

Financial Report

The 1st Quarter of FY2010 (From Apr. 1 to Jun. 30, 2010)

August, 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.

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

The user acknowledge that he/she agrees to exercise his/her own judgment in using these materials. The Company shall bear no responsibility for any loss arising from investment decisions relying fully on these materials.

Statements of Income (Consolidated) From Apr. 1 to Jun. 30, 2010

(Unit : Millions of yen)

	First Quarter ended June 30, 2010	First Quarter ended June 30, 2009	Increase (Decrease)		Remarks
			Amount	Percentage	
Net Sales	67,578	47,310	20,268	42.8%	Comparative Analysis of Net Sales for ended Jun. 30 (JPY100m)
Elastomer Business	42,915	27,266	15,649	57.4%	Quantity Variance 148
Specialty Materials Business	13,743	10,604	3,139	29.6%	Price Variance 65
Others	11,242	9,954	1,288	12.9%	Exchange rate Variance -10
Eliminations and corporate	-321	-515	194		
Operating income	10,436	-2,921	13,357	-	Comparative Analysis of Operating income for ended Jun. 30 (JPY100m)
Elastomer Business	7,206	-1,437	8,643		Quantity Variance 79 Raw materials price variance etc. -4
Specialty Materials Business	3,150	-1,226	4,376		Price Variance 65 SGA -7
Others	61	-269	330		Exchange rate Variance -10 Cost reduction effect 11
Eliminations and corporate	20	11	9		
Nonoperating income and loss	-891	247	-1,138		
Nonoperating income	644	710	-66		Comparative Analysis of Nonoperating income for ended Jun. 30 (JPY100m)
					Subsidy and Foreign exchange gain, net -1
Nonoperating expenses	1,535	463	1,072		Comparative Analysis of Nonoperating expenses for ended Jun. 30 (JPY100m)
					Foreign exchange loss 11
Ordinary income	9,545	-2,674	12,219	-	
Extraordinary gains and losses	-2,581	-673	-1,908		
Extraordinary gains	38	220	-182		Comparative Analysis of Extraordinary gains for ended Jun. 30 (JPY100m)
					Gain on sales of investment securities -2
Extraordinary losses	2,619	893	1,726		Comparative Analysis of Extraordinary losses for ended Jun. 30 (JPY100m)
					Loss on disposal of fixed assets 9
					Loss on devaluation of investment securities 4
					Asset retirement obligations etc. 4
Net income	4,363	-2,292	6,655	-	
Exchange rate (JPY/\$)	92.8	97.5	-4.7	-4.8%	
Exchange rate (JPY/€)	120.5	131.5	-11.0	-8.3%	
Naphtha Price (JPY/kl)	49,700	33,500	16,200	48.4%	

Business Segments (Consolidated)

- Elastomer Business -

(Unit : Millions of yen)

	First Quarter ended June 30, 2010	First Quarter ended June 30, 2009	Increase (Decrease)	
			Amount	Percentage
Sales Quantity (thousands ton)	145.8	103.4	42.4	41.0%
Rubbers	83.4	55.0	28.3	51.5%
Latices	36.5	29.0	7.5	25.9%
Chemicals	25.9	19.4	6.5	33.8%
Net Sales (JPYm)	42,915	27,266	15,649	57.4%
Rubbers	30,714	18,290	12,424	67.9%
Latices	5,318	3,864	1,454	37.6%
Chemicals	6,895	5,113	1,782	34.8%
Eliminations and corporate	-11	0	-11	-
Operating expenses	35,709	28,703	7,006	24.4%
Operating income	7,206	-1,437	8,643	-

- Specialty Materials Business -

(Unit : Millions of yen)

	First Quarter ended June 30, 2010	First Quarter ended June 30, 2009	Increase (Decrease)	
			Amount	Percentage
Net Sales	13,743	10,604	3,139	29.6%
Specialty materials	6,087	4,812	1,275	26.5%
Specialty plastics	7,656	5,792	1,864	32.2%
Eliminations and corporate	0	0	0	-
Operating expenses	10,593	11,830	-1,237	-10.5%
Operating income	3,150	-1,226	4,376	-

- Others -

(Unit : Millions of yen)

	First Quarter ended June 30, 2010	First Quarter ended June 30, 2009	Increase (decrease)	
			Amount	Percentage
Net Sales	11,242	9,954	1,288	12.9%
Operating expenses	11,181	10,223	958	9.4%
Operating income	61	-269	330	-

Statements of Income (Consolidated) for 3 Months ended

(Unit : Millions of yen)

