

Consolidated Balance Sheets

Nippon Kayaku Co., Ltd. and Consolidated Subsidiaries
As of May 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2009	2008	2009
Assets			
Current assets:			
Cash and cash equivalents	¥ 35,061	¥ 21,662	\$ 363,401
Time deposits	94	462	974
Trade receivables	44,008	48,731	456,135
Less allowance for doubtful receivables	(123)	(133)	(1,274)
Inventories (Note 4)	23,504	24,503	243,615
Deferred income taxes (Note 8)	2,345	2,144	24,305
Other current assets	3,838	5,746	39,780
Total current assets	108,729	103,117	1,126,958
Property, plant and equipment (Notes 6 and 7):	191,170	189,777	1,981,446
Less accumulated depreciation	(123,612)	(119,607)	(1,281,218)
Property, plant and equipment, net	67,557	70,170	700,217
Investments and other assets:			
Investment securities (Notes 5 and 7)	15,329	23,520	158,882
Goodwill	2,112	3,311	21,890
Deferred income taxes (Note 8)	1,008	277	10,447
Other assets	9,261	6,870	95,988
Total investments and other assets	27,711	33,979	287,220
Total assets	¥203,998	¥207,269	\$2,114,407

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2009	2008	2009
Liabilities and net assets			
Current liabilities:			
Short-term bank loans (Note 7).....	¥ 7,969	¥ 2,873	\$ 82,597
Current portion of long-term debt (Note 7).....	5,335	5,301	55,296
Payables:			
Trade	12,071	17,769	125,114
Unconsolidated subsidiaries and affiliates	130	216	1,347
Construction	2,782	2,588	28,834
Other	4,124	4,197	42,744
Accrued expenses.....	4,652	5,246	48,217
Accrued income taxes (Note 8).....	3,072	1,514	31,840
Other current liabilities.....	1,632	918	16,915
Total current liabilities	41,772	40,627	432,960
Non-current liabilities:			
Long-term debt, less current portion (Note 7).....	15,968	11,727	165,505
Retirement benefits (Note 10).....	5,084	4,729	52,694
Other non-current liabilities.....	12,875	14,450	133,447
Deferred income taxes (Note 8).....	2,486	4,659	25,766
Total non-current liabilities	36,414	35,567	377,425
Total liabilities	78,186	76,194	810,385
Contingent liabilities (Note 12)			
Net assets (Note 13):			
Shareholders' equity			
Common stock:			
Authorized – 700,000,000 shares			
Issued – 182,503,750 shares	14,932	14,932	154,767
Additional paid-in capital	17,263	17,270	178,928
Retained earnings.....	82,373	82,477	853,783
Less treasury stock, at cost	(623)	(578)	(6,457)
Total shareholders' equity	113,946	114,102	1,181,032
Valuation and translation adjustments:			
Unrealized holding gains on other securities	45	2,821	466
Translation adjustments	214	1,592	2,218
Total valuation and translation adjustments	260	4,413	2,694
Minority interests	11,605	12,557	120,283
Total net assets	125,812	131,074	1,304,021
Total liabilities and net assets	¥203,998	¥207,269	\$2,114,407

See accompanying notes to consolidated financial statements.