

Financial Report : FY2008

May, 2009

Disclaimer Regarding Forward – Looking Statements

These materials are intended to provide information only, and are not to solicit actions of any kind. Business results forecasts are based on management's assumptions in light of information currently available. Actual sales and income may differ significantly from these forecasts.

The Company shall not take any responsibility regarding the accuracy or completeness of any forecasts pertaining to business results forecasts contained herein.

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Statements of Income (Consolidated) From Apr. 1, 2008 to Mar. 31, 2009

(Unit : Millions of yen)

	FY 2008 Year ended March 31, 2009	FY 2007 Year ended March 31, 2008	Increase (Decrease)	
			Amount	Percentage
Net Sales	268,857	302,925	-34,068	-11.2%
Elastomer Business	179,957	195,711	-15,754	-8.0%
Specialty Materials Business	37,569	47,153	-9,584	-20.3%
Others	55,151	62,345	-7,194	-11.5%
Eliminations and corporate	-3,820	-2,285	-1,535	
Operating income	2,936	25,268	-22,332	-88.4%
Elastomer Business	7,642	16,570	-8,928	-53.9%
Specialty Materials Business	-4,764	7,609	-12,373	-162.6%
Others	177	1,216	-1,039	-85.4%
Eliminations and corporate	-119	-127	8	
Ordinary income	3,848	20,638	-16,790	-81.4%
Net income	2,478	9,092	-6,614	-72.7%

Exchange rate (JPY/\$)	100.8	115.3	-14.5	-12.6%
Naphtha Price (JPY/kl)	58,700	61,600	-2,900	-4.7%
Depreciation and amortization	22,597	19,497	3,100	15.9%
Capital expenditures	29,496	35,500	-6,004	-16.9%
Research and Development Expenses	11,320	12,276	-956	-7.8%
Total assets	292,027	335,730	-43,703	-13.0%
Net Assets	99,261	110,880	-11,619	-10.5%
ROA	0.8%	2.8%	-2.0p	
ROE	2.4%	8.3%	-5.9p	

Comparative Analysis of Consolidated Net Sales for Fiscal Year ended Mar. 31

(Unit : Millions of yen)

(Unit : 100million JPY)	FY 2008	FY 2007	Increase (Decrease)			
			Total	Quantity Variance	Price Vairiance	Exchange rate Variance
Net Sales (Consolodated)	2,689	3,029	-340	-432	156	-64

Comparative Analysis of Consolidated Operating income for Fiscal Year ended Mar. 31

(Unit : 100million JPY)	FY 2008	FY 2007	Increase (Decrease)			
			Total	Quantity Variance	Price Vairiance	Exchange rate Variance
Operating income (Consolodated)	29	253	-224	-136	156	-64
				Cost reduction effect	Raw materials price variance etc.	SGA
				43	-244	21

	FY2008	FY2007	Increase (Decrease)
Naphtha Price (JPY/kl)	58,700	61,600	2,900
Exchange rate (JPY/\$)	100.8	115.3	-14.5
Exchange rate (JPY/€)	145.6	162.2	-16.6
Exchange rate (\$/€)	1.444	1.407	0.037

Business Segments (Consolidated)

- Elastomer Business -

(Unit : Millions of yen)

	FY 2008 Year ended March 31, 2009	FY 2007 Year ended March 31, 2008	Increase (Decrease)	
			Amount	Percentage
Sales Quantity (thousands ton)	544.3	611.5	-67.2	-11.0%
Rubbers	313.9	358.0	-44.1	-12.3%
Latices	144.3	150.8	-6.5	-4.3%
Chemicals	86.1	102.7	-16.6	-16.2%
Net Sales (JPYm)	179,957	195,711	-15,754	-8.0%
Rubbers	127,884	140,288	-12,404	-8.8%
Latices	22,577	21,689	888	4.1%
Chemicals	29,496	33,734	-4,238	-12.6%
Operating expenses	172,315	179,141	-6,826	-3.8%
Operating income	7,642	16,570	-8,928	-53.9%

- Specialty Materials Business -

(Unit : Millions of yen)

	FY 2008 Year ended March 31, 2009	FY 2007 Year ended March 31, 2008	Increase (Decrease)	
			Amount	Percentage
Net Sales	37,569	47,153	-9,584	-20.3%
Specialty materials	23,004	25,879	-2,875	-11.1%
Specialty plastics	14,594	21,274	-6,680	-31.4%
Eliminations and corporate	-29	0	-29	
Operating expenses	42,333	39,544	2,789	7.1%
Operating income	-4,764	7,609	-12,373	-162.6%

- Others -

(Unit : Millions of yen)

	FY 2008 Year ended March 31, 2009	FY 2007 Year ended March 31, 2008	Increase (decrease)	
			Amount	Percentage
Net Sales	55,151	62,345	-7,194	-11.5%
Operating expenses	54,974	61,129	-6,155	-10.1%
Operating income	177	1,216	-1,039	-85.4%

Nonoperating income and expense / Extraordinary gains and losses (Consolidated)

- Nonoperating income and expense -

(Unit : Millions of yen)

	FY 2008 Year ended March 31, 2009	FY 2007 Year ended March 31, 2008	Increase (Decrease)
Nonoperating income	4,634	2,990	1,644
Interest income	199	270	-71
Dividend income	895	1,133	-238
Other nonoperating income	3,540	1,587	1,953
Nonoperating expenses	3,722	7,620	-3,898
Interest expense	1,640	1,468	172
Foreign exchange loss, net	1,725	1,849	-124
Loss on disposal of inventories	0	3,797	-3,797
Other nonoperating expenses	357	506	-149

