

Fact Sheet 2010

June 8, 2010

CONTENTS	Page
1. Financial Highlights	1
2. Consolidated Balance Sheets	2
3. Consolidated Statements of Income	4
4. Consolidated Statements of Cash Flows	5
5. Segment Information	6

Notes

- 1 This fact sheet is intended to provide information about Hitachi Chemical, and does not constitute a solicitation to buy or sell the Company's marketable securities. This fact sheet does not necessarily always contain or reflect the most recent information.
- 2 In no event will Hitachi Chemical be liable for any loss or damage that may occur as a result of the use of the information on this fact sheet. We ask that you make any investment-related decisions at your own discretion.
- 3 The financial figures presented in this fact sheet are based on the figures in the financial summaries (*kessan tanshin*) for each fiscal period, which are prepared in conformity with accounting principles generally accepted in Japan.
- 4 Amounts less than the unit are rounded off.

 **Hitachi Chemical Co., Ltd.**

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Public and Investor Relations Group
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CSR Management Sector

Financial Highlights

Hitachi Chemical Co., Ltd. and Consolidated Subsidiaries

(Millions of yen)

Financial Results

	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Net sales ^(Note 1)	555,568	602,703	628,805	626,929	488,638	455,287
Electronics Related Products	246,445	272,739	293,575	312,755	250,849	244,635
Advanced Performance Products	224,669	243,351	250,821	278,080	237,789	210,652
Housing Equipment and Environmental Facilities	84,454	86,613	84,409	36,094	-	-
Operating income ^(Note 1)	46,910	53,833	55,750	60,493	19,938	38,341
Electronics Related Products	31,926	37,717	40,870	45,670	17,212	30,490
Advanced Performance Products	13,294	14,906	14,997	15,559	2,916	7,746
Housing Equipment and Environmental Facilities	1,655	910	△ 55	△ 837	-	-
Elimination	35	300	△ 62	101	△ 190	105
Ordinary income	46,214	54,429	56,714	59,499	16,524	36,506
Net income	25,714	31,593	32,766	31,438	2,740	23,509

Financial Position

	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Total assets	411,485	444,185	470,864	458,741	391,350	426,586
Total net assets ^(Note 2)	180,910	215,235	268,356	274,970	263,588	282,602
Net worth ratio ^(Note 2)	44.0%	48.5%	51.8%	56.6%	64.1%	62.9%

Cash Flows

	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Cash flows from operating activities	60,608	41,284	46,382	58,251	55,490	56,497
Cash flows from investing activities	△ 33,002	△ 37,820	△ 37,059	△ 33,743	△ 41,621	△ 20,003
Cash flows from financing activities	△ 13,119	△ 5,673	△ 5,289	△ 10,516	△ 13,778	△ 12,622
Cash and cash equivalents at end of term	60,959	60,810	65,572	76,084	73,964	97,603

Per Share Data

	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Net income (Basic)	123.46	152.01	158.02	151.60	13.15	112.88
Net income (Diluted)	123.44	151.95	157.95	151.57	13.15	-
Dividend	17.00	23.00	28.00	32.00	32.00	32.00
Total net assets ^(Note 2)	872.20	1,037.83	1,175.49	1,251.66	1,203.92	1,289.11

Other Data

	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Return on equity (ROE)	15.2%	16.0%	14.3%	12.5%	1.1%	9.1%
Return on assets (ROA)	11.5%	12.7%	12.4%	12.8%	3.9%	8.9%
Interest-bearing liabilities ^(Note 3)	36,235	37,522	39,312	37,210	30,806	24,557
Capital expenditures	33,159	38,687	37,661	37,383	35,972	20,984
Depreciation	25,904	27,200	28,077	32,866	34,560	31,666
Research and development expenses	25,059	26,934	27,835	28,166	27,617	25,402
Research and development expenses / Net sales	4.5%	4.5%	4.4%	4.5%	5.7%	5.6%
Number of consolidated subsidiaries	62	62	60	53	53	50
Number of employees ^(Note 4)	16,854	17,269	17,787	15,583	15,586	15,567

[Notes] Please see the notes on page 3.

