

Financial Report

The 1st Quarter of FY2009 (From Apr. 1 to Jun. 30, 2009)

July, 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 to Jun. 30, 2009

(Unit : Millions of yen)

	First Quarter ended June 30, 2009	First Quarter ended June 30, 2008	Increase (Decrease)		Remarks
			Amount	Percentage	
Net Sales	47,310	76,394	-29,084	-38.1%	Comparative Analysis of Net Sales for ended Jun. 30(JPY100m)
Elastomer Business	27,266	49,548	-22,282	-45.0%	Quantity Variance -209
Specialty Materials Business	10,604	10,462	142	1.4%	Price Variance -71
Others	9,954	17,069	-7,115	-41.7%	Exchange rate Variance -11
Eliminations and corporate	-515	-685	170		
Operating income	-2,921	5,332	-8,253	-154.8%	Comparative Analysis of Operating income for ended Jun. 30(JPY100m)
Elastomer Business	-1,437	3,998	-5,435	-135.9%	Quantity Variance -61 Raw materials price variance etc. 31
Specialty Materials Business	-1,226	1,267	-2,493	-196.8%	Price Variance -71 SGA 23
Others	-269	89	-358	-402.2%	Exchange rate Variance -11 Cost reduction effect 6
Eliminations and corporate	11	-22	33		
Nonoperating income	710	1,650	-940		Comparative Analysis of Nonoperating income for ended Jun. 30(JPY100m)
					Dividend income -2
					Foreign exchange gain, net -7
Nonoperating expenses	463	467	-4		
Ordinary income	-2,674	6,515	-9,189	-141.0%	
Extraordinary gains	220	8	212		Comparative Analysis of Extraordinary gains for ended Jun. 30(JPY100m)
					Gain on sales of investment securities 2
Extraordinary losses	893	203	690		Comparative Analysis of Extraordinary losses for ended Jun. 30(JPY100m)
					Loss on disposal of fixed assets -1
					Loss on devaluation of investment securities 6
					Impairment loss on fixed assets 2
Net income	-2,292	3,114	-5,406	-173.6%	
Exchange rate (JPY/\$)	97.5	103.4	-5.9	-5.7%	
Exchange rate (JPY/€)	131.5	161.5	-30.0	-18.6%	
Naphtha Price (JPY/k)	33,500	70,900	-37,400	-52.8%	

Business Segments (Consolidated)

- Elastomer Business -

(Unit : Millions of yen)

	First Quarter ended Jun. 30, 2009	First Quarter ended Jun. 30, 2008	Increase (Decrease)	
			Amount	Percentage
Sales Quantity (thousands ton)	103.4	149.5	-46.1	-30.8%
Rubbers	55.0	87.5	-32.5	-37.1%
Latices	29.0	39.2	-10.2	-26.0%
Chemicals	19.4	22.8	-3.4	-15.0%
Net Sales (JPYm)	27,266	49,548	-22,282	-45.0%
Rubbers	18,290	36,046	-17,756	-49.3%
Latices	3,864	5,830	-1,966	-33.7%
Chemicals	5,113	7,671	-2,558	-33.3%
Operating expenses	28,703	45,550	-16,847	-37.0%
Operating income	-1,437	3,998	-5,435	-135.9%

- Specialty Materials Business -

(Unit : Millions of yen)

	First Quarter ended Jun. 30, 2009	First Quarter ended Jun. 30, 2008	Increase (Decrease)	
			Amount	Percentage
Net Sales	10,604	10,462	142	1.4%
Specialty materials	4,812	6,601	-1,789	-27.1%
Specialty plastics	5,792	3,861	1,931	50.0%
Operating expenses	11,830	9,195	2,635	28.7%
Operating income	-1,226	1,267	-2,493	-196.8%

- Others -

(Unit : Millions of yen)

	First Quarter ended Jun. 30, 2009	First Quarter ended Jun. 30, 2008	Increase (decrease)	
			Amount	Percentage
Net Sales	9,954	17,069	-7,115	-41.7%
Operating expenses	10,223	16,980	-6,757	-39.8%
Operating income	-269	89	-358	-402.2%

Statements of Income (Consolidated) for 3 Months ended

(Unit : Millions of yen)

