

Fact Sheet 2013

June 14, 2013

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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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Corporate Communication Center
CSR Management Sector

Financial Highlights

Hitachi Chemical Co., Ltd. and Consolidated Subsidiaries

(Millions of yen)

Net sales ^(Note 1)

	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
Net sales ^(Note 2)	626,929	488,638	455,287	497,452	473,069	464,655
Functional Materials	-	-	-	-	244,855	245,157
Advanced Components and Systems	-	-	-	-	228,214	219,498
Operating income	60,493	19,938	38,341	43,471	24,495	23,559
Functional Materials	-	-	-	-	20,139	21,358
Advanced Components and Systems	-	-	-	-	4,374	2,218
Adjustment	-	-	-	-	△ 18	△ 17
Ordinary Income	59,499	16,524	36,506	45,042	27,799	27,344
Net income	31,438	2,740	23,509	18,943	16,427	18,818

Financial Position

	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
Total assets	458,741	391,350	426,586	432,184	440,981	477,880
Total net assets	274,970	263,588	282,602	290,311	287,239	313,404
Net worth ratio	56.6%	64.1%	62.9%	63.6%	64.2%	64.2%

Cash Flows

	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
Cash flows from operating activities	58,251	55,490	56,497	44,015	42,072	47,931
Cash flows from investing activities	△ 33,743	△ 41,621	△ 20,003	△ 35,748	△ 67,202	△ 53,182
Cash flows from financing activities	△ 10,516	△ 13,778	△ 12,622	△ 6,823	4,611	△ 2,867
Cash and cash equivalents at end of term	76,084	73,964	97,603	96,775	76,318	73,978

Per Share Data

	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
Net income (Basic)	151.60	13.15	112.88	90.96	78.88	90.36
Net income (Diluted)	151.57	13.15	-	-	-	-
Dividend	32.00	32.00	32.00	36.00	36.00	38.00
Total net assets	1,251.66	1,203.92	1,289.11	1,320.30	1,359.33	1,474.11

Other Data

	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
Return on equity (ROE)	12.5%	1.1%	9.1%	7.0%	5.9%	6.4%
Return on assets (ROA)	12.8%	3.9%	8.9%	10.5%	6.4%	6.0%
Interest-bearing liabilities ^(Note 3)	37,210	30,806	24,557	27,151	40,856	51,077
Capital expenditures	37,383	35,972	20,984	30,432	37,347	46,698
Depreciation	32,866	34,560	31,666	28,985	28,240	25,255
Research and development expenses	28,166	27,617	25,402	26,382	25,680	25,534
Research and development expenses / Net sales	4.5%	5.7%	5.6%	5.3%	5.4%	5.5%
Number of consolidated subsidiaries	53	53	50	51	57	58
Number of employees ^(Note 4)	15,583	15,586	15,567	16,453	17,088	18,206

[Notes] Please see the notes on page 3.

Consolidated Balance Sheets

Hitachi Chemical Co., Ltd. and Consolidated Subsidiaries

(Millions of yen)

