

Financial Report

The 1st Quarter of FY2011 (From Apr. 1 to Jun. 30, 2011)

August, 2011

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, 2011

(Unit : Millions of yen)

	First Quarter ended June 30, 2011	First Quarter ended June 30, 2010	Increase (Decrease)		Remarks
			Amount	Percentage	
Net Sales	66,730	67,578	-849	-1.3%	Comparative Analysis of Net Sales (JPY100m)
Elastomer Business	43,987	42,915	1,072	2.5%	Quantity Variance -60
Specialty Materials Business	13,951	13,743	208	1.5%	Price Variance 71
Others	9,303	11,242	-1,939	-17.3%	Exchange rate Variance -19
Eliminations	-511	-321	-189		
Operating income	11,825	10,436	1,389	13.3%	Comparative Analysis of Operating income (JPY100m)
Elastomer Business	9,740	7,206	2,534	35.2%	Quantity Variance 1 Raw materials price variance and others (net) -38
Specialty Materials Business	1,883	3,150	-1,266	-40.2%	Price Variance 71 SGA -6
Others	218	61	157	257.1%	Exchange rate Variance -19 Cost reduction effect 5
Eliminations	-16	20	-36		
Nonoperating income and expenses	-164	-891	727	-	
Nonoperating income	706	644	62	9.6%	Comparative Analysis of Nonoperating income (JPY100m)
					Dividends income 1
Nonoperating expenses	870	1,535	-665	-43.3%	Comparative Analysis of Nonoperating expenses (JPY100m)
					Foreign exchange loss -9
Ordinary income	11,661	9,545	2,116	22.2%	
Extraordinary gains and losses	-173	-2,581	2,408		
Extraordinary gains	417	38	379		Comparative Analysis of Extraordinary gains (JPY100m)
					Business Assignment 4
Extraordinary losses	590	2,619	-2,029		Comparative Analysis of Extraordinary losses (JPY100m)
					Loss on disposal of fixed assets -9
					Loss on devaluation of investment securities -5
					Asset retirement obligation -6
Net income	7,081	4,363	2,718	62.3%	
Exchange rate (JPY/\$)	82.0	92.8	-10.8	-11.6%	
Exchange rate (JPY/€)	118.5	120.5	-2.0	-1.7%	
Naphtha Price (JPY/kl)	59,500	49,700	9,800	19.7%	

Segment Information (Consolidated) for 3 Months ended Jun.30

- Elastomer Business -

(Unit : Millions of yen)

	First Quarter ended June 30, 2011	First Quarter ended June 30, 2010	Increase (Decrease)	
			Amount	Percentage
Sales Quantity (thousands ton)	136.0	145.8	-9.8	-6.7%
Rubbers	75.7	83.4	-7.7	-9.3%
Latices	33.6	36.5	-2.9	-7.9%
Chemicals	26.7	25.9	0.8	3.1%
Net Sales (JPYm)	43,987	42,915	1,072	2.5%
Rubbers	29,148	30,714	-1,566	-5.1%
Latices	5,283	5,318	-35	-0.7%
Chemicals	9,228	6,895	2,333	33.8%
Others	876	0	876	-
Eliminations	-548	-11	-537	-
Operating expenses	34,247	35,709	-1,462	-4.1%
Operating income	9,740	7,206	2,534	35.2%

- Specialty Materials Business -

(Unit : Millions of yen)

	First Quarter ended June 30, 2011	First Quarter ended June 30, 2010	Increase (Decrease)	
			Amount	Percentage
Net Sales	13,951	13,743	208	1.5%
Specialty materials	5,352	6,087	-735	-12.1%
Specialty plastics	7,626	7,656	-30	-0.4%
Medical etc.	973	0	973	-
Eliminations	0	0	0	-
Operating expenses	12,067	10,593	1,474	13.9%
Operating income	1,883	3,150	-1,266	-40.2%

- Others -

(Unit : Millions of yen)

	First Quarter ended June 30, 2011	First Quarter ended June 30, 2010	Increase (decrease)	
			Amount	Percentage
Net Sales	9,303	11,242	-1,939	-17.3%
Operating expenses	9,085	11,181	-2,096	-18.7%
Operating income	218	61	157	257.1%

Statements of Income (Consolidated) for 3 Months ended

(Unit : Millions of yen)

