

Consolidated Statements of Income

Toagosei Co., Ltd. and Consolidated Subsidiaries

Years ended December 31,	Millions of yen		Thousands of U.S. dollars (Note 3)
	2009	2008	2009
Net sales	¥140,033	¥162,615	\$1,520,452
Cost of sales	100,764	121,309	1,094,081
Gross profit	39,268	41,306	426,370
Selling, general and administrative expenses (Notes 10 and 13).....	28,110	29,637	305,217
Operating income.....	11,158	11,668	121,153
Other income (expenses):			
Interest and dividend income.....	422	607	4,590
Interest expense.....	(279)	(313)	(3,033)
Equity in earnings of affiliates.....	361	265	3,921
Impairment loss on property, plant and equipment (Note 7)	(2,486)	(674)	(26,998)
Gain on sales and disposal of property, plant and equipment	11	15	126
Gain on sales of investment securities.....	0	36	0
Loss on disposal of property, plant and equipment	(1,063)	(837)	(11,549)
Provision for doubtful receivables.....	(287)	(2,006)	(3,120)
Loss on valuation of investment in securities	(10)	(777)	(108)
Foreign currency exchange loss	(77)	(914)	(844)
Loss on discontinued operations (Note 8).....	(490)	—	(5,324)
Other, net	(53)	(200)	(578)
Income before income taxes and minority interests.....	7,205	6,869	78,233
Income taxes (Note 11):			
Current.....	3,392	3,469	36,832
Deferred	(547)	814	(5,943)
	2,844	4,284	30,888
Minority interests.....	819	689	8,893
Net income (Note 20)	¥ 3,541	¥ 1,895	\$ 38,451

See accompanying notes to consolidated financial statements.