	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
[Assets]						
Current assets	265,179	207,458	256,685	270,150	248,499	251,741
Cash and cash equivalents	35,340	30,115	33,434	39,984	37,703	36,955
Trade notes and accounts receivables	126,526	77,235	105,059	106,939	107,126	105,134
Inventories	43,528	-	-	-	-	-
Finished goods	-	16,432	16,504	16,782	19,160	20,163
Work in process	-	8,747	9,306	9,651	10,387	12,006
Raw materials	-	9,823	10,727	12,150	12,972	15,090
Deferred income taxes	11,649	8,567	10,040	8,904	7,096	6,259
Other current assets	52,454	60,844	76,349	78,299	55,694	56,925
Less allowance for doubtful receivables	△ 4,318	△ 4,305	△ 4,734	△ 2,559	△ 1,639	△ 791
Fixed assets	193,562	183,892	169,901	162,034	192,482	226,139
Net property, plant and equipment	144,799	138,998	126,644	120,513	131,295	162,020
Buildings and structures	42,778	41,791	42,669	39,979	43,551	50,116
Machinery, equipment, and transportation equipment	62,759	57,294	51,394	48,961	49,500	56,020
Lands	20,933	19,397	19,220	18,173	18,334	20,165
Other fixed assets	18,329	20,516	13,361	13,400	19,910	35,719
Intangible assets	7,515	6,556	5,737	6,559	29,705	30,478
Investments and other assets	41,248	38,338	37,520	34,962	31,482	33,641
Investments in securities	20,659	16,460	20,114	17,275	14,173	15,259
Deferred income taxes	5,720	8,658	7,494	8,126	7,280	8,006
Other assets	15,453	14,008	10,835	10,375	10,728	11,202
Less allowance for doubtful receivables	△ 584	△ 788	△ 923	△ 814	△ 699	△ 826
Total assets	458,741	391,350	426,586	432,184	440,981	477,880
	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
[Liabilities]						
Current liabilities	146,260	95,309	112,322	108,643	109,414	113,590
Trade notes and accounts payables	71,592	36,926	54,586	52,741	50,367	48,612
Short-term debts	16,104	13,434	11,763	12,895	15,931	20,387
Debentures to be redeemed within one year	4,000	5,000	-	-	-	-
Other current liabilities	54,564	39,949	45,973	43,007	43,116	44,591
Fixed liabilities	37,511	32,453	31,662	33,230	44,328	50,886
Debentures	15,000	10,000	10,000	10,000	20,000	20,000
Long-term debts	2,100	2,126	2,492	4,031	4,739	8,053
Retirement and severance benefits	14,423	14,940	15,552	16,044	16,544	17,111
Other liabilities	5,988	5,387	3,618	3,155	3,045	5,722
Total liabilities	183,771	127,762	143,984	141,873	153,742	164,476
[Net assets]						
Capital stock	264,537	261,983	279,140	290,801	299,701	310,604
Common stock	15,443	15,454	15,454	15,454	15,454	15,454
Capital surplus	34,334	36,113	36,113	36,113	36,113	36,113
Earnings surplus	214,881	210,554	227,754	239,422	248,325	259,230
Treasury stock	△ 121	△ 138	△ 181	△ 188	△ 191	△ 193
Accumulated other comprehensive income	△ 4,957	△ 11,218	△ 10,677	△ 15,846	△ 16,622	△ 3,625
Valuation difference on available-for-sale securities	2,200	533	1,985	1,553	732	1,077
Deferred gains or losses on hedges	74	△ 7	△ 20	△ 41	△ 166	68
Foreign currency translation adjustments	△ 7,231	△ 11,744	△ 12,642	△ 17,358	△ 17,188	△ 4,770
Minority interests	15,390	12,823	14,139	15,356	4,160	6,425
Total net assets	274,970	263,588	282,602	290,311	287,239	313,404
Total liabilities, net assets	458,741	391,350	426,586	432,184	440,981	477,880

[Notes]

- Note 1: In light of the conversion of Shin-Kobe Electric Machinery Co., Ltd., into a wholly owned subsidiary, the Company established the Energy Devices & System Business Headquarters on April 1, 2012. In conjunction with this, certain products manufactured by Shin-Kobe Electric Machinery Co., Ltd. were switched from the Advanced Components and Systems segment to the Functional Materials segment from the year ended March 31, 2013. Data for the year ended March 31, 2012 is revised based on these changes. Please refer to page 9 (Previous Segment Information) for data before the year ended March 31, 2011.
- Note 2: Segment sales are sales to outside customers.
- Note 3: Interest-bearing liabilities include trade notes discounted.
- Note 4: Number of employees includes temporary staff.
- Note 5: "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No.25 issued on June 30, 2010) was applied starting from the year ended March 31, 2011.

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Hitachi Chemical Co., Ltd. and Consolidated Subsidiaries

(Millions of yen)