Consolidated Balance Sheets

Hitachi Chemical Co., Ltd. and Consolidated Subsidiaries

(Millions of yen)

	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
[Assets]						
Current assets	226,773	242,062	261,952	265,179	207,458	256,685
Cash and cash equivalents	33,173	37,163	38,134	35,340	30,115	33,434
Trade notes and accounts receivables	107,130	118,440	125,409	126,526	77,235	105,059
Inventories	41,027	44,319	48,214	43,528	-	-
Finished goods	-	-	-	-	16,432	16,504
Work in process	-	-	-	-	8,747	9,306
Raw materials	-	-	-	-	9,823	10,727
Deferred income taxes	12,177	11,666	13,293	11,649	8,567	10,040
Other current assets	37,346	34,380	40,661	52,454	60,844	76,349
Less allowance for doubtful receivables	△ 4,080	△ 3,906	△ 3,759	△ 4,318	△ 4,305	△ 4,734
Fixed assets	184,712	202,123	208,912	193,562	183,892	169,901
Net property, plant and equipment	135,155	148,549	156,456	144,799	138,998	126,644
Buildings and structures	43,678	45,911	46,610	42,778	41,791	42,669
Machinery, equipment, and transportation equipment	54,267	62,290	65,501	62,759	57,294	51,394
Lands	22,842	22,843	22,719	20,933	19,397	19,220
Other fixed assets	14,368	17,505	21,629	18,329	20,516	13,361
Intangible assets	5,097	6,176	7,278	7,515	6,556	5,737
Investments and other assets	44,460	47,398	45,178	41,248	38,338	37,520
Investments in securities	19,353	24,352	23,027	20,659	16,460	20,114
Deferred income taxes	9,669	8,172	6,960	5,720	8,658	7,494
Other assets	16,285	15,706	15,904	15,453	14,008	10,835
Less allowance for doubtful receivables	△ 847	△ 832	△ 713	△ 584	△ 788	△ 923
Total assets	411,485	444,185	470,864	458,741	391,350	426,586
[Liabilities]						
Current liabilities	159,082	165,696	156,812	146,260	95,309	112,322
Trade notes and accounts payables	62,683	73,246	73,935	71,592	36,926	54,586
Short-term debts	12,858	14,705	15,281	16,104	13,434	11,763
Debentures to be redeemed within one year	-	10,000	3,000	4,000	5,000	-
Other current liabilities	83,541	67,745	64,596	54,564	39,949	45,973
Fixed liabilities	49,947	39,452	45,696	37,511	32,453	31,662
Debentures	22,000	12,000	19,000	15,000	10,000	10,000
Long-term debts	1,377	817	1,947	2,100	2,126	2,492
Retirement and severance benefits	19,229	20,287	18,971	14,423	14,940	15,552
Other liabilities	7,341	6,348	5,778	5,988	5,387	3,618
Total liabilities	209,029	205,148	202,508	183,771	127,762	143,984
[Net assets]						
Capital stock	-	-	239,208	264,537	261,983	279,140
Common stock	-	-	15,421	15,443	15,454	15,454
Capital surplus	-	-	34,312	34,334	36,113	36,113
Earnings surplus	-	-	189,581	214,881	210,554	227,754
Treasury stock	-	-	△ 106	△ 121	△ 138	△ 181
Valuation and translation adjustments	-	-	4,550	△ 4,957	△ 11,218	△ 10,677
Net unrealized holding gain on securities	-	-	4,509	2,200	533	1,985
Deferred gains or losses on hedges	-	-	32	74	△ 7	△ 20
Foreign currency translation adjustments	-	-	9	△ 7,231	△ 11,744	△ 12,642
Subscription Rights to Shares	-	-	-	-	-	-
Minority interests	-	-	24,598	15,390	12,823	14,139
Total net assets	-	-	268,356	274,970	263,588	282,602
Total liabilities, net assets	-	-	470,864	458,741	391,350	426,586

