

Financial Report : FY2009

May, 2010

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.

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Statements of Income (Consolidated) From Apr. 1, 2009 to Mar. 31, 2010

(Unit : Millions of yen)

	FY 2009 Year ended March 31, 2010	FY 2008 Year ended March 31, 2009	Increase (Decrease)		Remarks
			Amount	Percentage	
Net Sales	225,878	268,857	-42,979	-16.0%	Comparative Analysis of Net Sales for ended Mar. 31(JPY100m)
Elastomer Business	138,287	179,957	-41,670	-23.2%	Quantity Variance -110
Specialty Materials Business	47,305	37,569	9,735	25.9%	Price Variance -276
Others	41,655	55,151	-13,497	-24.5%	Exchange rate Variance -44
Eliminations and corporate	-1,369	-3,820	2,452		
Operating income	9,319	2,936	6,383	217.4%	Comparative Analysis of Operating income for ended Mar. 31(JPY100m)
Elastomer Business	9,347	7,642	1,706	22.3%	Quantity Variance 45 Raw materials price variance etc. 241
Specialty Materials Business	253	-4,764	5,017		Price Vairiance -276 SGA 46
Others	-304	177	-481		Exchange rate Variance -44 Cost reduction effect 52
Eliminations and corporate	24	-119	142		
Nonoperating income and loss	129	912	-783		
Nonoperating income	2,000	4,634	-2,634		Comparative Analysis of Nonoperating income for ended Mar. 31(JPY100m)
					Interest and Dividend income -4
					Subsidy -21
Nonoperating expenses	1,871	3,722	-1,851		Comparative Analysis of Nonoperating expenses for ended Mar. 31(JPY100m)
					Foreign exchange loss -17
Ordinary income	9,448	3,848	5,600	145.5%	
Extraordinary gains and losses	-1,498	-2,600	1,102		
Extraordinary gains	257	91	166		Comparative Analysis of Extraordinary gains for ended Mar. 31(JPY100m)
					Gain on sales of investment securities 2
Extraordinary losses	1,755	2,691	-936		Comparative Analysis of Extraordinary losses for ended Mar. 31(JPY100m)
					Loss on disposal of fixed assets -5
					Impairment loss -11
					Allowance for environmental remediation and others 7
Net income	5,020	2,478	2,542	102.6%	
Exchange rate (JPY/\$)	93.0	100.8	-7.8	-7.7%	
Exchange rate (JPY/€)	131.0	145.6	-14.6	-10.0%	
Naphtha Price (JPY/kl)	41,200	58,700	-17,500	-29.8%	

Business Segments (Consolidated)

- Elastomer Business -

(Unit : Millions of yen)

	FY 2009 Year ended March 31, 2010	FY 2008 Year ended March 31, 2009	Increase (Decrease)	
			Amount	Percentage
Sales Quantity (thousands ton)	535.4	544.3	-8.9	-1.6%
Rubbers	302.0	313.9	-11.9	-3.8%
Latices	143.4	144.3	-0.9	-0.6%
Chemicals	90.0	86.1	3.9	4.6%
Net Sales (JPYm)	138,287	179,957	-41,670	-23.2%
Rubbers	95,518	127,884	-32,366	-25.3%
Latices	17,735	22,577	-4,842	-21.4%
Chemicals	25,100	29,496	-4,396	-14.9%
Eliminations and corporate	-66	0	-66	—
Operating expenses	128,940	172,316	-43,376	-25.2%
Operating income	9,347	7,642	1,706	22.3%

- Specialty Materials Business -

(Unit : Millions of yen)

	FY 2009 Year ended March 31, 2010	FY 2008 Year ended March 31, 2009	Increase (Decrease)	
			Amount	Percentage
Net Sales	47,305	37,569	9,735	25.9%
Specialty materials	22,808	23,004	-196	-0.9%
Specialty plastics	24,497	14,594	9,903	67.9%
Eliminations and corporate	0	-29	29	—
Operating expenses	47,052	42,333	4,719	11.1%
Operating income	253	-4,764	5,017	—

- Others -

(Unit : Millions of yen)

	FY 2009 Year ended March 31, 2010	FY 2008 Year ended March 31, 2009	Increase (decrease)	
			Amount	Percentage
Net Sales	41,655	55,151	-13,497	-24.5%
Operating expenses	41,959	54,974	-13,016	-23.7%
Operating income	-304	177	-481	—

