foreign exchange rates and sale prices while sales volume increased.

Advanced Components and Systems **¥52.4** billion (YoY: -12%)

- Automobile related products showed a significant decline in sales, reflecting reduced production by automobile manufacturers.
- Shin-Kobe Electric Machinery Group captured demand with automotive batteries for repairs and industrial batteries.

FY10 / 1Q results vs. FY11 / 1Q results

(¥ billion)



FY11 / 1Q Breakdown of Non-Operating Income and Expenses

(YoY)

Non-operating income / expenses ¥ 0.6 billion (¥ -0.5 billion)

◆ Interest income and expenses / dividends income	0.1 (0)
◆ Royalty income	0.6 (0)
◆ Foreign exchange losses	-0.3 (0)
◆ Equity in earnings of affiliates	0.3 (-0.2)
◆ Loss on disposal of fixed assets	-0.2 (-0.1)
◆ Others	0.1 (-0.2)

FY11 / 1Q Breakdown of Extraordinary Profit and Loss

(YoY)

Extraordinary profit / loss

¥ 0.2 billion (¥ 0.9 billion)

◆ **Gain on sale of property,
plant and equipment**

0.7 (0.7)

◆ **Loss on disaster**

-0.4 (-0.4)

Fixed cost on mothballing period

-0.3

Cost of restoration, removal and other

-0.1

◆ **Previous period expenses associated
with asset retirement obligation**

— (0.6)

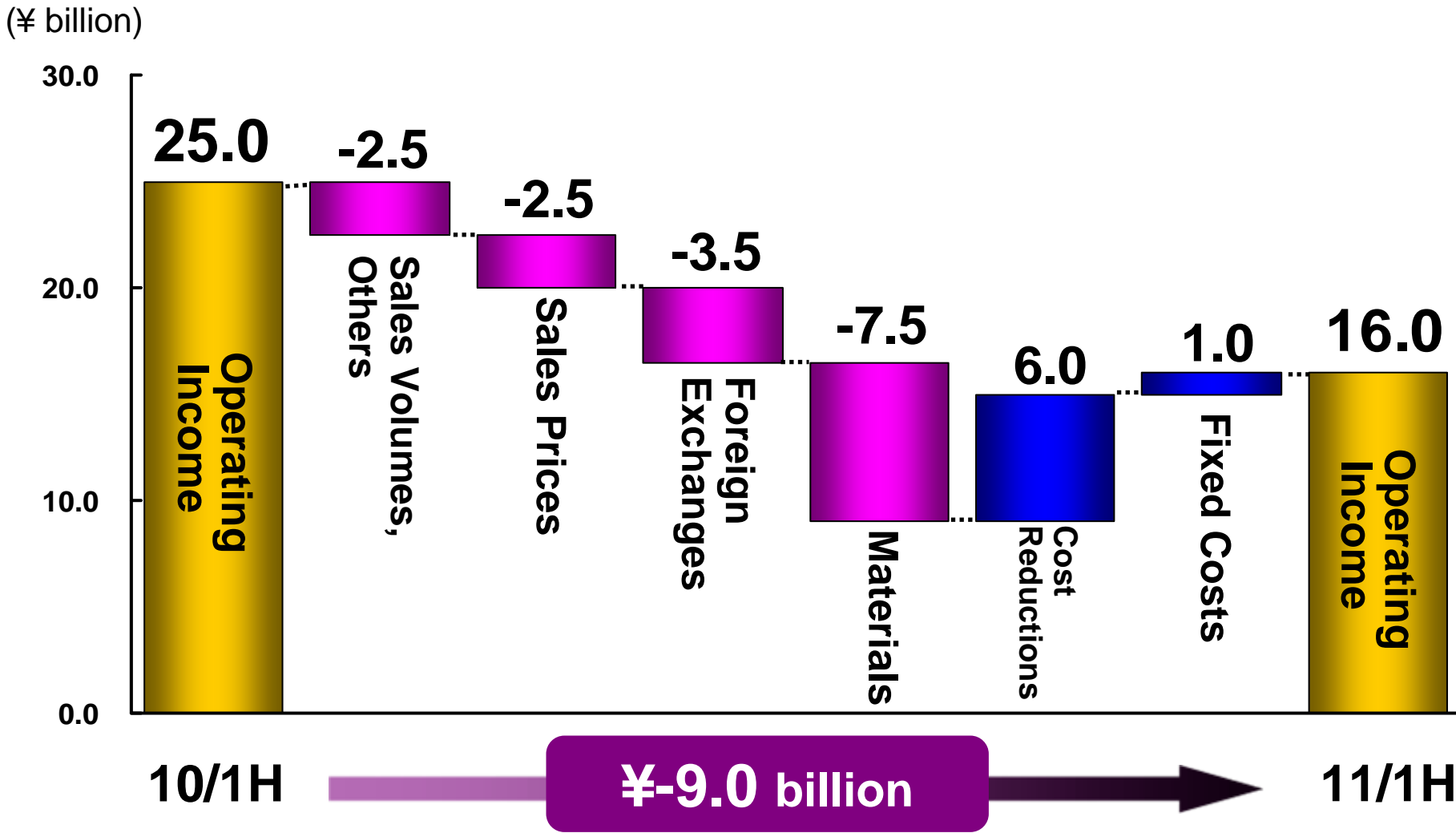
Functional Materials **¥133.0** billion (YoY: +2%)

- Sales of products targeting new fields are expected to expand.
- Sales of display related materials are forecast to decline due to a slowdown in demand.