[Minority interests]						
Minority interests	21,546	23,802	-	-	-	-
[Stockholders' equity]						
Common stock	15,328	15,367	-	-	-	-
Capital surplus	34,219	34,258	-	-	-	-
Earnings surplus	134,963	162,293	-	-	-	-
Net unrealized holding gain on securities	2,684	5,176	-	-	-	-
Foreign currency translation adjustments	Δ 6,231	Δ 1,777	-	-	-	-
Treasury stock	Δ 53	Δ 82	-	-	-	-
Total stockholders' equity	180,910	215,235	-	-	-	-
Total liabilities, minority interests, and stockholders' equity	411,485	444,185	-	-	-	-

[Notes]

Note 1: Segment sales are sales to outside customers.

Note 2: The figures for the year ended March 31, 2007, which are listed in the categories of net assets, are shown in accordance with the change due to the adoptions of the new accounting measures and policies.

Note 3: Interest-bearing liabilities include trade notes discounted.

Note 4: Number of employees includes temporary staff.

Note 5: [Transfer of Housing Equipment and Environmental Facilities Segment]

Housing Equipment and Environmental Facilities segment was removed from the scope of consolidation in October 2007 due to the sale of its shares. For this reason, the earnings of this segment are not included in the Company's consolidated financial results from October 1, 2007.

Consolidated Statements of Income

Hitachi Chemical Co., Ltd. and Consolidated Subsidiaries

(Millions of yen)

	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Net sales	555,568	602,703	628,805	626,929	488,638	455,287
Cost of sales	404,557	441,022	463,849	468,077	387,864	342,415
Gross Profit	151,011	161,681	164,956	158,852	100,774	112,872
Selling, general and administrative expenses	104,101	107,848	109,206	98,359	80,836	74,531
Operating income	46,910	53,833	55,750	60,493	19,938	38,341
Non-operating income	6,643	6,517	7,794	7,626	6,361	6,788
Interest and dividend income	896	798	1,326	1,422	1,042	480
Other Non-operating income	5,747	5,719	6,468	6,204	5,319	6,308
Non-operating expenses	7,339	5,921	6,830	8,620	9,775	8,623
Interest expenses	984	1,120	1,167	1,215	1,030	639
Other non-operating expenses	6,355	4,801	5,663	7,405	8,745	7,984
Ordinary income	46,214	54,429	56,714	59,499	16,524	36,506
Extraordinary income	6,746	-	-	3,846	-	-
Gain on return of substantial portion of welfare pension fund	6,746	-	-	-	-	-
Gain on transfer of business	-	-	-	2,962	-	-
Gain on sale of fixed assets	-	-	-	884	-	-
Extraordinary expenses	7,237	-	-	5,468	3,733	-
Loss following the change of retirement benefit scheme	1,011	-	-	-	-	-
Loss arising from cancellation of employee pension trust	777	-	-	-	-	-
Loss on business structural reform	4,809	-	-	2,032	430	-
Loss on product safety measures	-	-	-	600	-	-
Loss on transfer of business	-	-	-	1,275	-	-
Impairment loss	640	-	-	1,561	3,138	-
Surcharge	-	-	-	-	165	-
Income before income taxes and minority interests	45,723	54,429	56,714	57,877	12,791	36,506
Income taxes (corporate, inhabitant, and business taxes)	18,128	21,087	22,015	23,799	9,227	11,533
Current	18,740	20,642	21,972	20,873	7,955	12,957
Deferred	△ 612	445	43	2,926	1,272	△ 1,424
Minority interests	1,881	1,749	1,933	2,640	824	1,464
Net income	25,714	31,593	32,766	31,438	2,740	23,509

Percentage Increase / Decrease from the Preceding Year

	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Net sales	6.6%	8.5%	4.3%	△ 0.3%	△ 22.1%	△ 6.8%
Operating income	38.9%	14.8%	3.6%	8.5%	△ 67.0%	92.3%
Ordinary income	46.1%	17.8%	4.2%	4.9%	△ 72.2%	120.9%
Net income	62.9%	22.9%	3.7%	△ 4.1%	△ 91.3%	758.0%