	Fiscal Year ended March 31, 2009				Fiscal Year ended March 31, 2010	Increase (Decrease)	
	Jun. 30, 2008	Sep. 31, 2008	Dec. 31, 2008	Mar. 31, 2009	Jun. 30, 2009	Amount	Percentage
Sales Quantity (thousands ton)	149.5	151.2	129.1	114.5	103.4	-11.1	-9.7%
Rubbers	87.5	86.0	72.7	67.7	55.0	-12.7	-19%
Latices	39.2	38.8	35.5	30.8	29.0	-1.8	-6%
Chemicals	22.8	26.4	20.9	16.0	19.4	3.4	21%
Net Sales (JPYm)	76,394	80,191	67,050	45,222	47,310	2,088	5%
Elastomer business	49,548	55,188	45,965	29,256	27,266	-1,990	-7%
Rubbers	36,046	39,869	32,099	19,870	18,290	-1,580	-8%
Latices	5,830	6,091	6,037	4,619	3,864	-755	-16%
Chemicals	7,671	9,229	7,828	4,768	5,113	345	7%
Eliminations	0	0	0	0	0	0	
Specialty materials	10,462	11,304	9,151	6,652	10,604	3,952	59%
Specialty materials	6,601	6,827	5,484	4,092	4,812	720	18%
Specialty plastics	3,861	4,477	3,695	2,561	5,792	3,231	126%
Eliminations	0	0	-28	-1	0	1	-100%
Other	17,069	15,583	12,733	9,766	9,954	188	2%
Eliminations	-685	-1,884	-799	-452	-515	-63	14%
Operating expenses	5,332	4,680	3,930	-11,006	-2,921	8,085	-73%
Elastomer business	3,998	5,292	5,654	-7,302	-1,437	5,865	-80%
Specialty materials	1,267	-871	-1,756	-3,404	-1,226	2,178	-64%
Other	89	279	99	-290	-269	21	-7%
Eliminations	-22	-21	-66	-10	11	21	-210%
Ordinary income	6,515	3,977	2,717	-9,361	-2,674	6,687	-71%
Net income	3,114	1,671	-817	-1,490	-2,292	-802	54%
Exchange rate (JPY/\$)	103.4	108.0	99.2	92.8	97.5	4.7	5%
Exchange rate (JPY/€)	161.5	165.8	132.7	122.6	131.5	8.9	7%
Naphtha Price (JPY/kl)	70,900	85,800	52,000	27,000	33,500	6,500	24%

Comparative Balance Sheets (Consolidated)

(Unit : Millions of yen, %)

Assets					Liabilities and Net assets						
Account item	As of Jun. 30, 2009		As of Mar. 31, 2009		increase (decrease)	Account item	As of Jun. 30, 2009		As of Mar. 31, 2009		increase (decrease)
Current assets	126,103	43.8	130,945	44.8	-4,842	Current liabilities	118,668	41.2	123,614	42.3	-4,946
Cash and bank deposits	5,813		5,263		550	Notes and accounts payable-trade	36,926		35,968		958
Notes and accounts receivable- trade	47,066		46,135		931	Short-term interest-bearing debt	64,618		69,187		-4,569
Accounts receivable-other	15,518		15,947		-429	Other current liabilities	17,124		18,459		-1,335
Inventories	47,588		55,624		-8,036						
Other current assets	10,118		7,976		2,142	Long-term liabilities	68,133	23.7	69,151	23.7	-1,018
Fixed assets	161,573	56.2	161,082	55.2	491	Long-term interest-bearing debt	53,583		54,160		-577
Property, Plant and equipment	117,085		118,792		-1,707	Other long-term liabilities	14,550		14,991		-441
Intangible assets	4,789		4,874		-85	Total Liabilities	186,801	64.9	192,766	66.0	-5,965
Investment securities	30,639		25,849		4,790						
Other fixed assets	9,060		11,567		-2,507	Equity capital	97,381		95,816		1,565
						Stock acquisition rights	211		201		10
						Minority interests	3,283		3,244		39
						Total Net assets	100,875	35.1	99,261	34.0	1,614
Total Assets	292,027	100.0	335,730	100.0	-43,703	Total Liabilities and Net assets	287,676	100.0	292,027	100.0	-4,351

	As of Jun. 30, 2009	As of Mar. 31, 2009	Increase / decrease
Interest-bearing debt	118,201	123,347	-5,146
Equity capital	97,381	95,816	1,565
capital adequacy ratio	33.9	32.8	1.1
D/E Ratio	1.21	1.29	-0.08

Statements of Cash Flows (Consolidated) From Apr. 1 to Jun. 30, 2009

(Unit : Millions of yen)

	First Quarter ended Jun. 30, 2009	First Quarter ended Jun. 30, 2008	Increase (Decrease) Amount
Cash flows from operating activities	8,882	-1,646	10,528
income before income taxes and minority interests	-3,347	6,320	-9,667
Depreciation and amortization (Decrease)			
increase in allowance for doubtful	4,648	5,276	-628
Decrease (increase) in receivables - trade	-399	-1,308	909
Decrease (increase) in inventories	9,345	-4,798	14,143
(Decrease) increase in payables - trade	344	-3,149	3,493
Income taxes paid	-332	-3,144	2,812
Other, net	-1,377	-843	-534
Cash flows from investing activities	-2,279	-4,170	1,891
Purchase of tangible & intangible assets	-2,725	-6,079	3,354
Purchase of investment securities	-5	-23	18
Proceeds from sales and redemption of investment securities	433	2,000	-1,567
Other, net	18	-68	86
Cash flows from financing activities	-6,293	4,555	-10,848
(Decrease) increase of interest-bearing debt	-5,620	5,894	-11,514
Dividends paid	-614	-1,263	649
Repurchase of treasury stock	0	0	0
Other, net	-59	-76	17
Effect of exchange rate changes on cash and cash equivalents	172	-556	728
Net increase (decrease) in cash and cash equivalents	482	-1,817	2,299
Cash and cash equivalents at beginning	5,008	6,126	-1,118
Increase in cash due to change in number of consolidated subsidiaries	71	265	-194
Cash and cash equivalents at end	5,561	4,574	987

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%
Operating income	4,000	2,936	1,064	36.2%
Ordinary income	2,000	3,848	-1,848	-48.0%
Net income	1,000	2,478	-1,478	-59.6%