	Fiscal Year ended March 31, 2010				Fiscal Year endind March 31, 2011	Increase (Decrease)		Remarks
	Apr.- Jun. (Act.)	Jul.- Sept. (Forecast)	Jul.- Sept. (Forecast)	Oct.- Mar. (Forecast)	Apr.- Jun. (Act.)	Amount	Percentage	
Sales Quantity (thousands ton)	103.4	137.5	144.8	149.7	145.8	-3.9	-2.6%	
Rubbers	55.0	76.2	81.8	89.0	83.4	-5.6	-6.3%	
Latices	29.0	38.0	40.1	36.3	36.5	0.2	0.6%	
Chemicals	19.4	23.3	22.9	24.4	25.9	1.5	6.3%	
Net Sales (JPYm)	47,310	55,394	58,962	64,211	67,578	3,367	5.2%	Comparative Analysis of Net Sales for ended Jun. 30 (JPY100m)
Elastomer business	27,266	33,490	37,135	40,395	42,915	2,519	6.2%	Quantity Variance 16
Rubbers	18,290	22,550	26,054	28,624	30,714	2,090	7.3%	Price Variance 15
Latices	3,864	4,177	4,827	4,867	5,318	450	9.3%	Exchange rate Variance 3
Chemicals	5,113	6,772	6,256	6,959	6,895	-65	-0.9%	
Eliminations	0	-10	-1	-55	-11	44	-	
Specialty materials	10,604	11,840	11,876	12,985	13,743	758	5.8%	
Specialty materials	4,812	5,788	5,723	6,485	6,087	-398	-6.1%	
Specialty plastics	5,792	6,052	6,153	6,500	7,656	1,156	17.8%	
Eliminations	0	0	0	0	0	0	-	
Other	9,954	10,366	10,230	11,105	11,242	137	1.2%	
Eliminations	-515	-302	-278	-274	-321	-47	17.3%	
Operating expenses	-2,921	1,204	5,173	5,863	10,436	4,573	78.0%	Comparative Analysis of Operating income for ended Jun. 30 (JPY100m)
Elastomer business	-1,437	763	4,312	5,709	7,206	1,497	26.2%	Quantity Variance 0
Specialty materials	-1,226	584	869	26	3,150	3,124	12218.1%	Price Vairiance 15
Other	-269	-116	-23	104	61	-43	-	Exchange rate Variance 3
Eliminations	11	-26	14	25	20	-5	-	Raw materials price variance etc. 19
								SGA 6
								Cost reduction effect 3
Ordinary income	-2,674	693	5,450	5,979	9,545	3,566	59.6%	
Net income	-2,292	892	2,852	3,568	4,363	795	22.3%	
Exchange rate (JPY/\$)	97.5	94.7	89.5	90.4	92.8	2.4	2.7%	
Exchange rate (JPY/€)	131.5	134.2	132.4	126.0	120.5	-5.5	-4.3%	
Naphtha Price (JPY/kl)	33,300	41,200	42,500	47,700	49,700	2,000	4.2%	

Comparative Balance Sheets (Consolidated)

(Unit : Millions of yen, %)

Assets						Liabilities and Net assets					
Account item	As of Jun. 30, 2010		As of Mar. 31, 2010		increase (decrease)	Account item	As of Jun. 30, 2010		As of Mar. 31, 2010		increase (decrease)
Current assets	138,937	49.3	131,632	46.8	7,305	Current liabilities	104,317	37.0	102,131	36.3	2,186
Cash and bank deposits	6,499		7,378		-879	Notes and accounts payable-trade	53,504		48,349		5,155
Notes and accounts receivable- trade	64,981		61,540		3,441	Short-term interest-bearing debt	34,847		39,127		-4,280
Accounts receivable-other	19,972		19,319		653	Other current liabilities	15,966		14,655		1,311
Inventories	38,978		38,336		642	Long-term liabilities	70,138	24.9	70,850	25.2	-712
Other current assets	8,507		5,059		3,448	Long-term interest-bearing debt	55,630		56,571		-941
Fixed assets	142,985	50.7	149,421	53.2	-6,436	Other long-term liabilities	14,508		14,279		229
Property, Plant and equipment	104,761		108,373		-3,612	Total Liabilities	174,455	61.9	172,981	61.5	1,474
Intangible assets	4,231		4,127		104						
Investment securities	27,241		31,135		-3,894	Equity capital	103,962		104,648		-686
Other fixed assets	6,752		5,785		967	Stock acquisition rights	196		185		11
Deferred charges	0	0.0	0	0.0	0	Minority interests	3,309		3,239		70
						Total Net assets	107,467	38.1	108,072	38.5	-605
Total Assets	281,922	100.0	281,053	100.0	869	Total Liabilities and Net assets	281,922	100.0	281,053	100.0	869