Percentage of net sales

	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Operating income	8.4%	8.9%	8.9%	9.6%	4.1%	8.4%
Ordinary income	8.3%	9.0%	9.0%	9.5%	3.4%	8.0%
Net income	4.6%	5.2%	5.2%	5.0%	0.6%	5.2%

Income Tax Rate

	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
	39.6%	38.7%	38.8%	41.1%	72.1%	31.6%

Note: Income Tax Rate = Current and Deferred Income Taxes ÷ Income before Income Taxes and Minority Interests × 100

Consolidated Statements of Cash Flows

Hitachi Chemical Co., Ltd. and Consolidated Subsidiaries

(Millions of yen)

	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
[Cash flows from operating activities]						
Income before income taxes and minority interests	45,723	54,429	56,714	57,877	12,791	36,506
Depreciation and amortization	25,904	27,200	28,077	32,866	34,560	31,666
Interest and dividends received	△ 896	△ 798	△ 1,326	△ 1,422	△ 1,042	△ 480
Interest paid	984	1,120	1,167	1,215	1,030	639
Increase (decrease) in trade receivables	91	△ 6,651	△ 5,819	△ 14,506	47,444	△ 28,365
Increase (decrease) in inventories	△ 4,727	△ 2,181	△ 3,553	△ 1,948	7,794	△ 2,223
Increase (decrease) in trade payables	4,891	7,485	△ 128	6,186	△ 33,215	17,919
Increase (decrease) in accrued expenses and retirement and severance benefits	△ 11,291	1,054	△ 1,319	△ 1,700	529	607
Other	3,973	△ 15,021	△ 7,837	2,357	4,598	719
Subtotal	64,652	66,637	65,976	80,925	74,489	56,988
Interest and dividends received	991	879	2,193	2,354	1,939	1,348
Interest paid	△ 987	△ 1,099	△ 1,182	△ 1,243	△ 1,041	△ 647
Corporate and other taxes paid	△ 7,111	△ 25,133	△ 20,605	△ 23,785	△ 19,897	△ 5,174
Refund of income tax and other taxes	3,063	-	-	-	-	3,982
Net cash provided by operating activities	60,608	41,284	46,382	58,251	55,490	56,497
[Cash flows from investing activities]						
Income from sale of securities	-	-	-	-	-	-
Expenses of property, plant, and equipment acquired	△ 29,422	△ 35,045	△ 36,487	△ 34,209	△ 36,272	△ 20,894
Income from sale of property, plant and equipment	974	613	2,596	2,694	1,777	681
Expenses of investment securities	△ 2,340	△ 304	-	-	△ 2,635	△ 1,555
Income from sale of investment securities	205	156	1,806	14	339	654
Proceed from sales of subsidiaries' stock to result in changing the scope of consolidation	-	-	-	13,382	-	-
Expense for subsidiaries' stock acquired	-	-	△ 1,628	△ 9,114	△ 206	-
Other	△ 2,419	△ 3,240	△ 4,974	△ 6,510	△ 4,624	1,111
Net cash provided (used in) by investing activities	△ 33,002	△ 37,820	△ 37,059	△ 33,743	△ 41,621	△ 20,003
[Cash flows from financing activities]						
Net increase (decrease) in short-term loans	△ 5,537	1,861	388	983	△ 1,898	△ 1,336
Proceeds from long-term debts	-	-	1,900	-	235	480
Payments on long-term debts	△ 1,551	△ 3,042	△ 1,241	△ 895	△ 249	△ 54
Income from issuance of debentures	-	-	10,000	-	-	-
Reimbursement of debentures	△ 3,000	-	△ 10,000	△ 3,000	△ 4,000	△ 5,000
Dividends paid to stockholders	△ 2,694	△ 4,145	△ 5,390	△ 6,221	△ 7,067	△ 6,248
Dividends paid to minority stockholders of subsidiaries	△ 403	△ 396	△ 400	△ 437	△ 258	△ 234
Other	66	49	△ 546	△ 946	△ 541	△ 230
Net cash provided (used in) by financing activities	△ 13,119	△ 5,673	△ 5,289	△ 10,516	△ 13,778	△ 12,622
Effect of exchange rate changes on cash and cash equivalents	267	2,060	728	△ 3,480	△ 2,211	△ 233
Net increase (decrease) in cash and cash equivalents	14,754	△ 149	4,762	10,512	△ 2,120	23,639
Cash and cash equivalents at beginning of term	46,205	60,959	60,810	65,572	76,084	73,964
Cash and cash equivalents at end of term	60,959	60,810	65,572	76,084	73,964	97,603