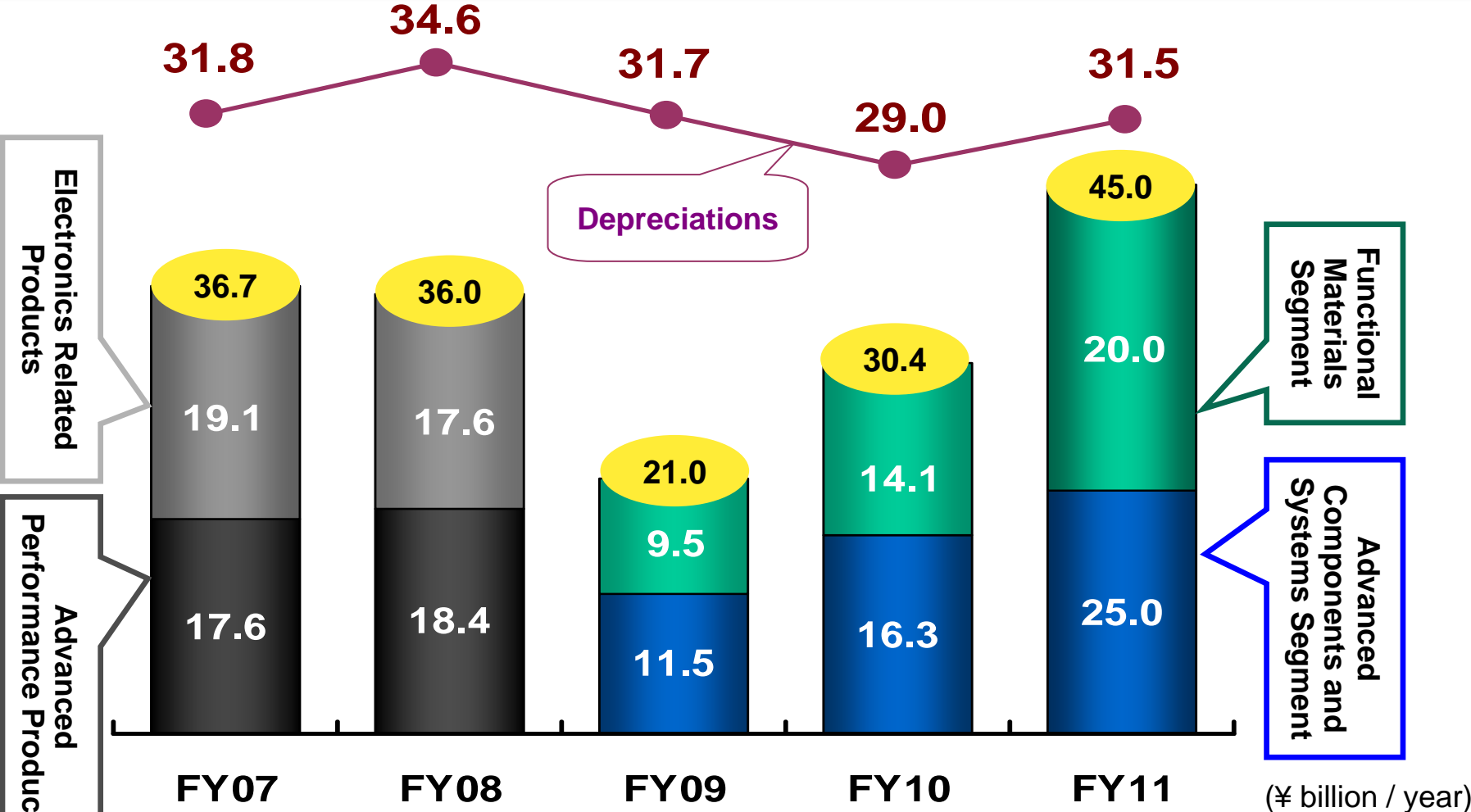
Advanced Components and Systems **¥113.0** billion (YoY: -8%)

- Sales of automobile related products will fall; however, the reduced production situation of the first quarter will turn around and a rebound is expected in the second quarter.

FY10 / 1H results vs. FY11 / 1H forecasts



Capital Expenditure Trends



For FY 2011, investments are planned for decentralization of production sites and acceleration of overseas development.

*Not including Housing Equipment and Environmental Facilities

Hitachi Chemical

Working On Wonders

(Notes)

These materials contain projections based on information available at the time of formulation. Various factors may cause actual results in the future to differ.

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