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. 30, 2008	Dec. 31, 2008	Mar. 31, 2009	Jun. 30, 2009	Sep. 30, 2009	Dec. 31, 2009	Mar. 31, 2010	Amount	Percentage
Sales Quantity (thousands ton)	149.5	151.2	129.1	114.5	103.4	137.5	144.8	149.7	4.9	3.4%
Rubbers	87.5	86.0	72.7	67.7	55.0	76.2	81.8	89.0	7.2	8.8%
Latices	39.2	38.8	35.5	30.8	29.0	38.0	40.1	36.3	-3.8	-9.5%
Chemicals	22.8	26.4	20.9	16.0	19.4	23.3	22.9	24.4	1.5	6.5%
Net Sales (JPYm)	76,394	80,191	67,050	45,222	47,310	55,394	58,962	64,211	5,249	8.9%
Elastomer business	49,548	55,188	45,965	29,256	27,266	33,490	37,135	40,395	3,260	8.8%
Rubbers	36,046	39,869	32,099	19,870	18,290	22,550	26,054	28,624	2,570	9.9%
Latices	5,830	6,091	6,037	4,619	3,864	4,177	4,827	4,867	40	0.8%
Chemicals	7,671	9,229	7,828	4,768	5,113	6,772	6,256	6,959	703	11.2%
Eliminations	0	0	0	0	0	-10	-1	-55	-54	-
Specialty materials	10,462	11,304	9,151	6,652	10,604	11,840	11,876	12,985	1,109	9.3%
Specialty materials	6,601	6,827	5,484	4,092	4,812	5,788	5,723	6,485	762	13.3%
Specialty plastics	3,861	4,477	3,695	2,561	5,792	6,052	6,153	6,500	347	5.6%
Eliminations	0	0	-28	-1	0	0	0	0	0	-
Other	17,069	15,583	12,733	9,766	9,954	10,366	10,230	11,105	875	8.6%
Eliminations	-685	-1,884	-799	-452	-515	-302	-278	-274	4	-1%
Operating expenses	5,332	4,680	3,930	-11,006	-2,921	1,204	5,173	5,863	690	13%
Elastomer business	3,998	5,292	5,654	-7,302	-1,437	763	4,312	5,709	1,397	32%
Specialty materials	1,267	-871	-1,756	-3,404	-1,226	584	869	26	-843	-97%
Other	89	279	99	-290	-269	-116	-23	104	127	-
Eliminations	-22	-21	-66	-10	11	-26	14	25	11	-
Ordinary income	6,515	3,977	2,717	-9,361	-2,674	693	5,450	5,979	529	10%
Net income	3,114	1,671	-817	-1,490	-2,292	892	2,852	3,568	716	25%
Exchange rate (JPY/\$)	103.4	108.0	99.2	92.8	97.5	94.7	89.5	90.4	0.9	1.0%
Exchange rate (JPY/€)	161.5	165.8	132.7	122.6	131.5	134.2	132.4	126.0	-6.4	-4.8%
Naphtha Price (JPY/kl)	70,900	85,800	52,000	27,000	33,300	41,200	42,500	47,700	5,200	12.2%

Comparative Balance Sheets (Consolidated)

(Unit : Millions of yen, %)

Assets						Liabilities and Net assets					
Account item	As of Mar. 31, 2010		As of Mar. 31, 2009		increase (decrease)	Account item	As of Mar. 31, 2010		As of Mar. 31, 2009		increase (decrease)
Current assets	131,632	46.8	130,945	44.8	687	Current liabilities	102,131	36.3	123,614	42.3	-21,483
Cash and bank deposits	7,378		5,263		2,115	Notes and accounts payable-trade	48,349		35,968		12,381
Notes and accounts receivable- trade	61,540		46,135		15,405	Short-term interest-bearing debt	39,127		69,187		-30,060
Accounts receivable-other	19,319		15,947		3,372	Other current liabilities	14,655		18,460		-3,805
Inventories	38,336		55,624		-17,288	Long-term liabilities	70,850	25.2	69,151	23.7	1,699
Other current assets	5,059		7,976		-2,917	Long-term interest-bearing debt	56,571		54,160		2,411
Fixed assets	149,421	53.2	161,082	55.2	-11,661	Other long-term liabilities	14,279		14,991		-712
Property, Plant and equipment	108,373		118,792		-10,419	Total Liabilities	172,981	61.5	192,766	66.0	-19,785
Intangible assets	4,127		4,874		-747	Equity capital	104,648		95,816		8,832
Investment securities	31,135		25,849		5,286	Stock acquisition rights	185		201		-16
Other fixed assets	5,785		11,567		-5,782	Minority interests	3,239		3,244		-5
Deferred charges	-	0.0	0	0.0	0	Total Net assets	108,072	38.5	99,261	34.0	8,811
						Total Liabilities and Net assets	281,053	100.0	292,027	100.0	-10,974
Total Assets	281,053	100.0	292,027	100.0	-10,974						