Segment Information

Hitachi Chemical Co., Ltd. and Consolidated Subsidiaries

(Millions of Yen)

Business Segment Information

	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Electronics Related Products						
Sales	247,655	274,142	294,690	314,177	251,937	244,788
Sales to outside customers	246,445	272,739	293,575	312,755	250,849	244,635
Inter-segment sales	1,210	1,403	1,115	1,422	1,088	153
Operating expenses	215,729	236,425	253,820	268,507	234,725	214,298
Operating income	31,926	37,717	40,870	45,670	17,212	30,490
Assets	185,441	209,489	227,840	237,467	206,313	236,481
Depreciation	11,583	11,752	12,144	15,848	17,329	15,256
Capital expenditures	15,166	17,125	16,915	19,060	17,581	10,091
Advanced performance products						
Sales	225,855	243,719	251,509	279,894	239,264	212,174
Sales to outside customers	224,669	243,351	250,821	278,080	237,789	210,652
Inter-segment sales	1,186	368	688	1,814	1,475	1,522
Operating expenses	212,561	228,813	236,512	264,335	236,348	204,428
Operating Income	13,294	14,906	14,997	15,559	2,916	7,746
Assets	185,646	195,269	204,323	221,654	185,433	190,297
Depreciation	11,455	12,761	13,674	15,966	17,231	16,410
Capital expenditures	15,547	19,074	19,110	17,620	18,391	10,893
Housing Equipment and Environmental Facilities						
Sales	84,787	86,820	84,745	36,183	-	-
Sales to Outside Customers	84,454	86,613	84,409	36,094	-	-
Inter-segment Sales	333	207	336	89	-	-
Operating Expenses	83,132	85,910	84,800	37,020	-	-
Operating Income	1,655	910	△ 55	△ 837	-	-
Assets	41,862	40,725	40,186	-	-	-
Depreciation	2,866	2,687	2,259	1,052	-	-
Capital Expenditures	2,446	2,488	1,636	703	-	-
Elimination						
Sales	△ 2,729	△ 1,978	△ 2,139	△ 3,325	△ 2,563	△ 1,675
Operating Expenses	△ 2,764	△ 2,278	△ 2,077	△ 3,426	△ 2,373	△ 1,780
Operating Income	35	300	△ 62	101	△ 190	105
Assets	△ 1,464	△ 1,298	△ 1,485	△ 380	△ 396	△ 192
Consolidated						
Sales	555,568	602,703	628,805	626,929	488,638	455,287
Operating Expenses	508,658	548,870	573,055	566,436	468,700	416,946
Operating Income	46,910	53,833	55,750	60,493	19,938	38,341
Assets	411,485	444,185	470,864	458,741	391,350	426,586
Depreciation	25,904	27,200	28,077	32,866	34,560	31,666
Capital Expenditures	33,159	38,687	37,661	37,383	35,972	20,984
Percentage Increase / Decrease from the Preceding Year of Sales to Outside Customers						
	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Electronics Related Products	9.2%	10.7%	7.6%	6.5%	△ 19.8%	△ 2.5%
Advanced Performance Products	5.4%	8.3%	3.1%	10.9%	△ 14.5%	△ 11.4%
Housing Equipment and Environmental Facilities	2.3%	2.6%	△ 2.5%	△ 57.2%	-	-
Operating Margin*						
	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Electronics Related Products	13.0%	13.8%	13.9%	14.6%	6.9%	12.5%
Advanced Performance Products	5.9%	6.1%	6.0%	5.6%	1.2%	3.7%
Housing Equipment and Environmental Facilities	2.0%	1.1%	-	-	-	-