Consolidated Statements of Income

	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
Net sales	626,929	488,638	455,287	497,452	473,069	464,655
Cost of sales	468,077	387,864	342,415	373,214	368,983	356,212
Gross Profit	158,852	100,774	112,872	124,238	104,086	108,443
Selling, general and administrative expenses	98,359	80,836	74,531	80,767	79,591	84,884
Operating income	60,493	19,938	38,341	43,471	24,495	23,559
Non-operating income	7,626	6,361	6,788	7,507	7,366	9,627
Interest and dividend income	1,422	1,042	480	532	607	611
Other Non-operating income	6,204	5,319	6,308	6,975	6,759	9,016
Non-operating expenses	8,620	9,775	8,623	5,936	4,062	5,842
Interest expenses	1,215	1,030	639	613	761	1,085
Other non-operating expenses	7,405	8,745	7,984	5,323	3,301	4,757
Ordinary income	59,499	16,524	36,506	45,042	27,799	27,344
Extraordinary profit	3,846	-	-	2,709	6,024	4,890
Gain on transfer of business	2,962	-	-	-	-	-
Gain on sale of fixed assets	884	-	-	-	661	-
Gain on step acquisitions	-	-	-	392	-	-
Reversal of allowance for doubtful accounts	-	-	-	2,317	-	-
Insurance income	-	-	-	-	2,810	-
Compensation income	-	-	-	-	2,553	4,890
Extraordinary loss	5,468	3,733	-	12,734	3,751	1,208
Loss on business structural reform	2,032	430	-	-	862	-
Loss on product safety measures	600	-	-	-	-	-
Loss on transfer of business	1,275	-	-	-	-	-
Impairment loss	1,561	3,138	-	1,840	599	1,208
Surcharge	-	165	-	-	-	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	-	-	620	-	-
Loss on disaster	-	-	-	10,274	2,099	-
Loss on step acquisitions	-	-	-	-	191	-
Income before income taxes and minority interests	57,877	12,791	36,506	35,017	30,072	31,026
Income taxes (corporate, inhabitant, and business taxes)	23,799	9,227	11,533	13,986	11,769	11,579
Current	20,873	7,955	12,957	13,411	8,386	11,175
Deferred	2,926	1,272	△ 1,424	575	3,383	404
Income before minority interests	-	-	-	21,031	18,303	19,447
Minority interests	2,640	824	1,464	2,088	1,876	629
Net income	31,438	2,740	23,509	18,943	16,427	18,818

Percentage Increase / Decrease from the Preceding Year

	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
Net sales	△ 0.3%	△ 22.1%	△ 6.8%	9.3%	△ 4.9%	△ 1.8%
Operating income	8.5%	△ 67.0%	92.3%	13.4%	△ 43.7%	△ 3.8%
Ordinary income	4.9%	△ 72.2%	120.9%	23.4%	△ 38.3%	△ 1.6%
Net income	△ 4.1%	△ 91.3%	758.0%	△ 19.4%	△ 13.3%	14.6%

Percentage of net sales

	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
Operating income	9.6%	4.1%	8.4%	8.7%	5.2%	5.1%
Ordinary income	9.5%	3.4%	8.0%	9.1%	5.9%	5.9%
Net income	5.0%	0.6%	5.2%	3.8%	3.5%	4.0%

Income Tax Rate

	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
	41.1%	72.1%	31.6%	39.9%	39.1%	37.3%

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

Consolidated Statements of Comprehensive Income

	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
Income before minority interests	-	-	-	21,031	18,303	19,447
Other comprehensive income	-	-	-	Δ 5,320	Δ 814	14,033
Valuation difference on available-for-sale securities	-	-	-	Δ 443	Δ 770	344
Deferred gains or losses on hedges	-	-	-	Δ 25	Δ 185	234
Foreign currency translation adjustments	-	-	-	Δ 4,736	241	12,877
Share of other comprehensive income of associates accounted for using equity method	-	-	-	Δ 116	Δ 100	578
Comprehensive Income	-	-	-	15,711	17,489	33,480
(Comprehensive income attributable to)						
Comprehensive income attributable to owners of the parent	-	-	-	13,774	15,650	31,815
Comprehensive income attributable to minority interests	-	-	-	1,937	1,839	1,665

Consolidated Statements of Cash Flows

Hitachi Chemical Co., Ltd. and Consolidated Subsidiaries

(Millions of yen)