	As of Jun. 30, 2010	As of Mar. 31, 2009	Increase / decrease
Interest-bearing debt	90,477	95,698	-5,221
Equity capital	103,962	104,648	-686
capital adequacy ratio	36.9	37.2	-0.3
D/E Ratio	0.87	0.91	-0.04

Statements of Cash Flows (Consolidated) From Apr. 1 to Jun. 30, 2010

(Unit : Millions of yen)

	First Quarter ended June 30, 2010	First Quarter ended June 30, 2009	Increase (Decrease)
			Amount
Cash flows from operating activities	10,859	8,882	1,977
income before income taxes and minority interests	6,964	-3,347	10,311
Depreciation and amortization (Decrease)	5,069	4,648	421
increase in allowance for doubtful			
Decrease (increase) in receivables - trade	-3,592	-399	-3,193
Decrease (increase) in inventories	-370	9,345	-9,715
(Decrease) increase in payables - trade	5,250	344	4,906
Income taxes refunded (paid)	-555	-332	-223
Other, net	-1,907	-1,377	-530
Cash flows from investing activities	-1,758	-2,279	521
Purchase of tangible & intangible assets	-2,164	-2,725	561
Purchase of investment securities	-191	-5	-186
Proceeds from sales and redemption of investment securities	0	433	-433
Other, net	597	18	579
Free Cash flows	9,101	6,603	2,498
Cash flows from financing activities	-9,560	-6,293	-3,267
(Decrease) increase of interest-bearing debt	-5,256	-5,620	364
Dividends paid	-1,280	-614	-666
Other, net	-878	-59	-819
Effect of exchange rate changes on cash and cash equivalents	-78	172	-250
Net increase (decrease) in cash and cash equivalents	-538	482	-1,020
Cash and cash equivalents at beginning	6,912	5,008	1,904
Increase in cash due to change in number of consolidated subsidiaries	124	71	53
Cash and cash equivalents at end	6,499	5,561	938

Forecast of Operating Performance FY2011 (Consolidated)

First half-year of FY2011 (Apr. 1, 2010 through Sept. 30, 2010)

(Unit : Millions of yen)

	Revised forecast (Announced on Jul.28, 2010)	Actual results of the corresponding period of the preceding year	Increase (Decrease)		Previous forecast (Announced on May 13, 2010)
			Amount	Percentage	
Net Sales	134,000	102,704	31,296	30.5%	125,000
Operating income	18,000	-1,717	19,717	-	8,000
Ordinary income	16,500	-1,981	18,481	-	8,000
Net income	8,700	-1,400	10,100	-	4,000

FY2011 (Apr. 1, 2010 through Mar. 31, 2011)

(Unit : Millions of yen)

	Fiscal Year ended March 31, 2011	Fiscal Year ended March 31, 2010	Increase (Decrease)		Fiscal Year ended March 31, 2011 (Previous Forecast)
			Amount	Percentage	
Net Sales	259,000	225,878	33,122	14.7%	250,000
Operating income	26,000	9,319	16,681	179.0%	16,000
Ordinary income	24,500	9,448	15,052	159.3%	16,000
Net income	13,700	5,020	8,680	172.9%	9,000

Quarterly trend

(Unit : 100Millions of yen)

	Fiscal Year ending March31, 2011				
	Apr.- Jun. (Act.)	Jul.- Sept. (Forecast)	Jul.- Sept. (Forecast)	Oct.- Mar. (Forecast)	FY2011 total (Forecast)
Net Sales (JPYm)	676	664	625	625	2,590
Elastomer business	429	417	393	392	1,631
Specialty materials	137	132	127	128	524
Other	112	117	110	110	449
Eliminations	-2	-2	-5	-5	-14
Operating expenses	104	76	40	40	260
Elastomer business	72	53	33	32	190
Specialty materials	32	22	7	8	69
Other	1	1	0	0	2
Eliminations	-1				-1
Ordinary income	95	70	40	40	245
Net income	44	43	25	25	137
Exchange rate (JPY/\$)	92.8	88.5	90.0	90.0	
Exchange rate (JPY/€)	120.5	107.8	125.0	125.0	
Naphtha Price (JPY/kl)	49,700	47,000	50,000	50,000	