- Extraordinary gains and losses -

(Unit : Millions of yen)

	FY 2008 Year ended March 31, 2009	FY 2007 Year ended March 31, 2008	Increase (Decrease)
Extraordinary gains	91	218	-127
Extraordinary losses	2,691	2,683	8
Loss on disposal of fixed assets	770	1,160	-390
Loss on devaluation of investment securities	288	6	282
Lawsuit costs	32	1,123	-1,091
Provision for allowance for doubtful accounts			
Others	1,601	394	1,207

Comparative Balance Sheets (Consolidated)

(Unit : Millions of yen, %)

Assets					Liabilities and Net assets						
Account item	As of Mar. 31, 2009		As of Mar. 31, 2008		increase (decrease)	Account item	As of Mar. 31, 2009		As of Mar. 31, 2008		increase (decrease)
Current assets	130,945	44.8	173,174	51.6	-42,229	Current liabilities	123,614	50.8	156,542	46.6	-32,928
Cash and bank deposits	5,263		6,509		-1,246	Notes and accounts payable-trade	35,968		79,712		-43,744
Notes and accounts receivable- trade	46,135		76,816		-30,681	Short-term interest-bearing debt	69,187		45,335		23,852
Accounts receivable-other	15,947		28,876		-12,929	Other current liabilities	18,459		12,588		-13,036
Inventories	55,624		56,021		-397						
Other current assets	7,976		4,952		3,024	Long-term liabilities	69,151	18.9	68,309	20.4	842
Fixed assets	161,082	55.2	162,554	48.4	-1,472	Long-term interest-bearing debt	54,160		52,177		1,983
Property, Plant and equipment	118,792		116,263		2,529	Other long-term liabilities	14,991		16,132		-1,141
Intangible assets	4,874		5,898		-1,024	Total Liabilities	192,766	69.7	224,850	67.0	-32,084
Investment securities	25,849		35,881		-10,032						
Other fixed assets	11,567		4,512		7,055	Equity capital	95,816		107,063		-11,247
						Stock acquisition rights	201		151		50
Deferred charges	0	0.0	2	0.0	-2	Minority interests	3,244		3,666		-422
						Total Net assets	99,261	30.3	110,880	33.0	-11,619
Total Assets	292,027	100.0	335,730	100.0	-43,703	Total Liabilities and Net assets	292,027	100.0	335,730	100.0	-43,703

	As of Mar. 31, 2009	As of Mar. 31, 2008	Increase / decrease
Interest-bearing debt	123,347	97,512	25,835
Equity capital	95,816	107,063	-11,247
capital adequacy ratio	32.8	31.9	0.9
D/E Ratio	1.29	0.91	0.38

Statement of Cash Flows (Consolidated)

(Unit : Millions of yen)

	FY 2008 Year ended March 31, 2009	FY 2007 Year ended March 31, 2008	Increase (Decrease) Amount
Cash flows from operating activities	10,373	8,197	2,176
income before income taxes and minority interests	1,249	18,173	-16,924
Depreciation and amortization (Decrease)			
increase in allowance for doubtful	22,597	19,497	3,100
Decrease (increase) in receivables - trade	26,694	-15,573	42,267
Decrease (increase) in inventories	-2,933	-4,091	1,158
(Decrease) increase in payables - trade	-39,976	-2,541	-37,435
Income taxes paid	-7,353	-9,748	2,395
Other, net	10,095	2,480	7,615
Cash flows from investing activities	-35,155	-34,015	-1,140
Purchase of tangible & intangible assets	-35,779	-31,571	-4,208
Purchase of investment securities	-978	-3,603	2,625
Proceeds from sales and redemption of investment securities	2,003	707	1,296
Other, net	-401	452	-853
Cash flows from financing activities	24,521	25,220	-699
(Decrease) increase of interest-bearing debt	27,443	29,200	-1,757
Dividends paid	-2,827	-2,838	11
Repurchase of treasury stock	0	-1,032	1,032
Other, net	-95	-110	15
Effect of exchange rate changes on cash and cash equivalents	-1,142	-107	-1,035
Net increase (decrease) in cash and cash equivalents	-1,403	-705	-698
Cash and cash equivalents at beginning	6,126	6,483	-357
Increase in cash due to change in number of consolidated subsidiaries	285	348	-63
Cash and cash equivalents at end	5,008	6,126	-1,118

Forecast of Operating Performance FY2009 (Consolidated)

(Unit : Millions of yen)

	Fiscal Year ended March 31, 2010	Fiscal Year ended March 31, 2009	Increase (Decrease)	
			Amount	Percentage
Net Sales	213,000	268,857	-55,857	-20.8%
Elastomer Business	130,000	179,957	-49,957	-27.8%
Specialty Materials Business	43,000	37,569	5,431	14.5%
Others	44,000	55,151	-11,151	-20.2%
Eliminations and corporate	-4,000	-3,820	-180	
Operating income	4,000	2,936	1,064	36.2%
Elastomer Business	5,000	7,642	-2,642	-34.6%
Specialty Materials Business	-1,000	-4,764	3,764	-79.0%
Others	0	177	-177	
Eliminations and corporate	0	-119	119	
Ordinary income	2,000	3,848	-1,848	-48.0%
Net income	1,000	2,478	-1,478	-59.6%
Exchange rate (JPY/\$)	90.0	100.8	-10.8	-10.7%
Naphtha Price (JPY/kl)	27,000	58,700	-31,700	-54.0%
Depreciation & Amortization	23,000.0	22,597.0	403.0	1.8%
Capital Expenditures	15,000	29,496	-14,496	-49.1%
Research and Development Expenses	10,000.0	11,320.0	-1,320.0	-11.7%