	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
[Cash flows from operating activities]						
Income before income taxes and minority interests	57,877	12,791	36,506	35,017	30,072	31,026
Depreciation and amortization	32,866	34,560	31,666	28,985	28,240	25,255
Interest and dividends received	△ 1,422	△ 1,042	△ 480	△ 532	△ 607	△ 611
Interest paid	1,215	1,030	639	613	761	1,085
Impairment loss	-	-	-	6,555	599	1,208
Increase (decrease) in trade receivables	△ 14,506	47,444	△ 28,365	△ 4,912	1,023	9,800
Increase (decrease) in inventories	△ 1,948	7,794	△ 2,223	△ 1,951	△ 2,971	△ 1,375
Increase (decrease) in trade payables	6,186	△ 33,215	17,919	1,320	△ 2,324	△ 8,129
Increase (decrease) in provision for loss disaster	-	-	-	2,461	△ 2,449	-
Increase (decrease) in accrued expenses and retirement and severance benefits	△ 1,700	529	607	492	500	302
Other	2,357	4,598	719	△ 7,837	△ 2,084	△ 2,861
Subtotal	80,925	74,489	56,988	60,211	50,760	55,700
Interest and dividends received	2,354	1,939	1,348	1,997	1,738	2,071
Interest paid	△ 1,243	△ 1,041	△ 647	△ 590	△ 720	△ 1,105
Corporate and other taxes paid	△ 23,785	△ 19,897	△ 5,174	△ 18,236	△ 9,706	△ 8,735
Refund of income tax and other taxes	-	-	3,982	633	-	-
Net cash provided by operating activities	58,251	55,490	56,497	44,015	42,072	47,931
[Cash flows from investing activities]						
Purchase of short-term investment in securities	-	-	-	△ 3,499	△ 500	-
Expenses of property, plant, and equipment acquired	△ 34,209	△ 36,272	△ 20,894	△ 27,511	△ 33,546	△ 48,040
Income from sale of property, plant and equipment	2,694	1,777	681	479	1,921	1,149
Expenses of investment securities	-	△ 2,635	△ 1,555	△ 3,133	△ 1,908	△ 633
Income from sale of investment securities	14	339	654	281	4,083	492
Purchase of trust beneficiary right	-	-	-	△ 5,770	-	-
Proceeds from redemption of trust beneficiary right	-	-	-	6,769	-	-
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	-	-	△ 1,596	△ 4,944	△ 2,898
Proceed from sales of subsidiaries' stock to result in changing the scope of consolidation	13,382	-	-	-	-	-
Expense for subsidiaries' stock acquired	△ 9,114	△ 206	-	△ 19	△ 36,393	△ 1,964
Other	△ 6,510	△ 4,624	1,111	△ 1,749	4,085	△ 1,288
Net cash provided (used in) by investing activities	△ 33,743	△ 41,621	△ 20,003	△ 35,748	△ 67,202	△ 53,182
[Cash flows from financing activities]						
Net increase (decrease) in short-term loans	983	△ 1,898	△ 1,336	△ 2,323	2,911	△ 523
Proceeds from long-term debts	-	235	480	3,226	1,606	5,217
Payments on long-term debts	△ 895	△ 249	△ 54	△ 54	△ 1,856	△ 1,621
Income from issuance of debentures	-	-	-	-	10,000	-
Reimbursement of debentures	△ 3,000	△ 4,000	△ 5,000	-	-	-
Dividends paid to stockholders	△ 6,221	△ 7,067	△ 6,248	△ 7,289	△ 7,497	△ 7,913
Dividends paid to minority stockholders of subsidiaries	△ 437	△ 258	△ 234	△ 287	△ 497	△ 98
Other	△ 946	△ 541	△ 230	△ 96	△ 56	2,071
Net cash provided (used in) by financing activities	△ 10,516	△ 13,778	△ 12,622	△ 6,823	4,611	△ 2,867
Effect of exchange rate changes on cash and cash equivalents	△ 3,480	△ 2,211	△ 233	△ 2,386	△ 67	5,761
Net increase (decrease) in cash and cash equivalents	10,512	△ 2,120	23,639	△ 942	△ 20,586	△ 2,357
Cash and cash equivalents at beginning of term	65,572	76,084	73,964	97,603	96,775	76,318
Increase (decrease) in cash and cash equivalents resulting from change in fiscal year-end of consolidated subsidiaries	-	-	-	114	129	-
Cash and cash equivalents at end of term	76,084	73,964	97,603	96,775	76,318	73,978

Segment Related Information

Hitachi Chemical Co., Ltd. and Consolidated Subsidiaries

(Millions of Yen)