	As of Mar. 31, 2010	As of Mar. 31, 2009	Increase / decrease
Interest-bearing debt	95,698	123,347	-27,649
Equity capital	104,648	95,816	8,832
capital adequacy ratio	37.2	32.8	4.4
D/E Ratio	0.91	1.29	-0.37

Statements of Cash Flows (Consolidated) From Apr. 1 to Mar. 31, 2010

(Unit : Millions of yen)

	FY 2009 Year ended March 31, 2010	FY 2008 Year ended March 31, 2009	Increase (Decrease) Amount
Cash flows from operating activities	42,956	10,373	32,583
income before income taxes and minority interests	7,951	1,249	6,702
Depreciation and amortization (Decrease)	22,256	22,597	-341
increase in allowance for doubtful			
Decrease (increase) in receivables - trade	-15,065	26,694	-41,759
Decrease (increase) in inventories	18,126	-2,933	21,059
(Decrease) increase in payables - trade	11,866	-39,976	51,842
Income taxes refunded (paid)	2,587	-7,353	9,940
Other, net	-4,765	10,095	-14,860
Cash flows from investing activities	-12,346	-35,155	22,809
Purchase of tangible & intangible assets	-12,524	-35,779	23,255
Purchase of investment securities	-293	-978	685
Proceeds from sales and redemption of investment securities	483	2,003	-1,520
Other, net	-12	-401	389
Free Cash flows	30,610	-24,782	55,392
Cash flows from financing activities	-28,884	24,521	-53,405
(Decrease) increase of interest-bearing debt	-27,758	27,443	-55,201
Dividends paid	-709	-2,827	2,118
Other, net	-417	-95	-322
Effect of exchange rate changes on cash and cash equivalents	46	-1,142	1,188
Net increase (decrease) in cash and cash equivalents	1,772	-1,403	3,175
Cash and cash equivalents at beginning	5,008	6,126	-1,118
Increase in cash due to change in number of consolidated subsidiaries	131	285	-154
Cash and cash equivalents at end	6,912	5,008	1,904

Forecast of Operating Performance FY2010 (Consolidated)

(Unit : Millions of yen)

	Fiscal Year ended March 31, 2010	Fiscal Year ended March 31, 2009	Increase (Decrease)	
			Amount	Percentage
Net Sales	250,000	225,878	24,122	10.7%
Elastomer Business	157,000	138,287	18,713	13.5%
Specialty Materials Business	51,000	47,305	3,695	7.8%
Others	44,000	41,655	2,345	5.6%
Eliminations and corporate	-2,000	-1,369	-631	
Operating income	16,000	9,319	6,681	71.7%
Elastomer Business	13,000	9,347	3,653	39.1%
Specialty Materials Business	3,000	253	2,747	1087.8%
Others	0	-304	304	
Eliminations and corporate	0	24	-24	
Ordinary income	16,000	9,448	6,552	69.3%
Net income	9,000	5,020	3,980	79.3%
Exchange rate (JPY/\$)	90.0	93.0	-3.0	-3.2%
Exchange rate (JPY/€)	125.0	131.0	-6.0	-4.6%
Naphtha Price (JPY/kl)	50,000	41,200	8,800	21.4%
Depreciation & Amortization	23,000	22,256	744	3.3%
Capital Expenditures	13,000	11,326	1,674	14.8%
Research and Development Expenses	10,000	8,954	1,046	11.7%