	Fiscal Year ended March 31, 2011				Fiscal Year endind March 31, 2012	Increase (Decrease) Q1/FY2011 vs. Q4/FY2010		Remarks
	Apr.- Jun.	Jul.- Sep.	Oct.- Dec.	Jan.- Mar.	Apr.- Jun.	Amount	Percentage	
Sales Quantity (thousands ton)	145.8	146.9	147.9	144.2	136.0	-8.2	-5.7%	
Rubbers	83.4	82.3	82.5	80.7	75.7	-5.0	-6.2%	
Latices	36.5	37.7	39.1	35.4	33.6	-1.8	-5.1%	
Chemicals	25.9	26.9	26.4	28.1	26.7	-1.4	-4.9%	
Net Sales	67,578	67,439	66,665	68,700	66,730	-1,970	-2.9%	Comparative Analysis of Net Sales (JPY100m)
Elastomer business	42,915	42,742	43,262	44,516	43,987	-529	-1.2%	Quantity Variance -50
Rubbers	30,714	30,219	29,836	30,610	29,148	-1,462	-4.8%	Price Variance 28
Latices	5,318	5,434	5,493	5,151	5,283	132	2.6%	Exchange rate Variance 2
Chemicals	6,895	7,102	7,932	8,754	9,228	474	5.4%	
Others	0	0	0	0	876	876	-	
Eliminations	-11	-13	0	0	-548	-549	-	
Specialty materials business	13,743	13,140	11,459	11,448	13,951	2,503	21.9%	
Specialty materials	6,087	5,879	5,401	5,364	5,352	-11	-0.2%	
Specialty plastics	7,656	7,261	6,059	6,084	7,626	1,542	25.3%	
Medical.etc	0	0	0	0	973	973	-	
Eliminations	0	0	0	0	0	0	-	
Others	11,242	11,853	12,272	13,127	9,303	-3,824	-29.1%	
Eliminations	-321	-296	-328	-390	-511	-120	30.8%	
Operating expenses	10,436	8,344	8,006	8,510	11,825	3,316	39.0%	Comparative Analysis of Operating income (JPY100m)
Elastomer business	7,206	6,728	7,093	7,159	9,740	2,581	36.0%	Quantity Variance -4
Specialty materials business	3,150	1,372	749	1,174	1,883	710	60.4%	Price Variance 28
Others	61	213	150	162	218	56	-	Exchange rate Variance 2
Eliminations	20	30	13	14	-16	-31	-	Raw materials price variance and others. (net) 3
								SGA -1
								Cost reduction effect 5
Ordinary income	9,545	7,609	7,829	8,641	11,661	3,021	35.0%	
Net income	4,363	4,751	4,579	4,610	7,081	2,471	53.6%	
Exchange rate (JPY/\$)	92.8	86.6	83.0	81.8	82.0	0.2	0.2%	
Exchange rate (JPY/€)	120.5	109.3	112.5	110.5	118.5	8.0	7.2%	
Naphtha Price (JPY/kl)	49,700	42,700	45,100	52,400	59,500	7,100	13.5%	

Comparative Balance Sheets (Consolidated)

(Unit : Millions of yen, %)

Assets						Liabilities and Net assets					
Account item	As of Jun. 30, 2011		As of Mar. 31, 2011		increase (decrease)	Account item	As of Jun. 30, 2011		As of Mar. 31, 2010		increase (decrease)
Current assets	158,654	54.0	156,741	53.9	1,913	Current liabilities	102,910	35.0	105,137	36.2	-2,227
Cash and bank deposits	7,682		15,129		-7,447	Notes and accounts payable-trade	62,847		60,929		1,918
Notes and accounts receivable- trade	65,413		65,482		-69	Short-term interest-bearing debt	17,839		17,997		-158
Accounts receivable-other	30,458		24,788		5,670	Other current liabilities	22,224		26,211		-3,987
Inventories	47,199		45,930		1,269	Long-term liabilities	65,344	22.2	66,691	22.9	-1,347
Other current assets	7,902		5,412		2,490	Long-term interest-bearing debt	52,233		52,866		-633
Fixed assets	135,256	46.0	133,855	46.1	1,401	Other long-term liabilities	13,111		13,825		-714
Property, Plant and equipment	96,729		95,942		787	Total Liabilities	168,254	57.2	171,828	59.1	-3,574
Intangible assets	3,952		3,996		-44	Equity capital	121,831		114,875		6,956
Investment securities	29,171		28,361		810	Stock acquisition rights	247		234		13
Other fixed assets	5,404		5,555		-151	Minority interests	3,579		3,659		-80
Deferred charges	-	-	-	-	-	Total Net assets	125,657	42.8	118,767	40.9	6,890
Total Assets	293,910	100.0	290,596	100.0	3,314	Total Liabilities and Net assets	293,910	100.0	290,596	100.0	3,314

	As of Jun. 30, 2011	As of Mar. 31, 2011	Increase / decrease
Interest-bearing debt	70,072	70,863	-791
Equity capital	121,831	114,875	6,956
Equity ratio	41.5	39.5	1.9
D/E Ratio	0.58	0.62	-0.04

Forecast of Operating Performance FY2011 (Consolidated)

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

(Unit : 100 Millions of yen)

Forecast of Operating Performance FY2011 (Consolidated) Announced on July 27th, 2011

	First Quarter ended June 30, 2011	First Quarter ended Sep. 30, 2011	1st half (Apr - Sep)	2nd half (Oct - Mar)	Fiscal Year ended March 31, 2012
Net Sales	667	683	1,350	1,480	2,830
Elastomer Business	440	461	901	942	1,843
Specialty Materials Business	140	125	265	328	593
Others	93	100	193	217	410
Eliminations	-6	-3	-9	-7	-16
Operating income	118	97	215	135	350
Elastomer Business	97	78	175	82	257
Specialty Materials Business	19	17	36	46	82
Others	2	2	4	6	10
Eliminations	0	0	0	1	1
Ordinary income	117	81	198	132	330
Net income	71	49	120	80	200

Fiscal Year ended March 31, 2011	Increase (Decrease)	
	Amount	Percentage
2,704	126	4.7%
1,734	109	6.3%
498	95	19.1%
485	-75	-15.5%
-13	-3	-
353	-3	-0.8%
282	-25	-8.9%
64	18	28.1%
6	4	66.7%
1	0	-
336	-6	-1.8%
183	17	9.3%

Exchange rate (JPY/\$)	82.0	80.0	81.0	80.0	80.5
Exchange rate (JPY/€)	118.5	110.0	114.2	110.0	112.1
Naphtha Price (JPY/kl)	59,500	57,500	58,500	67,000	62,750
Depreciation & Amortization					220
Capital Expenditures					230
Research and Development Expenses					110

86.0	-5.5	-6.4%
113.2	-1.1	-1.0%
47,500	15,250	32.1%
211	9	4.3%
103	127	123.3%
95	15	15.8%