Business Segment Information

	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
Functional Materials						
Sales	-	-	-	-	252,869	253,258
Sales to outside customers	-	-	-	-	244,855	245,157
Inter-segment sales	-	-	-	-	8,014	8,101
Segment profit	-	-	-	-	20,139	21,358
Segment assets	-	-	-	-	253,255	270,357
Depreciation and amortization	-	-	-	-	14,567	12,804
Amortization of goodwill	-	-	-	-	136	453
Investments in equity method affiliates	-	-	-	-	4,747	5,666
Increase in property, plant and equipment and intangible assets	-	-	-	-	19,645	22,619
Advanced Components and Systems						
Sales	-	-	-	-	228,630	220,802
Sales to outside customers	-	-	-	-	228,214	219,498
Inter-segment sales	-	-	-	-	416	1,304
Segment profit	-	-	-	-	4,374	2,218
Segment assets	-	-	-	-	189,381	209,587
Depreciation and amortization	-	-	-	-	13,673	12,451
Amortization of goodwill	-	-	-	-	672	3,272
Investments in equity method affiliates	-	-	-	-	1,680	2,120
Increase in property, plant and equipment and intangible assets	-	-	-	-	41,773	27,263
Adjustment						
Sales	-	-	-	-	△ 8,430	△ 9,405
Segment profit	-	-	-	-	△ 18	△ 17
Segment assets	-	-	-	-	△ 1,655	△ 2,064
Amounts shown on consolidated statements of income						
Sales	-	-	455,287	497,452	473,069	464,655
Segment profit	-	-	38,341	43,471	24,495	23,559
Segment assets	-	-	426,586	432,184	440,981	477,880
Depreciation and amortization	-	-	31,666	28,985	28,240	25,255
Amortization of goodwill	-	-	-	316	808	3,725
Investments in equity method affiliates	-	-	6,717	5,544	6,427	7,786
Increase in property, plant and equipment and intangible assets	-	-	20,984	32,112	61,418	49,882
Percentage Increase / Decrease from the Preceding Year of Sales to Outside Customers						
	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
Functional Materials	-	-	-	-	-	0.1%
Advanced Components and Systems	-	-	-	-	-	△ 3.8%
Operating Margin*						
	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
Functional Materials	-	-	-	-	8.2%	8.7%
Advanced Components and Systems	-	-	-	-	1.9%	1.0%

*Operating Margin = Segment profit ÷ Sales to Outside Customers × 100

Geographic Information

	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
Net Sales	-	-	455,287	497,452	473,069	464,655
Japan	-	-	259,914	281,352	272,355	247,736
Asia	-	-	163,267	181,535	171,613	188,590
Other Areas	-	-	32,106	34,565	29,101	28,329
Net Property, Plant and Equipment	-	-	-	120,513	131,295	162,020
Japan	-	-	-	92,874	90,769	96,371
Asia	-	-	-	24,064	35,865	59,248
Other Areas	-	-	-	3,575	4,661	6,401

Reference Previous Segment Information

Hitachi Chemical Co., Ltd. and Consolidated Subsidiaries

(Millions of Yen)

Business Segment Information

	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3
Functional Materials						
Sales	-	-	-	244,285	260,574	249,022
Sales to outside customers	-	-	-	240,704	251,984	240,411
Inter-segment sales	-	-	-	3,581	8,590	8,611
Segment profit	-	-	-	32,183	31,075	20,004
Segment assets	-	-	-	254,526	261,844	251,071
Depreciation and amortization	-	-	-	16,264	14,702	14,291
Amortization of goodwill	-	-	-	-	-	136
Investments in equity method affiliates	-	-	-	4,302	4,340	4,747
Increase in property, plant and equipment and intangible assets	-	-	-	9,520	14,159	19,579
Advanced Components and Systems						
Sales	-	-	-	215,070	245,908	233,086
Sales to outside customers	-	-	-	214,583	245,468	232,658
Inter-segment sales	-	-	-	487	440	428
Segment profit	-	-	-	6,236	12,387	4,511
Segment assets	-	-	-	173,110	171,951	191,618
Depreciation and amortization	-	-	-	15,402	14,283	13,949
Amortization of goodwill	-	-	-	-	316	672
Investments in equity method affiliates	-	-	-	2,415	1,204	1,680
Increase in property, plant and equipment and intangible assets	-	-	-	11,464	17,953	41,839
Adjustment						
Sales	-	-	-	△ 4,068	△ 9,030	△ 9,039
Segment profit	-	-	-	△ 78	9	△ 20
Segment assets	-	-	-	△ 1,050	△ 1,611	△ 1,708
Amounts shown on consolidated statements of income						
Sales	-	-	-	455,287	497,452	473,069
Segment profit	-	-	-	38,341	43,471	24,495
Segment assets	-	-	-	426,586	432,184	440,981
Depreciation and amortization	-	-	-	31,666	28,985	28,240
Amortization of goodwill	-	-	-	-	316	808
Investments in equity method affiliates	-	-	-	6,717	5,544	6,427
Increase in property, plant and equipment and intangible assets	-	-	-	20,984	32,112	61,418
Percentage Increase / Decrease from the Preceding Year of Sales to Outside Customers						
	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3
Functional Materials	-	-	-	-	4.7%	△ 4.6%
Advanced Components and Systems	-	-	-	-	14.4%	△ 5.2%
Operating Margin*						
	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3
Functional Materials	-	-	-	13.4%	12.3%	8.3%
Advanced Components and Systems	-	-	-	2.9%	5.0%	1.9%

*Operating Margin = Segment profit ÷ Sales to Outside Customers × 100