*Operating Margin = Operating Income ÷ Sales to Outside Customers × 100

Geographic Segment Information

	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Japan						
Sales	507,105	536,949	550,510	533,859	408,879	385,494
Sales to Outside Customers	463,900	479,967	482,291	454,684	344,350	307,924
Inter-segment Sales	43,205	56,982	68,219	79,175	64,529	77,570
Operating Expenses	464,729	487,782	500,642	482,953	394,066	355,278
Operating Income	42,376	49,167	49,868	50,906	14,813	30,216
Assets	355,719	367,431	383,227	373,634	314,435	342,289
Asia						
Sales	81,599	108,471	130,524	153,228	126,158	131,260
Sales to Outside Customers	72,807	98,651	117,924	140,392	117,310	124,736
Inter-segment Sales	8,792	9,820	12,600	12,836	8,848	6,524
Operating Expenses	77,579	104,274	124,978	144,469	122,007	123,336
Operating Income	4,020	4,197	5,546	8,759	4,151	7,924
Assets	54,342	78,609	90,477	91,283	74,066	89,734
Other Areas						
Sales	21,264	26,571	30,683	33,701	28,641	23,923
Sales to Outside Customers	18,861	24,085	28,590	31,853	26,978	22,627
Inter-segment Sales	2,403	2,486	2,093	1,848	1,663	1,296
Operating Expenses	20,514	25,705	29,969	32,842	28,460	23,344
Operating Income	750	866	714	859	181	579
Assets	15,156	18,193	20,415	19,013	17,691	19,381
Elimination						
Sales	△ 54,400	△ 69,288	△ 82,912	△ 93,859	△ 75,040	△ 85,390
Operating Expenses	△ 54,164	△ 68,891	△ 82,534	△ 93,828	△ 75,833	△ 85,012
Operating Income	△ 236	△ 397	△ 378	△ 31	793	△ 378
Assets	△ 13,732	△ 20,048	△ 23,255	△ 25,189	△ 14,842	△ 24,818
Consolidated						
Sales	555,568	602,703	628,805	626,929	488,638	455,287
Operating Expenses	508,658	548,870	573,055	566,436	468,700	416,946
Operating Income	46,910	53,833	55,750	60,493	19,938	38,341
Assets	411,485	444,185	470,864	458,741	391,350	426,586
Percentage Increase / Decrease from the Preceding Year of Sales to Outside Customers						
	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Japan	5.5%	3.5%	0.5%	△ 5.7%	△ 24.3%	△ 10.6%
Asia	15.3%	35.5%	19.5%	19.1%	△ 16.4%	6.3%
Other Areas	1.5%	27.7%	18.7%	11.4%	△ 15.3%	△ 16.1%
Operating Margin*						
	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Japan	9.1%	10.2%	10.3%	11.2%	4.3%	9.8%
Asia	5.5%	4.3%	4.7%	6.2%	3.5%	6.4%
Other Areas	4.0%	3.6%	2.5%	2.7%	0.7%	2.6%
*Operating Margin = Operating Income ÷ Sales to Outside Customers × 100						
Overseas Sales						
	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3
Overseas Sales	144,976	184,312	207,447	239,268	195,490	195,373
Asia	110,432	143,985	162,931	193,261	159,415	163,267
Others	34,544	40,327	44,516	46,007	36,075	32,106
Consolidated Sales	555,568	602,703	628,805	626,929	488,638	455,287
Percentage of Overseas Sales in Consolidated Sales	26.1%	30.6%	33.0%	38.2%	40.0%	42.9%
Asia	19.9%	23.9%	25.9%	30.8%	32.6%	35.9%
Others	6.2%	6.7%	7.1%	7.4%	7.4%	7.0%